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Brand Stewardship

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Building Brand Equity for Performance

BRAND STEWARDSHIP

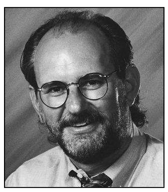
BRANDS BECOME SUCCESSFUL because, as a long-term commitment, they are carefully developed and nurtured. Fundamental to this stewardship is a clear understanding of the brand and the beliefs and consumer relationships that surround it. Translating this principle into an action plan, Karl Speak discusses what design managers can do to leverage their brand assets. He reviews key elements of brand definition and proposes an agenda for establishing a credible stewardship process.

by Karl D. Speak

The necessity to build brand loyalty has rapidly become part of today's routine business conversation, and for good reason. Organizations across all categories are placing much more emphasis on the use of brands in their business strategies; even governmental agencies now talk of themselves as brands. The increased popularity of this strategy seems to be driven, in part, by a desire to emulate the successes of *nouveau riche* companies like Nike and 3M. It's popular to be a brand.

Interest in brand building is also being driven by the changes taking place in the global business structure. Acquisition, divestiture, deregulation, and global consolidation now appear to be the norm, not the exception, and all this restructuring means changing marketplace relationships. Brands can be defined as unique, proprietary marketplace relationships that provide long-term strategic value to the organization. These branded relationships are the core of the intangible assets of the new economy.

Even so, this sudden interest in brands is old news for many companies.



Karl D. Speak, principal and founder of Beyond Marketing Thought, is an executive consultant specializing in brand management issues. Speak has implemented his contemporary approach to brand management with a wide range of corporate clients, such as Allina Health System, United Healthcare, Honeywell, American Airlines, Federal Express, and others.

Coke, Tide, Nike, Cheerios, Fluke, Carhart, Dana, and Boeing are all examples of organizations and products that have benefited from distinctive brand relationships. The conversation in their executive suites is not about brand building as a newfound strategy; it's about how to maintain a successful marketplace relationship in a rapidly changing world.

For newly created brands, the challenge is to move beyond the new brand identity to a process that supports long-term brand building. Organizations with established brand equity have a different challenge: striking a healthy balance between meeting short-term business objectives and nurturing the long-term growth of the brand assets. In either case, the task is to develop and nurture a process that integrates brand building into the fabric of the organization.

The new-found charm of brands is good news for those individuals who have held the informal position of "brand steward"—the folks in corporate communications departments, the corporate identity professionals who have had the frustrating job of preaching to the uninterested. That lone voice in the woods now has a chance to be heard. Organizations need leadership in moving from short-term brand management to the longer view of *brand stewardship*.

What Is Brand Stewardship?

Great brands, and brand loyalty, are the result of organizations acting as stewards of the brand relationship.

While stewardship is most strongly associated with a devotion to the higher callings of God or country, the basic concept is critically important to the success of business and organizations today. Organizations that want to thrive in today's marketplace must concern themselves with the higher values that support the brand's promise and preserve its distinctive relationship with its markets.

The best application of stewardship principles in the business world comes from Peter Block's work in organizational development. Block defines stewardship as "the willingness to be accountable for the well-being of the larger organization by operating in service, rather than in control, of those around us." [1] Block goes on to describe the core ethos of stewardship as choosing service over self-interest.

Businesses and other organizations that want to maintain strong, positive relationships with their targeted constituencies must continually protect, safeguard, and build the value of their brand equities. Put another way, organizations are responsible for ensuring that their brands stand for value, service, quality, and other attributes that matter most—over the long term— to the people they serve.

Stewardship, in this context, clearly applies to the concept of brand building. Stated simply: Brand stewardship is the leadership of and accountability for the long-term well-being of the organization's brand equities. It mediates the natural tension between the use of brand assets to contribute to the organization's ongoing operating results and the long-term preservation of the brand's equity that supports future business growth.

At the core of brand stewardship is a clear understanding of brands and the beliefs they are built upon. A brand is a promise and a relationship that goes far beyond the purchasing decision or the delivery of product satisfaction; it includes an emotional payoff, a sense of security, pride, and, in some cases, self-definition. Brands that are built on a belief system support their own promises and create value for the targeted consumer. Great brands understand and own the responsibility they have to their consumers and are rewarded with loyalty in return. Brand stewardship, therefore, involves a long-term approach to maintaining the brand promise and brand relationships—concepts we'll explain shortly—that create and sustain brand equity. This, in turn, requires an ability to operate without self-interest and with an understanding that the brand is bigger than any brand manager, at any given time.

There are three basic reasons why brand stewardship is so important today. First, the growing popularity of decentralized organizations has minimized most central control or influence over the use of corporate assets such as brand equity. This means brands are frequently left to drift. Second, the intense pressure to produce short-term financial results has clearly shifted the brand management focus to harvesting brand equity, not rebuilding it. Most companies do not recognize the damage done to their brands caused by failure to reinvest resources in maintaining or strengthening them. Finally, there is the "revolving door" rationale for focusing on brand stewardship. The high industry turnover rate among brand and product managers results in a lack of continuity in managing the brand. This continual changing of the guard means that there is often no consistent, long-term strategy for maintaining brand equity. Hence the need for brand stewardship.

Great brands

understand and own the responsibility they have to their consumers and are rewarded with loyalty in return

It is my belief that brand stewardship is best supported by a holistic brand management process that employs a disciplined approach to preserving and growing an organization's brands.

Initiating the Brand Stewardship Process

Integrating the brand stewardship discipline into the organization is challenging and takes time. The brand stewardship discipline challenges the organization to do business differently. It means a commitment to

- Engage the executive leadership in articulating a vision and a point of view for key marketplace relationships.
- Imbue the entire marketing process with a consistent brand-building discipline.
- Engage the entire organization in reinforcing the brand's promise through every action taken by the organization—internally and externally.

Implementing any new discipline or process requires the development and acceptance of a common

1. Peter Block, *Stewardship.* San Francisco: Berrett-Koehler Publishers, 1993.

language. An essential first step in the brand stewardship process, therefore, is to jump-start a dialogue on brands and brand building in the organization. The conversation should begin with the executive team, move to the marketing and communications functions, and, finally, seep into the grass roots. It takes a deliberate, concerted effort to get the brand conversation going, but it can be done.

Create an Open Brand Architecture

Brand management is not rocket science. For too long the process of building brands has been co-opted by a self-appointed group of brand experts made up of advertising executives and marketing consultants. Building branded customer relationships is not tied to any specific marketing tactic; brand management goes well beyond any brand communications program. In fact, brand management is the practical process of coordinating all the functions of the organization to produce a consistent brand experience. Brand equity is created when consumers actually experience—and prefer—the branded product or service.

Even though brand management is a rather straightforward discipline, it still needs to be understood to be practiced. The understanding must be universal, practical, and actionable. Creating widespread awareness and knowledge of brand management is an important step in the brand-stewardship process.

The computer industry has taught us that developing widely known and accepted definitions and standards—an "open architecture"—is an essential step to gaining acceptance of new technologies and ideas. Adopting an open architecture approach can also help organizations to more smoothly and effectively incorporate the brand stewardship discipline. It begins with an agreement to use a common language to talk about branding and to agree on a shared vision of brand management parameters. Creating an open brand architecture within an organization involves

- Understanding the organization's current viewpoint on marketplace relationships.
- Creating a common definition of the concept of branding.
- Clearly defining and communicating the brand's functional and emotional dimensions.

Brand Orientation

To successfully implement the brand stewardship process, it is vital to understand *brand orientation*—

Brand Stewardship Needs a Brand Steward

Who should be the brand steward in an organization? Ideally, it is the CEO or a senior executive with respect and clout in the organization. Most often, however, organizations don't designate an individual to serve as brand steward. The task is spread out among a number of people who are responsible for different pieces of the brand relationship. Sales executives are responsible for the revenue-producing portion of the brand relationship. Marketing executives are responsible for advertising, promotion, and product management aspects. Corporate communications has responsibility for identity and broader brand communications. Unfortunately, the interests of each of these groups are driven by short-term-oriented activities and motivated by different performance criteria.

Just because an organization doesn't have a recognized brand steward doesn't mean that there aren't brand "believers" walking around. Unfortunately, these believers do not have the clout and tools required to be brand stewards. The most ardent brand stewards often reside in corporate functions such as the corporate communications department. Not being a part of the operating unit or business line makes their job difficult. Corporate communicators, for example, lack the clout that comes from directly contributing to the top or bottom line. The only tools available to a self-appointed brand steward in corporate communications, therefore, are those of "influencing" and cajoling. These believers often feel they are a "lone voice in the woods."

What makes a good brand steward? Here are some attributes of an effective, successful brand steward:

Brand stewards really "get it." They understand and believe in the concept of brand stewardship. It's also important that they clearly understand the brand management discipline.

They are brand-proud. Their pride is usually based on their belief in the brand's promise and on a conviction that they share some of the brand's own values. Moreover, they keep track of and add to the brand's mythology—stories that demonstrate and emphasize the brand's belief system. These stories dramatize the ethos of the brand by making heroes of individuals who dramatically demonstrate their understanding of and commitment to brand values in real-world situations.

They are respected. To be an effective brand steward, an individual must be highly respected in his or her organization. The necessary respect is generated by the steward's professional reputation and a track record that includes earning his/her stripes in a functional area that is prized by the organization's senior management team.

They are "method actors." Brand stewards become leaders by walking the talk. They do this by being in "brand character" all the time. As with any good method actor, the outside world finds it hard to distinguish the actor from the character.

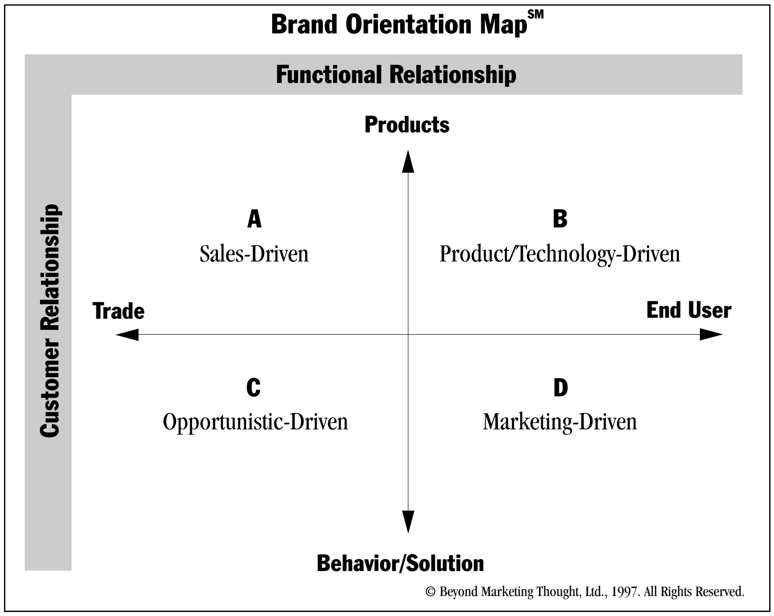
the organization's point of view on marketplace relationships. Every organization has an attitude—stated or unstated—toward how it should use its resources to build marketplace relationships. This *brand orientation* has a major impact on how the company embraces and uses brand management. Rather than struggle with an organization that "doesn't get it," the brand stewardship team or champion would do well to consider the organization's attitude toward marketplace relationships. Brand orientation will give the brand steward insight and perspective on the level of effort necessary to implement stewardship.

Figure 1 depicts an organization's brand orientation by analyzing two fundamentally different marketing perspectives that I'll call *functional relationships* and *customer relationships*. It is possible to discover an organization's brand orientation by placing it into one of four categories defined by these marketing perspectives. The organization's perspective on either functional or customer relationships—ultimately, its brand orientation—has a significant impact on its marketing behaviors, investments, and priorities.

The chart's vertical axis is a spectrum that plots an organization's *functional relationship* with its marketplace. *Functional relationship* describes how an organization defines and communicates its competency to the marketplace. Organizations define their functional relationships with their markets based on either a *product relationship* or a *behavior/solution relationship*. Companies favoring a product relationship believe they will maintain competitive advantage by continually delivering a superior product that satisfies a particular need. At the other end of the spectrum, we find firms that base their functional relationships on satisfying a broader-based customer need. They do this by satisfying a broader set of customer needs that are defined by a behavior—for example, "athletic performance" shoes as opposed to "running shoes"—a complete, rather than a partial, solution.

The other perspective described by this model is the *customer relationship*. This spectrum differentiates organizations based on whether they cater more to the needs of their trade customers—the vendors who sell their products—or to the needs of their end users. In marketing jargon, organizations that favor their trade customers put more emphasis on the "push" side of the marketing lever. Those at the other end of the spectrum believe they will have greater advantage with "pull" marketing strategies.

Figure 1



The Four Marketing Orientations

The *sales-driven* organization depicted in quadrant A of figure 1 believes in the superiority of its product and believes in building brand equity primarily with its trade customers, mostly through sales activities and one-on-one relationships. Many organizations have this orientation: 3M Company is a good example.

The *product/technology-driven* organization depicted in quadrant B relies on these abilities to create and sustain superior relationships with its end users. Its brand orientation is based on a belief that its superior technology is so valued by consumers that it can pull, or dictate terms to, its trade customers. Organizations with this type of brand orientation believe that their technical competence is their loudest brand voice and place less emphasis on other dimensions of the brand relationship. Microsoft is a good example of a product/technology-driven company.

The *opportunistically driven* brand orientation appears in quadrant C, the lower-left side of the graph. These organizations believe that their competitive advantage derives from being particularly responsive to the needs of their trade channels. Hence, they place a lot of stock in marketplace relationships with trade customers. Generally, these organizations build their initial brand equity with a sales-driven orientation and then use the success of a particular product to cement that relationship. Such companies usually follow this success by expanding their product set based on the opportunities their trade channels dictate. They are consequently vulnerable to distressing their brand equity by extending their brand recklessly in reaction to the wishes of their trade customers. Certainly, companies with this orientation can be very successful, but they must pay extra attention to their brand management practices. Coleman, the outdoor-products company, is a typical example.

Finally, we come to the *marketing-driven* orientation shown in quadrant D. Organizations that subscribe to this brand orientation exhibit a richer sense of brand equity due, in most cases, to competitive necessity. These companies believe in the value of a functional relationship that goes beyond a product or set of products. To maintain an enduring relationship with end users, they know their brand must relate to an important behavior or solution. Nike is a prime example of this type of company, although, interestingly enough, it began as a sales-driven company.

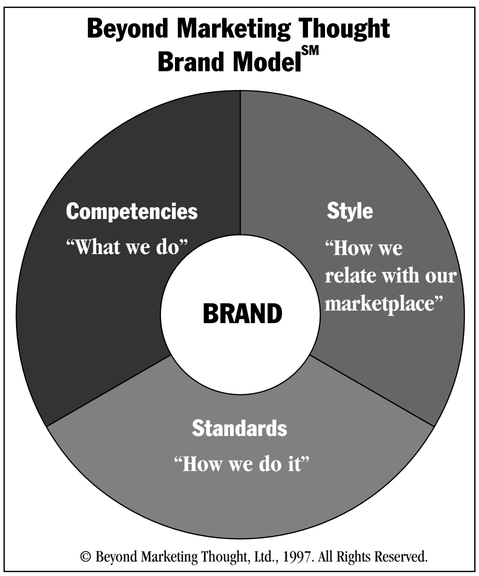
What's the best brand orientation? It depends on many factors. In reality, the challenge is to create movement across each axis and evolve brand relationships to support the growth of the organization. A brand stewardship discipline can be very important in facilitating the evolution of the organization's brand relationships.

Creating a Common Definition of *Brand*

Branding is a marketing concept used with almost reckless abandon. Reading through a stack of reference materials on the subject is a confusing experience to anyone unfamiliar with the subject. Yet to create the common language needed to improve brand management and integrate the brand stewardship discipline, we must have a workable, shared definition of branding.

Many models have been developed to define the concept of branding. Unfortunately, most of them have attempted to perpetuate the rocket-science perception referred to earlier. We need a definition that is simple to understand and use yet robust enough to support brand stewardship. It must also be useful in creating and promoting a common language around this discipline. Figure 2 offers our time-tested model, which defines a brand in terms of three basic characteristics.

Figure 2



In many cases, a brand is first described by its functional output: What does the brand do for me? This is a called a brand *competency*. Consumers generally define a brand's competency in straightforward, general terms. This brand perception then becomes the basis for determining the comparative set of brands in making purchase decisions.

The second perceived brand characteristic is known as the brand's *standards*. These attributes describe the distinctive characteristics that describe how a brand delivers its competency. Brand standards play an important role in creating brand preference in most product and service categories.

Brand *style* is also important, especially for a product or service category that is in a mature stage of its life cycle. Sometimes referred to as the brand's *personality*, this perception defines the distinctive attributes that become the basis for how the brand communicates with its constituents.

A Brand Stewardship Framework

For brand stewardship to take hold in an organization, there must be a solid framework to support it. This framework defines the key milestones that support long-term growth of brand equity. It can be expressed in the context of commonly accepted brand management techniques.

Unfortunately, most organizations don't execute each step on a regular basis as part of a robust brand management regimen. In general, we find that organizations execute these brand management techniques sporadically and often in a reactive manner, attempting to accomplish them in a compressed, unrealistic timeframe. Companies must engage in each of the following activities *proactively* to ensure the growth of their brands (figure 3).

Branding Identity Strategy. This is the process of aligning the company's business strategy with its branding identity system. Simply stated, the branding identity strategy creates a branding nomenclature (naming) system that optimizes and coordinates the company portfolio of brand names in line with its business strategy.

Brand Strategy. The focus of the brand strategy is to clearly articulate the dimensions of each brand identity—the basis for consistent, integrated communications. This part of the framework, known as *brand infrastructure,* is a critical part of the brand stewardship effort. For each brand, the brand infrastructure should clearly define the following (figure 4):

- Brand goal dimensions: a set of descriptors, using an accepted brand model (as in figure 2) that clearly defines the distinctive dimensions that give the brand its advantage.
- Brand character: a translation of the brand goal into descriptive imagery.
- Brand promise: a concise, inspiring statement that reflects the brand's core value proposition to its consumers. This is a statement for internal audiences; it becomes the mantra for "living the brand."
- Brand position: a unique, compelling statement that sums up the brand's ultimate market position, meeting all the standard positioning criteria.

Brand Management Strategy. This is the annual strategy that focuses the organization's marketing activities on reinforcing the brand's intended promise. It is here, where theory meets reality, that much of the contention in brand management exists and where the brand steward's vision and guidance can provide real value. Special attention must be paid to striking the proper brand-stewardship balance: weighing the brand's contribution in the marketing mix against how the marketing mix is adding to the growth of the brand's equity.

Brand Equity Measurement. Brands exist in the minds of their targeted constituents. Without regular measurement of brand perceptions, however, using robust research techniques, it is very difficult to manage and grow brands. Outside-in thinking is an integral part of the brand management belief system. By this I mean the discipline of seeing things through the eyes of your customers. It is important to realize that brands are defined by the perceptions of people outside the organization, and that to manage a brand, therefore, one must aim to understand those perceptions.

Figure 3

Brand Stewardship Framework

Branding Identity Strategy	**Determine key marketplace relationships**
Brand Strategy	**Define brand identity dimensions**
Brand Management Strategy	**An annual strategy to promote brand equity**
Brand Equity Measurement	**Research-based measurement of brand equity**

Starting the Brand Stewardship Process

It won't be easy to get the brand stewardship process established in an organization—but it's worth it. It will take time, perseverance, and desire. We have seen it happen in many organizations. The following are a few activities that can be helpful in stating and maintaining the process.

- *Educate the executive team.* The support of the senior management team is necessary. Most executives are lean when it comes to brand management knowledge and terminology. Get them in a room and make the idea real and practical. Show them how it will pay off for the organization.
- *Create a brand board of directors.* You will need help keeping the momentum going. Solicit key leaders throughout your organization, and make them your advocates and advisers.
- *Continually communicate.* Use existing internal publications to tell the brand story. If you can't get sufficient editorial space, create a brand stewardship publication.
- *Hold the brand accountable.* Incorporate a metric that can be used as a part of your organization's annual performance and evaluation process.
- *Be a resource.* Become a reliable source of reference material on brand management techniques and subjects. Sponsor training activities. Start a reference library. Send out periodic case studies and other currently published articles that can educate interested staff and executives.

Brand stewardship has a higher purpose. It's a commitment that allows individuals to make a lasting contribution and make a difference. Brand-loyal customers depend on brand stewards. ♦

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Figure 4

Brand Stewardship Infrastructure

Brand Goal Dimensions	Defines the parameters of the desired brand relationships.
Brand Character	Translates brand dimensions into a set of descriptive imagery to form the basis of consistent marketing communication.
Brand Promise	Concise, inspiring statement, used for internal audiences, that reflects the brand's core promise for the targeted consumer.
Brand Position	Statement of the brand's unique position in the category based upon the distinctiveness of the brand's qualities.