



parathink™

Nº 9

Brand Matters

A look at the importance of maintaining a brand—including why it's a priority for the world's top CEOs.

(A quick-reading *parathink* briefing for really, really busy people)

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Paragraphs is an award-winning, strategic design firm specializing in branding and corporate communications across all media. Since 1984, we've helped leading companies around the world do one thing exceptionally well: build powerful brands that grow their business.



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Executive Summary

What do Apple, Netflix, Microsoft, Google, Disney, Louis Vuitton and Samsung have in common? According to the Forbes 2020 list¹, they're the world's most valuable brands. Seated at number one, Apple's brand value is an impressive \$241 billion. Even Volkswagen, the last brand on the list (number 100) is valued at \$7.9 billion.

They have found success due to increased market visibility, exceptional reputations and customer loyalty—all thanks to their brands. From recognizable logos to upholding promises to positive customer interactions, these companies know what it takes to create a brand that drives revenue.

In this parathink briefing, we'll give you a quick overview of:

- The quantitative impact brands have
- What CEOs *really* think about brands
- How brands build employee loyalty
- How to establish and maintain a brand



¹ <https://www.forbes.com/powerful-brands/list/>

Branding by the Numbers

Brand building is a painstaking art. It takes research and time to collect the necessary data that helps formulate the brand—and even more time to apply that differentiating, creative touch. When done right, brands can lead your company to long-term success: You'll win the hearts of customers and ensure better financial performance.

Brand & Customers

A 2016 study by the Temkin Group² found that customers who are more likely to recommend a company (based on positive feelings toward the brand) are also:

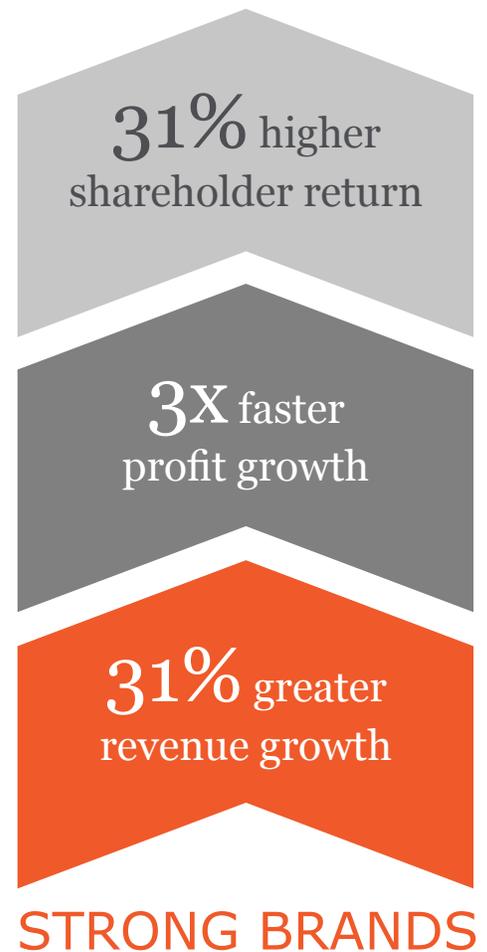
- 5x+ more likely to make another purchase
- 7x+ more likely to forgive a company's mistake(s)
- 9x+ more likely to try a company's new offering

S+G's Global Brand Simplicity Index for 2017 states that 61% of consumers are "more likely to recommend a brand because it provides simpler experiences and communications," while 64% would pay more for these simpler experiences.³

Brand & Finances

- Brands with strong reputations offer 31% higher shareholder return⁴
- "Brands account for more than 30% of the stock market value of companies in the S&P 500 index"⁵
- Strong brands have more engaged employees, who can help their company grow profits 3x faster than competitors⁴
- In B2B, the top 10 brands with the best customer connection had a 31% greater revenue growth in 2010–2013 compared to the 10 lowest brands⁴

Brands really *do* influence a company's overall performance. And if you ask the world's top CEOs, they hold brand building in high regard—for good reason.



² <https://www.prnewswire.com/news-releases/new-temkin-group-research-shows-connection-between-net-promoter-score-metric-and-loyalty-300287716.html>

³ <http://simplicityindex.com/>

⁴ <https://www.linkedin.com/pulse/why-brand-counts-margaret-molloy/>

⁵ <https://www.economist.com/news/business/21614150-brands-are-most-valuable-assets-many-companies-possess-no-one-agrees-how-much-they>

What CEOs Really Think About Brands

In the November 2016 edition of *Harvard Business Review*, the cover article looks at “What Really Keeps CEOs Awake at Night”—and one of these topics revolves around building a brand. As some of the world’s top corporate leaders, these CEOs understand the mindset required to lead million and billion-dollar companies to success in today’s industries.

According to Martin Sorrell, former CEO of WPP (1985–2018), “long-term brand building is a diminishing art.”⁶ He believes that the attitude of young people—the millennials—is to look for the next best opportunity versus staying with a business for a long time. Many, he says, also seek to start a business and sell it once it takes off versus trying to develop it into something monumental.

For Lars Rebién Sørensen, CEO of Novo Nordisk, all is not lost. Sørensen does believe that the willingness to “invest in being part of brand building or make a long-term commitment to companies” has diminished. But, he concludes, by offering a sense of purpose, companies can entice their employees to “partake in a journey that can last years or even decades.”

These CEOs and other top-ranking executives understand that when you talk about brand building, you’re really talking about the *longevity* of your company. A brand needs to stand the test of time, market changes and shifting consumer views—or else falter. Take Johnson & Johnson: Though visuals have updated, new products have been introduced and messages were adjusted to meet the times, it is still a family company at its core, continuing to embrace innovation “to advance the health and well-being of people around the world.”⁷

“When you talk about brand building, you’re really talking about the longevity of your company. A brand needs to stand the test of time...”

What’s in it for Employees?

We know that a brand can help build customer loyalty, encourage forgiveness and create repeat business. But a brand can also build the loyalty of employees—the individuals who are crucial to the success and longevity of a company.

As Sørensen said, a brand gives the company a direction, and this direction provides employees with a sense of purpose. Instead of working aimlessly, employees know what they are working toward, whether that’s cleaning up plastic from the world’s oceans or developing software that integrates all aspects of business management. This direction promotes proactive, long-term thinking as well: What steps do we take now that will put us closer to reaching our ultimate goal(s)? Can we make improvements to our processes to better utilize our time and resources? Having a destination to visualize makes the journey not only easier but exciting, motivating and fun—so employees will want to be around to cross that metaphorical finish line.

Companies with successful brands have dedicated, passionate employees who view the company’s successes as their own. They become champions for the company, serving as brand ambassadors who promote the company to others by sharing what it hopes to achieve and what makes it unique.

⁶ “What CEOs Really Worry About,” *Harvard Business Review*, November 2016

⁷ <https://www.jnj.com/about-jnj>

Establishing a Brand

Your brand needs to tell your company’s “compelling, differentiated” story. It requires everything from visual elements that represent the brand to the mission and values that serve as the company’s foundation. When establishing your brand, the following are identity staples:



- **Descriptive:** Directly implies services or products a company provides (The Tile Shop; Smith Family Dental)
- **Evocative:** Requires more thought than a first glance; offers the potential to create a truly meaningful brand that goes beyond products and services (Google; Amazon)
- **Invented:** Created through a mashup of words, root words or something else (Lego; Ikea)

So, if you’re looking to differentiate your business, guide your creativity by trying to come up with names that are inspired by these categories.

Logo

Your logo will be everywhere: Outside and inside your office space; physically affixed to products or digitally stamped on software; on business cards, stationery and marketing collateral; in your email signature and more. It should be engaging and unique. Once your consumers become more aware of your brand, it will be a visual that is readily associated with your brand everyday and everywhere you do business.

Color Palette

What are the primary and secondary colors that you will use in/on your products, on your website, in marketing materials and more? There should be rationale to your choices; consider using color psychology to aid in the decision-making process. You might even want to benchmark competitors and see what colors they use to ensure you are differentiated and make a stronger impression.

Typography

What is the main typeface that your company will use on its website, videos and marketing collateral? Is it easy to read? Does it work digitally and in print? You may also need one or two fall-back fonts like Arial or Times New Roman as these fonts default to all operating systems.

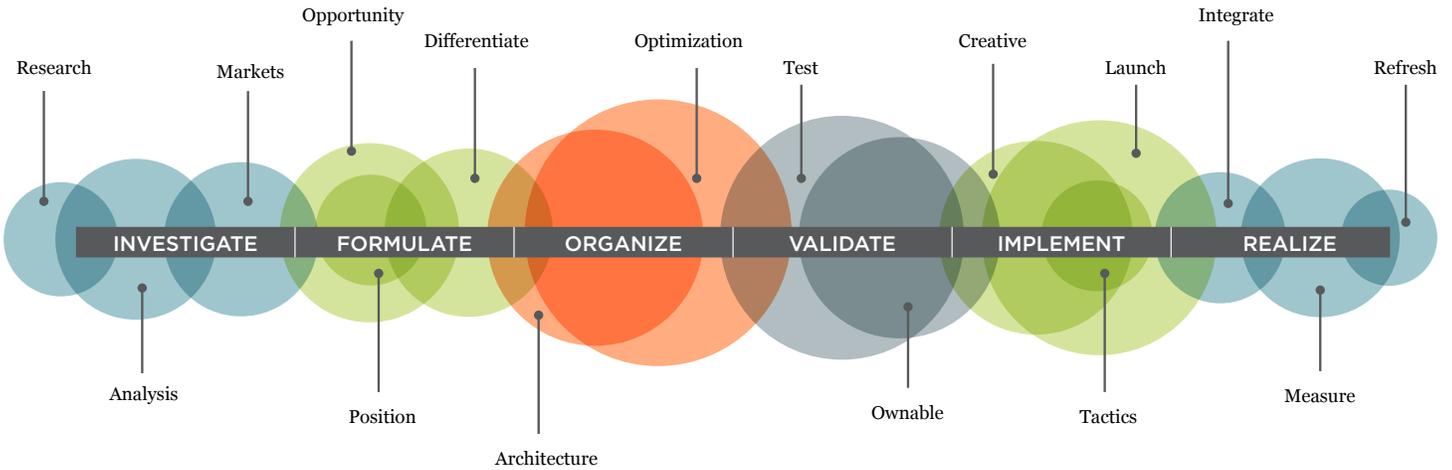
Tagline

Your tagline should be a short, concise phrase about your company that conveys a key benefit, whether it’s about the mission (Avis, “We try harder”), the product(s) (Bounty, “The quicker picker-upper”) or the experience it provides (Disney, “The happiest place on earth”).

Name

Think of a company’s name as a first impression. What does it say about the company? If you look at company names that currently exist, you’ll note that they fall into one of three categories: descriptive, evocative and invented.

Paragraphs' Process™



Messaging

Your mission, vision and values (or philosophy or principles) are the foundation on which you conduct your business. What is the purpose of your company (mission), what do you hope to achieve (vision) and what do you believe (values)? Having these in place will serve as a guide for everyone, from C-level decision makers to customers who need to decide if they want to give a company their business.

And that's just the beginning. There are more considerations when establishing your brand, such as acceptable photography stylization and logo treatment. Once you have your brand established, you need to work on growing it and building awareness so it has the vitality and opportunity to do its job.

The Right Process Ensures Measurable Results

Navigant Consulting was a holding company for over 12 different consulting companies—each a leader in their industry. As a firm that was in constant acquisition mode, the different identities and branding platforms were causing confusion both internally and externally. Paragraphs was retained to help unify a multi-divisional corporation and present a cohesive message, brand platform and corporate identity.

Internal and external research was conducted. The new visual identity was designed to reinforce attributes their clients told us they prized most: innovation, creativity and professionalism. The new logo was designed to reflect this and highlighted Navigant's focused, consultative, strategic approach.

The company was restructured by industry and service sectors and all legacy identities were dropped. All business units received materials on "launch day," which included corporate brochures, corporate brand advertising, service and sector brochures, direct mail, internal launch guidelines, premiums, case studies, presentation templates, biographies, newsletter templates, intranet and extranet website design and access to the graphic standards manual via the new intranet.

Results:

<p>55% YOY Revenue Increase</p>	<p>Stock Price Tripled</p>	<p>96% EBITA Increase</p>
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3 Ways to Build Your Brand

A brand needs a creative, readily recognizable logo and a complementary color palette, but again, that is only the beginning. While the visuals are part of the foundation, building a brand takes years of daily dedication. Starbucks is well-known globally, but before it was a coffee giant with 40% of market share⁸, it was a single brick-and-mortar store in Seattle, Washington. So, how can you work towards building your brand day in and day out? Here are three ways:

1. Follow your brand guidelines.

If you see a silhouette of an apple with a chunk missing from it, chances are you'll immediately associate it with Apple, because that's their logo. And if we were to put it in a lineup of similar looking logos with slight variations—having it face the other way, making it a full apple and so on—you are more than likely to select the correct version. That's because it is well-known and stamped into every Apple product. So, the logo has become associated with Apple—and by association, sleek, user-friendly devices. Recognition is key in growing your brand, so even if one aspect is off—a color is a different hue, the logo is distorted or copy reads outside of the brand voice—it can confuse your customers. And if you continue to vary your brand elements, the only association customers will have with your brand is chaos.

2. Stay true to your values (and keep your promises).

Companies that are honest and conduct their business with integrity will maintain favor with customers (even if they make a mistake) versus a company with underhanded practices. That said, it's important to stay true to the values or principles defined during your company's creation (or re-branding process). Starbucks' mission is "to inspire and nurture the human spirit"; they also value "acting with courage" and "challenging the status quo." But they don't just say it: They do it. From ethically sourcing their products to being involved in the local and global communities, Starbucks aims to live out its mission and values each day.

3. Treat your employees well.

In terms of employee benefits⁹, Basecamp is enviable. CEO Jason Fried has created a company where there is a low turnover rate and employees are treated like, well, people. Basecamp monitors salaries to ensure they're always paying their employees in the top 5% (based on skills and experience



photo credit: Shutterstock.com

level). They help employees prepare for all of life's needs by paying 75% of the premium for health and dental insurance and matching 401(k) plans 100%, dollar-for-dollar, up to 6% of their salary. But if your company cannot afford to offer benefits like these, there are other, smaller gestures that can make all the difference: Let employees go home early on Fridays, cater in lunch once a month or simply send them a heartfelt thank you for all the work they do.

In building your brand, remember these words from Michael Eisner, former Walt Disney CEO:

“A brand is a living entity—and it is enriched or undermined cumulatively over time, the product of a thousand small gestures.”

⁸ <https://www.statista.com/statistics/250166/market-share-of-major-us-coffee-shops/>

⁹ <https://www.linkedin.com/pulse/employee-benefits-basecamp-complete-list-jason-fried/>

Talk to the Experts

Are you ready to develop a brand that will give customers and employees a reason to be excited about your company? Do you need to refresh your brand to fit with your company's new direction? Are you looking to celebrate your company's rich history and longevity? If so, we can help.

At Paragraphs, we've developed and refreshed countless brands for companies in a variety of industries, from pharmaceuticals to manufacturing and more. Whether building an identity from scratch or polishing what you already have, we can help create a brand that will guide your company to a long, successful future.



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parathink™ briefings are created to help you get fast, deep insights into strategic marketing so you can face your busy work schedule a smarter, more efficient and less stressed person.

Have a burning topic you'd like to see in a future briefing? Drop us a line at think@paragraphs.com.

Paragraphs LLC is a women business enterprise (WBE).



Ready to develop your company's brand—or work on building the one you have? Contact us today to set up a complimentary 30-minute session by calling **312.828.0200** *Ask for Robin*