

HOW A BRAND STRATEGY IS BORN

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While speaking to a group of CEOs recently, we asked how many of them share their business plans with their advertising agencies. Only a small number raised their hands.

It's not surprising. It seems agencies and clients are equally at fault for this "separate camps" mentality. The important strategic business stuff never leaves the corporate office, and agencies tend to get caught up in the creative execution of assignments to promote sales. The result is that businesses seldom see their agencies as valued strategic partners.

What a waste, and here's why. A company's business strategy has a far greater chance of success if it is aligned with the company's brand strategy. The really great advertisers get together with their really great agencies and make really great brands. So why can't smaller advertisers and agencies benefit from working this way also? Well, often the business doesn't have a written business plan. Or, the CEO, president, COO, CFP and VPs shut themselves in a room and brainstorm a business strategy, then they pass it down to marketing for a plan and execution. What a waste of good perspective. Most agencies can offer incredible external insights and bring critical customer data into the mix to make for a better plan.

Here's an example of a terrific business strategy perfectly aligned with a brilliant brand strategy. In the early seventies, BMW held a miniscule share of the European luxury car market and an even smaller share of that

audience's mind. Mercedes-Benz outsold BMW 3 to 1, establishing its foothold on the U.S. market by promoting its "European Engineering." However, if you talked to BMW designers, they'd tell you their cars had far superior engineering than Mercedes-Benz's cars. They would also suggest they designed and built cars with much greater responsiveness to a driver's actions, providing a better sense of the road beneath and offering greatly enhanced control.

Mercedes, according to BMW, had a smoother ride.

However, BMW's tighter feel and enhanced responsiveness gave drivers the sense they were in complete control, something no other brand of automobile offered. This handling advantage was greatly appreciated by sports car aficionados and car enthusiasts.

Thus, a business strategy was born. "At Bayerische Motoren Werke, we will build highly engineered automobiles and market them to performance-minded enthusiasts." This new strategy was communicated to all of the company's employees, strategic partners, suppliers, distributors, customers, sales teams and

marketers. And, at this point, with BMW's agency (Ammirati & Puris) involved in every step of the strategy development, a brand strategy was carefully crafted and aligned for the purpose of advancing an overall corporate message: "BMW, the ultimate driving machine." *(cont. on reverse)*

Wilkin Guge Marketing is the Inland Empire's largest business and brand development firm. We help companies thrive beyond their expectations by providing uncommon strategic thinking brilliantly communicated. Here, brands leap and business bounds.

If you would like to brand speak with Gail Guge, Andrew Wilkin or Jim Hughes, please call 909-625-2225 or visit www.wilkinguge.com.

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FIGURE 1: BMW Business & Brand Strategy Alignment



This message was also delivered to the same employees, strategic partners, suppliers, distributors and customers. In three decades, BMW’s business strategy and brand strategy alignment have driven the company to the top of the category, and today, BMW outsells Mercedes-Benz 3 to 1.

This strategy alignment should never be ignored. That is, the two should never operate exclusively, nor should C-level executives and their agencies. We believe combined intelligence, know-how and experience can be of great value to all. Our brand discovery process provides the perfect link. When we facilitate a branding session, we recruit a company’s CEO, COO, VP of marketing, marketing managers, sales managers, folks from operations and someone in the field with a clear pulse on the buyer. Then, we spend half a day in an information-distilling process, identifying simple facts to possible unique selling points and absolute USPs.

And, our proprietary process includes a built-in delivery mechanism to assure the company’s newly discovered positioning is deliverable constantly and consistently. The outcome is the new or revisited business strategy, the basis for the development of a crystal clear and memorable brand positioning statement and, ultimately, the company’s internal and external brand communications strategy.

For all the reasons just mentioned, we always say, “Brand development is not a marketing initiative; rather, it is a corporate initiative.” It must start at the top and permeate from the president to the guy sweeping the floor in the

factory, and that’s before we start talking to customers and prospects.

To take this alignment further, let us suggest it can also surface and highlight other issues worthy of exploration... things such as “What’s our business model, our channel strategy, now that the business and brand strategies are one?” and “Should our vision for the future stay intact, or should we revisit it?”

Here’s the typical scenario: A client wants growth and increased sales (1). (see figure 2.) The agency responds with an ad campaign or some creative execution as the solution (2). This happens all the time; we agencies are famous for it. But, the smarter agency will come back with an insightful argument (like BMW) for business and brand alignment initiatives before any ads are written (3&4). From the outcome of this discovery process, the client, agency and other strategic partners can re-evaluate its distribution strategies, communications, sales networks and processes (5) and even take a fresh look at the company’s vision (6). With this new, linear perspective, sales and growth can now increase, creating a smoother ride to greater success.

So remember, to propel your brand forward, share your business plan with your agency and brainstorm collaboratively with it as your partner. You’ll find the agency will bring a vital external perspective to your strategic thinking and this team approach will lead your company to increased profits.

FIGURE 2: A Company’s Basic Business Plan & Agency Involvement

