

LEARN@LIFT:

Episode 1

Branding Essentials

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CUSTOMER DISCOVERY: Module 3, Episode 1 – Branding

TITLE:

Branding Essentials

DESCRIPTION:

What is a brand and why is it important to your business

[LEARN@LIFT Episode Intro]

Welcome back everyone to the Branding module for LEARN@LIFT! My name is Patrick Riley, and I am very excited to share this bootcamp journey with you.

This module is all about how to brand your business and yourself effectively. In today's age, customers have high standards for how companies should think, behave, and interact with their clients, which is what makes having a solid brand and brand strategy imperative to your business' success. We're going to spend the next three episodes dissecting what makes a good brand, how to build one, and how it relates to your marketing efforts.

First, let's start with what branding is and why it matters.

Many young companies believe that branding is about choosing a logo, a color palette, imagery, and fonts. However, it is much more complex and subtle than that.

Radu Dandu from BrandingMag defines branding as the perpetual process of identifying, creating, and managing the cumulative assets and actions that shape the perception of a brand in stakeholders' minds.

Let's break that down a little:

Branding is a perpetual process because it never stops. People, markets, and businesses are constantly changing and the brand must evolve in order to keep pace.

Branding also requires structure, where you must first identify who/what you want to be to your stakeholders, create your brand strategy to position yourself accordingly, and then constantly manage everything that influences your positioning.

Your positioning must then be translated into assets (e.g., visual identity, content, products, ads) and actions (e.g., services, customer support, human relations, experiences) that project it into your stakeholders' minds, slowly building up that perception.

A brand's perception is also known as reputation. This is the association that an individual (customer or not) has in their mind regarding your brand. This perception is the result of the branding process (or lack thereof).

Finally, a brand has many stakeholders. Clients are not the only ones that build a perception of your brand in their minds. Stakeholders include possible clients, existing customers, employees, shareholders, and business partners. Each one builds up their own perception and interacts with the brand accordingly.

In essence, A brand is not tangible, but is instead the sum of experiences that your customers have when they engage with you. It is your company's promise to your customer and is derived from who you are, who you want to be and who people perceive you to be. Your brand tells them what they can expect from every interaction they have with you: from your product, to your customer service, to your physical location, to your virtual presence, and everything else in between. So, Every interaction your customer has with you is therefore an opportunity to shape that definition of you that they carry in their minds.

Ok, so we've established what a brand is, but what does it do for your company? Why is it important to have a good brand?

Firstly, branding increases business value. Branding is important when trying to generate future business, and a strongly established brand can increase a business' value by giving the company more leverage in the industry. This makes it a more appealing investment opportunity because of its firmly established place in the marketplace. That value can mean influence, price premium, or mindshare.

Secondly, branding generates new customers. A good brand will have no trouble drumming up referral business. Strong branding generally means there is a positive impression of the company amongst consumers, and they are likely to do business with you because of the familiarity and assumed dependability of using a name they can trust. Once a brand has been well-established, word of mouth will be the company's best and most effective advertising technique.

Just like with the reputation of a person, the reputation of a brand precedes it. Once a certain perception of the brand has been established in the market, an uncontrollable chain of propagation begins. Word of mouth will pass the perception on and further reinforce or tarnish the reputation of that brand. If the reputation is positive, potential new customers may come into contact with the brand, having an already-positive association in their mind that makes them more likely to make a purchase from this brand than from the competition.

Thirdly, branding improves employee pride and satisfaction. When an employee works for a strongly branded company and truly stands behind the brand, they will be more satisfied with their job and have a higher degree of pride in the work that they do. Working for a brand that is reputable and held in high regard amongst the public makes working for that company more enjoyable and fulfilling. Employees that have a good association with the brand will perpetuate that perception further down the line to the clients and partners they interact with. This can also translate into better leadership, more involvement, and better products and services.

Fourthly, good branding creates trust within the marketplace. A brand's reputation ultimately boils down to the amount of trust that clients can have in it. Simply enough, if the promise is being delivered upon, trust builds up in stakeholders' minds. In highly crowded markets, trust

is especially important because it can make the difference between intent (considering to buy) and action (making the purchase).

Fifthly, branding differentiates you from your competitors. You may offer a similar product to another company, but the experience you create for your customers can set you apart and create a competitive edge. How you brand yourself tells your customers what they can expect from you that is different from what they can expect from your competitors. With just a few words, images, or interactions, their touchpoints with you can give them all of the information they need to make a decision.

Finally, good branding meets your customer at their emotional core and taps into human psychology. According to Skye Pathare, consumer psychology suggests that consumers construct their identities and present themselves to others through the brands they choose. Identity may explain why many of the best-loved brands communicate personality traits that consumers identify with or wish to emulate, such as being young, tech-savvy, wealthy, or sexy. If your brand doesn't resonate with your customer's real or desired identity, it's unlikely your brand will inspire love.

In addition to personal identity, social identity plays a major role in branding. Social identity is the process by which we define ourselves based on membership in certain social groups. Individuals might derive social identity from belonging to a fraternity, living in a particular neighborhood, or being a member of a professional organization. Social identity is relevant to brands because of the way social groups influence individuals' choices and preferences.

Ultimately, most of our brand choices are based on how we feel, how we see ourselves, and our relationships with the people around us, rather than the superiority of a company's products or services. Brand velocity is your ability to connect with consumers and share something they're genuinely interested in, right now and continuously. Marketers who focus on their customers' emotions and identities, instead of their product's unique features, have a better chance of building brands that inspire love.

Great brands are therefore ones that:

1. Can communicate your stated purpose of existence quickly, correctly, and often to your customer.
2. Can create business value via customer acquisition and retention, competitor differentiation, and employee satisfaction.
3. And can tap into human psychology to meet their customer where they're at, emotionally.

As a burgeoning startup, you might be wondering why branding is relevant to your current stage of development. The answer is that it is inextricably linked to your overall business strategy and will help you build both your company properly from the get-go.

Armed with this background on what branding is and why it's important, we'll tackle exactly how to build successful brands in the next episode.

[Insert episode closing]