

CATALYST

the **MARXGROUP**

Business Strategy | Marketing Communications

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Your Brand Is An Asset

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Microsoft is rated #2 in Omnicom's Interbrand annual brand value survey, stating that Microsoft's brand value (intangible) is \$60 Billion, while the equity in the company (tangible) is estimated to be closer to \$47 Billion. Microsoft has achieved this lofty place because their employees clearly understand the value proposition of the brand and what it stands for with their customers.

Do you know YOUR brand value as compared to YOUR company's equity - and if the brand proposition / message meet the expectations of your employees and customers?

Improvements in brand clarity will:

1. Improve cash flow

Brand values that are consistent, unique and powerfully stated can demand premium pricing. The tangible results are obvious: speedier revenue growth, improved profitability, reduced financing costs, higher values for all stakeholders (higher P/E ratios and stock prices), and improved ROI on marketing dollars.

2. Add value to employees lives

You will gain many advantages when your staff understands your company's brand values. An intangible value is that your staff would be proud to work for your company; they'd be more passionate about their jobs and because they are proud, they would work with more dedication. Tangible values would include lower turnover and a reduction in both recruitment and training costs.

3. Make better marketing decisions

Your brand is all about its core essence – which transforms into essential brand values. When your brand's values are clearly and simply articulated, you can train everyone in marketing and sales to KNOW your brand's core essence. This clarity empowers your team to stay focused on the key messages, which in turn shortens the sales cycle and adds momentum to revenue growth.

4. Provide for consistent customer experience

Have you surveyed customers and prospects each year only to find that their perception of your products keeps changing? If so, you may have a mushy brand proposition. When customers have a consistent and well-defined experience of products, they KNOW which brands they prefer.

5. Improve marketing results

If your marketing is focused on building brand value and recognition, you'll improve the ROI on your marketing investment – which then justifies future marketing investments, and helps to break the boom/bust cycle that marketing often goes through during budget-crunching season.

6. Inspire vision for building the business

When your brand proposition is understood internally, you'll also have a better vision for how to build your business. Strategic decisions on product, packaging and marketing initiatives will follow in logical order. No longer will you be struggling to see 12-24 months ahead.

Over the next few months I'll be writing a series of articles based on these benefits, guiding you through steps to take so that you can incorporate these benefits into your own brand development. Taking these steps will help strengthen your brand, keep your messages consistent and build your unique brand proposition. That way you and your company can better:

- Understand what your brand means both internally and externally
- Uncover where any inconsistencies exist
- Define your brand's values so the inconsistencies are eliminated
- Incorporate these values into all marketing and sales functions and materials

NEW FEATURE: Each month, we'll conclude Catalyst with "Tom's Tip" – a marketing tip or action item that we hope will bring immediate value to our readers.

Tom's Tip For The Month

What will the Brand Leader in your product or company category look like in 5 years? Spend a few minutes and write down the core values and characteristics of what that leader will stand for 5 years from now. Then make an assessment on each one (using a scale of 1 to 7, with 7 being the highest) about where YOUR brand is NOW. Knowing where you are in relationship to the brand leader is valuable. Then do this annually and see if you're moving the needle. If within 5 years you are at 7 in each category, you may already be the brand leader!