



THE IMPORTANCE OF BRANDING

By Samuel Greengard • Illustration by Hal Mayforth

Without a strong brand, even the best-run business is just another commodity player in an overcrowded space.

In today's cutthroat marketplace, where companies battle to sell the same products and services to a limited group of customers, success or failure often rests on whether or not potential buyers identify with a company. Amid a mind-bending blitz of product names, slogans, logos, and trademarks lies the simple fact that without strong brand recognition, even the best-run business is just another commodity player in an overcrowded space.

But breaking through the clutter is no simple task. Building a recognizable and respected brand goes beyond just clever advertising and a

snappy slogan. It also requires more than a well-conceived business plan and a sound mission statement. "Every company must discover its unique value proposition and how best to position itself in the marketplace," explains Vikram Rajan, a partner for Freeport, N.Y., marketing consulting firm CoGrow Systems Inc.

Today, branding can encompass an array of activities and areas, including advertising, packaging and labeling, public relations, customer support, promotional items, digital marketing, and promoting a business using speaking engagements, radio, and other forms of media. The common goal is to create expectations that spin a tight orbit around the products and services a business offers. According to Derrick Daye, managing partner at The Blake Project, a Tampa, Fla., marketing consulting firm, "Building a brand and raising awareness for the brand is a cornerstone of success."

The idea of companies creating and promoting a brand is nothing new. In the late 19th century, a spate of firms—including Coca-Cola, Quaker Oats, Kellogg's, and Campbell Soup—

began tying together packaging design and promotion in order to boost familiarity and trust. Today, brand names dominate the business landscape—from Apple Inc. to Starbucks, Timex to Nike. However, in the world of VARs, systems integrators, and other IT services firms, the concept is all too often lost in the daily shuffle. "The idea of creating a brand doesn't seem important," Rajan says.

That's a mistake. Effective branding can improve sales, increase loyalty, and create long-term relationships. It can help a company weather market downturns more effectively and fend off nimble competitors and savvy upstarts.

BRAND CRED

"An effective brand name is a powerful force in the marketplace. Customers know what to expect and how the company will deliver its products or services," Rajan explains. No less important, a well-defined brand helps identify goals, objectives, and the overall approach to product development, design, and marketing.

It's a concept that Ken Hostetler understands

well. The executive vice president of Silicon Mechanics Inc., a Bothell, Wash., firm that sells branded rack mount servers to business, education, and government markets, has put branding in the crosshairs of the firm's strategic initiatives. Every product that leaves the company bears the Silicon Mechanics gear-shaped logo; the company offers its customers various novelty items, including T-shirts; it advertises regularly in select magazines such as *Linux Journal* and *Linux World*; it participates in a dozen or so trade shows every year; and it uses its Web site to further its branding efforts.

The key to constructing a branding strategy, Hostetler believes, is connecting to the company's mission as well as to the external marketplace. Silicon Mechanics, with 100 employees, isn't a Dell or an HP. The company works with customers to provide high-end solutions and custom configurations. "Our mantra isn't quantity, quantity, quantity," he explains. "Everything we do is about relationships. We have to understand our customers and their needs and we have to communicate our business philosophy. We're not just chasing today, we're building for the future."

BEYOND A NAME

Companies that excel at branding, Rajan says, understand the unique frustrations and needs of their customers and find a way to communicate their ability to solve the problem. The better they can position themselves as the solution, the more likely they are to earn respect and loyalty. Frequently, success hinges on identifying the demographics and psychographics of potential customers or clients. This can involve surveys, focus groups, feedback loops, or simply recognizing an opportunity that has escaped the competition.

Rajan insists that part of branding is backing up claims with facts. For example, if a company contends that it offers superior customer services, it should be ready to show third-party awards and certifications. Similarly, a new company shouldn't claim that it is steeped in experience unless key executives and employees are known as industry thought leaders. It's better to create a branding message that revolves around being in touch with the market or doing business more nimbly than old-line providers—and delivering on the promise. "A good branding strategy plays on the company's strengths as well as public perceptions and desires," he adds.

Another company that has forged an effective branding strategy is Datel Systems Inc., a San Diego-based systems builder and reseller with 28 employees. It sells PCs from HP, Toshiba, Fujitsu, and others, as well as its own branded systems. "We address a highly technical and specialized market," says Vice President Larry Piland. Datel customers include mostly SMBs, transportation companies, and the education market. This requires highly flexible and state-of-the-art systems, custom labels, logos, asset tags, and splash screens.

Since 1983, the company has branded itself using conventional tools such as stationary, logos, and a Web site. But Piland also has a weekly radio show on which he discusses how to buy a computer and various components. It has been on the air for more than 15 years. "The goal is to build confidence and let people know we have the knowledge and stability to serve them effectively," he says. "When it comes down to it, everybody in our industry sells the same thing. We sell our brand on history, stability, value, and technical expertise."

Although the margins are greater on Datel's branded systems, Piland makes it a point to deliver what the customer needs and wants. In fact, even the company's sales training is based on the notion of providing what's best for the customer. "Our customers know that it's all about them. We live up to our brand and create long-term relationships by displaying our commitment to finding the right solution for them. We work to communicate the point in everything we do."

According to Brad VanAuken, chief brand strategist at The Blake Project and author of the marketing book *Brand Aid*, it isn't essential to have a deep wallet and a cadre of designers to create an effective brand. A PR agency may provide a low-cost alternative to advertising; blogs, Podcasts, or practitioner-written articles in trade magazines may provide exposure; and a tagline that appears on email, a Web site, and stationary may go a long way toward creating a focused and clearly understood message. Moreover, the first name in the *Yellow Pages* or a business directory doesn't translate into a brand—particularly as the business world moves online.

The best brands, VanAuken says, create a unique personality that seeps into every aspect of the business—much the way Starbucks sells coffee but also offers a comfortable space, mu-

KEY TAKEAWAYS

- **UNDERSTAND YOUR VALUE PROPOSITION.** your market, and your firm's strengths. Use these factors to fashion a branding strategy.
- **BE CREATIVE AND INNOVATIVE.** Branding doesn't have to break the bank. Use low-cost methods when possible, and consider whether blogging, Podcasting, and other alternative approaches fit into your strategy.
- **GENERATE A UNIFIED LOOK,** including a logo, that extends across your company's stationary, email, Web site, and promotional items.
- **SOLICIT FEEDBACK FROM CUSTOMERS.** Check to see whether the intended message is getting through and if customers understand your brand proposition.

FOR MORE INFORMATION

- **Allaboutbranding.com:** Examines branding-related issues. www.allaboutbranding.com
- **Brandweek magazine:** Provides articles and an array of resources. www.brandweek.com
- **Personal Brand Marketing podBlog (Vikram Rajan):** Offers insights and information. www.viksblog.com

sic, and a sense of social consciousness. "Companies that create a unique experience and aren't afraid to have a personality—whether it's the coffee business or selling computers—are more likely to succeed," VanAuken says. "Creating a brand shouldn't be an afterthought; it should be a primary consideration."

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