



TenStep Supplemental Paper

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Greater Than the Sum of Its Parts!

Dell, IBM and Sony have all faced the ultimate brand challenge and succeeded – they are viewed as corporate powerhouses with products and brands that are second to the corporate brand.

The branding conundrum is one that every brand manager has to face when launching a new product. The emergence of new categories and segments in the market place often forces even existing brands to not just tweak their offerings, but also to revisit their brands. Brand managers will be the first ones to admit that brand and all related assets are difficult to maintain and prove to be stressful over a period of time. If the parent company happens to be a diversified entity, maintaining brands across segments could be a challenge as well as a drain on resources.

Developing corporate brands can help marketers solve some of these problems and save the company time and resources.

We are family!

Corporate branding quite simply is taking the reputation of the entire company and its constituents as a single entity and presenting it to the consumers. A corporate brand that showcases the characteristics of a firm as well as those of its products can play a critical role in a company's brand portfolio.

The past few decades have witnessed a marked change in the corporate world. Large companies have started grooming themselves to appear more appealing to the public. Every conceivable media -- websites, corporate advertising, public interviews, even annual reports and other corporate communication avenues -- is being utilized to reflect these changes.

Not just a silly makeover

If you think corporate branding is nothing but getting consistent uniforms for all the employees and similar building colors for office spaces, you couldn't be more wrong.

Corporate branding involves more than putting out shiny brochures entrusting the company with a certain image. It's an all-permeating strategy that encompasses an entire organization under one umbrella. Corporate branding takes product branding one notch higher by including the higher echelons of management, especially the CEO.

A well-designed corporate branding strategy can:

- Help differentiate the firm from the usual clutter in the market
- Support internal brand building and facilitate brand management
- Build credibility for the company and its products
- Provide a vehicle for communicating with and maintaining support among broad external constituencies



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It's special

The corporate brand is different from a product brand, and as such must be considered different. The scale of operations is larger to begin with. Once established, it can be treated as a master brand (as in the case of UPS, IBM, Samsung and Sony) or an endorser brand (as in MSN-Microsoft and Lion King-Disney).

An added advantage with a corporate brand is that it doesn't specifically need to target any one group or audience. It can appeal to a whole cross section of people because the corporation could produce a variety of products and not just one. Companies like Kellogg's and Nabisco use their corporate name as a symbolic "seal of approval" on all their product brands to demonstrate the quality and consistency of the product, allowing individual brands the flexibility to target very specific consumer segments.

Hard... not impossible!

It's not easy, but then nothing about branding is! It is up to the organization to figure out how to make the job easier and more efficient while continuing to have an impact on customers. Defining and successfully managing the corporate brand requires the firm to address a number of challenges, including aligning to the company's strategy, demonstrating its benefits to consumers and avoiding negative associations or controversies.

The following are the corollary advantages of nurturing a corporate brand strategy:

- **Find differentiation among similar companies.** Companies that offer a variety of similar products need to be differentiated. For example, Bank of America and Wells Fargo offer similar products, but a corporate brand strategy can help customers differentiate between these companies
- **Vitalize the product line.** Corporate brands can help provide a new energy to the product line, especially ones that haven't been performing very well. As companies sponsor events and programs, the benefits of these automatically get transferred to the product.
- **Provide credibility.** A product backed by a major brand is more credible than a standalone new brand in the market.
- **Can be leveraged in markets.** The corporate brand can be leveraged across markets as well as products.
- **Links the organization.** A corporate brand creates a link between all the elements of a company; retailers, customers and especially employees. Everyone is on the same page as far as the direction of the company and its vision and standing in the market go.
- **Strong force for customer relationship management.** A corporate brand creates a strong case for the company to improve its customer relationship management.
- **Brand house.** A corporate brand helps build the company into a brand house, a collective force that can be easily leveraged in the market.



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There are companies like Nestle, Mars and Unilever that have in the past focused largely on individual brands without actually getting involved in any major corporate branding work. These companies are now finding the costs of individual brand support so high that the endorsed approach - use of both a product brand and a corporate brand - is becoming increasingly attractive and necessary.

Presumably, one important reason for the increasing importance of corporate branding is that the 'general public' cares about the way companies behave. Meanwhile, one potential disadvantage of corporate branding is that the corporate name can become synonymous with a product category. Examples of this phenomenon are Kleenex (because of the success of this brand, it has become a generalized trademark and many people today refer to any tissue as a "Kleenex") and Xerox.