

branding

IN SEARCH OF A COMMON LANGUAGE:  
BRANDING DEFINITIONS AND TERMS

By Martin E. Thoma

Principal

Thoma Thoma

Branding has to be one of the most overused and misused terms in marketing communications today. Just as “marketing” is often used euphemistically to mean “sales” or “advertising,” “branding” seems to have a different definition to almost every person who utters it.

This point was driven home to me last year when conversing with a client about a proposed brand development and branding initiative that his CEO had requested. Before we could even think about engaging together on this journey, we had to virtually arm-wrestle each other to establish agreement about what the brand was and what we were supposed to be doing when we “branded” his organization.

What’s needed first is a common language.

### WHAT IS A BRAND?

First of all, what is a brand? I define your brand as *the sum total of all that is known, thought, felt and perceived about your company, service or product.*

It has been said about the stock market that its current price reflects all that is known by all who are participating. By this definition, the market is never “wrong.” It just is, and you work off of that.

In similar fashion, by our definition of brand, it exists only in the mind of the public. It can be created, developed, managed, influenced and even bought and sold—but it cannot be owned or controlled.

Here’s what others have said about “brand:”

A “brand” is not a thing, a product, a company or an organization. A brand does not exist in the physical world—it is a mental construct. A brand can best be described as the sum total of all human experiences, perceptions and feelings about a particular thing, product or organization. Brands exist in the consciousness—of individuals and of the public.

—James R. Gregory, “Leveraging the Corporate Brand”

A brand is not an icon, a slogan, or a mission statement. It is a promise—a promise your company can keep....This is the promise you make and keep in every marketing activity, every action, every corporate decision, every customer interaction.

—Kristin Zhivago, “Business Marketing”

We define a brand as a trademark, which to consumers represents a particular and appealing set of values and attributes. It’s much more than a product. Products are made in a factory. A product becomes a brand only when it stands for a host of tangible, intangible and psychological factors. A key point to remember is that brands are not created by the manufacturer. They exist only in the eye of the beholder, the customer.

—Charles Brymer, CEO of Interbrand Schecter

A brand is more than just advertising and marketing. It is nothing less than everything anyone thinks when they see your logo or hear your name.

—David F. D’Alessandro, CEO of John Hancock and author of “Brand Warfare: 10 Rules for Building the Killer Brand”

## WHAT IS BRANDING?

“Branding,” then, is the process of making products and companies into brands. Branding is the consistent and disciplined way we communicate a brand’s essence to the public—employees, shareholders, vendors, customers. An adjunct is “brand development,” the process of identifying and establishing the brand’s essence and identity.

Entire books are written on the subject of course—and this paper is primarily focused on establishing definitions. So consider these as well:

Branding is a long-term process that is frequently confused with corporate identity and with name recognition. Successful organizations spend years developing and maintaining their brands. Whether the company is Coca-Cola or a community health system, the principles are the same.

—Nancy J. Hicks, Hill & Knowlton, Washington D.C.

There is a difference between branding and brand development...Branding consists of the tactics used to deliver a brand’s distinction, and brand development is the discovery process used to find that distinction. Remember, the definition of a brand is ‘a claim of distinction.’ Branding tactics are the consistent use of color, graphics and spokespeople used to communicate a brand’s distinction. But please don’t think that colors, graphics or spokespeople are the distinction. Those could change with the next campaign.

—Jim Hughes, branding expert and president of The Idea House

Brand development and branding can be seen as the process of moving your organization up the following hierarchy. Building on mission and business strategy, the brand architecture is defined. On brand architecture are built brand strategy and brand expressions—how the company’s products, services and communications demonstrate and articulate the essence of the brand.

## WHAT IS BRAND EQUITY?

“Brand equity” is a way to describe and measure the total value of the brand. Brand equity can be described by a brand equity hierarchy—in which all components contribute to equity, and higher elements are built on the foundation of lower ones. (For example, brand loyalty cannot exist where there is no market share; customers can be loyal only when they have first purchased your product or service.)



Some market researchers ascribe a value from one to 100 for brand equity, based on their own proprietary methodologies. Other researchers have assigned dollar values to brand equity. For most companies, the important thing is to use a consistent measuring stick, track equity annually along with financial targets and do everything possible to keep them both moving upward.



## THE IMPORTANCE OF THE EMPLOYEE AND THE C.E.O.

Branding authorities all agree on two things: the CEO is the ultimate steward of the brand, and employees will make or break the brand.

This has two powerful strategic implications for any company that would brand: effective efforts must start inside, and they must have the total support and leadership of the CEO. A few comments:

As important as advertising and public relations are to a successful corporate branding program, they are not the only powerful communications tools a company has at its disposal. Unique among all elements of corporate branding is the employee force. Employees are a target audience, a channel of communications, and part of the company message itself. Employees can make or break the corporate brand.

—James R. Gregory, “Leveraging the Corporate Brand”

I believe CEOs can spend a good deal of time managing expectations and also create a vision for the company. Then he or she has to sell that story—not only in the marketplace but in the organization itself. If the employees don’t believe it, the company won’t perform.

—H. Brian Thompson, LCI International

The executive with the best opportunity to observe the company from all viewpoints and empowered to make appropriate changes is the CEO. He or she is the one who must have the creativity and foresight to determine where the company should be heading, the communications skills to impart this vision effectively to others, and the power to secure funding to implement whatever changes are required.

In other words, the initial responsibility for successful corporate branding has to be the CEO’s alone, even though the organization executes branding and is ultimately responsible for its success or failure.

—James R. Gregory, “Leveraging the Corporate Brand”

...companies that treat their brands as the sole purview of their advertising, marketing or brand management departments are often unsuccessful. They fail to consider that their brands can be profoundly affected by extensions, acquisitions, distribution, product development, customer service, quality control, etc.—in other words, the entire list of disciplines that it takes to make a business.

And many of the key decisions that determine whether the brand will thrive or fizzle are made when the people whose job it is to be conscious of the brand are not present. That is because many of those decisions are made by lawyers, accountants, salespeople and software engineers. Often the only person in the room looking out for the quality of the brand is the CEO. This means one thing: The safekeeping of the brand is the CEO’s responsibility. The buck stops there.

—David F. D’Alessandro, CEO of John Hancock and author of “Brand Warfare: 10 Rules for Building the Killer Brand”

Brand development and branding can be powerful competitive weapons. They work. And as we have experienced firsthand, the first order of business for any branders is to agree on what it is you’re doing, and to what! For further reading, please review additional white papers we’ve posted on branding at [thomathoma.com](http://thomathoma.com).