CHAPTER TEN

Energizing the Business

Many of the failures are people who did not realize how close to success they were before they gave in.
—*Thomas Edison*

One never notices what has been done, one can only see what remains to be done.
—*Marie Curie*

Where there is no wind, row.
—*Portuguese proverb*

Businesses need growth and not only for financial reasons. Certainly shareholders, employees, and partners look to enhance sales and profits. However, growth also introduces vitality to an organization by providing challenges and rewards. An organization that cannot improve and grow may not even be viable. Further, improving performance by cutting costs and downsizing risks the morale of the employees and partners as well as cutting the muscle needed to create and support growth opportunities.

There are four ways to grow a business, as suggested by Figure 10.1. The first, covered in Chapter 11, is about leveraging the current business. That can mean taking the existing products into new markets, finding new products or services for the existing customer base, or leveraging assets such as brand equity or competencies such as managing the supermarket channel. The second, introduced in Chapter 12, involves creating a new business based on finding a white space in the market or by transformational innovation, a business for which a substantial competitive advantage will exist and persist. The third, presented in Chapter 13, entails going global, leveraging the business into new countries to create a broader market or creating new or improved assets and competencies that will lead to sustainable advantage in a global marketplace.

The fourth route to growth, the subject of this chapter, is to energize the existing business, an attractive growth avenue because an established firm has market and

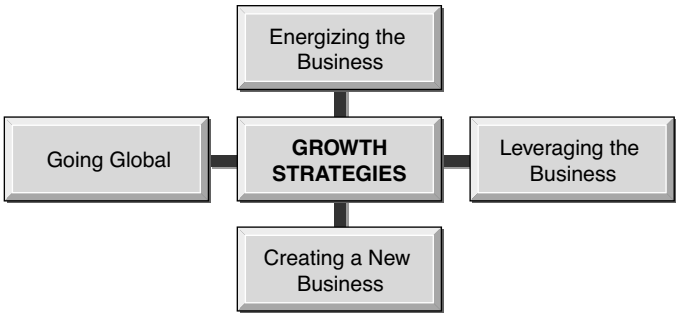

Figure 10.1 Growth Strategies

operating experience, assets, competencies, and a customer base on which to build. Developing new products or entering new markets is inherently risky and can stretch the firm in ways that may dilute the existing strategy and culture. An existing business can be energized by:

- Innovating to improve the offering.
- Energizing the brand and marketing.
- Increasing existing customer's usage.

INNOVATING THE OFFERING

The ultimate business energizer is to improve the offering through innovation. An innovation, or better, a series of innovations, provides a sense that a firm is dynamic, creative, and always improving its offering. Innovation means new, interesting, and energetic.

A service company can improve the customer experience. The Memphis Redbirds minor league baseball team changed the spectator experience with cheerleaders, a mascot named Rocky, five party settings, two kids' playgrounds—P.D. Parrot for under eight-year-olds and the Boardwalk with the Rocky Hopper ride for older kids. Add to that the Sonic Drive-In Kids Club, members of which get to run the bases, and more. The result is an experience that is involving and so unique that it engenders both loyalty and buzz.

How can a firm innovate around the customer experience? One approach is to look at all the touchpoints, value each in terms of customer impact and performance, and create programs to turn problem areas into points of superiority and make them more visible. Another is to exceed expectations with respect to the value proposition. What is expected and what would surprise, delight, and even spur a "Wow!" reaction?

A product firm can enhance the product by adding a new dimension such as a feature or ingredient. P&G has introduced a steady stream of innovative diaper products from a Caterpillar Flex diaper and Feel 'n Learn training pants to Pampers

Swaddlers, a diaper for newborns. Such activity provides vitality and credibility to the business. Product innovation, of course, does not just happen. It involves understanding unmet needs, organizational support, and the ability to evaluate proposed improvements in terms of customer relevance.

Line extensions can be a source of energy. New flavors, packaging, sizes, or services can add energy, interest, and the creation of new segments. Look for segments that are making do with the current offering and would prefer another option or more variety. Consider trends that are leaving your offering behind. Line extensions need to balance their value with the risk that the added cost might become a burden and that customers might rebel over the added confusion and complexity. Colgate made significant gains when it introduced Total, which simplified a purchase decision for consumers faced with a bewildering array of choices for toothpaste.

How can the organization create the sense and substance of continuous innovation rather than sporadic episodes of improvement in the product or service that are quickly copied and blend into the cluttered marketplace resulting in a transient advantage? A basic answer is to create an organizational culture that builds innovation into the business strategy and views it as a basis for winning over time. That is certainly true for the most innovative companies as reported by *Business Week*—Apple, Google, Toyota, Microsoft, Nintendo, IBM, HP, Research in Motion, Nokia, Wal-Mart, Amazon, and P&G.[1] These firms also have become skilled in reaching outside their organization to other firms—even firms in other countries—to enhance their ability to innovate. P&G has a goal to source half of its innovation outside the company, a goal that potentially will double their R&D capability. In addition, the firms are good at branding their innovations.

Branding the Innovation

Innovations, no matter how exciting, novel, and relevant, will not energize the business unless they are communicated to the marketplace. Being innovative does not guarantee that a firm is so perceived. Somehow the innovations need to be attached to the brand and to have an extended impact. An innovation that influences for a few months is of limited value and usually represents a lost opportunity to create a long-term asset.

Branding the innovation can make a difference. It can enhance the impact of an innovation and extend its life in the minds of customers. When the innovation is not branded the impact is usually short-lived if it occurs at all. Putting "new" or "improved" on a box of Tide detergent is unlikely to create a lasting point of differentiation.

Amazon developed a powerful feature, the ability to recommend books and other items based on a customer's interests as reflected by their purchase history and the purchase history of those who bought similar offerings. But they never branded it. How tragic is that? As a result, the feature became basically a commodity that is an expected feature of many e-commerce sites. If Amazon had branded it and then actively managed that brand, improving the feature over time, it would have become a lasting point of differentiation that today would be invaluable. They missed

a golden opportunity. They did not make that same mistake with One-Click, a branded service that plays a key role in defining Amazon in what has become a messy marketplace.

The problem with sliding innovations into the existing offering is twofold. First, the market is made up of those who are not motivated or perhaps not able to sort out claims and the rationale behind those claims. These people develop a coping strategy that ignores what is seen to be confused and contradictory competitive claims. As a result, the claims of "new and improved" simply fade in the muddled environment. Second, any dramatic visible improvement is likely to be quickly copied or appear to be copied by competitors so that any belief that a unique point of differentiation has been achieved will recede as the perception that competitors have matched the advance carry the day.

Branding changes all that. A new offering can have its own brand (NetFlix), endorsed brand (Apple's iPod), or subbrand (Glad Press'n Seal). Further, an innovation that represents a feature (Cadillac's On-Star), ingredient (Dove's Weightless Moisturer), or service (Best Buy's Geek Squad) could also be branded directly. A brand provides several powerful functions most of which go back to the basic value of a brand in any context. A brand as summarized in Figure 10.2 allows ownership of the innovation, adds credibility and legitimacy, enhances visibility, and helps communicate sometimes detailed facts.[2]

First and foremost, a brand provides the potential to own an innovation because a brand is a unique indicator of the source of the offering. With the proper investment and active management of both the innovation and its brand, this ownership potential can be extended into the future indefinitely. A competitor may be able to replicate the offering or its new feature, ingredient, or service, but if it is branded, they will need to overcome the power of the brand. Another firm can copy the objective features of Apple's iPod or Westin's Heavenly Bed but there will only be one authentic product

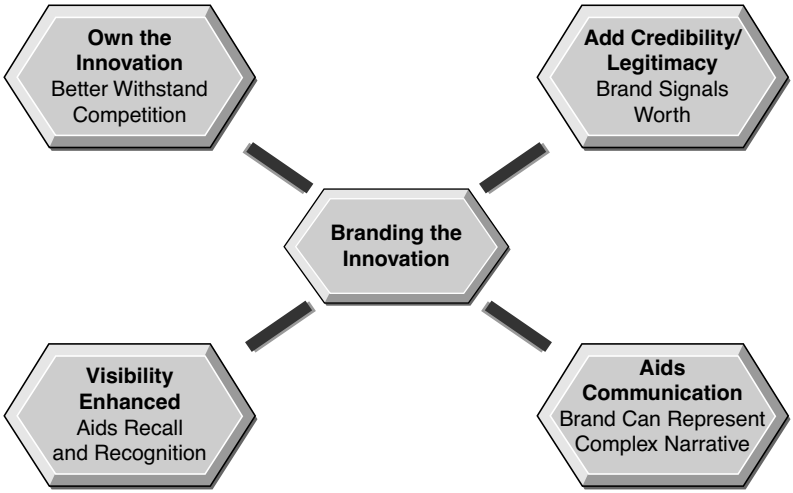

Figure 10.2 Why Brand Innovation?

and that is the one carrying the brand name. In fact, it is sometimes possible to have such a strong brand that it gets credit for innovations by others. Dolby may be an example. An advance in audio technology may be attributed to Dolby no matter where it originates.

Second, a brand can add credibility and legitimacy to a claim. An unbranded claim—such as a "better fabric" or a "more reliable engine"—is likely to be interpreted as another example of puffery. The brand specifically says that the benefit was worth branding, that it is not only meaningful but impactful. The observer will instinctively believe that there must be a reason why it was branded. Suburu has long emphasized 4-wheel drive and many car brands now offer this feature. Audi, however, has a branded version, Quattro, which gives them a credibility and relevance that the others lack. In essence, there are 4-wheel drives and then there is Quattro.

The ability of a brand to add credibility was rather dramatically shown in a remarkable study of branded attributes. Carpenter, Glazer, and Nakamoto, three prominent academic researchers, found that the inclusion of a branded attribute (such as "Alpine Class" fill for a down jacket, "Authentic Milanese" for pasta, and "Studio Designed" for compact disc players) dramatically affected customer preference toward premium-priced brands.[3] Respondents were able to justify the higher price because of the branded attributes. Remarkably, the effect occurred even when the respondents were given information implying that the attribute was not relevant to their choice.

Third, a brand name can help make the innovation visible because it provides a label for the "news." As a result, it is likely that it will be easier to achieve higher recall and recognition scores around the new offering or a branded feature, ingredient, or service. It is just much easier to remember a brand name such as the Redbird's Boardwalk or Rocky Hopper ride than the details of a new feature or service. In fact, one of the characteristics of a good brand name is that it is easy to recall. Further, the job of linking the point of differentiation to the parent brand is also made much easier. The iPod will be more memorable than Apple's MP3 player.

Fourth, a brand makes communication more efficient and feasible. A new product or product feature, for example, even one regarded as a breakthrough by its designers, may engender a monumental lack of interest among the target audience. Even when the communication registers, it can be perceived as too complex to warrant processing and linking to an offering. The act of giving the product or feature a name can help by providing a vehicle to summarize a lot of information without learning the details. A name such as Oral B's Action Cup provides a way to crystallize detailed characteristics, making it easier to both understand and remember. Imagine if Chevron attempted to explain why "Chevron gasoline" was different without the use of the Techron brand. It would not be persuasive or even feasible.

There is the danger of over branding, to put brands on innovations that do not warrant brand investments. So there is a yin and yang of branding innovation based on the Shakespeare-inspired conundrum—to brand or not to brand. The solution is to demand that any innovation that is branded have three characteristics. First, it should be a significant advance, not a marginal improvement. Second, it should be meaningful enough to customers to affect purchase and loyalty. Third, it should merit a long-term commitment to building and managing the brand.

The concept of a branded differentiator provides another more formal look at branded innovation.

Branded Differentiators

A *branded differentiator* is an actively managed, branded feature, ingredient or technology, service, or program that creates a meaningful, impactful point of differentiation for a branded offering over an extended time period.

For example, the Westin Hotel Chain created the "Heavenly Bed" in 1999, a custom-designed mattress set (by Simmons) with 900 coils, a cozy down blanket adapted for climate, a comforter with a crisp duvet, high-quality sheets, and five goosedown pillows. The Heavenly Bed became a branded differentiator in a crowded category in which differentiation is a challenge.

A branded differentiator does not occur simply by slapping a name on a feature. The definition suggests rather demanding criteria that need to be satisfied. In particular, a branded differentiator needs to be meaningful (that is, it matters to customers) and impactful (that is, not a trivial difference). The Heavenly Bed was meaningful in that it was truly a better bed and addressed the heart of a hotel's promise—to provide a good night's sleep. It was also impactful. During the first year of its life, those hotel sites that featured the Heavenly Bed had a 5 percent increase in customer satisfaction, a noticeable increase in perceptions of cleanliness, room decor, and maintenance, and increased occupancy.

A branded differentiator also needs to warrant active management over time and justify brand-building efforts. It should be a moving target. The Heavenly Bed has received that treatment with an active and growing set of brand-building programs. The reception to the bed was so strong that Westin started selling thousands per year. Imagine, selling a hotel bed. Think of the buzz. Further, in 2005 the bed became available in Nordstrom's At Home department. The concept has been extended to the Heavenly Bath, with dual shower heads plus soap and towels. The Heavenly Online Catalog is a place to connect and order all the branded products.

The Heavenly Bed was developed and owned by Westin. It is not always feasible to develop such products and brands, in part because the time and resources may not be available and in part because it is simply difficult. An alternative is to explore alliances in order to create branded differentiators with instant credibility. The Ford Explorer Eddie Bauer Edition, for example, was an offering that sold more than one million vehicles over two decades. It was successful from the outset because the Eddie Bauer brand was established with associations of style, comfort, and the outdoors. Ford never could have achieved that success with its own brand (the Ford Explorer LeatherRide, for example). It would be difficult to imbue such a brand with the self-expressive benefits offered by the Eddie Bauer brand even if the necessary brand-building resources and time had been available.

A branded differentiator, as suggested by Figure 10.3 and the definition, will be either a feature, ingredient or technology, service, or program affecting the offering. A branded feature such as General Motor's OnStar often provides a graphic way to signal superior performance. The OnStar system provides automatic notification of air bag deployment to roadside assistance agencies, stolen vehicle

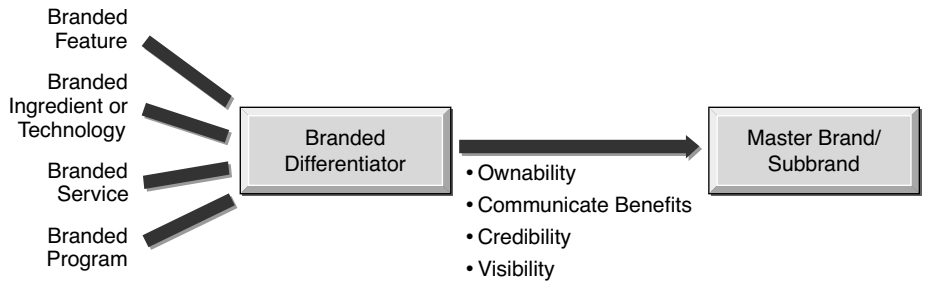

Figure 10.3 Branded Differentiators

location, emergency services, remote door unlocking, remote diagnostics, and concierge services.

A branded ingredient (or component or technology) such as Chevron's Techron or Intel Inside can add credibility even if customers do not understand how the ingredient works, just because someone believed it was worth branding. A branded service such as the Tide Stain Detective, which provides stain removal information on the Tide Web site, provides product reinforcement and credibility to Tide. A branded program such as the Harley-Davidson Ride Planner can provide a way to deepen customer relationships.

CREATIVE THINKING METHODS

Not all growth strategies are obvious. In fact, the obvious ones may well be marginal in terms of likely success and impact, so it is useful to look for breakthrough ideas. Methods and concepts of creative thinking can help in this process. Among the guidelines suggested most often are:

- Pursue creative thinking in groups, as multiple perspectives and backgrounds can stimulate unexpected results.
- Begin with warm-up exercises that break down inhibitions. To make whimsy acceptable, for example, ask individuals to identify what animal expresses their personality and to imitate the sound made by that animal. To stretch minds, ask someone to start a story based on two random words (e.g., *blue* and *sail*), then ask the group to create a position for a brand based on that story.
- Focus on a particular task, such as how to build or exploit an asset (a brand name, for example) or a competence (such as the ability to design colorful plastic items).
- Develop options without judging them. Discipline in avoiding evaluation while generating alternatives is a key to creative thinking.
- Engage in lateral thinking to change the perspective of the problem. Make a list of associations with the brand or the use setting and take sets of two as a point of departure, the more incongruous the fit the better or simply pick a random object or activity (such as *tiger* or *picnic*) to stimulate a new line of thought.

(*continued*)

- Evaluate the options based on potential impact without regard to how feasible they are.
- Engage in a second stage of creative thinking aimed at improving the success chances of an attractive option—possibly one with high potential impact that seems too expensive or too difficult to implement.
- Evaluate the final choices not just rationally ("What do the facts say?") but emotionally ("What does your gut say?").
- Create an action plan to go forward.

ENERGIZE THE BRAND AND MARKETING

The best way to energize a business is by improving the offering through innovation. However, that route is not always open. In many cases, successful innovation even with well-conceived efforts and adequate budgets are elusive and infrequent. And innovations that really make a difference, that rise above those that simply maintain a market position, are even rarer. Further, some businesses compete in product categories that are either mature or boring or both. If you make hot dogs or market insurance, it is hard to conceive of new offerings that are going to energize the marketplace. So the need then is to look beyond the offering for ways to make the brand interesting, involving, dynamic, enthusiastic, and even a topic of conversation. Some suggestions follow.

Involve the customer. Programs that involve the customer elevate the energy level of the brand and business. Coke Zero, for example, asked basketball fans to upload their most fanatical videos and photos supporting their favorite teams; winners were shown on a special show before the championship game. The Betty Crocker Mixer Web site invites members to talk to experts and connect with others into cooking. Bikers can post pictures of their last ride on the Harley Web site. BMW has tracks allowing you to drive their cars.

Go retail. A brand can tell its story best if it can control the context. The Apple store is a good part of the success of its products and brand because it presents the Apple line in a way that is completely on-brand. TaylorMade golf equipment travels to golf clubs to demonstrate and sell its clubs, a more vivid way to experience them than within a sporting goods store. Target created the 30-day "Bullseye Bazaar" in Chicago to introduce the Tracy Feith Clothing collection, the Archer Farms private label food line, and Target furniture available only at Target online.

Publicize events. Publicity events can be a way to gain visibility and even attract conversation. Consider the balloon adventures of Virgin's Richard Branson or the BMW short films created by top directors or the Snuggie's blanket (the blanket you wear) given to media personalities. In each case millions were exposed to the brand in such a way as to emphasize its connection and vitality.

Offer promotions to attract new customers. While existing customers may view the brand as old hat, new customers not only provide sales growth but new eyes. It is, of course, difficult to attract customers particularly if the brand is already well known. Denny's addressed that problem by giving away more that two million Grand

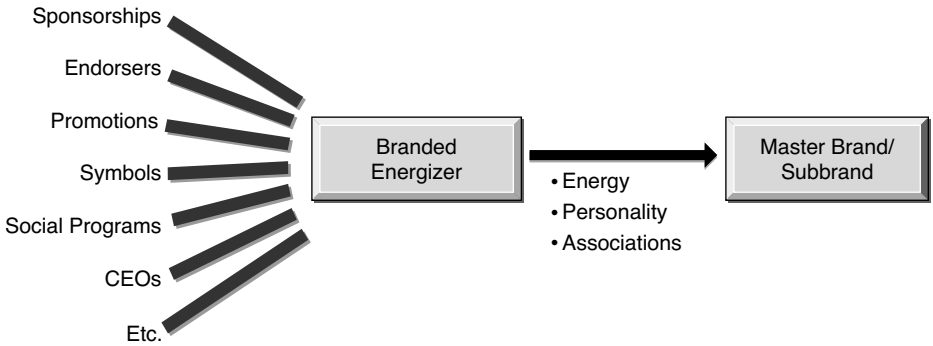

Figure 10.4 Branded Energizers

Slam Breakfasts in one day with the help of a Super Bowl commercial and on-line buzz. Free breakfasts broke through.

Another approach, very different than trying to make the brand or business interesting or involving, is to find something with energy and attach your brand to it and build a marketing program around the connection. Find a branded energizer.

Branded Energizers

A *branded energizer* is a branded product, sponsorship, endorser, promotion, symbol, social program, CEO, or other entity that by association significantly enhances and energizes a target brand. The branded energizer and its association with the target brand are actively managed over an extended time period.

As Figure 10.4 and the definition suggest, a branded energizer can be a wide variety of branded entities and should have several characteristics. First, a branded energizer should itself have energy and vitality as opposed to being lethargic. An effective branded energizer should do well when asked whether it would be described as being:

- Interesting vs. stale
- Youthful vs. mature
- Interesting vs. boring
- Dynamic vs. unchanging
- Contemporary vs. traditional
- Assertive vs. passive
- Involving vs. separated

Second, the branded energizer needs to be connected to the master brand even if, unlike a branded differentiator, it is not part of the master brand offering and does not promise any functional benefits. This connection task can be difficult and expensive. Even the Energizer bunny, one of the top icons among U.S. brands, is associated by some with Duracell rather than Energizer despite the exposure over a long time period.

One connection route is to use a subbrand such as Ronald McDonald House, where the master brand has a connection in the name. A second is to select a program or activity that is so "on-brand" that it makes the link easier to establish. A baby-oriented program would require little effort to connect to Gerber. A third is to simply forge the link by consistently building it over time with significant link-building resources, as MetLife has done with the Peanuts characters.

Third, a branded energizer should significantly enhance as well as energize the target brand and should not detract or damage the brand by being "off-brand" or making customers uncomfortable. Offbeat, underdog brands such as Virgin, Apple, or Mountain Dew, which are perceived as quirky to begin with, have more leeway. "Senior" brands, in contrast, can develop branded energizers edgier than the parent brand but with a lot of options foreclosed.

Fourth, the problems of finding and managing internal branded energizers leads firms to look outside the organization. The challenge is to find an external energizer brand that is linked into the lifestyle of customers, that will have the needed associations to energize and enhance, that is not tied to competitors, that can be linked to the target brand, and that represents a manageable alliance. The task takes discipline and creativity.

Fifth, branded energizers (like branded differentiators) represent a long-term commitment; the brands involved should be expected to have a long life and merit brand-building investments. If the energizers are internally developed, the cost of brand building will have to be amortized over a long enough period to make it worthwhile. If they are externally sourced, the cost and effort of linking them to the parent brand will take time as well. And they need to be actively managed over time so that they can continue to be successful in their roles. The concepts of branded energizers and differentiators do *not* provide a rationale to add brands indiscriminately.

There are many types of branded energizers. Some of the most useful include sponsorships, symbols, endorsers, promotions, programs, and even CEOs.

Branded Sponsorships

The right sponsorship, handled well, can energize a brand and create strong relationships with customers. Consider a rather utilitarian product like motor oil and a venerable brand like Valvoline. Such a brand would normally have trouble generating interest and energy, to say nothing of becoming an important part of a person's life. Few would be motivated to read ads about motor oil, which is perceived by many to be an undifferentiated product. However, through sponsorship activities Valvoline becomes part of the NASCAR scene, and everything changes.

The Valvoline racing program is multidimensional. Valvoline is not just a sponsor of NASCAR but has a NASCAR racing team as well. At the Valvoline Web site, a destination site for those involved with racing, a visitor can access the schedule for NASCAR and other racing circuits and learn the results of the most recent races, complete with pictures and interviews. A "Behind Closed Garage Doors" section provides inside information and analyses. The visitor can adopt the Valvoline NASCAR racing team and learn about their current activities and recent finishes. In addition, it is possible to send Valvoline racing greeting cards, buy Valvoline racing gear, download a

Valvoline racing screensaver, and sign up for a weekly newsletter (*TrackTalk*) that provides updates on the racing circuits. Valvoline thus becomes closely associated with the racing experience, much more than simply being a logo on a car.

The core segment for Valvoline are buyers who change their own oil, are very involved in cars, and live for NASCAR races. The Valvoline racing program has the potential to influence this group in several ways. At a most basic level, it provides credibility and associations of being a leader in motor oil technology. Top teams would not use Valvoline if it was not superior—there is too much riding on the engine's performance. But there are more subtle possibilities. A customer by choosing Valvoline can receive self-expressive benefits, as it is a way to tangentially associate oneself with the top drivers and teams. And research shows that it has tangible benefits. One study found that 47 percent of the U.S. public had an interest in watching NASCAR racing. In another, 60 percent of NASCAR fans said they trusted sponsors' products (as compared to 30 percent of NFL fans), and more than 40 percent switch brands when a company becomes a sponsor.[4]

A sponsorship can provide the ultimate in relevance, the movement of a brand upward into the acceptable if not leadership position. A software firm trying unsuccessfully to make a dent in the European market became a perceived leader in a few months when it sponsored one of the top three bicycle racing teams. Part of Samsung's breakthrough from being just another Korean price brand to becoming a real player in the U.S. market was its sponsorship of the Olympics. It says so much about the brand, so much more than product advertising could ever say. Tracking data confirms that well-conceived and well-managed sponsorships can make a difference. The Visa lead in perceived credit card superiority went from 15 percentage points prior to the Olympics to 30 points during to 20 points one month after—huge movements in what are normally very stable attitudes.[5]

A significant problem with sponsorship—indeed, with any external branded energizer—is linking it to the brand. DDB Needham's Sponsor-Watch, which measures such linkage, has shown that sponsorship confusion is common.[6] Of the 102 official Olympic sponsors tracked since 1984, only about half have built a link (defined as having sponsor awareness of at least 15 percent and at least 10 percent higher than that of a competitor who was not a sponsor—hardly demanding criteria). Those successful at creating links, such as Visa and Samsung, surround the sponsorship with a host of brand-driven activities including promotions, publicity events, Web site content, newsletters, and advertising over an extended time period.

Although most sponsorships are external to the firm, there are cases of internally controlled sponsorships. The Adidas Streetball Challenge is a branded weekend event centered around local three-person basketball tournaments and featuring free-throw competitions, a street dance, graffiti events, and extreme sports demonstrations, all accompanied by live music from bands from the hip-hop and rap scenes. The Challenge was right in the sweet spot of target customers, a party. And it was connected to Adidas by its brand and supporting signage and Adidas-supplied caps and jackets. It revitalized Adidas at a critical time in its history. Owning a sponsorship means that the cost going forward is both controllable and predictable and the event can evolve over time.

Endorsers

A brand may lack energy, but there are plenty of personalities who are contemporary, on-brand, energetic, and interesting. Tiger Woods, the leader in endorsements, lends his credibility as a golfer and athlete, his energy, and his aura as a winner. He is linked through events, advertising, and wearing symbols doing golf tournaments. Some, like Nike (Nike Tiger Woods Golf Clubs), Gatorade (Gatorade Tiger), Electronics Arts (Tiger Woods PPA Tour 08), and Tatweer (Tiger Woods Dubai) have named products after him. Buick is a brand that for nearly ten years, until the economic downturn, used Tiger Woods to make their brand more acceptable to a younger generation of drivers.

Selecting and engaging an endorser is a critical first stop in creating a strategic brand energizer. There are a host of considerations. An endorser target should have:

- An appealing image
  - Visible among the target audience (low visibility will limit the impact)
  - Attractive, liked (simple liking can and does get transferred to the endorsed brand)
  - Sincere (will there be a feeling that the endorser is doing it for money and lacks a sincere belief in the product?)
  - Fresh, not overexposed (an endorser's impact can be diluted by overexposure as an endorser)
- On-brand associations
  - Matching the brand identity goals
  - A natural match to the brand (does the link make sense?)
  - Confidence that the positive associations can be leveraged and that the negative ones can be managed
- Potential for a long-term relationship (how long will the endorser have the desired associations and how likely will it be that a compatible relationship will endure?). A right personality will wear well; Tiger Woods has been associated with many of his brands for over ten years.
- Potential to create programs surrounding the endorser
- Cost effectiveness and availability, which needs to take into account the cost of the programs surrounding the endorser.

Branded Promotional Activities

Kraft's Oscar Mayer Wienermobiles provide energy to a very boring category. There are eight vehicles shaped like a huge Oscar Mayer Weiner touring the United States, with license plates with appropriate wording like "HOT DOG." They turn up at events and parties and support the annual contest to find a child to sing the signature Oscar Mayer jingle. The Wienermobile, which has been shown to bump the product sales, also lives on the Web where visitors can be taken on a tour of Oscartown featuring the

Oscar Museum, the OscarMart, and Town Hall. The brand Weinermobile, by its linkage to the product category, also links it to Oscar Mayer.

Memorable Branded Symbols

Brands that are blessed with strong relevant symbols such as the Pillsbury Doughboy, the Maytag repairman, P&G's Mr. Clean, the Redbird's Rocky, or the Michelin Man can actively manage and use the symbols to become energizer brands. Such symbols can give a personality to even the blandest of brands. They can also suggest attributes. The Doughboy is upbeat, with a sense of humor, and means freshness and superb quality. The Maytag repairman is relaxed, confident, and symbolizes the reliability of Maytag. The Michelin Man is strong and positive and means safety. Mr. Clean is strong and reliable. Rocky is fun, friendly, and energetic.

Symbols can be leased as well as developed. MetLife adopted the Peanuts characters in 1985. Their goal was to provide a warm, light, nonthreatening approach to insurance—a tough sell in the context of an industry perceived by many to be boring, greedy, and bureaucratic. The familiar, funny characters provide a vehicle toward those objectives while also providing interest and energy. Snoopy's appearance on the Web site, on a blimp (which costs $2.5 million each per year), in ads, and even on the logo also serves to inhibit what psychologists call counterarguing. The natural tendency to be cynical toward an insurance company's ad or claim is reduced for MetLife in the presence of the likable Snoopy, in part because it would make no sense to argue with a cartoon character.

Another tact is to introduce or enhance a lively, humorous personality. Most competitors are serious about their offerings, and a business that takes itself lightly will often stand out. This is especially true in the insurance industry. Aflac made great strides on the awareness front by developing the Aflac duck, and MetLife has benefited from associations with the Peanuts characters.

It is important to understand the role of the symbol. Is it to create a personality? To suggest or reinforce associations? To be a vehicle to interject humor and likability into an otherwise bland and uninteresting message? To create interest and visibility, like the duck has done for Aflac? With the role in mind, it is possible to proactively look for or develop the right one.

Branded Social Programs

Branded social programs can pay off by providing the basis of a customer relationship based on trust and respect. However, it can also provide energy by generating interesting ideas and programs and even passion, tangible results, and opportunities for customer involvement. Consider the energy created by the Avon Breast Cancer Crusade with its signature Avon Walk for Breast Cancer, a program with substance (they have raised over $550 million for the fight against breast cancer) and incredible involvement not only with participants of the walks but the family members and sponsors as well. That interest and energy could never have been created by new Avon products, however different they might be. And it is branded as Avon which means that its track record is linked to Avon.

Creating branded social programs can effectively be costless in that existing philanthropy dollars that are being spent without focus or impact can be diverted into branded social programs. However, they are also extremely hard to generate; there are firms that would like to create an Avon Walk program but simply can't come up with one. Kellie McElhaney, the Director of the Center for Responsible Business at the Haas School at UC Berkeley, has suggested several principles to guide development of a branded social program:[7]

Know thyself. The goal is to create branded programs that are authentic and effective. Ideally they should support the business strategy, draw on firm assets and competencies, and enhance the image of the brand. That means that the firm should address very basic questions as to who they are, their strengths and weaknesses, and what they want to stand for.

Get a good fit. Being authentic, being connected to the program, and being effective will all be easier if there is a fit. Avon's program hits on a key concern of their target market and reflects a relationship with their customers that goes beyond product. The same can be said with Crests' Healthy Smiles (low cost dental care for poor children), Home Depot's relationship with Habitat for Humanity, and Dove's Real Women. In contrast, the Ford association with the "Susan G. Komen for the Cure" breast cancer foundation (with its donations attached to buying a pink trimmed Mustang) lacks a logical fit.

Brand it. If the program has a strong visible brand, it will be much more likely that people will learn and remember. Whirlpool is linked to the Habitat for Humanity program of building homes for less fortunate, a strong brand. Another challenge is to link the program brand to the brand to which it is lending energy. In the case of Home Depot that is done with in-store communication and promotion and by having its employees involved in working on Habitat projects. An owned brand such as Ronald McDonald House or Avon Breast Cancer Crusade has the advantage of having the corporate brand as part of the program brand.

Create emotional connection. An emotional connection in general communicates much stronger than do a set of facts and logic. The message is punchier and simpler. Further, an emotional connection will tend to enhance the relationship between the brand to which it is attached and the customer. So Pedigree Adoption Drive with its pictures of adorable dogs triggers an emotional response. Ronald McDonald House presents a program that helps children with serious medical conditions and their families.

Communicate the program. There are a host of companies that are spending real money on programs that are unknown to their customers and, often, even to their employees. To achieve its objectives of advancing a social cause, energizing the employees, and enhancing the reputation of a corporate brand, the program needs to be communicated. That involves accessing the right set of communication vehicles including the Web site, social technology, PR, and active employees. Beware of making it too

complex, too detailed, too quantitative. Simple with understandable symbols, taglines, and stories is what is needed. Metaphors can help—too much CO_2, for example, might be likened to a bathtub, now half full, that will eventually overflow.

Involve the customers. Involvement is the ultimate way to gain supporters and advocates. Method, a maker of environmentally safe cleaning products, has a brand ambassador program where customers who sign on will get products and T-shirts and information about why their friends should use the product. Avon's walk for breast cancer involves hundreds of thousands each year either as participants or supporters of walkers.

Branded CEOs

Some firms have branded CEOs who can serve to capture and magnify the energy in the brand, or even create energy that can be transferred to the brand. Lee Iacocca helped save Chrysler by exuding confidence and competence when customers and investors had assumed the firm would collapse. Richard Branson's outlandish stunts (some involving hot-air balloons) have been a large part of the energy and personality of the Virgin brand. Herb Kelleher personified the Southwest Airlines brand with his visible and colorful expression of its culture. Steve Jobs and Bill Gates have driven much of the energy of Apple and Microsoft with their visible thought leadership.

The right CEO with the right message can often create news with credibility and has the advantage of being able to access media. To be an energizer, however, the CEO should have energy with respect to ideas, a distinctive personality, and be around for a long enough time period to become a recognized representative of the brand.

The Need for Energy

Relevance and differentiation have long been considered the basis of success for a brand. But recent studies involving the mammoth Y&R's Brand Asset Valuator (BAV) database—70 brand metrics for each of 40,000 brands spread over 44 countries—find that another component is needed—energy.[8] An analysis of the total database from 1993 to 2007 showed that brand equities as measured by trustworthiness, esteem, perceived quality, and awareness have been falling sharply over the years. For example in the last 12 years trustworthiness dropped nearly 50 percent, esteem fell by 12 percent, brand quality perceptions fell by 24 percent, and, remarkably, even awareness fell by 24 percent. Only those brands with energy remained healthy and retained their ability to drive financial return.

In fact nearly all brands need energy, especially the traditional brands of the world such as AT&T, John Deere, Dow, Brooks Brothers, Toshiba, and Pillsbury who are usually portrayed as being reliable, honest, dependable, assessable, and often innovative as well. But they often struggle with impressions that they are old-fashioned, out-of-touch, and boring, an impression that can affect their relevance for some segments. The remedy for this all too common profile is to inject energy and vitality. The need for energy for mature respected brands is especially true for the key younger segment, the lifeblood of the future.

INCREASING THE USAGE OF EXISTING CUSTOMERS

Attempts to increase market share will very likely affect competitors directly and therefore precipitate competitor responses. An alternative, attempting to increase usage among current customers, is usually less threatening to competitors.

When developing programs to increase usage, it is useful to begin by asking some fundamental questions about the user and the consumption system in which the product is embedded. Why isn't the product or service used more? What are the barriers to increased use? Who are the light users, and can they be influenced to use more? What about the heavy users?

Greater usage can be precipitated in two ways, by increasing either the frequency of use or the quantity used. In either case, there are several approaches that can be effective (see Figure 10.5). All are based on becoming obsessed with what stimulates use and the use experience itself.

Motivate Heavy Users to Use More

Heavy users are usually the most fruitful target. It is often easier to get a holder of two football season tickets to buy four or six than it is to get an occasional attendee of games to buy two. It is helpful to look at the extra-heavy user subsegment—special treatment might solidify and expand usage by a substantial amount. Examples include Schwab's Gold Signature Services, the special dinner parties and courier service offered by Chase Manhattan to its biggest accounts, or the first-class treatment provided to high rollers by Las Vegas casinos.

Make the Use Easier

Asking why customers do not use a product or service more often can lead to approaches that make the product easier to use. For example, a Dixie cup or paper-towel dispenser encourages use by reducing the usage effort. Packages that can be placed directly in a microwave make usage more convenient. A reservation service can help those who must select a hotel or similar service. The classic but long-dormant Crock-Pot slow cookers were in 80 percent of homes, but used by only 20 percent. A hot product in the early 1970s, it fell victim to out-of-home eating but is making a sharp comeback in part due to a desire to have home-cooked meals with minimal

Strategy	Examples
Motivate heavy users to use more	Perks with more season tickets
Make the use easier	Microwaveable containers
Provide incentives	Frequent flyer miles
Remove or reduce reasons not to buy	Gentle shampoo for frequent use
Provide reminder communication	E-mail birthday reminder
Position for regular use	Floss after meals
Find new uses	Snowmobiles for delivery

Figure 10.5 Increasing Usage in Existing Product Markets

preparation. A catalyst is the Banquet line of frozen entrees called Banquet Crock-Pot Classics, which have made the process of cooking with the Crock-Pot much easier.

Provide Incentives

Incentives can be provided to increase consumption frequency. Promotions such as double mileage trips offered by airlines with frequent-flyer plans can increase usage. A fast-food restaurant might offer a large drink at a discounted price if it is purchased with a meal. A challenge is to structure the incentive so that usage is increased without creating a vehicle for debilitating price competition. Price incentives, such as two for the price of one, can be effective, but they also may stimulate price retaliation.

Remove or Reduce the Reasons Not to Buy

A business often reaches a ceiling because there are potential buyers who have a reason not to buy or to buy more. Thus, bags of snacks with 100 calories provide a way for users to partake without losing control of their eating habits. Hundai addressed the problem of job insecurity with the breathtaking offer to buy back a car if the buyer lost his or her job. A gentle shampoo could be used daily.

Provide Reminder Communications

For some use contexts, awareness or recall of a brand is the driving force. People who know about a brand and its use may not think to use it on particular occasions without reminders.

Reminder communication may be necessary. An e-mail program to remind Wine.com customers about an upcoming birthday may ensure that they buy a present. Several brands, including Jell-O, have conducted advertising campaigns aimed at getting their product out of the cupboard and onto the table. It is not enough for people to have recipes if they never get around to using them. Routine maintenance functions such as dental checkups or car lubrication are easily forgotten, and reminders can make a difference.

Position for Regular or Frequent Use

Provide a reason for more frequent use. On Web sites, what works is to have information that is frequently updated. People go to My Yahoo to see the latest headlines or learn how their stocks are doing, as often as every few minutes when important things are happening. Other incentives might include a new cartoon each day at a teen Web site, or a best-practices bulletin board at a brand consulting site.

The image of a product can change from that of occasional to frequent usage through a repositioning campaign. For example, the advertising campaigns for Clinique's "twice-a-day" moisturizer and "three glasses of milk per day" both represent efforts to change the perception of the products involved. The use of programs such as the Book-of-the-Month Club, CD clubs, DVD clubs, and flower-of-the-month or fruit-of-the-month delivery can turn infrequent purchasers into regular ones.

Find New Uses

The detection and exploitation of a new functional use for a brand can rejuvenate a business that has been considered a has-been for years. Jell-O, for example, began strictly as a dessert product but found major sources of new sales in applications such as Jell-O salads. Another classic story is that of Arm & Hammer baking soda, which saw annual sales grow tenfold by persuading people to use its product as a refrigerator deodorizer. An initial 14-month advertising campaign boosted the use as a deodorizer from 1 to 57 percent. The brand subsequently was extended into other deodorizer products, dentifrices, and laundry detergent. A chemical process used in oil fields to separate waste from oil found a new application when it was applied to water plants to eliminate unwanted oil. Kraft encouraged people to use cream cheese, stuck in the bagels for breakfast slot, with crackers or celery as a snack.

New uses can best be identified by conducting market research to determine exactly how customers use a brand. From the set of uses that emerge, several can be selected to pursue. Customer application tracking allowed BenGay to learn that much of its volume was going toward arthritis sufferers. A separate marketing strategy was developed and the result was a wave of growth. Another tactic is to look at the applications of competing products. The widespread use of raisins prompted Ocean Spray to create dried cranberries, which can be found in cookies and in cereal such as Müeslix with a "made with real Ocean Spray cranberries" seal on the package. They are also being sold as a snack food called Ocean Spray Craisins.

Sometimes a large payoff will result for a firm that can provide applications not currently in general use. Thus, surveys of current applications may be inadequate. Firms such as General Mills have sponsored recipe contests, one objective of which has been to create new uses for a product by discovering a new "recipe classic." For a product that can be used in many ways, such as stick-on labels, it might be worthwhile to conduct formal brainstorming sessions or other creative exercises.

If some application area is uncovered that could create substantial sales, it needs to be evaluated. Consideration needs to be given to the possibility that a competitor will take over an application area, whether through product improvement, heavy advertising, or engaging in price warfare. Can the brand achieve a sustainable advantage in its new application to justify building the business? Ocean Spray is associated with cranberries, which might protect its entry into a cranberry snack, but the firm's name will be less helpful in a processed application such as cookies or cereals.

KEY LEARNINGS

- Energizing an existing business is a fruitful source of growth because it avoids the risks of venturing into new competitive arenas requiring new assets and competencies.
- Improving the offering through innovation is always the best route to growth and profitability. However, innovations can represent short-lived advantages unless branded. A brand provides ownability, credibility,

visibility, and communicability. A branded differentiator is an actively managed, branded feature, ingredient or technology, service, or program that creates a meaningful, impactful point of differentiation for a branded offering over an extended time period.

- Sometimes innovation is not feasible and then energizing the brand/marketing or creating a branded energizer is the best option. A branded energizer is a branded product, promotion, sponsorship, symbol, program, or other entity that by association significantly enhances and energizes a target brand—the branded energizer and its association with the target brand is actively managed over an extended time period.
- Growth less vulnerable to competitive response can also come from increasing product usage by motivating heavy users to use more, making the use easier by removing or reducing reasons not to buy, providing usage incentives, reminder communications, positioning for frequent use, and finding new use.

FOR DISCUSSION

1. Why are Apple, Google, Toyota, Microsoft, Nintendo, IBM, HP, Wal-Mart, Amazon, and P&G considered innovative? Did branding play a role? For which brands? What other brands would you nominate? Why? What role did branding play in your judgment for those brands?
2. Think of some highly differentiated brands. Do they have branded differentiators? If not, how did they achieve differentiation? Will it be lasting?
3. Think of some branded differentiators. How differentiated are they? Do the customers care? Are they impactful? Have they been managed well over time? Do they have legs? Evaluate Best Buy's Geek Squad.
4. Think of some brands that have high energy. What gives them that energy? Will that continue into the future?
5. Think of some brands that have branded energizers that made a difference. Evaluate them in terms of whether they are "on-brand," energetic, and linked to the master brand.
6. Using the creative thinking guidelines, think about how you would increase the usage of products or services if you were the manager of:
   - **a.** Doritos
   - **b.** Charles Schwab
   - **c.** GAP

NOTES

1. "Do Ideas Cost Too Much?" *Business Week*, April 20, 2009, pp. 46–47.
2. Branded differentiators and branded energizers are introduced and discussed in more detail in Chapter 5 of David Aaker, *Brand Portfolio Strategy*, New York: The Free Press, 2005.
3. Gregory S. Carpenter, Rashi Glazer, and Kent Nakamoto, "Meaningful Brands from Meaningless Differentiation: The Dependence on Irrelevant Attributes," *Journal of Marketing Research*, August 1994, pp. 339–350.
4. Kevin Lane Keller, *Strategic Brand Management*, 2nd ed. Saddle River, NJ: Prentice Hall, 2003, p. 317.
5. James Crimmins and Martin Horn, "Sponsorship: From Management Ego Trip to Marketing Success," *Journal of Advertising Reaserch*, July–August 1996, pp. 11–21.
6. Ibid.
7. Kellie A. McElhaney, *Just Good Business*, San Francisco: Berrett-Koehler Publishers, 2008.
8. John Gerzema and Ed Lebar, *The Brand Bubble*, San Francisco: Jossey-Bass, 2008, Chapters 1 and 2.