

# BRAND LEADERSHIP

## The Evolving Paradigm

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**MAIN IDEA**

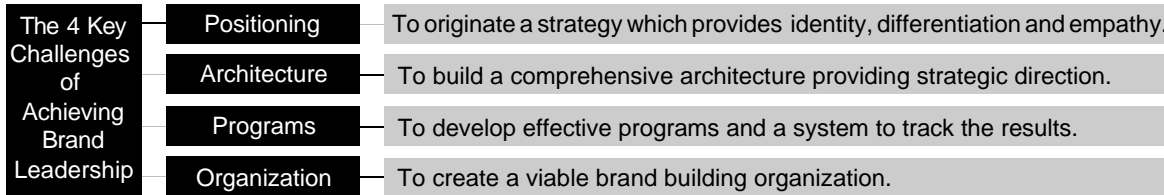
Creating and progressively building strong brands is an important commercial activity for most business enterprises since:

- Brands are important and substantial financial assets that add significantly to the market value of the overall commercial entity.
- Brands that are well positioned can deliver sustainable competitive advantages – allowing firms to differentiate themselves.
- Brands enhance profitability – they allow companies to sell products and services at prices higher than the prevailing market rate.

For all that, however, the way that strong brands are built is rapidly changing and evolving. A new paradigm is emerging in which achieving brand leadership is becoming more important than simply building brand equity.



To succeed in building brand leadership, a business must overcome and address four key challenges:



In effect, the paradigm for brand building is evolving from the tactical and reactive approach of traditional brand management to the much more strategic and visionary brand leadership approach. Similarly, the focus of brand building is evolving from a limited single market scope to a much broader and more complex multiple market focus embracing the global perspective. And, at the same time, the key driver of brand strategy is evolving from measures like sales or market share to a better long-term metric, brand identity.

The New Paradigm of Brand Leadership . . . . . Pages 2 - 3

The traditional brand management system is being superceded by the brand leadership paradigm because of the need to deal with new market complexities – competitive pressures, the evolution of channels, global competition, multiple brands, aggressive brand extensions and the arrival of complex subbrands.

Challenge #1 – Positioning – To originate a strategy which provides identity, differentiation and empathy. . . . . Page 4

Every strong brand actually has two key elements:

1. An identity – a vision of how the brand should be perceived by its target audience.
2. Positioning in the marketplace – a communication strategy to prioritize and focus the brand identity.

Businesses that succeed in building strong brands excel at creating a rich, clear and unambiguous brand identity and supplement that with a positioning program which clarifies and elaborates on that brand identity.

Challenge #2 – Architecture – To build a comprehensive architecture providing strategic direction. . . . . Page 5

The brand architecture is the relationship which exists between brands and subbrands within the firm's portfolio. An effective brand architecture will:

1. Link all the brands together productively to create synergies and clarity in customer offerings.
2. Avoid confusion by allowing each brand to be positioned carefully and deliberately.

Businesses that succeed in developing a good brand architecture are well placed to grow the value of each brand within the portfolio.

Challenge #3 – Programs – To develop effective programs and a system to track the results. . . . . Pages 6 - 7

Brands are formed and built through memorable programs which bring the brand to life. This is more than just advertising, possibly including elements such as:

1. Sponsorships.
2. The Web and other interactive media.
3. Public relations and other initiatives.

Smart companies execute these brand-building programs exceptionally well and measure the results achieved quantitatively so the programs can be evaluated and enhanced over time.

Challenge #4 – Organization – To create a viable brand building organization. . . . . Page 8

A good brand building organization will operate globally within a culture and organizational structure which nurtures and build the brand. That generally requires four elements:

1. A brand champion who will oversee the long-term progress of the brand – avoiding ad-hoc decisions.
2. An international communication system – allowing sharing of insights, ideas and best practices.
3. A common global brand planning process.
4. The ability to execute effective brand-building programs.

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