



PHOTOGRAPHY: KEVIN KELLY

BRANDING as business strategy

Branding is part art, part science. It is intangible, visceral, emotional, personal, cultural, and very hard to build. In this article, Dean [Roger Martin](#) and Assistant Dean [Kate Eccles](#) argue that branding isn't about advertising and PR, it's about how your firm is fundamentally going to compete.

It's not your father's Oldsmobile". Most of us remember this campaign — a series of clever and compelling General Motors ads designed to address a worrying trend: The buyer profile of one of GM's key divisions was aging. As sales kept drifting downward, GM relaunched the Oldsmobile brand in 1988 with a ubiquitous ad campaign designed to capture a new generation.

Many of us recall the high production values of these ads, which ran in various iterations for over a decade. Celebrity father-child pairs like

William Shatner and his daughter, traversing the generation gap through a shared commitment to the Oldsmobile brand.

Why, then, after years of brand bodywork, did General Motors make the decision last December to phase out the Oldsmobile — the oldest automotive brand in America?

Well, it turned out it *was* your father's Oldsmobile after all.

The Oldsmobile ads may have amused sample consumers in focus groups, but they did nothing to

provide real customers with a compelling reason to buy the cars. In a last-ditch effort to resurrect the brand, Oldsmobile hired a new ad director a couple of months before the announcement. Why, even with this changing of the guard, couldn't they produce ads that were compelling to customers?

The truth is: The Oldsmobile demise wasn't due to ineffective advertising. It was because you can't stand for something that you aren't.

THE GOLDEN THREAD

In an age of accelerating product proliferation, enormous customer choice, and growing clutter and clamor in the marketplace, a great brand is a necessity, not a luxury.

People tend to think branding is a straightforward final step of a strategy: Figure out what you are going to do and then brand it. As though you could "brand" your firm as an afterthought, hire an ad agency to "brand" your product, or change ad directors to resurrect a dying brand.

The truth is that a brand is a synoptic, integrative view of the firm, and is completely central to business strategy. As much as anything, a brand stands for an attitude, a way of competing. Indeed, one could go as far as to call it culture. In the final analysis, you can't "get" a brand. You have to "be" a brand.

Many people equate branding with logos, but that would be too narrow a definition. A logo is a symbol, but a brand is a story. Brands are about passion, commitment, and meaning, not about what the label looks like on the supermarket shelf.

Your brand is a "golden thread" that runs through everything your firm is about, connecting your strategy, your history, your corporate culture, directly to the heart of your consumer.

Branding is partly about storytelling and meaning, but it's also about authenticity. It's about the ability to really connect to the heart of the consumer, and about your willingness to keep promises — to your employees, your customers, and the communities in which your company operates.



Some would try to promote a brand that is inconsistent with what consumers actually experience. They think that if only they can get someone to draw the right pictures, to make the right commercials, to have the right PR firm, consumers will say the right things in focus groups and buy their products.

But the truth is, a brand becomes what consumers see, not what the firm wants it to be. The phase out of GM's Oldsmobile division illustrates how difficult it can be to resurrect a brand — even one with a century of history — once it has fallen out of favour and no longer delivers authentically to the consumer.

To build brand equity, a company needs to do two things — distinguish its product from others in the market, and align what it says about its brand in advertising and marketing with what it actually delivers — both of which Oldsmobile failed to do.

BUILDING AN AUTHENTIC ORGANIZATION

A brand isn't just what the customer experiences. It's everything that a company's vendors, employees, and board members touch. Companies need to rethink who defines their brand. The power of marketing and advertising directors is declining. As service becomes an important part of the brand experience, employees in customer service and distribution become just as important to the brand as the marketing and communications departments. For Sleep Country Canada, the brand is as much about the booty-clad deliverymen as the ubiquitous radio advertisements. The separation of marketing, research, advertising and customer service into silos no longer makes sense.

Your brand is a manifestation of your culture — the hearts of your people and what they stand for as individuals. The heart of what your firm is prepared to promise. The only way to have a really strong brand, therefore, is to have an authentic organization.

The Four Seasons — a great Canadian company with 50 hotels in 22 countries — understands this well. These hotels do not compete

Branding Case Study: Algorithmics Inc.

With billions of dollars loaned, traded, and transacted globally every day, millions of dollars are potentially at risk at any given moment in time. Having pioneered a way to proactively measure and manage risk by determining the total exposure of a financial institution across all of its global activities, Algorithmics software is now at the heart of risk management for more than 120 leading banks, asset managers and corporations in 26 countries.

Since its inception 12 years ago, Algorithmics has evolved from an idea, to a name, to a team of dedicated people, to an identity, to products, and finally, to a state of "brand magic", according to its President and CEO, **Ron Dembo**. Dembo spoke about his company's brand at the Rotman Entrepreneurial Design Workshop held last November. "When a brand transcends into something that people recognize, identify with, need, and ultimately choose as a result of its identity,

branding magic has been made. I believe the Algorithmics brand has reached that place."

"When I started this company, I could have taken the approach that we would be just another tech company, rushing product to market and paying little heed to aesthetic sensibility, brand development, culture and art." Instead, Dembo decided to build a company that would lead the industry both in research and development, and in thought leadership. To do so, he had to build an aesthetic, a culture, a community — "all those things which define a brand, that supercede a 'business as usual' approach."

Making striking design a priority has had an incredible impact on the Algorithmics brand, says Dembo. "We've relied heavily on strong, yet simplistic design, metaphor, and a primary colour palate." As a result, the company's corporate identity, advertisements, and collateral materials appeal to universal sensibilities. "Consistently

with the best hotels in the world on the basis of better facilities, better real estate, or the magnificent physical structures of the world's oldest grand luxury hotels. Their competitive strategy — and what the brand has come to symbolize — is impeccable and unforgettable customer service.

Yet, Chairman and CEO **Isadore Sharp** doesn't have a "customer service" department. Why? Because everybody who works at a Four Seasons hotel is automatically in the customer service business. On the recent opening of their newest property in New York City, the company reviewed 30,000 applications, and interviewed 3,000 people, in order to fill 400 positions. They take the selection of those who will "be" the brand seriously.

The Four Seasons recruiters aren't looking for people who have necessarily worked in

hotels before — they're looking for those who are going to love serving their customers, who are respectful and empathetic — those who understand what the Four Seasons banner stands for and who want to become part of that tribe.

In exchange, this authentic brand provides great opportunities for those who fit the brand

profile. Four Seasons employees, unlike many in their competitors' hotels, receive more training, have unprecedented opportunities to be promoted within their organization, and have a lower turnover rate by far than the industry average. Four Seasons understands

continued on page 9

The Role of Identity in Branding

As you stroll through the grocery aisles, plucking items from the shelves and filling up your cart, telling one brand from another is relatively easy. It's unlikely you would accidentally reach for a box of Kellogg's Cornflakes when you're looking for Kraft Peanut Butter. When it comes to consumer products, we remember logos, slogans, and the colors and packaging associated with them. But for more complex entities, such as large organizations or educational institutions, branding can be much more complicated. Two of the key things that

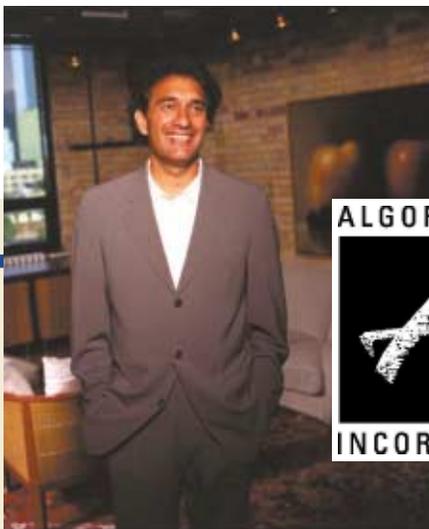
define an organization's brand are its *identity* and the way in which people *identify with it*.

Rotman alumnus **Blake Ashforth** (BCom '80, PhD '86), currently teaching at the University of Arizona, is a leading researcher in the area of Organizational Identity (OI). He calls OI "the soul of an organization". Defining an organization's identity requires identifying the qualities that make it distinctive from its competitors. To survive and thrive, every entity, whether it be an organization, group, or institution, must formulate an answer to the question, "Who am I?"

Another key concept in defining an organization's brand is identification, which is people's perception of 'oneness with' or 'belongingness to' the organization. We all want to think we're part of something bigger than ourselves. Organizations that manifest that sensibility create the emotional context people need to locate themselves in a larger experience. People who strongly identify with an organization incorporate some of what they believe to be distinctive and enduring about it into their own self-concept.

Research shows that employee involvement is a key component in building reputation for a company, creating an attractive image for it, and promoting identification with it. Ashforth and his colleagues have found that strong identification is linked to the likelihood that members will externally promote the organization and contribute to it financially. Identification is also said to directly affect employee decision-making and understanding

— Jelena Zikic, PhD Candidate in
Organizational Behavior,
Rotman School of Management



Ron Dembo, President and
CEO of Algorithmics Inc.

excellent design has become one of the hallmarks of our brand and, I believe, speaks to the superiority of the solutions we offer."

But it takes more than strong design to create a successful brand. "Equally important is that we've managed to create products that people want, and have priced them at a level perceived as 'value for money'. Choosing appropriate promotional vehicles and ensuring the right sales channels

is also critical." In the case of Algorithmics and most other successful brands, says Dembo, the people in the company and the corporate culture are also a critical component of brand building. "A huge part of our success has been as a result of 'the company we keep'. Our people are critical to our unique and distinct brand."

With 500 employees speaking 22 languages in 16 offices worldwide, Algorithmics is truly a global village. "We recognize and celebrate this unique and extraordinary cultural diversification — and I know that our customers do as well." Customers are made to feel as though Algorithmics staff are not only 'speaking their language' in a literal sense, but that they also feel their cultural, political, and social needs are being understood and addressed. "That's a big part of who we are," says Dembo.

The Radical Rotman Brand

How did the Rotman School manage to become the most often-quoted business school in the country, despite a minimal advertising budget and a one-person media department? The answer: radical marketing.

The term 'radical marketing' was coined by **Sam Hill** of Booz-Allen & Hamilton to describe the unorthodox publicity approach often adopted by successful entrepreneurs who must establish their brands under significant resource constraints.

Radical marketers relate differently to their customers than traditional marketers do. They aspire to be in tune emotionally with their customer base, which allows them to glean superior marketing insight without spending millions of dollars on market

research and focus groups. They are more focused on the big picture — growth and expansion — than short-term profits. Examples of radical marketers include: Harley-Davidson; Madonna; The Grateful Dead; Oprah Winfrey's "Harpo Productions", and Virgin Atlantic.

With the arrival of Dean **Roger Martin** in September of 1998, U of T's School of Management was ready to embark on a period of unprecedented growth and renewal, pursuing an ambitious goal to rank among the top ten business schools in the world within seven to ten years. Far behind the top business schools in both scale and resources, Rotman could not expect to compete by merely replicating successful

models of the leading schools.

"We adopted a school-wide strategy to pursue uniqueness, not replication — distinctiveness, not predictability," says Martin. "To win, the School has to act simultaneously across a range of key dimensions to create a system of intersecting and mutually reinforcing advantages that will lock in our competitive position and make it difficult for others to replicate our distinctiveness." One element of that system is radical marketing.

"Radical marketers are driven by a dream that borders on obsession," says **Kate Eccles**, Assistant Dean, Advancement and Chief Marketing Officer. "They are frequently hindered by limited financial



Radical Marketing 101:

- The CEO's image is consistent with the brand.
- Advertising is used only in very minimal, targeted ways. If used at all, it's a "content blast" with a specific message and purpose, not a continuous stream of general image advertising.
- Marketing focuses on creating strong visceral ties with specific target audiences, creating a sense of a "club" or a community of consumers.
- Publicity is the top mass market external relations tool, used strategically to position the brand, with the CEO as the central media player.
- "Market research" is minimal: Close consumer ties provide needed information and feedback is continual and built into day-to-day operations.
- Staff and constituents are energized and act for the brand as "passionate missionaries."
- Marketing mix is unorthodox, but the organization is absolutely obsessive about brand integrity.

resources, but are inspired by a belief in their product. At the Rotman School, we operate with significantly less resources than our top-ten competitors, all of whom have significantly more marketing staff than we do, and huge budgets for outsourcing advertising, PR, communications and special events. As a small community, we have to think differently — we have to be radical if we are to achieve ambitious goals.”

The first step in executing the marketing plan was to develop the three Rotman vision points: Global Competitiveness, Integrative Thinking, and the Value of One. As well, the School needed a visual and graphic identity. Enter Bruce Mau Design, which created the now-familiar Rotman wordmark and devised a complete graphic standards manual. Mau developed the strong, dynamic “look” and colour palette which is now used for all Rotman publications, Web sites, advertisements and signage.

“It was vital that the Dean’s vision be positioned within a strong and coherent brand, and that the School’s goals and objectives be clearly communicated to internal and external constituencies,” says Eccles. “By having a clear competitive strategy and story, represented by consistent visual symbolism, we have attempted to create a billboard effect for the Rotman brand across all public activities, media and communications strategies.”

“The brand is helping us draw an ever-expanding circle of top business people to the School, and is helping to enhance our recruitment and fundraising activities,” says Martin. “People are really starting to understand what we stand for.”

Eccles adds: “The Rotman brand doesn’t live in the marketing-communications department, but is represented by everyone in the Rotman community — alumni, students, faculty, staff, donors and friends. Everyone has been a part of this effort — and we really are beginning to get this tribal sense that together, we comprise a community that is doing something really great. One of the challenges we face moving forward is to continue to be obsessive about our brand integrity, ensuring that we think very strategically about what ‘products’ the Rotman brand will offer, ensuring the brand is not diluted by potentially lucrative, but off-strategy offerings.”

— Karen Christensen

continued from page 7

that its brand is about the customer experience. They also know that the ‘golden thread’ is delicate and easily broken — by not having the right people at the customer interface, their brand would become meaningless.

The best brands are polarizing — they sacrifice alignment to the hearts of some, to speak deeply to the hearts of others. Porsche, for example, maintains an authentic connection to a narrow band of car buyers — those who want only the best. Porsche’s brand promise is that their firm

is populated by engineer car fanatics who drive the cars with speed and rapture, and care intensely about quality. The notion is that the *raison d’être* for the Porsche family and the engineers who work with it is the desire to build cars that are good enough for themselves — the idea that the firm’s own employees are its most demanding customers.

Virtually anything is brandable and offers an opportunity to create a frame of mind that is unique. A product line — like Oldsmobile — is something that is produced to function and exist in reality. A brand has meaning beyond functionality and exists in people’s

When Your Name Becomes a Brand

Choosing to put your name on an institution is a deeply personal and difficult choice. You are putting your name in the hands of others (the people you’re partnering with.) Seeing my name in the newspapers, on TV, and on the Rotman building itself reinforces the desire for the realization of my personal dream: to see the U ofT create an internationally-recognized, quality school to train young people for our country.

In the beginning, my wife Sandy and I gave money to help create the dream, but what’s happened is that the tables have turned — the Rotman School of Management has provided us with pride and satisfaction in the School’s reputation for excellence.

Sandy and I have developed a sense of affinity and connection with everyone associated with the School — students, alumni, faculty and staff members, and we look forward to every single interaction that occurs, not only at the School, but on the streets of North America and Europe. The School has become a gracious custodian of our name and we are immensely proud of our association with it, and in particular with Dean Roger Martin and his wife Nancy, both of whom share our dream and desire to make it come true.

— **Joseph L. Rotman** (MCom ‘60)



What is most critical is putting the brand at the heart of the organization. This is how an organization differentiates itself from competitors and builds customer and employee loyalty.

minds. Branding is not advertising. Great brands reach out with a kind of powerful connecting experience that transcends the product. Great brands are personal. They become an integral part of people's lives by forging emotional connections. Coke is nostalgia. Coke tells stories.

Nike, Disney, IBM, Levi's, McDonald's, Sony, Xerox, Kleenex — these are the power brands. Each has created a distinctive product, consistent delivery, alignment between communications and delivery, plus, perhaps most importantly, personality and presence. They

create an emotional bond that grows out of their personality.

Successful diversified brands must also find and constantly reinforce the unifying factor that defines them. Virgin moved from airlines into financial services and cola drinks — a highly diversified product line. But what's important about Virgin isn't which products they produce. The "golden thread" is the idea of Virgin as a fun and exciting company, which is somewhat of a rebel against the system.

Companies should be careful about how far

they attempt to stretch their brands. They need to do their homework, to talk to customers about which product categories are a good fit with their brand and which ones just don't compute. By moving into categories such as hardware and home furnishings, many believe Amazon has gone too far — and that its brand will soon mean nothing more than "big".

THE HEART OF THE ORGANIZATION

A brand is forever being refined by the entity that brought it to life. It reflects the culture that thrives in an organization and is reflected by its employees. What is most critical is putting the brand at the heart of the organization. This is how an organization differentiates itself from competitors and builds customer and employee loyalty. In short, it's how a firm competes and differentiates itself in the marketplace. **RM**

Joining a Family of Brands

The Rotman School's brand doesn't exist in isolation — it also fits within the ongoing parent brand of the University of Toronto. The U of T brand colours and associated "Great Minds for a Great Future" campaign were developed over the last four years by a team of U of T communicators headed by Director of Public Relations **Sue Bloch-Nevitte**, including Assistant Dean **Kate Eccles** and designer **James Ireland** of Toronto's James Ireland Design Inc.

"As we evolved the Rotman brand, we wanted to capitalize on one of our most important brand assets — our position within Canada's leading research university," says Eccles.

James Ireland continues to work closely with the Rotman School, having inherited *Rotman Management* last spring and as the design sponsor for this year's Canadian Woman Entrepreneur of the Year Awards.

"The graphic logo created by Bruce Mau fits very well within the symbolism and messaging of the overall U of T brand. If I can get every designer working for the University to think dark blue and matching typefaces, we will be on the right track. Most importantly, design has to be a collaborative venture," says Ireland.

