

## What Makes a Brand's Image Valuable?

Interview with Chairman, President and CEO, Sanford I. Weill  
Primerica Corporation  
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### **Q: Why is a brand image an important corporate asset?**

A: It's very important, because a good brand image can remove something from just being a commodity-type product with very narrow margins to the kind of product for which you can get premium prices. That's providing, of course, that you manage the brand to create the quality that makes the customer happy. In the financial services business, where the product is being delivered by people, the perception of that brand is no better or no worse than the person making the contact. Management's job is quality control of the people.

### **Q: How do you ensure your brand image won't be overtaken by time and circumstance?**

A: That's again the job of management. We all know that if we stand still, we go backwards. You have to be willing to make decisions and take risks. You have to sustain the kind of environment that stimulates and encourages that, and not an environment of second-guessers that leaves everyone immobilized. Risk-taking; motivation of people; investment in the future; continually upgrading what you're doing; making sure you have an environment in which people are not afraid of challenging your positions. Those are the things you can do to compete effectively in a fast-changing world.

### **Q: How do you relate that to a brand image?**

A: You can look at a brand very much as you would an entire company. You examine what's happening in that category. Where can competition come in? What kind of decisions do you have to make to maintain your position? Should it be just one brand, or should you create alternative brands to maintain your market share? There are many companies that have adopted the philosophy of competing with themselves, and they've been very successful in doing so. And if you create that right aura about a product, you can obtain a premium price for it. A great example of that is the American Express Card.

### **Q: What are the consequences of mismanaging a brand image?**

A: It's very hard to build up a brand image, but it's very easy to destroy that brand loyalty. The real key is to maintain the quality of your product or service and convey the image of that quality. That's particularly important if you want to stay out of commodity-type competition, where price is the only objective. In the service industries, you must not forget that brand reputations are built by people. And so, much of the assets of the brand go down in the elevator every night. It's the job of management to make sure those people are kept to the highest standards and also to make sure that the business is managed so well, that they come back up in the elevator the next day. That's in services. In a product, in addition to maintaining the quality of the product itself, it's how you distribute it, how you get the shelf space so people can see it, and how you keep up the level of awareness in the marketplace.

### **Q: How do you feel about a single brand image?**

A: It's not necessary. The brand should be representative of the market it's serving. For us, A.L. Williams is a brand for one marketplace, while Smith Barney has an image for another, and Commercial Credit for still another.

**Q: Does the corporate image affect the brand image?**

A: It does, in subtle ways. The corporate image reflects how people perceive the company, and that translates down to how people relate to the products and services the company provides.

**Q: Do you think Smith Barney's customers know it's part of Primerica?**

A: Smith Barney is a much more recognizable brand than Primerica. But we are a unique situation. We're a very old company that for most of its life was in manufacturing and was called American Can. Over the last six or seven years, it made the transition into a financial services company and two years ago took on a new name, Primerica. How the reputation and the new name of the company will be perceived will be very much determined by how the company performs and by the quality of its products and services over the next five to ten years. The ideal situation is that we will add lustre to each other.

**Q: Do you see an advantage to consistency of image?**

A: I see the advantage in consistency of quality. That's important no matter what business you're in. The quality of the service; the quality of delivery; the timeless; how you people treat your customers. All those are essential to creating a consistently high image.

**Q: How do you manage your brand image on a day-to-day basis?**

A: People like to do things that make them feel good. They like to deal with people or products or environments that make them feel good. So you must make them feel comfortable when they come across your threshold so they won't be intimidated and will appreciate the kind of service you're providing. The people quotient is something many businesses forget. Some experts say people are going to be outmoded by computers; they say it's too expensive to deliver services by highly-paid employees. I don't believe that at all. Hire the right people; motivate them, develop a very efficient distribution system, and you can provide a lot more customer satisfaction.

**Q: What about the global marketplace?**

A: I see major changes in the world. Trade barriers are coming down in Europe. You're going to have a big marketing area that's going to work together, creating more jobs and sales opportunities. We will have to be more efficient to compete effectively. Many American companies have already awakened to the challenges of 1992, and when they move, they can move faster than their European counterparts. I think some American characteristics, such as aggressiveness, decisiveness and marketing know-how, will be a big plus in doing business in Europe in 1992 and beyond.