

We asked three senior custodians of brand to talk about brand measurement, brand development and related issues. All have managed major, ongoing brand redefinitions. The scope of planning, in all three cases, was global.

All three embrace measurement as critical to understanding customers' perceptions of their brands and in managing their brands.

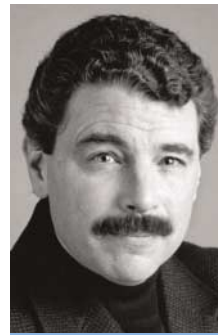
Brand Management

For IBM's Lee Green, measurement showed how dispersed the IBM brand had become before Lou Gerstner took the reins, when IBM's fragmented approach to visual identity, communications strategy and brand positioning sent conflicting images to customers, thereby weakening its competitive strength. More recently, measurement has showed the company's strong progress toward brand coherence.

For Citicorp's Anne MacDonald, qualitative measurements make sure the quantitative assessments of advertising effectiveness don't prompt decisions that inadvertently weaken the brand. Since advertising is only part of brand-building, these measurements provide insights into the total customer experience and how it drives behavior and business results.

For Nissan's Mark Perry, measurement helps assess the pace of the company's new global branding initiative and, more particularly, helps guide the design of the company's global retail experience. Mark looks at the "big picture" to determine how everything from product design to sales to service build preference and long-term loyalty to Nissan.

These several forms of measurement seek to understand the connective tissue between a company's corporate brand and its most valuable constituencies. For these three companies, leadership in their categories is synonymous with brand strength, and ongoing measurement is the surest way to evaluate and, when necessary, redirect the corporate brand.



“Our brand expression is always linked to customers.”

Lee Green, IBM

Director of Corporate Identity and Design

Lee manages IBM's worldwide product industrial design, identity programs, graphics, packaging and Internet design. In his 23-year career with IBM, he has held numerous design and management positions. He has a master's degree in Communications Design from Rochester Institute of Technology. He has taught design courses and lectured on design at Stanford University, Harvard, MIT and RIT and published numerous articles on design and corporate identity.

The Fall and Rise of the IBM Brand

In the late '80s we went through a period when brand expression and design decisions were delegated to what were emerging as separate businesses. At the time we were on a path of disaggregating the corporation. The result, very quickly, was a significant erosion of our brand image, brand identity, brand value and visual brand expressions. In the last nine years we have been able to rebuild the brand to be consistent with the new corporate strategy that Lou Gerstner spurred when he came to IBM as chairman and CEO. He determined that we'd be much better positioned if we leveraged the collective strengths of the corporation and presented a single IBM.

Importance of a Company's Visual Expression

We consider the brand's visual expression – those things that in many cases you see even before you engage with the corporation – to be the ambassadors

of the brand. Their impact and resonance are significant in terms of determining your perceptions. These exposures could support your belief that we are an efficient, integrated solutions provider. Or they could erode that belief and have you perceive that we are fragmented and disaggregated.

Usefulness of a Brand Audit

Shortly after Lou Gerstner's arrival we engaged in a visual brand audit. It included everything from the

powerful in creating a superior brand image for the product and IBM.

Brand Value, Business Value and Measuring Value

The value of the brand and the value of the business work together. It's obvious that if your business value erodes it will have an impact on your brand value and vice versa. Through many methodologies and studies over the years we've seen increases in IBM's value as a brand.

in the Real World

visual identities and logos being used around the world to the way we appeared in advertising, marketing literature, business shows and exhibits and product designs. The result reflected an even more significant fragmentation and erosion than I believe anyone had anticipated. Perceptions of IBM were not very strong. Our signals were mixed. We had, for example, literally hundreds of logos in use around the world.

The visual assessment set a course for many of our actions – everything from agency consolidations to restructuring and reorganization within the company to a more rigorous focus on marketing, brand and design disciplines. Since then we've rebuilt from zero the overall visual expression of the IBM brand.

Staying in Touch to Build Differentiation

Our role in the product area is to understand emerging technologies and customer aspirations. We create a synthesis of both. One way: observational research, such as "a day in the life of a user."

We don't ask customers to define the solution or even the problem, but observe how they interact with the product. Astute researchers and designers can translate this learning into the next generation of products. We've used this methodology for several years and it's paid significant dividends. One example: We've made major enhancements to our server family, IBM eServers, that allow customers to set up, repair, service and upgrade systems in probably one-tenth the time it would have taken five years ago. Fault indicators tell you where the problem is, diagnostic panels identify the component that may need to be serviced, and in many cases components can be removed while the system is running. This is advanced design and engineering that extends far beyond the cosmetic. And it's

It is important to monitor the value of your brand and be sensitive to company actions and behaviors that influence that value. These are the same actions and behaviors that impact decisions customers make when they determine whether they are going to engage with you as a service provider or purchase your offerings. The two things are closely linked. If you do what you should to positively influence perceptions and brand valuation, then you'll find that your business value is growing as well.



"We are big believers in measurement."

Anne MacDonald, Citigroup
Head of Global Marketing

Anne is the Managing Director of Global Marketing for the consumer business at Citigroup. She joined the organization in 1997 as Managing Director of Global Branding and Communication, and assumed her current position in 1999. For the previous five years she was in charge of brand management and communication for PepsiCo's Pizza Hut division. Anne began her career in the international division of Grey Advertising and spent 13 years in senior leadership roles at N.W. Ayer. She has a master's degree from Bath University in England.

CITI's Evolution

Citibank is a 100-year-old company and yet a little over two years old. One can't disregard the huge merger that took place and the changed nature of the company and its much broader offerings to consumers. We want to cover the full spectrum of financial tools consumers need across their life span.

In repositioning the brand we needed to change the perception that banks were big vaults, institutional and daunting. I doubt anyone has a bank in their list of top five superb-service companies. We're beginning to change that – not only here but around the world.

A Combined Strategy for Basic Brand Research

To arrive at our new brand, we combined qualitative attitudinal and perceptual research with quantitative work to make sure that the ideas we were seeing start to gel were held by a majority of our prime target group, and that the group was big enough for a company our size. We sized the market as well as doing psychographic work, if you will.

Measuring Attitude vs. Business Results

A lot of people who measure broad-based advertising efforts do so attitudinally – are consumers' attitudes and perceptions more positive after the campaign has seeded itself than prior? This, I think, is only half the story. You can create higher levels of awareness of your brand and improve consumers' positive perceptions and attitudes, yet never build business. Many companies assume that behavior will follow from advertising and they just watch to see if business is building. We are interested in perceptions and business results.

Brand Perceptions as Deliverables

Imagine a grid with relevance and differentiation as the two axes. Our marketing group has deliverables in both areas. We actually set annual objectives for ourselves. And we track perceptions to make sure we meet our goals. We work with the marketing folks inside the businesses. This is where consistency of a fully integrated message is critical. We know we get a better response if our messages are tightly connected. And if we have the right message, we will move clients on relevancy. This helps to enhance everyone's ability to be disciplined and critical of the quality of our marketing communications.

Increasing differentiation means staying aware of how current customers and prospects perceive our offerings and what makes us different/better than competitors. We work closely with the product development people. Our differentiation goals cause us to work hard to get the right products, product attributes and service components and communicate them effectively to consumers.

Tracking Spending

We have a very good system that tracks our spending on a monthly basis across 24 categories. We also



divide out drive money – money out in the marketplace – versus non-drive, which is back-of-the-house, to make sure the back-of-the-house spend isn't too high.

Processes and disciplines are very much the way our senior folks like the business to run. It tends to eliminate surprises, actually – that's the goal. We have very good disciplines, but we're also realistic. Many are new and we have a lot of work to do. By no means are any of us satisfied that this machine runs on its own and we just add oil once in a while.



“Brand touches everything we do.”

Mark Perry, Nissan North America
Director, Brand Management and Research

Mark is leading the team responsible for establishing the right culture, communications and design to support the company's Nissan and Infiniti brands in the U.S., Canada and

Mexico – a process that began in 1999 and is scheduled to extend to 2009. He also oversees consumer marketing research. Mark joined Nissan in 1983. He is a graduate of Virginia Tech.

From Product Brand to Corporate Brand

In redefining the brand, our CEO, Carlos Ghosn, was personally involved in setting our global strategic direction. The Nissan image was fuzzy because our brand stood for something different in every market. And we were different over time. In the U.S. we used to be a sports-car company, then a sedan company, then a truck company. Our products' characteristics and personalities weren't woven together into a coherent picture of Nissan. Our goal is to connect the dots so that people say, “I understand what Nissan is about. Nissan provides original, imaginatively



designed vehicles that give me an inspiring driving experience and I'm willing to pay for that."

Aligning the Pieces to Fulfill the Promise

Advertising puts a face and adds a voice to the brand, but it's the last thing we do. Unless we have all of our products aligned, our employees understanding where we are going, the retail experience at the point of contact worked out and aligned, we'll make a promise with advertising we can't deliver on. The dealership design, the point of retail contact, is where it all can break down. We have a saying – nothing happens until it happens at retail. That is the moment of truth, when the customer walks in that door.

Design for the Real World

In deciding design direction for our dealerships, we had three masters. Of course we had our brand direction – what Nissan was going to stand for.

Second, a dealership had to be a showcase for new products. We gathered customer information from syndicated research and our internal studies. Because of its sheer size and the investment required, the auto industry isn't prone to leading-edge innovation in retail. We didn't want to limit ourselves to our industry's best practices, so we looked at trends in fashion and fast-food retailing and in mall design.

Third was operational. All of our outlets are independently owned franchises. We needed a design our dealers would be willing to invest in and one that didn't stand in the way of their operations but in fact enhanced them, and clearly enough so they could see the benefit.

Succeeding with Global Design on a Local Level

Our process wasn't one in which the corporate folks do design development, hold a meeting and go "ta-da," here it is, you're supposed to like it. We were diligent about involving the right people. We had the

support of our National Dealer Advisory Board. And we got commitment from a group of dealers for a year. We said we're going to pick your brains, visit your dealerships and make you intimately involved in all decisions. We aimed for all 1,100 dealers in the U.S. to adopt our design.

The response we've had is a testament to that process: 59 dealers in the U.S. broke ground by the end of March; another 61 are in the works. And 300 guys are saying, where am I in the queue?

Measuring Brand Progress

As we build our brand, we have metrics in place to measure our progress. We measured the strength of the Nissan and Infiniti brands in relation to our competitors. Europe and Japan went through a similar process. Not to mirror other brands – we wanted to understand their characteristics, then determine how to differentiate ourselves. Toyota in the U.S. has a brand any automotive marketer would admit is strong – the power of which we'd like to emulate. Honda as well. But you cannot survive being a third choice. You're just competing on price. We had to establish who we are, what we stand for and why we deserve consideration – and we have.

On the luxury side, Lexus has done a wonderful job, BMW has probably done the best job, and Infiniti will look to them for benchmarking. But again we have to carve out our own unique, compelling and relevant space.

As we move forward, we obviously will measure profitability, sales share and transaction prices. We will measure brand image and customer base expansion, what we call conquest/defection – how many new owners join the franchise versus how many leave – and also customer satisfaction.

If we do things right, both Nissan and Infiniti will enjoy enduring profitable growth because we will have built two powerful brands.