

THE VALUE OF A BRAND



HARLAND CLARKE®

MARKETING SERVICES

Doesn't it seem like everything and everyone is trying to be a brand these days? Brand building is stock-in-trade for iconic companies like Coca-Cola[®], P&G[®] and Nike[®], and newer entries such as Dollar Shave Club, GoPro[®] and Fitbit[®]. The NBA[®] and NFL[®] spent the last several years building formidable brands, as have their stars – think LeBron James, for example. Business people and celebrities including Oprah Winfrey, Donald Trump and the folks from “Duck Dynasty[®]” earn billions from their personal brands, making it appealing to the rest of us to put our own marks on the world.

Why All The Fuss About Branding?

Bruce Turkel, noted branding expert and author of *Building Brand Value: Seven Simple Steps to Profitable Communications*, summed it up this way,

“The more I think about it, the more I realize that a brand is a shortcut to understanding. It becomes the shorthand explanation and validation of what a product or service is going to do for the consumer.”

“We live in a world where most products are very good and they’re all almost instantly available,” says Turkel.

“What sets different products apart and makes them more or less valuable is not the function of the product itself, but how well the brand resonates with the consumer and the potential consumer.”

The Escalating Importance of Branding to Achieve Organizational Goals

We're in the age of the consumer, where people want to know who they're doing business with and what that organization stands for. With unprecedented access to information, your account holders and prospects can learn all they need to know and more from the media, your institution and their personal and business networks. All these inputs represent your brand and affect how it is perceived, which has a direct effect on organizational goals such as account holder retention and increasing revenue.

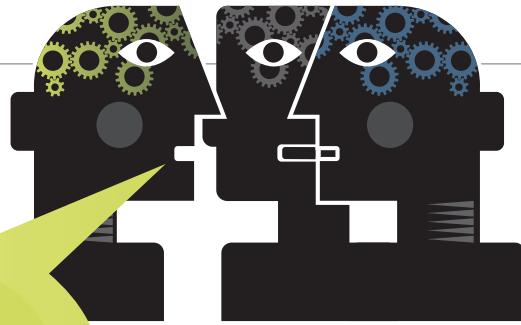


Consider these bottom-line benefits to building and maintaining a strong brand:

A strong brand makes every marketing dollar you spend more effective and, in some cases,

lessens the need to advertise. One case in point is the Apple® iPhone 5, which was on back-order without any advertising or major product innovation, thanks to the strength of the brand and the media buzz that seems to follow their every move. This confirms the Forrester® Q1 2012 North American Global Brand Performance Online Survey that showed consumers are more willing to pay a premium for brands like Apple that “create special experiences” or “make the world a better place.”

A strong brand compels people to do business with you long-term. Earning account holders' loyalty naturally makes them less likely to switch and more likely to buy multiple products and services from you. Your competitors are making it easier to move to their financial institutions, so keeping your current customers happy is a high priority.



A strong brand creates customer referrals.

If every account holder you acquire through paid marketing convinced just one other person to do business with you, your acquisition costs would be cut in half. A powerful, positive brand can make people proud to be associated with you and willing to tell others about their experiences.

A strong brand makes it easier to move into new products and markets. If account holders already know and trust you for home equity loans, for instance, it makes sense they would be receptive to your new credit cards or other loan programs. Brand equity also paves the way for local or regional expansion. People familiar with and favorable to your brand will probably be more interested in a branch in their area than people who have to be educated on what you stand for.¹

How Healthy Is Your Institution's Brand?

You know how important a strong brand is, but do you know how yours stacks up? Forrester Research identified three brand success metrics to help you determine how you're doing.

- 1. Preference over other financial institutions.** This measurement goes beyond whether account holders like your brand. Would they choose you in a side-by-side comparison with your competitors?
- 2. Referrals.** Are your account holders likely to recommend you to their friends and family? Remember, consumers trust brand recommendations from friends and family above all other marketing communications channels.
- 3. Willingness to pay a premium price.** Can you command higher rates than your competitors? If so, you have a strong, differentiated brand.

Forrester Research, *Financial Service Brands Fail To Earn TRUE Consumer Trust*, October 2013

¹ Forrester Research, *Invest In The Brand Building Experience, Business Case: The 21st Century Brand Marketing Playbook*, November 2012

How to Drive Strong Brand Connections

As we said earlier, the job of branding is to help people know who they're doing business with and what the organization stands for. There's probably no industry where this is more important than financial services, as it gives you a unique opportunity to drive or strengthen brand connections. A few baseline requirements include:

- **Earn trust.** Be transparent and accountable to show trustworthiness. Connect with account holders on an emotional level to form those essential bonds.
- **Capture attention.** Be disruptive and get people talking. Cut through social media clutter and multitasking to ensure your messages are heard.
- **Create unique account holder experiences.** Do things no one else does. Make your account holders feel special.
- **Become part of account holders' lives.** Be irreplaceable. Offer relevant, differentiated products and services your competitors can't.²

Whether brands are for corporations, small or medium-sized businesses or individuals, they've proven their value in telling the world what those entities stand for. They give us a platform for telling our stories, differentiating us from one another and moving people to interact with us. Yes, everyone and everything's trying to be a brand these days, and with good reason.

² Forrester Research, *Financial Service Brands Fail To Earn TRUE Consumer Trust*, October 2013



trust
perception
BRAND
reputation
IMAGE
reliable
social

For more information about
Harland Clarke Marketing Services,
call **1.800.351.3843**,
email contactHC@harlandclarke.com
or visit harlandclarke.com.