"Barlow and Stewart break new ground in bringing together the dynamics of customer service with the intricate emotional connections a great brand engenders."
–Kevin Roberts, CEO Worldwide, Saatchi & Saatchi

branded customer service

The New Competitive Edge

By the author of the bestselling *A Complaint Is a Gift*

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Branded Customer Service: The New Competitive Edge

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Part I

Linking the Big World of Branding to Customer Service

Because of the huge sums of money invested in brands and the billions of dollars of shareholder value they represent, marketing professionals know a great deal about the subject. They know how branding works, its components, and what it takes to create a brand leader.

Brand fads appear from time to time, not so dissimilar from Andy Warhol's fifteen-minutes-of-fame concept. Yet there is a sufficient mystery that leaves even the most rigorous marketers in awe of successful brands, especially the immediately recognized ones that have maintained their appeal over long periods of time.

This section of the book establishes a backdrop against which you can evaluate how to brand your service experiences. You will be introduced to language that cuts to the quick in determining if your service is on-brand or off-brand. You will also become acquainted with organizations that have done well with their service branding—and those that have not.

At the end of part I, you should be able to decide whether you want to take the next steps in linking your service delivery to your brand and what those next steps should be.

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The Branding Imperative

Branding is one of the hottest topics in business today. It has become the business buzzword. Indeed, some refer to it as a Branding Revolution.[1] The reason couldn't be more straightforward and underscores a clear business message in today's crowded marketplace: your brand defines the unique point of differentiation for your products and services and is, perhaps, your only real opportunity to stand out.

Branding: a way of doing business

The paramount role that brands and branding now play has been accompanied by major shifts in the field of marketing. Brands are seen to be much more than names or logos. Brands are as much a way of doing business as they are a reputation or identity.

The London-based branding agency Brand Guardians describes the linkage this way: "Branding is about performance. Branding represents different things to different people. But in the final analysis, branding is a tool for delivering your business objectives: a means to an end, not an end in itself."[2]

Judgments about brands are structured with logical evaluation and laced with emotion. Some brand experts believe that a brand is *predominantly* an emotional judgment. UK marketing agency Ogilvy-One's research, for example, suggests that as much as 66 percent of the preference for a brand is driven by emotional elements—even if consumers believe they are making rational decisions.[3]

Because brands are largely *perceptions,* even though organizations today increasingly count brand strength as a key corporate asset, it makes sense to argue that brands are not exclusively owned by organizations. They are co-owned by consumers and organizations, equity partners in their shared relationship. This perceived co-ownership leads consumers to believe they are "owed" delivery of what they have been promised.

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off-brand

Janelle walked into a Rite Aid store. Over the entrance was a big, riveting sign that read "The Customer Is # 1." After picking up some items, Janelle went to stand in the only open check stand line, a queue that had three people in it. The customer whose items were being rung up was surprised at the price of one of them. She said, "Oh, I didn't realize it was that price. I don't think I want it if it's that much." The clerk sighed and picked up the intercom telephone to page the manager. "I need some help with the cash register. Could the manager please come to the front of the store?"

Everyone waited while the line grew in length. The manager did not arrive. The clerk once again got on the paging system to announce to the entire store, "Would the manager please *come to the front of the store. I need to reverse an item out!" Again, nothing. In the meantime, the customer was beginning to show signs of embarrassment as the line continued to grow. She knew she was holding all of us up.*

Still nothing happened. The line now had eight people in it. The clerk, in exasperation, then shouted, not even bothering to use the intercom, "I need the manager right away. The customer thinks this item is too expensive."

The manager slowly sauntered to the front of the store, ignoring the long line of customers and the very embarrassed woman. The manager reached inside her smock and pulled out a key that she stuck into the cash register to release a lock. Now the clerk could reverse out the item. Without a word to anyone, the manager then proceeded to return to the back of the store.

As Janelle walked out the store, she once again noted the banner, "The Customer Is # 1." Right!

Companies promote their services and products by elevating consumer expectations and then act surprised when customers report that they feel like they got a bucket of cold water tossed in their faces. We believe it is reasonable and even predictable that consumers will feel this way because delivery of promises is frequently so different from how they are sold or how they look in ads or on Web sites. On the other hand, a simple and friendly hello using a customer's name and a quick response to an e-mail can send a nonverbal message that reinforces a larger more complicated promise: "We are big enough to meet your immediate business needs while we are small enough to know you."

Brand researchers have come to a profound conclusion with far-ranging impact: marketing must involve more than advertising and public relations. Branding success is no longer predominantly measured by how many consumers recognize or are aware of brands and their logos or slogans but by how strongly consumers feel connected to brands.

In fact, if advertising recognition is the sole criterion for marketing success, ad agencies are not doing a very good job. A recent survey by the brand consulting company Emergence found that of twenty-two taglines (McDonald's "You deserve a break today" is an example of a tagline) of the companies spending the most on advertising in the United States, only six were recognized by more than 10 percent of those surveyed.[4] Even when recognized, many advertising slogans are stated in absolute terms, such as The Customer Is # 1 or The Customer Is Always Right or 100% Satisfaction Guaranteed. The head of Emergence, Kelly O'Keefe, suggests that such statements don't work because a large proportion of the public believes they are mostly hype.[5]

Brands: a compelling point of differentiation

Branding occurs when a distinct head and heart response happens in relationship to a company symbol or logo. This reaction is the purpose of branding because positive thoughts and feelings inspire behaviors such as speaking favorably about services and products, joining clubs that relate to brands, paying higher prices, tolerating errors and shortfalls, and purchasing more of branded products and services. Today's brands are likely to be seen as living entities complete with personalities. Elaborate stories are built around them that companies hope are elicited with a minimum of stimulation every time a consumer has contact with their brands.

The first step in branding is to create a compelling, consistent, and sustainable point of differentiation. Differentiation, in the words of brand experts Young and Rubican, "is about making the brand greater than its individual parts."[6] Your competitors by and large possess your "individual parts." The task of branding is to figure out how your *combined offerings* create a value proposition that is unique.

Without this differentiation, products, services, and entire organizations enter what some refer to as the "gray zone,"[7] where customers are unable to distinguish what you do from what everybody else does. They cannot describe your offerings in a few simple words. Neither do they feel connected to your brand, edging you perilously close to becoming a commodity. Unfortunately, this happens all too often. As Patrick Gourney, former CEO of the Body Shop, points out, "Lack of differentiation is not something you notice straight away as a brand owner, but it creeps up on you and then it's too late."[8]

Historically, companies have used differentiation to influence consumer perceptions, expectations, and purchasing decisions primarily through the power of advertising and public relations. After all, when executed effectively, marketing attracts the right customers from a targeted market segment and delivers them to the organization. The organization must then begin to take advantage of these marketing successes. One of the best ways to engage customers in long-term relationships is to consistently deliver, both logically and emotionally, the brand promise. When this happens, brands are noticeably intensified. An alignment will occur between the assurance about "who you are and what you stand for" and the reality of "what you do and what you deliver."

Your brand in action

No doubt, traditional value aspects of branding have changed and will continue to do so. The old image appeal of brands, for example, no longer attracts in quite the same way as it once did. But there is no conclusive evidence that branding has lost pull—when it is done well. In fact, based on her research, Harvard professor Susan Fournier contends brands continue to "serve as powerful repositories of meaning . . . employed in the substantiation, creation, and production of concepts of self in the marketing age."[9]

Consumers "own" their brands: the case of Starship

When brand meanings have been established and are alive in the hearts and minds of customers, they feel possessive toward "their" brands. This becomes very evident when companies try to tamper with them. A poignant example happened when the Auckland, New Zealand, District Health Board decided in early 2003 to do away with Starship, a much-loved hospital. Starship is a specialist children's hospital that has built a stellar reputation of strength and compassion for treating children with life-threatening illnesses. It offers its young patients, and their families and friends, a unique experience that alleviates the fear and sadness associated with most intensive medical care. Its taglines are "Giving children the best possible chance" and "Family centered care in a child focused environment."[10]

When given the much broader responsibility of delivering the best possible health services across the full spectrum of health care, the Auckland Health Board had a new modern facility built to house both Starship and a number of different specialist hospitals. Part of this standardization process involved changing the names of the hospitals, including Starship. After it became known that Starship would become the bland-sounding Auckland City Hospital Children's Services, the nationwide reaction was swift, unanticipated, and vociferous. A highly charged public debate erupted with stakeholders of all types (former patients, parents, staff, and the general public) rejecting the name change and criticizing the health board.

Nothing articulated the issue better, nor provided a more compelling explanation of what brands are about, than this letter published in a New Zealand national newspaper.

> Our family has been traveling frequently to Auckland for two years, for cancer treatment for our eight year old daughter. The emotional value

to us, knowing Holly is being treated and cared for at Starship, is huge. The word encompasses times of hope, fear, worry and sadness for ourselves as well as other children and families we have met there.

So, yes our attachment to the name is emotive . . . But what makes it a world-class facility is the emotive stuff which the staff excel in—the things we have trouble putting a value on—such as compassion, patience, love and commitment. Mr. Brown [Auckland Health Board] is quoted as saying there is nothing special about the children's hospital . . . this narrow view is not appropriate for the chairman of a district health board as it signifies he is not in touch with the nature and the purpose of this facility.[11]

Brands are names, logos, beliefs—and experiences

Any brand is clearly more than just its name. Brands are the values, beliefs, and service experiences that underpin them as the Starship case so poignantly expresses. When put this way, it is easy to see how customer service is a brand in action. A belief that Starship's staff would continue to deliver to a specific set of values was solidified in people who had personally experienced the hospital. In Starship's case, the customers obviously feared that with a name change, the experiences associated with the brand would be lost as well.

The history of branding as it relates to the customer experience

Somebody once said that the history of branding could be summed up in three simple phrases: This is mine. I am better. I am like this. In other words, brands as ownership, brands as snob appeal, and brands as self-expression.[12]

The genesis of the word *brand* is Middle English, and it means a flame or torch. Philip Ross, with Business Specialties, comes closest to a definition of branding that we endorse: "Branding as we know it today is the art of instilling and communicating the values and character of a company or organization through association with its logo. Psychology calls it symbolic association and finds it to be foundational to the learning process."[13] This definition is not too far astray from the rather perky notion by research consultants Wendy Gordon and Sally Ford-Hutchinson, who write, "A brand is a metaphor for a complex pattern of associations that exists in the heads of individuals (customers/consumers/users), not in the heads of the marketing department."[14]

The practice of branding has been around for a long time. A trademark can be found on the bottom of a sandal dated from 200 BC.[15] For two thousand years, Christian brands have included the fish and cross. Brands were once used to mark and punish criminals. Ranchers scored brands on the hides of cattle to establish ownership, especially useful at a time when the majority of the population could not read.

Modern brands include Smirnoff, which originated in the twelfth century. In the 1870s George Eastman began the brand Kodak, with its well-known commitment to making photographic memories. General Electric, a consistently strong brand, was created in 1896.

The father of advertising, Earnest Elmo Calkins (1868–1964), was the first to suggest that products actually encompassed people's ideals.[16] Products, Calkins argued, reflected the aspirations that people held about themselves, their families, and their positions in society.

Brands and their links to psychological and social benefits

Because of the wealth that many middle-class people had begun to accumulate, Calkins believed they were less interested in the functional benefits of products. Due in large part to Calkins's influence, advertising began to focus on the psychological and social benefits that came from using and acquiring products. Advertisers linked product and service attributes to values that people considered important in their lives. This inspired media expert Marshall McLuhan to say, "Historians and archaeologists will one day discover that the ads of our time are the richest and most faithful daily reflections any society ever made of its whole range of activities."[17]

By the late 1920s, economists were paying close attention to the economic potential of branding, primarily influenced by Procter & Gamble's brand management system. P&G advertised Oxydol detergent in its sponsorship of daytime radio serials. Forty million people tuned in, and P&G benefited from a dramatic leap in sales that became a gold mine for it. Other soap companies followed P&G's practice, and hence today we have "soap operas."

J. Robinson, a noted economist of the 1930s, emphasized the inherent economic value of widely recognized trademarks: "Various brands of a certain article which in fact are almost exactly alike may be sold at different qualities under names and labels which will induce rich and snobbish buyers to divide themselves from the poor buyers."[18]

Branding helps focus attention

Today we understand that the concept of branding is a lot more than snob appeal, as Robinson implies. In the last eighty years, branding has moved to the innermost core of business marketing functions. Today many people, such as musicians, actors, entertainers, and even some businesspeople, view themselves as brands when just a few years ago they would have felt cheapened to think of themselves this way.

When used to describe people or cities, branding helps focus attention on a few characteristics. Las Vegas is commonly described in branding terms ("What happens here, stays here," "The World's Most Entertaining City," "The Capital of Family Entertainment," and even "Sin City"), and other cities are beginning to follow suit. Branding as a concept has changed forever the way people in businesses and organizations think about themselves. As social commentator Laura Barton notes, “Our expectations of how life should be are bigger, brighter, bolder than reality could ever hope to be.”[19]

Yet we are just scratching the surface potential of the brand concept. Branding continues to evolve at the same pace as the market economy evolves. The idea of branding is also being shaped by brand experts themselves, two of which wistfully remarked, “In branding much is said, much is claimed, much is being done, but there remains much to be known.”[20]

Branding as an evolving concept

Because the field is so rapidly changing, once we think we fully comprehend consumers’ relationships to brands, we should also be willing to broaden, deepen, or switch our thinking. For example, consider the question, Why do people choose one brand over another when the products are almost identical? Marketers will tell you that consumers do not choose Coca-Cola over Pepsi, or vice versa, because of the ingredients of the two soft drinks. Rather, consumers unconsciously decide which *brand message,* Coca-Cola’s or Pepsi’s, suits them better—even though consumers insist they make their decisions on taste.

At face value, that sounds simple enough. But how does this happen? Rory Morgan, group marketing sciences director at the London-based WPP Group, dissects three emotional factors—authority, identification, and social approval—that account for that simple choice of Coke or Pepsi.[21]

While Morgan’s model is beyond the scope of this book, he exemplifies just one of many who use sophisticated statistical techniques to provide a more complete understanding of the psychological dimensions and drivers of brands. We must take these models into account, however, or run the risk of not fully comprehending the power of branding and missing the opportunities it offers.

Brands hold their own attitudes

Some brand experts even suggest that what brands "think" about consumers should be considered. For example, what does Rolex, the luxury watch, think about you? This is an interesting question, and one answer—"You're not good enough for a Rolex"—stops many people from even considering its purchase. The reasoning is that if there is a genuine relationship between customers and brands, then they both must have opinions of each other—even though the consumer holds both opinions.[22]

Consider a small company wanting to use the services of a large consulting firm. The owners of the small company may never even call to find out whether that is a viable idea if they perceive the consulting firm only wants to deal with large Fortune 100 companies. This may not be the case. The consulting firm may actually welcome the business of a small company. But in order to demonstrate its competency, the consulting firm will list its largest, most well-known clients. In so doing, it makes a brand—or personality—statement. The consulting firm may also have a fancy phone system that speaks of financial success but can be off-putting to a mom-and-pop shop needing consulting services.

If we agree that the brand possesses an attitude about its customers, then organizations must consider how to manage the brand's attitudes. For example, customer segmentation (dividing customers into groups primarily based on volume of business) can create an attitude that is delivered behaviorally and says in effect, "You won't get such great treatment from us because you don't give us much business." For service companies, this segmentation is manifested in large part through staff behavior.

Airlines have to be very cautious about this. If they provide great treatment only for their most frequent flyers, there is very little incentive for low-mileage passengers to concentrate their miles with that airline. As frequent travelers, we both notice that when we are not on our preferred airlines we are treated as if we have lesser value. No airline advertises itself this way, but the staff behave this way. It's off-brand behavior.

While branding once was seen as one-way communication from an organization to consumers, today branding is viewed as interactive communication. That is, incidentally, exactly what branded customer service is. Today's brands are presented as groups of ideas, rather than merely logos. As such, they have lost their tight legal definitions and have come to represent an almost human way for organizations to communicate with the public. Part of that communication includes even the chatter that goes on inside the organization itself.[23]

Are brands losing their power to attract?

Some have suggested that consumers today are more apathetic toward brands than in the past, and there is at least scattered evidence to support the notion. Brand loyalty in the financial industry, for example, as reported by the Carlson Marketing Company, decreased by 25 percent between 2000 and 2001. This is a particularly strong trend with the important under-thirty-five age group.[24] The reputable PIMS research organization reports that in the year 2000, four out of ten consumers in the UK described themselves as having a genuine preference for branded merchandise. By 2001, that number had slipped to three in ten.[25]

Fortune magazine also reports an earthquake occurring in consumer product brands that is shaking the marketer's world: "Retailers—once the lowly peddlers of brands that were made and marketed by big, important manufacturers—are now behaving like full-fledged marketers."[26] And the private-label brands are winning market share. It should be pointed out, however, that in these situations, one brand category is winning over another. This is brand warfare, not that brands themselves are losing.

One reason that perhaps explains brand slippage is that branding used to differentiate quality. Today's product quality, however, has dramatically improved everywhere. Even fakes churned out in Asia are largely indistinguishable in quality from the famous European brands they copy. As Brian Kardon, with Cahners Business Information, says, "Quality itself is a commodity in the consumers' eyes—it's easy to get. It's the price of entry."[27] As a result, unless brands are distinguished on something other than product quality, many of today's consumers are not likely to remain loyal to their brands.

Brand identity

Brand identities, such as that enjoyed by Starship, create anticipation in the minds of both consumers who use the brand and the employees who deliver it. The strongest brands tend to be the ones with the most consistent and clearest messages. A strong brand character, according to Mark Kingsbury of Research International, provides the following benefits: "Consumers know how to 'connect' with a brand that has character, they know what it stands for and they also know what it's not trying to be."[28]

A brand with character can never be all things to all people. This is a critical point. Successful brands do not appeal to everyone. Rather they reflect specific benefits or experiences that engage the hearts and minds of a discrete, targeted segment of consumers. Whether the segment is narrow or wide, a strong brand's identity is shaped around the unique alignment between "what we offer" and the identified consumer group's needs, aspirations, and preferences. Once the nuances of this relationship are understood and the brand is defined, the consistency of reinforcing advertising, packaging, endorsements, and *customer service* begins to build the relationship between the brand and the customer.

Brand identity feelings are primarily unconscious. Estimated to be as much as 95 percent below conscious awareness,[29] these feelings and judgments operate very quickly—much more quickly than conscious evaluation.[30] Harvard professor Gerald Zaltman relates the unlikely example of a manufacturer of paints, a commodity product. The organization discovered that purchasing agents were willing to pay premium prices for branded paint when salespeople linked self-esteem to the sale.[31] Zaltman notes that marketing researchers typically overlook the emotional benefits of brands, focusing 90 percent of their research on the functional benefits of products or services.[32]

This quick unconscious mental processing of such feelings impacts most of our consumer choices—even our entertainment choices. Julia Roberts has been the highest paid female star for twenty years, in great part because movie fans know if they see one of her movies they will walk away feeling good. It is a decision they do not have to think through when choosing which movie to see.

That feeling can be security: *I made a good choice.* It possibly is superiority: *I know how to make good choices. I know value or quality when I see it.* It might be excitement: *I had a great time!* It could also be a feeling of genuine, high value that will be long lasting: *I was moved by that film.* It possibly is relief: *Now I can tell everyone I saw it, too!* All variations of these judgments are held in the minds of customers, helping them make choices, define who they are, and simply get them through their days.

Brand stories

Brand stories broaden and deepen the brand concept even further by relating memorable examples to human concerns, aspirations, and emotions. The stories point to a possible future. Ideally, brand stories capture both the essence of the past *and* a yearning for the future.

Brand stories not only provide inspiration for customers but also provide motivation and direction for staff.

A good brand story tells the truth about an organization—if not today's truth, then a truth that is aspired to. Successful brands incorporate good stories. A tagline on a brand, such as Nike's "Just do it," can begin to tell the story. But it is just a beginning. If the tagline does not match staff behavior, then a great deal of the service an organization delivers will be seen as off-brand.

An important aspect of a brand story is that it be consistent with everything the company does. To a large degree, customers return because they believe that what they bought last week (products, experiences, and feelings) is still available today. Brand stories are assets of an organization because they generate pride and inspire staff. They show staff how it is possible to deliver the brand.

ARAMARK Harrison Lodging, whose brand promise is customer focus at all levels of its operation, has several such brand stories. A guest showed up at one of Harrison Lodging's conference centers looking a little dejected. When the front desk clerk asked if anything was wrong, the man, who had just flown in, said he had left his antique copy of an Edgar Allan Poe book on the airplane. To make matters worse, he had read only to chapter 4! The clerk took it upon herself the next day to go to a close-by antique bookshop to see if the book was available. She found it, purchased it, and placed it in the guest's room—with a bookmark deftly placed at chapter 4.

The by-product of this approach to service (when staff are imbued in the brand story, committed to delivering its promise, and empowered to do so) is that more often than not, staff will aim to excel and will find the experience of service delivery far more stimulating. The customer will feel this as well. And the brand will be remembered for its attributes—in ARAMARK Harrison Lodging's case, "customer focus."

on-brand

> *We recently heard a speaker discuss his strange penchant for not fastening his seat belt upon plane takeoffs. He said that most flight attendants let him know in no uncertain terms to buckle his seat belt. In contrast, on Southwest Airlines (the successfully branded high-spirited and fun airline), a flight attendant came up to him and said, "Whoops, look at that! Your seat belt is in two pieces!"*

Therein lies the magic of brand Southwest Airlines—fun and love.

Strong brands make economic sense

Top-rated brands invariably capture larger market share. In part, their sheer size feeds their growth. This is why branding is such a hot topic today. Strong brands are incredibly valuable and profitable, and once at the top of the list, they tend to remain there. It all comes down to making a customer eager and happy to pay over a hundred dollars for a white cotton T-shirt with the costly German brand "Escada" printed on it in small rhinestones, compared to an identical unbranded T-shirt that might seem overpriced at $14.95.

The following statistics are pulled from a variety of sources, and they all point to the same conclusion: strong brands make economic sense.

Customers pay higher prices and get more involved with brands they love.

- Harley-Davidson's branding has created HOG (Harley Owners Group), a club with 750,000 members, many who have the HOG brand tattooed on their bodies! They pay $40 annually to have a strong taste of the Harley-Davidson experience.[33]
- Customers will pay 19 percent more for a leading brand name as compared to a weak brand.[34]

- Eighteen percent of a consumer's decision to purchase is determined by brand issues.[35]
- Once consumers buy a branded product or service, they become more aware of the brand's advertising. This, in turn, leads to more sales. That first buy is critical for the brand.[36]

Strong brands impact stock prices and profitability.

- Strong brands command stock prices between 5 and 7 percent higher than weak brands.[37]
- Tangible assets of a typical organization today are evaluated to comprise a mere 25 percent of the value of an organization. This is a big switch from thirty years ago. John Murphy, a UK branding guru, points out that tangible assets used to make up 80 percent of the value of a company, though he admits that valuing brand equity is "an altogether imprecise science." During the 1990s, brand assets (patent rights, intellectual property, copyright and other trademarks) were valued at 75 percent.[38] In the late 1990s, the book value of Coca-Cola (the number one brand in the world) was less than 10 percent of its total value. In other words, 90 percent of Coca-Cola's value is intangible, most of it coming from the brand itself.[39]
- Investors, too, are becoming much more concerned about this issue, placing increased emphasis on strategies around intangible values, such as brand and customer loyalty. In a series of studies of UK institutional investors through the 1990s, Brand Finance, a leading independent brand valuation agency, found that the importance placed on branding increases every year. And over 70 percent of investors demand more information from companies regarding their brand strength and values.[40]

Strong brands have more loyal customers and staff.

- Companies with customer loyalty rates that are above average enjoy a price-to-earnings ratio twice that of competitors'.[41] Perhaps because of this, customer loyalty is the highest ranking topic that CEOs think and worry about.[42]
- More employees stay with a company when the company lives its brand internally, and this impacts profit margins. Frederick Reichheld found that fast-food stores with lower employee turnover (the average in the fast-food industry is 100 percent!) have profit margins 50 percent higher when compared to stores with 150 percent staff turnover.[43]
- "Strong brands more easily leverage selling efforts into sales success" is an idea supported by a study on institutional brand perceptions and marketing effectiveness. For money managers who are affiliated with branded financial institutions, this makes prospects more likely to become clients.[44]
- Even though some in-store brands are taking market share away from the big national brands, study after study reveals that consumers trust branded FMCG products more than they trust private store brands. For example, in data that crosses national lines, consumers indicate that they trust branded pet foods by over 50 percent when compared to private store brands.[45]
- A brand that is number one in its category is trusted at significantly higher degrees than the second, third, or smaller brands in a product category. Consumers also believe that the top-ranked brand—regardless of the product or service—cares more about its customers, stands for family values, and produces wholesome products.[46]
- Brand leaders have disproportionately higher brand preference and loyalty than that achieved by the weaker brands. For example, a brand with twice the brand recognition will typically command three to four times the brand preference and loyalty of competitors.[47]

If all or even a portion of the above statistics are accurate—and the people who have created them will certainly attest to the robust nature of their brand research—then integrated brand development is a strategic driver that organizations cannot ignore. In short, magnifying the strength of brands with aligned customer service delivery is a solid business decision.

Brand study: Apple Computer claims its defined space

Janelle feels strongly about her computer brand, Macintosh. To be more accurate, she should say her Apples, for she has several. Are Macintosh products of a higher quality than PCs? Janelle does not really know, even though Apple's core message is "insanely great computers." Certainly if all one does is look at market share, the Macintosh brand isn't doing very well. Yet Apple was just named as the world's second most impactful brand in a survey by Interbrand, after first place Google, the wildly popular Internet search engine.[48]

There seems to be little question that if Apple were not so strongly branded, it would not exist. The PC market would have eaten it for lunch, but Apple maintains itself. Many of Apple's early competitors, such as Osborn, Kaypro, Commodore, and Atari, no longer exist.

Here's how columnist Mark Morford raved about the latest Apple products:

> Apple actually cares about (design). Which is odd. Which is rare. Which is why they deserve gushing adulation now and then. They actually put the time and energy and labor into creating a gorgeous package most people will toss anyway, and why they include a first-time welcome experience, with subtle music, with flowing lush clean graphics, one that will never be repeated, just because.
>
> This is the point. Detail and nuance and texture and a sense of how users actually feel, what makes them smile, what makes the experience

worthy and positive and sensual instead of necessary and drab and evil.[49]

When the first Macintosh was introduced, the brand was defined as "computers for the rest of us." People said that when you took a Mac home with you, it wasn't a one-night stand. It was a love affair. As Jonathan Ive, designer of the latest line of Macs, says, "People smile when they see an IMAC." Apple went down in branding history with its 1984 Super Bowl commercial showing a woman athlete freeing the IBM-shackled drones by hurling a sledgehammer through Big Blue's video image. Apple paid to show that lengthy commercial only once, yet it continues to get air play even today. It set a tone about the company that has endured.[50]

Most lovers of the Macintosh brand display a special feeling and passion that PC users simply do not have. Their reaction is explained by Professor Gerald Zaltman at Harvard Business School: "Consumer preferences and motivation are far less influenced by the functional attributes of products and services than the subconscious sensory and emotional elements derived by the total experience."[51] And Apple has been providing strong experiences for decades.

People who are loyal to the Macintosh brand notice and appreciate that other Apple users feel the same way. They are an informal club that you never have to join to be a member.[52] Members of this club love it when they are in an audience and the presenter asks who is a Mac user. Apple users practically leap out of their chairs in an effort to raise their hands. They are normally thrilled when someone notices the distinctive partially eaten apple that adorns the front of their laptops. And Apple aficionados were all very happy when the Apple corporation began to pull itself out of its slump. For a period of time, many committed Apple users, while they rather relish their minority status, were secretly worried that their beloved Apples were no longer going to be available.

CEO Steve Jobs has managed to convey a strong sense of rebellion around the Apple brand. He even rode back in his blue jeans and black turtleneck sweater to rescue the company. In many ways, Jobs is the Apple brand. Certainly he personifies it, which helps to reinforce its edgy image. This positioning seems to be strategic as Apple extends the brand with iPods and other products.

The challenge of channel marketing

Like Harley-Davidson, the Apple company enjoys the luxury of having users who engage in on-brand behavior with each other. Most users discuss their Apples only in the most glowing terms. However, when customers get involved with representatives (salespeople or service providers) of such strong product brands, matters can become so much more complicated.

Some of Apple's channel distributors do not have adequate product knowledge to sell the Mac. For example, Fry's Electronics, the gigantic American high-tech retailer, carries a full range of Apple products. Its salespeople, however, do not express the same enthusiastic attitude about the equipment that you experience when you shop at an Apple store. Janelle was recently referred to Fry's resident "Apple guru." This guru's qualification was that he once owned an old model Mac.

It is a lot to ask of service representatives, but if the Apple corporation were to take full advantage of its brand proposition ("insanely great computers"), every person who spoke for Apple would display the same consistent degree of style, excitement, and user-friendliness. After all, if customers feel this way about their Macs, why shouldn't the people who sell and service them feel the same way?

We talked with the marketing director of a large high-tech company that sells a high percentage of its products through marketing channels. When we asked about how the company manages the brand through its distributors, he responded rather flippantly, "We don't consider their customers our customers." We think this is a big mistake, a huge wasted brand opportunity.

Professor Zaltman cautions against such an approach as he considers the power of accumulated social memory and customer interactions regardless of how the customer experiences the product or service:

> People who manage customer relationships must grasp how consumers store, retrieve, and reconstruct memories of every interaction with a firm. These interactions may be direct, as when customers deal with a global account manager. They may also be indirect, as through word-of-mouth. And every new encounter alters a customer's recall of a prior encounter—often in trivial ways, but sometimes in significant ways. Thus every customer interaction can make—or break—a brand.[53]

Most people who buy Morton Salt will never meet a representative of the Morton company. And they do not spend a lot of time discussing salt with their neighbors. Avid fans of Diet Coke will probably never get any closer to the Coca-Cola Company than to visit the Coke Museum or to read a book or magazine article about the corporation. This is not the case with most high-tech products. People discuss their computers and software, and toll-free (or charged) support lines represent the high-tech brands as much as styling and functionality elements.

Since the introduction of Apple's new OSX operating system, our personal experience with Apple's direct telephone support is that it is largely on-brand. Apple technicians talk about the new products with great love, "Ooh, you have the newest G4. I'd give anything to have one of those." One technician raved about the beautiful *interiors* of the new G5. Janelle spoke to a technical representative after she bought the new seventeen-inch Apple Powerbook and the technician began to sing “Happy Days Are Here Again”—awesome, on-brand reinforcement! In a PC-dominated world, Apple’s survival alone is miraculous and speaks to the power of carefully crafted branding.

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