

Maximizing

Brand Transitions for Growth Companies

BY KATHLEEN BOWDEN

My colleagues and I have spent the last 20 years helping many prominent companies articulate what they do and why it matters. In working with clients of various sizes from different industries, we've noticed an essential brand evolution as companies grow from single-product start-ups to large, global corporations.

During a company's early stages, a brand's value and customer benefits are closely tied to the company's primary product or service. The brand's emphasis on product utility reflects early-stage business priorities, in which a young company's survival and success depends on creating a breakthrough offering. As a result, the company's brand position and messaging often seek to explain "why our product is better."

Product-based brand positions are critical to a company's growth. They inextricably link the most important advantages of emerging products or services with their company's brand, building credibility for the company in its competitive sphere and helping to set success metrics within its category. Nonetheless, product-based brand positions are relatively short-lived, as they must be redefined when product advantages are improved upon or supplanted by competitors.

Shifting from product advantage to customer benefit

Over time, as a company grows and its offerings diversify, brand messaging makes a natural progression from "why our product is better" to "what you'll gain from it," whether the perceived gain is tangible, experiential or emotional. Positioning and marketing based on customer benefits marks a major transition point in the life of a brand.

Take Cisco Systems, for example. In the mid-1990s, Cisco had secured product success with a range of networking hardware and its dominant operating system. At the time, the company positioned itself as "the leading supplier of routers, bridges, communication servers and network management software."

When we began working with Cisco in 1995, its market success in networking gear was beginning to subordinate the corporate brand. The company was developing a commoditized reputation as "the plumber of the Internet." Cisco wanted to alter its brand trajectory and gain a leadership role on a broader and more strategic stage.

We helped Cisco steer its corporate messaging away

from product benefits and towards economic benefits, emphasizing how Cisco could help its customers capitalize on the Internet Economy. In 1997, as Cisco first cracked the Fortune 500 at number 332, its corporate brand expanded from a manufacturer of router and switches to "the worldwide leader in networking for the Internet, fueling the growth of the Internet Economy."

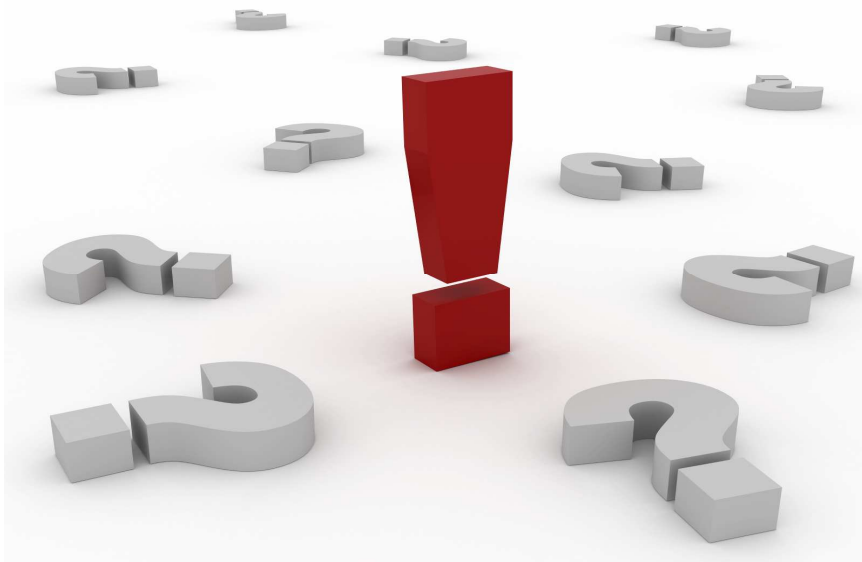
Demonstrating societal impact

A few companies eventually make a third, more radical brand shift, transcending the bounds of their commercial offerings and even their customers. For such companies, the field of competition extends beyond the things they sell. Instead, the company's value becomes rooted in a core idea and its related benefits to society at large.

When Nike began making its own athletic shoes in 1972, the company built its brand on product merits. For example, in a 1979 print advertisement, the company described the Nike Waffle Trainer as a shoe "made famous by word of foot advertising." Brand messaging centered on such design benefits as "a patented Waffle sole that's designed for superior traction and cushioning of the foot," as well as "extremely lightweight and comfortable" nylon uppers.

By December of 1980, Nike's share of the U.S. athletic shoe market had reached 50%, and the company went public. As Nike's success grew, the company's brand messaging shifted from product merits to appealing directly to an athlete's sense of achievement. Celebrities who'd reached the pinnacle of their sport became Nike brand ambassadors: Michael Jordan, Bo Jackson and Charles Barkley were among the faces of Nike. But this brand strategy was about more than drafting off the fame of accomplished athletes. It was about conveying the nobility of individual effort and acknowledging that, although very few of us rise to be Olympians or sports superstars, there's excellence to be gained in striving. As an evolution of this idea, Nike embraced "Just Do It" as its brand message in 1988, a tagline it still uses to this day.

In shaping its brand, Nike has not simply allied itself with the outstanding athletes of our time, but it has also shaped the brand into a social and environmental tour de force. Although the company grapples with the day-to-day struggles of maintaining a credible worldwide brand, Nike has nonetheless established a brand image for social consciousness, giving hundreds of millions of dollars to youth



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sports programs and supporting a variety of “green” initiatives. In 1990, Nike was one of the first companies to institute a product recycling program, collecting used athletic shoes and turning the materials into rubberized playing surfaces for sports. In 2008, the company launched the “Nike Considered” environmental campaign, which increases the company’s use of sustainable materials such as organic cotton, cork and adhesives made from water instead of toxic chemicals.

Today, it can be argued that the Nike brand is almost as well known for its social and environmental agenda as for its athletic gear. By imbuing its brand with a higher purpose, Nike is building a sustainable source of brand relevance that extends beyond products or the immediate benefits customers derive from Nike shoes and apparel.

In the past 10 years, Cisco’s brand has evolved in a similar way. These days, the company ascribes societal benefits to its corporate brand, framing its value as “transforming how people connect, communicate and collaborate.” The [Best Global Brands](#) ranking by Interbrand valued Cisco’s brand at an estimated \$21.3 billion in 2008. The Cisco brand was valued higher than brands such as Starbucks, Porsche and even Nike.

Within Cisco, the brand’s promise to transform how people connect, communicate and collaborate is mirrored by how the company has structured its operations and management processes. Cisco is adopting social media technologies to speed knowledge exchange and get products to market faster. They’re dismantling traditional organizational boundaries and distributing executive decision-making authority to wider circles within the company. In other words, Cisco is not just talking about helping people connect, communicate and collaborate; as a company, they’re setting the example.

In a recent [Fast Company](#) article, CEO John Chambers explained the wisdom of practicing what you preach:

Cisco, Chambers argues, is the best possible model for how a large, global business can operate: as a distributed idea

engine where leadership emerges organically, unfettered by a central command. Chambers and his team have been sharing detailed case studies of their experiences and best practices with the likes of AT&T, General Electric, and Procter & Gamble, and with customers in emerging markets from Russia and China to Mexico and Brazil. “We did it first ourselves; now we teach our customers. And the neat thing about it is that they’ll use our technology to do it.”

Why brand ideas matter

Positioning a brand on economic or societal benefits with global impact may not be an attainable strategy for most companies. Nevertheless, binding an important core idea to your brand is helpful to any company aspiring to grow.

Unlike product features that can be copied or made obsolete over time, a company’s perceived mastery and advocacy of an idea provides a stronger, more enduring platform on which to build a brand, regardless of how a company evolves and changes.

Building your brand on one pivotal idea also helps to manage brand transitions, whether it’s carving out a space for an initial product or service or making the shift from product benefits to customer benefits. Changing a company’s brand position and messaging becomes easier if there’s an unwavering organizing principle from which to work.

Identifying a company’s pivotal idea — beyond strictly what it sells or who it serves — streamlines not just brand marketing, but every strategic activity the company undertakes. The right brand idea can serve as a company’s North Star, orienting employees, disparate lines of business and executive decision-making.

[Kathleen Bowden](#) is a partner at CXO Communication, a strategic communication consultancy that helps companies articulate what they do and why it matters. To find out how CXO can help your organization drive business value through communication, please visit the firm’s [web site](#) or contact Kathleen at +1 (617) 247-0122 or at kathleen@cxocommunication.com.