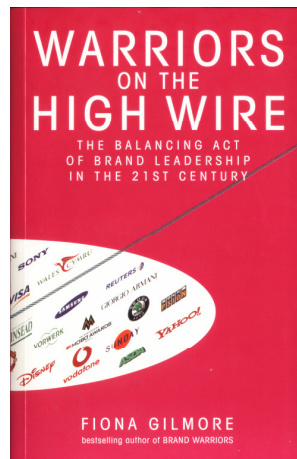


# Warriors on the High Wire

The Balancing Act of Brand Leadership in the 21<sup>st</sup> Century



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## About the Author:

**Fiona Gilmore** is the editor of "Brand Warriors". She is a founding partner of Springpoint Ltd, one of the leading brand positioning and corporate identity consultancies in Europe.

Over the last fifteen years she has contributed to the development of corporate branding architecture and positioning programs for some of the leading global organizations.

A regular speaker on the role of visual identity in business, Fiona Gilmore also writes articles on corporate branding and has appeared on 'The Money Programme' and 'Question Time'.

## ■ The Big Idea

"Warriors on the High Wire" demonstrates exactly why nothing is as important as managing the brand if a company is to prosper. The brand must be at the heart of an organization if it is to succeed, but very often companies fail to understand this maxim.

Based on interviews with CEOs and key decision-makers, author Fiona Gilmore distils the essence of many top brands. Top CEOs such as Michael Eisner of Disney and Sir Christopher Gent of Vodafone discuss the issues that are crucial to their success. They reveal:

- How companies can create brand architecture to maximize competitive advantage
- Why the role of the brand is of fundamental importance in the age of e-commerce
- Why service brands are critical for much of twenty-first century business
- How companies should deal with acquisitions

## ■ Why You Need This Book

Some of the greatest companies the business world has seen credit exemplary branding for their success. Conversely, some of those companies can sometimes lose their way and neglect to manage their brands. Fiona Gilmore shows how and why this happens through gathering inputs from top management of some of the most familiar and successful brands in history and highlighting lessons we can learn from their experiences.

## ■ Warriors on the High Wire

Brand warfare gives the same switch-back ride – alternating between exhilaration and disappointment – that has been the characteristic of physical warfare through the ages.

Brand warriors live on the high wire as they seek to grow, explore new markets, develop new techniques, and create a few useful ideas. Brand warriors, like chess grand masters, never stop learning, and the problems they face become more complex and difficult as the world around them changes.

Regardless of your company size or your discipline, you can stand to learn a lot more regarding effective brand warfare in the twenty-first century. And there's no better way to do so than to read about some of the most successful brand warriors in the history of management.



## ■ *Armani*: The Cult of the Fashion Brand: Defining Style across Six Continents

The story of the Armani brand is one of a svengali-like series of transformations, keeping one step ahead of an easily fatigued consumer and at the same time presenting a public face of apparent seamless continuity.

As a customer-focused company, with many different sub-brands, the phrase 'giving them what they want' is more easily applied to

Armani than to most.

Armani believes that you have to control your business absolutely and the house has been effectively acquiring those parts of its business that it had not owned in order to bring this about.

This policy is being applied across manufacturing, distribution and retail. It is clear that the more you license your brand, the less control you have over it, and this is what Armani seeks to counter by its acquisitions.

Control brings consistency. This is critical for any global brand and Armani, with its high-impact advertising campaigns, unique entertainment industry connections and defined retail store concepts, demands world-wide consistency throughout.

Armani himself is aware that his name will outlive him. He tries to provide motivation and communicate a sense of vision to those he works with, but he is always looking at how the brand will continue to evolve when he is no longer part of it.

Thanks to this outlook, unlike many other brands that have come and gone, the Armani name has remained intact and the association with quality, luxury and a particular Italian view remains undimmed.

### ■ **Disney: Managing a Magical Brand**

We've always known that the Disney brand generates a level of loyalty and affection unlike any other brand. This deeply held affinity is obviously of great benefit to the company, but where does it come from? Why does it exist?



The answer is that Disney, unlike any other brand, is defined not just by its products, but also by deeply held emotions and values, such as family, fun, optimism and community.

Disney executives maintain that great entertainment products have always been and will always be the fundamental drivers of their success and are critical to their brand strength. However, their brand also derives a significant amount of its value from the personal beliefs and hopes that it evokes in people around the world.

Another fundamental characteristic of the Disney brand is that people pass their love for Disney to their children, who in turn instill it in their children. Thus, brand loyalty is passed uninterrupted and undiminished from one generation to the next.

Anyone who has been to a Disney resort can testify to the quality of every individual who works there and to the management of the experience. Every member of the cast is trained well, with the clear recognition that everyone has a key role to play. For example, those who sweep the immaculate streets are the most likely to be asked for directions.

The old adage that 'the devil is in the details' is certainly true in the delivery of service brands. For those who own and maintain them, it is imperative to have a system of training and managing your people to deliver your brand how you want it.



### ■ **Reuters: Transforming the Brand for the Information Age**

After 150 years of existence, Reuters is on the threshold of the most exciting period of its colorful history. The Internet and new wireless technologies are opening the way for the company to broaden its markets.

Reuters sets off on this road with a wealth of trust attached to its brand – perhaps the single most important brand value for any business in the new economy of the twenty-first century.

With a dynamic new business strategy which is radically transforming the company, Reuters is proud to be at the leading edge – ahead of the field, where their journalists and engineers first began carving out their reputation one and a half centuries ago.

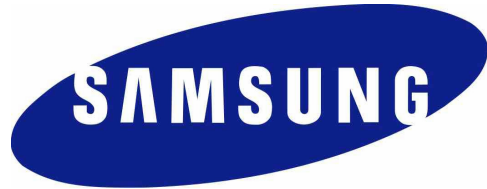
Reuters has used technology to transform the core-product offering of the brand. It has drawn on the invaluable brand heritage of trustworthiness, breadth of coverage and accuracy with the added-on contemporary values of speed, ease of use and modernity.

Reuters also exemplifies the importance of watching ahead for technological change rather than reacting to change when it happens. In this case, Reuters has been able to develop Internet-enabled products quickly and effectively and plan carefully for their delivery to existing customers and to new customers by opening up new market segments.

The use of a marketing periscope to assess technological change and customer attitudes has never been as important as it is today. Companies can ill afford to neglect this sort of tool – most especially in today's volatile times.

### ■ **Samsung: Another Rising Asian Tiger**

Samsung demonstrates how important it is to deal with organizational issues in managing a global brand, particularly when past history has given autonomy to local managers.



The modern consumer is very open to new brands, particularly in new markets. However, in technologically-driven markets, brands do need to be backed up by technically superb products to be viable leading brands.

The sunk cost of R&D to get to that level is substantial. But it can then be integral to the brand values – as Samsung so powerfully epitomises with its core value of 'wow'.

Knowing something of both market evolution and our own product development potential, Samsung identified a brand essence based on three concepts:

**Wow.** This is the customers' sense of surprise at products' functionality, design and features. 'Wow' is an intangible (although built on physical products and real product features) and will require continuous substantial investment in R&D and product improvement.

**Simplicity.** Samsung aims to deliver a product which is simple to set up, simple to use and simple to integrate into other parts of domestic or office digital technology.

**Inclusiveness.** Samsung's strap line says, "Everyone's invited". This 'democratization' of technology ownership is a powerful emotional tool – which pitches Samsung as the brand for everyone, not just the technologically literate few.

# SONY

## ■ **Sony: Re-Inventing Itself to Keep Ahead in the Networked World**

Sony revolutionized the home electronics markets around the world with products such as the first truly pocket-sized transistor radio, the Walkman personal stereo and the Trinitron color television. But it hasn't rested on its laurels; Sony has expanded its operations to encompass businesses in the areas of films and TV programme production and distribution, music and video games.

As the digital revolution spreads, Sony will continue to be at the leading edge of change.

Sony's 'Go Create' campaign has played a direct part in achieving the continued product innovation necessary in order to further drive positive perceptions of the Sony brand. It is vital that marketing communications clearly explain to consumers how future innovations will affect their lives, and especially how they will be able to use newly developed products to create yet more opportunities for entertainment and enjoyment.

Sony's story is a classic example of the need to define your market carefully, particularly when it is undergoing technological change. The company was absolutely right to grasp the nettle of organizational change to break down the boundaries of its previous structure. Its traditional product definitions were increasingly irrelevant to the more sophisticated modern consumer, so without such a change its other efforts could have been negative.

Sony's market position could have been marginalized, as the consumer's attitudes, fired by technology and increasing use of the Internet, diverged from the historic norms. To deal with this, Sony underpinned its definition with some mould-breaking new products and brand positioning which occupies the high ground of a generic proposition but which Sony has credibly made its own.

## ■ **Visa International: The Serendipity of a Name**

In 1995 the Visa flag basically stood for single product functionality and acceptance. Their vision was that the flag would come to stand for payment – all kinds of payment – as well as for acceptance.

Ironically one of the future goals was that some of the new markets created would actually go away over time as technologies evolve to support inter-operability across products.



The original brand was BankAmericard, which National BankAmericard Incorporated bought from the Bank of America and proceeded to build a global system. However, NBI's member banks

adopted various other names around the world that were generally based on their individual names. The lack of a common name was hindering growth.

Visa was born when NBI's then president, Dee Hock, offered a challenge and a reward to the person who could come up with a name for all these cards that was culturally and geographically neutral, had no restrictive connotations, and implied travel, mobility and acceptance.

The name proved a powerful magnet; many banks switched all their cards to Visa and sales more than tripled.

For Visa the past decade has been a time of growing recognition of the value of their brand – and of what an important role brand strategy can play in supporting corporate strategy. As champions of the brand they have also gained a greater appreciation for the responsibility they have to preserve.

As they say about aging brains and muscles, 'use it or lose it'. Similarly, if you wish to preserve the relevance of your brand promise to your consumers, you must make the effort to understand and respond to their expectations for growth and evolution. A static brand promise is a dying brand.

The global development of Visa is interesting in two more respects:

1. The ability to develop brands on a global yet local business level is a vivid example of Theodore Levitt's famous saying: 'Think global: act local'. This combined with its outstanding levels of trust and dependability, shows the value and strength of long-term consistent branding.
2. Visa demonstrates that powerful brands are capable of extension into adjacent areas, without diluting the core brand.



### ■ **Vodafone: Post-Acquisition: The Challenge of Brand Migration**

Vodafone has been transformed from a predominantly UK-based company into the largest mobile phone company and one of the largest companies (by market capitalization) in the world through a series of acquisitions.

These acquisitions were the American cellular phone operator AirTouch and the German fixed-wire and cellular-phone conglomerate Mannesmann. The challenges were daunting: the new group had subsidiaries all over the world, all of which differed in terms of name, product mix and history. In addition the acquisition had left some egos bruised and there was some suspicion regarding the new management.

There was thus a clear need for a migration strategy in order to transfer the undoubted equity in the local brands that were acquired to Vodafone in a timely and effective way.

A decision was made to move forward with a single global brand and transfer the equity from all the brands to that one brand. Many different factors were behind this decision – two of which are the ability to offer identical services with identical figures anywhere in the world, and the leverage accruing to one single and easily recognizable identity.

There was a need to manage the post-acquisition process in a way that recognizes the sensitivities of the individuals involved as well as the potential contribution of the acquired companies. The brand values as well need to draw on the best of everyone, and not just that of the acquirer.

The core positioning is that Vodafone enables people to get more out of life. We see this in two ways:

- **Fulfilling** – the company aims to open up more possibilities for its customers so they can do more of what they want to do
- **Empowering** – giving customers control so they can live their lives the way they want to and connect with the communities that are important to them.

Vodafone supports this with a number of important underlying core values:

- dependability
- empathy
- can-do attitude
- innovation
- joie de vivre
- 

Lastly, care was taken not to let Vodafone's English character ride roughshod over that of all the other brands and imposing a British brand based on British values. The aim was to be seen as a true global brand with no home territory, but despite that truly in touch with local markets where it operates.

## ■ **Yahoo!: The Beginnings of a Brand**

Yahoo! is to some extent a brand that 'happened'. Certainly its founders did not intend to create a brand. On the other hand they were quick to realize and recognize the need for professional marketing management once the brand began to take off.



Yahoo! is an excellent example of managing international expansion in a disciplined way, without creating a straitjacket which discourages local management. Here is a brand with some distinctive universal values which are easily understood yet with enough freedom to ensure they tap into local culture as they expand.

Before Yahoo!, Internet usage was largely confined to academic, military and government, a closely linked group of people with specific needs. It was a chaotic mystery for individual

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consumers since there was no way to search for what they might want to look for. So founders Jerry Yang and David Filo, in their spare time and as a diversion, began to create a list of all the interesting sites they discovered on the Internet.

More and more users, encouraged by word-of-mouth, came to the site, and the brand was born when Yang and Filo gave it the Yahoo! monicker to describe the sense of fun that was possible on the Internet.

The brand has always been differentiated from its competitors because of a focus on consumers. It focuses on bringing a sense of ease, fun and relevance to users. An Internet brand is especially unusual in the world of branding because there is nothing tangible about it.

The lesson here is that huge emphasis must be placed on continuous improvements to speed, functionality and accuracy, in support of the core values of speed and ease of use. Particularly important is an emotional connection with users because much of an Internet brand's relationship with them is about their experience with the product.

In addition, Yahoo! demonstrates the speed with which a brand can be created in the modern world and how fundamental values like trust and honesty can be built into a brand very quickly.

### ■ Contributors

Sir Christopher Gent, Vodafone Group PLC – Robert Triefus, Armani Group –Michael Eisner, Chairman and Chief Executive Officer, The Walt Disney Company – Jean-Michael Perbet, Sony Corporation –Peter Job, Reuters – Jean-Claude Marchand, Reuters Information – Jerry Yang, Yahoo! – Karen Edwards, Yahoo! – Malcolm Williamson, Visa International – Caroline McNally, Visa International – Gabriel Hawawini, Eric Kim, Samsung Electronics Co. Ltd.

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