

Brandscendence™ *The Journey*

Brandscendence™: Three Habits of Enduring Brands ©

A companion white paper to the book *Brandscendence™ :
Three Essential Elements of Enduring Brands*

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Executive Overview

Brandscendence is a journey, not a destination.

Brandscendence is the quest to understand brands that go beyond ordinary limits and are considered supreme over long periods of time. Brand management is important both in the commercial world and the non-commercial world - for large organizations and individuals. In the world of *Brandscendence*, brands don't just exist, they behave.

brandscendence,

n. a brand that has the quality or state of being transcendent.

Or, more fully defined: *Brandscendence* is a kind or make of brand, as indicated by a name, stamp, trademark, or the like that goes beyond ordinary limits; a brand that surpasses; a brand that exceeds; a brand that is superior or supreme over time.

***Brandscendence* is about understanding and creating brands that endure.**

Three elements interact to create *Brandscendence*: ***relevance***, ***context*** and ***mutual benefit***. Relevance is the reason the brand exists and doesn't change much over time. Context helps the brand adapt to new circumstances. Mutual benefit is a multiplier effect. When mutual benefit is perceived, trust is built - trust that can overcome problems when they emerge.

Three Habits of Enduring Brands:

- Treat Your Brands as Family
- Balance Calculation with Compassion
- Think Like a Brand Manager All Day and in All You Do

Brands as Family

Do you have children? How much are they worth to you? Really, please put a dollar value on them - how much are they worth? The total value of a human being weighing 160 pounds is about \$25 if you calculate the total sum of the elements we're composed of, and sell the water they're suspended in at \$1.00 a gallon.

Don't we have a tendency to value our brands by the piece parts we can measure, as opposed to what you probably heard as an answer to the value of your children, "they're priceless."

Habit 1: Treat your brands as if they were members of your family.

Which companies do you think likely succeed in the branding game? Those that do research to measure the tangible elements, or those that understand the ineffable intangible world and "render unto Caesar that which is Caesar's, and unto God that which is God's." In other words, organizations that treat brands as priceless and do all they can to nurture and protect them win the branding game time and again, and do it over long periods of time.

Think of brands as your offspring, the future of your family.

Balance Calculation with Compassion

Ask every morning, "what can I do today to improve the success of our customers and the brand(s) that serve them?" Ask every evening, "did I accomplish my brand goal today? What can I do tomorrow?" Don't think about this in terms of what you have to invest - think about it in from your customers perspective. What would they want?

Habit 2: Balance your conditional brand investment calculations with unconditional compassion for your customers.

Once you change your perspective you'll find that you don't always have to invest to make positive changes in your brand management. Once you start thinking from the heart with unconditional compassion for your customers, you'll find ways to change your brands and business to meet their needs - some actions will require investment, many others won't. Like any parent, you can't provide for your children what you don't have, which provides

the investment boundary. It's the balanced frame of mind and heart that provides a sophisticated approach to managing brands.

Make Brand Thinking Part of Your Life

Here are some examples of brands where the owner demonstrates the three habits of enduring brands. These examples have appeared in *Brandscendence*™: *The Journey* newsletter - and the *Brandscendence* theory is explained in the book of the same title.ⁱ This is Habit 3: *When you live the brand, you create value for your customers and clients, and know why you and your organization exist - for the long term - and how to adapt to changing circumstances.*

Enduring Brands: The 10,000 Year Goal

Kikkoman soy sauce is a very familiar food brand in Japan, North American, Europe, and many other parts of the world. The name Kikkoman means "more than just superior soy sauce."ⁱⁱ



Japanese folklore says the tortoise lives for 10,000 years. The tortoise presents itself as a symbol of longevity, and *kikko* means tortoise shell in Japanese. Combine *kikko* + *man* and you have the trademark for the Mogi family's best soy sauce - originally made in the city of Noda near the Edo River, an area known for superior soy sauce production since the Edo period, 1603-1867.

The Kikkoman logo represents a tortoise shell with the Chinese character for 10,000 written inside.



"In December of 1917, eight families including the Mogi family merged to form the predecessor of Kikkoman Corporation, Noda Shoyu Co., Ltd."ⁱⁱⁱ Kikkoman International Inc. is later established in June of 1957 and is based in San Francisco, California, in the USA. Production facilities around the world include Hokkaido and Ojima, Japan; Walworth, Wisconsin, USA; Folsom, California USA; Singapore; Tainan, Taiwan; and Hoogezand-Sappemeer, The Netherlands.

If you want to set a brand endurance goal, understanding the story behind Kikkoman's symbolic 10,000 year name and logo are true benchmarks to behold.

Ranges of Brand Elasticity

Brand elasticity is a term used to describe just how much territory a single brand can cover in a meaningful and believable way. It was a masterstroke moving Old Spice away from the men's cologne category and extending it in a believable way over time to men's deodorants, body washes, and other toiletry items. Odor masking still the *relevant* core of this franchise - just updated for a contemporary *context*. If Old Spice were to introduce a new line of wrist watches, you wouldn't understand it. The brand has no permission to go into this category of goods.

Virgin on the other hand seems to have a limitless ability to expand into new categories from music to airline to cell' phones. Why? Because at the core, Virgin is about an attitude that then informs the new category about how to be quirky and fun. Sony does the same thing. When anything enters Sony's brand gravitational pull, it begins an orbit in a global entertainment delivery system. IBM does the same for serious business.

Countries are also in the game. Travel and tourism represents one of the most stable examples of countries using branding techniques to attract visitors. The armed services have always been interested in branding themselves - just not in so many words. "Join our team" and explaining why has driven both strategic positioning sessions, advertising and public relations spend for many years.

The next frontier for brand strategy and brand management practices is the non-profit and non-governmental (NGO) world. What the for-profit sector has invested in and applied for competitive advantage is about to become a vital part of the of charitable and NGO leader's repertoire.

The Ritz-Carlton Credo

When I'm out and about I try to see what's going on in branding all around me. This is pure observational research, one of my favorite forms of primary research.

On a recent business trip to Coconut Grove, Florida, just outside of Miami I stayed at a Ritz-Carlton ® Hotel. I know Ritz-Carlton employees carry a small credit-card-sized quad-fold card with the company credo, motto, employee promise and what they call the "three steps of service" on it. I asked for one from the catering manager and she found one for me and said it had recently been updated. The credo is of most interest to me since it encapsulates the hotel's brand.

A credo is defined as "any creed or formula of belief." ^{iv}

Here is how the Ritz-Carlton Credo reads:

"The Ritz-Carlton Hotel is a place where the genuine care and comfort of our guests is our highest mission. "We pledge to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed yet refined ambiance.

"The Ritz-Carlton experience enlivens the senses, instills well-being, and fulfills even the unexpected wishes and needs of our guests."

The credo from my perspective isn't just a set of words; I've personally seen it acted out in reality by Ritz employees. The clientele of this hotel is truly well taken care of around the world.

Introducing *Trevie*: The guests of the Ritz-Carlton are upscale. The hotel seems to understand this since in my bathroom I found a new brand of soap and toiletries "created exclusively for The Ritz-Carlton Hotel Company, L.L.C." The new brand name is *Trevie*™ of New York & Hong Kong.

What a great idea. You have an upscale captive audience - what better place to launch a bath soap and accessories brand. Once established, you could spin it off or sell it to consumer goods company where it would fit into the high end of its portfolio. And you could do it over and over again - just like planting a pine forest for harvesting every ten years.

The ethos and motto of the Ritz-Carlton is captured in the simple phrase: "We are Ladies and Gentlemen Serving Ladies and Gentlemen." If that experience can be transferred in any small measure, the new *Trevie* brand will find a way into the homes of past guests as a small reminder of what it means to be treated with care.

On The Edge and Still Bubbling: Jacuzzi ®

Jacuzzi is a brand that attracts buyers in the know as a superior set of offerings in the

whirlpool bath category. Everything that churns water with bubbles, jets, or blowers may have been referred to by you or someone you know as a "Jacuzzi" whether made by the trademark owner or not.^v "Let's get in the Jacuzzi" is a phrase almost everyone has heard whether you've actually been in one or not.

The trade name "Jacuzzi" is very close to becoming the category name, as is the case with Q-Tips® (Unilever), Aspirin® (Bayer, Germany), Kleenex® (Kimberly-Clark), and Styrofoam® (DuPont). Jacuzzi Brands, Inc., is doing a good job of staying just on the side of being *really well known* - and being a brand franchise name that can be protected and leveraged.

Background: Seven Jacuzzi brothers immigrated to California from Italy in the early 1900s and proceeded to invent the first enclosed cabin monoplane and by 1920 the Jacuzzi Brothers started making advancements in agricultural pumps. The year 1956 marks the invention of a portable hydrotherapy pump to treat a family member's arthritis.

Roy Jacuzzi invented the first whirlpool bath in 1968 and the name remains a strong cultural imprint for this category of therapy and relaxation tubs. The brand celebrates its 35th anniversary this year. "The storied Jacuzzi® brand name, once a loving solution to a family member's aching health problems, has become an icon for relaxation around the world."^{vi}

Brand Chimera

chimera, n., pl. 4. Genetics.

an organism composed of two or more genetically distinct tissues, as an organism that is partly male and partly female, or an artificially produced individual having tissues of several species.^{vii}

In February of 2003 UPS acquired Mail Boxes, Etc., Inc. and re-branded the 4,500 store locations in over 40 countries and territories "The UPS Store."^{viii}

Mail Boxes Etc. (MBE) started life as an alternative to the U.S. Postal Service. *Entrepreneur Magazine* for the past 13 years has ranked MBE as the #1 postal and business services franchise opportunity. Last year, the 1,000th franchised location was opened outside the U.S. through a master license agreement.

The UPS Store is what I call a *brand chimera* - a brand that has two distinct genetic codes that have been merged a new single entity. Will The UPS Store continue to succeed in its new form? Probably. UPS also siphoned off some shipping business from the U.S. Postal Service over the years, and has emerged as a potent and cost-effective rival to overnight

delivery companies. The overall genetic code doesn't seem to be a mis-match for this brand chimera.

The UPS Store also provides a new degree of local customer "addressability" for the UPS parent brand. "Brown" inherits the customer base of MBE, and will be able to grow with more personal customer relationships through its franchisee network.

The only potential downside is the Mail Boxes Etc. brand offered customers choices of shippers in the past, and the new UPS ownership clearly limits this dimension of The UPS Store franchise. A toast to The UPS Store, a brand chimera with a promising future.

FedEx & Kinko's: Next Brand Chimera?

"MEMPHIS, Tenn., Dec. 30, 2003 - FedEx Corporation (NYSE: FDX) and Clayton, Dubilier & Rice Inc, today jointly announced an agreement for FedEx to acquire Kinko's for \$2.4 billion, payable in cash." ^{ix} In February of 2003 UPS acquired Mail Boxes, Etc., Inc. (MBE) and re-branded the 4,500 store locations in over 40 countries and territories "The UPS Store." ^x

The race is on - or is it?

The UPS/MBE transaction was very clear from a branding point of view, while the upcoming FedEx/Kinko's combination is currently a mystery.

UPS/MBE represents what I call "*brand chimera*" ^{xi} - a brand that has two distinct genetic codes that have been merged a new single entity. MBE immediately became "The UPS Store," extending the equity and reach of the UPS brand by 4,500 stores around the world.

FedEx's announcement does not disclose branding intent. Careful inspection of the press release and attached pictures indicates a nested brand combination with Kinko's name over the door and FedEx inside, not a new unified brand chimera. "Our two companies share a similar background, culture and customer focus, and that common ground is extremely important as we prepare for future growth and success." Says Frederick W. Smith, president and CEO of FedEx Corporation. ^{xiii} That's a solid basis for a brand chimera, all that's missing is a unified branding strategy.

Both deals increase local customer "addressability" for FedEx and UPS parent brand with an order of magnitude difference: the UPS Stores are 4,500 locations strong worldwide, while the FedEx/Kinko's footprint will be 1,200 stores around the globe. It remains to be seen if this can be understood in terms of customer and location quality vs. pure quantity.

FedEx is also likely to evaluate what equity there is in the "Kinko's" brand and whether to

leverage it, transform it, or discard it. One thing's certain, FedEx is the stronger of the two brand names in the combination. We shall see what branding approach will be taken when FedEx completes the acquisition of Kinko's in the spring.

Branding in South Korea: **An e-mail exchange after a recent visit**

Kevin: "Sunnie, as I flew over to Germany your words to me about the crowd mentality and momentum of brands in South Korea continued with me. Questions: What brands don't change in Korean society? What brands imprint early and stay with you for the rest of your life? Which brands are immune to the fads that you indicated sweep the country periodically?"

Sunnie: "Hi, Kevin, what stimulating questions you've posed! As I thought about which of the brands I knew before I left for the US for the first time are still thriving, I saw a pattern among them:

1. "They were the first entrants to the product category.
2. "They had unique positioning and promise that stood out from the existing products. And these positioning and promise adhered to that initial positioning throughout these brand lives.
3. "Children grow up with these brands. Even if they are not exactly products for children, they experience these brands in their parents' lives."

Sunnie continues in a subsequent note providing examples of early imprint brands, including "a hamburger chain called Lotteria, it was the first in its category close to 20 years ago and it's still maintaining a sizable market share even when it's being attacked by formidable international chains..."

"Another example is CJ (Korean equivalent of Kraft foods) - I still remember the logo on the sugar bag my Mom used to buy in the market when I was in elementary school. Although they renamed their corporate brand from Cheil Jedang to CJ and there have been many new entrants in the food market, it has maintained its distinction as a premium food brand."

"It was a further testament to your previous assertion that imprints made early in one's childhood survive many distractive forces introduced later in their lives. And it's imperative to invest in creating these imprints with children for longevity of a brand.

"Warm regards, Sunnie" ^{xii}

Appendix A:

How to get Brandscendence™: Three Essential Elements of Enduring Brands - online sources:

www.brandscendence.com

www.brandclark.com

www.dearborn.com

www.barnesandnoble.com

www.booksamillion.com

www.amazon.com

www.fetchbook.com

www.skysoft.co.jp

www.woodslane.com.au

www.countrybookstore.com.uk

www.ypbooks.co.kr

www.chapters.indigo.ca

www.cnpbook.com

www.submarino.com

www.tso.co.uk

www.directtextbook.com

www.mechaure.com

www.einfach-online-shoppen.de

www.paddyfield.com

www.bestprices.com

www.abebooks-titles.co.uk

www.anybook4less.com

www.akademika.no

www.bookwebpro.kinokuniya.co.jp

www.growingresults.com

www.thepricesearch.com

Or at a bookseller near you.

Appendix B:

Praise for Brandscendence™

"*Brandscendence* blends all the schools of branding to articulate the last word in branding for generations to come. Kevin Clark's book is balanced and inspiring, and it brings together all the major branding concepts in a book that should be a reference document for CEOs, marketing executives, and marketing schools. If you want to find your brand "holon", this is your book."

Marc Gobé, President & CEO, Desgrippes Gobé Group, author of *Emotional Branding*

"Executives seeking the power of branding without knowing exactly how to get it will welcome Kevin Clark's thoughtful guide and devour every useful detail."

Rosabeth Moss Kantor, Harvard Business School, Author, *Confidence: How Winning Streaks and Losing Streaks Begin and End*

"I have known Kevin Clark for some time and had the pleasure to work with him on several Archetype Discoveries at IBM. Kevin is not only brilliant, but he has a great sense of humor and an ample culture on Brand. This is his "Brand Essence." Because branding is becoming more crucial then ever, this book is must reading for anyone involved in Brand strategy."

Dr. G. Clotaire Rapaille, Chairman/CEO, Archetype Discoveries Worldwide and Author, *7 Secrets of Marketing*

"Kevin Clark has created a powerful new way to explain both the power and the long term implications of branding. Well worth the time."

Joel A. Barker, The "paradigm man" and co-author of the forthcoming *Five Regions of the Future*

"This has got to be one of the finest tutorials - primers - that exists to fundamentally guide one through the process of developing, building, and maintaining a brand. You can find it

all in one place from a world-class expert in the business of brand husbandry. If you or your company's future depends on establishing a positive, powerful image for your customers, this is the book for you."

John L. Petersen, President and Founder, The Arlington Institute and author of *Out of the Blue* and *The Road to 2015*

"All brands today must adapt to a changing world while remaining true to their heritage and what they stand for. Reading and applying the principles of *Brandscendence* will let you navigate these turbulent waters to create value for your company and meaning for your customers."

B. Joseph Pine, co-author, *The Experience Economy* and co-founder of Strategic Horizons LLP

"*Brandscendence* is an unusual and very personal memoir of the thoughts on branding of the brand steward of the IBM ThinkPad. Kevin Clark writes in the first person, drawing from his business experience, personal relationships, and his eclectic reading of the branding literature and work in allied social sciences. All thoughtful students of branding will be challenged by this creative and provocative book."

John Lynch, Professor of Marketing, Fuqua School of Business, Duke University

"I got to see Kevin in action the other day and I thought to myself, as I always do, 'this guy gets marketing right down to the DNA. *Brandscendence* is a book to take you through the mysteries of branding."

Grant McCracken, Cultural Anthropologist, author of *Plenitude*, and Adjunct Professor, McGill University

"In my global work of 'Designing the Future for Success' for 30 years with companies, boards, investors and individuals, one of the key ingredients in the framework remains a

consideration of the brand. Kevin's book - *Brandscendence* - offers an exceptional and fact-based expose on the merits and successful application of branding as well as the enduring value it enables. Reading this book will provide an important and easy to acquire foundation for everyone given how central branding remains in our collective futures."

William C. Weiss, Chairman and CEO, The Promar Group, LLC

"Kevin Clark ably guides us on a thoughtful journey through the life stages and complex ecology of successful, enduring brands, articulating the qualities that enable brands to achieve lasting meaning and strength. *Brandscendence* draws on a rich variety of sources and experience to forge a unique perspective on understanding and managing brands in context and over time."

Napier Collyns, Co-Founder of Global Business Network.

"*Brandscendence* is an intriguing guide for practitioners and a must-read for anyone who has always been interested in the transcendence side of branding."

Erich Joachimsthaller, Ph.D., President and CEO, Vivaldi Partners, and co-author of *Brand Leadership*

"Not only has Kevin Clark read all the books on branding in the process of writing *Brandscendence*, he's synthesized their best points in a deceptively simple original framework. It's both philosophical and pragmatic. Philomatic? Pragsophical? Worth reading in any case!

Robert F. Lauterborn, James L. Knight Professor of Advertising, University of North Carolina at Chapel Hill

"Brands do one thing; they simplify choice! Kevin Clark with *Brandscendence* offers the most relevant, practical and enlightening treatise on the increasingly critical topic of branding. It will become the text of choice for executives and educators alike."

Appendix C:

From the foreword by Jon G. Rubin, Vice President/General Manager Trade Marketing, News America Marketing

How do brands become so important that they can transcend cultures, geography, and time? As any marketer or strategist can tell you, the holy grail of all marketing is to establish a positioning in the marketplace that becomes so entrenched in the consumer's mind that it is only yours to lose. This is what we're in business fighting for every day. This is where profits are generated, where shareholders value is created and where marketing is fun and exciting. Creating brands of value may be a once in a lifetime experience or for some may never happen.

How important is this pursuit? Think about a brand, and the potential points of contact a brand can have as one travels around the country and even around the world. To create and maintain brand relevance is no accident. It happens through building purpose, character and a following. When a brand is in full stride, its image is like a beckon of light that shines in unfamiliar surroundings. In times of economic and political uncertainty, these images can provide a sense of comfort. The shared values of consumers that use those brands provide a cause of unity and sometimes a sense of community.

Appendix D:

The Next Stage of IMC

Recently I was asked to comment on the future of Integrated Marketing Communications (IMC) by a task force working on the subject sponsored by Northwestern University and the University of Denver with academics and practicing professionals. What follows is an excerpt of my thoughts to the working team on their white paper, the quotes are questions I'm answering:

"Brand messages": Expand this thought to include positioning, value propositions, and brand promise of value. "One voice, one look," and the desire to broaden the scope of IMC: More replicable business processes need to be developed that can be replicated to truly deliver on the "integration" promise of value of IMC. "Empirical evidence": IMC still lives in the shadow of advertising due to the resources it consumes and the head start the sub-discipline has on measurement methodologies. "Who is the champion of IMC as is the case for CRM?": There is a champion for CRM because there is money to be made

selling solutions to make it work. The IMC champion is absent because there is no similar economic motivation on the part of a heavy-hitter marketplace enabler. *Spend some time soul searching here.* If you could recruit an economic champion for IMC, what would be the most likely list of candidates? As a result of IMC, what changes, what new gets sold, and what falls away?

"What are CEOs staying awake at night thinking about?": You have the right suspects -- losing customers, driving shareholder value, organization efficiency, and effectiveness on behalf of clients. IMC isn't fact-based enough right now to deliver numbers that shock the left-brained executives that run business today.

Brand-driven businesses do a bit better on this since they understand the owning share of heart isn't exclusively a numbers game.

"What is IMC's unifying theory?": This is a nesting problem since I think IMC is a sub-discipline of the evolving "integrated marketing" discipline (IM), one that I've been running for our unit until recently for two years. IM is a sub-discipline of "integrated business" that is manifesting itself on the operations side as "integrated supply chain management" practices (operational efficiency) and on the external customer/client side as "experience management" practices. You might say the holy grail is "Integrated Brand Management," but I think the acronym "IBM" is already taken. For starters you might want to try as an evolutionary name such as "Integrated Communications, Marketing and Management" (ICMM).

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ⁱ Kevin A. Clark, *Brandscendence: Three Essential Elements of Enduring Brands*, Dearborn Trade Publishing, 2004.

ⁱⁱ Story adapted from the Kikkoman web site www.kikkoman.com/company/com_overview.html as of July

18, 2004.

iii Ibid.

iv *Webster's New Universal Unabridged Dictionary*, Random House Value Publishing, 1996, definition 3, p. 473.

v Story adapted from the Jacuzzi web site, www.jacuzzi.com, as of July 18, 2004.

vi Ibid.

vii *Webster's New Universal Unabridged Dictionary, USA*: Barnes and Noble Books, 1996, p. 359.

viii Background information for this article from The UPS Store™ web site at www.theupsstore.com

ix FedEx press release, "*FedEx to Acquire Kinko's; Expands Global Presence in 1,200 Stores*," Dec. 30, 2003.

x Background information for this article from The UPS Store™ web site at www.theupsstore.com

xi chimera, n., pl. 4. Genetics. an organism composed of two or more genetically distinct tissues, as an organism that is partly male and partly female, or an artificially produced individual having tissues of several species. (*Webster's New Universal Unabridged Dictionary, USA*: Barnes and Noble Books, 1996, p. 359.)

xii FedEx press release, "*FedEx to Acquire Kinko's; Expands Global Presence in 1,200 Stores*," Dec. 30, 2003.

xiii Sunnie Giles is a former colleague I introduced to branding - and continues to practice in South Korea today.