

Summary of Silicon Valley Branding Forum  
Adobe Systems, San Jose  
3/7/02

On Thursday, March 7th, the seventh meeting of the Silicon Valley Branding Forum convened at Adobe Software in San Jose. The theme of this forum was "Branding Systems".

We gathered a diverse and knowledgeable group of panel members who play key roles in managing branding systems for their company or other companies. The panel members were:

Paul Connolly, Vice President of Strategic Marketing, for Sybase, Inc.

Kathleen Lau, Senior Manager of Global Branding for Adobe.

Alfredo Muccino, Creative Director of Liquid Agency, a branding and identity agency

Jan Soderstrom, Former Sr. VP of Worldwide Marketing and Branding at 3Com

Our moderator was Marty Brandt, a principal of ProBrand, a strategic branding agency.

The meeting began with a definition of a brand system:

The collective set of named products (or product family), services, features, initiatives, components, events, etc. that exist within a company and communicate messages and meaning to various audiences.

So, broadly, a brand system includes the corporate brand and all the sub-brands, their names and also identity or graphic elements, like logotypes, colors, etc.

The Challenges of Dealing With Brand System Are:

- Proliferation of brands that technology companies tend to create over the year
- How to put discipline on a brand system, and how do you rein it in once it has developed this wide proliferation of products in a company

We moved on to the panel questions:

Panel Question #1:

Given all of the elements that make up a brand system, how do you put a discipline around all of those elements?

Jan Soderstrom - First, you have to have your CEO as your primary ally. You need to get people to understand the value of a brand. You also need to understand your brand equities and how far they can extend. You must be able to define your brand essence. Once you have done this groundwork, developing the brand matrices and putting the education program into place is relatively easy.

How do you rein in the diverse set of elements and people to create a brand system? Get the CEO on board. Get a champion. Unless you get the CEO as champion you might as well forget about it. And you have to talk

to people in the company about why brand is important. Brand is important because it creates shareholder value. It is important for them to know that the brand drives the stock price. Once you have impressed them with the importance of the brand, get all the senior managers on board and get them to understand what your brand equities are and how far you can extend those brand equities. If you have a logical approach to it, people will buy into it. But it is important to provide the proper training to get people on board.

How did you manage to build a brand at 3Com?

With a wide proliferation of brands it is often hard to see how these fit into a system, so we had a real challenge. Fortunately, one of the goals of the CEO was to build a strong brand. He was the whip to make it happen.

Paul Connolly - At Sybase, the brand architecture was all about the logo. Corporate marketing was viewed as the logo police. So we had an educational challenge.

There was really a tight brand architecture. To echo what Jan was saying, you really have to get people to understand why you're doing this. They have to understand what the brand is all about. Then the problem is not to get them to adhere to the guidelines but to tell what the guidelines are.

At Sybase, there were these really tight guidelines. 'This is how you do a logo.'

People wanted to know what the guidelines were. Nobody was saying what the brand was at all.... There is a natural tendency to chaos in that kind of environment. The brand system is how you can control the chaos. Once you showed people the chaos, you could show people how to control it.

Everybody around the world was saying 'I need a logo for my product,' 'I need a color scheme for my product brand.' If you showed them how 18 people were doing that at once, they saw what a mess things were.

The Clinton administration used the phrase, "It's the economy, stupid", and we changed it to "It's the brand, stupid." We were trying to convey the idea that everything we do affects the brand. It's very important to have a brand system whose elements consistently reflect the brand of the company. A brand system is really a lens for the overall brand value.

People need the brand system because they need to know how to execute it. It's not about just the logo, it's about the brand. That's what we found.

Alfredo Muccino: As an agency we don't focus on brand architecture per se. We focus on the structure of the brand. We feel you have to have a vision.

Intel is a client of ours, and they had a brand architecture that had problems with extensibility. Our solution gave them an architecture that was more liquid, because a brand system must be fluid to expand.

So we had to have a vision for the Intel brand. We had to make people understand that the microprocessor in their computer comes from Intel. Intel realized that the architecture needed to grow as it was creating new products, and it needed to differentiate between those products in design.

Brands are created with system architecture. There was a vision created to obtain a specific result. Establish a consistency of messaging across products.

Kathleen Lau - Our focus at Adobe has been to manage proliferation rather than the value of the brand.

Adobe has a lot of strong sub-brands. So many brands... a ripe situation for chaos.

The challenge for Adobe is to maintain control over our various brands. Adobe also has some power brands like PhotoShop. That has to be well managed. When you talk about proliferation of brands - that's what we're looking at. We are carefully trying to leverage our main brand while we build power brands like PhotoShop.

Our challenge has been in reining in the people who are making business decisions before they know what drives the brand. That makes it very difficult to manage proliferation.

Do you have guidelines for developing new brands that are very clear and enforceable?

Jan: At Visa, we had a decision tree that was quite well developed. It defined whether or not something could be a brand. And we had brand advocates worldwide to help us with enforcement.

So Visa did not have a problem with renegade brands. They were very brand conscious. Protecting the brand was part of the fiduciary responsibility for Visa. It becomes more difficult in other companies. Product managers want to go off and do their thing.

You're not going to change their nature. You have to work with them and convince them. That's the most important thing, making them realize how this is going to benefit them. All our share prices will go up. Put all of our efforts together to help the master brand.

People come and go and they choose to understand what they choose to understand, particularly in the past couple of years. Out the door/in the door education was a challenge at 3Com.

I hear a combination of authority to make these guidelines enforceable and also education. What kind of education? You need to educate people when it's in their best interest. What's the balance between education and authority?

Paul: There's a natural momentum to create new brand. The only way you can create new brand at Sybase is to show \$20 million as a line item in your budget, since nobody can do that, you can't go out and create a brand.

First you have to have guidelines. We had guidelines for people who wanted to launch a new brand that were virtually unmeetable. They had to have \$20 million to launch a new brand. And then we also had the carrot and the stick, in the sense of reward and punishment. The carrot was an award program called "Brand Superheroes". The stick, or punishment side, was our "Brand Sin Bin", which was a gallery of Brand abuses that were displayed on our website for all internally to see.

Alfredo: On the creative side, we look at guidelines as just that, not rules. As an agency, we are on the receiving end of the carrot and stick. We start by understanding the brand essence so that we can understand the objectives behind the brand guidelines. If we think the guidelines need to provide more flexibility so that we can reflect the brand essence, we'll let the client know.

We typically encourage understanding of brand. We find the client is the highest culprit in wanting to break the rules. Consistency is important - the customer should feel comfortable with product and brand - although your client may be tired of it.

Intel has brand 'police'. All things that are created on brand are ultimately in their power to approve or not approve, even though the product manager owns the budget. In one meeting where there was a lot of conflict over the color of the logo. The product manager felt it was appropriate in this case to alter the color of the company logo. The person who had the authority for enforcing brand guidelines asked the product manager, "You get a check from Intel a blue logo on it, don't you?"

The product manager nodded affirmatively.

"Well if you want to keep getting a check," said the brand enforcer.

"Don't mess with the company logo." The discussion was over.

Have you had difficulty reining people into a brand system?

Jan: There will always be a few individuals who resist, but if you have support from the highest level, it's easy to convince people to get on board.

Marty Brandt: I think it's also very important to consider the customer perspective on brand creation and elimination. For example, when HP bought Colorado Memory Systems, they inherited a stable of historic product names like Jumbo and Explorer. Colorado people thought that names like Jumbo and Explorer had a lot of equity in the marketplace.

HP corporate asked ProBrand how to deal with these newly acquired product managers. The product managers were adamant that Jumbo and Explorer had equity in the marketplace and needed to be retained.

ProBrand did a simple survey-asked customers for awareness (simple recognition) attributes and preference and loyalty, those four dimensions, and what came back was very little recognition of the Jumbo and Explorer brands. The strongest brand was Colorado and that's what people were gravitating to. The names Jumbo and Explorer didn't connote anything. The attributes and associations were price and service. Let's lose that.

So it became HP Colorado, alphanumeric model #. There was no equity in the names Jumbo and Explorer and it was real safe to leave them and start building HP Colorado.

Illustration of brand creation was HP Design Jet - they came out with a new version of Design Jet which was to appeal to a different graphic market - needed a new name for product because HP Design Jet is for engineers so it's a different audience. The mind set of an engineer and that of an artistic graphic design person are entirely different and so we did a little research about what the attributes of HP Design Jet were - they were totally transferable to this new market - they were quality, reliability, flexibility, good value for the money. At a very high level, totally transferable to a new market segment. So we recommended Do Not get a new name. Take Design Jet and extend it to a new market segment, graphic design. They really felt it wouldn't extend to a new market segment, but it did.

In both instances it was customer perspective as opposed to strategic judgment that tipped the scale.

Dan Bellack: What about those people working with smaller companies where they have to make a decision about making the product name (leading product) the company name?

Many examples of this, for example a company named Information Terminals had a product named Verbatim and they chose to have their company named Verbatim. Are there any non-obvious cautions you can provide to doing this, in making this kind of critical decision?

Jan:

Have to think beyond the immediate issue and what kind of products the company might want to engage in.

It pays off to think ahead. System 7 came out with a database product called oracle and System 7 was put away.

Should treat channel partners just like employees and educate them as to the value of the brand. Should understand where you are going with the brand.

How do you deal with the issue of two mega-brands merging?

Panel:

There were lessons to be learned from Compaq and DEC - kept DEC brand going for a while and then brought it into Compaq fold.

Cisco has a corporate dominant brand. When they made a series of acquisitions these companies' brands were quickly brought into the Cisco brand system, and only very rarely did they make exceptions.

How about global considerations? Fujitsu had to decide whether the brand in UK for an acquisition should be ICL or Fujitsu? Company branded it ICL and Fujitsu. Is that ever justified?

Panel:

Maybe there is an initial period where you keep both names and then after a period of time you drop one off altogether (after one name becomes subservient to the other). There are some brand systems that are complicated and they expect the customer to figure it all out.

Often companies hang on to an acquired brand longer than they should. They should generally move quickly to let go of the acquired brand.

As far as HP and Compaq go, they've already made the decision. HP is the surviving brand. Usually the decision is made on which company is buying the other.

A couple of final points from the panel:

The brand is an asset and the brand system is a way of providing discipline and coherent management to that asset..

Brand system decisions should be seen as business strategy decisions in the organization.