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## THE BENEFITS OF BRANDING

Branding is the process of creating distinctive and durable perceptions in the minds of consumers. A brand is a persistent, unique business identity intertwined with associations of personality, quality, origin, liking and more. Here's why the effort to brand your company or yourself pays off.

1. Memorability. A brand serves as a convenient container for a reputation and good will. It's hard for customers to go back to "that whatsitsname store" or to refer business to "the plumber from the Yellow Pages." In addition to an effective company name, it helps when people have material reminders reinforcing the identity of companies they will want to do repeat business with: refrigerator magnets, tote bags, datebooks, coasters, key rings, first aid kits, etc.

Memorability can come from using and sticking with an unusual color combination (FedEx's purple and orange), distinctive behavior (the gas station whose attendants literally run to clean your windshield), or with an individual, even a style of clothing (Author Tom Wolfe's white suits). Develop your own identifiers and nail them to your company name in the minds of your public.

2. Loyalty. When people have a positive experience with a memorable brand, they're more likely to buy that product or service again than competing brands. People who closely bond with a brand identity are not only more likely to repurchase what they bought, but also to buy related items of the same brand, to recommend the brand to others and to resist the lure of a competitor's price cut. The brand identity helps to create and to anchor such loyalty.

Consider the legions of car owners who travel up to 2,000 miles at their own expense to attend a Saturn celebration at the company's plant in Spring Hill, Tennessee. That's loyalty. And supposedly, more people have the motorcycle brand "Harley-Davidson" tattooed on their body than any other brand name. That's out-of-this-world loyalty.

3. Familiarity. Branding has a big effect on non-customers too. Psychologists have shown that familiarity induces liking. Consequently, people who have never done business with you but have encountered your company identity sufficient times may become willing to recommend you even when they have no personal knowledge of your products or services. Seeing your ads on local buses, having your pen on their desk, reading about you in the Hometown News, they spread the word for you when a friend or colleague asks if they know a \_\_\_\_ and that's what you do.

4. Premium image, premium price. Branding can lift what you sell out of the realm of a commodity, so that instead of dealing with price-shoppers you have buyers eager to pay more for your goods than for those of competitors. Think of some people's willingness to buy the currently "in" brand of bottled water, versus toting along an unlabeled bottle of the same stuff filled from the office water cooler.

The distinctive value inherent in a brand can even lead people to dismiss evidence they would normally use to make buying decisions. I once saw one middle-aged Cambridge, Massachusetts, intellectual argue to several colleagues that Dunkin' Donuts' coffee tastes better than Starbucks'. So contradictory was this claim to the two companies' reputations for this demographic group that the colleagues refused to put the matter to a taste test.

5. Extensions. With a well-established brand, you can spread the respect you've earned to a related new product, service or location and more easily win acceptance of the newcomer. For instance, when a winery with a good reputation starts up regional winery tours, then adds foreign ones, each business introduction benefits from the positive perceptions already in place.

6. Greater company equity. Making your company into a brand usually means that you can get more money for the company when you decide to sell it. A Coca-Cola executive once said that if all the company's facilities and inventory vanished all around the world, he could walk into any bank and take out a loan based only on the right to the Coca-Cola name and formula.

7. Lower marketing expenses. Although you must invest money to create a brand, once it's created you can maintain it without having to tell the whole story about the brand every time you market it. For instance, a jingle people in your area have heard a zillion times continues to promote the company when it's played without any words.

8. For consumers, less risk. When someone feels under pressure to make a wise decision, he or she tends to choose the brand-name supplier over the no-name one. As the saying goes, "You'll never be fired for buying IBM." By building a brand, you fatten your bottom line.

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