



INSTITUT FÜR MARKENTECHNIK
GENEVA

The Genetic Code of the Brand®

Determining the complex success pattern of the brand
and making it manageable in day-to-day business

International business consultancy for
strategic and operational brand management

Brand management needs hard facts

What happened to the distinguishing features ?

In an effort to remain competitive, management often feels compelled to imitate what their competitors are doing. Prices are brought down to the same level, superior (and therefore costly) performance is reduced to the lowest common denominator, differences in distribution policy are removed, and everybody outsources production to the same contract manufacturers. The sales force produces daily reports on competitors' successes, while production managers spend so much time exchanging the latest industry news with experts and analysts that everyone ends up using the same machines to produce the same packaging (and perhaps even the same products). Once all goods become interchangeable, the only differentiating feature left is price.

Everyone feels that they have to reinvent the brand

Whether a new advertising agency is hired, or new managers join the company, it is important to have a defined framework or pattern for all activities that affect the brand. If defined too vaguely, such patterns will prove unable to withstand the natural urge for change that exists in any company. This often starts with changes to the logo, then to the packaging, and finally to advertising. At some point someone will decide that the younger generation is the company's new target audience. The brand's history is considered a burden and thrown over board. Anyone who defends established activities and traditional brand values is likely to be accused of narrow-mindedness even though, in order to be profitable, economic systems in particular need continuity and consistency.

Vague definitions lead to vague advertising briefs

If a brand is described in terms of images, core values or personality traits, advertising briefs will inevitably contain catch-all descriptions that can equally apply to other brands. Advertising agencies will interpret this as a call to unleash their creativity and to "translate" generic terms into images that have nothing to do with the company's actual achievements. Such "misunderstandings" will come to light at the very latest when the agency makes its presentation. In the meantime, time and money will have been wasted and the company will find it cannot identify with the proposed advertising. However, it is the company's fault if it fails to ensure that its own superior achievements are reflected in the definition of the brand.

Two thirds of company staff are unaware of their impact on the brand

The good name of a brand is the result of hard work over a long period of time. Every single person who works in the company contributes to that reputation. In the beginning, all departments do of course put all their efforts into carving out a special place in the market for "their" brand. Experience has shown, however, that once the brand has been established, people forget that it is only by pulling together that they can remain successful over the long term. Responsibility for the brand thus ends up being relegated to the marketing and advertising departments. As no one

has ever bothered to determine what each corporate division contributes to the brand's success, decisions are taken that are poorly coordinated and often only take into account the interests of just one department of the company. Moreover, it then becomes impossible to determine whether those decisions damage or strengthen the brand.

What should be done ?

In order to solve these problems, the company first of all needs to have a clear definition of its brand(s) that fulfills two conditions. First, it needs to determine precisely which activities have contributed to the brand's economic success and image. Secondly, the definition needs to be highly specific and expressed in operational terms so that management feels able to deal with brand-related issues with the same confidence and precision as it handles financial, personnel or manufacturing decisions. *The Genetic Code of the Brand* proposes a methodology that meets these requirements. In all the cases the Institute has worked on so far, it has proven possible to produce a comprehensive definition of the brand that encompasses the entire company.

The Genetic Code of the Brand: a reliable instrument for managing brands

With *The Genetic Code of the Brand*, the Institut für Markentechnik has achieved a breakthrough in brand management. This management tool finally places the strategic and operational management of brands on a reliable hard-fact basis. While traditional "models" attempt to define brands with soft facts and image descriptions, the Genetic Code determines precisely which unique corporate offerings and activities have earned the brand its success, and what is the exact contribution of each of these factors. *The Genetic Code of the Brand* provides management with a clearly formulated and self-contained program for assessing the brand's condition, strengthening the success factors and, ultimately, securing the brand's long-term profitability.

Determining the unique success pattern of the brand

Each brand has its own distinctive success factors. In the course of a brand's evolution, various activities from different areas of the company create a unique success pattern. The reproduction of this pattern over time creates the brand's added value and enables it to differentiate itself from the competition. *The Genetic Code of the Brand* is a program by which the reproduction of this success pattern can be managed. The Genetic Code provides the key to brand management and sound decision-making.

Those who believe that a brand can only distinguish itself from other brands through advertising should know that in more than 50 Genetic Codes, the Institut für Markentechnik has found about 110 differentiating factors which companies are using successfully to develop a set of unique characteristics. This explains why the analysis of *The Genetic Code of the Brand* focuses on all areas of performance within the company itself, and not on external image factors. It uncovers the pattern which determines how the company functions, and the specific elements that help shape

that pattern. The Institut für Markentechnik begins with a thorough analysis of the different areas of the company: research & development, manufacturing, human resources, marketing, sales, advertising etc. The analysis looks at the development of the different activities over time and the company's successes and failures, from the initial idea to the current situation.

Thanks to the Institute's special analytical methods, demands on company time and resources are kept to a minimum. The project begins with a Markentechnik workshop involving the company's executives and selected senior managers from all areas of the company. During the workshop, the company's entire range of activities is reviewed and analyzed. Experience has shown that, at this stage, those involved often realize for the first time that the brand is a management program for all areas of the company. Beyond that, an understanding is generated for the fact that the brand is built up through the company's day-to-day activities. The Institute gains additional valuable information by evaluating written documents and market research studies, as well as through selected expert interviews.

Bridging the gap between brand management and corporate management

The Genetic Code of the Brand describes the company's performance structure in a detailed and clear-cut way, thereby showing management how the brand system works. It highlights the relationship between cause (company performance) and effect (brand energy), thus enabling the company's decision-makers to manage and strengthen the brand in day-to-day business.

Understanding the success factors of the brand allows targeted measures to be taken that enhance the brand's value-creating ability and its competitiveness. Deviations from the Genetic Code, which will sooner or later severely weaken the brand, can be identified and corrected. The brand can thus be managed in exactly the same way as all the other corporate activities.

The Genetic Code of the Brand provides answers to all the relevant questions arising in conjunction with brand management:

- Current strategy can be revised and adjusted accordingly.
- Financial and human resources can be used specifically to strengthen the brand.
- Individual products, as well as the product range, can be assessed and evaluated with the help of *The Genetic Code of the Brand*.
- Pricing and distribution strategies can be examined and optimized for the purposes of brand-building.
- Advertising can focus on the performance factors that strengthen the brand and be evaluated objectively.
- *The Genetic Code of the Brand* provides a binding framework for international brand management within which each country is free to develop its own creative solutions.
- The future of the brand is placed on a secure footing.

Many leading companies across many industries have used *The Genetic Code of the Brand* as an effective instrument of brand management and have discarded the traditional models that are entirely based on soft facts. It can be used just as successfully and with the same precision for classic consumer brands, consumer durables, services, B-2-B, as well as ingredient brands.

The Institute's findings are documented in such a way that senior managers can begin implementing the recommendations immediately even if they were not directly involved in the project.

For further information on *The Genetic Code of the Brand*, please contact:

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