The Six Biggest Branding Mistakes©

And how to avoid them.

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A weak name

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1 A weak name

When it comes to branding, whether you are launching a new product, service or business, getting the name right is the first step to success.

We all know being the best at what you do isn't enough. Customers and prospects are bombarded with competing information all the time, so the first step to remembering your company, product or service is a strong name – a 'sticky' name, one that is hard to forget, rather than just easy to remember. The name is a fundamental ingredient for a strong brand. It will be an uphill struggle to build a brand with a weak name. A great name can help create a great brand.

Steer clear of meaningless acronyms. Business owners think that names like ITC, PBS or ASB sound big and cool but they go in one ear and out the other. Unless you are IBM forget it. Avoid generic names like The Computer Company too. People will forget you or even worse, confuse you with a competitor with a similar name and go there instead.

Businesses with the owner's name may sound approriate when starting a business, but it gets complicated when other people need to be introduced or when the owner wants to exit, as it makes the business harder to sell and devalues it. Think Mike Pero Mortgages.

Names are spoken more often than seen, so you need to make sure it sounds good and is easy to pronounce and spell. Avoid 'clever' spelling when trying to be different – it'll be forgotten. In the same vein, the name should be search-engine friendly. You want people to find you when searching online, so make sure you pick a name with an available url.

So how do you go about finding and choosing a name? Naming is not for wimps as it can be quite a frustrating experience! You need to be creative and original but you also need to be strategic. The name needs to tie in with how you position your product or service and it needs to be geared to your customers. Names can sometimes be inappropriately flippant or silly just for the sake of being catchy. There are other ways to be distinct.

When picking a name, remember that it will become part of a branded look that is designed to make it memorable and meaningful. Basically, the name will always appear in context.

Names can be quite emotive and subjective. If there are several people involved in choosing the name, make sure they understand the strategy behind it.

Names grow on you. Some people don't like a name when they first hear it, but when they place it in context and start using it, the name invariably grows on them.

Your name will become a valuable asset so make sure you pick one that you can register and protect.

One final thought... Changing an existing name can be a tricky process and should not be undertaken lightly. Established brand names, even weak ones, do have brand equity that should not be underestimated. Don't change unless you have good reason to.

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Failing to understand the difference between a logo and a brand

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There are some great logos, symbols and marks out there. Many business owners think that they need to update their logo every few years, when what they really need is to update their brand. Let me explain…

A brand is made up of many elements and whilst the logo is an important one of these, there is also the tagline, colour palette, photographic style, typeface and many other aspects that make up the brand. A good test of this is to find an ad for a brand you respect and cover the logo with your hand. If you still think you would be able to tell who the ad is for, then it's a strong brand.

So how do you know when you need to update your brand? First, you need to work out who your target audiences are, as it may be that they are different now to when the brand was created. For example, if it's a business, has your market landscape changed since you started? If it has, then where do you position yourself within it—market leader, second-tier or create a new category? Lastly, has your price point changed? All these are factors that need to be taken into account. This will mean reviewing your brand.

We don't believe in change for change's sake, so whether you need a rebrand, a refresh or do nothing at all, we'll tell you. We also have a free online brand audit so you can see how your brand is tracking

Why is this important? Because as a business owner you want to get the maximum return on your investment. When prospects visit your website or pick up your brochure, they need to know it's from you, they need to understand your message and react in the way you want them to. Just putting your logo in the corner of a templated website is unlikely to achieve this.

Everywhere your brand is seen is what we call a 'touchpoint'. If utilised correctly touch points can build customer loyalty. There are the obvious ones like business cards, signage and your website, but there are other opportunities such as proposals and presentations which if treated well, can increase dramatically your chance of a sale.

Every point of contact between your brand and your audience is an opportunity to influence their perception of your business, product or service, So just to recap, your company may need a great logo as part of its brand, but it's the brand itself that reflects who you are as a business.

THREE

Poor company structure

3 Poor company structure

"What's this got to do with branding?" I hear you say. As businesses grow, they tend to diversify and add more products and services. How they structure this can have a bearing on their overall success. Let me give you some examples of different company/brand structures and what's good and bad about them.

Most companies use a 'monolithic' structure where they keep the same name for all divisions or profit centres of the business. Well known examples of this are Virgin and Fedex. The advantage of a brand structure like this for Virgin is the leverage they have from the original music brand – the rebellious spirit of their owner, freedom and quality. When you fly Virgin, you know what to expect. However the same brand attributes don't sit so well when it comes to parts of the empire like finance. I guess one of the reasons for success is that as the people who bought Virgin music have grown older, they have remained loyal to the brand. These divisions have been started from scratch rather than bought as going concerns, so they have been able to grow the Virgin culture and ethos from day one. However, that's not the way most companies grow. The advantages of Virgin's structure are reduced marketing costs (everything is Virgin) and as I said before, leveraging the good name from one profit centre to the next. The disadvantages are that if Branson wants to sell a division, it's not worth very much – there's no goodwill or brand value once sold. Also, if one area of the business should be tarnished by an event, it has an effect on the whole group. This is something that would be less relevant if each part of the business had a different brand.

'Endorsed' brand structures work well for some businesses. Nestle is a good example of this. If I asked you to think of a milk drink, it would more than likely be Nesquik. If I asked you to name a chocolate wafer bar, you might say Kit Kat. Both are made by Nestle and the name is very evident on the packaging, but this has been carefully considered so consumers identify with the product name first but also the company that makes them – same with Nespresso and many other Nestle products. This structure works well for many NZ companies where they have different audiences for their products or services, but want to retain and build the company behind the name too. As the business grows they can add products with their own brand but have the trusted 'parent' there too.

The last structure type are 'product brands'. Companies with this structure are so big and successful you only know about them if you read the small print on the 'back of the box'. They manage a portfolio of brands, acquiring and managing them over the years as assets then, just as easily selling them when expedient. Proctor and Gamble is one of these that springs to mind. It owns unrelated business brands like Braun, Head & Shoulders and Gillette. Essentially the parent company acts like a holding company and stays out of the limelight to let their stand-alone brands take all the glory.

When we start in business, we don't always know if we are going to stay small, or become an empire, but we can avoid making structural mistakes was we grow. If you are planning something new, whether is be a new product or a merger, there are brand implications. In the same way you would take advice from your accountant for tax implications, you should talk to your design consultant for brand implications and how to manage your target audiences' perception.

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An unclear brief

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4 An unclear brief

Whether you are a ‘start-up’ or a seasoned business ownwer, writing a design brief can be more complex than you think. Like all complext tasks, it’s best to break things down into bite-sized chunks

One of the hardest things for a seasoned business owner to write is a design brief—it’s not the sort of task one comes across in the usual aspects of running a business. The first thing to ask yourself is why am I doing this – what has brought about the need for change? Sometimes there’s a trigger such as a merger with another company, a new direction or service that the business is offering, but sometimes it’s simply because the current brand has lost its relevance over time and is failing to engage its customers the way it used to.

Brand briefs for start-ups can be tricky too as the decision makers are probably less sure of where the business is going and have less resources and a smaller budget to work with.

Like any project, if everyone knows what the desired goal is from the outset, the likelihood of reaching it is greater, so what the brief needs to include are:

- Overall objectives—usually financial.
- Target audience—who are we talking to—who ‘they’ are?
- Key messages—what we need to tell them, what ‘they’ need to know and why it’s important to them.
- How are we going to tell them – what the new brand needs to be applied to.
- Competitors and what’s good and bad about them?
- Why would customers choose us over them?
- Budget—how much do I invest (for the return I want)?

A good design/branding company will know all the right questions to ask you to ensure they get the information they need to give you the best result.

FIVE

Choosing the wrong designer

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5 Choosing the wrong designer

How do you choose a great design company and how do you know when you've found them?

Relevant experience

The first thing you need to do is ask to see their work. If your business is a law firm and you need a new brand, make sure the people you decide to see have the relevant experience. That doesn't mean find a design firm with lots of lawyers in their portfolio, but they should have similar experience with professional services e.g. accountants, HR companies and such. If they seem to be doing a lot of packaging, then they may not have the relevant experience for your business.

Quality of design

I'm not sure I even need to mention this. It goes without saying that they need to be good designers. If you feel unqualified to judge, look for brands you like or design solutions that fit the bill. Design company websites often have case studies – look at the 'before and after's and read testimonials from clients.

Make sure they are not working for a direct competitor

It's not fair to expect a design company to only have one client in any particular sector, but at the same time you don't want to find out that they are working for a direct competitor. So just ask them who they are working with in your area and if you or they feel there's a clash of interest it will become obvious.

Size of business

Broadly, there are 3 options when it comes to finding the 'right fit' for you…

Freelance designers who work from home or share space with another business can be a good fit for smaller businesses or start-ups with leaner budgets. They can be very creative and their hourly rates tend to be lower, but this may come with a downside. People working on their own tend not to have someone else they can bounce their ideas off – they often work in a vacuum. What this means is that when they are working on a brand design, they can go off brief at tangents without realising. Freelancers can be quiet and keen for work one day, then swamped the next as it's very difficult for them to turn work away. This may mean delays on your work. Likewise, if they get sick or go on holiday, there will be nobody else to take up the slack. That said, if you can find a good seasoned freelancer, they could be the right person to partner with.

Boutique agencies comprise of 4 or 5 creatives with an account manager/owner. They tend to specialise in one or two areas and are usually very good at it. They may not have the big and well known companies on their books, but that may not be the type of work you are after. Because of their size, their overheads tend to be lower than the big agencies. Looking at their work, you'll probably find their niche and if it's your field of business, they might be the right fit for you. You are more likely to be meeting the designer who'll be working on your project. This may not happen with a bigger agency.

The larger agencies (employing 15 or more designers), tend to work for the larger client businesses. They have dedicated account managers and other support staff to ensure your project runs smoothly. Larger agencies tend to be more expensive as they work for bigger clients with matching budgets, but that doesn't mean they are not good value. If you can afford it you should find out more.

Before you make a decision, make sure you meet the person who's going to be your point of contact through the project. You need to be sure that the chemistry is right. Have a coffee with them to ensure you are on the same wave length. Find out how often you will get status reports, what happens if you want to make changes and whether you will be charged for them. At the end of the day the person you'll be working with is critical to how you'll feel about the project.

If you are still unsure who to go with, ask them if you can speak to some of their clients. Of course, they are not going to tell you about their unhappy clients, but if you speak with a couple of happy ones, you'll soon be able to get a picture of what it's like to work with them. Ask them about the value and results they got from the exercise.

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Having unrealistic expectations

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6 Having unrealistic expectations

In some cases having a fantastic name and brand can be the difference between the success and failure of a business. Conversely, I often meet business owners with successful businesses in spite of what I consider to be an average brand. With this in mind we need to be realistic about the goals we set for any branding exercise.

If you are a restaurant or shop owner and you rebrand your business, you are right to expect to see a change in foot traffic almost immediately, but generally branding for businesses is a slow burn exercise.

A brand that communicates clearly a) who you are, b) what you do, c) who you do it for, d) why prospects should come to you, has some value, but this is not easy to measure.

One way to assess the value is to ask yourself a couple of questions. "How much is the average new client worth to me – $50k a year?". "How long am I likely to keep that client?" Say it's for 3 years, that's $150k income from one client.

So if I refresh or rebrand my business and upgrade my website I need to assess the payback on that investment. Assume the brand is going to last five years. How many new clients or sales do you need to get during that time and what's their value of that? How many new clients do I need, to make investing in a brand refresh worthwhile? Does the maths make sense – of course it does. Put it like this, if I do nothing about my brand in the next five years, what will that cost me!

Updating a brand is not something business owners usually plan for. One day the brand seems okay, the next day people are telling you it looks old-fashioned.

The truth is that over time, what our businesses offer changes, the market landscape changes, and our competitors change. Successful businesses acknowledge this and get it done – even if it means extending the overdraft to do it. Getting a brand refreshed is a true example of a business investment rather than an expense.

Endnote
The last mistake is thinking "Great, I've got a brand I'm really happy with and the feedback from my clients is they like it too! So I can tick that box and move on to the next issue". Wrong! Like a website, brands need maintenance too. Make a note in your calendar to call your design agency in six months' time. Ask yourself and your clients "How is it performing?" It may be that it needs a bit of fine-tuning. So, brand building is never over – it's a living thing that needs to be evaluated and managed regularly in order to ensure it is working to its full potential.

Why let your brand hold back your business ?

There are many reasons your brand should be reviewed. If you are:

- Merging with another business
- Struggling to convert high value clients?
- Failing to convince prospects of your particular expertise?
- Finding it hard to command the right rates?
- New business development outpaced by natural attrition?
- Thinking of retiring and need to groom your business for sale?
- Constantly apologising for your website?

If you need the answers, call **09 445 7444** and arrange for a coffee with Richard.

brand counsel

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