Introduction to retaining relevance through brand experiences   01

Kodak, Blockbuster, Sears and Woolworths Group (UK). Iconic brands that have faded or even fallen from grace. During their peak these brands appeared invincible. Almost indestructible. They were admired, respected and even loved in their home markets and beyond.

How did things go so wrong? Simple. They failed to retain relevance, so their customers moved on. Their fortunes contrast sharply with the likes of Amazon, Apple and Google who currently represent the world's most valuable brands.[1] These brands thrive and flourish, with their success being primarily driven by the brand experiences they build.

Apple, Amazon and Google aren't alone when it comes to understanding the importance of brand experiences. 'Share a Coke' let consumers customize bottles with their name to deliver a more personalized experience. Porsche holds driving days at the iconic Silverstone racetrack, giving new owners the chance to experience the exhilaration of their new car. Smirnoff hosts pumping house music nights in the world's coolest clubs, so people can enjoy the brand as part of an immersive experience. Red Bull organizes races in weird and wonderful vehicles around the globe to deliver experiences that are all about 'adrenaline-fuelled extreme fun'. The Guinness 'Storehouse' in Dublin lets people savour the heritage and history of the brand whilst guzzling a pint or two.

These brands don't bow to fashions or fads that change with the direction of the wind. They know it's not *what* they do, but *how* they do it that keeps them relevant. In other words, they build brand experiences. But building experiences is difficult and is a challenge I see many senior executives facing. It's hard to know where to start and how to structure initiatives to build brand experience. Reading this book will help you solve that problem.

Companies have considered customer experience (CX) a strategic priority for quite a while, but executing with excellence has proven to be quite a challenge.[2]

Only 32 per cent of executives (versus 40 per cent polled in the same research in 2014) working at B2B brands feel they are well equipped with the skills, tools, and resources necessary to deliver the desired experience.[3]

Who this book will help

This book can help you if you work in:

- **Brand/marketing/experience or service design, or a related profession (eg communications or creative).** If you're a chief marketing officer, senior manager or executive, it will help you:

  - lead brand experience-building initiatives with greater confidence;

  - develop a robust brand experience business case for the boardroom;

  - apply a broad range of advanced yet practical insights, tools, templates and techniques you will be able to use straight away;

  - defend your brand experience proposals with more self-assurance;

  - demonstrate in a scientific way the value delivered to your business by the brand experiences you build.

- **Executive managers who work closely with brand teams**. This could include the CEO, head of HR, finance, customer services, technology, sales, strategy or operations. The knowledge, tools, techniques and Expert Insights provided by this book will help you:

  - work more productively with those responsible for building brand experiences;

  - appreciate the role you and your team play in building brand experiences;

  - feel more confident about contributing to the 'brand experience' conversation that may be happening at your organization.

This may seem like a broad list. It is. That's because delivering brand experiences is everyone's job. It doesn't matter if you're the CEO or the concierge. You have a role to play in building brand experiences. It's that simple.

What are brand experiences?

I find it useful to define brand experiences as *carefully sequenced, synchronized and selected touchpoints that combine to emotionally engage stakeholders as they progress through their entire journey with your brand*.

Delivering an experience requires touchpoints to be *carefully sequenced*. Customers and other stakeholders[4] need to progress through each part of your experience so that, step by step, you help them solve a problem, achieve a goal or get a relevant 'job done'. This should be your ultimate goal when building brand experiences.

Customers or other stakeholders need to move or 'transition' from one touchpoint to the next with minimal effort or 'friction'. Disrupting the flow of the experience between touchpoints within or across channels could give stakeholders good reason to go elsewhere. Their experience should be 'seamless'. This requires synchronization between touchpoints.[5]

Building brand experiences is an organization-wide effort that can involve customer services, human resources, sales, finance, operations and more. It involves everyone in your organization, not just brand or marketing. This requires synchronization across your organization.

You need to identify, then focus on delivering *carefully selected* touchpoints. The sheer number of brand experience touchpoints can be overwhelming. Where choice is concerned, less is often more.[6] If part of an experience does not deliver relevant value it should be removed. It will add noise, cost and dilute the clarity of the experiences you deliver. It's the way your touchpoints *combine* to create the whole experience that delivers the magic. This makes your experiences unique and hard to emulate.

You need to *emotionally* engage stakeholders with your brand because it's primarily our emotions that drive choice.[7] That doesn't mean you should ignore rational and cognitive processes. However, I find it useful to stress the importance of emotion because it plays such an important yet often overlooked role in a surprising number of boardrooms.

Focusing on how stakeholders *engage* with your brand is important because people are decreasingly passive. They seek out immersive experiences they can take part in, actively contribute to and share with their friends and networks. They also look for opportunities to assess the authenticity of a brand's claims. Engagement provides this.

You need to be mindful of the *entire journey* because the overall brand experience you deliver will only be as good as the weakest touchpoint. When building brand experiences, stakeholders need to engage *with your brand*. It's the substance of your brand – its values, essence, promise, positioning and personality – that your stakeholders should connect with as part of the brand experiences you build. Not its trappings in the form of brand logo or other visual cues that bring your brand to life.

I've used the word 'stakeholder' intentionally to help distinguish brand experiences from customer experiences. This is a subtle but important point, and should frame your perspective whilst reading this book. Brand experiences and customer experiences are related, but brand experiences cast a wider net, as they are built with a spectrum of stakeholders in mind. This includes customers, but also local communities, employees, suppliers and others. People tend to use the words 'brand experience' and 'customer experience' interchangeably. Doing this narrows your perspective and will prevent you from thinking about the important stakeholder groups your brand should engage with via the experiences you build.

As you progress through this book you will find that some research and statistics refer to 'customer experience'. Don't let this deter you. Customer experience is a subset of brand experience. The purpose of this book is to share tried and tested principles via the Brand Experience Blueprint that will help you deliver brand experiences to a broad range of stakeholders, including customers. To support this goal, I've included a range of case studies and 'Expert Insights' from a broad spectrum of organizations to show how the brand experience-building principles apply.

Why build brand experiences?

Brand experiences drive brand performance

Brand performance in this context includes revenue,[8] brand awareness and associations,[9] advocacy,[10] perceived quality,[11] reputation,[12] satisfaction,[13] and loyalty.[14] To help you bolster your brand experience business case, additional sources and statistics have been included in this chapter's Toolkit – well worth a look.

In his Expert Insight, Peter Walshe outlines how, based on over a decade of global data collection, brand experience drives brand valuation.

EXPERT INSIGHT 1.1 Brand experience drives brand valuation
– Kanter Millward Brown

Peter Walshe, Global BrandZ™ Strategy Director, Kantar Millward Brown

A positive brand experience is crucial in driving financial success. Analysis of WPP's BrandZ™ Top 100 Most Valuable Global Brands study shows that a poor brand experience actually retards growth.

Table 1.1 BrandZ™ Top 100 Most Valuable Global Brands 2006 – 2016

	Brand Experience		
	Bottom third	**Middle third**	**Top third**
11-year value change (USD)	−0.4%	+62%	+166%

SOURCE Methodology and valuation by Kantar Millward Brown, 95 brands valued in both 2006 and 2016

Aspects such as the experience with the brand 'meeting the consumer's needs', being 'unique', and, increasingly important these days, being 'better online', are ingredients of the brand experience measure.

The five factors in brand wellness

Brand experience does not work in isolation. Just as there are many contributors to human well-being, there are multiple factors that contribute towards a healthy brand. BrandZ™ analysis has identified five key attributes shared by healthy, strong and valuable brands:

1 Brands must be **innovative**, which means they're seen as leading the way in their sector and shaking things up.

2 They must also be **creative**, with powerful, memorable advertising.

3 They provide a great **brand experience** that meets consumers' needs and is available when and where consumers need it.

4 There's a strong sense of **brand purpose**, so the brand makes people's lives better.

5 Over time, consumers develop a strong sense of **love** towards the brand.

 When a brand has all five of these attributes, they have healthy 'lifeblood'; if they are lacking in any one area, they are at risk of damaging their brand health and underperforming in the market. If they fail on all five measures, they are classed

as being out of shape. Some of the best-known and most valuable brands in the world score highly on all five of these measures, including Google, Disney and Starbucks.

Over the last 11 years, brands with healthy lifeblood grew by 225 per cent, whilst the 'out of sorts' declined by 10 per cent. Brand health, including a great brand experience, gives a return more than 100 times larger.

Kantar Millward Brown is a leading global agency specializing in advertising effectiveness, strategic communication, media and brand equity research.

Brand experiences bring people more enduring happiness than possessions[15]

> 'Respondents from various demographic groups indicated that experiential purchases – those made with the primary intention of acquiring a life experience – made them happier than material purchases.'
>
> Van Boven and Gilovich[16]

Also, waiting for an experience is more pleasurable than waiting to receive a possession[17] because dopamine (the primary neurotransmitter that signals reward and pleasure in our brains) is released when we anticipate a positive emotion.[18] For example, to capitalize on their sense of anticipation, The Wizarding World of Harry Potter sends early ticket holders a park map in advance of them visiting Hogwarts.

> 'Consumers derive value from anticipation, and that value tends to be greater for experiential than for material purchases.'
>
> Kumar, Killingsworth and Gilovich[19]

At a more detailed level, research[20] suggests material and experiential purchases both provide momentary happiness during consumption, but in different ways. Possessions delivered more frequent momentary happiness

whilst experiences delivered more intense momentary happiness. The practical implication being 'do you want to go for quantity or quality of happiness when building brand experiences?'

Brand experiences provide almost unlimited sources of differentiation

Years ago brands tried to differentiate through physical product features. Cars focused on electric windows, sunroofs, leather seats, alloy wheels and sound systems. Banks focused on interest rates, number of ATMs and credit card design. This strategy is problematic because a physical product has a finite number of features. Once you've used all those features you commoditize your offer and the only competitive route is price. As margins evaporate, something has to give, so the quality of experience delivered suffers. In the long run, no one wins.

This contrasts sharply with brand experiences that provide many sources of differentiation. Take a bank as an example. You walk into a branch and what do you experience as your first impression? A welcoming member of staff, customers looking at home on a comfortable sofa, a vibrant feature wall, ambient music and open retail format? Just one touchpoint that provides many opportunities to differentiate your brand. Now extend this to other parts of the retail experience. The customer waits in a queue, deals with a cashier then leaves the branch. Even more opportunities to differentiate the brand. Then add digital, social, telephone and other channels into the experiential mix, and opportunities to differentiate grow exponentially. TD Bank delivers a wonderfully engaging touchpoint through its Penny Arcades. These allow customers to deposit coins at branches and win prizes for doing so. The otherwise dull activity of depositing coins at a bank is transformed into a fun, interactive experience.

Brand experiences help co-ordinate the management of the ever-growing number of touchpoints organizations need to wrestle with

Cast your mind back five years and think about how many traditional and digital media channels existed. Now add social media and mobile into the mix. The number of potential brand touchpoints is increasing rapidly and shows no signs of relenting. Brands that understand how to build brand experiences embrace such change and thrive. They have clearly defined

Brand Experience Essentials that inform, guide and focus their decisions when it comes to identifying relevant channels then delivering experiences within or across them.

Brand experiences facilitate interaction between people

Chief marketing officers are increasingly focused on 'digital transformation' and in some cases see it as a cure for all their brand experience ills. Whilst digital's appeal is understandable, I'd encourage you not to overlook the importance of people in your brand experience-building efforts. One study[21] found that whilst 78 per cent of financial services consumers said they would welcome computer-generated support, nearly two-thirds still value interaction with other people, especially to deal with complaints (68 per cent) and advice about complex products (61 per cent).

> Lasting brand differentiation is realized through your employees. This simple idea has never been more important, as companies rush to deploy new digital ways for customers to engage and transact with them (Accenture, 2017[22]).

> 'You must embrace tech and digital but you can't let it lead you, you have to take the lead. Humans still want human exchanges and I still feel that's the best way to connect on a deeper level. Human interactions are still the primary and core driver of loyalty, and that's where we're putting a lot of our energy.'[23]
>
> Becky Brock, Marketing Director, John Lewis

Brands are increasingly investing in technology to automate brand experiences. BP is testing an artificial intelligence (AI) gas pump called Miles. SoftBank and IBM are collaborating on a robot called Pepper, and Burberry used 'bots' in the run-up to the 2017 London Fashion Week. But research shows chatbots are failing to meet customer expectations because they cannot deal with the idiosyncrasies and nuances of human behaviour.[24] Such technologies also struggle to identify then respond appropriately

to our emotional states in an empathic or relevant way. This could include sensing increased customer frustration on the phone, dealing with impatient investors at a shareholder meeting or allaying noise pollution concerns with members of the local community. Whilst new developments in facial recognition and AI's ability to sense our emotional state through tone of voice could go some way to addressing this challenge, they are not there, just yet.

The interpersonal nature of B2B markets means personal contact holds particular value when building brand experiences. This is even more evident in B2B services markets such as consulting and professional services, where the light shines particularly brightly on the adage, 'people business with people'.

How this book is structured

This book is structured around the *Brand Experience Blueprint* (Chapter 2). The Blueprint is a practical management tool that will help guide and structure your approach to building brand experiences. It's based on over 20 years of global branding experience, robust commercial and academic research, and has been validated through extensive application in client organizations around the globe.

The Brand Experience Blueprint comprises three stages:

- Brand Experience Environment.
- Brand Experience Essentials.
- Brand Experience Enablers.

The *Brand Experiences Environment* (Part One) encompasses the context you need to be mindful of whilst developing and defining your Brand Experience Essentials. It includes four elements: understanding stakeholders; fine-tuning your perspective; considering the mechanics of delivery; and adopting a data-driven approach to building brand experiences.

Brand Experience Essentials (Part Two) are intangible brand assets: values, essence, promise, positioning and personality. They inform and guide the brand experiences you build through Brand Experience Enablers.

Brand Experience Enablers (Part Three) are three tools you can use to bring your Brand Experience Essentials to life: employee behaviour, communications and design.

These stages are explained fully in the next chapter.

By the end of Part Three, you will understand the sequential, iterative and practical relationship that exists between the Brand Experience Environment, Brand Experience Essentials and Brand Experience Enablers. As a result, you will be well placed to build brand experiences that help your brand retain relevance.

Part Four of this book provides actionable advice on how you can measure brand experiences in a scientific, rigorous and robust way. Although measurement is not a direct brand experience-building activity, you need to couch your efforts within a measurement mentality. This will give your brand experience business case credibility and clout in the boardroom.

Alongside the book are a series of downloadable brand experience-building 'Toolkits'. These are a treasure trove of tried-and-tested tools, techniques and templates I've used with clients around the globe. The Toolkits, which can be which can be found online at koganpage.com/building-brand-experiences (please use the password found at the end of the contents), will help you think about building brand experiences in the context of your organization in structured, applied and so highly relevant ways. You can use them both individually and with your team(s). By sharing these Toolkits with you, my ultimate goal is to help you build brand experiences with greater confidence and conviction.

This book also contains a number of 'Expert Insights'. These are mini-case studies written by experienced senior executives and managers from blue-chip brands, thought leaders with extensive experience, inspiring entrepreneurs, and leading academics located around the globe. I'm absolutely delighted they are a part of the book as they help bring to life the ideas I'm trying to convey in unique, informative and engaging ways.

When it comes to building brand experiences it's important to realize that one size doesn't fit all. Every organization and brand is unique, so the process of building brand experiences cannot be expressed through a universal law. That would confuse simplicity with simplification. This book will guide you through the Brand Experience Blueprint. But how you apply the Blueprint in the context of your organization will depend on your organization's individual characteristics, culture, markets, competitive environment and the specific challenges you face. For this reason, the Brand Experience Blueprint will provide you with freedom to think within a framework instead of being overly prescriptive.

I've had the pleasure and privilege of working with many wonderful people in organizations located around the globe. To ensure they're on the right track, they invite me to speak, run workshops, advise, mentor or coach them through the ideas I'll share with you in this book. At Wavelength we

also use the Brand Experience Blueprint to audit clients' brand experiences before offering them advice, and use the associated measurement techniques as a baseline to assess progress – if subsequent measurements are taken. Clients' questions, conundrums and contributions inspired and informed this book. I thank them for that.

I hope you enjoy reading this book and that it shares insights you can use to build experiences that will help your brand retain relevance. If you would like to contact me for additional advice, direction, support, or simply to share some thoughts and reflections on how the Blueprint works in practice, you can reach me via the following channels:

Twitter: @onthewavelength
Email: info@wavelengthmarketing.co.uk
Website: www.wavelengthmarketing.com/building-brand-experiences

Do let me know how you get on. I'd be delighted to hear from you.

Endnotes

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2 IBM (2016a) The experience revolution: mobilizing to win – are you ready? September [online] http://bit.ly/wavelength-IBM-win

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4 Stakeholders are individuals who are influenced by, or come into contact with a brand. These could include employees, shareholders, creditors, local communities, suppliers, distributors, vendors or trade unions, to name a few.

5 Some authors feel that friction or 'pain' for the customer is a good thing, eg Sampson Lee (http://bit.ly/wavelength-PIG) whilst others such as Brian Solis don't (Solis, B (2015) *X: The Experience when Business Meets Design*, Wiley, USA). I'd encourage you to explore both sides of the argument to balance your perspective and inform your approach.

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