

# recognology®

## **For Improved Share, Help Your Prospects Enthusiastically Characterize your Company**

I'm your prospect. Who are you? Tell me, what do you know about me?

It may surprise you to learn that your company's identity is not who you are. Your identity is what I perceive you to be. This is not semantics. There is a difference.

My assessment of your corporate persona derives from two sources of information: My personal experience with your offerings, brands or people and my evaluation of your public face: your marketing, advertising and PR. My synthesis of our relationship and your corporate outer clothing – its public face – is responsible for my opinion about your company's culture and its values. From these, I surmise whether you know me and appreciate all that I hope for from my relationship with you. I decide to buy from you – or not – on this basis.

As your prospect, your company's public persona is an important motivator behind my purchasing behavior, perhaps as much or more so than your products or services. Its value cannot be overlooked. Your corporate demeanor describes, among other things, whether you are in business for me or just for the bucks. Don't misunderstand; like all customers, I know you're in the money-makin' business. Indeed, all customers recognize that profit is at the center of every business enterprise. I just don't want my personal humanity distilled to that – I think of myself as more than mere revenue or demographics. If profit is all you want from me, I'll go elsewhere, just as soon as a more responsive, less mercenary alternative avails itself.

Your Company's Public Personality Must Extend Beyond Public Relations. Combined with your offering, the

humanity that your organization radiates is vital to establishing and maintaining public opinion about your company. Consumer attitudes are linked to your ability to get into their hearts & minds and understand them. They demand more than PR or hollow lip service too. What you disclose in your public persona tells your audience whether you value them and in large part, forms the basis on which they are willing to respond with their pocketbooks.

Consider Costco for example. Inside these austere, rolling door big boxes, consumers are not customers. They are members. And while membership stores have been around for long time, Costco members consider membership something much more than clever marketing or elitism. Costco members almost categorically say they love Costco and find great satisfaction in trusting the company with even the most substantial purchases. Sure, you can find bulk-packs of commodities found at other discount retailers. But did you know that, in addition to your rotisserie chicken, you can buy cars, boats, diamonds and world travel at your local Costco?

Members love Costco? Where does this come from? Lots of retailers – Target, Wal-Mart and K-mart – offer low prices, but fail to elicit such an emotional connection. A recent ABC News article described the Costco experience as “bordering on the spiritual” for some, quoting one Costco member as saying, “This is the best place in the world. It's like going to church on Sunday. You can't get any better than this...”

Costco members – now more than 47-million of them – characterize the company with almost familial endearment, hardly the result of simple cheapness. Annual membership fees start a \$45 just for the privilege of walk-

ing through the door. Obviously, savings are only part of the story. A deeper motivation exists among members.

Costco goes far out of its way to keep its promises and maintain the integrity of its relationships, both with employees and members. In spite of Costco's maximum 15-percent mark-up on the products it sells, the average wage at Costco is 18-bucks an hour, nearly 42 percent higher than the average wage at Sam's Club, a competitive warehouse chain operated by Wal-Mart. Employee turnover is next to nil – one-fifth the average for discount retailers. Costco promotes almost 100% from within and employees enjoy health care coverage that shoulders 90% of their medical expenses. One Wall Street analyst lamented, "Costco treats its employees better than it treats its stockholders."

Plainly, Costco's corporate culture is not lost on consumers. While most members may not know that Costco's founder and CEO, Jim Sinegal, operates America's fourth largest retailer from the modesty of a bare-bones office-without-walls, they recognize the solid work ethic ingrained in Costco employees, many of whom have been with the company since its founding in 1983. Costco's public face tells consumers that people come before profit. Even so, Costco's 2006 sales hit nearly \$59-billion with \$1.1-billion in net income across 458 warehouse locations. By comparison, Target's sales were \$58-billion with over three times the number of locations (1,488 stores).

Costco does all of this without advertising, but not without marketing. In just over twenty years, the company has become as much a part of our culture as baseball – without the pitch. As a company, Costco's humanity and humility carry more weight than any amount of advertising might deliver. More than any other company in the contemporary American experience, Costco markets integrity well before its members

arrive at the truck door. Obviously, there is something to say about a corporate persona that "borders on the spiritual."

## **Your Frontline Temperament Impacts Perceptions of Your Overall Corporate Persona**

How do your prospects perceive your corporate persona? Did you know that your company imparts one or that, for it to be an asset, it needs management? Many businesses are unaware that, left unattended or unmanaged, a company's persona disappears in the melting pot of competition.

Like Costco, your prospects characterize your company with feelings rooted in their personal humanity. A dazzling corporate identity is considered so because it resonates with customer values. Your company's corporate identity is a consumer mind-set, one that is premised more on beliefs and less on empirical data. Where your corporate persona is concerned, objective truth takes a back seat to consumer subjectivity. Your features and benefits are often secondary to your customers' feelings about who you are.

Nowhere is this more evident than it is when you dine out. If your brood is like mine, going out for a bite is a time of relaxation and togetherness. An unpleasant experience while out for a Sunday dinner with family is bad business for any restaurateur.

Think about a restaurant you really enjoy. When you leave, don't you feel good about the experience? And isn't the experience more than just the food, great as it may be? Now, go the other way. Think about a local restaurant you don't patronize. It may be the menu that you dislike or your appraisal of service that forms the basis of your objections. In either case, your preferences and personal experience determine the persona you attribute to the Won't-be-back diner. You're surprised then, when others

you know like the dump. You're amazed to hear that the food is great and the service is terrific. On the occasion that comes to your mind, your waiter was lousy and when your meal finally arrived, it was cold and dry.

Your characterization of the restaurant probably extends to its other locations too, even though you've eaten only at your hometown location. Your mental picture of the entire chain is framed by one experience with an indifferent waiter -and a cold plate, hardly an impartial judgment, but valid nevertheless. You conclude that your bad experience exposes the values of the company at large.

Now, every company experiences bad day or an occasional aberrant employee, but that's not the point. What is at work here is individualized perceptions. Your personal experience overrides statistical data that suggests other customers consistently have terrific encounters at the Won't-be-back. Even so, all the data in the world won't change your expectations unless your personal experience changes. Thus, from this narrow sliver of data you have drawn broad conclusions about the entire Won't be-back chain of diners and characterized the company with an undesirable persona.

If you are the diner's owner, how are you going to manage this mess? Unless your customer comes back to your establishment for a dose of something other than disinterest, you won't have an opportunity to change their mind. In their eyes, your corporate persona and your brand, to the extent they may have existed, are compromised.

### **Don't Worry Unless Both Engines are Smoking...**

If you travel much, you probably recognize that there are two kinds of airlines: Southwest and all the other guys. You also know that, in recent times, the airline industry has dropped out of the sky for a tough and bumpy – dare I say crash – landing. Many airlines are near bankruptcy or are virtually insolvent. Since 9-11,

the threat of terrorism and the rising cost of fuel have exacerbated the already difficult problems plaguing most carriers. Not so for Southwest.

Southwest Airlines continues to rack up profits amidst an industry awash in red ink. Its planes are well maintained (save for a recent \$10-million FAA hiccup). Its safety record is exceptional. Its customers are loyal. Is it just great management?

Absolutely! And not entirely.

Serving 63 cities in thirty states and now among the nation's largest airlines, travelers describe Southwest as a lot more than just cheap travel. Its planes smile. Its crewmembers are stand-up comedians. Its pilots lightheartedly advise passengers during safety announcements that, should those aboard the flight today see smoke coming from one of the engines, not to worry. However, if smoke should be coming out of both engines, please notify a flight attendant so that they can tell the cockpit crew.

On a recent flight from LA to Philadelphia, our flight crew explained that we were actually heading to Manchester. We were only stopping in Philadelphia to get fuel and to ask for directions. The chuckle throughout the aircraft was well above audible. Arguably, Southwest's corporate persona is fun, if not funny.

As a start-up in 1971, Southwest's beginnings were humble. The company offered limited service between Dallas, Houston and San Antonio. But from the start, Southwest was anything but a traditional carrier. Although discounts were the company's hole card, personality was the indispensable attraction for Southwest customers.

Early ads included the carrier's complete schedule of 36 flights with one headline, How do we love you? Let us count the ways. Customers were quick to respond like-

wise. All 36 flights were regularly booked to capacity. As the airline grew from its Texas hub into larger markets, traditional carriers were not impressed: They discounted Southwest but failed to reduce their own fares. With a smile, Southwest told travelers, We'd like to match their new fares, but we'd have to raise ours. In one instance, Southwest's high-priced competitor Northwest Airlines claimed it was number one in customer satisfaction. To this pretension, Southwest's ads responded, Liar, Liar, Pants on Fire. Southwest's persona identified with travelers' views that the airline industry cared solely about profit and not so much about its customers. Like 7-up's self-described position as the UnCola®, Southwest was the un-airline and so it remains today. If you have ever flown Southwest Airlines, you no doubt appreciate their invitation: Bong... You are free to move about the country.

Thanks Southwest.

### **Brands are made of this...**

Regardless of your industry, your customers rank your company among the strata of your competitors, good or bad. You are either like the others or different from the others. Different is better.

Virtually every industry has within it a leader, an also ran and the rest of the pack. The leader and the runner-up are easy to distinguish: Hertz and Avis, Coke and Pepsi, Home Depot and Lowe's. The rest of the pack is more difficult to differentiate. What do you do if your company is buried in the pack? How do you elevate your persona from the blur behind the leader who, by the way, is already approaching the finish line?

If you are the owner of the previously mentioned Won't-be-back Diner, you've got more than just a customer service problem. You've got a branding problem, especially when your customers don't believe you deliver as promised. Brands are built on nothing more than percep-

tions of kept promises. Corporate personas are derived from these and a short handful of other perceptions.

Hence, your company's credibility and that of your brands exist only in the minds of consumers. Brand building, advertising and PR can do little more than remind or influence these opinions. If your company or brand doesn't deliver as promised, marketing disciplines will not save you.

The real fix is in found in the integrity of your commitment to customers and your ability to successfully communicate these principles with credibility. Brand names embody confidence and suggest trustworthiness in the offering and its purveyor. Seldom does brand integrity exist independent of its maker's integrity. In the consumers' mind, the apple doesn't fall far from the tree.

Brand identity and its fraternal twin, corporate identity, are a company's repayment for reaching out to consumer convictions and meeting them with better-than-expected delivery. Successful brands establish a mental beachhead from which they sustain and manage their credibility. Brand-management, then, at least for recognized brands, is a task of reinforcing opinions or continuously improving the public's perception. These tasks are all that brand managers can hope to accomplish.

Regardless of your standing among brand names, it's important to understand the underlying attributes of what a brand is. A brand is a belief. In an entirely practical sense it a conviction held by consumers. If you own the brand, you also own the premium consumers pay to choose the brand over unbranded competitors.

To complicate things, a brand is attached to a product or service, not by its purveyor, but by the consumers of the brand itself. Simply said, a brand manifests itself in a product or service as an intrinsic warranty. Brand names perform as promised, just as expected, time-

and-again. A brand has proven the merit of its pledge. It embodies this perception with every future encounter.

### **Begin at the Beginning:**

#### **Start with Your Prospective Customer**

A lasting branding strategy begins with your customer, not your offering. Although your product or service must deliver on its promise to be eligible for brand name status, mere delivery is not enough. Brand identity exploits convictions already held by your customer. These convictions are based on their personal experiences or the experiences of someone they trust. So, building brand awareness shifts the thrust of your marketing toward your customer's experience, a much different approach to distinction than shouting features and benefits.

For example, you'll find this experiential approach to marketing epitomized in what might be described as America's long running and perhaps best-loved ad campaign, Got Milk? At its onset, the Milk Processor Board's purpose was hardly one of promoting a specific brand, but instead an entire product category – a monumental undertaking, but one that has succeeded in building awareness with astonishing influence.

You take the test. Head over to your refrigerator and pick up a carton of milk. Look at the label. You'll see that milk is rich in calcium and vitamin D. It's homogenized, pasteurized and glass of it contains 21% of the Recommended Daily Allowance of protein. Before the Got Milk strategy, these were the points on which Milk promotions touted their case. But do you remember that?

In the many years since the Got Milk campaign was first introduced, milk hasn't changed. Same cows, same cartons, same nutrients. But customer perceptions of milk have changed. Milk is not just nutritional and good for you. Milk is positioned with celebrity mustaches and suggestions that it's good for your popularity. After all, look

at the famous people who drink milk.

Milk also is promoted as a thirst quencher – the perfect compliment to a mouth filled with tasty brownies. Milk impacts your eternity too. In one Got Milk TV spot, the storyline suggests that, when you die, if you haven't been especially good, you may end up in a dreadful place where you have an ample supply of cookies, but alas, your refrigerator is filled with empty milk cartons. Heaven forbid!

Without mentioning nutrients or any other feature for that matter, milk today is positioned around vignettes of experiences. Can't YOU just taste a glass of milk when your mouth is full of chocolate brownies? Is that a great experience or what? Don't you expect something similar from milk each and every time your mouth is filled with something baked by Betty Crocker? Yes, you do. Indeed, the Got Milk strategy is an example of successful branding, but it's more than that. Got Milk has changed our perception of an entire industry with but a simple shift in focus – from nutrients and health benefits to that of customer experience.

Ahh... you say. That's milk. My company manufactures complicated techno-widgets. Our customers are sophisticated, educated and they don't eat brownies.

That's okay, because all potential customers, yours included, have one thing in common. They are – every one of them, people. Whether their humanity is buried under the guise of an engineer or gift-wrapped as an upper management suit, all consumers apply their personal experience to their assessment of your identity. Isn't it sensible then, to understand how your identity is perceived and use this information to your advantage? Can you influence your prospects into your camp without an identity? It all begins with your ability to convey a desirable corporate persona built on perceptions of delivery as promised – or better.

**Consider the following as you review your company's perceived characterization:**

FIRST: Your company's public persona is not grounded just in what you sell. Instead, consumers evaluate your identity from your ability to connect with their humanity. Just like personal relationships, your corporate persona communicates your company's values, its cultural traits and your integrity. From these, your audience derives their preliminary perceptions of your identity and brands.

SECOND: While you may be in command of every other aspect of your company's operation, characterizing your company's identity is not fully under your control. Your claims of leadership, for example, will fall on deaf ears in your prospects clearly see another company as the big dog. Your corporate identity and brands are at the mercy of your prospects and customers. Advertising and public relations augment consumer perceptions only if they resonate with consumers' subjective experiences with your company. Your best hope for achieving a positive corporate characterization is to reassure your audience that they count for more than just profit. To do this successfully, it must be true.

FINALLY: At every opportunity for public interaction, deliver on what your customer defines as your promises. Remember that your company's products and services are not branded from inside your boardroom or brand management offices. Brand names come into existence because consumers so designate them. This happens only to products and companies that have permeated the mind with assurances of truth and consistency.

This leads us back to your company's identity. It's not about who you are. Your identity is about what I perceive you to be. More than anything else, as a prospect, my opinions about your company and your offering are based on my sense of how well you understand me. My

willingness to buy your products and services is your gauge of my opinion about you. Your company's success is built on this exchange of understanding.

Communicate to me your compassion for my experiences and I'll pick up your offering and carry it to the check out line. Understand me, by proving to me the merit of your product's promise, and you'll build my trust in your company's character. Reinforce my convictions about your company's character; I'll give you something of great value – a unique parcel of my mental real estate: A position in my mind that you can call your own.

Now, as your potential customer and as you consider my perceptions and personal experience, isn't it here that you want to be?

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Rick is president of Tradeshow Toolbox, a marketing and graphics production firm specializing in trade show marketing and content creation. For assistance developing your company's ideal corporate persona, please **contact Rick at 909-336-1992 or email at rick-dres@quickshots.com**. Other marketing services include ultra high-resolution trade show graphics, graphic design, digital photography, 3D illustration, copywriting, advertising and 4-color printing.

The logo for Recognology, featuring the word "recognology" in a lowercase, sans-serif font. The "r" is black, and the "e", "c", "o", "l", "o", "g", "y" are red. A registered trademark symbol (®) is located at the top right of the "y".