

Branding - the Whole Brain Way

Branding is basic – as basic as using your whole brain

Branding as means of communication has survived the last 5 millenniums. In 4000 BC stone cutters were already carving their own 'trade-marks' into Egyptian temples and buildings. This served two purposes:

- 1) To establish and give credit to the craftsmen and also as "advertisements" for future work.
- 2) To establish a type of guarantee. If something happened to the building the persons responsible could be brought to justice, which in those days could mean death and therefore had an influence on the overall quality.

Your name also established you as a Brand, and it is only in the last 500 years that behaviour and preference has become more important than an individual's name. Consequently, Mr. Andersson was the Son of Anders, and names often described a person's trade, such as "Goldsmith" or "Taylor".

Today we consume Brands, drive branded cars, eat at branded restaurants, shop at branded stores, pay with branded credit cards and drink branded beer. In short we live **Branded Lives**.

The true colours of Branding

Let's now simplify things and distinguish between two kinds of customers.

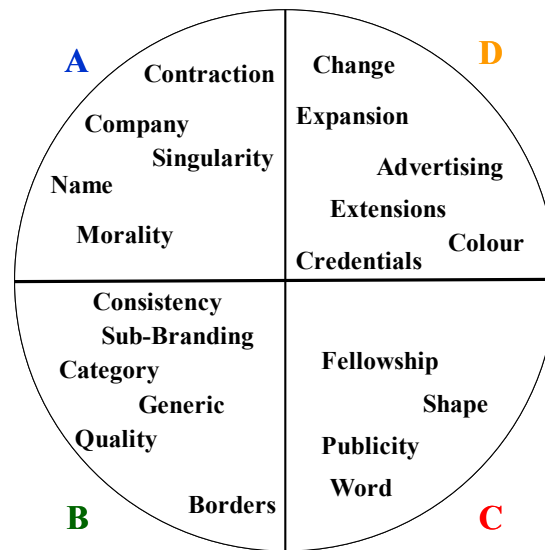
- Price Buyers
- Brand Buyers

However, this is not as simple as it may seem: a price buyer in one market may become a brand buyer in another market. Basically, price buyers base their purchasing decisions on price and function. Brand buyers, on the other hand, seek a specified quality, security and certain values. The ultimate aim of a brand buyer is always "added value".

Today, the situation is changing, as added value can now be established in a totally new way - based upon your Thinking Preferences.

"Added value" is of the utmost importance: once your brand has acquired this recognition, it achieves higher loyalty and better margins through higher price tolerance. It also distinguishes itself from competitors and therefore ends up with "better customers". The following illustration provides a whole new way to look at brand criteria.

Understanding your Brand the **HBDI** way



Why Thinking Preferences matter

To start with, take a look at the above circle and assume that the left side of the brain is represented by the letters **A** and **B**, and the right side by **C** and **D**.

The words within each quadrant represent the essential criteria needed to understand and build a "Brand".

To build on this model we will take a closer look at each quadrant by focusing on just one of the criteria, starting with the **A** quadrant. "Contraction" simply means that a brand becomes stronger if it is focused. To you as a customer, this focus may not be apparent, unless you have a preference for thinking within the **A** quadrant. And, if you are indeed an **A** quadrant thinker, then this focus may be the critical factor in your buying decision.

"Quality" has been selected in the **B** quadrant. Quality is an important factor, but brands are not built by quality alone. Although, a person with a preference in the **B** quadrant would carefully evaluate the quality of a product or a service, before she/he bought it, they would weigh the pros and cons of the quality and finally decide about buying it based upon its perceived quality over time. The criteria of "Quality" would be a most important factor of that person's decision to buy and very often, this would also be the most important one.

"Fellowship" is the **C** quadrant criteria. A person with a thinking preference within the **C** quadrant will buy a brand, which reflects a human/emotional interest. This brand must have a human element that may even welcome other brands. The worldwide success of "The Body Shop" is a good example of this.

In the **D** quadrant "Expansion" is the selected criteria. The person with a thinking preference within this quadrant would say, "the power of a brand is inversely proportional to its scope". This means that the brand must have a vision and a future that readily can be understood by the purchaser. It is not enough only to be of high quality and to come from a good organisation. Show me your future!

Your customers "Thinking Preferences" are key to your Brand success

We all have different "Thinking Preferences". The HBDI process is designed to help you understand what people mean when they say, "I like the way you think!" The HBDI, has been developed to become the world's leading thinking preference assessment tool and identifies your instinctive approach to thought: Emotional, Analytical, Structural or Strategic.

Our personal thinking preferences influence our communication, decision-making, problem solving and management styles. Understanding the implications of our thinking preference is like an awakening - where the obstacles to your goals are dismantled and the ladders to your growth are infinite. Now this can be applied to Branding through the HBDI Branding Process.

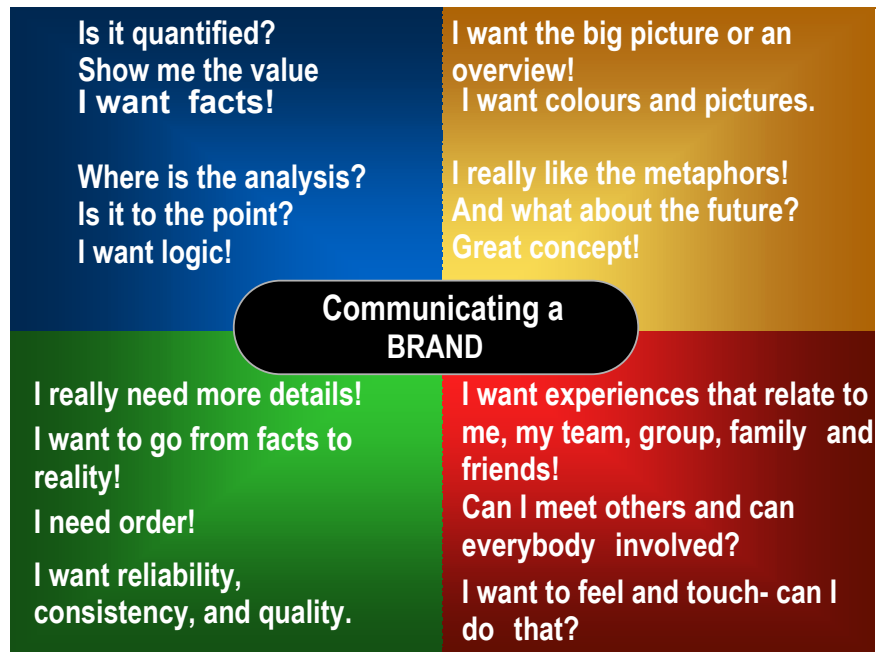


Originally developed by Ned Herrmann, founder of the HBDI and Herrmann International, when he worked at G.E., HBDI draws on more than 25 years of in-depth research. It has been the subject of independent validations, dissertations and scientific papers. A summary of HBDI discussions can be found in the book "**The Creative Brain**" written by Ned Herrmann.

The HBDI picks up where other assessment tools leave off. Identifying your thinking style is just one phase. Where most assessments end with a single findings report, the HBDI offers a valuable range of applications.

Now, let's see how you can apply it to Branding.

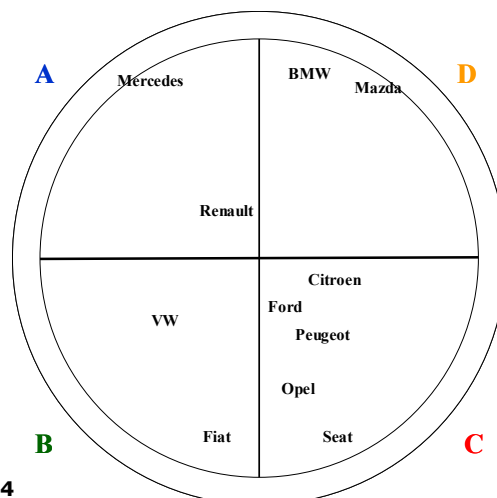
Communicating a Brand



Most organisations and brand builders, over the years, have understood that there are differences between how customers perceive a brand. But have they really understood how those differences are established?

Perhaps not, because very few marketers had enough information about "Thinking Preferences" as the HBDI process has now established them.

If we consider the branding chart below (which is based upon an extensive research* study from France), you will discover where "profiles" of various brands of cars would be positioned based upon the thinking preferences of French consumers.



*LMT Marketing May 1994

A Mercedes is clearly a car for consumers with an **A** quadrant preference. Now if you think about it, that is also very close to how this car is “thought of”. Value for money, technically advanced and a scientific approach to driving.

A Ford (in Europe) is much more of a family vehicle, catering for lots of kids and without too many features that interfere with driving. The Ford car is preferred by the **C** quadrant thinkers.

A VW is for drivers who want to be in control. The service aspect (or perhaps the lack of need for it) is more important than the cars technical specifications and the show room needs to be well organised and neatly kept. The **B** quadrant purchaser would otherwise not be interested.

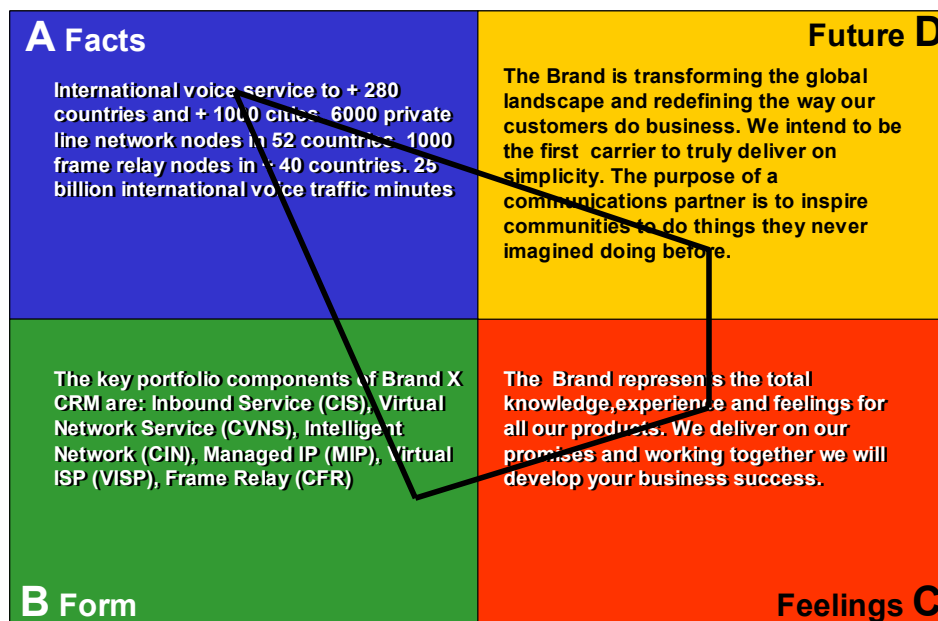
The BMW is a car for the driver that likes challenges. The entrepreneur with his own company is a typical **D** quadrant thinker. The car has to promote future and vision and even if they may not admit to it, they may like to show off!

HBDI Branding – different perspectives

So far we have looked at a few of the building blocks of HBDI Branding. How it can be applied in our current marketing environment? Imagine that you are in charge of a major worldwide Telecommunications brand.

Below are the Key Branding Drivers of Preference as defined by customer research and applied to the HBDI Branding approach.

Telecom – Branding “Drivers” of Preference



From the research one may conclude that all the drivers are equally important or that there is a problem defining which drivers are most important in key markets.

However if you combine the HBDI thinking preferences with key knowledge of your target audience to your approach, you are able to distinguish that your most important brand building criteria are found in Quadrants **A** and **B**.

Your key customers prefer to know about your company's technical abilities and portfolio components. And that's where the thrust of your branding activities should be. The criteria found in quadrants **C** and **D** are interesting but not essential to build your brand.

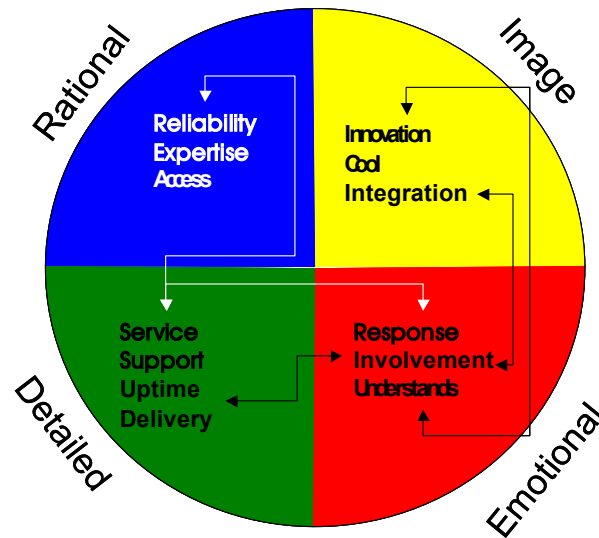
This means that in this case, your "Rational" and "Detailed" arguments should prevail. It also means that your Brand is a "left brained brand". **BUT**, this does not mean that you cannot communicate with customers that have a right brained approach to Telecom brands. The beauty of HBDI Branding is that you also immediately determine how to target your customers within the **C** and **D** quadrants. And you can choose the media to fit your message changing Marschall McLuhans old theorem, "The media is the message" into a more appropriate one "The message must fit the media".

The HBDI process provides the ability to distinguish and prioritize criteria in terms of relevance in relation to your branding program. Let's then assume that you have established the arguments that are most important for your brand to be able to make the initial 'acquaintance' with the customer. Through the HBDI Drivers of Preference you have established that in order to make the "impact" you need to show:

- Reliability
- Performance
- Expertise
- Delivery
- Integration
- Involvement

These preferences reside within different quadrants of the HBDI model. Expertise is an **A** preference, Reliability and delivery - a **B** preference. Integration - **D**, and Involvement - a **C** preference. These different preferences then need integration to become visible **together** rather than **one at the time**. By diagnosing your brand criteria in this way, you can use the emerging insights to communicate the brand's competitive strengths in a more focused and therefore more economical way than would otherwise be possible.

Telecom – Branding “Drivers” of Preference

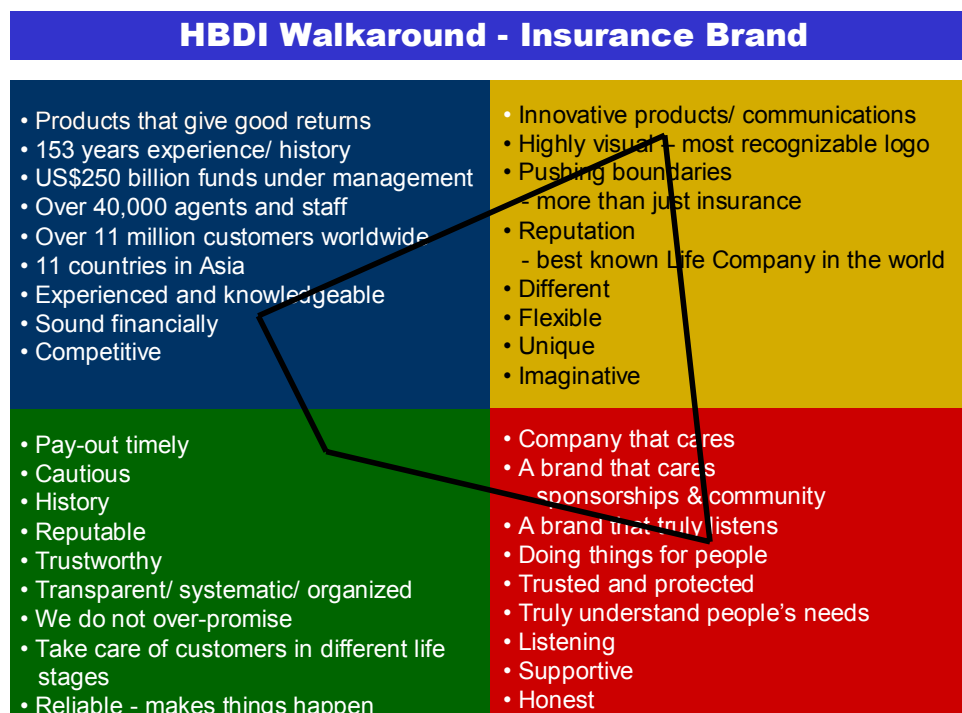


Acquaintance ↔ Interest ↔ Friendship

Once the “acquaintance” has been established you continue to maintain the “interest” and finally build the required “friendship” that your brand needs in order to be sustained over time.

Focus on Brand Preferences

In another example, an insurance company may find that their customers thinking preferences are geared to the **D** and **C** quadrants due to specific market conditions. This may mean that the traditional approach to selling an insurance product may need to be revised during a period of time in order to take advantage of a defined market change. By defining these thinking preferences and conducting an HBDI Brand Walk-a-round you are able to optimally market your brand applying and using changes in the market to gain market share.



In the final analysis it is important to realise that you can look at your brand from different viewpoints. The chart below shows an identical brand from four viewpoints. Going back to the 1980's the different approaches taken in the PC business were represented predominantly by IBM speaking to the left side of the brain, and Apple speaking to the right side. Apple would never have been able to compete effectively with IBM if they had not recognized the difference in thinking preferences within their respective target audiences.

Even today, more than 15 years later, the division between Apple and the rest of the computer industry still prevails. No other brand has been able to utilize the right brain thinking preferences as successfully as Apple, which so clearly recognized and used them to their benefit.

Looking at the brand from 4 viewpoints



Applying the Herrmann HBDI model - relating 'thinking preferences' to the brand

Share of Mind = Share of Success

Only a few years ago, major marketers were only looking at their brand's share-of-voice in the marketplace. *Getting your product to market first with the biggest budget* was the marketing formula for success.

Today, we live in a very different marketplace. Information travels at cyber speed and only the brands that build a position in their customer's minds, **and** create a relationship to real needs, will endure.

A recent poll by InterBrand Group revealed that Yahoo, Palm and Amazon.com were known by 80% of the American households. On the other hand, less than 10% know that Stockholm is the capital of a country called Sweden. But if the research had established the country where the phrase "free love" originated, surely the statistics would be different.

Today, marketers are impatient and make investments based upon a 12-month balance sheet and projection of Brand Equity three years down the road. They certainly understand that share value is built through excitement in the Brand and through understanding how to apply customers Thinking Preferences to a continuous process of Brand Development.

If you want to know more about the HBDI branding system, please contact Herrmann International Headquarters in Lake Lure or visit our home page at www.hbdi.com

Bo Seifert

BO SEIFERT is CEO of Herrmann Scandinavia Ltd.

Bo has world-wide marketing and branding experience from three continents, Europe, Asia and America. As an initiator of major branding programmes, Bo has had direct involvement in the development and marketing of blue chip products and services on both a local and regional basis. He has extensive knowledge of strategic branding and repositioning activities from working directly with ABB, Mercedes-Benz, Swissair, Colgate-Palmolive, General Foods, P&G, Remy Martin, Time Magazine, Kodak, Xerox, DuPont and the International Olympic Committee.

Bo was responsible for the communication plan for the launch of UNIVAS and has 6 years of international co-ordination experience from working with IBM Europe.

Before Bo became CEO of Herrmann Scandinavia, he was with ISL World Wide, where he served as Managing Director. He was also a member of the ISL World-wide Management Board. Before joining ISL he was President/CEO of GGK , a European based advertising agency based in Zürich, Switzerland and a many times winner of the "Best Creative Agency in Europe" Award. He joined GGK in 1990 from Young & Rubicam where he held different positions during an intensive career. Starting out as Managing Director of Y&R Stockholm in 1979, he was promoted to Group Chairman Y&R Sweden and made responsible for the different Y&R Specialist Companies (Wunderman Direct Marketing, Horizons Media, Burson- Marsteller and Cato Johnson) as well as the agencies in Stockholm and Gothenburg in 1981. In 1982 he was promoted to Regional Director with responsibilities for all Y&R communication companies in Scandinavia. In 1984 he was asked to relocate to Asia and made responsible for the merger of Young & Rubicam with Dentsu of Hong Kong, creating Dentsu, Young & Rubicam. In 1986 he became Regional Director North Asia and founded the agencies in Taipei, Beijing and Shanghai as well as introducing Wunderman Direct Marketing and Triangle Pacific Sales Promotion to Asia. In 1988 he became Area Director, Senior Vice President – Asia - and elected to the Y&R International Board. Before Young & Rubicam and during the seventies he built his own advertising agency from scratch to a top position in the Swedish market. It became the Advertising Agency of the Year in 1976 and in 1977 received the award for the "Best Marketing Campaign" in Sweden.

Bo is a Swedish citizen and a graduate of the School of Economics in St. Gall, Switzerland. He also holds a BIM from Thunderbird Graduate School of International Management in Phoenix, Arizona. He speaks 6 European languages.