



# whole- being retail branding

AND THE CONCEPT OF A BRAND  
AS A LIVING BEING

John  
Torella

J.C. WILLIAMS GROUP

“The raison d’être of this book is to help marketers build their financial and non-financial assets—their corporate worth.”

The one thought that is the central and ongoing theme of this book is: “the concept of a brand as a living being and as a way to build long term relationships and customers for life.”

“Strategic and operational framework for successful retail brand building.”

“Brands as ideas that enhance people’s lives.”

“The branding process starts at the top or it doesn’t start at all.”

“The eight-step process is both an art and science, both creative and research driven.”

“Bottom line – the Brand Pyramid becomes the base for all your future strategies and a template for ongoing decision making.”

“Manage what matters and measure what counts.”

Copyright© 2003 by J.C. Williams Group

No part of this publication may be used or reproduced in any form or by any means graphic, electronic, or mechanical, including photocopying, recording, taping, or information storage without the prior written permission of J.C. Williams Group.

**J.C. WILLIAMS GROUP**

Toronto:  
17 Dundonald Street, 3rd Floor  
Toronto, ON M4Y 1K3 Canada

Chicago:  
350 West Hubbard Street, Suite 240  
Chicago, IL 60610 USA

Website: [www.jcwg.com](http://www.jcwg.com)

Printed and bound in Canada

## TABLE OF

# contents

### **FOREWORD/1**

- 1: Why This Book Now/2
- 2: How This Book Is Unique/2
- 3: This Book's Key Point of View/3
- 4: This Book's End Deliverable/7
- 5: Whom This Book Is For/9

### **1 THE CONCEPT OF WHOLE BEING BRANDING/11**

- 1.1 Whole Being Branding: The Background/11
- 1.2 Whole Being Branding: The Concept Defined/14
- 1.3 Whole Being Branding: How It's Unique and Different/18

### **2 WHOLE BEING BRANDING— WHERE AND HOW IT ALL BEGINS/23**

- 2.1 Culture/Core Competencies/23
- 2.2 Holistic View/25
- 2.3 The Base Is Brand Identity/26
- 2.4 Getting to the Top, and Staying There!/28
- 2.5 The Future of the Brand/28
- 2.6 Techniques/Methodology/30
- 2.7 Next Steps/30

### **3 THE EIGHT-STEP WHOLE BEING BRANDING PROCESS/31**

- 3.0 Introduction/31
- 3.1 **STEP ONE:** Start With the Facts/33
- 3.2 **STEP TWO:** Establish Your Brand Needs; Your  
Priorities/42
- 3.3 **STEP THREE:** Segmentation, Differentiation, Positioning/48
- 3.4 **STEP FOUR:** Brandstorming—Designing Your Brand of  
the Future/61
- 3.5 **STEP FIVE:** Identifying Your Brand's 'Added Value'/67
- 3.6 **STEP SIX:** Dimensionalizing Your Brand/68
- 3.7 **STEP SEVEN:** Your Brand Essence/76
- 3.8 **STEP EIGHT:** Brand Pyramid, Brand Identity/80

<b>4</b>	<b>SUPPORTING THE BRAND/84</b>
4.1	Getting Started/84
4.2	Brand-Focused Organizations/85
4.3	Internal Branding/Communications Support/89
4.4	External Branding/Communications Support/99
4.5	The Role Of Research In Supporting The Brand/103
<b>5</b>	<b>THE WHOLE BEING BRAND AS THE BASE FOR MULTI-CHANNEL EXPANSION/106</b>
5.1	The Brand as the Base/106
5.2	The Concept of Multi-Channel/108
5.3	The Brand Vision/112
5.4	Guardrails/114
5.5	Whole Being Brand Consistency: The Key to Expansion/115
5.6	Numbers That Matter/118
5.7	Multi-Channel: Pros/119
5.8	Multi-Channel: Cons/120
5.9	Bottom Line Benefits/122
<b>6</b>	<b>BRAND EQUITY: THE FINANCIAL AND CUSTOMER ASSET OF YOUR COMPANY/124</b>
6.1	Introduction/124
6.2	Brand Equity: Definition/126
6.3	Putting A Value on the Company Brand/130
6.4	Measuring ROI on Brand Investments/132
6.5	Brand Equity Best Practices/137
<b>7</b>	<b>THE FUTURE OF WHOLE BEING BRANDING/138</b>
7.1	What Have We Learned/138
7.2	Better Balance of Rational and Emotional Benefits/138
7.3	The Future for Retail Brands/139
7.4	Whole Being Branding as Both Style and Substance/141
7.5	Whole Being Brand of the Future and a Hope for a Better Life/142
7.6	Beware of Success; Don't Lose Touch/143
7.7	Conclusion/144
	<b>CASE HISTORIES/145</b>
	<b>GLOSSARY: BRAND DICTIONARY/168</b>

# “whole being” branding and the concept of a brand as a living being!

## FOREWORD

The *raison d'être* of this book is to help retailers build their financial and non-financial assets—i.e., their corporate worth.

Retailers everywhere are under intense pressure—not only to compete and win, *but also to keep winning*. As the competition increases this gets harder and harder, particularly as the amount of resources dwindles and the demand increases. The question is this:

*“How do retailers achieve more for less, optimize resources, and find more skillful, innovative, revolutionary ways of holding and gaining customers?”*

There is one thought that is central to the ongoing theme of this book:

*“The concept of a brand as a living being and as a way to build long-term relationships and customers for life.”*

Our first book, ***STOP Talking START Doing Retail Branding*** focused on the process of branding. This book is more strategic:

>> It starts with the point of view that believes the process will only be as effective as the front-end work done to identify the core of the corporation—the corporate “being” that is the basis of the branding process.

>> It concludes by helping you to understand how to increase the value of your company, create new wealth, and unlock shareholder worth.

Over the past 28 months, J.C. Williams Group has applied these processes to a number of branding projects. As a result, this new book adds a great deal of new information, knowledge, and insights that are more specific. Together, these two books provide a deep, holistic perspective on the concept of retail branding from both a strategic and executional point of view.

## **1: WHY THIS BOOK NOW**

**This book is about a revolution—a revolution in the perception, importance, and management of the retail branding process.**

The past five years have seen the concept of the ‘Store as a Brand’ sweep across the retail world. One is hard pressed to read any retail industry publication or attend any retail-focused seminar or conference and not hear the topic explored in some depth.

The major reason for this accelerated interest is that the retail industry now has definitive evidence that one of the major assets of the retail corporation is its Brand. In fact, ‘The Brand’ is now recognized as the key to driving the corporation’s tangible and intangible worth.

The hyper-competitive marketplace of the 21<sup>st</sup> century is creating a new multi-channel retail order, a whole new ball game, and things will never be the same again. The revolution in retail branding is but one of the symptoms of this paradigm shift. To survive and win in this revolution, you have to first understand it.

## **2: HOW THIS BOOK IS UNIQUE**

The ongoing theme of this book is *‘building long-term relationships and customers for life’*.

The goal is to help retailers understand the forces which are driving the new Revolution in Retail Branding, and to use them to build both their financial and non-financial assets—i.e., their corporate worth.

### 3: THIS BOOK'S KEY POINT OF VIEW

Our collective experience, developed over two decades of retailing, is that there are three types of retail organizations out there:

- >> Those that get it and are doing it
- >> Those that get it, but are not doing it, and will not admit that they do not know how to do it
- >> Those who just do not get it!

This book is not about merchandise categories and/or channels. It is not about big versus small. It is about recognizing that—

- >> we're living in a sea of change in retailing, and
- >> we need to do something about it in a proactive way

**Shell**, producer and retailer of one of the world's premier brands of gasoline, woke up to find out that **Tesco** and **Sainsbury** had become the largest gasoline retailers in the UK.

- >> **Starbucks** versus **Nestlé**
- >> **Virgin** versus **British Airways**
- >> **Wal-Mart** versus **Kmart**
- >> And on and on

Great brands such as **Kodak**, **The Body Shop**, **JCPenney**, and **Marks & Spencer** have all found out that the competition in this new retail marketplace is fierce—and it is just going to get tougher and tougher!

The retail revolution is producing new leaders:  
>> **amazon.com** began as book retailers but now cut across a broad range of department, discount, and specialty store categories  
>> **IKEA** has become a major worldwide force in retailing and continues to be one of the dominant retail brands in the world  
>> **Ralph Lauren**—they get it  
>> **Target** and **The Limited**—they get it  
>> **Disney, Zara, Yahoo, Dell**—they get it too!  
>> **Wal-Mart**—four out of ten, or 39% of American women shop there weekly

This book focuses on those retailers who get it, and hopefully, will help all retailers learn something new about the winning strategies.

Think of this book as a wake-up call:

>> For those who don't get it, it's a pragmatic look at the proper practices and benefits of retail branding today  
>> For those who get it but don't know how to get started, it provides a road map, a tool kit, a way of doing it  
>> For today's retail winners, those who get it and use it, it will help them stay on top

Many of the strategies and tactics of the past are not working. Most retail marketing activities, and advertising in particular, are not liked, admired, or found relevant by consumers. Most advertising is not trusted, and fails to connect. Few, if any, programs pay back on any acceptable ROI model. A new model is needed—one that is based on building relationships and customers for life.

We believe the new model is the Branding Model—The Whole Being Branding Model. The process is well established, the support techniques are in place, the clinical

evidence is there for us to see and learn from, and the benefits are clear:

>> **Carrefour**, **Tesco**, **Wal-Mart**, and **Loblaws** all dominate their categories, and as a whole, are more profitable than the competition. They have built market share and corporate worth.

BUT...quite apart from the many success stories, retail branding still seems to be the least understood weapon in the marketing arsenal. This book hopes to help change all of that—and that is why this book NOW.

Go to **amazon.com** and look up its listing of books on branding. You will find over fifty titles, of which perhaps four or five have a retail focus and make some reference to strategic retail branding. To my knowledge, none of them deal with the essential aspects of How To Brand.

This book does just that; and that alone makes it unique. Even more importantly, this book's uniqueness comes from a personal perspective that says that the single most discriminating factor in building long-term retail brand equity is 'Leadership'.

If you study the retail brands that in the best and the worst of times outperform in the marketplace, you will see a superior level of leadership.

**Ikea**, **Virgin**, **Home Depot**, **CarMax**, and **Target** are all being led by a desire to take their concepts into new territories, new product categories, new services, and in some cases, a new order of social responsibility: a leadership that is all about constant self-renewal.

Defining a brand is one thing—building it into a world-class brand and keeping it there is another. Brand leadership is the defining difference in mindset; a way of thinking that only comes with perseverance, innovation, and master intelligence.

The way in which most retail marketers look at how best to build their businesses needs to be fundamentally changed:

- >> From the inner-directed, self-centered point of view to one that is more outer-directed and customer-centric
- >> To an approach that is driven by an insightful view of the customer, one which looks at their tangible and intangible wants and needs
- >> To an approach driven by innovation and intelligence

The new age of retail brands starts with the concept that they are ideas that people live by, need, want, and enjoy.

- >> **Harley-Davidson**—think about the role that it plays with its almost cult-like admirers
- >> Michael Graves of **Target**; **Nike**, **President's Choice**, **Diesel**, **Armani**—think of the role each of them plays in the lives of their customers, supporters, and suppliers

The new age of retail brands is building personal relationships between the brands and their customers that tap into more and more of the customer's emotional needs:

- >> In the past, branding was a form of status and the idea was to link the brand to the customer's lifestyle—the right car, the right designer, the right watch = the right status.
- >> Today, branding is more about a balance of status and substance, a balance between outward aspirations and inner-directed values and beliefs. It is less traditional and more inspirational; more about “who I am” and “know thyself” than group consensus or peer group acceptance.
- >> Individuality, self-actualization, personal relevance—these are the attitudes of importance to today's customer segments, and in particular, to the aging boomer.

This book's point of view is that the brands that help people live a better life are the brands that will survive and grow:

- >> **Apple**, **Tesco**, and **IKEA** are adding value beyond their product
- >> Values which are both tangible and intangible, and are important and relevant to their customers
- >> Values that help their customers lead a deeper, fuller, and more interesting and exciting life

That is what today's branding is all about.

#### 4: THIS BOOK'S END DELIVERABLE

**More than anything else, this book will help you understand how to increase the value of your Company, create new wealth, and unlock shareholder worth.**

It will help you realize that your principal assets are—  
>> physical and tangible—your inventory, merchandise, technology, people, but also  
>> intangible—awareness of your brand, acceptance and relevance of the brand, the strength of the relationship, and the propensity for your customer to buy your brand in the future.

These are all part of your brand worth and your corporate wealth.

A classic case in brand equity: when **Nestlé** bought the **Rowntree** brands of **KitKat** and **After-Eight**, it paid almost three times the stock-market value and twenty-six times earnings. Prior to this, brands had been selling for around eight to ten times earnings. What **Nestlé** bought was the intangible potential of these two brands.

**Rubbermaid**, one of the best-known U.S. brands, was sold to Newell Industries for \$40 a share when the stock was at \$20. Newell, again, was buying brand equity and future potential.

**Wal-Mart's** brand value is estimated to be approximately fourteen times the combined value of **Sears'** and **JCPenney's** brands.

**Louis Vuitton's** brand value is positioned by Interbrand at twice the revenue it creates.

From 1986 to 1996, the combined value of non-food retailing in the U.S.—i.e., department store-type merchandise—grew by over six times:

>> **Wal-Mart** grew its share from 20% to 28%

>> **Home Depot** went from 1.8% to 13.9%

>> **Walgreens** went from 2.1% to 4.5%

During the same decade (1986 to 1996), there were also declines:

>> **Toys 'R' Us** went from 5.4% share to 0.7%

>> **JCPenney** went from 7.3% to 1.8%

>> **Kmart** went from 7.9% to 1.2%

From 1988 to 1998, **Gap Inc.** built its brand share from 1.7% to over 5%. At the same time, recognizing the increasing competitive marketplace and the challenge to continue to grow, **Gap Inc.** restructured and reinvigorated itself by breaking into three brands: **Gap**, **Banana Republic**, and **Old Navy**. In less than one year, **Old Navy** grew to over \$1 billion in sales—faster than any brand in the 'bricks and mortar' retail environment.

The **Gap's** decision was based on the need to continue to grow the total corporation, even at the expense of cannibalizing some of their own brands. After decades of rapid growth, **Gap Inc.** now seems to be taking a more conservative approach. Sales for the year 2003 are expected to be around 5%. Can the **Gap** mend its brands? Can it gain the accelerated growth of the past? The jury is still out on this one!

As recently as 1994, names like **Yahoo**, **Amazon**, and **eBay** were not even known. Today they stand as major growth brands. Getting on top and staying on top is a daunting challenge. As this book is being written, brands such as **McDonald's**, **Kodak**, and **Motorola** are having demanding but disappointing performances. They have to make major changes in an effort to build back the momentum of the past and protect the value of their brand.

With these realities in mind, the end deliverable of this book, together with its partner *STOP Talking START Doing Retail Branding*, is to provide you with both the strategic and operational framework for successful brand building—in effect a road map, tried, tested, and proven with hundreds of brands over the past twenty years.

## **5: WHOM THIS BOOK IS FOR**

This book is for—

>> Brand Champions—the alchemists and revolutionaries of today's new retail branding environment

>> CEOs, and VPs of Merchandising, Operations, Marketing, and Finance who see the potential for branding as a way to build the value of their company

>> retailers of all sizes, all categories, anywhere in the world

>> advertising, design, graphics, and corporate identity experts who see the big branding picture and their important role in it

>> the academic community as a reference point for information and case histories. In fact, *STOP Talking START Doing Retail Branding* is already providing that service for a number of institutions

**Finally, Books do not change the world, People do!** To be effective, books need to be used not just read; ideas and

concepts need to be applied. These books are a first start; they need **you** to make them happen.

In the chapters that follow, you will find—

- >> a comprehensive look at the concept of whole branding/whole being branding
- >> the process and the support features needed to deliver a winning brand, and how to not only win but also to stay on top
- >> brand equity and the new multi-channel world
- >> case histories
- >> a brand dictionary