



### The Hazard of Having an “Accidental” Brand

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by Jonathan Knowles and Richard Ettenson

For every Intel that intentionally crafts its trajectory as a brand rather than as a mere product, there are dozens of brands such as LYCRA, KONI, and Dell that have developed a deep resonance with customers more by accident than strategic intent. To judge by their websites and communications, the owners of these brands are well aware of what their products *do* for customers, but unaware of what they *mean* to customers.

These brands typically belong to engineering- and technology-based companies that have relentlessly pursued a strategy of delivering high quality, reliable, science-rich products. The companies are proud of their technological heritage and proudly assert their preference for substance over style. When we've asked executives at these firms what makes the company and its products special, they invariably list the ways in which their offerings are functionally superior to their competitors'. For them, brand strength begins and ends with better science or engineering, and they are inevitably offended when we suggest that they have a great product but an accidental brand — one whose emotional appeal to customers is clear to everyone except the executives themselves.

The core of the problem is the widespread belief in these companies that emotion is the enemy of reason. The assumption often is that an emotional bond with customers can only come at the expense of functional excellence, rather than as the result of it. It's often news to these executives that a strong brand needs to be 100% rational *and* 100% emotional in its appeal, and that there needn't be a trade-off between the two. And it's often a surprise to them that performance is less of a differentiator than they imagine: Even in sophisticated B2B contexts, customers are too starved for time, uninformed, or uninterested to make an accurate judgment about which in a group of competing brands delivers superior functionality. TQM and Six Sigma have so narrowed the performance differential between leading suppliers of most products and services that the effort of uncovering the true functional differences between them outweighs the benefit.

Our advice to companies with accidental brands is to shift their emphasis from describing what the product *does* to communicating to customers what the product *does for them*. Microsoft and Hyundai have both recently embarked on such a transition.

Microsoft's Window's Division, long criticized for developing hard-to-use, over-engineered offerings (think Vista), is currently undergoing a radical and highly successful reboot of their brand. The "I'm a PC and Windows 7 was my idea" campaign showcases the company's new-found commitment to building meaningful relationships with customers. And it appears to be delivering results. As of June 2010 Microsoft had sold 100 million licenses for Windows 7, and the company reports that 12% of all PCs worldwide are running the software, making it the fastest-selling operating system in history.

For Hyundai, the game-changing decision came in early 2009 when the company dramatically shifted its brand focus from the car to the customer. The now well-known Hyundai Assurance campaign resonated with customers worried about job loss and economic security. The central message was not that the company makes great cars (although Hyundai models continue to climb near the top of the quality rankings) but rather that Hyundai cared about its customers' well-being in the economic recession, offering to let them walk away from their loan or lease and return the car if they became unemployed or suffered other "life-altering events." In 2009, the company's sales increased 8% while the industry declined 21%, and its share price tripled. Thus far, the Korean-automaker's 2010 sales are up nearly 30% from the same period last year.

The toughest stretch goal for management of engineering- and technology-based companies is to understand the human and emotional aspects of their brands. Company leaders should ask the question "Do our executives truly understand — and can each of them articulate — the nature of the customer experience on which the growth and profitability of the business depends?" The response to this question provides insight into another key question: do you have an accidental brand?

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