

Summary of Branding Forum  
Location: 3com, Santa Clara, CA  
Theme: Evolving a Brand  
Date: September 7, 2000

Panel members included:

**Jim Petersen**

Director of Corporate Branding, 3Com Corporation. Jim Petersen joined 3Com ten years ago as Manager of the Creative Services department. He is currently the Director of the Corporate Branding team. From 1985 to 1990, he held the position of Manager of Creative Services with the PC Software Products Division of Computer Associates.

**Patricia Houden** is a principal at Luxon Carra in San Francisco, a company of strategic brand consultants and designers with offices in London and Hamburg, as well as San Francisco. Their client list includes such notables as: Intel, Wells Fargo, Andersen Consulting, US Airways, Sun Microsystems, and Toyota.

**Bryan Stahmer** is brand identity manager for Hewlett-Packard, Bryan has been with HP for over 15 years in various domestic and international marketing communication roles in the company. Bryan has been involved in the branding of Agilent Technologies, brand strategy for the recent joint venture between HP and Kodak, Phogenix, and the current repositioning of the HP brand.

**Steve Diller** from Cheskin Research was unable to attend.

The first question posed to the panel on the topic of evolving a brand was:  
*When is an appropriate time to begin evolving a brand and how do you go about it?*

Jim Petersen – The key elements that are needed for moving forward with evolving a brand are a business strategy that drives the evolution and an alignment of top-level executives who are committed to the effort.

Patricia Houden – Agreed with both of Jim’s points and expanded on the elements within the business strategy that might require a brand to change. These include: A shift in the target markets – a company could go from B2B to B2C or vice versa, market landscapes shifting due to competitor motion, new technologies (some brand identities do not work well on the internet), and popular culture evolution can cause brand identities to look outdated.

Bryan Stahmer – Reiterated the importance of evolution being driven by a business strategy. He added that in the case of HP’s brand evolution, they needed to stay relevant with their customers and they need to remotivate employees to think differently about the company and understand the new business strategy.

Audience questions were:  
*Could you define branding?*

It is the perception of your company or product by your target audiences. There are certain values and attributes that should be associated with a brand.

Another definition: Promises kept.

The key thing to remember is that brands are owned by your customers, and you can only try to manage their perception.

*Do pre-ipo and small companies have to worry about brand management?*

Yes, they have to go through the same exercises as large companies as far as developing a sound brand strategy, determining target audiences, creating branding tools, etc.

Since smaller companies don't have established equities, they need to plan very carefully to be as effective as possible.

It was also suggested that small companies need to deliver an exceptional customer experience so that they can build a brand over time. Companies that spend \$2 million on a Superbowl ad and then don't answer their phones have just thrown that money away. Small companies must be sure to keep their promises from day one.

*Can you give an example of a prematurely or inappropriately evolved brand?*

New Coke – poor research for their target markets.

Crystal Light Pepsi

Eddie Bauer with its expansion into furniture is worth watching to see if they did the proper research up front.

Xerox, with its foray into computers is an example of stretching a brand in the wrong direction. A company whose name was literally synonymous with photocopying could not convince its audiences that they could make good computers, too.

*A question about 3com and the acquisition of U.S. Robotics broadened to: What do you do when you acquire a company that has strong brand equity?*

You can absorb it as a division and keep their product names or keep them on as a wholly owned subsidiary, as HP did with Veriphone. Jim suggested that 3com has not handled the acquisition as well as they could have over the years, and have plans to fix the situation.

*How do you acquire budget to evolve a brand?*

You need to have top management support. You get that by developing a business strategy that requires evolving the brand to achieve its objectives. Research results help sell branding. HP research has shown that companies that manage their brand well do X% better than other companies during downturn in the stock market. Even if you don't have a research budget to start, there is enough secondary research that shows that a strong brand as an asset can have a large effect on the bottom line.

The next question was:

*People are generally resistant to change. How do you get buy-in from the internal audiences when you evolve a brand?*

Jim – At 3com the educational process is going through its own evolution, but they developed a program called Brand Boot Camp and got executives to communicate their commitment to the brand efforts. Change management is their biggest challenge going forward – product managers and engineers that have been with the company a long time have habits that are hard to break.

Patricia – Employee education is like painting the Golden Gate Bridge. Once you have gone through the entire employee population with training, you need to start all over again, because of turnover, new information, and lack of information retention. Messages from the CEO are very important. Middle management is also a key audience to educate. Luxon Carra usually targets people in the organization that show the most interest, especially in the regions, and make them brand champions.

Bryan –

HP had Brand Jams, meetings to promote and evangelize the new brand. They went out worldwide, and provided templates to the regional managers to deliver the messages, so they could be sure they would address all the key points. The regional brand management teams would help organize and regionalize the Brand Jams.

Also, in his answer to a similar audience question, Bryan said that HP put a lot of effort into explaining the why and what of the brand evolution to internal audiences, as well as what new opportunities the evolution would create for them.

They had a number of brand communication programs, such as:

Conversations with Carly (Fiorina, the CEO)

Printed and electronic guidelines

Training

From the audience:

*What would your Branding Dream Team be for internal brand management?*

The combined answers were the CEO, top execs, and representatives from various levels of the company all the way to the mailroom.

The next question was:

*When you have a maverick group that doesn't want to buy into this new brand hokum, what do you do to get them in line?*

Bryan- At HP, they elevated issues that could not be solved by education. Mavericks had to answer to execs who had already shown commitment to the branding effort. Now they have brand managers in each business segment and it's easier.

Jim – 3com is working on a lot of issues around buy-in of the evolution of the brand.

They have created a new position – senior vice president of marketing and brand management Having a senior executive with branding in her title is one change that makes it a little easier to manage mavericks.

Patricia – The preventative approach is the best way to keep mavericks in line. Being inclusive, especially in the regions, at early stages of the evolution is crucial. Early inclusion, persistence and consistency are the keys to avoiding the rise of maverick groups.

From the audience:

*The idea of inclusion sounds like branding by committee. How do you get any decisions made when you have that many people involved?*

You can involve a lot of people providing feedback on proposed direction but the core group that makes the decisions can and should be small. In the case of 3com and HP the core team contained a senior exec or CEO (HP), three or four other key people from the company, and consultants.

*How do you know when you're finished with the evolution of a brand?*

You know you've finished the preliminary work when your target audiences and employees tell you you have achieved the goals you set. It's important to keep in mind that you never stop managing the brand, though.

*What kind of tools do you give employees to manage the brand?*

HP used their Brand Jams, training sessions and a brand management website. 3com provides similar versions of the same tools. Editors and writers on staff are also very important for managing the corporate voice. They keep the voice consistent and well-defined. Story-telling is an important vehicle for the corporate voice. It makes the brand understandable. The brand website can be used as a gallery for effective use of voice.

*How much should you spend on branding when your company is still in a development stage? What percentage of your budget should go towards branding, versus advertising and PR?*

The panel agreed there is not set answer to this question. There are too many variables that affect the balance of communication budgets.

*Can you comment on experiential branding – that is, the idea of delivering your customer an experience?*

Ben and Jerry's and Nordstrom's were mentioned as examples. 3com is looking at useability as the experience they want to focus on. More precisely, they want their audiences to think of the experience as effortless. Approachability is another attribute they want to have for the customer experience with 3com and its products.

HP is looking carefully at all of the customer "touchpoints" with HP and its products. One example is the interfaces on printers – a seemingly small detail, but an important part of a customer experience with an HP product.

Websites are key areas where the customer experience must be managed. There are great opportunities for improving or destroying a customer experience.

*How do you measure the effectiveness of your brand efforts?*

Surveys and focus groups are the most common measurement tools. Focus groups tend to be expensive, so they are used only at strategic points. HP and 3com do quantitative testing on an ongoing basis, but focus groups are used to test the strength of the brand and advertising.

HP is doing customer loyalty studies to test the effectiveness of their brand evolution with strict measurement characteristics to define a loyal customer. 3com is looking at the attitudes and behaviors that their company needs to show in order to achieve their brand goals.

Thank you all for attending and keeping the discussions lively and interesting.

The next meeting will be in early January. I look forward to seeing you all there. Details regarding the location, time and panel members will follow in the next couple of months. If you have any branding topics that you would like to be considered for a future branding forum, please email me. Or if you have any ideas for improving the branding forums, I'd love to hear from you. After all, this is your forum.