THE FUTURE OF *BRANDS*

NEVER BEFORE has the right ***brand strategy***, with all its attendant benefits, been more critical to a ***marketer***'s success.

And yet, never before have ***marketers*** had to confront such a maze of opportunities to connect with their target audiences.

According to a report by consultancy McKinsey & Co., ***brand***-building has evolved to a state where ***marketers*** can no longer simply depend on a product's functional attributes to shape its identity. Consumers not only want a quality product -- they want a product that makes them feel good about their choice.

An explosion of media and new ways to cultivate relationships with consumers make access to the purchaser easier. At the same time, ***marketers*** now carry a greater burden to present a consistent and strong image -- an impression that often must be carried from print to TV to Internet to retail environment.

EXTREME URGENCY

Urgency has become the watchword for ***brand*** builders cutting through the clutter of media messages.

``The role of ***branding*** has never been more important, and that importance will continue to grow," says Allen Adamson, managing director for New York-based Young & Rubicam's Landor Associates, a ***branding*** consultancy.

``With more product and service choices and new distribution channels, ***branding*** simplifies consumer decision making in a world that is more complicated and more confusing."

If this scenario of time-pressed consumers and increasing media opportunities weren't enough to keep ***brand*** strategists hopping, consider the dramatic impact of the Internet.

This young medium is proving to be the great leveler, one that can help new, upstart ***brands*** achieve the same stature as long-established competitors. This ascendancy can be accomplished at a velocity seldom, if ever, achieved through more traditional media.

``The Internet has changed everything," says Becky Saeger, exec VP-***brand marketing*** for Visa USA. ``It's forcing us to think faster, move faster and be more aggressive. We feel the pressure of moving at Internet speed."

`IN-YOUR-LIFE' *STRATEGY*

While both the media and the message components of ***brand strategies*** are being reexamined, the clearest direction of change lies in ***marketers***'s collective bid to achieve a connection with consumers based on a relationship rather than one which solely emphasizes their product's functional benefits. This is not so much an ``in-your-face" approach as it is an ``in-your-life" ***strategy***.

``***Branding*** and ***brand strategy*** have been around forever, but the advent of the Internet is challenging ***brands*** to be very proprietary and very differentiated. If you are a `first-mover' you are going to lose [by not using an Internet component]," says David Ropes, Ford director of corporate ***advertising*** & integrated ***marketing***. ``It's why Barnes & Noble and Borders have struggled against Amazon.com."

TRAINING FORD DEALERS

Mr. Ropes also says 70% of Ford's dealers will be trained to interface and communicate with the consumer via Internet and e-mail.

``It's important to understand the consumer's total life and how you fit into it. Then you can present total solutions," says Betsy Holden, Kraft Foods' exec VP of operations. This ***strategy*** is

manifest in taglines developed by Kraft. Until last year, for example, the ***brand***'s message was, ``Good food and good ideas," now it's ``Let's make something good."
Similarly, Maxwell House coffee was known for decades as being ``Good to the last drop," now the message is, ``Let's make every day good to the last drop."
The changes reflect a deeper more personal relationship with the consumer, rather than a pure functional message. For some ***marketers***, that expression must emanate from deep within the corporate culture.
McKinsey argues Starbucks Coffee is an example of how a retailer can control its ***brand*** through the physical presentation of its stores and the experience the consumer has while visiting a location. In the case of Starbucks, the store, its ambiance and finally the coffee, are the main touchpoints to connect with the consumer.
Starbucks is able to control its store identity by refusing to franchise its stores and maintaining real estate and design facilities to ensure consistent outlets. Its retail environment is secured by serving fresh coffee made with high-quality machines and emphasis on staff training.
Finally, McKinsey says, a quality coffee is delivered in an environment where the consumer is encouraged to relax, sip a cup, enjoy the music, chat or read a book.

REACHING RANK AND FILE

Ford, for example, commits heartily to communicating its ***branding*** message inside the ranks as well as to the consumer masses.
According to Mr. Ropes, Ford has cultivated a guiding corporate principle -- ``Trust our ***company***, love our ***brands***, and be delighted by our services" -- that is communicated to employees at every level across all ***brands***. Ford has a corporate Intranet system and the message is reflected there.
The philosophy is the result of two years of research and ***brand*** positioning and the development of a common understanding of all its ***brands***, what they stand for and what they mean for the automotive ***marketer***.
``We want consumers to `Trust our ***company***, love our ***brands***, and be delighted by our services,' whether it's in our credit, leasing or renting, in the case of Hertz," explains Mr. Ropes.

REBALANCED AD MIX

In general, Mr. Ropes sees a continuing, strong role for traditional media, but says the mix may require some rebalancing -- which will include a strong Internet presence -- to reach younger and older audiences.
``A recent J.D. Power survey showed that 40% of the car buying public is using the Internet to access car buying information. That's 100% growth year to year," Mr. Ropes reports.
AT&T Corp. places a premium on communications channels that go beyond connecting with consumers by being interactive, says Stephen Graham, VP-***marketing*** communications worldwide, .

NOD TO INTERACTIVE

``The most attractive media will be those that facilitate the direct interactive relationship with the customer, two of which will be the Internet and interactive TV," Mr. Graham observes.
``However, I think you will continue to see a strong role for the existing media. Each medium has an implicit strength and you have to understand what that medium and what that channel does best, then make sure it is additive to the core message you want to communicate and the ***brand*** message you want to build."

Ms. Holden says she thinks the expanded media opportunities and consumer touch points are as an exciting opportunity.
``It puts a premium on really knowing who your consumer is and gaining real insight to what is important in their lives. We have traditionally relied on mass ***marketing*** like TV, [free-standing inserts], and mass mailings, but we are now required to use the full arsenal to reach consumers at key points to break through the clutter and make sure our message is integrated and consistent," she says.

DELIGHT CONSUMERS

This process of reevaluation and evolution in ***brand strategies*** isn't new to ***marketers***, but the stakes are certainly higher.
``Today, unquestionably, the consumer holds all the cards. It's up to us to delight our customers on many different terms. In the past, there were those[retailers] who dictated price points and store hours to customers, but today's savvy consumer knows where to go, when to go, how to get it done, and frankly, doesn't have the time or money or energy to waste," says David W. Selby, senior VP-retail ***marketing*** for Sears, Roebuck & Co. ``We have gone through and continue to go through an extraordinary transformation of our ***marketing*** and our product. At the heart of this is our ***brand strategy***, and at the heart of that is our attentiveness to our customer."

A WORD OF CAUTION

To this dialogue of urgent evolution in ***brand marketing***, Ms. Saeger offers a few words of caution. First, despite the clear trend toward ***brand*** positionings that embrace relationship ***strategies***, Visa continues to reap the rewards of its ``acceptance" or functional message: ``It's everywhere you want to be."
Ms. Saeger credits this focused ***strategy*** with keeping Visa and its member banks ahead of the competition. Second, and more fundamentally, she accepts the old saw suggesting, ``Don't just do something, stand there!"
``You need to be just paranoid enough to be always on your toes, but confident enough that you don't change for the sake of change," says Ms. Saeger. ``That's the biggest mistake, jumping before you know where you're going to land."

Battle of the *Brands*

Ad Age ask experts where key ***brand*** fights are headed:

Cadillac vs. Lincoln

"General Motors [Corp.] is going to pull out all the stops to make sure that Cadillac is a viable player in the luxury segment. Right now [Cadillacs are] big cars designed for Midwestern, middle-aged ***Americans*** and that's going to change. They are going to become much more vanguard in their styling and become aimed at an international customer."
John McElroy, host, Nightly Automotive Report

Crest vs. Colgate

" Colgate share will have its zenith in the next three years [and] Proctor & Gamble [Co.] will reestablish leadership. Durk Jager [P&G CEO] has taken leadership. This is such a core category for P&G in more than just sales and unit volumes that P&G will no longer tolerate Colgate developing new alliances."
Burt Flickinger III, managing director, Reach ***Marketing***

Lipitor vs. Pravachol

"There is not a lot of growth left in Pravachol, but there is still a fair amount of growth left in Zocor. [However,] Lipitor has really slowed down all the other products-it is clearly the fastest

growing of the three. [Warner-Lambert Co.'s] drug [Lipitor] is viewed as being the most potent at reducing cholesterol levels. Dose for dose it gives you the biggest benefit."
Jeff Chaffkin, pharmaceutical analyst, PaineWebber

McDonald's vs. Burger King

"McDonald's gets the nod because it understands globalization better. The Burger King offer is the same everywhere. But if you're at McDonald's in Norway, for example, the featured sandwich is not the Big Mac, but the McLox. The experience is always the same [at a McDonald's}, but it is one of the best examples of global recognition."
Ira Matathia, CEO, ***Brands*** Future Group

Southwest vs. United vs. *American*

"I would have to say southwest [will win out] because this is a commodity business, and the low-cost producer wins over time and Southwest is by far a low-cost producer. Though it has a low frills reputation, it has a reputation of trust."
Glenn Engel, analyst, Goldman, Sachs & Co.

Wal-Mart vs. Sears

"When you think of Wal-Mart you think of low pries, and that is their ***brand*** image. I don't know if consumers can enunciate the ***brand*** images of Sears. Sears conjures up the image of a department store that is attempting to change its images, moving a little more toward up-scale, but we know that hasn't really been successful."
Bob Obernesser, partner, McMillan/Dolittle

Coca-Cola vs. Pepsi-Cola

"Let's fact it, Coke is it. They are No. 1, and their ***brand*** and promotions are overwhelming and omnipresent."
Russ Hopkins, president, Beverage Network

Energizer vs. Duracell

"[Eveready] Energizer will win hands down because icons always work."
Ira Matathia, CEO, ***Brands*** Future Group referring to the Energizer Bunny

Victoria's Secret vs. Wonderbra

"I think they are going to co-exist. Sara Lee is ***brand marketing*** from cheesecake to hosiery. Victorian's Secret has made themselves into a ***brand*** that is edgy and sexy. Both of these firms understand they are selling and ***marketing*** a product that is a fashion item, and on the other hands is a highly technical product from a sports bra to evening gown bra. That's not a horse race I want to put a bet on."
Emanuel Weintraub, president-CEO, Emanuel Weintraub Associates

Dell Computer vs. Compaq Computer vs. Gateway

"Twenty years ago Dell didn't even exist not Gateway. In another 20, none may exist. Dell is lightest on its feet and has the best capacity to change. They are good at not only changing their products but changing their sales and ***marketing strategies***. They were the first to jump on the Web, and the Web is the main reason they are No. 1 in the ***market***."
Christopher Null, technology editor, PC Computing

AT&T vs. WorldCom

"AT&T will be a very powerful player in the consumer and in the business ***market***. AT&T still has about 60 % of the long distance ***market***; WorldCom with Sprint will be under 20%. WorldCom will be a major player in long distance and wireless after the Sprint [merger], but here are questions about local, cable and highspeed Internet."