
BECOME AN ELASTIC BRAND:

16 ACTIONS YOU CAN TAKE TODAY

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ELASTIC
BRANDS

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WHY I WROTE THIS E-BOOK.

The Lotus logo, featuring the word "Lotus" in a white serif font on a black rectangular background.

I spent 12 years working for Lotus Development Corporation – the latter four years as part of IBM. At the time IBM acquired Lotus, the Lotus brand was under extreme pressure. Microsoft was killing Lotus on the desktop. Excel was wiping out Lotus 1-2-3, Microsoft Office cratered Lotus SmartSuite. Lotus' challenge: drive growth in the Lotus Notes and cc:Mail businesses rapidly enough to offset precipitous declines elsewhere.



In the end, Lotus couldn't stretch their brand far enough.



But IBM could stretch theirs. They acquired Lotus for over \$6 billion, with the strategic intention of infusing IBM's brand image with some of the Lotus goodness: innovation, agility, imagination, ambition. Combined with IBM's enduring attributes of trust and reliability, the acquisition was wildly successful for the effect on brand image alone. IBM survived the Microsoft challenge, the "threat" of the internet, and is now in talks to acquire one of its erstwhile formidable competitors on the server front: Sun Microsystems. What a brand.

After I left IBM in 1999, I went to work for one of the last of the “hot” internet startups – a company based in the quaint seaport town of Portsmouth, New Hampshire. Bowstreet had deep-pocketed investors, and during my tenure as CMO there we spent



\$1,000,000 on a single day

in order to break through the noise and establish Bowstreet as a durable presence in the software market.

Our big brand splash included:

1. A three-page print ad in the Wall Street Journal, the New York Times, the San Francisco Chronicle, the San Jose Mercury News, and the Boston Globe
2. A magnificent 24-hour event held at San Francisco’s Ritz-Carlton Hotel, featuring the brightest lights from the venture capital community, representatives from all the major industry analyst firms, and over 500 of the internet elite
3. A billboard on Route 101 in Silicon Valley – in 2000, a property as hot as [Dutch tulip bulbs in the 1630s](#).

You get the idea. For the time, it was a plan which leveraged the most powerful marketing vehicles at a technology firm’s disposal. We generated over \$50 million in sales during the four months which followed the launch.

The bubble burst at the end of 2000. Pipelines dried up – but awareness of Bowstreet and industry memory of the company enabled the firm to survive until Bowstreet was acquired – by IBM – some five years later. The impact Bowstreet had on the market was a top subject in job interviews for years after I left the firm.

These are stories of elastic brands. Brands that stretched to respond to changing market conditions. Lotus and Bowstreet stretched too far. IBM stretched... but returned to form a stronger, more vibrant, more compelling brand.

And this all transpired in the last century – before the media world completely changed.

Before buyers took control over access to information about vendors and their products.

They aren't giving it back.

Today's rules for managing elastic brands – knowing how to stretch, how far to stretch, how to determine when to return to form – are all brand new.

Brand managers, marketing managers, product managers: read on to learn **16 actions** you can take **today** to effectively become, and remain, a thriving, elastic brand.


WHAT IS A BRAND?

There are many definitions of the marketing term “**brand**.” There are brand managers. We speak of the **brand experience**.

Companies craft and shape their **brand image**.

Loads of lucre is spent to preserve, protect and defend brands.

The definition I most like is this:



A BRAND IS
AN ENDURING
PROMISE OF VALUE

E

NDURING.

Buyers believe that value will endure, or remain consistent. Think of Coca-cola and you see a specific shape – the original 6-ounce bottle. You see a certain color red. You know how the beverage will taste.



P

ROMISE.

I lace up my Nike shoes and suddenly I can “Just do it.”



V

ALUE.

“No one ever got fired for buying IBM.” “Volvo. Safety.”



We just know these things about these mega-brands. But we should be asking, and answering, these questions about our own brands.

If that's what a brand is – then how can a brand be **elastic**? Why *should* a brand be elastic?

Because this notion of a “brand” was established when the world was **round**.

And as we know from Tom Friedman, the world is now flat.

Technological advances have not just **leveled** the competitive playing field. They have redefined the **cultural and commercial structures** of the global economy. The “flat world” has created both enormous threats to well-established businesses (think of the phenomenon of outsourcing to India in the 90's), and laid the groundwork for the emergence and rapid growth of a whole new generation of businesses, business models, and – yes, brands (dare I mention Goog... nah).

And what it means to be and to manage a brand must **change** as well.



I suggest that along with these great technological advances and planet-flattening changes, there has been a fundamental change in the **power** balance between **buyers** and **sellers**.

There was a time when brands could **control** what information buyers had about their products. **Those days are OVER.**



There was a time when the owners of **newspapers and magazines**, billboards, **television** and radio stations, owned the only communication vehicles consumers could consult for information about products and services. Vendors financed those businesses through advertising, and thus had great influence over what information reached subscribers to, viewers of, or listeners to those media. **Those days are OVER, too.**

Brands, or vendors, have lost control over what information buyers have access to, and how they get it.

Thanks a lot, Vice President Gore! Your internet has taken our flat world, and turned it upside down!

WHY MUST BRANDS BE ELASTIC?

The internet, the explosion of **user-generated content**, and the afterburners which have been placed on

the flow of ideas thanks to viral phenomena as seen on YouTube, Facebook, and Twitter – all of these have conspired to create great challenges, and great opportunities, for brand management and marketing communication.

But one thing is for sure. Brand managers need to be more **agile** than ever before. They need to be prepared to **stretch** when necessary, and return to form as appropriate. Marketers need to be able to shift resources to respond to spikes of market interest, and retract when a normal state returns, or risk breaking. Brands need to be prepared to disrupt the status quo of markets, or be disrupted by their competitors.



Sonic Software had a better idea than the established vendors in the enterprise integration (EI) space (folks like TIBCO, IBM, webMethods) for how to get applications to share data. They saw standards emerging (based on XML, SOAP web services, Java messaging) and they found a way to solve the EI problem cheaper and with even better performance.

They had the benefit of standards on their side, and told buyers that there was an alternative to the established players who were gouging customers for hundreds of thousands and millions of dollars to solve the problem with proprietary technologies.

They made evaluation software available for free... getting tens of thousands of application developers to experiment with the technology.

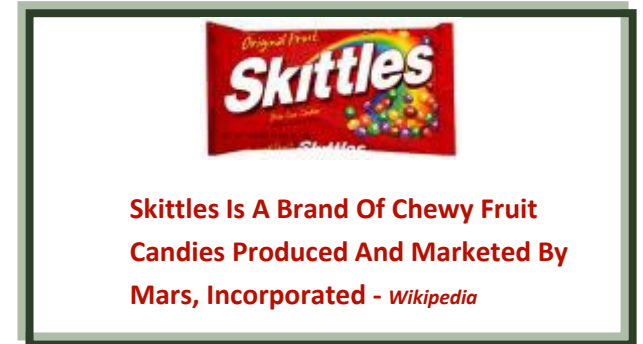
The competitors were bigger; they had deeper pockets, bigger marketing budgets. But they weren't ready. Sonic got the Gartner Group to agree there was a new software category emerging in the EI market – called the Enterprise Service Bus – and for two years Sonic was the only vendor with an offering.

HERE'S AN EXAMPLE.

Then they went for the jugular. They issued a press release and published performance benchmarks on their website that showed their significant performance advantage over rival TIBCO. TIBCO made a narrow interpretation of their license agreement, and tried to force Sonic to “cease and desist” the distribution of those test results. Sonic challenged TIBCO in court, and made a big PR play about how the giant beast Goliath was angry with poor little David. Sonic won. In more ways than one. Sonic stretched its brand, gained market share and grew revenue, even during the post-internet-bubble recession. Eventually, their investor, Progress Software, concluded that the feisty startup (and its revenue) needed to be reintegrated into the parent company. Sadly, while the Sonic brand ultimately went away, it was only after creating significant brand value.

ANOTHER EXAMPLE.

It is difficult indeed to avoid discussion and debate about what I call “the new media.” **Blogging** is almost mainstream now, but I include it along with **micro blogging** (Twitter), **social networks** (Facebook), **professional networks** (LinkedIn) and other **online communities of interest** (Flickr). There are thousands of self-styled experts (and a few real ones) who provide guidance on how to integrate the new media into corporate communication strategies.



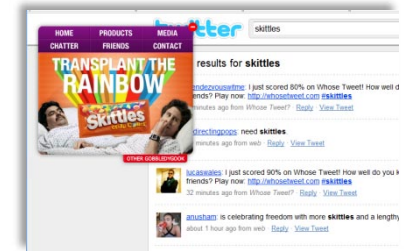
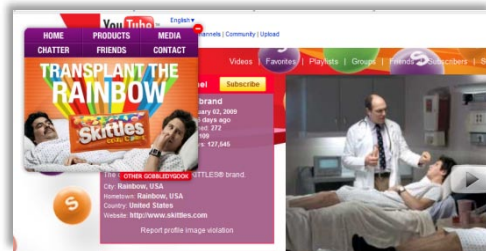
They all have one recommendation in common: *Listen first*, and then join the conversation.

Experimentation rages. **Not always** to good effect.

Early in 2009, **Skittles** decided to go full-bore on the new media front. I have to say that the courage Mars and Skittles demonstrated was admirable.

Here's what they did.

On Thursday, February 26th, 2009, Skittles decided to abandon their traditional website. Instead, they created a clever looking widget that floated over other web pages. First it was the Skittles entry on Wikipedia (illustrated here in an image grab from the Wall Street Journal). The next week, the widget hovered over the Skittles Twitter page. Then their Facebook group. Then the Skittles YouTube page featuring Skittles TV ads.



In other words, Skittles decided to take the biggest marketing trust fall I've ever observed: and remove almost all corporate controlled content from a buyer's experience of their brand, and give over entirely to the community – and user-generated content about Skittles.

Well the trust fall worked, and then again it didn't. It worked in that Skittles got their fifteen minutes of new media fame. Twitter mentions of Skittles exploded. Traffic to Skittles.com exploded. So did the creativity and imagination of the worldwide online community of ne'er-do-wells. They exploded with malicious posts to Twitter about Skittles; bogus edits to the Wikipedia entry on Skittles; prank comments about Skittles to the Facebook group.

As of this writing, Skittles has not yet scuttled the experiment.

These are very different cases of very different types of companies. Sonic is a technology company who sells arcane infrastructure to fairly sophisticated companies in technically advanced industries like financial services and telecommunications.

Skittles sells candy.

How can we look at these very different brands and marketing strategies and understand them in their essence? I'd like to offer a framework that marketers in businesses as diverse as these two can use to assess their brand and guide their brand management decision making.

This framework is decidedly unlike the linear models and frameworks that have been taught in business school and written about in business books. The model enables the type of agility the “flat world” requires of us. It exposes **strengths** in a brand management or marketing plan **as well as weaknesses**, enabling managers to adjust swiftly in favor of effective activities, away from time sinks and discretionary budget waste.

The Elastic Brands framework sees a brand at the intersection of three “aspects:”

Presence, **A**uthority, and **R**eputation

It can be applied to any brand from esoteric technology to chewy candy.

PRESENCE

Your brand's presence is the sum of the places – both physical and online – where customers and potential buyers experience your brand. In the old days, this meant corporate offices, industry trade shows, advertising and editorial coverage in industry trade publications, retail outlets, and the like. Today it means all of that “old school” stuff plus: your web site; your groups and forums in social networks; the chatter about your products on support sites (both yours and others'), blogs, and Twitter.

Through careful and accurate definition of your target market, brand managers can fairly easily determine what their brand presence strategy needs to be.

For a company like Sonic Software, the decision was taken to target Java developers and to shower evaluation software upon them in order to seed the market they wanted to disrupt. That's a community that places extremely high value on technology performance and reliability – exactly the attributes of Sonic's competitors they wished to expose and challenge.

Mars owns a portfolio of extremely well-established consumer brands. Their presence on store shelves is just about a lock by now. Their web strategy did not place that aspect of their market presence at risk.

What the maneuver did do, though, was to effectively remove a traditional, brand-owned and –managed website from the online mix. Sure, their identity is present when you navigate to www.skittles.com – and their YouTube videos represent massive corporate marketing investment. But they've removed the layer which is corporate web page content, revealing directly the words and feelings of their customers, as expressed on Facebook and Twitter.

AUTHORITY

Authority is the brand's ego. We talk about messaging and positioning all the time in marketing – and the public-facing version of that work establishes your brand's authority. The vendor controls this aspect of our framework. It is the only aspect entirely under the brand manager's control.

Sonic Software had a very big ego. They saw a fairly mature market segment populated by large and well-established players, and decided to define a new product category which positioned the giants as laggards. They defined a new product with a new architecture, their Enterprise Service Bus, and asserted that this offering was at the intersection of important innovation vectors. They basically told the market they were seeing the future, and it was going to be made in Sonic's image. The language was bold and their confidence high. And the market listened.

The courage of Skittles' web strategy is that they have essentially removed all web-based, brand-managed, expression of authority. This is a non-traditional and even radical approach to say the least, at least from a web and new media point of view. Sure, they have other vehicles at their disposal to assert the brand image – such as television advertising – but Skittles is an excellent example of the range of options available to a brand manager with regard to assertion of authority.

REPUTATION

If the authority aspect is owned and managed by the brand, then the market and the buyers control the reputation. Reputation is the market's validation (or lack thereof) of a brand's assertion of authority.

In Sonic's case, when the analyst firm Gartner affirmed their vision by declaring the Enterprise Service Bus a new category in the integration market, their reputation was established. The developer community was also validating Sonic's approach, but the influence represented by Gartner sealed the deal for them. Success in this aspect opened many doors for Sonic (at the time still only about a \$10 million business), including access to journalists and other analysts – which expanded the circle of validation and strengthened the upstart's reputation even further.

Skittles has withdrawn heavily from the authority account, and is banking on reputation to pay high interest. They are bearing all before the world, in a sense, and trusting that the *enduring* part of the brand's promise of value will win out.

This move in the marketing game was nothing short of absolutely fascinating.

BRAND MANAGEMENT AND THE ELASTIC BRANDS FRAMEWORK

Here are things you can do right now to transform your brand management and marketing to the Elastic Brands framework.

Common to all aspects is the development of the “Your Brand 100.”

This list of 100 influencers should include individuals and organizations in your market who can help your brand if managed with care, or harm it if neglected: the thought leaders in your category; the industry analysts; your company’s own evangelists; your competitors’; bloggers, writers, technologists.

These individuals mark out the boundaries of your market and cast light on the buyers in your market.

DEFINE YOUR BRAND'S PRESENCE

- 1) Develop a detailed definition of your addressable market. Keyword: addressable. Always ask and answer the question about any defined segment – “Am I adequately staffed and funded to serve this segment?” “Humans that breathe” is a very large market segment – my guess is the segment which you can address can be defined far more precisely.
- 2) Continuously improve your website. This property should be a proud expression of your brand image – tested for usability and easy to find through search engines.
- 3) Twitter – All brands should at a minimum be listening, but should also start micro blogging, on Twitter.
- 4) Flickr – brands are doing very imaginative things to improve image search results to support the awareness goals. Buyers are searching for images of products, or of service providers’ work, as their path to finding vendors in every increasing numbers.
- 5) YouTube: by now we all know how powerful a clever video can be... and how viral.
- 6) Trade publications – both print and on-line. Yes, print is still valuable when used selectively and consistently.
- 7) Traditional brand collateral – print and PDF brochures, sales tools, podcasts, video tutorials.

ASSERT YOUR BRAND'S AUTHORITY

- 8) Develop and rigorously test your brand value statements – before you bring them to market. You have defined your target as part of your presence aspect, ensure your messages resonate with real buyers in those target markets through primary research and direct interactions. With survey tools and free online meeting products, this can be done quickly and at low cost. Ensure that your keywords, phrases and tags align.
- 9) Within the “Your Brand 100,” you should have named your primary competitors. Select the competitor you must defeat at all cost in every engagement. This exercise will have a remarkable effect on narrowing the focus of your value propositions, and consequentially of improving the effectiveness of your messaging.
- 10) Declare your company’s evangelists and thought leaders – and get their story and their personality out in the community. Develop speech topics and article bylines, and offer those up to event organizers, publishers, community moderators.
- 11) Hang up a shingle on social and professional networks (like LinkedIn and Facebook), and join online communities or forums where buyers are chattering about your brand – or your competitors’.
- 12) Evaluate content syndication sites: buyers opt in to these sites – like TechTarget / Bitpipe – and you can leverage those common interests to execute well-targeted programs.

MONITOR YOUR BRAND'S REPUTATION

- 13) For everyone in “Your Brand 100,” ensure you have organized the appropriate RSS feeds, Twitter searches, and search engine alerts to ensure that you are on the pulse of those market influencers. iGoogle is a sluggish but effective environment for this aggregation, as is the Flock browser.
- 14) Use the maximum of available briefing time from journalists, analysts, and bloggers in your market space. Subscription analyst firms like Gartner and Forrester offer generous access to their analysts – they just make it really difficult to schedule and execute them. Be patient, but take advantage of this “behind closed doors” opportunity to gauge what they are hearing from the hundreds of customer and vendor briefings they participate in each year.
- 15) Consider reputation monitoring services, especially if you are resource constrained. The required in-house skills are not enormous, but may not be present in small and growing organizations.
- 16) Cultivate customers for the creation of case studies exposing the benefits they have received from your products. Third party firms like [Thoughtware Worldwide](#) conduct these studies and produce highly credible, objective assessments of customer experience using a rigorous but non-invasive methodology. Prospects by default distrust your assertions of authority, but they place very high value on the experience of other customers – especially those in their industry.

WHY IS IT SO IMPORTANT TO BE AN ELASTIC BRAND TODAY?

A friend wrote to me in an email just this week, “In this economy, what are the first things to go? Marketing, Training, and Travel.”

If marketing fails to **lead**, and instead **follows** the other functions in the business; if brand managers are **reacting** to last quarter’s sales performance rather than **proactively** adjusting strategy and tactics based on real time shifts in market conditions – then marketing deserves to be amongst the first things to go.

But it doesn’t have to be that way.

Using the Elastic Brands framework, brand managers and marketing executives can:

- 1) Specifically define, track, and measure the critical touch points with their buyers (presence)
- 2) Continuously assert, test, and refine their themes and messages – developing ever-more concise and focused market messages that resonate with their buyers (authority), and
- 3) Monitor in real time the impact of your marketing on your buyers and key market influencers (reputation)

The framework offers a view into critical, but distinct, aspects of your brand – and allows highly refined management of your marketing activities – and therefore of your marketing resources.

ABOUT THE AUTHOR

Tim Dempsey is a strategic marketing advisor, speaker on marketing and entrepreneurship, teacher, team facilitator and coach. He writes extensively on [his own blog](#) and for advisory clients around the world.

He has been a software engineer, pre-sales engineer, product manager, marketing director, and CMO.

He has worked for some of the world's most famous brands, including Lotus Development Corporation, and IBM. He has lived and worked in Europe and the United Kingdom, and continues to work with companies based in Europe who seek to expand their presence in the United States.

A philosophy major in college, Tim was also an instructor, administrator and coach at the secondary school level before joining the business world.

He left the safety net of the corporate environment in 2007 to launch Elastic Brands, LLC.

[Contact Tim](#) to speak at an upcoming event, to lead a strategic planning session on the Elastic Brands framework, or to help your executive team stretch your brand.