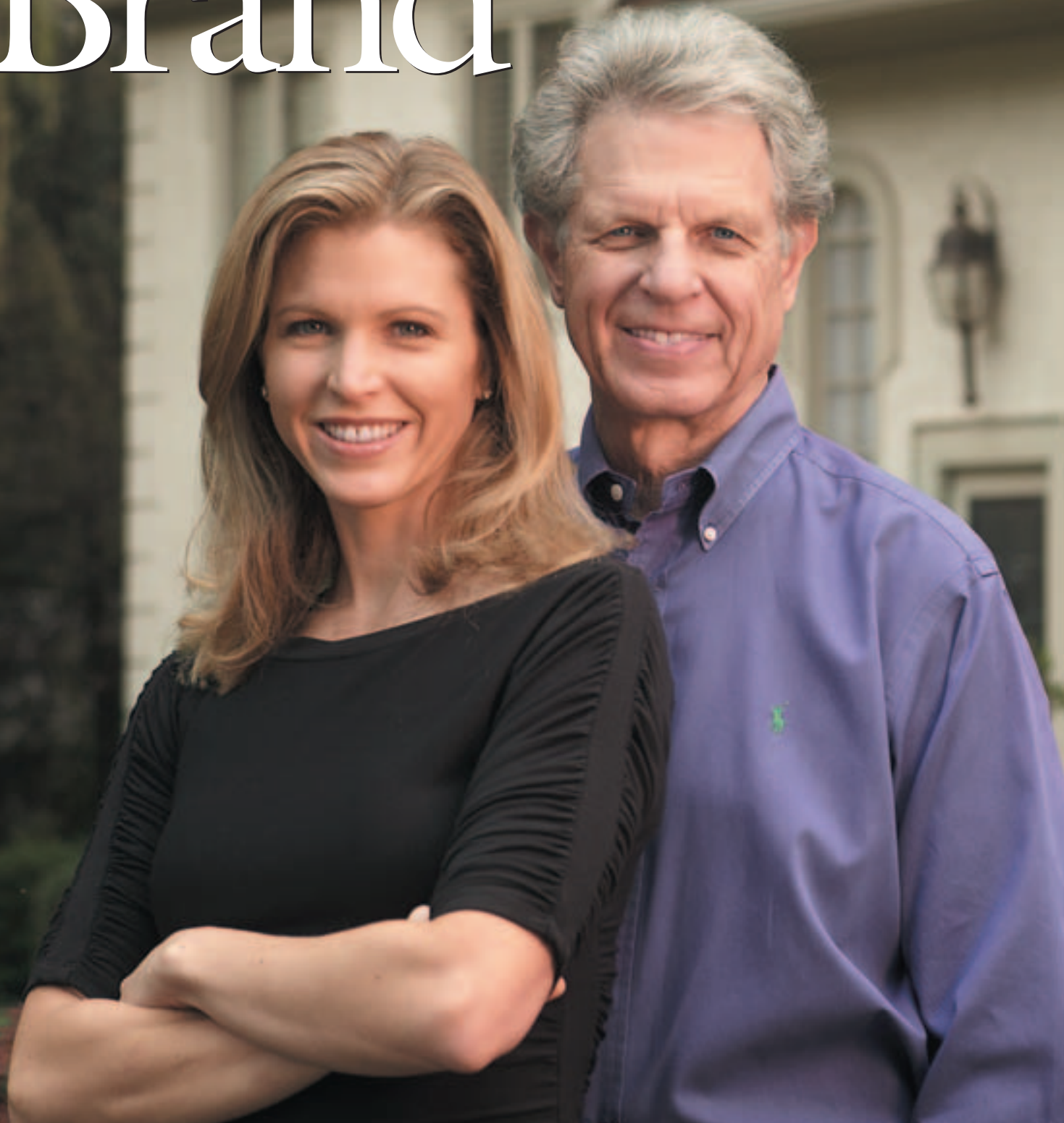


# Battling for the Brand



Any organization can go from boom times to bankruptcy on the back of a poorly planned marketing strategy or a lackluster brand. Only by being first in the mind of consumers, according to father-daughter marketing team **Al and Laura Ries**, can any business—or business school—succeed.

**I**f war is hell, then so is marketing. At least, it is when it comes to developing effective strategies to win the loyalty of consumers, says Al Ries, one of marketing's most prominent figures for the last two decades. Ries often compares marketing to warfare, both in conversation and in the 1997 book he co-wrote with Jack Trout, *Marketing Warfare*. He emphasizes that it's really a battle out there—any manager who doesn't quickly seek the high ground and secure his territory is almost sure to lose.

Ries has come to this conclusion after spending years helping businesses differentiate themselves from their competitors. After graduating from DePauw University with a degree in liberal arts, Ries worked for General Electric and then two New York advertising agencies before starting an advertising agency with Trout. After a few years in the business, he and Trout realized that most companies were in marketing trouble. They didn't see that advertising and PR weren't separate entities, but two halves of an inseparable whole.

"We would present advertising programs to our clients that called for a change of product name, a change of strategy, or a change of marketing direction. The client would say, 'Wait a minute, we hired you for advertising. We do the marketing—you do the ads,'" says Ries. "We realized that companies didn't know that if the marketing is wrong, it doesn't matter how good the ads are. They'll still fail."

In response to what they perceived as a widespread misunderstanding of marketing, Ries and Trout wrote several other books, including *Bottom-Up Marketing*; *Positioning: The Battle for Your Mind*; and *The 22 Immutable Laws of Marketing*. Ries now frequently speaks to employees of global companies to give them new perspectives on advertising, PR, and branding. In 1994, Ries and Trout parted ways. Ries now partners with his daughter Laura in their business Ries & Ries in Atlanta, Georgia. (See "Like Father, Like Daughter?" on page 20.) The two have co-authored *The Fall of Advertising and the Rise of PR*, *The 22 Immutable Laws of Branding*, and *The 11 Immutable Laws of Internet Branding*.

In an increasingly crowded field of business schools, the true battle isn't in the rankings, says Ries, but in establishing a brand identity in the minds of consumers. And it's not enough for a school to get its message to the masses or even to have the best product available, he emphasizes. To win over consumers, any organization has to find its true identity, focus its products, and, above all, fight to be first.

**You spend a great deal of time trying to help companies distinguish between advertising and PR. Why do you think it's so difficult for them to tell the difference?**

I think they're under a lot of pressure. Any good-sized company has an advertising agency and a PR agency working for it. The advertising agency will always say, "Spend more money on advertising"; and the PR agency will always say, "Spend more money on PR." Most of our clients throw up their hands and say, "We don't know what to do." So they give the advertising people some money, they give the PR people some money, and then they hope for the best.

We try to show companies the difference between the two functions. We don't downgrade either function, but at certain times, you should focus on one or the other. For example, at the launch of the brand, when the brand has no credibility, you need to power PR. PR has many disadvantages, but its one advantage is its credibility—people tend to believe the message. Once a brand has been established, you should focus on advertising. Advertising has many advantages, but its main disadvantage is that it's not believable. The only thing you can really say in advertising is what people already believe. For example, if an ad says Volvo is a safe car, people will say, "Yes, that's right. Volvo is a safe car." If an ad says Dodge is a safe car, people will say, "No it isn't. I've never read anything about Dodge being a safe car. That's just an ad."

**Marketing and branding are significant parts of the business school curriculum. What do you think is the biggest misconception about these topics still taught in a business school classroom?**

The biggest misconception that colleges include in their courses is the notion that you should start with advertising and develop the concept—what advertising people like to call "the big idea." Then, you use PR to publicize the ads. What we're saying is, "No, go in the opposite direction." Use PR to start the fire, and use advertising to fan the fire.

For instance, when you start a war, the first thing you do is use air power to soften the defenses. When the defenses are softened with air power, then you move the infantry in to occupy the territory. When you study strategy at West Point or another military school, they don't teach infantry strategy and air force strategy separately. They teach military strategy and consider both elements. One's not more important than the other.

The same thing is true with marketing. You use PR to soften the consumer's defenses and establish credibility in the consumer's mind. Then, when you have that credibility, use

by **Tricia Bisoux**

photos by **Bob Mahoney**

advertising to move in and hold that territory and hold those consumers. A student who studies advertising or PR separately will never get the right combination of ingredients and will never be a very good marketing person.

**From your viewpoint, how would you teach Marketing 101 students to take a long-term approach to brand-building and marketing, especially when so many corporations and stockholders are now interested in short-term results?**

That's a big problem, as a matter of fact. Many people might believe what we're saying, but then they go to work for a company that's focused on short-term, quarter-by-quarter results. They often find the strategies that we suggest will not necessarily improve short-term results, only long-term. I think a young person working for a big corporation is in a very difficult position, because the pressures of the organization will force him to do the opposite of what we think are good strategies. And corporations don't change at the bottom; they have to change at the top.

For young business graduates today, it's probably better not to start with a big company. They should start with a smaller company that has more control and more interest in doing things differently. I find that there's often not much room for innovation in a large company that already has existing ways of working.

Having said that, I have seen indications that big companies are beginning to rethink their approaches. For example, I recently spoke at Proctor & Gamble's worldwide marketing meeting. For Proctor & Gamble to invite me to talk about the use of PR versus advertising shows that even the biggest companies are thinking that their current way of launching new brands is not necessarily correct.

**There are many examples of good and bad corporate marketing. What would be the two corporate branding stories—one a success and one a failure—that you think absolutely should be taught in the business classroom?**

The success of Nokia, which now owns 35 percent of the world's market for cell phones, is a very good example. Nokia once made everything from tires to personal computers. It followed one of our key principles: It focused its products. It decided to focus on cell phones. Now, according to the brand evaluation firm Interbrand, the Nokia brand is the sixth most valuable brand in the world.

Most businesspeople in small countries feel they can't build big brands because they live in a small country.

“Technological change—it may be the Internet or something in the way business is managed—will allow business schools to focus on something different, something that might eventually **undermine** the power of Harvard, Stanford, Wharton, Chicago, Northwestern, and other well-established schools.”

—Al Ries

Companies located in small countries say, “This is Guatemala. We can't do that.” They think they've got to live in the U.S. to build a big brand. So, Nokia is a very good example of a company that has built a world-class brand from Finland, which only has five million people.

**Would you say that the only reason for Nokia's success is that it focused its product line?**

No, that was just the first step. And I'm not saying that every company that focuses its product is going to be successful. I'm saying the opposite, that if a company doesn't focus, it will never be successful. I don't care how good it is, how good its products are, or how good the management is. Without that first step, focus, it's not going to be successful.

Here's further proof of that—the other half of the story. Nokia competes with a much bigger U.S. company, Motorola, which had the inherent advantage of inventing the cell phone. But Motorola is the typical big company that's into everything. It's into semiconductors, personal computers, mainframe computers, satellite communications system. Without focusing on one product, Nokia would not have been as successful against Motorola.

**And what is a failing corporate strategy students should study?**

Kodak is an interesting case. Kodak is a company that stands for photographic film. Today's business is going to digital photography, yet Kodak is still trying to play the game with its film. Every year it's falling further behind by trying to make the Kodak brand stand for two different things, regular film and digital photography. What Kodak needs to do is to develop a second brand, to do what Toyota did with Lexus, what Black & Decker did with DeWALT, what Levi's did with Dockers.

The other side of the coin is Polaroid. Polaroid stood for instant photography, and then it tried to take the Polaroid brand name into a lot of different products unrelated to instant film photography. It eventually went bankrupt. The



same thing happened with Western Union, which tried to take its telegram brand name and use it for telephones. That was a disaster, and it eventually went bankrupt, too.

**In *Positioning: The Battle for Your Mind*, you and Jack Trout wrote that, “Too often, management people don’t know how to manage their own careers. They think that hard work is all that counts.” Business schools teach management at an organizational level. Do you think they adequately teach business students the skills of self-management and self-promotion?**

Well, most young people I know have no strategy except working hard. I have a son-in-law who works 12 hours a day and on the weekends; he’d work 24 hours a day if he could. I’m not saying that hard work isn’t helpful, but hard work isn’t a strategy. It’s just like warfare: Your army can try very hard, but if it’s positioned wrong, it’s going to lose.

Students need a strategy, similar to those we talk about in our books. They need to focus on something. Schools should ask them, “If Volvo means ‘safety’ and BMW means ‘driving,’ what do you mean?” Most students will say, “Uh, I don’t know. I’m a hard worker.” That’s not good enough.

**Do you think many business school career offices view their work preparing students for their careers as a form of branding?**

They should. I’ve advised people on their careers on an informal basis. One of the first questions I ask is always “What do you like doing?” as opposed to “What are you good at?” Because students may be fundamentally good at something, but if they don’t like what they’re doing, they probably aren’t going to be very successful in the long run. Students have to have a focus, but I’d rather see people focus on what they like to do rather than on what they think they should do to get ahead. They may not make as much money doing the things they like to do, but they’ll be more successful and happier. That’s a better goal in life than just making money.

**In this issue, we’re also featuring an article on b-school branding. In your book, *The 22 Immutable Laws of Branding*, you write, “Marketplace Darwinism is survival of the fastest.” That is, an organization should avoid being second at all costs. In many markets, such as athletic shoes, computers, or even cars, there are usually just a few competitors. But with business schools, there are thousands. Trying to be first can be a daunting prospect. How would you advise a business school to find effective ways to make a name for itself in such an expansive market?**

If a business school decides to focus on something, it can rapidly develop a reputation for being first or the best. Thunderbird is a good example, with its focus on global studies. In fact, Thunderbird is one of the very few schools I know of that has actually focused its curricula on something, rather than just creating a perception of being focused. Wharton at the University of Pennsylvania has the perception of being focused on finance, but it’s not. If you look at its curriculum, Wharton is no different from Harvard or many other business schools. The same thing goes for Harvard. It has the perception of being focused on management, although its curriculum isn’t focused on management.

**Schools like Wharton and Harvard are juggernauts in the business school industry, and there are many other schools with aspirations to those top spots in people’s minds. Are top-tier schools ever truly safe? For example, IBM’s dominance was once unquestioned, but now it’s beset by its competitors. Can that happen in the business school market?**

What undermines an established brand most is technological change, as it did with IBM. IBM was very powerful when the mainframe computer was the biggest thing in business. But technology changed and the personal computer became big. IBM didn’t make the right decision. It should have launched a second brand, the same thing Kodak should have done.

The same is true for business schools. Technological change—it may be the Internet or something in the way business is managed—will allow business schools to focus on something different, something that might eventually undermine the power of Harvard, Stanford, Wharton, Chicago, Northwestern, and the other well-established schools. I think, frankly, globalization is also a factor that may undermine an established business school brand. You could have the most powerful business school in the world if you were focused on global business. Right now, Thunderbird is doing this, but I’m not sure it’s in the right location or has the right

## Like Father, Like Daughter?

Laura Ries has marketing in her blood—literally. As Al Ries' daughter, she has been influenced significantly by his expertise in the marketing biz. After graduating with a degree in communications from Northwestern University in 1993, Ries worked as an account executive with New York City's TBWA Advertising, handling such brands as Woolite and Evian. She partnered with her father in 1994 to form Ries & Ries Consulting and to co-author a number of best-selling books. In 2002, she was named a "management guru" by *Business 2.0* magazine.

The lessons she has learned from her father have been invaluable, says Ries. As a marketing consultant in the 21st century, Ries has moved away from being "Al Ries' daughter" to making a name for herself as a respected marketing strategist. And she has a distinctive point of view on what companies are doing right—and wrong—to get their marketing messages across.

**You've obviously been strongly influenced by your father, but many children want to go in the opposite direction from their parents! When did you first discover that you wanted to make marketing your career?**

My father very wisely never pushed the business on me. He only encouraged what became my own interest in advertising and, later, marketing. Growing up I loved going into New York City with my dad to his advertising agency. I always knew deep down that I wanted to be involved in the business somehow. First, I wanted to act in commercials. Then I wanted work in advertising. And, finally, I wanted to work as a marketing strategist with my dad.

**Had it not been for the proximity of your father's expertise, do you think you would have gone to business school?**

I certainly would have chosen to go to business school to study marketing. In fact, I applied to Harvard and Kellogg my first year out of college. Of course, I was rejected, due mostly to my lack of experience in the post-college working world. But the rejection pushed me to quit my job in advertising and start my partnership with Al sooner rather than later. I figured, why wait two or more years to start doing what I already knew I wanted to do? I had a lot to learn in the first couple of years, but I studied hard and got to learn from the best. My dad has given me the best education in marketing that money could buy.



**Your father mentioned that you and he think fairly alike when it comes to marketing. However, you look through the perspective of a different gender and generation. Is there a point at which you, perhaps not disagree, but approach the field differently from your father?**

We definitely agree on the basic principles of marketing. On the execution side, however, I have more knowledge of trends among younger consumers, especially women. Although we have worked together on a strategy for a tampon company and he had some good insights. But there is nothing more embarrassing than discussing tampons with your dad all day.

**Do you think that today's upcoming younger generations are influenced by and respond to brands in the same way as past generations?**

I think that brands have only become more important to the upcoming generations. Brands are used by people to define their identities. You are a Pepsi drinker, Volvo driver, Mac user, TiVo devotee, Timberlake fan, *Wall Street Journal* reader, etc. In addition, the Internet is having a greater influence on people's daily lives and the speed at which information can be shared.

**What areas of marketing do you think are most neglected by business schools?**

I think the basic principles of positioning and branding are underemphasized, and the principles of public relations in terms of brand building are very much neglected. Business schools place too much emphasis on advertising and extending brand equity through line extensions. Instead, schools should spend more time teaching the principle of focus and showing that brands are strengthened by narrowing, not extending, their focus. Think Starbucks and coffee, Subway and submarine sandwiches, Red Bull and energy drinks. They should also emphasize that great brands are built with PR, not advertising.

“Business schools place too much emphasis on advertising and extending brand equity. Instead, schools should spend more time teaching the principle of focus and showing that brands are strengthened by narrowing, not extending, their focus.”

—Laura Ries

resources to execute that strategy. INSEAD is also very good at global branding.

**You mention two dominant forces—the Internet and globalization. The two are really interconnected, in that the Internet has in large part made globalization possible. But they represent huge minefields for business, linguistically, culturally, technologically. How can business schools overcome those hurdles in order to market themselves to such a heterogeneous audience?**

There are a lot of professors writing articles and books on the subject, but nobody really knows how it's all going to work out. You can really only build brands at the periphery of these trends, if you will. That is, you've got to get in early. Apple got in early with the first personal computer; Intel got in early with the first microchip. The Internet, global branding, global marketing, and developing global corporations that aren't really located in any one specific country—an institution that focuses on these developments could be very powerful.

Institutions should focus on these developments rather than focus on finance and try to upstage Wharton, or focus on management and try to upstage Harvard. It's better to pioneer new territory and hire professors who are recognized experts in new disciplines. That would take a business school a long way toward building a perception of being first in these new areas.

**The world where everything was going to happen on the Internet obviously never happened. Magazines are printed, shopping still happens at the mall. But the Internet is still a very powerful force. What role does and should the Internet play in an organization's efforts to brand itself?**

In one word—information. There will be some buying on the Internet, but in almost every situation today people use the Internet to get information about a product or service. And

then they decide where and how to buy it—by phone, on the Internet, or at the store. Almost every company should be evaluating its information, communications, and activities via Internet. This is a shift in advertising, too. It used to be that people used advertising to convey information about products and services, like the Sears Roebuck catalog. But these days the Internet is a more efficient way of doing that. People can search for specific information on the Internet much more easily than they can go through the pages of a catalog.

**Can the way you present information on your site interfere with your brand? Or is it that when you put up information that's true for your school, the brand and perception take care of themselves?**

That's an interesting point. That's where the power of having a focus comes in. If you're a business school that offers all sorts of things, what is your site? It will be like everybody else's. The way to make the site look different, feel different, and act different is to have some sort of focus, which will immediately make your site more powerful. A lack of focus will make it messy and complicated. Look at Amazon.com. Amazon used to be simple, and now it sells everything. It's more complicated, and that's hurting the company.

Designing an Internet site that's really helpful and useful is not an easy task these days. The best way to do it is to simplify. Interestingly enough, I think over time most institutions of higher learning have just accumulated all sorts of courses and programs. As a result, everything becomes way too complicated, and that shows up on their sites.

**Say that a business student or young manager is given a seemingly impossible assignment—to develop a brand-building campaign that will succeed in supplanting the current dominant brand in the consumer's mind. Is that even possible?**

The fundamental way to accomplish that is to be the opposite. The difference between Home Depot and Lowe's is a good example. Home Depot is perceived to be messy, male-oriented. So Lowe's, the No. 2 brand, became clean and female-oriented. Today, Lowe's is making a lot of progress and doing better than Home Depot.

Likewise, Wal-Mart is perceived as being downscale and inexpensive, so Target became the opposite. It's perceived as “cheap chic.” Coca-Cola is the old established cola, so Pepsi said, “We're for the younger generation, the Pepsi generation.” The fundamental strategy is that if you want to build a brand against a dominant competitor, you must try to figure out what No. 1 is and be the opposite of No. 1. In the busi-

“Most students do a very good job of learning in the **classroom**, but they don’t do as well in following what’s happening in the **world of business**. I find that a lot of younger people think they know everything. But if you ask them what happened yesterday to General Motors, they’ll say, “Well, I don’t know about that.””

—Al Ries

ness school area, decide who you want to go against and be the opposite of that school. That’s the concept, although I’m not saying it’s easy to do.

**If a business student wanted to become the best marketer and brand-builder in the world, what early experience do you think would prove most valuable to him or her?**

Most students do a very good job of learning in the classroom, but they don’t do as well in following what’s happening in the world of business. I find that a lot of younger people think they know everything. But if you ask them what happened yesterday to General Motors, they’ll say, “Well, I don’t know about that.”

If students want to be really good in this business, they have to pay the price, which is spending a considerable amount of time every day reading about what’s happening in business around the world. Students must be able to form opinions about what’s good and bad through observation of what companies are doing or not doing. Unless they’re up-to-date on what’s happening with the larger companies in the world today, they can’t really form a good conceptual approach to marketing.

And in marketing, things are constantly changing, so to be really good, students have to read the business press and the newspapers—*The Wall Street Journal*, *Fortune*, *BusinessWeek*, *Forbes*, *The Economist*, *The New York Times*, *USA Today*. I subscribe to five newspapers and maybe 200 or 300 magazines. I don’t think there’s a magazine of any note that I don’t read.

**It also seems, then, that another challenge for students is not only being up-to-date, but also being**

---

**capable of producing a timeline of what's happening with a company.**

Oh, yes. When students read about a company doing this or that, they need to ask, "Is this good or bad?" Then, they need to continue to observe what's happening with a company. That's the only way to develop confidence. Students will never be good at marketing unless they have confidence, and they develop confidence by making predictions and then watching them happen. If they make predictions that don't happen, students should realize that they're doing something wrong. That should be constantly in their minds as they read about what these companies are doing.

**You have spent your career examining the roles of advertising, PR, branding. In your opinion, what's the next mountain to climb in the marketing arena? What's the next wave that organizations should expect to affect their marketing strategies?**

Laura and I are working on a book on innovation. We want to explore the areas that companies should focus on in order to innovate and how they should use technological innovation to advance their causes and build their brands.

**How do you respond to critics who say that branding, advertising, and marketing aren't quite as clear-cut as**

**some of your books make them out to be? Is it possible to oversimplify branding, advertising, and marketing and how they all interact?**

I would certainly agree with most people that nothing about marketing is at all simple. The process is complicated. But even in a complicated situation, such as warfare, if you don't have a simple analogy or a simple way of looking at what you're doing, you probably aren't going to be successful. That's my main complaint about most marketing managers—they know everything, but they don't know enough to apply simple, logical, conceptual ideas to what they're doing. They run off in all directions doing hundreds of different things. They might do each individual thing well, but they don't have an overall grasp of what they're trying to do.

Look at Burger King, for example. Burger King has spent hundreds of millions of dollars every year on all sorts of programs. Instead, it should be the opposite of McDonald's. Get rid of the swings and slides. Get rid of all those value meals. Let that business go to McDonald's—it's going to go there anyway. Burger King should become the grownup business and focus on a different customer.

This may be a simple way of looking at it. But after you simplify it, you need to work out a program. You need to think of the complicated ideas and do the complicated work. But first you'll always need an overall, simple, conceptual analogy to guide you. **Z**