



Branding and corporate identity

1. About corporate identity

All businesses, organizations and brands have a visual identity; an identity that is associated with their name.

This identity is a product of the owner's collected visual representation in- and communication with the surrounding world.

Everyone that comes into contact with this identity is affected by it in some way or other, and forms an opinion of the owner – consciously or subconsciously – based on it.

To ensure that a client, and the client's products and services, are perceived as reliable, professional and serious, the visual identity must be managed and controlled. This is accomplished by the development of a so-called corporate identity program: a set of visual rules and graphic standards that are to govern the design of all material through which the company is represented.

The corporate identity program must be applied consistently and cohesively in order for the image of the client to be clear and convincing, instill confidence and communicate the core values that permeates the organization and are considered fundamental for its existence.

For startup companies, the development of a corporate identity is something of a brand related R&D process, which requires a lot of soul-searching and market-related analysis and input.

For existing companies, the corporate identity is more of a brand commodity that can benefit the company or weigh the company down, depending on whether it is in or out of step with the company's evolutionary curve. It therefore needs to be revised and refreshed intermittently.

2. Buying corporate identity services

Very few clients are experienced when it comes to hiring consultants and designers to work on their brand and their corporate identity. It is simply not work that is commonplace in very many businesses, and therefore there are often a great many misconceptions surrounding this type of work.

2.1 THE IMPORTANCE OF THE BRAND

One major misconception is that the corporate identity of an organization – be it big or small – is not very important. This is simply not true – a brand is a very valuable commodity. Building and enhancing the brand is a core business activity and a fundamental principle of strategic marketing. Investing in the brand is an investment in the future marketing success of your company. A weak or inconsistent brand will be a liability in any marketing campaign and may even sabotage the ROI of your marketing budgets.

2.2 COSTS VS RESULTS

So, how much you can expect to pay for the creation of your brand? The answer is that it doesn't necessarily *have* to be expensive, but it certainly *can* be, depending on who you decide to do business with. It can cost you in terms of actual money, or it can cost you in terms of the inadequacy of the results.

In developing a brand, you often get what you pay for. You may know a talented amateur working out of a basement who can create a name and shape it into a logo for \$500. Or you can choose to pay an established identity and branding agency \$100,000. You would think that \$100,000 should get you a higher quality design and quite a lot of brand theory and marketing analysis to back it up, but that isn't always the case.

2.3 HOW TO CHOOSE THE RIGHT AGENCY

Realistically, smaller organizations or startup companies are best served looking for an in-between solution. Try to find an agency that is experienced in creating brands for smaller businesses; one that understands your need for swift and inexpensive results. Ask about their branding practices and examine their portfolio. Make sure they can adapt to different styles and aesthetic demands.

2.4 HOW TO KNOW IF YOU'RE GETTING YOUR MONEY'S WORTH

Established design agencies charge anywhere from \$25,000 to \$40,000 for a name and logo. You should demand great results from a agency in this range.

But is this worth the investment? How does one know?

Well, there actually *are* formulas for calculating brand value. An established formula goes like this:

- VALUE OF BRAND NAME = $\{(V/S)_b - (V/S)_g\} * \text{Sales}$
 $(V/S)_b$ = Value of Firm/Sales ratio of the firm with the benefit of the brand name
 $(V/S)_g$ = Value of Firm/Sales ratio of the firm with the generic product

Acknowledging that the value of any company is tied to its sales, by comparing an established brand with a generic one using this formula, it can be established that as much as 67.70% of the value of the company can be traced to brand name value.

In the specific case of Coca Cola, one of the most recognizable brands on the planet, the value of the brand name has actually been estimated at \$102 billion or 88.69% of the total value of the company. Comparing the value of the Coca Cola brand to a generic cola, it has been established that the value of the Coca Cola brand is 6.1 times the value of sales.

To put this in terms of profitability, it can be expressed like this:

- Water is free. Water + Brand costs \$1.50 per pint.
- A pound of coffee costs roughly \$4/lb . That same amount of coffee, plus the Starbucks brand, costs \$9.95.
- A can of generic cola costs 25 cents. A can of cola plus brand costs \$1.00.

Clearly, if one is serious about building value in ones company, branding is a great way of doing it!

2.5 BRAND VALUE MATTERS FOR ALL SIZES OF BUSINESSES

The most common objection to the argument for intrinsic brand value is, that brands require marketing leverage that only big companies can afford. This is true to a certain degree, but it doesn't rule out brand value as an important factor even for small businesses.

Brands are not necessarily about factual reality – brands are about *perception*. A company branded as "*the best value in town*" does not need to actually *be* the best value in town. It only needs to maintain that *appearance*.

All companies, in all sizes, have clients or customers that form their purchasing decisions on *both* tangible and intangible factors. Companies are therefore to some degree dependent on how they interact with their target audiences, in order to manage and improve the intangible aspects of their brand. Consumers see a particular brand name as a contract. A brand's name may reduce a consumers' sense of uncertainty, instilling a modicum of trust and thereby enhancing a sense of value.

Brand value is communicated by using consistent imagery and uniform messages, which enables the consumer to distinguish between different brands and their

attributes. A customer weighs the tangible product features together with intangible aspects such as brand value (and price), to narrow down their selection to a smaller number of alternatives which they will consider for purchase. This means that a brand's value can affect the outcome of the purchasing decision and it thereby has a value, regardless of the size and marketing resources of the company behind the brand. And this value keeps improving, if the brand is managed right.

3. Corporate identity design process

To set a brand development or brand refreshment program off on the right footing, Houdini work with the following steps:

3.1 RESEARCH/ANALYSIS

A RESEARCH

I study all materials the client provides me with.

B COMPETITOR ANALYSIS

I study and analyse all relevant competitors and their brands, based on the clients selection and input.

C MOODBOARD

I create an interactive so-called "moodboard" for the client, which the client then works with and makes a number of visual and image-related choices that the design work will be based on.

3.2 CONCEPTUALIZATION/POSITIONING

A ANALYSIS

I compile the information given by the client under 1 above in a brief analysis, where the a suitable, available position on the market is narrowed down which defines the brand in contrast to the main competitors.

B CONCEPT

I author a description of which rational and emotional communicative features are the most crucial for the client's position and brand, and then recommend a communicative concept that expresses this.

C STYLE

I describe verbally a suitable style, i e a visual expression, that suits the concept.

3.3 NAME (FOR NAMING CLIENTS ONLY)

A VERBAL PARAMETERS

I assemble a number of words and/or expressions that I believe would be positively associative to the client's business and that could be used as verbal "building blocks" to create a name. Most commonly, this would be a unique "nonsense word" that the client can charge over time with a certain meaning, but it could also be a variation on an already existing term or phrase that has preexisting associations built-in.

B NAME SUGGESTIONS

I create a number of suggested names based on the parameters above, that the client can evaluate and select a shortlist of suitable names.

C NAME RESEARCH

I research the availability of trademarks and domain names of the names in the shortlist.

D NAME SELECTION

I help the client select the name that works the best and is also available.

E DOMAIN NAME REGISTRATION

I assist the client in registering the relevant domain name(s).

3.4 DESIGN

A TYPEFACE, COLORS

I initiate the design process by choosing a number of suitable typefaces and color combinations and seek the client's approval on these.

B SKETCH

I develop a number of sketches and logo suggestions.

C DESIGN

Based on the client's input and choices, I develop one visual alternative.

D DEVELOPMENT

This preferred alternative is developed and refined in dialogue with the client, until a finalized result is arrived at.

3.5 PRODUCTION

A LOGOTYPE

I produce a final digital design (usually in vector format) and develop different size- and color versions for various purposes and channels (print, screen etc).

B PRINT FILES

I produce printable logo files for the units requested by the client (business cards, letterheads, envelopes, stickers, signs etc).

C PRINT

I request printing quotes for the units chosen and, if requested, manage the printing process on behalf of the client.

3.6 IMPLEMENTATION

A CORPORATE ID STYLEGUIDE

I compile a simple, brief guide to how the logotype, colors and typefaces are to be used.

B TEMPLATE DOCUMENTS

I produce template documents in for example MS Word, MS PowerPoint or e-mail, that the client requires.

C TRAINING

If so required, I assist the client in implementing the brand by training key staff members on how to work with the corporate ID.

- JAY SOJDELIUS