

BrandTrust

# A Brand Is a Promise

by Herbert Lechner

Successful brands have enormous potential for trust. And by no means just with consumers, as stressed by management consulting firm BrandTrust.

“No advertising! No design! No mediation! No assessment!” BrandTrust itself has become a distinctive brand that has been able to consistently and convincingly achieve its own maxims. One of those maxims is explicit: Strong companies are not able to do many things, but those that they do, they do better than anyone else!

In an interview with moving, BrandTrust Managing Director Jürgen Gietl explains what opportunities, but also risks, the future will hold for brands.

#### Brand as a magnifying glass

According to Gietl, the term “brand” is commonly reduced to appearance, a logo, packaging design, or presentation, but a brand is so much more. It is a trust system, an orientation and valuation system that can be used to concisely communicate

many different services. The brand professional: “A company provides a large number of special services every day. The brand is tasked with condensing these characteristics. It works like a magnifying glass. It bundles the many activities in a way that burns them into our memory.”

If customers have had good experiences with the brand for a longer period of time, trust is built, and also referenced before making a new purchase. This also applies in the business world. Professional purchasers do not want to try something new every time and make a new decision. Studies confirm that consumers also trust new, still unfamiliar products or offerings if they come from the same brand. “This is obviously crucial for corporate agility because companies don’t have to start from scratch every time. They can therefore be quicker

than start-ups, for example, because the start-ups have to earn the consumer’s trust first.”

It is also true that: You know what you get. But according to Gietl, there is a flaw in this well-known branding adage. Because people don’t actually know what they get, they just think they do. “How far removed is the customer’s decision from knowledge and how far from belief or trust?”

For example, people actually assume that the fact-driven purchasing decisions in the B2B world are very rational processes. However, surveys show that the ratio of belief to knowledge is more like 70:30. “Even professional purchasers are not capable of processing all the facts provided in a submitted offer. The deciding factor is actually which provider of the offered services the purchaser really trusts.”

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#### Brand as a management tool

A problem arises when what we promise, advertise, and offer externally does not match what we are living internally. According to Gietl, Volkswagen is a prime example: The communicated core of the brand is “responsible,” but management’s objective of “We want to conquer the world market (Ferdiand Piech),” did not match the core brand statement. “As a manager, I make decisions and send signals in the process—but the question is do they always go together? Do all the measures and especially the behaviors contribute to the core of the brand and the values it holds?”

Brands and defined brand values provide a wonderful tool for checking to see how the framework for action is defined. And to be able to make it clear—and also discernible for employees—as to whether they are still operating within this framework. Doing so therefore requires precise investigation into where the credibility limits of a brand actually are. Is it just about what you do? Or how you do it? Or both?

#### Brand partnerships

The force that draws people together is primarily based on common value systems. If these value systems are compatible, then it is often referred to as “good chemistry.” In reality, however, it is all because of the value system. Gietl: “Good chemistry can exist on a physical level, but it is not very sustainable if the value systems aren’t in line. That ends up in a one night stand, which is also true for brands.”

When two companies cooperate, it presents a special challenge. How closely compatible are these corporate brands in their framework for action and their value system? The big problem is that this is not usually investigated before such a decision is made. Consider DaimlerChrysler. There were certainly countless synergies on the functional level, but the cooperation ultimately failed on the values level.

Interroll, on the other hand, took a commendable approach and avoided this pitfall by diligently checking to see how compatible the value systems were before partnering with Sauber. “As a ‘neutral party’, BrandTrust was therefore commissioned to conduct an objective analysis,” Gietl says. And the cooperation has since indeed confirmed the decision.

#### Brand or trend?

Well established brands have a great potential for trust. But how long does it take until a brand is established even in fast markets? How long has Amazon been a brand? “So who do I buy from online even though I could actually buy from anybody?” Maybe the success lies in increasing customer expectations and getting customers to feel like everything will go well. “Summed up in one word: that they can ‘trust’ the brand.”

According to Gietl, Uber is a brand that simply fixes everything wrong with taxis and the brand they represent. “Uber does a lot of things differently: No taxis of its own, but because of that it keeps in constant contact with you and tells you exactly when your car will arrive. A promise is made and kept; that’s how brands work.”

But, for example, is Tesla already a brand or just a trend? This is much easier to determine for physical objects; the company is certainly fulfilling this characteristic of a brand. But Tesla is still not making a profit. BrandTrust is convinced that success is a brand’s ultimate purpose—it indicates that it is something special, standing out above the rest. ■

**BrandTrust –  
our ten convictions**

Brands are living systems.

Brands make consistent earnings possible.

Brands adapt by not adapting.

Brands do not follow, they lead.

Understanding is better than imitation.

Only zeros have no edges.

It's not that brands can be managed, it's that they must be managed.

Strong brands have definite limits.

Brands are guided by simple rules and coincidence.

Attractiveness beats awareness.



**Do brands have a future?**

Some tend to think that “brands are dead” because they are superseded by the Internet, while others claim that brands will become more important than ever. Jürgen Gietl predicts both might happen. After all, brands that were nothing more than a signal will vanish because any search engine can do a better job at that. But brands that convey value and have garnered appreciation, ensure identification, and are trust-building systems for employees and customers will always be needed—particularly in a world where everything is becoming more uncertain, and people crave stability, identification, and especially trust. “The brands that will survive and thrive are those that are closest to customers by triggering positive emotions.”

**Resilience of brands**

European companies and their employees are actually currently searching for stability because they are feeling completely unsettled in the face of constant change. Industry 4.0 and digitalization are rapidly changing the landscape for tech companies. Even the “Made in Germany” brand has just a limited impact on all of this. Quality, innovation, and reliability have long since become the interchangeable factors that international competitors are also able to provide. Leading tech companies were asked about this in a separate resilience study.

**What value does a brand hold for an employee?**

The brand has a particular value even for employees. According to Jürgen Gietl, employees think that there is something special about working for a brand-name company. They identify with the brand and they center their trust around the brand. “People only identify with something after building a relationship. Company owners used to fill this role, but now brands are charged with the task.” If this self-awareness is exemplified and resonates well, it builds pride. And studies have shown that employees are willing to work 20 to 30 percent more if they are particularly proud of their brand.

Jürgen Gietl emphasizes another point: “Brands are like a lighthouse even during times of change. Lots of fog is everywhere and nobody knows where they’re going, but something is there to lead the way. That’s trust!” ■

**BrandTrust—a brand profile**

BrandTrust is the leading management consulting firm for effective brands in the German-speaking region. In 11 industry competence centers, the consulting teams help market-leading customers develop and implement regional and global brand strategies with the goal of systematically and sustainably increasing profitability and brand growth. Many customers are Fortune 500 companies or are listed on the DAX 30, M-DAX, ATX and SMI in Germany, Austria, Switzerland, and northern Italy.

BrandTrust operates globally, and, in addition to its headquarters in Nuremberg, also has offices in Vienna, Zürich, and Ljubljana (Slovenia). Over the past 12 years, BrandTrust has implemented about 250 projects for more than 200 brands in about 40 countries around the world. BrandTrust partners and consultants have spoken to more 60,000 people in the some 2,000 lectures, workshops, presentations, and trainings they have given on brand strategy and brand management at home and abroad.