

# SPIRALLING GOODWILL BRAND

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## ■ *CONTEXT*

What's the biggest difference between trading and marketing? Trading has no assurance of repeat purchase whereas business that's driven by marketing can give surety of repeat purchase with predictable profitable growth. A brand's key elements are product quality and its relevance to societal trends, family and individuals. To establish a brand, the product's ingenuity has to first be addressed.



## ***Brand is not a magic wand***

*It's a myth that a brand is a magic wand that brings money with image and communication. Developing countries like India believe that a brand, using a Bollywood star as brand ambassador with some advertising spend and a sales battalion, can sell any product. With this formula, it is very difficult to draw a scientific direction for branding. A brand ambassador can create reach for a product that has infrastructure deficiency, but obviously contributes nothing to the brand's worth or its ability to bring sustaining return on investment.*

Brand building cannot be like a pre-determined railway line trajectory, it has to follow a bicycle's wayward trajectory. That means there is no limit to how a brand can switch its route to reach and serve by all means, millions of people of the world.

Brand building needs to mesh innovation with human connect. Only if the product has the mix of inventive science chemistry with social science can a long-lasting brand be created. That's why a brand is not a magic wand, it is a business money-spinning science.

The key faculty that spells a brand's success is its consistent repeat purchase. The repurchase act varies according to the industry the brand is in. The timeline for **repeat purchase** has 4 cycles as illustrated here: (a) Frequent, such as FMCG products; (b) Periodic, such as ink for the home printer; (c) Occasional, such as changing the mobile phone; and (d) Long gap before repurchase, such as the automobile, white goods, among others.

The brand business is highly driven by monitoring these 4 repeat purchase cycle types which cover more or less the entire spectrum of industry.

## ■ *YESTERDAY*

### STATIC ASSET BRANDS

Before the digital era, the time-line for product innovation/invention was quite long. Old brands established with innovative power had enjoyed their legacy over time. Brand trust was very important then.

Availability across the country and the world was a big challenge. New brands were created by giving some **better convenience** and price competitiveness over the old brands. Brands had the time to establish aspiration connect to customers. For the companies, their brands seemed like assets when viewed with our digital era perspective today. Every 5 to 10 years, their existing brand architecture, brand identity and advertising needed some fine tuning.

Marketing activities were focused on protecting the brand's core element of customer usage and habit, and **code of the market**. So it was brand maintenance in the lapse of time between innovations.

Preserving brand legacy with periodic fine tuning had contributed to creating what has now become the Static Asset Brand. Before 1990s, big industrial innovations were generally happening every 20 years.

Subsequently, the periodicity reduced to 10 years. Of course in today's **digital age, it's in fractions of seconds!** In comparison, the pre digital era brands can be considered as static asset brands.

Let's take the telephone industry as an example to illustrate the static asset brand time. The first telephone call was made by inventor Alexander Graham Bell on 10 March 1876.

Just imagine, for 108 years this static utility telephone for the home and office continued until Motorola Dynatac 8000X, the first commercial **mobile voice phone introduced in 1984**. Further innovations resulted in the 2G text, picture and multimedia messaging mobile phone in 1991 until 2007 when Apple launched the first touchscreen smartphone.

### ***Example of static asset brand timeline***

*Look at the manufacturing time the static telephone brands took to change models and techniques: Bell Telephone 1876-1910 was a wooden hand crank phone, Almon Strowger 1890-1920 candlestick telephone and between 1905-1930 rotary dial, Western Electric Model 102/202 in 1927-1937 desktop cradle telephone, Ericsson DBH1001 from 1931-1962 the bakelite phone, Western Electric Model 302 from 1937-1955, Western Electric Model 500 from 1950-1980, then from Bell The Princess 1959-1994 slim and feminine looking, and Trimline 1965-1990 small and easy to use. All these just supplied the demand. In fact brands in most industries upto 1990 have become static asset brands since the onset of digital technology.*

Traditionally, American brands strive to provide convenience in their products and marketing drive. To sell more, they also create new needs and desires for customers. Ingenuity of fundamental invention and innovation of the latent product has always remained very much an American or European knowhow.

The rest of the world has always been just customers who enjoy the surprise, tagging it as western inventive power. Western industries that had a global footprint, drive these as imperial brands of the world.

After WW2, the US became a consuming society, but consumption was quite moderate till 1990 when compared with the coming of the digital revolution.

That's why **brands created before 1990 can be called as static assets**, their tone and manner and customer proximity were built with years of hard work in periodic innovation and marketing. Consumer expectation was very moderate at that time.

With the onset of the **digital era post 1990**, companies that chose to maintain their imperialistic arrogance became static, **losers** or even had to shut their doors. An apt example is **Kodak**.

While being the inventor of the **digital camera in 1975**, **Kodak** never did believe in the digital era. For them nothing could be a better solution than celluloid. This was the fallacy of the static asset brand era. These brands were sitting on a comfortable journey with long lasting, almost monopoly market that had existed from 1892 to 2012. But the digital era radically outdated such asset brands.

## ***Outlook of static asset brands***

### ***Product – Brand identity – Advertising - Distribution***

***Changing the bottle paradigm:*** Assets are highly driven by breakthrough, rupture or disruption models. But actually all these models are only changing the bottle for the same wine.

***Product:*** Very often it happens with cosmetic change to create dynamism in the market.

***Brand identity:*** Static, consistent, graphically well structured. Lots of names are acronyms which have no meaning in the business activities they pursue. The name is made crisp to form a brand, eg. IBM, GE, ITC, UPS, GM among others.

***Advertising:*** Single orbit centric. Driven by product functional benefit giving relevance to social and family purpose orientation. Often disconnected from the product by creating some kind of glamour to the brand.

***Distribution:*** Laborious, based on infrastructure availability.

## **■ TODAY ONWARDS**

### **SPIRALLING GOODWILL BRANDS (SGB)**

The biggest game changer to turn the brand upside down is the digital era. People across 5 continents can **navigate the globe today with their finger tips**. The digital phenomenon has radically changed the old brand legacy model making that become a static asset today.

I am baptizing the new era to be that of the **Spiralling Goodwill Brand (SGB)** irrespective of the industry, and whether the product or service is virtual or physical.

SGB triggers intelligence that traverses into the intuitive space; it emboldens people to cross orbits. An SGB brand can nurture and empower that sixth sense human beings love to experience, where there is no frontier. This digital-powered intuition is fraught with extreme individual hedonism.

So individual freedom, breaking out of narrow everyday orbits, and to imagine the beyond, are now integral to the customer's brand experience trajectory. Also, a big part of the world lives in a **multi-cultural environment** where **inclusion** is treasured as a civilized new way of life.

Traditionally brand advertising was frozen in an orbit of glamour and functional benefit with transactional give and take with customers. Because customer mind has changed diametrically, the brand has to redefine its communication platform across all industries to be aligned with SGB.

The product or service itself of certain digital era brands like Google, Microsoft, Apple, Amazon create and enable the **customer's intuition**. That is why intelligence, intuition, multi-culturalism, inclusion, crossing orbits to achieve hedonism have now become, and will continue to be, a part of the SGB brand and brand communication.

In the last 30 years, digital technology has aggressively advanced to become all-pervasive.

Today's **digital phenomenon is akin to water**. Just as water can be tempered with any substance to change its character, you can modulate your experience in any circumstance in the digital platform mode. As people continue to seek the higher level with ever-changing advantages, only those brands that **evolve spirally** will be able to spread their **goodwill among society**.

The kickstart of digital technology in the customer's hand from mid-1970s saw America, the inventor of mass industrial production, going from auto-mechanization to electrical, electronic and to the digital age.

The US had started and has continued to lead brand culture. They followed up with brand marketing, invention, innovation, predictable sustaining quality, unique selling proposition, and allowing free market competition. Differentiation, embedded in the American branding culture, has had huge influence across the world.

The west with its **million-people culture** has traditionally been the custodian of big brands. The **billion-peopled** Southeast Asia is now taking on this shine due to the digital explosion. By seizing the edginess of the western inventive platform, Southeast Asia has gone into **high speed productivity** mode to manufacture products ordered by western brands as well as tweaked replicas.

As both Southeast and South Asia are driven by the culture of being billion-people countries, they have ample scope to sell these replica brands in their countries as well as across the world with a decent cost advantage with great quality. However, Americans still continue to be lead inventor and master of the digital economy with performing brands like Apple, Microsoft, Amazon, Google among others.



## **CORE OF THE SPIRALLING GOODWILL BRAND**

A brand's ROI always has to be endless pluses +++++ and multiplication xxxxxx...A spiral is never-ending; it never closes, unlike a circle which is a confinement, blocked within itself. A spiral has full liberty to extend itself upwards and outwards while keeping a vital connect to the core.

Today's digital era has speeded up our ever-evolving society; trends now are sprouting rapidly and product innovation cycles multiplying swiftly. This means that products are changing frequently, so the brand has to anchor them in this continuous change. So a brand has to catch up to this newness of products and services to retain its freshness across the market's ever-changing leaps.

A brand cannot be created every year. It requires seasoning time in the market to create brand friendship with customers that results in brand loyalty. That's why it's essential for a digital era brand (for a product or service, whether virtual or physical) to be embedded with a spiralling effect so it can hold its essence in the market's latent aspect. Brand substance has to be a spiral, that is, totally anti-static, to carry today's fast-changing innovation cycles. It has to absorb and ride the spiralling trends of society and the market's competitive edge. Accumulation of the brand's seasoning factor will continue to result in brand goodwill, which too has a spiralling effect.

A brand can achieve higher friendship and unending goodwill with customers by entwining latent newness in its products and services. This spiralling goodwill brand will also regularly deliver high returns to the brand custodian. The brand's spiralling essence also drives spiralling goodwill which is unlimited in worth to all its stakeholders.

For customers, a brand is no more than just a transactional commercial object.

To create brand friendship with customers beyond any cost is an incredible new dimension today. Eg. Apple, Microsoft, Samsung continuously upgrade their devices in the aftermarket for customers who never have to pay any extra amount for the upgrades of their existing devices.

So in this new style of proximity to customers, their already purchased devices remain latent. New digital devices that come very frequently are always equipped with latent hardware and latent features. At the same time, old devices get free software upgradation services in the aftermarket by the self initiative of the makers of those products.

Creating this new customer habit has a huge repercussion in customer purchase behaviour in all other categories. In whatever category your business is in, if your brand does not create a **spiralling effect** with additional tangible added value to your customer, that brand will not exist in the market in the near future.

This totally new phenomenon in the world's consuming pattern is affecting both products and services today. The brand cannot have just a single **transactional** connect to the customer, it has to be continuously upgraded **after purchase**.

On one hand you have to give innovative products or services within the short 3 to 18 months timespan depending on the category; and on the other, find a solution on how to evolve the product/service already bought by the customer.

The big dilemma now for retaining repeat purchase customers is how to keep regular contact with them by delivering newness that will be embedded in the product or service.

That's why the analogy, that the digital platform is like water. You can change the benefit and taste of water in a glass in any way you want to, from less sweet to high sweet, salt, spicy, vitaminized, fruity effect, the choice is endless. The digital platform has become the same. Within a short period of time you can change its function in limitless multi-dimensional ways.

In fact the **all-pervading digital platform** has longevity over water, so if your brand essence is digital-mindframe driven, you can navigate it to become a spiralling goodwill brand.

**Service industry:** Out-of-office desk work is becoming more widespread as a practice now, although it had started sometime ago. The onset of Covid19 has been a test market of WFH (work from home) and proved it to be effective.

Out-of-office work results have been very high in productivity, time management, infrastructure cost-effectiveness and in better financial results for corporates. So this will become a new norm of the service industry and will multiply the profitability of these companies.

The service industry brand has to aspire not only the customer, but the employee as well. That's because although WFH is time-saving for employees to avoid the transport chaos, it can get very boring. The many unrelated to work distractions can be distressing, and working on the virtual screen without the advantages of colleague interactions can be very lonesome,

So service companies have to take the initiative to provide non-virtual means of entertainment to employees. The SGB brand has to induce aspiration among employees. It has to reinforce their intuitive mind-frame on how they can get activated with mental and physical playtime such as sports, painting, gardening, photography, cooking, home decoration, playing music or by pursuing any kind of hobby they have outside the digital screen.

The SGB custodian has to lead such brand activities to keep employees engaged to the brand by making them share their experiences so that employee bonding increases with a spiralling effect and employees motivate one another.

**A conducting threaded needle to stitch the customer's short span of attention:** This means that in the spiralling goodwill brand, a powerful threaded needle has to point where to go so that the brand's authentic core gets stitched in, thus avoiding its derailment or disappearance.

The digital social media is in a big crisis today. Manufacturers are spending about 20 to 25% from their advertising budget on the digital media. This percentage is growing very fast, although traditional media is still driving the advertising world. Statistically people's span of **attention in digital media is not more than 4 seconds**, so a longer product or service advertisement may be overlooked.

Digital communication has to be enigmatic with an instant anchoring capacity, and also have a conducting threaded needle to stitch in the essence of the brand.

## ***Nutshell of spiralling goodwill brands***

### ***Product – Brand identity – Advertising - Distribution***

***Displacement:*** Old and new brands have to be totally displaced into a new paradigm instead of bottle-changing the same wine. It requires a conducting threaded needle to keep its core. Huge regular change will be evident, that is why the proposition needs to be stitched together with a needle that ensures its SGB essence is retained.

***Product:*** Be measurable so that customers can instantly perceive the ingenuity of the product at any given time without any advertising help. Have perceptible differentiation

***Brand identity:*** A meaningful or composed name that is entertaining. Simplification with strong symbolic effect that communicates a sense of belongingness as customer friendship. A symbol can replace the name with a fraction of a second recognition factor in it. Be a self communicator.

***Advertising:*** Addressing the customer's intelligence level and not only the desire level. Also, triggering the customer's intuition, multi-culturalism, inclination to be inclusive, and inclination to cross orbits to achieve hedonism.

***Distribution:*** A distribution model that is unconditional, totally intuitive, on the fingertip availability with a variety of choice.

# SOLUTION FOR THE WAY FORWARD

Custodians of brands have taken a total flip while traversing from asset branding of yore to the spiraling goodwill brand of the digital era. They have entered a compelling new direction in product, marketing, branding, design and communication.

Irrespective of the industry, products and brands have to make a new strategic drive towards the spiraling goodwill effect. Here is an outline of the spiraling goodwill brand solution:

## ***Guidelines for the Spiralling Goodwill Brand's virtual and physical products and services***

***I. SGB's virtual and physical product / service:*** *Tangible differentiation in a virtual or physical product or service is indispensable for multiplying wealth for a brand. There will always be low cost me-too products /services which will drive volume with very low margin, but tangible value added products / services will definitely ride the market.*

***II. SGB business strategy:*** *Get connected to the existing end-customer in the aftermarket to bring a solution that subconsciously creates a pull towards the brand. That pull should indicate you are tangibly counselling some higher dimension rather than only selling the brand with the virtual and physical product / service.*

### **III. SGB marketing for virtual and physical products and services:**

**a. Brand substance.** *In the case of new branding, find a name in two different angles, a meaningful name (eg. Apple) or a composed name (eg. Google). The name itself has to have aspiration to leverage the product. Easy pronunciation and easy recognition are essential, but avoid any generic connotation in the naming.*

*In the case of renovation of an existing brand, it has to radically compensate the customer's digital motivation. The renovated brand should not look static, it has to have the spiralling effect.*

**b. SGB design.** *There are two very different types of branding usage in marketing today, the virtual digital dimension and a brand's physical dimension. In the digital dimension, the brand design requires huge simplicity with uniqueness. It has to be adaptable for easy digital application. A spiralling goodwill brand differs from the asset brand by being extremely symbolic to always be noticeable among all the digital garbage out there.*

*SGB can be compared to the fine art domain in Europe where the radical shift from classic art to modern art in 1870 saw different artists bring multiple dimensions of art such as Impressionism, Expressionism, Pointillism, Cubism, Surrealism, Abstract, among others. That means brand design cannot go back or be just a rupture or disruption, it has to be a displacement from the past.*

*A digital centric spiralling goodwill brand can easily be applied virtually as well as physically in print or packaging design and all other physical collaterals.v*

**c. SGB architecture.** *Due to the continuous innovation of new products / services, a commanding architecture is essential for the spiralling goodwill brand. New products / services get integrated under its well defined architecture which facilitates easy recognition for customer offtake. It also helps brand visibility performance in the virtual space and on the retail shelf.*

**d. SGB maintenance.** *In the digital era, brand maintenance is a day-to-day job. It keeps the brand in tune with the regular changing spiralling social trends to translate it into goodwill.*

**e. SGB communication.** *Now the advertising platform has to cater to the customer's intelligence, intuition, multi-culturalism, inclusion, desire to cross orbits to achieve hedonism as part of the SGB brand and brand communication. At the same time advertising storylines have to centre on product / service performance embedded in the brand identity*

#### **IV. Index of ROI measurement of the SGB brand:**

*Customer intuition fulfillment score / Customer satisfaction on the brand's additional service in the regular aftermarket / Entry of new customers to the brand from word-of-mouth / Score of spontaneous repeat purchase / Brand friendship criteria from customer.*



## ■ *HISTORY*

# GENESIS OF BRANDING

Branding science is a by-product of the American industrial mass production revolution of 1814 from the Boston loom manufacturing company. The British had embargoed the supply of fabrics to the US during the Napoleonic wars in Europe. After the War of 1812 with Britain, the Americans realized they were too reliant on foreign goods.

This started the **mass production Industrial Revolution** when the mass production science was invented to avoid dependence on Europe.

Industrial mass production was a totally American idea unlike the previous century's **British industrial revolution** when the loom industry shifted from handmade to the machine through steam and water power. America's big size, big population and scientific productivity helped the country set up factories in different states, thus forming a new business model of separating the production and selling units.

The idea of mass industrial production led to a **free business culture** that welcomes competition. And so was born the competitive culture in industry where various competitors in the same domain were creating big differentiation in the same category product to woo customers. So customers enjoyed several new usage habits.

From this competitive culture emerged the idea of marketing which envisages a pre-sale network. The analogy is like throwing the fishing bait to determine what to sell, where to sell, how to sale and whom to sell to. The **fishing bait comprises marketing** in the mass production industry.

### ***Patent policy invention***

*Americans started to think and act about safeguarding industrial product inventions through patents from the end of the 18th century.*

*The first US Patent, numbered X000001, was granted by President George Washington on July 31, 1790 to Samuel Hopkins, in Pittsford, Vermont, for "making of pot ash and pearl ash by a new apparatus and process."*

*A free market with free pricing and patent protection of product uniqueness gave a very strong competitive edge to encourage competition in the same domain. This opportunity led to forming of quality consciousness in the product, resulting in the US marketing culture.*

*We can surmise that America's agrarian culture and cowboys of the gold rush era had transformed to mass industrialization for mass production, to patenting, industrial invention, marketing to mass communication since the beginning of 19th century*

# ETYMOLOGY OF THE BRAND

Brands that originated in Europe long before the industrial age had either the name of the creator or a royal signature. These were products of exquisite craftsmanship and high quality, so they were associated with a personality to make the product a rare symbol in society, eg, the King Louis XIV armchair or Dom Pérignon champagne made by a monk named Dom Pérignon in France.

Over time, products that bore the signature of a royal personality or a marking by an extraordinary craftsman have been dubbed as luxury brands.

In the 19th century, American mass production industrialization transformed individual craftsmanship to industrial knowhow by assigning the trademark. Trademark was the label of trust of manufacturing quality identity. From the 20th century, Americans altered the trademark to brand, although branding on animals had existed in cowboy culture for identification in the cattle pen and ranch.

In the 20th century, branding was turned into a **dialoguing science of friendship**. The brand was the anchor for the product, manufacturer and buyer. This started the brand culture. So the brand transmitted inventive power, **consistency of reliable quality** and that the product was dependable.

**Culture of added value convenience as marketing input and output:** The brand's evolution is very visible in the 20th century. In particular, American companies pushed the button continuously to bring convenience in every category of product.

Better convenience was perceived in the market either through innovation or invention. So product centricity in the mass industrial production became the keystone of marketing driven business culture.

### ***Asset brand trajectory***

*Example with the gramophone, the first home entertainment instrument. Different western manufacturers sculpted each brand to have better sound, look and quality for the family to enjoy music individually and collectively. Some gramophone companies designed the mechanical gramophone with a cabinet system to control its sound output. They created an opening gate to empower a different sound. Imagine even in the mechanical instrument, sound control was already being worked at the beginning of the 20th century. Then came the mobile gramophone you can carry to a picnic to listen to music outdoors. In 1930, the electric era changed the gramophone to become an electric turntable. The record changer followed next where 7 records can be arranged to play one disk after another. At a later stage, there was no need to change the turntable needle as a diamond needle was used for long duration play. So innovation, radical change of functionality from hand to mechanical to electronic shows how industrial evolution took place in the 20th century upto 1980, with differentiation brought in every decade through marketing. But the digital era put everything upside down in just the last 30 years. We can expect a lot more in the future.*

***Renovate or innovate spiralling goodwill brands to drive the digital era profitably.***