

# Results

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B U S I N E S S S T R A T E G Y C O N S U L T A N C Y

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## The Name is Bond

THE MANAGEMENT COMMENTARY

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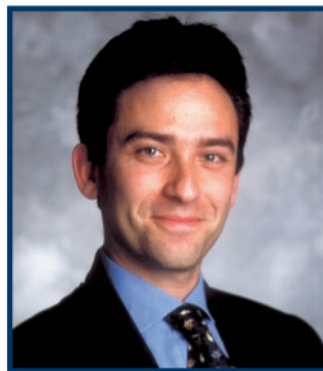
Few will contest the importance of brand awareness. We know implicitly that a strong name must provide some form of competitive advantage. But we have a harder time grasping that it doesn't necessarily translate into profits. Which raises some worthwhile questions: does what you spend on brand awareness—and some companies do invest a lot—reap real returns? Are you deriving tangible results from your branding efforts? In short, is your brand actually helping your bottom line?

A brand embodies a promise to deliver—to the buyer—something predictable, reliable, generally boasting either quality or good value for money. In that sense buying into a brand is reassuring. Yet your brand, necessarily foster a “bond” with your customer. And therein lies the difference between “name” and “brand”. The former is an image, sometimes just a logo, while the latter is a multi-layered entity, complete with values, emotions, and underlying messages.

To create the bond conferring “brand” stature, you must inject an emotional dimension into your brand, and make it stand for something.

#### SOCIAL BONDING

This emotional bond can be social: people buy your product



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because they wish—consciously or unconsciously—to make a social statement or signify their adherence to a community. This is probably why most smokers buy Marlboro. Casually tossing it on a tabletop says something; exposing a pack of private label does not. Same dynamic for Volkswagen: the motivation for driving a Volkswagen is wrapped around the social implications it projects: the prestige of a safe, solid German car, and good value at a reasonable cost.

#### PERSONAL BONDING

The bonding can also occur on a personal level, when the motivation behind the purchase remains personal. This is where companies like Apple or L'Oréal succeed in creating a profound connection between buyer and product. Back to cars: a customer choosing Renault buys into a specific emotional reality, and Renault has worked hard to market cars that embody,

or at least connote, a particular set of values.

There are still plenty of car manufacturers—Ford, Opel, Fiat—who despite strong brand awareness, do not differentiate themselves: their cars do not connote any social or personal statement, so they create zero bond between their products and their customers.

#### DRIVING IMPACT

The bond between your customers and your brand can be a source of great loyalty. It can trigger repeat purchases, cause them to buy your other products, to recommend you to friends, even earn you their willingness to pay premium. The emotional bond—social or personal—between them and your brand also leads them to seek out your products over the competition's. All of which provide you with more measurable performance tools, allowing you to gauge the direct impact on profits.

At the end of the day, building a brand for awareness' sake is not enough. Investing in your brand must be the first step towards building the bond that delivers tangible value. The kind that's reflected in your bottom line.

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