



MAKING YOUR MARK

IF YOUR STORE HAS NO **BRAND IDENTITY**, YOU HAVE NO WAY TO BE SPECIAL OTHER THAN PRICE, AND THAT'S A LOSING PROPOSITION.

STAND IN THE MIDDLE OF YOUR STORE. Close your eyes. (You might want to do this after hours.) Now take this short quiz. No cheating.

- » Which company is “engineered to move the way you move”?
- » When you think of Spinning, which brand comes to mind?
- » What company pioneered weight plates with handholds?
- » Who tells you to “never stop”?
- » Name the company that developed the first multi-station home gym.

The brands on your retail floor spend lots of money each year making sure you can answer questions like these. Manufacturers and mass retailers owe much of their success to strong brand identities. We'll bet you know the red bull's-eye logo and what store it belongs to. That's identity.

Now ask yourself this: How strong a brand name does your retail store have, be it locally, regionally or perhaps nationally? While some brand-boosting programs are costly and complicated, many of the benefits of a strong brand are indeed within reach of independent retailers and beneficial even on a local level.

Brands are important because they help companies build space in the marketplace between themselves and their competitors. When you're competing against peers, it helps to be different. Difference is a competitive advantage. Unfortunately, there are only a few ways for retailers to stand out from the pack:

1. Compete on Price
2. Compete on Product Assortment
3. Compete on Brand

If you can build a business on the first option, you're ready for that corner office at Wal-Mart. For most retailers, though, price-oriented differentiation is a losing battle. It's as detrimental to the image customers have of your store as it is to the bottom line. Even larger retailers who can leverage volume against slimmer margins struggle with the negative effects of price-point marketing.

Differentiating by product assortment has its own prob-

lems. It's expensive. It's risky. And, for most retailers, it means compromising depth for breadth. Having too few options in a product is as surefire a way to disappoint a customer as is only carrying one brand. So, it's no accident that retailers the likes of Target (the owner of the red bull's-eye, by the way) to Neiman Marcus have come to the same conclusion: Build the brand.

IT BEGINS WITH SELF-EVALUATION

To hone your branding chops, start with a little self-evaluation. How do customers know they're in your store? Are there cues to let them know that they're in a retailer that stands for something, one with a unique personality? Sure, your customers can look around and tell they're in a fitness equipment store. But what makes your store different from your competitors? What reason do they have to come to you? If you can't answer these questions, your customers can't either.

A brand is, at heart, just a list of attributes. And developing a brand strategy starts with identifying and organizing those attributes. Start by gathering words and phrases that describe your store: What's unique about it? What keeps your regular customers coming back? What do you do well? What do you want to do well? Be honest here. Strong brands are built on truths. If there's not at least a nugget of reality in the way you position your store, your messages will never be convincing.

With a list in place, do some culling. Everything on the list may be true, but it's probably too much to communicate. Narrow the list down to the most important attributes, the ones you think matter most to your customers. Those few attributes represent the core of your brand. They may not be worded like an advertising tagline. Don't worry; they're not for public consumption. They're a game plan to help you decide what to say when you communicate with customers.

UNDERScore YOUR BRAND PERSONALITY

These core brand messages don't have to be slick or

* GREEN EGGS & HAM

smart. But they do need to be communicated clearly and consistently. And while you don't have to spend thousands on print and broadcast ads to get them across, you do have to take advantage of every opportunity to communicate with customers in every way.

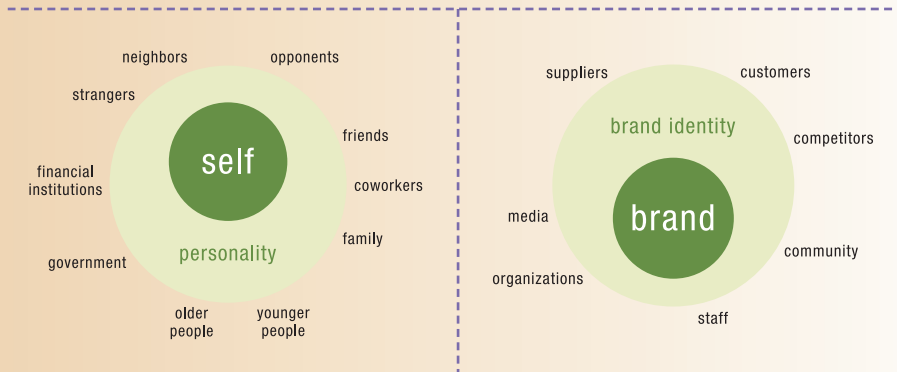
Scott Egbert, owner of Chicago Home Fitness, a 16-store chain in the Chicago area, said he believes it's vital to control every aspect of how customers interact with his retail brand. From visual merchandising to the staff dress code, everything about Chicago Home Fitness works to create an unthreatening and welcoming atmosphere. "We started with the idea that we had to be different. We wanted to soften the look of a typical fitness store," said Egbert, speaking to the stereotypical fitness store that is often nothing but a building jammed with equipment.

In developing his brand identity, Egbert said he took his cue from retailers outside the fitness market. He said he realized that chains like Sur La Table and Crate and Barrel were successful in part because they associate their brands with a lifestyle that appeals to their customers. Chicago Home Fitness takes the same approach. Instead of graphics of guys in tank tees pumping iron, Egbert's stores use images of people running, biking and enjoying the benefits of a healthy lifestyle. Stores have been designed to evoke the warmth and comfort of customers' homes rather than the chrome and mirrors sterility of a gym. The result is an environment that feels more like a high-end home furnishing store than a sterile place to buy a treadmill, an image that has helped Egbert tap into a more affluent market.

Another Midwestern case is quite different. 2nd Wind Exercise, with 51 stores and still growing, uses a combination of attention-getting and relationship-building messages to attract and retain customers. Owner Dick Enrico keeps the brand top of mind with everyone in his region, even non-exercisers, with in-your-face advertising with attitude that sometimes pushes the edge. Whether the moustached Italian with a can-do attitude is hamming it up for the camera with ex-athletes or running with gazelles in doctored nature footage, Enrico's goofy, pitchman persona is unforgettable. You may think the ads are corny, but area residents know about 2nd Wind and won't miss the message: 2nd Wind is the dominant exercise equipment dealer in your area.

And while he may play the fool in his ads, Enrico is smart enough to realize that marketing is more than just generating

Though the basic concept is much older, "branding" has been a hot topic for close to 20 years—so much so that the word has trickled down into popular culture. When my company, Satellite Design, explains the role of a brand in marketing communications, I like to use a model called "green eggs and ham." The green egg diagrams help explain the concept. The ham comes in when we present this in person since the presenter is the "ham." A brand identity is easiest to understand if you think of a person.



Think about yourself: the "you" you think you are. Now think about how you are perceived by the rest of the world. There's some kind of space in between, something that mediates how people see you. It can include the way you dress, your personality or a reputation for honesty. They all make up the "you" others see.

Brands work the same way as people. At the core is a set of attributes, a product or a mission that makes a company unique. But the outside world doesn't see that. They only see the personality, the outward manifestation of the company. That's what we call brand identity.


entertainment and some traffic, although awareness is a good start. To help convert that traffic to sales and make every customer into a repeat buyer, 2nd Wind's in-store and post-sale marketing is all about building customer relationships. Retail staff members play the role of consultants and begin the sales interaction as an educational experience.

Once the relationship is in place, 2nd Wind uses its website, newsletters and other communications to keep feeding valuable information to customers or potential customers. "What we're building is a CRM (Customer Relationship Management) system," said Rick Enrico, director of marketing technology. "When someone purchases a bike or a treadmill, we start by offering them information on how to use that product. Then our job is to continue to stay in touch with them and remind them that there are other things that can help them achieve their fitness goal." This follow-up approach reinforces 2nd Wind's role as an ongoing consultant and helps drive traffic back into its stores.

STICK TO YOUR GUNS

No matter how you choose to position your brand, a time may come when that position seems out of whack with the market or the prevailing attitudes of your customers. Neiman Marcus stood at such a crossroad after 9/11. In reaction to a down-

turn in luxury spending, competitors like Saks began introducing moderately priced merchandise. Neiman Marcus chose to hold the line, realizing that a shift in focus would undermine its brand identity as an extremely high-touch, luxury retailer. The company was right. By 2003, sales were back up, and it had widened the gap between itself and its competitors.

If you're honest and thorough in your thinking about the core attributes that define your brand, your positioning should be able to weather the momentary whims of the market. By concentrating your resources on communicating a few strong messages, you make the most of your marketing and merchandising dollars. Even with a simple clear message and lots of money to spend, building an image in customers' minds is a slow process. But there's no better time to start than the present, and there's no better way to start than with a simple summary of your core attributes. 

For more information on strategies for focusing your brand and product messages, contact Chris Harges at 415-371-1610 or chris@satellite-design.com—or go to www.satellite-design.com.

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