

The Future of Branding

# Strategy



Siegel+Gale

# Why usefulness is the measure of success for tomorrow's companies



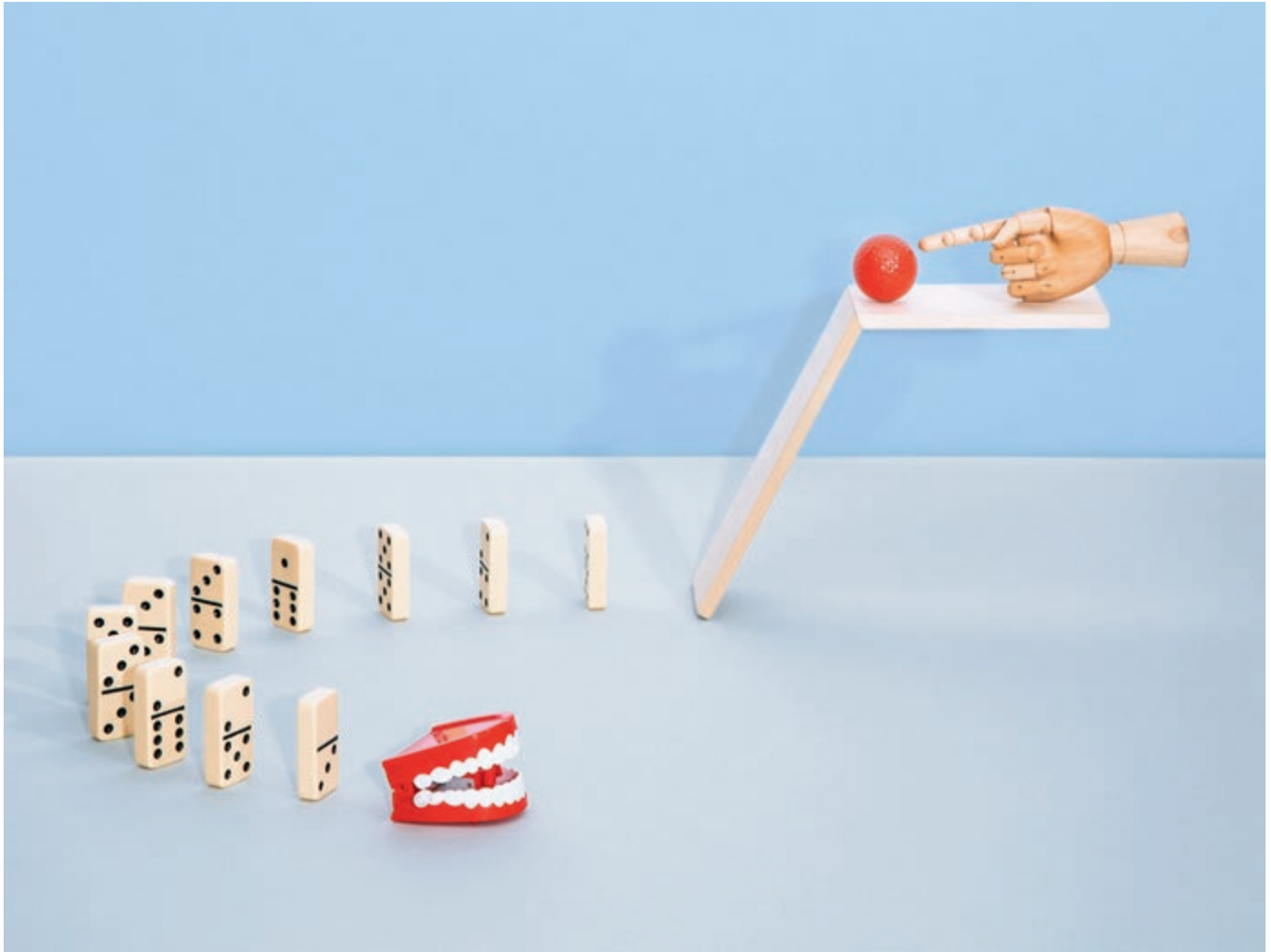
**In a world where services are commoditized at an increasingly rapid rate and sustainable differentiation is all but impossible, brands are finding that creating “usefulness” for their customers is the greatest differentiator.**

**The Simple Challenge**

Today’s most successful brands have grown loyalty and revenue by providing simpler experiences. In an increasingly crowded marketplace, the successful brands of the future will be defined by their usefulness.

**The Simple Solution**

Increasingly what will set brands apart is not merely creating the tools that customers can use to solve problems, but solving those problems proactively, making their lives better with minimal effort on the customer’s part.



### **What makes a brand successful?**

The most successful brands today are those that find ways to be more useful for their customers—not just in their core offer, but in ways that enhance the overall customer experience and provide tangible benefits beyond the core. This drive to deliver greater usefulness can not only help brands be perceived as “simple”—a characteristic of companies we’ve found drives greater customer loyalty and revenue—but can also create greater relevance with users and enhance a brand’s differentiation.

When we look closer at customer experiences, we can break “simple” down into three characteristics: simpler experiences are clear, beautiful and useful. In the context of experiences, “clear” means easy to understand and easy to use. “Beautiful” refers to the design of the experience or the objects that customers interact with in the experience. While brands can potentially make their experiences simpler by applying any of the

three characteristics, it is the brands that are making their experiences more useful that seem to be driving greater relevance with customers and prospects.

### **The act of being useful**

The English dictionary definition of useful is “being of use or service; practical.” This definition is inherently passive, like a Swiss Army knife that requires the user to make the effort to gain the benefit. When it comes to understanding exactly what I mean by “useful,” a Japanese word provides a more appropriate definition: Benri.

Benri means “to make a specific situation better.” It is active rather than passive. It means actively serving the user or customer, rather than merely relying on the customer or user to make the effort. It is this definition that I evoke when speaking about usefulness, because it is this specific type of useful that successful brands are often employing to create greater value for customers.

Not only is it smart for brands to be more useful, consumers say they prefer it. In the 2015 Digital Dopamine study, 86% of U.S. consumers said they want brands to be useful rather than interesting.<sup>1</sup> For decades, the objective of most brand marketing has been to build awareness and interest—by talking the loudest and making the most outrageous claims. Increasingly, consumers are judging brands not by what they say, but by what they do—not on their claim but on their delivery. And consumers believe a brand that provides a tangible benefit is more relevant than one that merely gets their attention.

### **Usefulness can be found on the periphery**

For some brands, usefulness must first be manifest in their core offer—in the “job to be done”<sup>2</sup> to quote Clayton Christensen. Usefulness at the core must be “job one” because true usefulness is not achievable if brands are consistently disappointing customers by failing to deliver what they promise. Until the core offering is improved, any usefulness outside of the core will be perceived as irrelevant and perhaps even as a lack of focus, infuriating customers who would rather brands “fix the basics” before identifying additional situations to improve.

But merely achieving parity performance, while critical to customers, is unlikely to provide significant advantage today. When parity with competitors is achieved, brands must look for new areas of the customer experience in which to be useful in order to gain competitive advantage and differentiation, be more relevant to customers and ultimately attain a price premium and loyalty.

Uber is a perfect example of a brand that is more useful than its traditional competitors in a category: that of short-term transportation for hire. Uber, at its founding, entered a category typically served by the limo and taxi drivers. And at the core “job to be done,” the ride in an Uber car and the ride in a traditional black town car are virtually indistinguishable. There is nothing in the physical ride itself that distinguishes an Uber experience from that of a town car or taxi. It is on the periphery of the ride itself where Uber demonstrates its usefulness:

- It saves customers time by storing payment information and addresses, so that they don’t have to fumble for credit cards and provide directions to the driver
- It sends receipts electronically and stores them digitally, so the customer does not risk losing them
- It empowers customers by letting them request a car almost instantaneously, informing them where the vehicle is in real time
- It communicates quickly and clearly, texting the name and phone number of drivers, and notifying customers when the driver is about to arrive

By incorporating all these various components of “usefulness,” Uber has managed to make itself more relevant to the customer and different from the alternatives. It has completely transformed the typical customer experience in the category and thereby built a valuable business and differentiated brand that is revolutionizing an industry.

<sup>1</sup> <http://www.razorfish.com/binaries/content/assets/ideas/digitaldopamine.pdf>

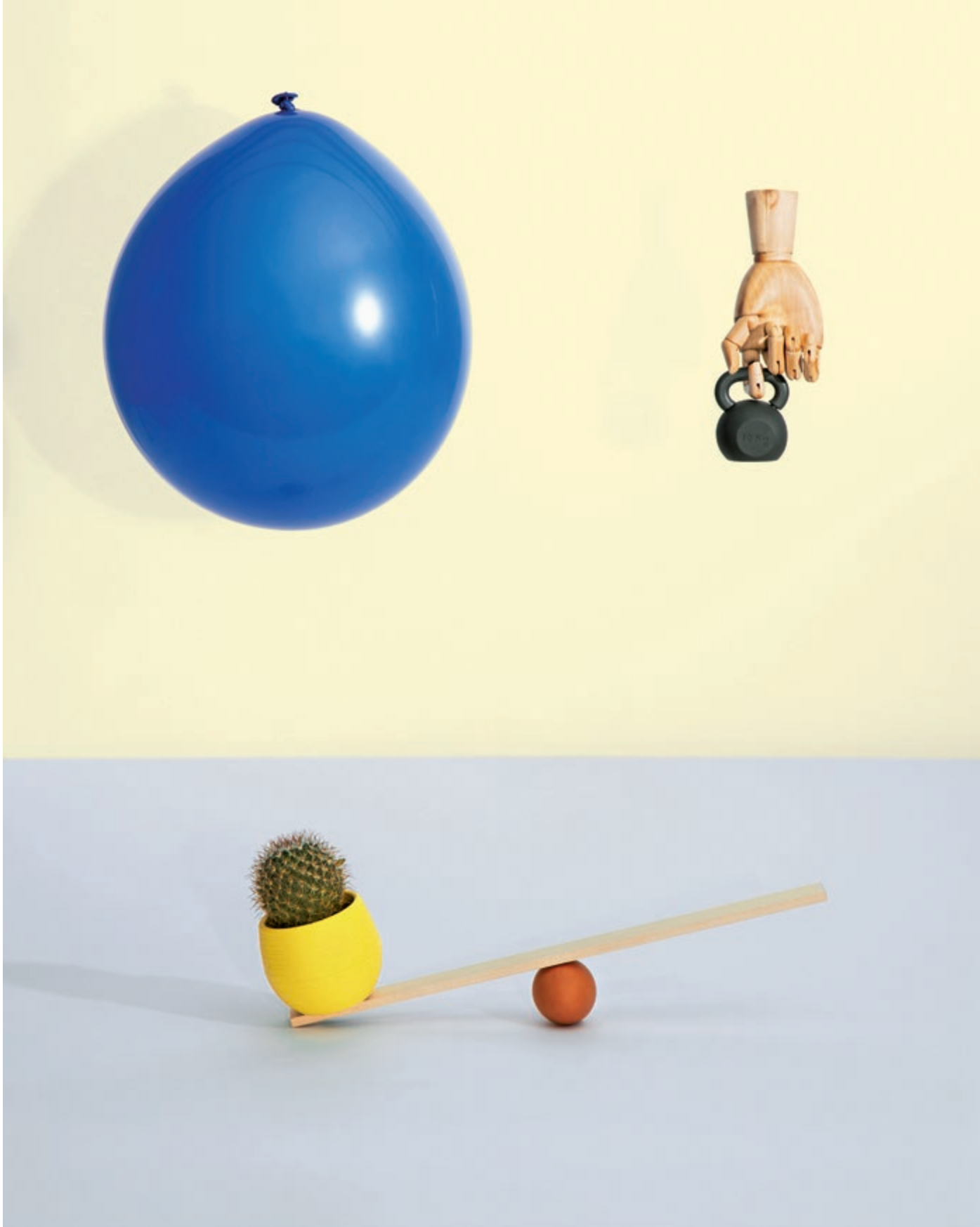
<sup>2</sup> <http://www.christenseninstitute.org/key-concepts/jobs-to-be-done/>

**Increasingly,  
consumers are  
judging brands  
not by what they  
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on their delivery.**





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### The power of usefulness

In the Siegel+Gale 2015 Global Brand Simplicity Index, we examined Uber and other “category disrupters” to understand the perceptions of these brands and their relevance to consumers. The study showed that disrupter brands like Uber and AirBnB were perceived as simpler to consumers through five characteristics:

1. They empower customers by providing greater control and transparency
2. They remove friction by easing existing customer pain points and making experiences easier to navigate
3. They increase convenience by delivering experiences where and when customers wanted them
4. They create memorable or delightful experiences by reimagining undifferentiated ones, often highlighting adjacencies to existing solutions
5. They provide services that customers find inherently useful or helpful

It is my contention that the last characteristic, providing greater use, can encompass the previous four characteristics—it can be the outcome of making experiences easier, more customized or more delightful. All those benefits have an inherent use to customers today, across virtually every category and geography.

As previously noted, Uber demonstrates all five of these characteristics compared to the standard hired ride alternatives. By delivering all these simplicity

characteristics, Uber had the third highest simplicity score of all brands examined in our 2015 US Simplicity Index. Dollar Shave Club, another disrupter from our 2015 Global Brand Simplicity Index, is an example of a brand entering a traditional category and, through providing greater usefulness than existing brands, created a strong brand and successful business.

Dollar Shave Club is an online subscription service providing razor blades and other male grooming products through the mail. Their customer experience demonstrates classic characteristics of greater usefulness:

- They have removed friction from the process of remembering to buy razor blades by moving to a subscription-based service—which allows customers to set up a regular schedule of blade deliveries based on how frequently they need to replace them
- The online ordering and subscription management lets customers shop for razor blades when and where they want to. Shopping is no longer dependent on when a physical store is open for business
- They have expanded the experience beyond products to provide usefulness to guys through their “Bathroom Minutes”—relevant content and advice on grooming for men

Although the performance of the blades themselves is comparable to competitors, it’s the usefulness of the customer experience for Dollar Shave Club that has helped them garner positive reviews, sales and brand loyalty.

**Greater convenience is often the first place for brands to look at adding usefulness.**

**Usefulness for an established brand**

Some would say it's easier to add usefulness to the customer experience if you're starting from scratch. Disrupter brands like Uber or Dollar Shave Club have no pre-existing infrastructure, no preconceived notions of what's right for the brand in customers' heads. But even established brands can find greater usefulness for their customers, using the same framework:

- Where can they remove friction and make the experience easier?
- Where can they be more convenient?
- Where can they provide greater transparency?
- Where can they add adjacencies to the core experience?

Dutch Boy Paint had its most successful new packaging introduction ever when they re-examined the experience of painting through the lens of simplicity and greater usefulness. By reimagining the structure of the traditional metal paint can, Dutch Boy's new Twist & Paint cans provided greater usefulness both to users and to the trade. For the users, the new paint cans had an easy twist-off and resealable lid, requiring no special tools to open or close. Its convenient side handles and neat-pour spouts make the can easier to carry and less likely to spill or drip. The cans are also lighter and more durable, less likely to dent or rust over time. For the trade, the cans are easier to ship, stack and store, resulting in more facings in the same amount of space. The Twist & Paint product was one of Dutch Boy's most successful product introductions ever. The package

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design was recognized as one of the 10 Best Packages of the Decade, and resulted in a tripling of sales for Dutch Boy in the first six months on the market. While the product itself may not have changed, changing the delivery device vastly improved the overall painting experience for customers.

Greater convenience is often the first place for brands to look at adding usefulness. For a relatively simple and mundane example, consider the process of depositing personal checks. There was a time when depositing a personal check into a bank account meant a customer would have to visit a physical location with the actual check, endorsed by their personal signature. In 2009, USAA debuted remote deposit of checks via smart phones. A USAA customer could submit a photo of the front and back of the check to deposit it. No physical location, check or signature required. Over time, other financial institutions have also adopted this approach to check deposits. Increasingly, bank transactions of all kinds (deposits, withdrawals, transfers, mortgage applications) can be accomplished at any time, in any location. By looking for ways to boost convenience (even with the most mundane of transactions), financial institutions have become more useful to customers.

### **Transparency is currency**

It is probably in the arena of greater transparency that we're currently seeing the biggest transformations in customer experiences, as brands and businesses open their data streams to customers. By sharing information, brands can make the experience better and create stronger customer relationships and greater usefulness for those customers.

One of the earliest examples of a brand sharing its data stream is FedEx package tracking. By allowing customers to insert a tracking number, FedEx told customers where their package was and when delivery could be expected. Simply by sharing data (that they were already capturing and tracking), FedEx increased the usefulness of their brand without changing the core delivery service at all. Where the package was and when it was expected to arrive became valuable information to customers.. It was such a successful enhancement of the delivery experience that, today, you can track a package with virtually every delivery service: FedEx, UPS, Amazon. You can even track your pizza being made via Dominos. Without altering their core service, FedEx managed to increase its brand differentiation and relevance with customers, simply by sharing data FedEx had already captured. Greater transparency led to greater relevance for customers and stronger loyalty for the FedEx brand.

Sharing data streams directly with customers has revolutionized the customer experience in other industries as well. Airlines, for instance, have created a more useful customer experience by sharing seating data, real time at the gate. In the past, if a passenger was waiting to standby or be upgraded on a flight, they had no sense of whether that was likely to happen until mere moments before the plane left the gate. Today airline travelers can track their likelihood of getting on a flight or upgraded via digital screens at the gate. They can see where they rank for desired seats compared to other waiting passengers, informing them of their status further in advance, easing anxiety and enhancing the waiting experience.



**Identifying opportunities in adjacencies**

An additional way brands are demonstrating their usefulness is by expanding into brand adjacencies, thereby enhancing their core offer. A great example of that is Charmin's Sit or Squat app. At first glance, it may not be apparent how to make toilet paper more useful, aside from greater softness or enhanced quilting. By considering adjacencies, Charmin has found a way to add greater value to its customers and enhance perceptions of the Charmin brand.

The SitOrSquat app enables users to find a clean restroom near them. It also allows users to rate and review restrooms, assisting other users. The app has been rated "Best App for Parents" by Parenting

# Brands must look for new areas of the customer experience in which to be useful in order to gain competitive advantage and differentiation.

Magazine. In announcing the sponsorship of the SitOrSquat app, the Charmin brand manager claimed: “Our goal is to connect Charmin with innovative conversations and solutions...”<sup>3</sup> Rather than being content with building buzz, Charmin recognized the greatest way to build strong loyal fans and advocates is to give them information that they could use, rather than another brand-based app that sits on users’ mobile phones but never gets activated.

## The future

Success for brands in the future will entail being ruthlessly focused on solving problems for their customers—and those that do will be rewarded with greater loyalty and market share. The best brands will achieve this by taking a proactive approach to problem-solving, seeking and alleviating customer pain points, perhaps even solving problems customers didn’t even know they had. Based on our own research of category-disrupting brands, we see several approaches to building greater usefulness for clients:

1. Remove friction from any and every stage of the customer experience
2. Enhance convenience for customers, providing them what they want, when and where they want it
3. Being more transparent with customers, opening data streams and other information sources in real time
4. Expanding into adjacent territories, looking for new or additional problems to solve for customers outside the core offering

Siegel+Gale’s deep experience in creating simpler experiences for brands teaches us that Benri brands, those that can find ways to be proactively useful to customers and users to “actively make their situation better,” will be the brands that succeed in building both customer loyalty and a successful and enduring business.

**Siegel+Gale is a global brand strategy, design and experience firm. Using facts, intuition and creativity, we blend science with art, unlocking the power of simplicity to help organizations realize their full potential.**

**We provide a full suite of services including:**

- Brand Strategy**
- Design**
- Naming**
- Research**
- Simplification**
- Brand Communication**
- Digital**
- Implementation**
- Employee Engagement**

**The Future of Branding is a white paper and event series that highlights the trends impacting branding today and tomorrow—in a way that’s simple, informative and actionable.**



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**Simple is smart.**