

Do I Manufacture My Brand... Or Brand the Manufacturer?

By Doug Knorr

One of the questions I get asked as I meet with furniture retailers around the country is, “Should I create my own store brand or should I build my brand on the strength of a manufacturer’s brand?”

First, we need to understand what a brand is and what a brand is not.

A brand is not something you conjure up. It’s not powerful TV commercials, glossy ads or a jingle. It’s not employing clever social media activities. It’s not an award-winning service department. Rather, it’s about all these touch points working together and making consumers feel really good about every interaction with your brand.

You see, *“a brand is not a thing... it is an experience!”* Your brand is the “sum” of all the experiences of your store, its presentation, its products and your staff including your delivery team.

Consider this, why does a person drive a BMW or Mercedes Benz? I promise you it is not just to commute. A person drives a BMW or Mercedes to be recognized as someone who has attained a certain level of affluence or stature. It’s about “Passive Experience—Active Expression!” People use brands to say something about themselves!

I remember when a high-end furniture retailer, Klingman’s of Michigan, was in its prime. They retailed to the entire state and people would come from hundreds of miles and even pay more for the same item they could have purchased from a store closer to home, in order to purchase from Klingman’s. Why? Because they wanted the public recognition and experience of having a Klingman’s truck in their driveway!

You see, *the power of a brand is always based upon the experience of the consumer more than it is about the item itself!*

To create a unique brand experience, you need to consider a term that was penned by a past Starbucks executive, “Brand Environmentalism!” Brand environmentalism is when your unique brand promise is felt at every level of your company and experienced at every point of contact by your customer.

For example when you think about Disneyland or Disney World, what keyword comes to mind? Well, if you ask one of my kids or grandchildren they will tell you without hesitation—it’s about “fun”!

Imagine if you went to a Disney property and you did not experience fun. What would you think? I believe you would say the brand lied! Now listen closely... building your store brand is no different. *You must build your brand upon the promise of an experience that you can deliver every customer 365 days a year without fail.*

“Brand Environmentalism!”

Brand environmentalism is when your unique brand promise is felt at every level of your company and experienced at every point of contact by your customer.

I love this quote by Maya Angelou, *“People will forget what you said, people will forget what you did, but people will not forget how you made them feel.”*

Now that we have determined that a brand is not a thing, but rather an experience, one would

think that the next step to building a brand would be to determine what experience you want to promise the customer every time they visit your store. However, we still need to address one additional aspect of building a brand before we can discuss the pros and cons of manufacturing your brand or branding the manufacturer.

Before you can make a decision about the preferred experience you want to provide your customer, you must first analyze your business, the competition and the consumer demographics of your market. This analysis will require that you take an honest look at your Strengths, Weaknesses, Opportunities and Threats (SWOT). Once the SWOT process is completed, you will have a clear understanding of the direction you need to take to build your point of differentiation and brand promise message.

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Now we are ready to answer the question, “*Should a retailer be the brand or should the retailer build his brand upon the strength of a manufacturer?*” Of course this discussion will exclude retailers that have manufacture brand stores like La-Z-Boy, Z Galleries, Ashley HomeStores, etc.

That being said, *the most important brand is always the unique brand promise the retailer can control.* Building a store brand on a manufacturer means the retailer abdicates control of the overall brand and the destiny of the retailer’s business.

Although a retailer’s merchandising may be a major element of their brand, being the home of a particular manufacturing brand says nothing about the overall store experience.

What if the manufacturer decides to redefine their “non-compete” criteria or the manufacturer management team changes and suddenly decides to discontinue what was a popular item in a retailer’s store, cut corners in quality construction to lower costs, or merges with another manufacturer?

We passionately embrace the philosophy that it is the products that the retailer carries on the floor that defend and support the retailer’s brand. It is the sum of the products, presentation, performance and staff that create the unique experience that builds a successful retail brand.

With that said, let me amplify this position. A few years ago I was asked to build a new branding initiative for a retailer in the middle states. For many years this retailer had built their reputation and complete identity on “Brand X” (one of America’s best brands which will remain anonymous). Here is what happened: The manufacturer’s management and philosophy changed. They redefined distribution and within two months, this retailer lost their competitive uniqueness. Their brand position, which was based on relative exclusivity with this manufacturer’s product, was lost.

There are many examples of retailers who have chosen to build their brand on the strength of a manufacturer’s product, only to see market conditions change, a brand

weaken or the consumer change their focus to a “new” type of product.

The point is this: *manufacturer brands have an important duty to support the retailer’s brand, but they should never replace or overshadow the retailer’s brand!*

Now, let’s discuss further the value of the manufacturer’s brand supporting the retailer’s position and its ability to add extra value to the retailer’s brand.

Britt Beemer of America’s Research Group has continually stated that, “there is tremendous value in using a well-respected furniture brand and offering it at a very aggressive price point to build a strong position of price leadership in a category.”

We have seen how adding a well-known brand can attract a whole new set of consumers into a retailer’s store. For example in the Midwest, adding solid wood Amish products will have a strong appeal to those who appreciate solid wood construction and handcrafted furniture. We have seen how a medium-high or high-end furniture retailer can change their traditional and maybe non-contemporary persona by adding a product like Stressless by Ekornes which offers an entirely new look and feel to the floor.

In closing, there is no real advantage for general retailers to build their company brand around a single manufacturer. In fact, there is great potential liability in doing so.

I would also like to add a warning as I end this article. The global business consulting firm Bain & Company discovered that, while 80 percent of organizational leaders believe they deliver a superior customer experience, only 8 percent of customers agreed.

Continued ▶

SWOT
Strengths, Weaknesses,
Opportunities & Threats

but people will not forget how you made them feel.” — Maya Angelou

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So what separates those 8 percent from the rest? According to Bain's James Allen, in his writings on "The Three Ds of Customer Experience," these organizations pursue three imperatives simultaneously. These organizations:

- **Design the right offers and experiences for the right customer.**
- **Commit (organizationally and cross functionally) to deliver them.**
- **Develop their capabilities to please customers again and again.**

David Ogilvy, arguably the father of modern advertising, once stated: "Within every brand is a product, but not every product is a brand." I believe this still rings true today.

Building your store's brand will be the hardest and yet most rewarding thing you can do. I will leave you with one final quote from Mr. Ogilvy which says, "Any fool can put on a deal, but it takes genius, faith and perseverance to create a brand!" **NOW**

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Douglas Knorr, known as a "retail marketing activist" is president of Knorr Marketing (www.knorrmarketing.com), a full-service marketing and advertising agency specializing in the home furnishings industry. The agency provides strategic planning, creative production, public relations, sales promotions, website development, digital media solutions including social media and media buying. Headquartered in the resort community of Traverse City, Michigan, the firm serves clients throughout the United States.