



Powerful Marketing Minutes
50 Ways to Develop Market Leadership
in the 21st Century

Book Excerpt
Chapter 27

Brands And Customers Are Hidden Assets

A goal of every organisation is to increase its assets over time. These assets are typically defined in terms of revenue, customer accounts, properties, human resources, and capital.

But there are two hidden assets that every organisation can develop and that are critical for marketing success in the 21st century. These often overlooked and under valued assets are the brands and customers.

Your brands, particularly your corporate brand, can be highly valuable assets.....for these serve as trust marks between you and your customers. Why is a brand an asset?

Quite simply because the central essence of a brand is a promise.....a promise of consistency, reliability, satisfaction.

A brand is more than just a trademark, or the name on your building. A brand, especially your corporate brand, is an asset that has meaning and enormous financial value. Years ago RJR Nabisco was purchased for almost twice its book value. The difference between its book value and the price paid was the buyer's understanding of the value of the RJR Nabisco brands like Oreo cookies, Camel cigarettes, and Ritz crackers.

More recently, Ford paid seven times sales to purchase Jaguar. It certainly wasn't for the Jaguar factory. It was because Ford wanted a premium brand, a premium brand with value, in its portfolio.

If you treat your brand like an asset, and develop it over time, your payoff will come today in terms of higher repeat sales and more loyal customers and in the long term from a higher valuation of your company over book value.

The other under valued asset in your portfolio is your customer base.

Successful companies today are switching from a transaction perspective with their customers to a customer loyalty-building perspective. The way to do this is to earn customer loyalty, by understanding true customer needs, committing to quality, delivering upon the promises you make, and by treating customers as people, not as accounts.

Three key areas you should question yourself about include:

- Does our organisation respect our customers and prospects.....or do we see them in terms of the transactions they make with us?
- Do we appreciate that our customers seek convenience and do we have the processes in place that enhance convenience to our customers?
- Are we in the business of solving problems for our customers, or merely in the business of making products and hoping that someone purchases these?

Your corporate brand and your customers are two of the most important assets you have. What are you doing today to enhance the value of these two assets?

That's a question worth considering each and every day.

Key Point: *your corporate brand and your customers are two of the most important assets you have.*

Discussion Topics: *how does your organisation show its respect for customers? Are these efforts recognised and appreciated by your customers?*

What can you do to make the buying process more convenient for customers?

What can you do to make your service delivery more convenient for customers? Is "convenient delivery" an opportunity for differentiation in your industry?

What are you doing to increase the value of your brand and customer assets?

This Chapter is excerpted from Powerful Marketing Minutes by Steven Howard.

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