

Suite 206**DEFINING PRODUCT AND COMPANY**

Defining Product and Company
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Advertising
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206.01 CREATION OF A BRAND

Every business wants to be the first choice for customers. Building and managing a brand can play a significant part in making that happen. To help your business grow you need a strong brand which reflects the values and strengths of your firm.

Brands give potential customers a firm idea of what they're buying before they buy it, making the purchasing decision easier. And existing customers trust strong brands because they know exactly what to expect – and always get it.

Brands aren't just for big companies – they can make smaller businesses stand out from the crowd, particularly in competitive markets.

If you want to build and manage a brand, you'll need to focus on what your customers want and how you can guarantee to deliver it. You'll also need to be consistent in your service and in every other point of contact customers have with you – for example. Phone calls, letters, faxes, etc.

First Steps for creating a brand

Successful branding is about promoting your strengths. Start by thinking about what you're good at and what you believe in as a business. For example:

- Particular skills – such as excellence in design
- High-quality customer service
- Providing the best value for money in your marketplace

You need to be sure that you can always deliver your strengths, sometimes referred to as "brand values"

What customers want

You need to match your brand values to your customers' requirements. What drives your customers? What makes them buy? In most cases, it's not only about price or performance. Ask existing and potential customers what they think.

If your brand values are in line with what existing and potential customers look for when they're buying, you've got the beginnings of a useful brand and you're ready to start building it.

IDENTIFYING PRODUCT AND COMPANY AS ONE

206.02 BUILDING A BRAND

Once you've defined your brand values and your customers' needs you can start to build your brand by consistently communicating your brand values.

Remember that every possible contact you have with a customer or potential customer needs to reinforce your brand values.

Key areas to consider are:

- You business name
- Names you give your products or services
- Any slogan you use
- Your logo
- The style and quality of your stationary
- Product packaging
- Your premises
- Where and how you advertise
- How you and your employees dress
- How you and your employees behave

If all these are consistently in line with your brand values, your brand will be strengthened. But if all of them aren't in line, your brand – and your business – could be seriously damaged. A brand makes promises to customers and if they aren't fulfilled, your customers will be far less likely to buy again.

206.03 MANAGING YOUR BRAND

It's a good idea to get one person to take responsibility for your brand – if you can't do it yourself, appoint an employee as "brand champion".

In most businesses, employees play a crucial part in managing your brand because how they act has a powerful impact on what customers think of you. If your employees believe in what your brand stands for, they'll be able to communicate it much more effectively to customers.

Keep employees involved by setting up a suggestion scheme, or regularly taking the time to discuss your brand and how your business is performing.

Continually reinforce the message that what they do is important. And make sure they know that breaking the promises to customers that your brand makes – even just once – can damage the brand and your business.

Get regular feedback from customers to find out if your business delivers the promises your brand makes. Ask dissatisfied customers or former customers as well – you can gain valuable information from them about how your brand is perceived. Honest and constructive criticism can help you see where there's room for improvement.

206. 04 REMEMBER – CUSTOMERS CHANGE TOO

A successful brand can have a long life, provided it's kept up-to-date and in line with customers' needs and expectations. As your customers' needs change, your brand – and your business – need to evolve to stay relevant.

Does everything work as well as it can to deliver what your customer expects? Does your customer have the same expectations of your business, product or service? Has your market-place changed?

In particular, it's worth examining:

- Your products and services
- Your systems
- Your marketing strategy

It is possible to set up a system to contact customers by phone, fax or email immediately after delivery, it could market itself as the fastest, guaranteed solution for delivery of documents directly into recipients' hands, offering customers peace of mind.

But if a review suggests you need to make changes, it's important to go right back to the basics – how does your business, product or service meet your customers' needs? Any changes that don't answer this question are likely to lead to a brand that means little to its customers.

Budgeting for a brand

Creating and managing a brand can cost you as little or as much as you want it to. The cost of your time to set it up and manage it is the only area of expenditure that is guaranteed. But it's a good idea to set a budget, otherwise it's easy to spend money unnecessarily. A budget will focus the mind and force you to prioritise your spend on your branding effort.

The key areas you could budget for are:

- Design needs, such as a logo, signage, business stationery or product packaging
- Your premises
- Your advertising
- Time you'll need to spend with employees to make sure they understand your brand
- Any resources you'll have to provide for employees to enable them to carry out what the brand promises

You don't need to do everything at once. As long as employees understand and deliver what your brand promises, it stands a good chance of success. Stationery, logos, packaging and advertising can follow later if the budget is tight. But it's worth planning to bring them into line within a reasonable period of time to give your customers a visual representation of what your brand means.

Ten tips on branding

1. Focus on what your business achieves for its customers. Your brand is no good to you if it isn't delivering what customers want.
2. Take ownership of your brand. Pay attention to customers' needs, but you should still control what you want your brand to mean to them.
3. Be honest. If you don't believe in your brand, no one else will.
4. Keep your brand simple. Focus on a small number of key brand values.
5. Be consistent. Every aspect of your business should make customers feel the same way about you.
6. Be thorough. Look at all your systems to make sure they help to support your brand.
7. Involve employees. Make sure they understand your brand and believe in it.
8. Communicate your brand. Make sure every advertisement, brochure and letter helps reinforce the same message. Use your logo everywhere.
9. Meet and exceed what your brand promises. Failing, just once, will damage your brand.
10. Manage your brand. Look for opportunities to make improvements.

PACKAGING

206.05 PACKAGING CONCERNS

When designing your packaging, you should at the very early stages consider the environmental impact of using certain materials in terms of their by-products, waste levels, ease of disposal by your customers and transport costs.

The types of materials used in your packaging that you should focus on include metal, glass, rubber, plastics, paper and card.

Packaging includes all products used to contain, protect, handle, deliver or present goods. It includes returnable and non-returnable items such as boxes, pallets, labels, containers, tubes, bags, sacks, timber, glass, metals, plastics and ceramics. It can also include tape, wrapping, binding and typing materials.

The Producer Responsibility Obligations Regulations place legal requirements on certain businesses to recover and recycle set amounts of packaging. The Packaging (essential Requirements) Regulations relate to minimising packaging, the heavy metal content of packaging and packaging recovery.

Many businesses find it worthwhile to minimise packaging and evaluate the use of recycled/recyclable materials. It's also advisable to check that your packaging is designed with safety in mind too, not only to protect your product in transit, but also to protect your customer from potential injury.

By opting to use a safety and environment-led choice of packaging, your business will benefit from meeting legal demands, save money and promote an efficient image to suppliers and customers.

206.06 ENSURE YOUR PRODUCTS ARE SAFE

If your business produces goods, you must comply with a range of regulations designed to ensure they are safe, fit for their purpose and minimise their impact on the environment.

Good design and manufacturing processes are essential to ensure you meet these technical and legal requirements. They can also give your business a competitive edge and save costs.

Your legal responsibilities

Basically what we are about to discuss comes down to good common sense coupled with a caring attitude towards the customer and the environment.

However, as example, in the United Kingdom there is the Sale of Goods Act 1979, where all products must be "fit for purpose". This means that your products must fulfil the purpose the customer has been let to expect and the reasons that led them to buy it. The Act also covers any purpose that a customer asks about when the product is purchased and is guaranteed by the retailer when it is sold. If a product is not fit for purpose, the customer is within their rights to have the goods replaced or repaired.

You manufacturing and processing systems must comply with environmental law. By definition, good design will lead to safe design. Meeting your legal obligations is the minimum required.

But it's a good idea to go further and take best practice on board throughout the process from design, raw-materials buying, manufacture, packaging, delivery, customer usage and disposal.

As a manufacturer or even a supplier you could be held liable in any legal action for harm caused to consumers or businesses as a result of unintended side-effects or the failure of the products.

Products covered by special safety regulations

There are certain products that must bear the CE marking if you intend to sell them in the European Union (EU).

A CE mark is a manufacturer's claim that its product meets specified essential safety requirements set out in relevant European directives.

The following products require CE marking if you wish to sell them within the EU:

- Toys
- Electrical products
- Construction products
- Pressure vessels
- Telecommunications equipment
- Medical devices
- Machinery personal protective equipment

- Satellite station equipment
- Gas appliances
- Pressure equipment
- Appliances (other than gas) non-automatic weighing instruments and equipment
- Measuring instruments
- Recreational craft
- Lift machinery
- Equipment and protective systems for explosive atmospheres
- In-vitro diagnostic medical devices
- Marine equipment

Your products need to be marked if your customers are:

- Located in EU member states
- Members of the European Free Trade Association (EFTA) – Iceland, Liechtenstein and Norway

The requirement for CE marking and the exact process you will need to go through varies from product to product. Different types of product are governed by different European directives.

If you supply consumer products which aren't covered by these specific directives, you still have a general duty to ensure they are safe for normal, or reasonably foreseeable, use the General Product Safety Regulations 1994. Such products must not be CE marked.

206.07 SAFETY AND ENVIRONMENTAL CONCERNS

Taking into account the environmental and safety aspects of your products from the outset of design can boost your competitiveness and help limit your liabilities.

You could benefit from lower production costs and improved product quality, leading to increased market share and better customer relationships.

You may also find it easier to comply with current and future legislation as your products should be easier to maintain, reuse, upgrade or recycle.

Focusing early on the research and design of products will pay dividends through raw material and resources efficiency and will result in a reduction in manufacturing and management costs.

It can also help you to reduce or cut out hazardous materials from your processes and prepare for the end of your product's lifecycle.

Consider the manufacturing process

It's important to consider how the raw materials and manufacturing processes you use affect the environment. And you should also consider how your product may be recycled or upgraded.

It may be worth analysing the environmental impact of using particular raw materials in terms of their hazards, by-products, waste levels and the energy needed to process them.

There may be alternative resources you could use which could result in a cleaner, more environmentally friendly process and product, also providing cost savings for your business.

Considering the type of electricity you use could reduce carbon dioxide emissions and costs. Raw materials such as timber or paper products could come from a sustainable, renewable source or from a recycling source. As well as looking at your manufacturing processes, it's worth considering how water, paper and packing materials are used elsewhere in your business.

Using recycled or recyclable materials not only can help you comply with environmental legislation, it could also allow you to show suppliers and customers that you're a design-led, environmentally conscious business, and encourage them to be the same.

The lifetime of your products

Taking a responsible business approach means considering how long your product will last. It may be longer than you think. It is important to use materials that are easy to manage at the end of the product's lifecycle.

You need to consider packaging as well as the product itself. Options include:

- Minimising packaging
- Reusable packaging
- Biodegradable packaging
- Packaging which can be recycled

Carrying out a lifecycle assessment (LCA) helps to develop more sustainable and cost-effective products by evaluating flows of materials and resources.

An LCA looks at every stage of a product's life, including:

- The raw materials used to make products and how they are extracted
- The manufacturing process
- Distribution methods
- Customer usage
- Disposal options at the end of the product's useful life

Product liability and taking out insurance

It's a criminal offence for manufacturers to supply unsafe products. They may also be liable under civil law for any harm such products cause – which could result in costly legal proceedings.

If a finished product contains a defect in a particular component, both the product manufacturer and component manufacturer may be liable.

Other suppliers, such as wholesalers and retailers, are not liable unless they fail to identify the producer when asked to do so by a person who has suffered harm.

But customers can sue retailers under laws on the sale of goods.

You should take positive action to monitor the safety of your products. You should also make sure you are covered by product liability insurance if you manufacture or repair products, and possibly if you sell them, too.

Insurance will provide valuable protection for your business against any costs or compensation awarded. Although it's not a legal requirement to have this type of insurance, it could mean the survival of your business should a claim be made against you.

ADVERTISING VS PUBLIC RELATIONS

206.08 UNDERSTANDING THE DIFFERENCES

It is essential to understand the basic differences between Advertising and Public Relations.

Advertising or space and time in the media must be paid for. You determine the message, control the timing and identify yourself as the sponsor.

Whereas, to capitalise upon the use of Public Relations you must make a case for something about either your company or product which would be considered to be in the interest of the public or something that the public would have an interest in. You may pay to have the content or press release created, but you do not pay for its publication in various forms of mass media. It is intended to create good will and to keep the company or product in front of the public. If successful it will cause the viewing public to relate to either the people of the company or its reputation rather than viewing it as a non-personal entity.

ADVERTISING

206.09 TO SECURE MAXIMUM EXPOSURE

Marketing is the engine that pushes the business forward. Every business requires a marketing plan to ensure that money allocated for advertising brings maximum exposure for the business. Use the data gained from your market research to plan your strategy and budget will in advance. Business cards, brochures, vehicles and buildings, testimonials, referrals, radio, newspaper and public relations, trade show, in-house client nights, sales people, tele marketing, sponsorship, direct mail, mail order are all commonly used forms of advertising.

What Advertising can do for your business:

- Remind customers and prospects about the benefits of your service
- Establish and maintain your distinct identify
- Enhance your reputation
- Encourage existing customers to buy more of what you sell
- Attract new customers and replace lost ones
- Slowly build sales to boost your bottom line
- Promote your business to customers, investors and others

What advertising cannot do for your business:

- Create an instant customer base
- Cause an immediate sharp increase in sales
- Solve cash flow or profit problems
- Substitute for poor or indifferent customer service
- Sell useless or unwanted products or services

206.10 ADVERTISING'S TWO IMPORTANT VIRTUES

- You have complete control. Unlike public relations efforts, you determine exactly where, when and how often your message will appear, how it will look and what it will say. You can target your audience more readily and aim at very specific geographic areas.
- You can be consistent, presenting your company's image and sales message repeatedly to build awareness and trust. A distinctive identity will eventually become clearly associated with your company, like McDonalds's golden arches. Customers will recognize you quickly and easily – in ads, mailers, packaging or signs – if you present yourself consistently.

What are advertising's drawbacks?

- It takes planning Advertising works best and costs least when planned and prepared in advance. For, example, you'll pay less per ad in newspapers and magazines by agreeing to run several ads over time rather than deciding issues by issue. Likewise, you can save money by preparing a number of ads at once.
- It takes time and persistence. The effectiveness of your advertising improves gradually over time, because customers don't see every one of your ads. You must repeatedly remind prospects and customers about the benefits of doing business with you. The long-term effort triggers recognition and helps special offers or direct marketing pay off.

206.11 DRAWING UP THE BLUEPRINT

1. Design the Framework

- What is the purpose of your advertising program? Start by defining your company's long-range goals, then map out how marketing can help you attain them. Focus on advertising routes complementary to your marketing efforts. Set measurable goals so you can evaluate the success of your advertising campaign.
- How much can you afford to invest? Keep in mind that whatever amount you allocate will never seem like enough. Even giants such as Proctor & Gamble and Pepsi always feel they could augment their advertising budgets. But given your income, expenses and sales projections, simple addition and subtraction can help you determine how much you can afford to invest. Some companies spend a full 10% of their gross income on advertising, others just 1%. Research and experiment to see what works best for your business.

2. Fill in the details

- What are the features and benefits of your product or service? When determining features, think of automobile brochures that list engine, body and performance specifications. Next, and more difficult, determine the benefits those features provide to your customers. How does your product or service actually help them?
- Who is your audience? Create a profile of your best customer. Be as specific as possible, for this will be the focus of your ads and media choices. A restaurant may target adults who dine out frequently in the nearby city or suburban area. A computer software manufacturer may aim at information managers in companies with 10-100 employees.
- Who is your competition? It's important to identify your competitors and their strengths and weaknesses. Knowing what our competition offers that you don't and vice versa, helps you show prospects how your product or service is special, or why they should do business with you instead of someone else. Knowing your competition will also help you find a niche in the marketplace.

3. Arm yourself with information

- What do you know about your industry, market and audience? There are many sources of information to help you keep in touch with industry, market and buying trends without conducting expensive market research. Examples include U.S. Government materials from the Census Bureau and Department of Commerce. Public, business or University libraries are also a good option, as are industry associations, trade publications and professional organizations. You can quickly and easily learn more about your customers by simply asking them about themselves, their buying preferences and media habits. Another, more expensive, alternative is to hire a professional market research firm to conduct your research.

4. Build your Action Plan – Evaluating media choices

- Your next step is to select the advertising vehicles you will use to carry your message, and establish an advertising schedule. In most cases, knowing your audience will help you choose the media that will deliver your sales message most effectively. Use as many of the above tools as are appropriate and affordable. You can stretch your media budget by taking advantage of co-op advertising programs offered by manufacturers. Although programs vary, generally the manufacturer will pay for a portion of media space and time costs, or mailer production charges, up to a fixed amount per year. The total amount contributed is usually based on the quantity of merchandise you purchase.
- When developing your advertising schedule, be sure to take advantage of any special editorial or promotional coverage planned in the media you select. Newspapers, for example, often run special sections featuring real estate, investing, home and garden improvement, and tax advice. Magazines also often focus on specific themes in each issue.

5. Using other promotional avenues

- Advertising extends beyond the media described above. Other options include imprinting your company name and graphic identity on pens, paper, clocks, calendars and other giveaway items for your customers. Put your message on billboards, inside buses and subways, on vehicle and building signs, on point-of-sale displays and shopping bags.
- You might co-sponsor events with non-profit organizations and advertise your participation, attend or display at consumer or business trade shows; create tie-in promotions with allied businesses; distribute newsletters; conduct seminars; undertake contests or sweepstakes, send advertising flyers along with billing statements; use telemarketing to generate leads for salespeople; or develop sales kits with brochures, product samples, or application ideas.

- The number of promotional tools used to deliver your message and repeat your name is limited only by your imagination and your budget.

The Advertising Campaign

You are ready for action when armed with knowledge of your industry, market and audience; a media plan and schedule; your product or service's most important benefits; and measurable goals in terms of sales volume, revenue generated, or other criteria.

The first step is to establish the theme that identifies your product or service in all of your advertising. The theme of your advertising reflects your special identity or personality, and the particular benefits of your product or service.

Tag lines reinforce the single most important reason for buying your product or service.

PUBLIC RELATIONS

206.12 PUBLIC RELATIONS

Public Relations is the art getting people to talk and think about your business in a positive way. It can be a vital weapon in your business' armoury.

It's a way to get good publicity without advertising. And if there's ever a problem facing your business it helps you deal with it effectively.

You can use PR to attract and impress people such as customers, suppliers, distributors, banks and other lenders, potential employees and possible business partners. And PR isn't just for the big companies using national newspapers or television. Even the smallest business can use publicity opportunities to catch the eye of its local audience.

Identifying your target media

The first step to getting media coverage for your business is to decide on your target outlets. Ask yourself who will be interested in your story:

- Your local paid-for newspaper
- Your local free paper
- Your local council newspaper
- The free county magazine
- Local radio and television
- Trade, technical and professional magazines covering your type of business or expertise
- National newspapers
- Consumer and lifestyle magazines
- National radio and television – but usually your local station will feed your story to the network if it's good enough
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Get details of publications in directories – have a look in your local reference library.

Writing an effective press release

What's important to you may not grab the news organisation. They may be less interested in the product than the fact that it brings environmental benefits, for instance.

News is typically:

- Controversial, new or surprising
- Amusing or funny
- Directly important to the audience
- Confidential or secret – until now
- Linked with famous people or places
- Linked with conflict, romance or mystery

Here's what you do

Write "Press release" on company-headed paper. Then write the date. Put a headline on the left – six or seven words in bold type. The headline will be active, understandable, convey the main point of the story and make people want to read on.

The first paragraph, the intro, expands on the headline. It concentrates on what has happened or will happen, who is involved and where. It conveys the whole story in a nutshell and its interest and relevance to the readership. It would still be understandable if the rest of the press release was deleted.

Tailor the intro to the publication- a trade journal is attracted by what a new product can do for its business audience; a local paper is interest in local jobs, prestige or human interest. Subsequent paragraphs give the how and why – the explanation and development of the terse first paragraph or two – and the when.

A quote from you is essential.

Keep everything tight and clear, with short sentences. Don't make it sound like an ad. Write the release like a newspaper report. Refer to your business in the third person – "it" it "we". Write "end" and then name yourself as a contact, with phone and email details. A "note to editors" can give background or more detailed information.

Get coverage for your press release

Once you've written your press release, your aim is to get it covered by your target media organisations. Find out their copy deadlines. Send the release to the editor, news and features editors and possibly the reporter who might write the piece.

Check if they'd like an email version. Newspapers and magazines might just cut and paste most of a well-written release. Check the release has been received and if further information is needed.

Photographs can boost your chances of getting your story covered. Try to include at least a head-and-shoulder shot of the person quoted in the press release. Or get an agency to take a picture of the person at its premises. If you're lucky, a publication might send along a photographer.

Non-media PR

Don't see your PR as just something that's directly target at the media. You can influence and impress people (including the media) in many ways, not just be getting a mention in a news story.

Try out some of these ideas for raising awareness of your business in your locality or your industry sector using non-media and activity-based PR. For example, you could try:

- Giving talks on business and other subjects to organisations, schools and colleges
- Joining an organisation and becoming a figurehead, so that its publicity brings you publicity
- Sponsoring events such as a school fete or exhibition
- Sponsoring a local sports team
- Organising competitions, initiatives and surveys, possibly in cooperation with a news organisation
- Meeting and talking to opinion-formers, journalists and other business people and leaders, just being seen around
- Sending letters to the editor on local or industry issues – but don't become a constant whinger
- Helping with, or donating products to, charity
- Teaming up with suppliers or customers to work on attracting joint publicity

Should I use a PR agency?

There are no hard-and-fast rules for when small companies should call in outside PR help. Take into account:

- How confident and successful you are in managing your PR and dealing with journalists
- Whether you're involved in a crucial product launch or sales expansion that might be helped by using an agency for, say, six months.
- Whether you face a potentially controversial or sensitive issue, or are involved in an industry that's in the media spotlight
- How much time it's taking
- How much it's costing you

Consider using a PR agency if your annual PR budget is greater than £10,000 - £15,000. For smaller one-off projects, you can employ freelance PR agents.

Choose an agency with relevant experience and contacts. Getting publicity in national newspapers, television and radio is extremely difficult without a suitable agency.

Provide a clear briefing on what you're trying to achieve. Explain what makes your company and products different.

Plan how the PR agency will work with your other promotional activities. Be wary of agencies that see PR as the answer to everything, with no thought of alternatives such as advertising.

Is it worth it?

Always get quotes on how much you'll be paying and what you'll get for your money.

- How much will it cost to write a press release?
- Who'll be doing follow-ups and answering queries arising from the release – you or the agency? Are you getting 24-hour cover or just an event – or press release-based service?
- Like your business, PR agencies will have fixed costs to cover. Decide how much actual PR output you're getting for your money
- Assess how interested the agency is in your business, and whether it understands it.

Remember, although the writing style relies heavily on journalism talents the public often sees public relations messages by the media as being more neutral or believable. Any persuasion is artfully inserted in the fact-based content.