

# Ten Commandments of Branding

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In the world of outsourcing 2.0, brand management has become a strategic imperative. Poor brand choices become marketing handicaps. A good, persuasive brand can provide competitive advantages, especially in a buyer's market. A brand can and should encourage buyers to make positive associations with a vendor.

The most common and least understood marketing barrier facing outsourcing service providers is the absence of a strong brand. Most brands associated with IT and IT-enabled services (ITeS) companies are chosen on the basis of criteria relevant to where outsourcing firms are based, rather than where they intend to do business.

In the outsourcing industry, branding challenges are most acute for companies based outside of their target market -- that is, based in locations with competitive cost advantages. Companies in these locations commonly face branding challenges due to incumbent brand selection and deployment practices.

Most offshore call centers, BPO (business process outsourcing) firms and software service companies are located in economies where major purchasing decisions have traditionally been made on the basis of longstanding personal connections -- rather than on the qualifications of a seller -- and where buyers face fewer competitive choices than in the U.S.

In other words, most offshore outsourcing companies choose brands as if they were in a sellers' market. It was a sellers' market during the first five years (2000 to 2004) of the Indian call center boom and from 1995 to 2000 in the market for software services from India.

## Buyer's Market

Now, outsourcing is a buyer's market, thanks to increased competition from emerging destinations and the commodification of numerous types of outsourcing services: remote computer system administration and ISP (Internet service provider) support services; collections and accounts receivable outsourcing; travel agency services; simple inbound call center services; medical claims billing; transcription; recruiting and other human resources management activities.

A buyer's market is facilitated by clients moving away from strategic sourcing with a single prime vendor and toward more sophisticated vendor management practices with large numbers of specialized outsourcing contracts designed for cost competitiveness and adherence to performance metrics. Outsourcing version 1.0 is being replaced by outsourcing 2.0.

In outsourcing 2.0, clients are no longer combing the globe seeking competitive service agreements from providers that lack marketing and branding savvy. Now, outsourcing firms are

attracting buyers through a combination of quality, value and brand image. Instead of clients being happy to go from US\$82 per production hour for onshore technical support services to \$18 offshore at a location with poor client relations skills, clients now seek to go from \$18 offshore to \$15 offshore -- and expect to receive service and reliability improvements.

Within client communities, brands are increasingly serving as a distinguishing mechanism for associating positive qualities to offshore firms for which scant additional information may be available -- at least during the initial stages of a procurement cycle. In the more competitive world of outsourcing 2.0, brand management has become a strategic imperative.

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In its broadest sense, the definition of "brand" can extend beyond the name of a [company](#) or service or product line to include brands expressed as graphic logos, slogans and color schemes. Here we focus on brands as names of companies and product or service lines.

## The Ten Commandments of Branding

Failure to follow any one of the following 10 rules makes it difficult to market a company successfully. Any company that violates one of these rules needs to spend more money on sales and marketing to compensate for poor branding choices.

### 1. Focus on Target Markets

The first commandment of branding is that a brand has to work well in a company's target markets. This rule is often ignored in favor of brands that confer status in locations where a company is based.

### 2. Don't Covet Another's Brand

A brand should not borrow or approximate a brand name from a firm already known in a target market, regardless of whether service offerings are dissimilar. Violating this rule drives away clients that are afraid to depend on a company with a brand that is tenuous or shady. When an offshore company is infringing on an established brand name in a target market, nothing else is or should be relevant to potential clients.

### 3. Match Brands Exactly With Domain Names

A brand should be identical to its corresponding domain name. For example, a brand for news and services to protect against software vulnerabilities could be expressed as SoftwareVulnerabilities.com, not Software-Vulnerabilities.com or iSoftwareVulnerabilities.com. The dash can help in mirror sites put up for search engine optimization, but not for the primary brand. Unless streaming video is involved, only dot-com and dot-net names should be used for international and North American markets.

#### 4. Don't Use Silly Prefixes

Unless a company has been in business for more than five years, its name should not contain the prefix 'i' or 'e.' [eBay](#) (Nasdaq: EBAY) has built up immense brand equity. Other companies with other lowercase prefixes in their brands have not.

#### 5. Escape the Background Noise

Avoid overused words such as "global," "tech," "soft," "serve" or "solutions." In the Indian state of Maharashtra, for example, it is estimated that more than 300 [businesses](#) use the word "global" in their brand names. A company seeking to distinguish itself from competitors is not going to escape from the background noise if it uses the word "global" in its brand.

#### 6. Obey Rules of Grammar

Do not violate rules of grammar, including the use of capital letters. When your company becomes bigger than eBay, then it can break this rule.

#### 7. Avoid Negative Connotations

Brands should not carry confusing or negative connotations for people in target markets. This extends to sexual and religious connotations.

#### 8. Make Brands Memorable and Easy to Spell

Brands should be memorable without being difficult to spell. It is easy to direct potential customers to visit a company's Web site once, especially by spending money on advertising. It is harder to inspire customers to return on their own without a memorable brand that is easy to spell. If misspellings are possible, then common misspellings should be registered as domain names.

#### 9. Obtain Internal Understanding and Acceptance

The exact name of a company and its brands need to be accepted within and communicated throughout the company's organization. At an Indian call center company and a software services firm in Pakistan that I'm working with now, there are disagreements and uncertainties among top managers at each firm about what their companies are called. This is not uncommon, especially at small Indian call centers that operate locally on a largely cash basis.

#### 10. Test Prior to Deployment

Test several potential brand names among members of your target market before making a selection. Important IT project deliverables should experience rigorous quality assurance testing prior to delivery. Branding choices should be subjected to no less scrutiny.

Many firms attempt to enter international markets with brands that detract from their credibility. Don't be one of them. Enable potential clients to remember you positively and to be attracted to your firm because of its brand identity, not in spite of it.

Rather than come in with a brand name that is not distinctive, or is overused or hard-to-spell, choose a brand that gives meaning to the firm and its founders.

Outsourcing of brand management is the safest option. Hire an international brand consultant in your target market -- not where your company is based. The brand consultant can suggest brand options and screen out words with negative or restrictive connotations. A brand consultant can confirm that preferred brand names are not already claimed, test the names in target markets, and handle trademark and service mark registrations.

Brands represent the most important and often the most lasting investment that entrepreneurs can make. For companies such as Pan American World Airways in the U.S. and Dunlop India in that country, their brand names ultimately became their most valuable and durable asset.