



# Bringing “Brand” Into the Boardroom

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## FIVE REASONS TO BRING BRAND INTO THE BOARDROOM

January 2016  
Jennifer Barron

Corporate brand remains one of the most overlooked assets on a company's balance sheet. Despite the enormous potential of brand, many companies fail to leverage it as a strategic asset. This article explores five reasons why brand should be a top priority for every company.

One of the greatest challenges in business is how to create a brand that is both meaningful and profitable. The answer lies in understanding the value of brand and how it can be leveraged to drive growth and profitability.

There are five reasons to consider bringing brand into the boardroom:

1. Brand is the most important asset on a company's balance sheet. It is the only asset that cannot be sold or liquidated. It is the only asset that can be used to create a competitive advantage.

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**Brand**  
is a company's most important  
asset



The digital age we live  
in demands that boards  
take a more active role in  
**governing and  
protecting brand**



**Brand should be managed  
jointly by the C-suite**  
as opposed to being only handled  
by the CMO, and under Board of  
Directors oversight





Brand drives customer behavior...

**10-40%**

Of consumer choice is driven  
by brand

**54%**

Only ever buy their preferred brand

...as well as employee behavior

40%

Of new hires less likely to leave a company with a strong brand

50%

Of workers won't even consider working for companies with bad reputation



Brand is a valuable asset...



Google



ExxonMobil

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2016 BRAND EQUITY VALUE

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**\$103B**

**\$92B**

**\$79B**

**\$53B**

**\$52B**

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BRAND EQUITY VALUE % OF MARKET CAP

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**17.3%**

**16.8%**

**18.0%**

**20.4%**

**14.5%**

...which companies invest a significant amount in building...



Google



ExxonMobil

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2016 MEASURED U.S. MEDIA SPEND

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**\$845M**

**\$442M**

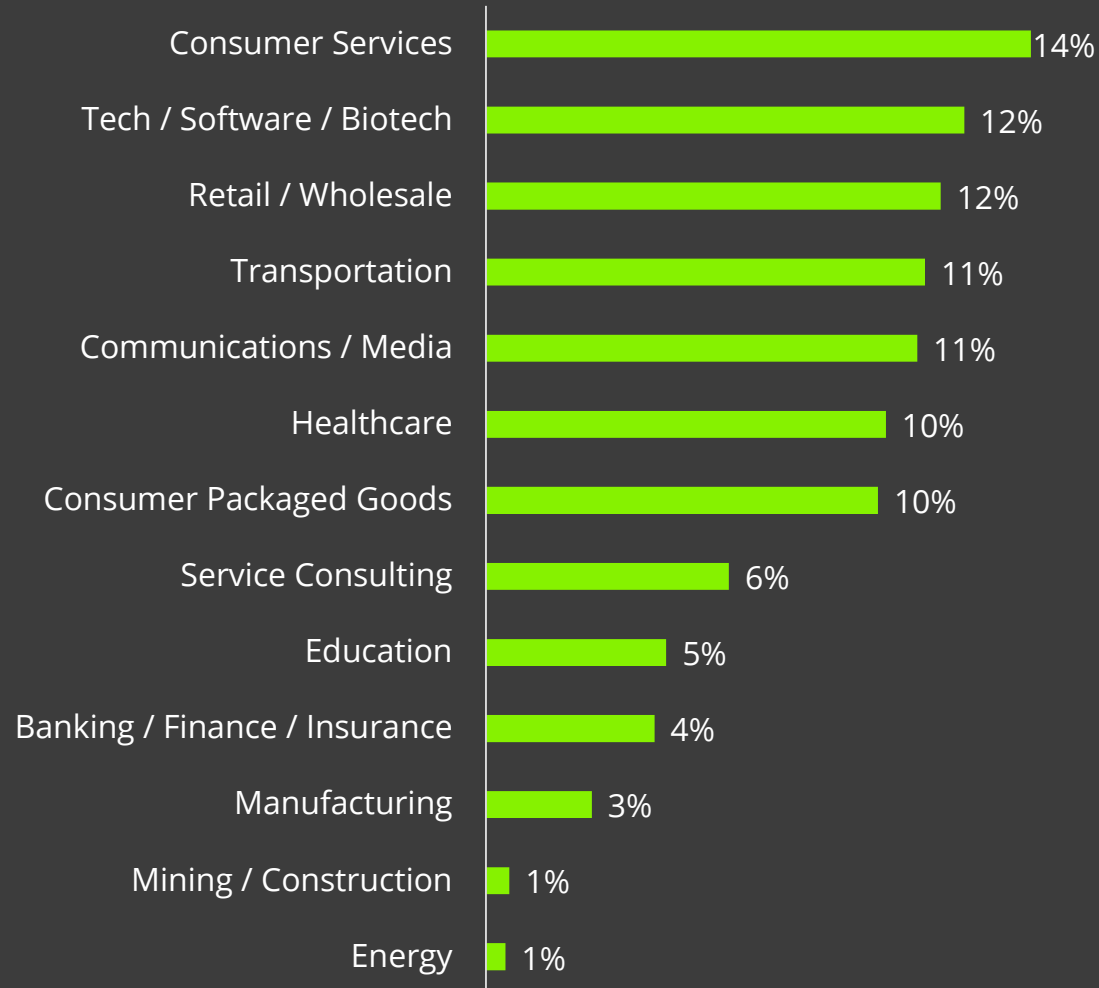
**\$756M**

**\$103M**

**\$112M**

...through marketing and other avenues...

### Marketing Spend as a % of Company Revenues



### Additional Areas of Brand Investment

Awards  
CSR  
Customer Experience  
Culture  
Press coverage  
ECOSYSTEM  
CUSTOMER TOUCHPOINTS  
Brand Content  
SPONSORSHIP  
Endorsements  
SOCIAL MEDIA





**IF BRAND IS SO IMPORTANT, WHY IS IT  
NOT ALREADY IN THE BOARDROOM?**



**2.6%** Of board members  
have managerial-level  
marketing experience

# 3% **INCREASE**

In total shareholder return with one marketing-experienced director

Effect is even stronger when the company is facing declining market share





# **WHAT IS BRAND TODAY?**



Brand exists in people's minds  
Brand is **what people think of you**



Brand is **shaped by everything**  
you say and do





Marketing and brand building is no longer about controlling the message...

**...it's about influencing the experience within an ecosystem**



UNITED AIRLINES

“Fly the Friendly Skies”



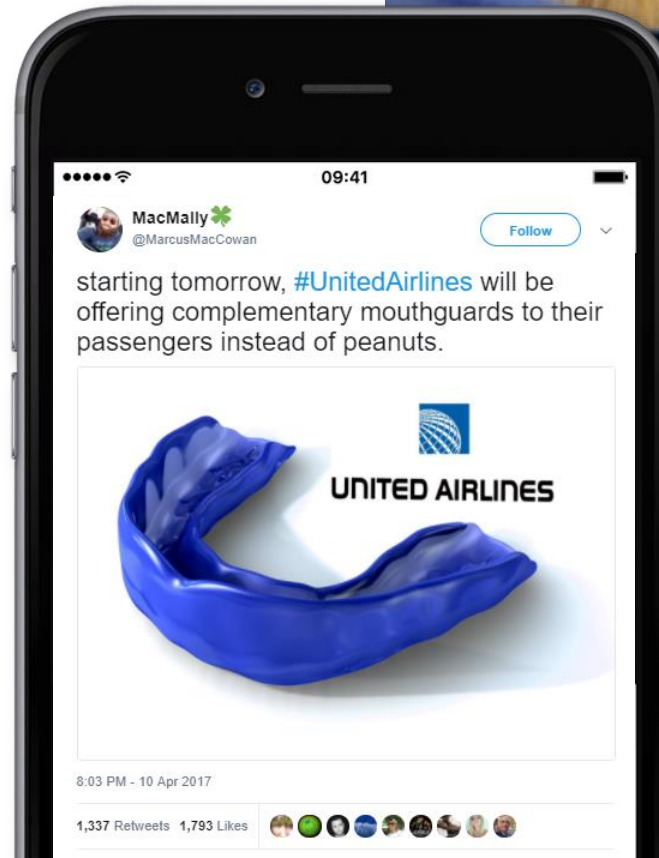




## Forced Passenger Removal

UNITED AIRLINES' CEO, OSCAR MUNOZ,  
LETTER TO FREQUENT FLYERS:

**“Each flight** you take with us **represents an important promise** we make to you... **we will no longer ask law enforcement to remove customers from a flight** and customers will not be required to give up their seat once on board – except in matters of safety or security.”







## Viral Impact

# 2,000

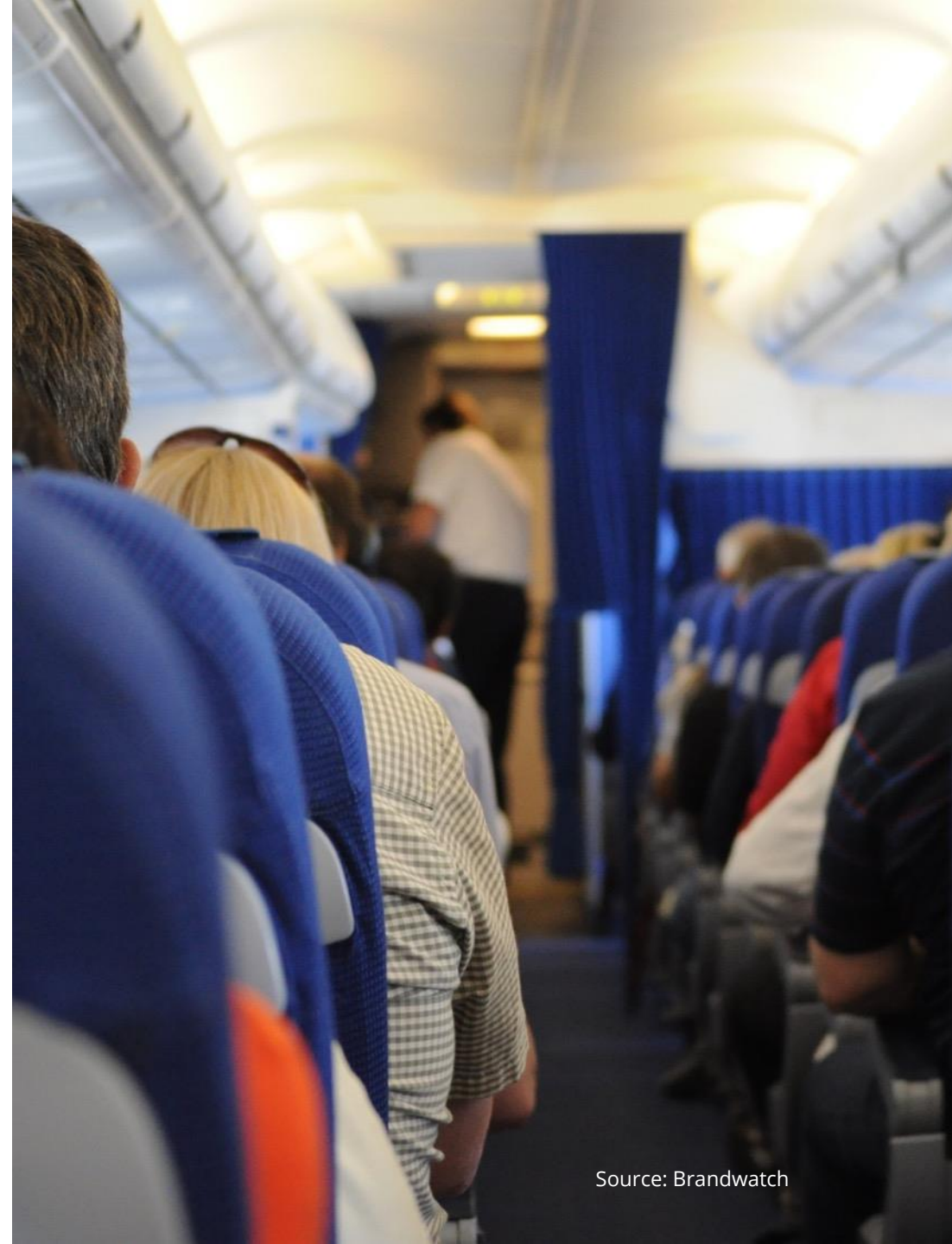
Average Daily Social Media Mentions

# 1.5M

Social Media mentioned the day after the incident and most were negative

# 75,000%

Increase in mentions



# This incident altered the identity of the United brand in the market

% OF RESPONDENTS PICKING UNITED WHEN...	AMONG PEOPLE WHO <b>HAD HEARD</b> OF UNITED RECENTLY	AMONG PEOPLE WHO <b>HAD NOT HEARD</b> OF UNITED RECENTLY
The United and American flights were identical	21%	49%
The American Airlines flight had an extra layover	43%	73%
The American Airlines flight cost \$66 more	51%	81%
The American Airlines flight had a layover and cost \$66 more	56%	86%





WELLS FARGO

“Together, we’ll go far”

WELLS  
FARGO



## The enduring symbol of Wells Fargo

Our stagecoaches are living symbols of the company's heritage of service, stability, and innovation

WELLS  
FARGO

## Account Opening Scandal

In America, Stagecoach Robs **YOU!**



Michael Carl  
@EntangledPrism

Open a Wells Fargo checking account today, and we'll open five more for you! #WellsFargo @WellsFargo #cfpb @CFPB @morningmika

11:59 AM - 13 Sep 2016

Linda James  
@ncundone

Fired #WellsFargo employees need shirts saying "My boss got \$125 million to go away & all I got was a pink slip & this lousy tee shirt"

11:32 AM - 13 Sep 2016

1 Retweet 1 Like



# 5,300

Employees fired (2011-17)

# \$185M

In fines

# \$110M

Preliminary settlement

DEC 2016 - YOY

## 40%

fewer checking  
account opens

## 43%

fewer credit card  
applications



UBER

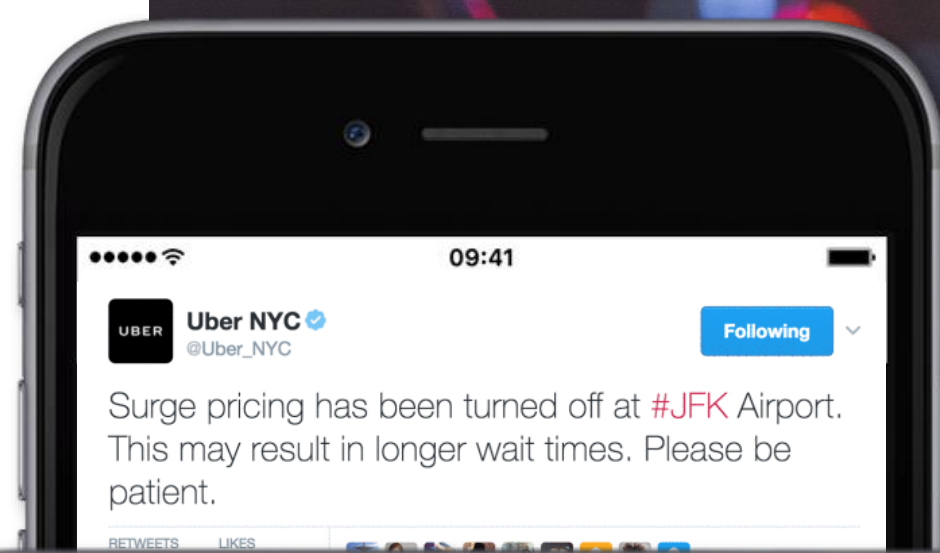
“Evolving the way the world moves”





# UBER

# #deleteuber



UBER

CEO Fired

**500,000**

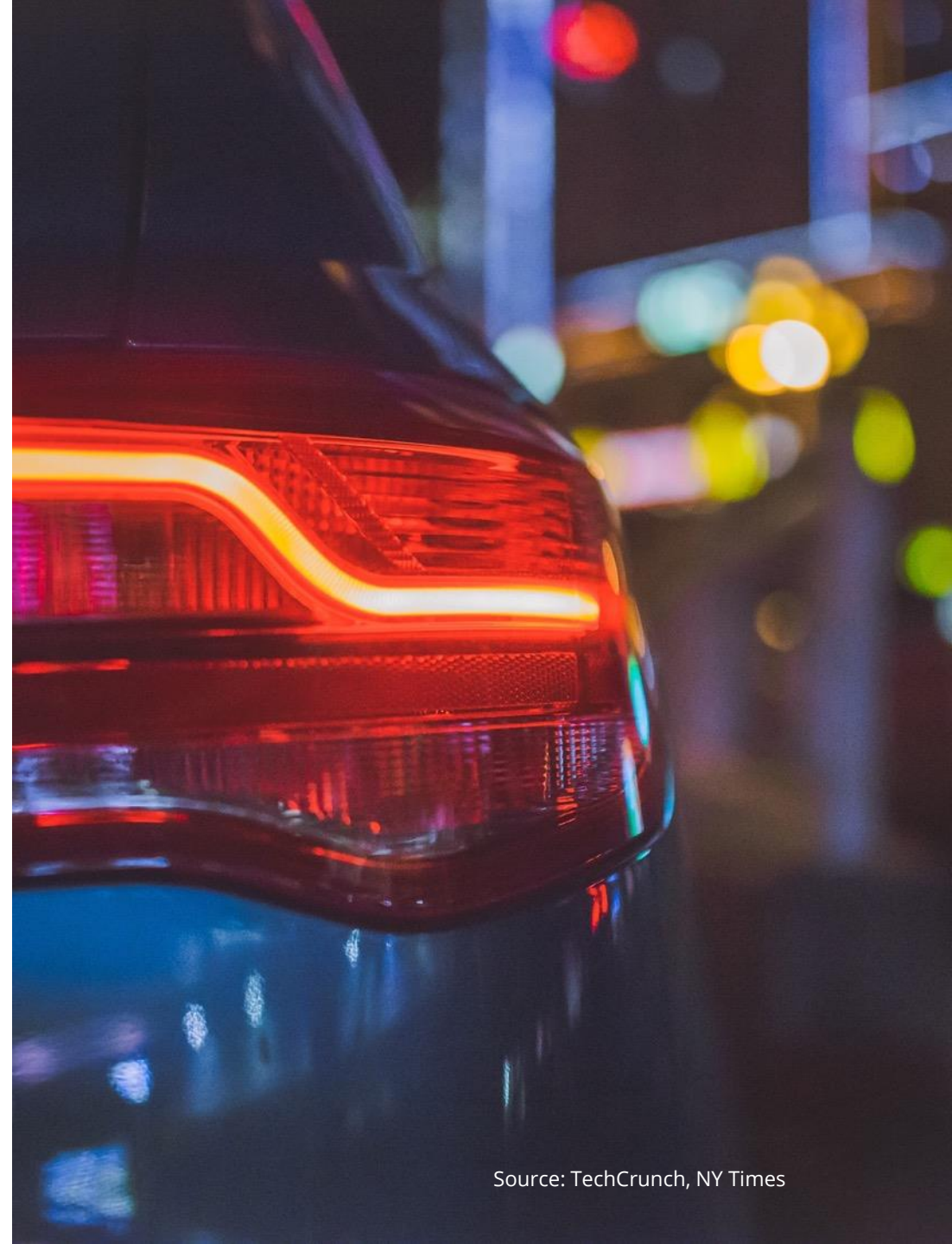
Riders deleted the app due to the #deleteuber campaign

**20**

Fired after sexual harassment investigation sparked by Susan Fowler blog post

**\$20B**

Decline in valuation based on private market trading





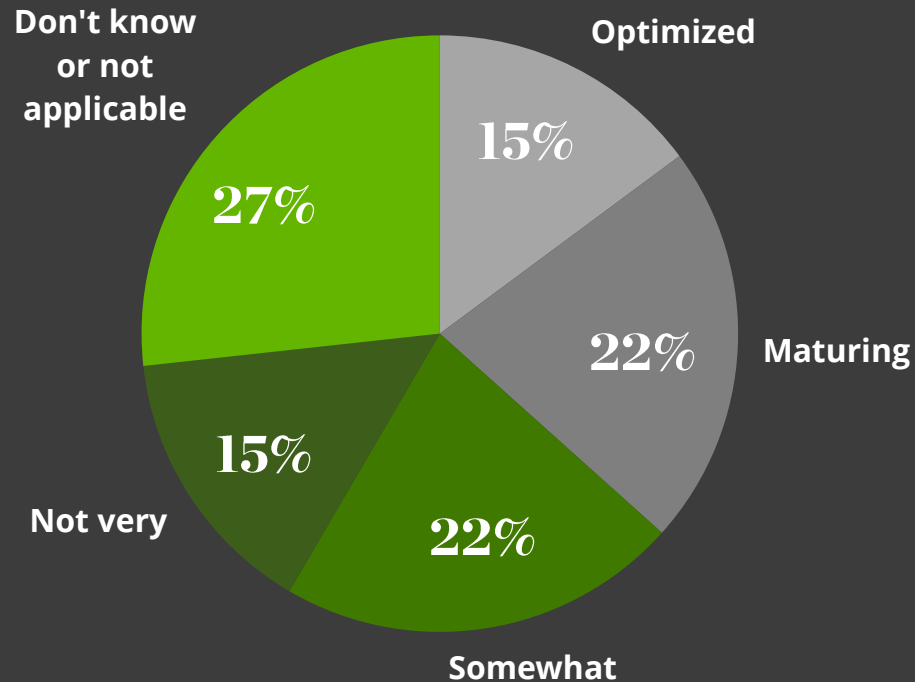
**BRAND PROMISE ≠ BRAND DELIVERED**

# 88% of executives see reputation risk as a key business challenge, yet don't feel well equipped

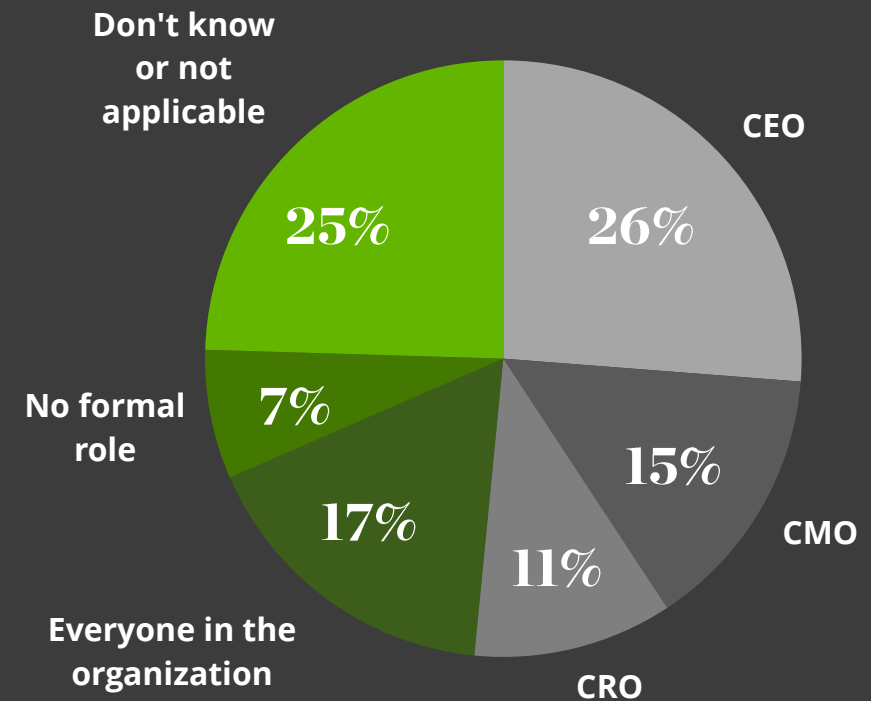
Executives do not feel well equipped to deal with reputational crises....

...because responsibility is not well defined, no one is truly accountable

"What is your organization's level of readiness for a reputational crisis?"



"Who in your organization is responsible for reputation?"





Brand delivery requires active management by the C-Suite and the Board of Directors who have to ask themselves: “Are we...”

## Aware?

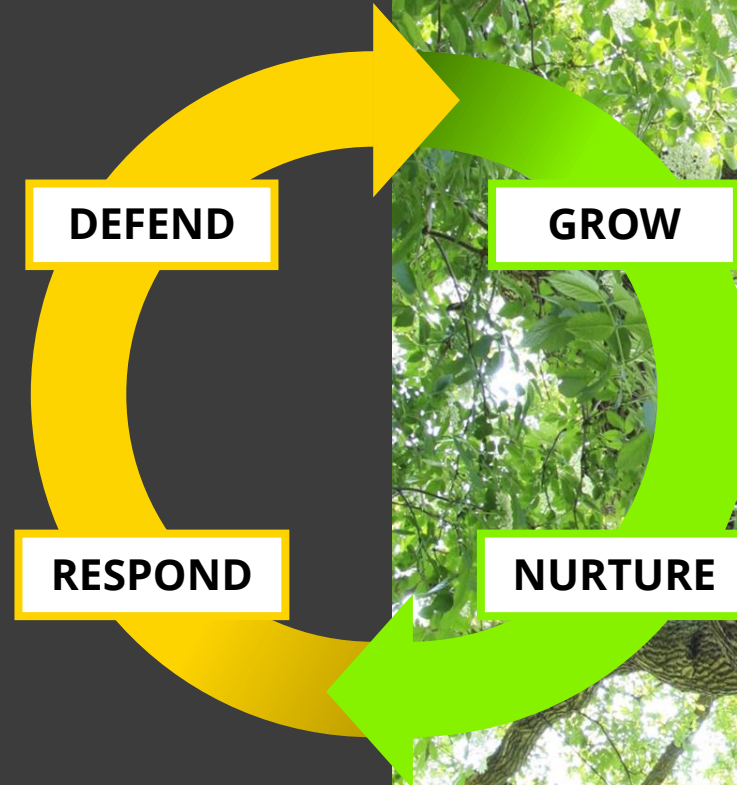
Of the value and positioning of our Brand

## In-Touch?

With customer sentiment and how we deliver on our Brand promise

## Aligned?

And accountable across the C-Suite (CEO, CFO, CMO, CRO, COO, CHRO) on delivering on our Brand promise





In today's world, **Brand** is an expression of everything a company is and does







“Character is like a tree and  
reputation like a shadow.  
The shadow is what we think  
of it; the tree is the real thing.”

– ABRAHAM LINCOLN



**Thank you.**

**Deloitte.**  
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