



Brand benefits series – *Part 1: Defining "brand"*

Seed sales is one of the most competitive businesses out there. Your geography is dense with competitors, and because the products can be complex, customers may have difficulty differentiating what's in one bag from what's in another. Here's where a brand becomes your most important asset – a reason for customers to believe and buy from you.

Over the next three issues of *Groundwork*, we'll explore why brands are so important to creating value, setting you apart from the competition and nurturing ongoing business.

What is a brand?

The word "brand" immediately conjures up some very specific things: logos, color schemes, maybe even the font your marketing team says you have to use. Those elements constitute *branding*. A *brand* is a bigger concept and much less tangible than a logo. A brand is an idea that exists in the minds of your customers.

Until standardized manufacturing raised the quality of most manufactured goods around the 1950s, quality tended to be the most distinguishing factor among brands.¹ Customers didn't need to have an emotional connection to a product – they just needed to know it was better made than the competition. But once more goods in a category could all be made to comparable standards, companies looked for new ways to differentiate themselves.¹

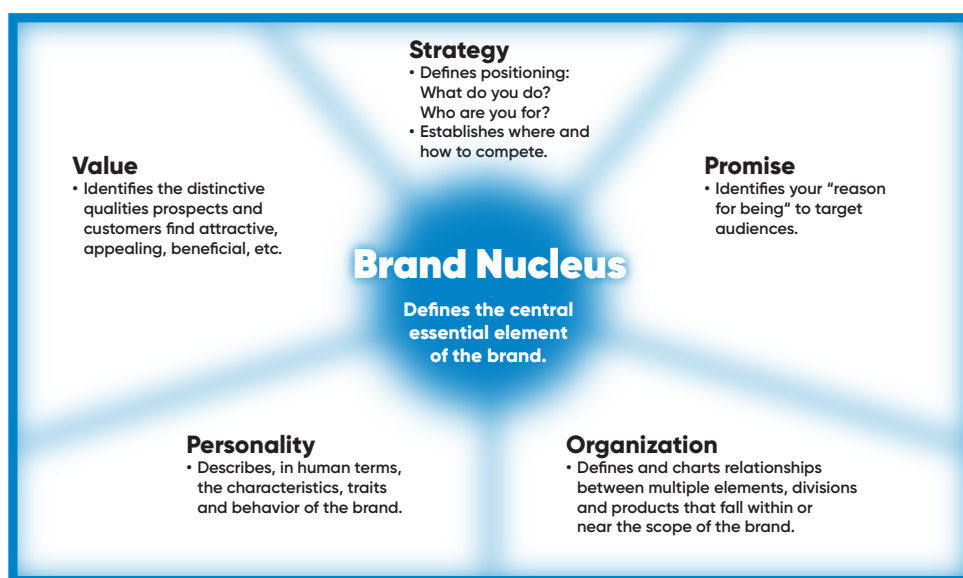
Quality is, of course, still a feature brands tout – particularly in seed – but it doesn't tend to stand alone (at least, not very well). In your own brand, quality might be associated with other, more emotional features like a sense of innovation, leadership or tradition.

Brand value

The idea of a brand may be intangible, but its value is very real. A brand's value is not calculated by sales alone, and, in fact, can be far greater than a company's revenue. For example, one recent brand consulting study placed Amazon as the world's most valuable brand, worth about \$685 billion.² That's 44% more than the company's record-breaking revenue for 2020 (\$386 billion).³ What makes a brand's value so much higher? Brand value accounts for not just sales, but the opinions of customers (in the case of this brand valuation study, captured through tens of thousands of surveys²). For customers, the Amazon brand stands for something, and that has inherent worth.

In other words, it isn't the Amazon smile that's worth billions, but the idea of Amazon that exists in customers' minds like, convenient, friendly, accessible. Customer behaviors, opinions and loyalty for a brand are also referred to as part of its brand equity, which can add to and influence a brand's value.⁴

Brand Structure Components



Brand structure

A solid brand is built from several key components. Taken together, the brand structure describes the way customers will conceptualize the brand in their minds. One easy-to-understand brand model puts the main idea of the brand at the center, like a nucleus, with the other components orbiting it.

Thinking brand-forward

In a sales scenario, it can be tempting to spend more time focused on your products than your brand. But when you think about just how valuable a brand can be, it flips the script. If you're looking to build long-term loyalty, you want your customers thinking about the brand first. In the seed business, products come and go – these days, lineups turn over more quickly than ever as better products come to market. It's the brand that endures. Ideally, customers will continue buying what's in your lineup because it's in YOUR BRAND'S lineup. The brand itself has earned their trust, far above a given product number. A strong brand helps make the customer relationship less fragile and opens up more opportunity to grow the business, and that's something we can all get behind.

In our next installment, we'll look at the benefits of brands in creating differentiation, to own a special spot in customers' minds and hearts.

¹ de Swaan Arons, Marc. "How Brands Were Born: A Brief History of Modern Marketing." *The Atlantic*. Atlantic Media Company, October 3, 2011. <https://www.theatlantic.com/business/archive/2011/10/how-brands-were-born-a-brief-history-of-modern-marketing/246012/>.

² Ang, Carmen. "The World's 100 Most Valuable Brands in 2021." *Visual Capitalist*. November 1, 2021. <https://www.visualcapitalist.com/top-100-most-valuable-brands-in-2021/>.

³ Kohan, Shelley. "Amazon's Net Profit Soars 84% With Sales Hitting \$386 Billion." *Forbes*. Forbes Magazine, December 10, 2021. <https://www.forbes.com/sites/shelleykohan/2021/02/02/amazons-net-profit-soars-84-with-sales-hitting-386-billion/?sh=70bf70291334>.

⁴ "What is brand value and how can you measure and improve it?" *Qualtrics*. November 15, 2021. <https://www.qualtrics.com/experience-management/brand/value/>.