

EXTRAORDINARY EXPERIENCES

**WHAT GREAT RETAIL
AND RESTAURANT
BRANDS DO**



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author of the bestselling book *What Great Brands Do*

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Introduction

Is Branding Dead?

"Twilight of the Brands."

It was a headline I couldn't ignore. A mere three weeks after I had published a book extolling the power of brands to transform business, *New Yorker* columnist James Surowiecki declared that the value of brands was waning.¹ "Brands," he wrote, "have never been more fragile. The reason is simple: consumers are supremely well informed and far more likely to investigate the real value of products than to rely on logos."

He wasn't the only one to declare the death of brands and branding.

- A CBS "Money Watch" report on the disconnect between four brands' appeal and the actual performance of their products was titled, "Branding is Dead: Apple, Toyota, Leno & Obama Prove It."²
- "Branding is irrelevant in the age of the social networks," stated American media theorist and author, Douglas Rushkoff.³
- And, Surowiecki's column was actually inspired by the book *Absolute Value*, in which the authors, Stanford marketing professor Itamar Simonson and tech guru Emanuel Rosen, predicted a "dilution of brand meaning as consumers learn to evaluate each product based on its own merit."⁴

I couldn't -- and still can't -- turn a blind eye to these arguments against brand power. I can't deny that people now make a decision to buy a product based on reviews from other customers, price comparison apps, corporate exposés, and "expert research," so that product's brand can seem quite incidental.

And yet, I know that the companies behind the world's greatest brands -- Apple, GE, Disney -- would still divest every asset and exit every market before they would give up their brands. I also know that these companies aren't ignorant about how the power in brand communication has shifted to the customer.

I know that great companies like those three conceive of their brands differently. While most organizations think of and use their brands merely as external names, messages, or images, companies with great brands use their brands as tools that drive, align, and guide everything they do as an organization.

That's why I wrote this book.

What I Know for Sure

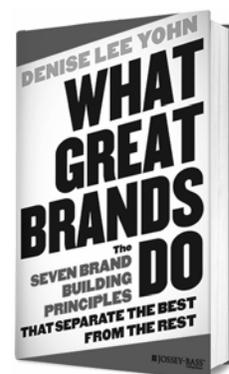
In this book I show that brands as mere symbols of quality or cues of past glory are indeed relics of a bygone era. I agree with the "branding-is-dead" declarations -- and

acknowledge that the importance of "branding" defined as developing a logo, name, or image to appeal to external audiences has diminished.

But I also have to clarify that a brand has so much more value than that. I have to demonstrate that "brand" defined as *what you do and how you do it* -- and "brand-building" defined as *explicitly deciding, articulating, and using your brand as the central organizing and operating idea of your organization* -- is still of utmost importance.

Actually, this belief is why I wrote my first book, [*What Great Brands Do: The Seven Brand-Building Principles That Separate the Best from the Rest*](#) (Jossey-Bass, 2014.) In it, I explained:

"The traditional definition of the brand as a mere marketing asset needs to end -- the sooner the better. This book represents my modest contribution towards the old definition's speedy demise."



And I have heard from many readers who've said the book opened their eyes to a new way of thinking about and building brands. Readers told me:

- "After I read this book I understood that branding is very little about great logos and names; it's about culture."
- "I've heard it said so many times over the last several years that the brand can no longer be the exclusive domain of marketing. However, until now, no one has taken the time to lay out the precise intellectual and emotional benefits . . . that our counterparts in operational roles can relate to and value with equal passion."
- "*What Great Brands Do* altered my paradigm of how businesses build and maintain success."

But plenty of misunderstanding still exists about brands and how they should be developed and used. I still come across articles with titles like "Secrets to a Great Brand" that go on to extol the virtues of a cute avatar in your mobile app or a well-curated Pinterest account. People still seek out my advice on their logos and want feedback on their promo videos, without asking me if *what* they're actually doing as an organization and *how* they're doing it makes sense and will lead to a profitable, sustainable business.

So this book is meant as a companion to *What Great Brands Do* -- a shorter, more focused look at why brands still matter. It's intended to take the brand-building principles from my first book and make them as tangible and real as possible for businesses of all sizes and types. I could think of no better way to do this than to reference the experiences we encounter every day at restaurants and retail stores.

Each of us has our own favorite stores; we all have those restaurants that we keep going back to. Some restaurateurs and retailers have managed to cultivate our loyalty

and we love going to them. We tell our friends about them, we "like" them on Facebook, we gather groups to accompany us to their stores.

We love these brands because of what they do for us every time we walk in their doors, how they make us feel, the products they sell, and the experiences they create. We're not overly concerned with what their logo looks like; their tagline might be clever, but that's not why we go there. We love them for *what they do and how they do it* -- in other words, their brand.

Great retail and restaurant brands become great not through what they say, but what they do. [\[tweet this\]](#) They earn our love and loyalty not by talking about themselves in advertising or social media, but by creatively designing and consistently delivering great experiences.

These experiences don't just happen; nor do they result only from excellent operations. They stem from the strong cultural foundations, deliberate planning decisions, and integrity in execution that our favorite companies emphasize. Extraordinary experiences demonstrate brand-building at its best.

Retail Isn't Dead Either

Just as the death of branding may be misunderstood, the death of in-person retail is another conclusion that must be examined carefully.

It's true that brick-and-mortar stores have come under fire from many directions. Industry research firm eMarketer projected e-commerce sales to account for \$349 billion in 2015, or 5.8 percent of the total U.S. retail market. It also predicted that approximately 63 percent of the U.S. population would make a digital purchase that year.⁵ Forrester projected that transactions in the U.S. completed on mobile phones and tablets would total \$114 billion in 2014.⁶ Amazon alone grew its revenues by 20 percent in 2014.⁷ Those are big dollars that brick-and-mortar stores are losing out on.

Shopping has changed a lot, too. A purchase decision used to be a transaction. A store used to be a place. A customer used to be a shopper. Now, thanks to digital technology and the mobile lifestyles it enables, shopping is no longer a discrete activity. These days, shopping happens everywhere, anywhere, anytime, in no time. With shopping now less linear and more complex, it's harder for stores to develop sustained customer relationships.

Problems fundamental to brick-and-mortar businesses are growing. Showrooming – visiting a store in person to see a product before buying it for a lower price online – threatens retailers; many delivery services threaten restaurant companies' profits because they charge them, not customers, their fees. Retailers and restaurateurs have always had to deal with the challenges of dispersed, low-wage, high-turnover

workforces. Now many are being squeezed further between rising healthcare costs and increasing wage demands and requirements.

What's more, shareholders have seen profits rise through the refranchising efforts of Burger King and Jack In the Box and are pressuring similar companies to follow suit. While shifting operating costs to the franchise operator may improve the bottom line, managing franchise relationships comes with its own operational challenges.

Yet, for every unique challenge retailers and restaurateurs face, they also enjoy tremendous advantages over brands like packaged goods, professional services, and business-to-business companies that don't control their own sales channels. Restaurant and retail companies get to interact directly with their customers every day, which not only allows them to collect real-time, unvarnished input and feedback, but also enables them to test, learn, and change more quickly.

They also benefit from having more control over the customer experience and more touchpoints they can use to engage customers. It's no wonder, then, that online retailers reported plans to introduce or expand their brick and mortar operations by opening in-store experiences (14 percent) and expanding global brick and mortar and pop-up stores (12 percent and 11 percent respectively) in 2015.⁸

In the end, we must acknowledge that in-store sales still comprise 94 percent (\$4.3 trillion) of total retail spending according to the U.S. Commerce Department⁹ and retailers are signaling a positive outlook by adding new workers at a pace well ahead of recent past years.¹⁰ In fact, instead of being intimidated by online developments, brick-and-mortar operators are discovering that "arriving technology will finally help retailers capitalize on physical retail's inherent strengths," as Bill Simon, former president and CEO of Walmart U.S., explained recently.¹¹

So this book can be considered a tribute to the continued appeal of in-person retail and the brands that excel in brick-and-mortar businesses. But more importantly, it demonstrates how business leaders address the unique challenges and exploit the unique opportunities of the physical retail world to build great brands.

I've purposefully not used examples of companies that operate primarily online, although the brand-building principles of great brands certainly apply to all retail brands whether they're exclusively brick-and-mortar, exclusively e-commerce, or multi-channel. And if you don't do business in the restaurant or retail industries, you'll still find the case studies relatable, accessible, and applicable to your organization.

Brand-Building for All Brands

Indeed, great brands come in all scopes, sizes, and stages. My previous book, *What Great Brands Do*, profiled a full range of companies, but since the most popular brands

-- Nike, Starbucks, IBM -- were probably the most memorable, I heard from many readers asking for more examples of lesser-known, less-established brands. Others claimed, "Our situation is different," as they tried to explain why brand-building isn't relevant or possible for them because they operate in a commoditized market or one in which an emotional appeal wouldn't be effective.

So I've deliberately selected the brands for this book to demonstrate how brand-building works whether your organization is big or small, new or old, out-spent or under-resourced, price-sensitive, differentiation-challenged, or economic cycle-impaired. In fact, each chapter includes a brief sidebar to explain how the featured brand challenges an excuse someone might use for not building a great brand. Look for the boxed text labeled "No More Excuses."

From this carefully curated collection of brand stories, you'll learn the seven brand-building principles from *What Great Brands Do* and how:

- [Popeyes Louisiana Kitchen](#), a mid-sized fast-food chain, fought back from near financial bankruptcy and franchisee mutiny by applying the first brand-building principle, **Great Brands Start Inside**.
- Grocery brand [H-E-B](#) has managed to thrive by subscribing to the notion that **Great Brands Avoid Selling Products** even though it's in an industry that's undergoing some of the most dramatic changes since supermarkets emerged in the 1940s.
- **Great Brands Ignore Trends** is the secret behind [Buffalo Wild Wings](#)' success defying the downward cycle of the casual-dining category.
- [Costco](#) shows that **Great Brands Don't Chase Customers** isn't just a principle for small, niche brands.
- [PIRCH](#), a retailer with only a handful of stores, makes an extraordinary investment in its customer experience because **Great Brands Sweat the Small Stuff**.
- **Great Brands Commit and Stay Committed** is embraced by the leaders at [Jason's Deli](#) who have run the regional restaurant company through 40 years of ups and downs.
- Three college students started [sweetgreen](#), a brand that is now admired by many business leaders in part because it operates according to the principle **Great Brands Never Have to "Give Back."**

You might be surprised by the brands you'll find in these pages. Some of them you might not have ever heard of – yet. With others, you might question whether or not they're "great." With that in mind, to remove the subjectivity, I've qualified all of them according to the criteria established in *What Great Brands Do*.

- **Above-average profit margins:** Profitability remains the strongest indicator of brand power so, to the extent it was possible to ascertain from publicly available

data, I used above-average profit margins or operating profits of the companies in this book as an initial screen.

- **Ranked highly in surveys:** The brands also needed to be ranked highly in consumer surveys conducted by Harris, Market Force Information, or others, and by their industries' organizations, such as the National Retail Federation and dunnhumby.
- **Valuable and/or growing:** Unlike the larger brands I researched previously, most of these companies are too small or are privately held, so they don't appear on lists like Interbrand's Best Global Brands. Still, they are reported to be producing consistent same-store sales and unit growth.

Underlying the brand vitality metrics that these brands share is the approach to brand-building that they share, too. They use their brands the way all great brands do -- as complete, strategic platforms that drive, align, and guide everything they do. They build their brands through actions, not advertising. Their brand isn't simply an image, it's an instrument. Brand-building isn't just creative or strategic, it's operational. [\[tweet this\]](#) They define their brands as their businesses. This brand-as-business management approach is their "secret sauce."

In my experience, I've found that a brand goes from good to great -- and stays that way -- only if and when its leadership puts the brand at the center of the organization and uses it as a management tool. Whether you're just starting up or trying to transform an established company, implementing the brand-as-business management approach takes time, discipline, and focused commitment. Given the benefits produced by a great brand -- higher profit margins, true customer loyalty, lower overhead costs, greater market valuations, and good will to cover you when things go wrong -- it's a journey worth taking.

The Journey Ahead

You might admire great brands for their bold moves and innovative approaches, but you remain unclear about what really separates merely good brands from those that triumph over time and achieve sustained business success. This book will give you the clarity you crave. The insights and analyses you'll find are based on my desk and field research, interviews with company leaders, and industry reports.

Each chapter revisits one of the seven brand-building principles from *What Great Brands Do* and reveals how the principle is operationalized at a retail or restaurant company. I use each chapter to highlight the single principle that each brand best exemplifies, but the seven principles are not stand-alone methods to be implemented individually or ad hoc.

To be sure, each principle is a powerful brand-building measure on its own -- and you will naturally gravitate to some more than others. But only when you combine them in

an integrated management approach -- brand as business -- will you be employing all the building blocks you need to build a great brand.

The seven principles form a holistic progression from setting what you believe, to choosing what you will and will not do, to engaging what you do at the highest level. They demonstrate that it is a cohesive, integrated approach – doing “brand as business,” the eighth overarching principle -- that maximizes the full power of them all.

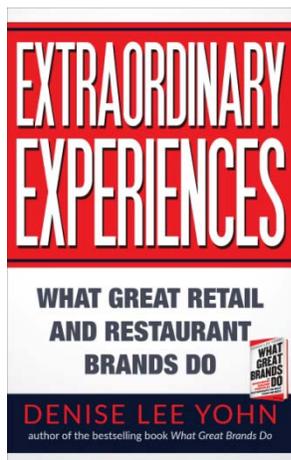
This book is not intended as a comprehensive guide to brand-building. Use it as a companion to *What Great Brands Do*. I have provided references to sections of that book that offer additional examples and explanations as well as to the exercises and tools that I have used throughout my consulting work with dozens of Fortune 1000 brands. I've also included links to online resources that will get you on your way to building a great brand.

Each principle builds on the previous ones, so the chapters will make more sense if you read them in order. But this book is meant to complement the more structured format of *What Great Brands Do*, so feel free to read it as your schedule and attention allow. Be sure to end on the final chapter, “Choose to Be Great.” It will prompt you to take action, which is the whole point of reading a book like this.

The beginning of each chapter lists the key questions that will be addressed in the pages that follow, and there is a brief summary of the key points at the end of each chapter. These appear in boxes, so you can find and reference them easily. If you're looking for a quick refresher on what great brands do, you might only need to read those. But if this is your first introduction to the brand-as-business management approach, I hope you will read and think about all the content in this short book and then take a deeper dive with *What Great Brands Do*.

Either way, I can't wait to share *Extraordinary Experiences: What Great Retail and Restaurant Brands Do*. Let's get going!

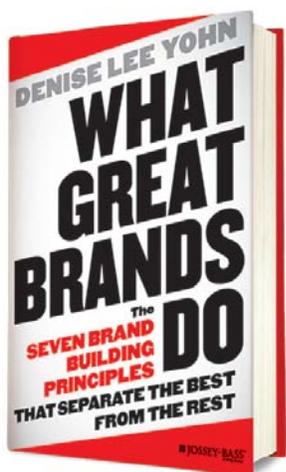
Thanks for checking out *Extraordinary Experiences*!



[CLICK HERE TO GET THE E-BOOK NOW](#)

Extraordinary Experiences by Denise Lee Yohn profiles seven great retail and restaurant brands and shows how they earn customer love and loyalty by creatively designing and consistently delivering great retail customer experiences. Compelling stories and practical principles make *Extraordinary Experiences* required reading for all business leaders wanting a great brand.

Also by Denise Lee Yohn, 800 CEO READ Bestseller and named among Inc. Magazine's Top Marketing Books in 2014:
What Great Brands Do: The Seven Brand-Building Principles That Separate the Best from the Rest



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Packed with insightful case studies from companies like Starbucks, GE, and IKEA, *What Great Brands Do* explains how top companies develop standout brands that foster customer loyalty and increase profit margins. Brand-building expert Denise Lee Yohn translates these studies into actionable guidelines by sharing the seven major principles that are essential for brand excellence. Get your copy and start learning how to use your brand not just to gain a competitive edge, but to change the game completely.

Special offers combining autographed copies of *What Great Brands Do* with e-book copies of *Extraordinary Experiences*, plus presentations, webinars, and phone consultations, are available. Contact Denise at <http://deniseleeyohn.com/contact>.

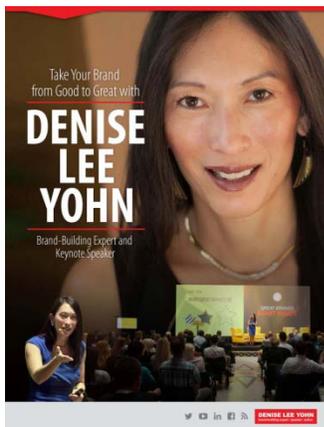
About Denise

Blending a fresh perspective, twenty-five years of experience working with world-class brands including Sony and Frito-Lay, and a talent for inspiring audiences, Denise Lee Yohn is a leading authority and in-demand speaker on building and positioning exceptional brands.

Denise is the author of the bestselling book *What Great Brands Do: The Seven Brand-Building Principles That Separate the Best from the Rest* (Jossey-Bass). She frequently appears in national media including FOX Business TV and USA Today. She is a regular contributor to Harvard Business Review and Forbes and her talks have inspired and taught thousands of CEOs, CMOs, and entrepreneurs around the world.

Learn more about Denise at <http://deniseleeyohn.com>.

Take Your Brand from Good to Great -- Bring Denise in to Speak at Your Next Event



Engage your organization in delivering extraordinary experiences by booking Denise to inspire and teach your people. Whether you need someone to motivate your managers, provide an executive briefing to your leadership team, or give your entire organization a new sense of how to build a great brand in your highly competitive world, Denise will demystify the brand-building process and engage everyone with their roles in interpreting and reinforcing your brand. She will ignite your organization to achieve brand leadership.

Video introduction [here](https://vimeo.com/deniseleeyohn/speaker) (<https://vimeo.com/deniseleeyohn/speaker>)

More information [here](http://bit.ly/DLYSpeakerKit) (<http://bit.ly/DLYSpeakerKit>).

Notes

¹ <http://www.newyorker.com/magazine/2014/02/17/twilight-brands>

² <http://www.cbsnews.com/news/branding-is-dead-apple-toyota-leno-obama-prove-it/>

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⁴ Simonson, Itamar and Emanuel Rosen. *Absolute Value: What Really Influences Customers in the Age of (Nearly) Perfect Information*. HarperBusiness. February 4, 2014.

⁵ <http://www.emarketer.com/Article/Retail-Sales-Worldwide-Will-Top-22-Trillion-This-Year/1011765#sthash.sFcg8kO0.dpuf>

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⁸ <http://www.icsc.org/press/more-etailers-to-open-brick-and-mortar-stores-in-2015-report>

⁹ Ibid.

¹⁰ <http://www.marketwatch.com/story/retail-sales-surge-in-may-point-to-revived-us-growth-2015-06-11>

¹¹ <http://www.retailwire.com/discussion/18010/nrf-tech-that-capitalizes-on-physical-retails-strengths>