Why branding matters: 7 reasons why branding is so important

Category: Branding
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Understanding why branding matters to a company's growth can be difficult when you're first launching a business. You assume your product, price points, and customer service will be enough to capture the hearts and minds of your customers, but this isn't always the case.

The reality is, no matter how unique you think your product or service is, there are always going to be other companies out there, offering something similar. Branding is how you give yourself an edge over these other brands, by connecting with customers on a deeper level.

Through a successful brand, companies can highlight their vision, values, and mission to their target audience. More importantly, you create a sense of "affinity" with your customers, striking an emotional chord.

Branding is more than just giving your company a recognizable name and image. It's how you set yourself apart from the competition, and preserve the loyalty of your customers.

What is branding and why is it important?

To understand why branding matters, you need to know what it means to create a brand. There are still countless companies convinced branding is little more than logo design or website creation.

However, your brand isn’t just what your business looks like.

A brand is a combination of all the assets used to define and differentiate your business. It’s how you make your customers feel, your unique personality, and the message you aim to send.

Branding includes images, content, logos, marketing campaigns, and any other material helping you form a connection to your consumer base.

Branding transforms your business from yet another basic retailer, into something your customers can understand, support, and even advocate for.

Usually, a brand consists of:

- **Brand strategy:** The ‘how, what and why’ of your business.
- **Visual identity:** Your logo, website, colors, and images or brand photography.
- **Advertising:** Marketing campaigns and communications.
- **Product design:** Packaging, features, and visual appeal.
- **Customer experience:** How you look after your consumers.
- **Tone of voice:** The unique language and terms you use.

So, why is branding so important?

Human beings don’t naturally connect on an emotional level to faceless corporations. We instead seek out relationships with other people. Branding helps to humanize your brand, giving it a personality, image, and other recognizable characteristics.

Look at Coca-Cola for instance, there are many similar sodas out there, but Coca-Cola’s focus on community and happiness makes it more appealing to its audience.



What does branding do?

On a basic level, branding differentiates your company.

As mentioned above, people don't build relationships with products, buildings, or companies. The loyalty we see from customers, like Apple's committed fan base, comes from the perception people have of the brand and its identity.

Branding gives your customers a reason to choose your items over a host of similar products in the same market.

Used correctly, it can:

- Differentiate your products and services.
- Build customer loyalty and emotional connections.
- Make it easier to sell your products through familiarity.
- Generate trust and brand recognition.
- Help you attract stakeholders, investors, and employees.

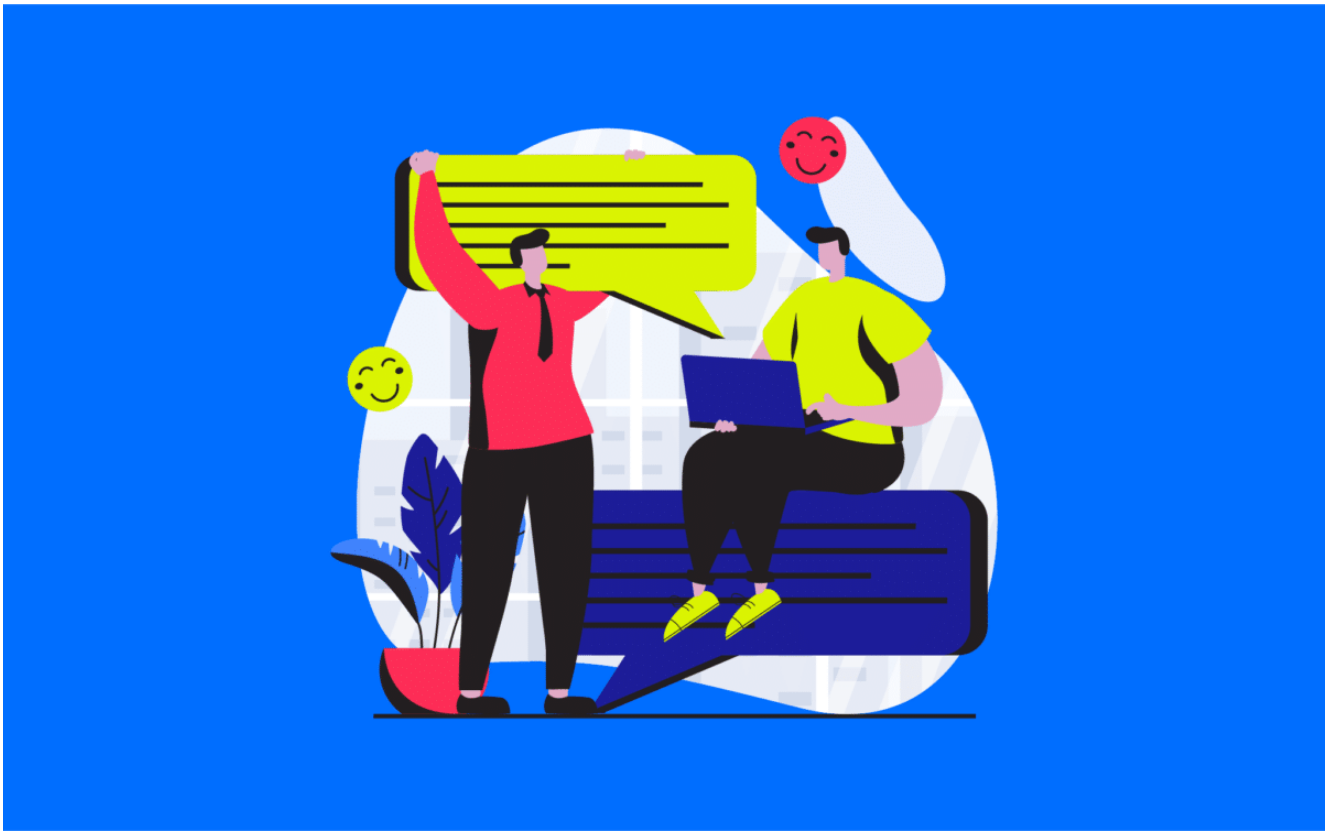
Let’s dive a little deeper into the reasons why branding matters.

Why branding is important: 7 crucial reasons

Ask a selection of business owners why branding matters and they’ll give you a variety of different answers. The more you invest in successful branding, the more you discover the benefits for yourself.

In simple terms, branding helps you place your products and services within your customer’s lives, their subconscious, and their hearts.

Some of the main reasons why branding matters include:



1. Connect to customers emotionally

Building a brand involves successfully conveying your mission, values, and vision to the consumers you want to reach. By

connecting your company with emotional concepts and ideas, you align yourself with the things your clients' value most.

For example, customers purchase Nike products because they believe they have the power to help them become an athlete, no matter their background.

According to studies, customers who have an emotional relationship with a brand will also recommend the company at a rate of 71% compared to 45%, for less connected consumers.

2. Attract top-quality talent

Your brand isn't just there to attract customers, it can also help you connect with other people responsible for growing your business. The right branding strategy shows your would-be employees why they should be interested in helping to grow your company.

Convey the right values and information, and you can not only attract more talent, but convert your employees into advocates too. A good example of this is Google, a company who focuses heavily on showcasing values of innovation and growth to potential candidates.



3. Builds trust with investors and stakeholders

Consumers aren’t the only people who spend money with your business. Many companies need to connect with investors and stakeholders to grow. However, the only way to convince people to get involved with the development of your business, is to reach them on an emotional level.

A strong brand can attract investors, business partners, suppliers, and countless other professional groups essential to your business. The more powerful your brand, the more potential stakeholders feel they can trust you, and expect a return on their investment.

4. Maintain consistency

A successful branding strategy often involves crafting a vision or mission statement. This is an opportunity to dive into the purpose of your company (beyond making money).

When you define your brand, you’ll get a clear vision of the promise you’re making to your target audience. This makes it

easier to consistently follow the same path.

With your branding strategy, you can ensure you’re delivering a consistent experience to your audience, focusing on the right opportunities, and giving communities something to rally around.



5. Support marketing and advertising

Marketing and advertising efforts are easier when your employees have a clear vision of what and who they’re trying to promote. A clear company personality and message can assist in coming up with valuable promotional content for your campaigns.

On the other hand, your visual identity, outlined in your brand guidelines, will help your team to produce designs which improve the familiarity of your company. For your internal team, branding helps to get everyone on the same page, working towards shared goals.

6. Boost profit opportunities

Generic companies rarely have an opportunity to sell their products for a higher premium. However, a well-branded company can usually charge a higher fee because they're not just selling a product or service.

Branded products earn more money because they're selling the peace of mind connected to a trustworthy company, and the promise of an exceptional experience.

Good branding focuses on the "why" behind the business, and strengthens emotional connections, so customers are more willing to pay extra. With a brand, you're also more likely to differentiate yourself from other companies, so you can charge more than them.

7. Cultivate loyalty

When your customers choose to convert and purchase something from your business, it's the branding strategies you use which determine whether they'll keep coming back. If you deliver an excellent experience with your brand from start to finish, this sticks with your customer.

A great brand makes customers want to stay with the company, tell others about their experience, and support the organization in other ways. Look at how Harley Davidson embraces every customer within its community after they make a purchase.

The power of successful branding

Many business owners don't think about why branding matters until its too late. A good brand can't be an afterthought. It needs to be something you embed into everything you do, say, and create in your organization.

Your brand should shine through in not just your name and

logo, but your product design, your go-to-market strategy, and your approach to customer service.

A valuable brand ensures you can create a more profitable business, rather than simply shrinking into the background among other generic companies.

Look at some of the most famous brands in the world, from Audi to Microsoft, and you'll see how their branding has given them exceptional staying power over the years.

Whether you're trying to attract initial investors, long-term customers, or the employees responsible for helping you grow, you'll need a great brand to make an impact. Your brand is, essentially, the most important investment you can make for the future of your business.

Does your company need branding support?

Now you know why branding matters, it's time to think about whether your own brand strategy is pulling its weight. Do you know the mission and values behind your company? Are you conveying the right messages with everything you produce for your business?

If you're struggling to define and showcase your brand, one of the best things you can do is seek out professional branding support. There are experts available, like Fabrik, to guide you through the process of developing an effective brand.

Make sure you're taking advantage of the right support!

Fabrik: A branding agency for our times.