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FROM BAND LOYALTY TO BRAND LOYALTY

Music washes away from the soul the dust of everyday life.

—JOHANN SEBASTIAN BACH

Your first kiss. Your first car. The day you said "I do." Chances are the most memorable moments of your life are connected by a soundtrack of music—songs that heighten your senses and evoke emotions that help you experience those memories all over again.

Perhaps that soundtrack includes Wagner's triumphal "Bridal March" from *Lohengrin,* sparking an overwhelming sense of joy and expectation, or Sarah McLachlan's "I Will Remember You," recalling the painful breakup of a love not meant to be. Or perhaps it's a pulsating refrain from Aerosmith's classic rock song "Love in an Elevator," reminding you of—well, you get the idea. Regardless of the style of music included in your soundtrack, the magic lies in the ability of music and the bands that create it to connect with people at an emotional level.

Think of what happens when U2, the Rolling Stones, Janet Jackson, or Pink Floyd enters the stage in front of a crowd of 50,000. People scream as a band member walks toward their side of the arena, they cheer at the opening riffs of their favorite tunes, they belt out the words to most of the songs, and they dance, jump, and rock for

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hours. These are not just "crazy" teenagers; they are people with families, good jobs, college or graduate degrees—in fact, we may even be describing you. And while you probably don't walk around your office building or community screaming, singing, and dancing, you become swept away by the concert experience—letting yourself behave like every other fan in the house.

The power of music is undeniable; the loyalty showered upon those who create it, unmatched; and the lessons for corporate America, boundless.

It is difficult to think of any product or industry that evokes more emotional intensity from its followers than rock and roll. Their attitudes and behavior shatter the traditional measures of customer loyalty in terms of reach, quantity, and degree to define outright fanaticism—the ultimate level of devotion a firm can hope to receive from its customers.

What is it about music and rock stars that transform people's emotions, behavior, and lives? Enlightened marketers have asked the question, but few have ever bothered to look for the answers. Yet corporate executives sit day after day scratching their heads, looking for insight as to how their brands might inspire even a fraction of such emotional response, loyalty, and commitment. They benchmark the success of others; analyze what promotional and design strategies have worked in the past; and review their advertising and promotional campaigns. And while marketers have been proficient in analyzing how to create successful brands and satisfy customers, most of their strategies mirror those that other businesses have already implemented.

But what of the companies looking to go one better than what other businesses have been able to accomplish in the battle for customer loyalty? Creating such a breakthrough often requires a bold leap out of one's comfort zone and into the unknown. Only then can marketers identify the processes and strategies that, when applied to the business world, can provide a leg up on their competitors.

Few look beyond the world of commerce for answers. Why, after performing for over 30 years, do the Rolling Stones continue to sell out venues around the world? How has Elton John been able to have a top-10 hit each year for 30 consecutive years? And how is Neil Diamond able to sell out concerts with minimal PR and advertising

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expenditures night after night? The answer is *band loyalty*—the fanatical devotion and propensity to spend that rock-and-roll followers have to a specific performer or band.

How bands create loyalty and devotion in their fans is the focus of this book. The book is designed to help unlock the secrets of how to build emotional connections between your brand or company and your customers similar to those associated with legendary rock-and-roll acts and their fans. It will take you behind the music and reveal branding and marketing lessons that can boost creative thinking, increase market share, enhance the longevity and success of a brand, and create a brand that becomes a cultural icon.

The artists, however, are the first to admit that some of their successes were not necessarily by design. In retrospect, the process of examining why some bands have increased in popularity, remained commercially successful, and increased their fan bases for several decades yields tactics that marketers might use to boost their brand loyalty.

Analyzing the phenomenon of band loyalty is not for the close-minded. It requires marketers and managers to abandon the language and corporate-based thinking they probably engage in day in, day out at work and escape into the wild, fun, larger-than-life world of music and entertainment. Marketers must look beyond the values of bands that they may not personally endorse and open their minds to the ideas and creative processes used in the entertainment arena to cultivate long-term, die-hard fans. Only then can they understand band loyalty and the lessons they can apply to enhance their own *brand* loyalty.

BEYOND CUSTOMER LOYALTY: CREATING SINGING, SCREAMING, MONEY-SPENDING FANS

In today's competitive arena, the battle to attract and retain customers is intense. Firms of all sizes continue revamping their product and service offerings, honing their customer service skills, and revising their loyalty programs. Yet few achieve an emotional connection with their customers.

Ask the most successful music acts of the past three decades about customer loyalty, and they'll tell you it's all about creating *fans*—people willing to stand in line for hours to buy the latest albums of their favorite bands or plunk down hundreds of dollars to buy concert tickets. Although this category of customer is not exclusive to the world of rock and roll, fans are far more prevalent and the lessons are more profuse than in the world of commerce.

Why? Because the music world is fan-oriented; in fact the word *customer* is rarely used. *Customer* implies that a person walks into a store wanting to buy a CD and decides, after scanning the thousands of albums available, which one to snatch up. A *fan* walks into the store with the intent of buying the latest Alanis Morissette CD; the person made the decision long before he or she entered the store, because the fan's desire is not just to buy the latest music but to create a further connection with a particular band or performer. Often the need is even more innate—helping people deal with emotions and express what they are feeling, achieving what Hallmark does in written communication and human emotion.

Although all firms in business today have customers, only the most successful have *fans.* Why all the interest in creating fans? Because of the effect attitudes and buying behavior have on long-term sales and profit levels. In short, *customers* buy from a variety of retailers and choose many brands, often influenced by temporary price breaks or other promotions. Firms spend more promotional dollars securing purchases from cherry-pickers (whose tendency to buy a specific brand can be described as sporadic at best) than they do capturing more sales from loyal or frequent customers. *Friends* (loyal customers) tend to buy certain brands and shop specific stores more often than others—often because of good past experiences. Loyalty programs have helped retailers and consumer product companies foster relationships with consumers and modify their cherry-picking behavior.

Fans, however, take loyalty to the next level, seeking out specific brands, shopping only certain retailers, and closing their minds to other alternatives, as seen in Figure 1.1. Fans invest time, attention, energy, emotion, and money into building and maintaining a relationship to a brand, and these strong emotional attachments between company and customer are difficult, if not impossible, for others to break. And fans are vocal—they not only tell others about their

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favorite brands, they recruit others to buy what they buy and shop where they shop. Customers and devotees can be described more in terms of their frequency of behavior, while fans are described more in terms of the emotionality and intensity of their behavior. Fans don't drink coffee, they crave Starbucks. Fans don't drive a car or ride a motorcycle, they pilot a Saturn or a Harley-Davidson.

FIGURE 1.1 **Customers versus Friends versus Fans**

Customers	**Friends (Repeat Customers)**	**Fans**
Are price-driven	Are value-driven	Are experience-driven
Shop opportunistically	Shop purposefully	Shop for pleasure
Want you to sell them products	Want products and good service	Want personalized advice and solutions
Need a reason to buy from you	Prefer to buy from you	Are devoted to you and are yours to lose
Are surprised by good service	Have a history of good experiences with you	Automatically assume you will delight them
Drop you if they're disappointed	Tell you if they're disappointed and give you a chance to respond	Tell you if they're disappointed, want you to fix it, and are anxious to forgive and forget
Are indifferent to your company	Feel a connection with you, rationally and/or emotionally	Actively invest in their relationship with you—time, emotion, attention, money
Don't think or talk about your firm	Recommend your firm casually	Evangelize about your firm

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In that category is Target, or "Tar-zhay," as so many of its devoted fans like to call it. A mass retailer to the casual observer, Target has bridged the gap between discount store and department store by combining the best of both worlds, offering value-oriented prices to customers who don't want to sacrifice quality, aesthetics, and style. Its affordable, up-to-date clothing, hip accessories, and design-forward home fashions have made Target a cool place to shop and branded the people who buy there as shopping-savvy. No longer categorized as merely a department store's stepchild, Target has moved discount retailing from outcast to star status, with more than half of its customers having college degrees and incomes over $50,000. In the past, many consumers were reluctant to give someone a gift from a discount retailer, afraid of the negative connotation. Today, a gift from Target is not only accepted, it's often requested—with the help of Target's national gift registry program.

Have branding and fans made a difference to Target? You bet. Similar to bands that evolve from warm-up acts for their better-known counterparts to top headliners, Target's image, supported by its operations systems, became the retailer of choice rather than retailer by default for millions of loyal buyers. This translated into $44 billion in sales in 2002, after a decade of growth and profitability based on the strength of a brand that gave consumers a reason to drive past Kmart or other competitors to get to Target. Just as the Dave Matthews Band evolved from opening for Big Head Todd and the Monsters to headlining and selling out stadiums (Big Head Todd still delights its loyal following at smaller, more intimate venues), Target's brand, image, and strategies were more successful than that of its parent, Dayton Hudson. Soon, the parent changed its family name to Target, capitalizing on the company's strong fan base and brand presence to create a stock market darling in the late 1990s and early 2000s.

But even a superstar such as Target can face problems and fall from its fans' graces. Diana Ross discovered during her 2000 tour that one surefire way to alienate fans is to create high expectations and fall short at the execution stage. Billed as a glitz and glamour concert extravaganza, with ticket prices to evoke high expectations, Ross missed cues and forgot the words to many of her songs. Critical disdain and fan backlash forced her to cancel the rest of the tour.

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Cher also created high expectations for her farewell tour—but unlike Ross, Cher delivered.

"Cher's entire concert tour sold out because of how she communicates and connects with her legions of fans," explains Scott Shannon, program director of New York's legendary FM station, WPLJ. "Critics can't stand her; radio certainly doesn't love her; but her fans are among the most loyal in the business. While Diana Ross fell flat and didn't connect with her audiences, Cher wowed her fans night after night with a string of high-voltage concerts that left fans dancing in the aisles and screaming for more."

One of the risks Target faces in terms of its branding strategy is creating expectations through its advertising that might not be met when customers shop its stores. The images and expectations that slick, design-oriented ad campaigns conjure up must be congruent with the experiences inside the store or else retailers risk customer dissatisfaction and fan backlash. Although a fate similar to that of Ross seems harsh, success similar to Cher's seems unlikely for retailers who fall short of customers' expectations.

Creating and strengthening relationships with customers has been on corporate America's radar screen for quite some time—with the need for intimacy creating the largest blip. In recent years, marketers have implemented customer relationship management (CRM) programs and strategies to guide their relationships with customers. Much progress has been made in terms of creating customer databases that track everything from individuals' product choices and buying patterns to their birthdays and anniversaries. These data help marketers forecast sales of specific items, narrow customers' product choices to those they are most likely to buy, and even remind customers it is time to buy a birthday gift.

Even the best CRM software, however, can't transform customers into fans—that requires an in-depth, from-the-gut understanding of and respect for human nature and behavior. The devotion of long-term fans to their favorite performers and bands, from Tony Bennett to the Kinks or 50 Cent, illustrates that it takes a connection at a deeper level to develop brands that people will not only buy, but incorporate into their lives and daily vernacular. And that is a primary goal of brand strategies—determining how strong those emotional

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connections are and how they can be reinforced or altered to develop loyalty to the brand among a target group of customers.

Rock-and-roll bands are notorious for writing lyrics, creating music and rhythms, and putting on shows that mirror what people are doing and what they fantasize about doing—the right mix of which entices certain fans to embrace certain bands. Once a performer makes that connection with a fan, it takes song after song, album after album, and concert after concert to cement the relationship. If a performer veers too far away from what has made a connection with a fan in the past, the connection may be jeopardized. But a song that makes an emotional connection remains in a fan's personal greatest hits collection; the loyalty and emotional connection is only strengthened with each song that is added to the list.

Jock Bartley experienced much success in the 1970s when his band, Firefall, topped the charts with a string of hits including "That's a Strange Way" and "Just Remember I Love You." But it was "You Are the Woman" that made the biggest connection with fans. "Every female between the ages of 18 and 24 wanted to be the woman portrayed in that song, and that caused their boyfriends and spouses to call radio stations and subsequently flood the airwaves with dedications of the song and the sentiment," explains Bartley. "The message was simple and sincere, and the song was easy to sing. It was like our fans let us be a singing version of the Hallmark card that said what they weren't quite sure how to express."

After 25 years, chances are you'll hear this song in office buildings or elevators. "I remember, not too long ago, sitting in my dentist's chair and hearing 'You Are the Woman.' And that's when it hit me how ingrained the song had become. The mistake we made was not to associate the Firefall brand with our songs enough." Bartley adds, "When you mention Firefall, a lot of people tip their heads in recognition of the name, but it's not until you sing a few words of a song that the light of recognition really turns on."

As Bartley points out, a brand promotion that doesn't tie the product and brand closely together doesn't create as much long-term equity for the brand as one that makes the connection clear and reinforces it over time.

Emil Brolick, CEO of Taco Bell, agrees. Faced with the tough job

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of taking over the company after several years of declining sales—and, yes, axing the famous Chihuahua—Brolick made some important strategic decisions. The first was shifting the direction of the advertising campaign to focus on Taco Bell's products and brand. "While the Chihuahua got a lot of attention, the campaign was all about the dog. It needed to be about Taco Bell—our food, our stores, our strengths," says Brolick. "For direction and insight, we turned to our customers."

Through a series of focus groups, Brolick learned firsthand about the current state of the Taco Bell brand. "While our heavy users told us about some problems they thought we had, I was amazed by the passion they had for the brand. In essence, they wanted Taco Bell to pull itself up by its socks and deliver in the marketplace so they could support the brand of their choice—they wanted to be proud of the brand that they supported," he says. With a smile, he adds, "I really sensed an emotional connection between our fans and our brand. In a way, our customers identified with the brand that they saw as 'one beat off center' and they wanted us to fare well in what others might categorize a burger world."

Marketers take note: You have to get under your customers' skin, inside their minds and souls, and figure out what makes them tick if you want to create an emotional connection. Why do they laugh or cry, and when do they think it's appropriate to do either? What makes them angry, and how do they deal with their emotions? How do they define success, fulfillment, and living happily ever after? Understanding your customers, over time, at an emotional level and communicating with them accordingly is an important part of brand-building and brand-loyalty strategies.

THE VALUE OF A BRAND

Building brands is a key management skill for any firm. It doesn't matter whether you are a surgeon or a store, a manufacturer or a wholesaler, an Intel or an Amazon.com, a nonprofit organization, a for-profit corporation, or the Rolling Stones. Some brands, such as Wal-Mart and Victoria's Secret, are highly successful. Some were once

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stellar in consumer acceptance, but turned disastrous—Montgomery Ward and Kmart come to mind—and others simply were put out to pasture, like Borden's famous mascot Elsie the Cow. But regardless of how good, how bad, or how poorly designed and nebulous, every firm, every institution, and every person is a brand. Even government leaders are brands—consider how the brands of Presidents Clinton and Bush and Mayor Giuliani evolved during their terms of office.

A brand is perhaps the greatest asset of any company not to appear on its balance sheet. Because accountant types find the concept of *brand* difficult to quantify, it is often thought of as a fuzzy marketing concept, which involves a logo, a tagline, and large expenditures. But a brand is much more than that. It is a product or product line with an identifiable set of benefits, wrapped in a recognizable personality, carrying with it a connection between product and customers. It is the difference between a watch and a Rolex, a car and a Mercedes, a cup of coffee and a Starbucks latte. It is the difference between the Eagles and A Flock of Seagulls or a host of other rock-and-roll wannabes. In the language of business, music stars are brands. Some are the Cokes and IBMs of music; others are the Shasta colas and Digital (DEC) computers.

A powerful brand creates an image and an identity for a product or a company; it is a promise to consumers, telling them what they can expect when they and their cash or plastic are separated. If the brand promise is kept, customers end up saving time because less time is spent deciding between various brands. But when the promise is not fulfilled, consumers switch to another brand more likely to deliver on the promise, as rapidly as one number-one hit record replaces another.

Contrary to the prevailing belief among the financial ranks, branding is not just a marketer's problem. It affects the marketability and financial well-being of the entire company, and when executed properly, it sends a unified image and message throughout the firm and throughout the marketplace. The price-to-earnings (P/E) ratio and market capitalization of a firm are often dramatically higher if it has a powerful brand, or a particularly strong portfolio of brands, in the marketplace. The difference in profitability between firms with powerful brands and those with weak brands is known as *brand equity*—the difference in value created by a brand less the cost of creating the

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brand. It may be measured as the difference between market capitalization and book value, but when brands rock, they create investor value that lasts for decades.

As the legendary rock bands exhibit throughout this book, creating brand equity is not a static concept or merely a marketing goal. Rather, it is a dynamic process that requires that brands be engaged in conversation with customers. This type of two-way relationship implies mutual transfer of information, from the brand to the customer and from the customer to the brand. But the relationship between brand and fan goes beyond information flow to become emotion flow. For example, Krispy Kreme evokes such intense emotions among its doughnut fans that even the most time-pressed consumers will stand in line to satisfy their physical and emotional cravings. But police officers aren't the only ones drooling at the sight of the now-famous green-and-white polka-dot box. Many financial analysts missed the ground floor of stocks of companies like Krispy Kreme, Starbucks, and Wal-Mart because they underestimated the impact of emotional connections between brands and customers and failed to see the relationship between these brands and the culture.

After a stint of insanity during the dot-com heyday, the business world has again turned to more realistic views of corporate value, for the most part. Warren Buffett and like-minded investors, whose focus was always on return on investment, earnings per share (EPS), earnings growth, dividends, and similar measures, can exhale—financial analysts have put renewed faith in the old-time religion that equates the salvation of a firm with its profits, not its prophets. In this reborn truth lies the fundamental role of the brand: It is a mechanism to boost a firm's sales and profits higher than those of its competitors'.

LEGENDARY BANDS, LEGENDARY BRANDS

Only a few brands last so long that they might be called legendary. One of those is Wedgwood china, cited by brand historian Nancy Koehn in her book *Brand New* (Harvard Business School Press, 2001). Dating back to the 1700s, this brand still leads the market in terms of closet share among the rich and famous, and tops the wish lists of

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brides-to-be around the globe. By no means exclusive to the world of products and commerce, legends abound in the music world. From Bach, Beethoven, and Brahms (whose music has transcended the centuries) to Al Jolson, Glenn Miller, and Louis "Satchmo" Armstrong (who crossed racial barriers and defined an era of music), artists have connected deeply with people and helped to shape culture.

And then there's Elvis—proving that even though an artist may die, a legendary brand lives on and continues to sell, sell, sell. The Elvis brand, like those of Frank Sinatra and Tony Bennett, has remained a favorite among all sorts of people for decades. Such long-term market presence is amazing, especially when you remember how fickle people can be; what's hot one day isn't the next. Staying ahead of changing tastes and preferences is difficult. The question is how to create a brand strong enough to remain popular with customers over time—especially in the wake of a constant onslaught of new competitors armed with new promotional and communication campaigns designed to steal attention and loyalty. An intense look at the music industry sheds some light.

For every band like the Beatles, there are tens of thousands of Sassy Peppers (Never heard of them? Our point precisely!) and thousands of Men Without Hats (anyone into popular 1980s music knows "Safety Dance," this band's one and only hit). Most rock-and-roll artists spend more time clawing their way up the music ladder and sliding dramatically back down it than they spend perched at the top of the charts. For many, their 15 minutes of fame is exactly that—15 short minutes. Actually, they provide great lessons on how *not* to create long-lasting brands; however, we are most intrigued by the living legends that have kept their fans over the years, continue to create new ones, and, as a result, sell millions of dollars of product. Some of these legendary bands are truly talented in their musical ability—mavericks and visionaries in their art form—yet others are not. And for every rock-and-roll legend, there are thousands of others who may be just as talented musically, often with better voices or more musical training, who never even make it into the recording studio, let alone to the top of the lists in *Billboard* or *Variety.*

Sound familiar? The world of commerce is filled with a myriad of products and companies in similar predicaments. A great idea is only

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that, unless it is executed well in the marketplace—but few ever are. In fact, they frequently fail to leave the space of their inventors' brains. Just because a product may be technologically better than an existing one doesn't mean it will automatically squash its competitors. The same holds true for the role of talent in the formula for creating music megastars.

Stephen Swid, founder of *Spin* magazine and chairman of SESAC, Inc., explains, "Sure, the core of what you produce has to be at an acceptable level, let's say at least a seven in terms of music sound and quality. But, after that, it's what happens in the areas of image (design, visuals, marketing) and delivery (performance experience) that makes one band a phenomenon and the other a flop." He adds, "In competitive arenas, which the music business definitely is, not everyone that is successful can be the best, but each has to be good enough to deserve a spot on the field. If everyone were the best, then there would only be one brand of everything—from toothpaste to rock star—and that would make for a boring world."

It takes more than quality for a product or a company to succeed in the marketplace, just as it requires more than musical talent for a band to reach megastar status. Some call it passion; some call it fire-in-the-belly enthusiasm. Ron Wood of the Rolling Stones describes it as a force that just takes over. At the opening for a collection of his paintings held at the Rock and Roll Hall of Fame, he explained his passion for art—in this instance painting rather than music. "When I'm really grabbed by it, there's nothing I can do. I just have to drop everything. Sometimes in the middle of the night, I have to get up and start painting." Wood's words ring true for entrepreneurs who have dedicated their lives to the conception, care, and feeding of their business babies.

The difference between the megastars of music and the millions of wannabes is a strategic gap that should intrigue every entrepreneur who wants to create a megabrand. It should also concern executives of major, successful firms who hope to stay at the top of their industries. Some of those would-be competitors will become megastars, poised to revolutionize an industry, much as Elvis and the Beatles shook up the music industry, and ultimately affected the social mores and values of our nation.

If you find yourself starting to think about some of your favorite bands and hypothesizing what has made them successful, congratulations—you get it. But if you are pondering the relevance of rock and roll to your firm's performance, remember that businesses and rock-and-roll bands share several goals, including:

- Breaking through the clutter and creating awareness among consumers otherwise inundated with messages and advertising about competitive products and companies
- Creating and maintaining loyalty or devotion among customers
- Identifying mechanisms for remaining current and relevant in the minds of existing customers and attracting new customers
- Creating lasting brands that are accepted by a culture
- Becoming long-term industry leaders
- Attracting and keeping talented people who make up and market the brand
- Identifying one or more market segments and crafting products that appeal to them
- Creating a brand image and promise that will maintain its appeal from one year to the next
- Generating profits

Although many of the issues faced by bands and businesses are the same, and many of the solutions are similar, the approach to finding the solutions and implementing them are often quite different.

The process of innovation and creative thinking is a vital step in company evolution, whether it pertains to the development of a new product, service, packaging concept, operational design, or marketing campaign. Although not all ideas make it past the brainstorming process inherent to innovative thinking, let alone make it to market, the value to the organization lies in the creative process as well as in what it can lead to. The process allows a firm's most talented people to

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remain challenged and involved in the future direction of the company, giving them a heightened interest in the performance of the company and hopefully increasing their desire to stay with the firm.

SHATTERING THE CREATIVE STATUS QUO

If you want to do something different from what your competitors have tried in the marketplace, look to rock and roll's living legends for creative inspiration and ideas. Then, apply these lessons to your organization's marketing, branding, and customer-related strategies. Challenge yourself to let your hair down and open your mind to new analogies and tactics for addressing traditional business issues.

We believe many marketers will experience the big "Aha!" as they allow themselves to dive into the world of rock and roll and emerge with a better understanding of band loyalty and fan creation in the music industry. We believe that retailers, manufacturers, wholesalers, and service providers alike need to examine how the most successful rock bands have achieved long-term success and devise ways to incorporate those unorthodox forms of creative thinking to affect innovation within their own companies. At risk is the ability of well-established firms to remain fresh in the marketplace when compared with younger, hungrier, and more innovative competitors.

Our analysis focuses primarily on bands that have had an impact in the marketplace for 20 years or more. They have proven their ability to attract fans, connect with them emotionally, and keep them engaged over the years. Some of you will like their music and others will not—frankly, it doesn't matter. The lessons their stories offer are not about music preference; they are about long-term brand dominance in a fickle marketplace. The following is an introduction to the bands that are featured in this book.

ELTON JOHN

Ask most baby boomers about the special moments in their lives, and they are likely to tie an Elton John song to several of them. Some boomers may think of his 1970 breakthrough hit, "Your

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Song," while some of their children may think of "Can You Feel the Love Tonight," from Disney's 1994 megahit, *The Lion King.* Though known for his Liberacesque costumes and style and his 30-year string of top-10 hits, Sir Elton's career has roots in classical piano. John studied at the Royal Academy of Music as a teenager but left the world of classical music for the world of rock and roll to reach larger audiences and make the most of his talents and passion. He partnered with lyricist Bernie Taupin to create a string of hits spanning three decades.

Elton John is the very definition of how to blend music and marketing, providing stellar lessons on how to grow profits with segmentation, driving marketing and brand-development strategies one segment at a time. Taupin and John's musical creations serve as a blueprint of consumer behavior—the science of understanding why people buy and motivating them to buy from you with appeals to consumers' lifestyles and most basic motivations. John also serves as a classic example of balancing the functional and emotional elements of a brand to delight customers, a strategy flying high at the airline JetBlue. Like JetBlue, John knows how to turn brand equity into sales, whether he is promoting his latest CD, concert, Broadway show, or commercial endorsement. He went beyond appearing in Coca-Cola ads by placing the product on his piano during his concerts, pumping up sales in grocery stores.

KISS

Who can forget KISS—four makeup-clad men who strutted around stage in tight costumes and 6-inch platform shoes, setting off fireworks and smashing guitars? If your memory needs a refresher, KISS was the scary-looking rock band that played during the closing ceremonies of the 2002 Olympic Games. The bandmates admittedly are not the best musicians to enter the world of rock and roll, but their success was not dumb luck—it was the result of strategic planning and marketing at its finest. The more KISS frightened parents and other "normal" people with its appearance and antics, the bigger its fan base became, and the more its fans adopted the band into their lifestyles.

But KISS found itself in a dilemma early on in its career—on one

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hand, it would sell out midsized arenas and venues, but on the other, it couldn't sell records. In quasi–focus group fashion, fans told the band that they loved the experience of a KISS concert. They paid to experience the ultimate escape, not to sit idly and listen to KISS music. In an effort to package the KISS experience, the band decided to record and release a double live album, which many producers thought to be the kiss of death at the time. Breaking the record industry's traditional mind-set, the band decided to forgo high sound quality and go for concert-quality sound, which included pyrotechnics and fireworks. Chapter 4 discusses the strategies KISS used to amass fans and satisfy them, which are uncannily similar to those that have made Wal-Mart the world's largest corporation and allowed home improvement retailer Lowe's to take on and beat Home Depot's urban store strategy. Gene Simmons and Sam Walton—birds of a feather? In some ways, yes—and some of those ways have led to sales of over 75 million albums to date for KISS and revenue of a quarter-trillion dollars for Wal-Mart.

THE ROLLING STONES

Amid the British invasion of rock and roll in the 1960s, the Rolling Stones hit the United States with a vengeance. Armed with Keith Richard's legendary guitar riffs and Mick Jagger's unconventional sex appeal and throaty voice, the Stones took their place in American pop culture and haven't relinquished it yet. In fact, "Satisfaction" has become the unofficial anthem for baby boomers, with dozens of other Stones songs comprising stereotypical baby-boomer life soundtracks. At 60, Jagger released a solo album, *Goddess in the Doorway,* to keep his creative juices flowing and to stay relevant among younger audiences by pairing up with contemporary rock talents, from Rob Thomas of Matchbox 20 to Lenny Kravitz.

Jagger is at his best, however, when piloting the Rolling Stones, with Richards flying right seat. The band's 2002–2003 *Forty Licks* world tour is prototypical of what any firm seeking to keep a 40-year-old brand dominant in the marketplace should do. From pricing, cobranding, and promotional strategies to enhancing emotional connections, Chapter 5 shows how the band imposes its corporate

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goals and measures to manage a wildly creative process and create a unique experience that people will pay big bucks to see. With a reported net worth of over $500 million, Jagger is at the top of his game, both as rock star and "chairman of the board" of the corporation called the Rolling Stones.

AEROSMITH

If American rock and roll had a poster child, it would most likely be Aerosmith. Perhaps best known for the hit "Walk This Way," named as the fifth-best rock song of all time by MTV in 2000, Aerosmith hit rock bottom and broke up in the early 1980s. Years of drugs, alcohol, and excess had taken their toll. Aerosmith's comeback would require a complete reinvention of the band and its image. Aerosmith surprised the music world when it collaborated with the rappers of Run-DMC on their "Walk This Way" remake. Not only would the song and the video help rap music cross from the urban market into the mainstream, it would be the first rap song to break into the *Billboard* Top 10 chart. It would also launch Aerosmith's rebirth—armed with a fresh image and new group of fans.

Led by the consummate front man Steven Tyler, Aerosmith has redefined age, vitality, and sexiness in an industry in which good-looking twenty-somethings are the norm. The band embodies energy and passion to connect with young music fans, capturing the Best Rock Song category for "Jaded" at the 2001 Teen Music Awards. In Chapter 6, you'll learn how Aerosmith shows marketers the way to cultivate *angel* fans, how to involve them in building a brand, and how to transform a dying brand into one stronger than its predecessor.

MADONNA

Since she slithered onto the music scene in 1983 with her hit single "Holiday," Madonna has proven that sex certainly does sell. Never afraid to offend the masses, Madonna understands shock value and rebellion, but most important, she understands her fans, to whom her antics and convictions are not offensive but expected and accepted. Her sexually charged (and often explicit) lyrics and videos don't turn off her female fans because Madonna is not about using sex to degrade women; her goal is to empower them by breaking down barriers and touting equality, spawning as many Madonna wannabes as male fans. She makes a conscious effort not to promote a particular lifestyle, but to present different ones in an open—albeit revealing—light and let people choose for themselves.

Throughout her career, Madonna has remained true to one of her greatest strengths—a chameleon-like ability to change and stay one step ahead of the times. Madonna is a better "product" now than she was when she started, continually improving her voice, dancing, and stage productions and imposing quality control whenever and wherever possible. Firms such as Abercrombie & Fitch, Calvin Klein, and other fashion brands use similar appeals in their communication and marketing strategies, but few do it better than Victoria's Secret, as you'll see in Chapter 7.

NEIL DIAMOND

Neil Diamond is the anti-Madonna. Remembered for the rhinestone-studded jumpsuits that defined entertainers of the 1970s, Diamond sells out concert venues in cities as large as Chicago and as small as Dayton, Ohio, without much publicity. Dancing, swaying, and singing to classics such as "Sweet Caroline," you might feel more like you're in a geriatric aerobics class than at a rock concert. The fans, nonetheless, are as avid as those attending any Pearl Jam concert.

Diamond, who suffers to some degree from Barry Manilow syndrome, remains extremely popular outside his traditional fan base as well, even though these younger fans may not admit that they actually enjoy and listen to his music. For people who like the familiar and look for constants in their lives, Diamond is the answer, as you'll also discover in Chapter 7. His music and concerts play to people's unending hunger for nostalgia, appealing to their desire for security and memories of the good old days, shedding light on how to keep a mature product or brand popular in a changing consumer market. Neil is a diamond that still shines brightly, demonstrating how to be sexy more than sexual by maintaining rather than abandoning culturally relevant values.

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BRANDING IN AN ERA OF IMPATIENCE

The formula for what it takes to get on the shelves of leading retailers has changed over the years to reflect more closely what it took for legendary bands to make it in the music business.

Charley Lake, a promotions director for Infinity Broadcasting, has spent over 35 years in marketing and promotions in the music business, observing firsthand what it takes to build long-term band loyalty. "In the 1960s and 1970s, the cream seemed to rise to the top more readily because of musical talent, performance ability, great song writing, and audience reaction." Bands like the Eagles, Bon Jovi, and Aerosmith toured for years before selling a significant number of records, which not only let them develop their talent and build fan bases, but also let them build a repertoire of material and evolve their brand personalities.

"By the time these artists got their first record deal, they'd often had six or seven years to write songs and try them out on audiences," he adds. "They knew which ones would sell based on audience reactions at concerts—revenue-generating test marketing at its finest. This then led to more touring and the release of a follow-up album."

The process today is similar, but the timeline, hype, and formula have changed to reflect corporate America's stifling focus on profits, continuous growth, and larger-than-life expectations. In the past, bands and record labels were more patient in selling records—cultivating fans rather than fabricating them with a lot of glitz. They were also more patient regarding sales growth and velocity, just as product companies were about product, brand, and innovation acceptance timelines. Now, if the follow-up record doesn't meet lofty sales goals, today's golden child and star brand is not only forgotten but quickly flushed.

Hootie & The Blowfish was arguably *the* band of the mid-1990s, selling 15 million copies of its first hit album, *Cracked Rear View.* For several years you couldn't turn on the radio without hearing the deep, emotion-filled voice of front man Darius Rucker singing feel-good tunes that people couldn't help but sing along to. With overnight success came over-the-top expectations of record executives for the band's

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next album. When sales of *Fairweather Johnson* fell short of inflated expectations (selling only a few million copies), the band fell out of favor with Atlantic Records, which moved it from the "hot" to the "not" list. By previous standards, Hootie was still successful, even though the band suffered the marketing faux pas of brand overexposure and unrealistic sales expectations.

The band fell victim to what Robert Summer, chairman of World Theater, Inc., and former executive vice president of Sony Music Entertainment, describes as the changing economics of the music industry. "The heightened pressure to make more money in less time has affected the view of longevity in the business," he says. "The ability to invest the time and the funds required to nurture artists, help them mature, and build careers over time is eroded by the fact that the industry is owned by conglomerates with near-term financial pressures. That pressure can also be distorting to the artist and the artistic process." This results in an industry laden with overnight success stories that are overmarketed in the short term and underdeveloped for the long term.

Part of the problem is that some marketers fail to identify which products or brands are flash-in-the-pan successes and which may start slowly but are likely to be adopted by a culture in the long run. In a market driven by quarterly results, long-term growth, marketing, and branding strategies that require intensive capital, labor, and resource investments have in many instances been sacrificed for short-term strategies that quickly impact the numbers.

FROM MARKETING CAMPAIGN TO BRAND EQUITY

Today's music world has become so marketing-driven and image-focused that the formula for success almost mirrors an algebraic equation into which various artists can be inserted to represent the unknown variables. The formula seems heavy on PR, standout clothing, eye appeal, and dance talent, and short on songwriting and singing ability, which has changed the type of artists that have recently racked up commercially successful hits.

"Today, the music industry is very song-driven," says Lake. "People

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may connect with a particular song, but they often don't know who sings it, let alone the names of the front men of the group, which is different from bands of the past." Rather than focus on which bands have the talent to impact the music world in the long run and build large fan bases into the future, the industry focuses on the songs that can hit number one today. If the artist behind the song can release several hits over a few years, that's icing on the proverbial cake.

What is missing from the formula is a focus on *emotional connection* and the long-term goal of *cultural adoption.* Since marketers hold tight rein on who will actually break into the music industry, they often market artists who fit the mold rather than break it. As a result, seemingly less than stellar artists achieve success, albeit contrived and most likely short-lived. In an effort to find the next hit and to sell the most records this year, music marketers sacrifice the long-term investment in music brands that generate long-term revenue and profits, as has been the case for Elton John, U2, Dave Matthews, and Billy Joel. If today's rock-and-roll darlings have disappointing sales on their second go-rounds, marketing and PR dollars disappear, new stars are created, and the process repeats itself. And after a decade of hits by flash-in-the-pan artists, *who* sang *what* becomes a blur—band loyalty as known in previous decades is rare, and so is the sense of relationship of music to personal life events.

On the other hand, once bands and their music are adopted as part of a culture, the role of advertising, promotion, and other branding activities take on different dimensions and goals. Rather than selling the band or creating awareness, branding activities can focus on evolving the band to maintain its emotional and cognitive connections to the culture. For example, the Rolling Stones and Neil Diamond know that when they announce a tour, they can count on a large proportion of their fans to buy tickets and concert garb. And many of their fans are of the generation that still buys music, opting to pay for CDs rather than invest the time to learn how to download music and then actually do it.

As long as the band remains relevant, it can count on a certain level of support from the culture that adopted it—much as Crest can count on a certain level of sales because it is the brand consumers grew up with and have little reason to abandon. Compare that to a band that

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has had a few hit songs but has cycled in and out of popularity and relevance to its audience. With each appearance or new release, not only does the message need to promote the event, it needs to remind people of the band's identity and why they should attend the concert or buy the album. Without an emotional connection to fans, the baseline levels of sales and support are unknown and unpredictable. That is the value of creating brand equity in the market.

LESSONS FROM ROCK-AND-ROLL MARKETING

The rock-and-roll bands featured in this book have spent their careers generating their own versions of tried-and-true branding strategies, from the brilliant to the bizarre. At times they needed to bolster recognition among would-be fans; at other times, a complete reinvention or repositioning of the band was required after years of absence from the music scene. GM's Cadillac division—a cultural icon of the 1950s and 1960s—could certainly learn from the brand-reinvention strategies of Aerosmith, while Swiss Army knife maker Victorinox might very well benefit from the transgenerational marketing strategies of Elton John. Entrepreneurs looking to get onto retailers' shelves can learn from fledgling icons, such as Madonna, while existing brands can learn about maintaining shelf space from the Rolling Stones.

All of the bands and performers highlighted in *Brands That Rock* have stuck closely to their core sounds and strengths over the years, but they have evolved to stay fresh and viable in a dynamic marketplace. They have mastered the art of evolving at a rate that doesn't alienate their current customers and attracts new fans. Rock artists understand the role that repetition, accessibility, entertainment, and emotion have in creating band loyalty. They use all of these strategies and a host of others to keep bonds with their fans strong. Among these lessons are:

1. Create an emotional connection with your customers; nurture it over time.

2. Build brand loyalty, one fan group at a time.

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3. Stay fresh in the market but true to your core sound or strength.
4. Evolve at a rate that doesn't alienate current customers.
5. Focus on the entire brand experience, not just the core product.
6. Develop talent continuously; package it well; relate it through multiple mediums.
7. Create realistic expectations that you can meet.
8. Match your message with your mission and your audience.
9. Exude energy and passion—they command respect and engage the audience.
10. Define the brand by more than just the product; include the functional and emotional attributes of the brand.
11. Monitor brand adoption and customer behavior to drive brand adaptation.
12. Play for cultural adoption by focusing on relevance to, reflection of, and influence on the culture.
13. Resist the temptation of overexposure.
14. Empower your fans to help your brand become and stay successful in the market.

These strategies, employed by the most successful rock-and-roll bands in music history, can boost a brand's acceptance, sales, and relevance in the market and achieve the ultimate goal of every significant brand—adoption by a culture, the focus of Chapter 2. In the words of Steven Tyler, Aerosmith's flamboyant front man, the goal of his band is "to kick ass and leave a footprint"—to have a long-lasting effect on people's emotions, experiences, and lives.

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Rock and roll has done just that. It has become the global tongue—the common language now spoken throughout the world. As time goes on and rock and roll grows even deeper roots in society, it is beginning to write history, portraying in song what is happening in the world and also affecting history with its global reach. In fact, the adoption of rock and roll by modern culture is worth studying in and of itself, along with the acceptance of specific bands.

It is our hope that you will read this book and be fascinated by the music, the stars, and their stories. But our goal is to be more than a fun read about the fascinating sounds and strategies of the music industry. By the time you have finished reading this book, you should gain a sound understanding of how to implement branding strategies to achieve the position in consumers' minds that will lead to customer loyalty and market dominance. *Brands That Rock* looks at the concepts and principles that show firms how to build, maintain, and reinvigorate brands, ultimately helping their organizations survive, thrive, and rock on for many decades.