

The image features two large, bold, red letters, 'I' and 'Q', positioned vertically. The 'I' is on the left and the 'Q' is on the right, partially cut off by the edge of the page. The letters are set against a plain white background.

Broken Brand Promises
Interbrand IQ: The Political Issue

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We all make promises. Brands are built on them. Some of the best brands deliberately layer promises to reach consumers at a more emotional level. The same can be said in politics, aggregating policy views up to something greater. FDR promised a “New Deal for the American People.” Reagan stated, “It’s morning again in America.” Most recently President Obama promised “Hope and Change.” All have made these bold

emotion-driven promises to their consumers – the American voters.

The number one rule in branding (and business for that matter) is don’t over promise and under deliver. So what happens to brands – and presidents – when customers believe they have not delivered on their promises?

Coca-Cola (the long-running most valuable brand on Interbrand’s Best Global Brands report) has built an incredibly strong brand. In 1985, Coke was perceived to have broken the foundation of its promise when it changed its secret formula and launched New Coke. Consumer backlash from passionate Coke drinkers resulted in Coke’s pulling the product out of market after only a few months. “We did not understand the deep emotions of so many of our customers for Coca-Cola,” said then company President Donald R. Keough.

Similarly, Toyota built a tremendous brand around its promise of quality, durability, and reliability, becoming the second largest automaker in the US in 2009. When its quality promise came into question because of gas pedal malfunctions, the brand – and sales – took a significant blow losing nearly 2 full points in market share. However, both of these brands have recovered from these events and are now stronger than ever.

Presidents have faced similar challenges with delivering on their promises. George H.W. Bush’s now infamous “Read my lips, no new taxes” promise was broken two years into his presidency and became a focal point for Bill Clinton’s winning campaign strategy,

unseating the incumbent. Lyndon Johnson failed to deliver on his promises to end the Vietnam War, creating a credibility gap so large he chose not to seek reelection in 1968.

How can Coca-Cola and Toyota break core elements of their promises and bounce back when presidents seem to struggle? One advantage brands have over presidents is the time to establish credibility in consumers' minds. Coke and Toyota spent decades building consumer faith and trust in their brands. Missteps can be absorbed without completely breaking the brand's relationship with consumers.

Presidents have a far more limited ability to establish confidence in their brands, making any breach of trust seem devastating. First-term presidents have only had minimal time to prove themselves to voters before the reelection cycle begins and from day one each is scrutinized. Consumers want campaign promises delivered quickly and decisively. Any perceived breaches of confidence should be addressed proactively and transparently.

This election season, despite overseeing the passing of significant legislation in his first two years in office, President Obama struggled to rally voters on the Hope and Change promise that led him to the White House in 2008. It may be that Hope and Change are too broad or abstract. Some Americans say they feel that they have not seen what they felt they were promised. From a branding perspective, if your promise is not clearly articulated to consumers and linked to tangible expectations, a negative perception gap can result, which can be damaging to brands.

As Tom Zara and Pete Cendella note in their piece *Citizens All: The New Rules of Corporate Citizenship* on performance gaps, "There's a potential sinkhole in the market, waiting to suck value away from brands. It's the gap that can open up between a company's actual corporate citizenship performance on the one hand, and the public perception of that citizenship, on the other." While they wrote on corporate citizenship, this can apply to any performance and perception gap. "A negative gap occurs when a brand fails to get credit in perception for its performance. These brands are not seeing the full return on their Corporate Citizenship investment. That's why it's critical that companies find ways to tell the story of who they are, why they choose to engage as they do, and how they are having an impact in doing so."

This perception gap for a president brand creates an interesting challenge in brand strategy. If policies need to be flexible to meet the needs of a dynamic global economy, can politicians ever build their brands at the same level as "Happiness" (Coca-Cola's brand promise) without setting themselves up for failure? Do they need to only build their brands around policy positions to give voters something tangible to measure against?

A word of caution to brand Romney should he be elected today. As a candidate he has made numerous tangible promises to voters including labeling China a currency manipulator, repealing Obamacare and establishing the conditions to create 12 million new jobs. If elected, his ability to deliver on these promises will greatly dictate his brand perception and his ability to build his credibility and trust on the national stage.

In Presidential elections, the stakes couldn't be higher. Voters make this "purchase" once every four years, and the winner takes 100% of the market share. As voters go to the polls today, let's hope they have done their homework before they buy and know what promises they can (and cannot) believe in for the next four years.

