

A BREAKTHROUGH FORMULA FOR MAKING YOUR BRAND THE INEVITABLE CHOICE OF CUSTOMERS, INVESTORS, AND EMPLOYEES

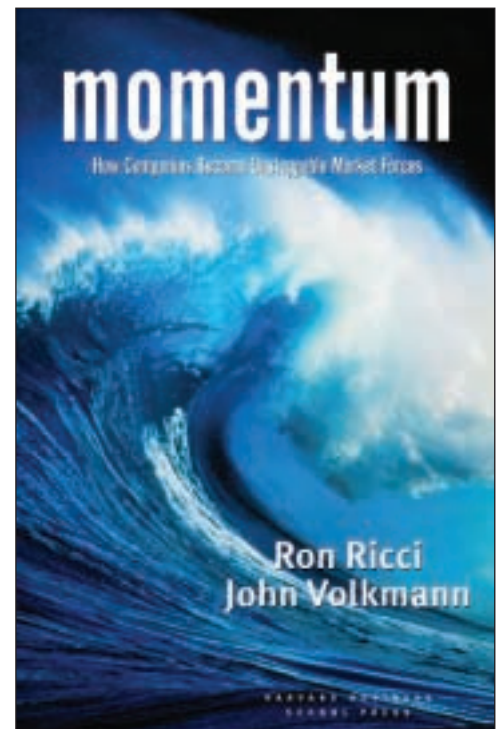
IN A HIGHLY CONNECTED WORLD, it's not enough that customers trust your brand. It's not even enough that they love your products. Success—the sustainable dominating kind—comes from convincing your customers that your whole company is not just the best choice, it's the *inevitable* choice.

Based on an intensive study of 20,000 consumer and corporate buyers, marketing and communications experts Ron Ricci and John Volkmann have identified the success factor that *all* market leaders share: **momentum**. And what company doesn't want to have momentum? It's something every organization, every product, and every brand strives for. Simply put, momentum is differentiation and, if managed properly, the means to sustaining customer loyalty. More importantly, momentum is the *single most important factor* in determining the winners and losers in the business of buying and selling, particularly for products based on digital technologies.

In **MOMENTUM: How Companies Become Unstoppable Market Forces** (HBS Press; Publication: November 14, 2002), Ricci and Volkmann share the results of these extensive interviews to show companies how to successfully manage differentiation with consumers to achieve and maintain momentum. They reveal precisely why and how new and evolving market forces work, and what impact these changes have on how people perceive the brands they buy.

CONTACT

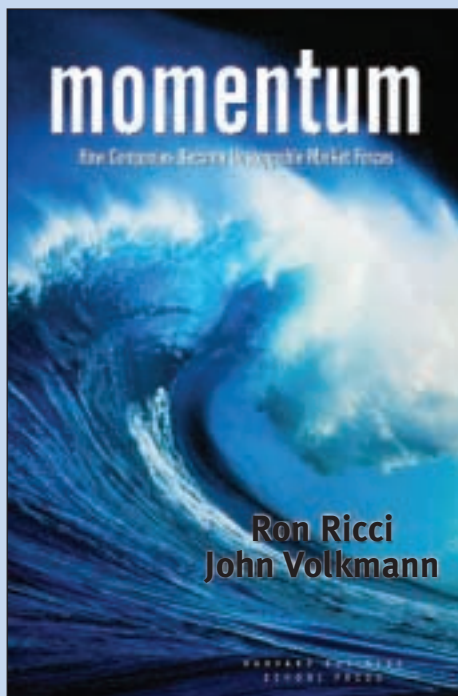
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BEYOND SHEER MOTION, momentum means mass, speed, and direction, in context to a value proposition so compelling that all constituents in a given marketplace believe it—and want to go there with you. It’s the trajectory “must-have” status with customers—to be not just the best choice, but the *inevitable* choice, to be an unstoppable *force* in the minds of customers, with a nearly unassailable market position. **MOMENTUM** details how to get it and keep it and also introduces a unique “momentum index” that will enable corporate communication strategists and brand managers alike to:

- Measure their market dominance relative to their competitors and other leading companies
- Diagnose their strengths and weaknesses as market leaders
- Develop an action plan for sustaining or strengthening their position

For anyone responsible for managing or communicating about a company and its brands, this book shows how to ride momentum to industry dominance.



A CONVERSATION V

Why did you choose “momentum” as the term to define the digital mindset?

To us, momentum is a particularly apt term to apply to market dominance. It’s frequently used to describe stocks, politicians, and sports teams, especially those on the threshold of success—where success seems inevitable. Momentum also describes hot companies, especially in the investment community, where it has a technical definition based on a series of consecutive quarters with increasing earnings. Perhaps most important of all, it captures the sense of motion around digital products.

Digital products never seem to move in any absolute direction for more than four or five years. It’s not just the pace of technological advancement; the rapid evolution of value points—for example, chips, operating systems, applications software, networking, printers, and many others—invites swarms of companies and venture capital dollars into the market. The digital product market is intrinsically dynamic, and momentum comes straight from the field of mechanics and the study of dynamic conditions. Best of all, momentum already has a formula associated with it—Mass x Velocity. By breaking down velocity into its two discrete components, direction and speed, we translated that formula into an equation that more clearly defines the dynamic digital mindset: Momentum = Mass x Speed x Direction.

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WITH RON RICCI AND JOHN VOLKMANN

In your book, you mention a “billion-dollar formula” for becoming a market-leading company—a marketing “dashboard.” What is it and is it really that simple?

Let’s face it: marketing and branding are abstract concepts, especially for digital products that don’t have moving parts or change all the time. Our work is not just a point of view; it’s an actionable game plan for managing a brand’s mass, speed, and direction—what every brand needs in order to be differentiated from the customers’ perspective. Our billion-dollar formula—what we now call the Momentum Index—does three things: it helps to measure a brand’s position vis-à-vis its competitors in customers’ minds; it diagnoses the strengths and weaknesses of the position; and it develops a plan of action that would improve the quality of the brand’s differentiation and, thus, its perceived value from the customers’ perspectives. We call our momentum model a marketing dashboard because it has, literally, knobs and dials that put the specific tactics of successful companies into a broader, repeatable set of market actions that consistently produce results with customers.

Simple, yes; achievable, yes; easy, no.

Your model places a lot of emphasis on the CEO to create the credibility for a brand’s direction with customers. Explain.

In most marketing books, you hear a lot about brand identity and brand personality. These are typically contrived ideas, like a race car or work of art. In digital markets, brand personalities have come to more closely resemble the attributes of their CEOs than some contrived personality. This is especially important in today’s environment where corporate credibility is at a premium. Our research showed that the credibility of brand can

no longer be bought; instead it has to be earned by CEOs. Customers—the people who matter most—told us that brand direction is predicated on the ability of the CEO to communicate to them on the future of their relationship with the brand. The integrity of brand, therefore, depends on the CEO.

You also stress the importance of future credibility and its contribution to achieving brand momentum. What do you see as the most influential factors impacting future credibility?

People’s expectations of companies and products have evolved over the past two decades, influenced by new sources of differentiation and marketplace value. As a result, executing a momentum-building campaign maps to the essential nature of the way customers perceive differentiation: people judge the superiority of a digital product or service by how well it accomplishes something of personal or business importance. The credibility of one brand versus another relative to these expectations—and the amount of value people place on a brand—is correlated to the sources of perceived mass: relevance of value proposition, category leadership, and ecosystem potential.

But, like many momentum concepts, credibility has a past, current, and perhaps most important, future component. Future credibility—that is, the perception that a company can advance its superior competitive position in the future—stems from a firm’s sense of direction, specifically its management vision and brand integrity. In tactical terms, this means that future credibility requires not only that a company keeps its promises but also that it has an external executive champion—a CEO—who can credibly represent those promises to customers.

ABOUT THE AUTHORS

RON RICCI is Vice President, Market Positioning at Cisco Systems, Inc. Reporting to CEO John Chambers, Ricci is responsible for the strategic positioning of the Cisco brand and for helping to maintain Cisco's thought leadership in the Internet economy. An expert in positioning technology companies for market leadership, Ricci's responsibilities include managing Cisco's executive communications function and the Cisco Thought Leadership Network. Prior to coming to Cisco, he was a brand positioning consultant and principal at Citigate Cunningham, working with companies such as IBM, Motorola, Hewlett Packard, and Adobe on their strategic market positions.

Ricci serves as a member of the Child Abuse Prevention Center Board of Directors, a non-profit agency that works to prevent child abuse in the Bay Area. He earned his Master's Degree in journalism from the University of North Carolina and a Bachelor of Arts degree in politics from Fairfield University in Connecticut. He lives with his wife and two children in Los Gatos, California.

JOHN VOLKMANN is Vice President of Strategic Communications at AMD. His responsibilities include developing worldwide positioning strategies for the company and its key strategic initiatives, including executive thought-leadership campaigns.

Prior to joining AMD, Volkmann worked at Citigate Cunningham as Managing Director of the Positioning Group. In this role, he led the company's positioning efforts for industry leaders including Accel Partners, AMD, ADP, Adobe Systems, @Home Network, Brocade Communications, PeopleSoft, Real Networks, Kodak, Motorola, and Sprint. Volkmann has also worked in a brand management capacity with the E&J Gallo Winery on products including Andre and Tott's Sparkling Wine and E&J Brandy.

Volkmann has an MBA from the Amos Tuck School of Business at Dartmouth College and earned a Bachelor of Science degree in mechanical engineering from the University of Wisconsin. He and his wife Denise have a son, Ryan and two daughters, Danielle and Rachel.



PUBLICATION INFORMATION

MOMENTUM

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Ron Ricci and John Volkmann

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For more information, visit www.momentumbook.com.

Visit the HBS Press website at www.HBSPress.org.