

WHY

STARTUPS

NEED BRANDING

TABLE **of** **CONTENTS**

1

What is a Brand?

2

What is Branding?

3

Startup Challenges

4

Why do Startups need branding ?

WHAT IS A BRAND?

A brand is the way a product, company, or individual is perceived by those who experience it. It is not just the logo you design, the font you use, or the products you sell. It's all these things and much more. It's the customer experience you provide. It's the philosophy you embrace and the culture you adhere to. A brand is the recognizable feeling that a business evokes in customers—it's what makes your business unique.

Brands are intangible, which means you can't actually touch or see them. They help shape people's perceptions of companies, products, or individuals.

It is therefore not just the physical features that create a brand but also the feelings that consumers develop towards the company or its product. This combination of physical and emotional cues is triggered when exposed to the name, the logo, the visual identity, or even the message communicated.

Ever wondered why consumer expectations are through the roof when Apple launches a new product? When consumers think of Apple as a brand, they do not just think of products/ services, instead, they think of the emotions and feelings evoked from using any of the products/services.



WHAT IS BRANDING?

Branding is simply the act of creating a brand. This is the process of researching, developing, and creating distinctive features that consumers can associate your products/services with.

It is an activity performed by organizations to help people quickly identify and experience their brand, and give them a reason to choose their products over the competition.

That being said, branding is a constant process and requires repeatedly getting in touch with the heart of your customers and your business.



Apple Mac vs Pc Campaign



STARTUP CHALLENGES

The term 'Startup' refers to a company that uses innovation to solve a problem. A startup is launched to evolve an idea with the potential for significant business opportunity and impact. Sometimes the idea is a flash of insight, but more often it begins with extensive development of an idea or solution to a meaningful problem that has an identifiable market.

Startups typically have to define their business model and succeed in scaling it. Startups just like every other form of business are not without their challenges. These challenges include;



01. **FIERCE COMPETITION**

Competition is one of the biggest challenges for the survival of startup businesses. Startups must compete strategically to gain the much-needed recognition to outperform their competitors.

Once an innovative idea gets market validation, competitors may try to capitalize on the opportunity. A survey by CBInsights analyzed the reasons why startups fail. 19% were out-competed.

Competition analysis is critical for survival, particularly for online startups. Startups need to be aware of what solutions their competitors are offering, in order to build an effective value proposition.



02 **WINNING CUSTOMER TRUST**

The customer is the King. Winning Customer trust is one of the most critical challenges that Startups face, as customers are the driving force behind the startup's success. A delighted and loyal customer base drives startups to scale quickly.

Positive customer word of mouth can give a solid competitive advantage in the market while negative customer experiences can threaten the survival of the startup

Winning customer trust will generate loyal customers who will come back repeatedly, as well as advocate for your product/service.



03 **SECURING FUNDING**

According to CB Insights, 38% of startups end because they ran out of money or failed to raise new capital. One way to manage cash flow is by securing funding, but raising finance can be challenging and it can be hard to know where to get funding.

Startups are capital intensive and most startups require funding to build and scale the business. Capital is required to maintain cash flow, build the product, pay employees, etc All of which are required in order to build a viable business.

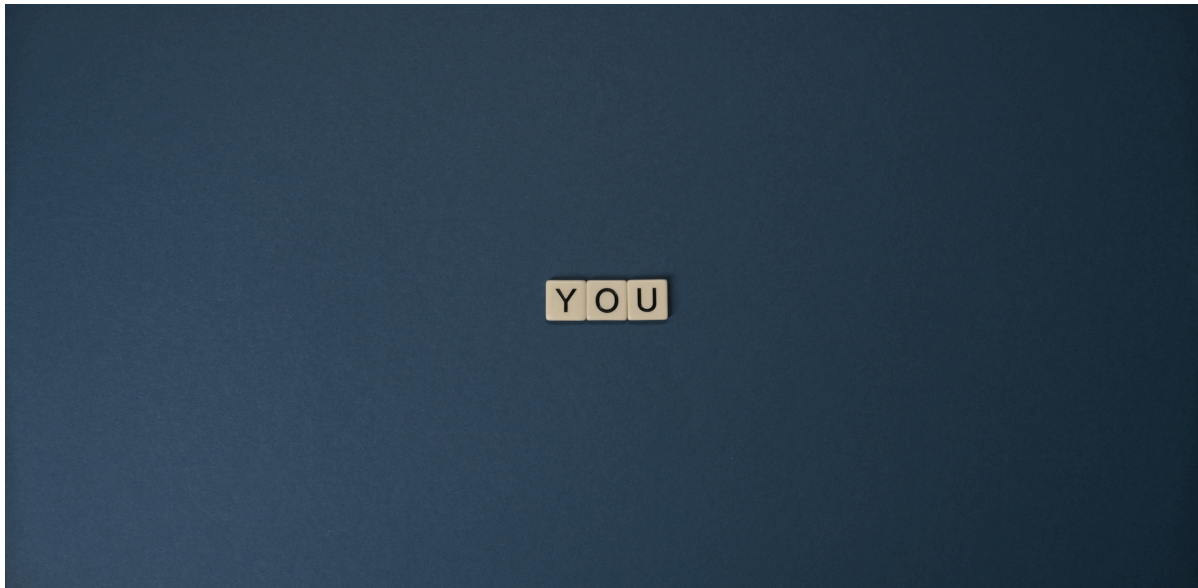
Talking to investors is an ongoing process and requires thorough preparation. Before investors decide to put their trust and money in founders, they need full confidence in the business idea.



WHY DO STARTUPS NEED BRANDING?

One of the mistakes startups typically make in the early stages of development is overlooking the importance of branding. While the logistics of a startup; finances, shipping, delivery, staff hires, etc. are of course essential, branding is also incredibly important to a company's overall success.

Here are a couple of reasons why startups need branding;



01. **IDENTITY**

Just as each person has their own unique identity, so do startups. Branding gives a startup an identity beyond its product or service and distinguishes the startup in consumers' minds. It gives consumers something to relate to and connect with.

Formulating a brand identity requires that a startup conduct research into its customer base and the surrounding market. This in turn helps startups articulate what it is that makes them unique, and what particular gaps they are filling in the market. A strong brand identity strengthens a startup's popularity and presence in a competitive market.



02. **BRAND AWARENESS**

Brand awareness refers to the familiarity of your brand with consumers and other stakeholders. Strong brand awareness encourages your target audience to choose your brand, even if alternative options are available.

Brand awareness brings startups to light and helps people recognize their existence. It improves visibility, not just among consumers, but also among investors and stakeholders.

There is nothing that is more important to a startup than gaining visibility; it is visibility that brings in opportunities. This further emphasizes the importance of branding for startups.



03. **BRAND TRUST**

According to a 2019 Edelman Trust Barometer Special Report: In Brands, We Trust? an eight-country survey, the vast majority of consumers across markets, ages, incomes, and gender think that "brand trust is crucial for making a purchase".

When you're new to the market and don't yet have a reputation, you are basically asking your customer to take a chance on you. Brand trust is important both for the impression your company gives to potential customers and other stakeholders within the industry.

A startup with a strong brand evokes trust through transparency and authenticity. Branding is about promises kept. Once trust is established, your customer will grow in confidence and become loyal.



04. **COMPETITION**

Branding can make your startup stand out and get your prospective customer's attention. When done right, branding has the power to influence, inspire and set you apart from the competition.

Great branding can differentiate and highlight your difference from other competitors who offer a similar product or service. The ability to then effectively sell your unique difference can bring in a variety of new customers and outperform the competition.



05. **FUNDING**

Impressing the people who will buy your products or services is important of course. But you also need to attract investors and a team to help turn your vision into reality.

Having a strong brand serves as an assurance to investors that a company will be in business for a long time. It signals commitment. A compelling, overarching brand can support you in attracting investors whose values align with yours. And those are the people who can help put you on the road to success.