

1. Introduction

People don't buy products; they buy brands



BRAND STORY

Module 1: Introduction

Learning Guide

with Bruce Miller

"People don't buy products; they buy brands."

About This Course

This learning guide captures the full content of Module 1 of the Brand Story course for readers who prefer text over video. All key concepts, examples, and insights from the video are preserved below.

Just as a story needs an inciting incident to launch its plot — a disruption that sends the hero on a mission, forever changed — this course has its own origin story.

The Inciting Incident

Thirty years ago, Bruce Miller's wife left her nursing job after the birth of their child during the 1996 Olympics and issued a simple mandate: "Bruce, time for you to get a real job — with health insurance."

Bruce became the Senior Writer for CheckFree Corporation. There, the team created the tagline: ***The Leader in Electronic Commerce***. By consistently promoting that position — at trade shows, in collateral, advertising, and on the Web — something remarkable happened: they became the leader in electronic commerce.

Key Insight: *A brand position is a superpower. Your brand story is more powerful than your features, benefits, and pricing strategy.*

Why Brand Story Matters

When starting a business, entrepreneurs typically focus on the business plan: capital investment, technology, labor, overhead, materials, shipping, and profit margins. But most start-ups neglect their brand story.

To generate sales, customers must fall in love with your brand. The purpose of this course is to help you build that brand story.

Brand Story in Action: Key Examples

Southwest Airlines

Southwest Airlines began as a humble start-up with just three planes serving three cities in Texas. Today, it operates 800 planes across 100 destinations, serving 140 million customers. How?

- They established a clear brand position: the ultimate low-fare airline.
- They lived the brand relentlessly — serving peanuts (and only peanuts) to demonstrate their commitment to cost-efficiency.
- No sandwich, no granola bar, not even a pretzel. The brand position — "Fly for Peanuts" — always came first.

The Pet Rock

Gary Dahl was joking with friends at a bar when he conceived the Pet Rock. What started as a joke became a brand. He sold 1.5 million of them and became an instant millionaire — proof that people don't buy products, they buy brands.

Apple iPod vs. Creative Zen

The Creative Zen MP3 player objectively outperformed the Apple iPod on almost every measurable spec:

- Twice the storage capacity
- More durable casing
- Significantly longer battery life
- Lower price

Despite these advantages, the Zen could not unseat Apple's commanding position in consumers' hearts. In their minds, it was a "faux-Pod." Apple's brand story was simply too powerful.

The Missed Opportunity: *"Got Music? For the price of an empty iPod, get a full-featured Zen Touch plus a library of music." The brand position: Empty vs. Full. That's a brand story.*

How Brand Stories Work Psychologically

A credible brand story evokes feelings — and feelings ultimately drive customer decisions. In any corporate marketing department, there is a constant tension between:

- Product people, who believe customers compare features, functionality, and price to make a buying decision.
- Brand people, who understand that the brand side of our brain draws from the subconscious — an unspoken feeling that says: "This brand is for me."

Consider yoga pants. You can practice yoga perfectly well in \$9 Hanes EcoSmart sweatpants from Walmart — but what you really want are the \$99 yoga pants from Prana. That's brand story at work.

Brand Story as Rorschach Test: *At 70 mph, a highway coffee sign triggers a burst of associations that pulls you to one brand over another — instantly. A logo is not a brand. But a logo activates a host of feelings and connections that, taken together, form a Brand Story.*

Coffee Brand Stories: A Case Study

Five coffee brands illustrate how distinct brand stories compete in the same market space:

Starbucks

In 1982, Howard Schultz traveled to Milan, Italy, and observed how local coffee bars functioned as social gathering spaces. He brought that concept to Starbucks, focusing on comfort, aesthetics, and community — a world away from the greasy American diner.

Brand Story: *More about the place than the coffee. Selling ambiance.*

Dunkin'

In 2008, Dunkin' sponsored a blind taste test against Starbucks — and won, 54% to 39%. Dunkin' shifted its brand focus from donuts to coffee, eventually dropping "Donuts" from its name entirely.

Brand Story: *No fuss, just great-tasting coffee, fast.*

IHOP

In 1973, International House of Pancakes dropped "Pancakes" from its name to become IHOP. As a coffee destination, IHOP proudly ignores every coffee trend — offering only Regular and Decaf. The waitress who refills your never-ending cup and calls you "hun" is central to the brand experience.

Brand Story: *Cozy, all-American, unpretentious warmth.*

McDonald's

McDonald's faced a challenge: how do you pair a Big Mac® with an espresso? McCafé needed to appeal to two very different types of coffee drinkers — those seeking cheap coffee and those wanting a café experience. The result is an unclear brand story, because McDonald's true identity is built around the drive-through.

Brand Story: *Convenience and speed — an uneasy fit for premium coffee.*

Chick-fil-A

Chick-fil-A had a reputation for lackluster coffee. Bruce Miller was part of the team that developed Thrive Farmer's Farmer-Direct Coffee — a brand that made great coffee part of Chick-fil-A's story by connecting it to support for indigenous farmers.

Brand Story: *Great coffee with a conscience.*

Biscuitville

This North Carolina chain prepares home-style biscuits, sweet tea, and coffee by hand. Its trademark "biscuit window" showcases biscuits being made in real time — a fresh batch every 15 minutes.

Brand Story: *Handcrafted, homemade, authentically Southern.*

What a Brand Story Really Is

Every brand offers a solution to a specific customer need. Here's how the coffee brands above each address a different one:

- Starbucks: "I want a pumpkin latte, a relaxing atmosphere, and free WiFi."
- Dunkin': "I don't need a freakin' couch, just good-tasting coffee... and I want it fast!"
- IHOP: "I'm in the mood for a cozy booth, an all-American breakfast, and a waitress who calls me hun."

And that is a brand story.
