

20 West Kinzie, The Alter Group's office tower has been rebranded as "Chicago's Primetime Office" because it features Google's visionary offices and is located in the city's #1 nightclub and restaurant district.



Branding Real Estate

BY RICHARD GATTO



We've all heard the term "branding," but for most of us, it's seemed like just another name for the familiar business of marketing. Some people think it's the packaging around a product – the logos and colors; others think it's the sum of the advertising that promotes a company. Both are wrong. Here's how **Tom Silva**, Senior VP of Marketing & Strategy at **The Alter Group**, defines it: "Branding is so simple that it's easy to miss. At its fundamental level, branding is giving an inanimate object – a company, service or product – human properties. It allows you to relate to it at a human level. While marketing pushes a product to market (through the 4 Ps of Product, Price, Promotion and Place), branding is what creates its emotional appeal, its narrative."

A brand is what makes you insist on an **Apple iPad**, as opposed to the well-reviewed **Barnes & Noble Nook HD**; a brand makes you covet an **Audi S4** over the highly-rated **Hyundai Genesis**. A brand is a mist of memories, associations and aspirations that corporations spend millions of dollars trying to understand.

Modern brand management has its roots in the 1930s at **Proctor & Gamble**, but it's only in the last 20 years that we've seen it become the preeminent creed of effective marketers. For corporations, the implications of branding are enormous for this simple reason: A strong brand commands a premium in the marketplace (consider that the **iPad** can command a price of more than \$100 more than the **Kindle Fire** which is



lighter, has better resolution, more RAM and a better camera). No wonder, then, that branding is entering the world of the biggest-ticket items.

Branding in Commercial Real Estate

Branding is still evolving in the commercial real estate (CRE) industry. We've seen companies like **CBRE**, **Jones Lang LaSalle (JLL)**, and **Hines** do a fine job of conveying their scope, financial strength and expertise, but rarely has it been applied at the product level. This is changing. One of the early adopters is **Forbes**, the eponymous business magazine, which will now put its name on commercial real estate. It has chosen the Philippines as the site for the world's first Forbes-branded office high-rise – a

partnership with a local developer. The 646,000-sq.ft.- (60,015 sq.ft.-) **Forbes Media Tower** will be located in the suburb of Manila. The project is expected to be part of a network of **Forbes Media Towers** around the world. It's a tantalizing concept.

While premium Class A buildings are sometimes branded under their anchor tenant (like the **Time Warner Center** in New York) or their vanity name (think of the **Rookery** in Chicago), the vast majority of the nation's commercial real estate stock isn't; it's viewed as a commodity separable only by practical concerns like location, technology, lease rate, incentives and build-out. Clearly, it's an idea worth exploring: The **Forbes** brand has equity – a hundred-year-old company that is associated with hard news on “business, investing, technology, entrepreneurship, leadership and affluent lifestyles.” According to **Omniture**, **forbes.com** reaches 47 million monthly unique visitors, while **Forbes Magazine**, **Forbes Asia** and **Forbes Europe** attract a global audience of more than five million readers. It would appear to be the ideal brand to extend into the realm of premium office space. Plus, the concept of the branded tower has its precedents (albeit mostly in residential real estate) – most famously with the **Trump** organization, which has licensed its brand across a vast portfolio of real estate. One report has the value of the **Trump** brand alone at \$3 billion.

So, how do you brand? According to Silva, branding has a specific methodology. “We start with a full-scale brand audit of an asset, looking at its perception in the market (including its positioning, identity, personality, reputation) by talking to brokers, CREs, investors; then we look at competing buildings to see where we stand in relation to them. Once we have a very detailed snapshot of the asset, we undertake the actual branding process, which starts with a SWOT analysis (and maybe a PEST analysis to see where the market as a whole is going) and proceeds to lay out all the aspects of the brand that will make it personal and unique. Think of it as an onion with layers – a vision, mission, positioning statement, personality, promise, values. The deepest layer is the brand idea or unique selling proposition. It is the DNA of a company or a product and motivates all of its messaging.

To clarify, here are the most famous unique selling propositions (USPs) – brands – in history:

- Jaguar - styling
- Mercedes - engineering
- Volvo - safety
- FedEx - overnight
- McDonald's - kids
- Burger King - grownups

This simple idea is the spark that fires the look and feel of the brand, its expression in the market and the target audience. Think of **Volvo** and how every ad you see in some way references safety.

Case Study

Most recently, **The Alter Group** wanted to rebrand one of its signature buildings in downtown Chicago, **Dearborn Plaza**. Built in 1999, the 385,000-sq.ft.- (35,767 sq.m.-) office



The rebranding of 20 West Kinzie, The Alter Group's signature building in downtown Chicago, includes a new logo that balances contemporary colors and fonts with a nod to the building's award-winning architecture.

building in downtown Chicago's River North neighborhood was known across the industry as the Chicago headquarters of Google and winner of numerous architecture prizes. With the Google space becoming available in 2015, Alter knew they needed to brand the asset as the best tech space in the best location in the city. However, when the Alter marketing team did their audit of the asset, they found that the brand didn't reflect the status of the building.

"First, in our research we found that everybody knew the building as '20 West Kinzie' and not Dearborn Plaza.' Second, the brand expression, including its logo, signage and messaging didn't

convey what was special about the asset – the fact that it had a Michelin-rated restaurant and a boutique hotel in the building and was located in a spot with more nightclubs, restaurants and art galleries than anywhere in the city. After an exhaustive study, we re-engineered the brand under the USP of "Primetime Office" to convey the prime space and the notion that the building remained vibrant well into the night when the area became the center of the city's nightlife. As part of this we introduced a new logo, new brand colors and monument signage that still gestured at the building's unique architectural lines. To cap it off, the building's new Web portal (www.20westkinzie.com) is one of the most

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The Alter Group's refurbished signage program for 20 West Kinzie includes new banners and a monument sign along heavily trafficked Dearborn Street in downtown Chicago.

content-rich sites ever done for an individual building, with a look that evokes the most stylish tech companies, like **Instagram**, **Pinterest** and **tumblr**.

Looking ahead, we are now seeing the second major revolution in marketing after branding – namely social media. Make no mistake, it is a sea change. And the biggest part of this is the Internet and social media. Consider that 93 percent of B2B customers now begin the buying process with an online search and 48 percent participate in industry conversations online. In 2011, there was a study of 600 chief executive officers, 70 percent of whom stated that they thought their chief marketing officer was on the wrong track. The reason is because the nature of the sales process has changed entirely. Customers now make 60 percent of their buying decisions online before ever engaging with a company. The reason is that we've moved from the old model of marketing – institutional marketing and the broadcast model, where the company would create a slick campaign and beautiful materials and push those to the audience. This was effectively a one-way conversation. Now, we have moved from that owned content model to earned content, which is about engagement.

“For 20 West Kinzie, we have to go beyond branding to engaging with tech firms through **Twitter**, **LinkedIn** and other channels, and through very targeted banner and PPC ads. We produce meaningful content through our blog and podcasts and then combine that with presentations at conferences and through the press. You have to be useful and you have to be authentic in this marketing space. The new watchword is ‘interaction,’ not ‘interruption,’” says Silva.

In the end, branding real estate, whether it's the Forbes or the 20 West Kinzie strategy, is powerful and a natural extension of the branded environments we've become used to in the retail and hospitality industries. Whether it's the marbleized, no-hassle restraint of **Nordstrom's** or the design-conscious eccentricity of **Target**, our energy and attitude are subtly altered by branding. We feel different in these spaces by virtue of the brand. Forbes is a pioneer in trying to do this within office space. It will be a great test case for the power of branding to transform real estate.

About the Author



Richard Gatto is Executive Vice President of **The Alter Group** (www.altergroup.com). He is responsible for the company's national developments, including 20 West Kinzie, a major high-tech office tower in River North. Gatto is an active member of **CoreNet Global Chicago**.

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