

What Makes a Brand Sizzle for a Hundred Years?



Branding for a Century of Success

If every car you have ever owned has been a Ford (1903), or if you are strictly a General Motors (1908) product driver, you know the power of “branding” in a very special context.

If you were asked to name famous stores in New York City quickly, would Macy’s (1851) come immediately to mind?

Have you ever worn Levi’s (1850)? Or called any other kind of jeans “levi’s”?

Are you old enough to have earnestly marked a Sears Roebuck (1893) “wish book” catalog with your heart’s desires for back-to-school or Christmas?

Wouldn’t it be a treat to receive just about anything in a robin’s egg blue box from Tiffany and Company (1837)?

Did you turn to North Carolina Mutual Life Insurance for the group plan for your small business because your father and your granddaddy relied on that company for their individual life insurance?

Then you know the unique power of the centenarian brand.

What is modern “branding”?

From the earliest moment that a maker put his

mark — carved, painted or burned — on his creation as an emblem of his pride in his workmanship, that trademark, or brand, has been closely associated with quality and desirability.

When household goods and services were procured close to home, a brand or a trademark was not quite so important. You most likely knew the person who had made the thing you were buying. You bought milk from the dairy farmer down the lane or soap from a neighbor.

With the industrial revolution, manufacturing and marketing methods changed. The making was centralized in factories in cities and the goods were sold far from their origin.

By the mid 19th century, anything a supplier took pride in — well-fed cattle, heavy denim work pants, fragrant soap, insurance to be buried with dignity — was claimed with a literal smoking hot branding iron or an embossed, engraved or printed monogram or trademark. Producers and manufacturers began to identify their products, just as artists sign their work. People began to look for those brands that signified quality goods and services. If your milk was bottled by a big cooperative distributor and delivered to your door by a stranger, you had only the reputation of the bottler to rely on. If a friend recommended a bath soap, the friend probably said “Pears,” and not “the

amber soap that lady down on Elm Street makes.” If you wanted life insurance, you bought from a company whose name you recognized as part of your community.

Although trademarks and brands existed long before, the rise of advertising to sell products and services gave brands new importance. Marketers realized the importance of reputation and began to seek it for intangible goods and services as well as manufactured items. So the concept of branding — and all its many components — was born.

Today we speak glibly of “brand image,” “brand promise,” “brand recognition,” “awareness” and “experience.” Branding, which may encompass everything from helping a new service establish a brand to re-branding a product to rescuing a tarnished brand, is an essential component of any advertising campaign or marketing strategy. As you well know, some advertisers and marketers attempt, with some success, to establish brand loyalty for products that are mere fads.

For all the articles and books written about “branding” and all the people who work earnestly to name products, develop logos, plan marketing strategies and write advertisements, branding is often an artificial thing. You hope your good sense and your pocketbook influence your purchasing decisions far more frequently than “attitude” or “iconic” branding does. Do you want to admit that you paid \$300 for a designer handbag just because an advertising executive got a celebrity to carry one to a premiere? Do you really think a particular brand of liquor makes you more intriguing? The more advertising has focused on brand as a means of selling, the more diluted the promise of quality has become.

The best brands are not those that were created in a brainstorming session at an ad agency, but those that grew naturally, developing over time, fed as much by word of mouth as by advertising. Some brands have commanded loyalty, or at least recognition, for more than 100 years. We know immediately what product they refer to, we have confidence in the product and we have respect for the company. The brands and the companies’ reputations are inseparable.

The NC Mutual Life Insurance Brand

Quality of the product is, of course, the primary reason a brand, like North Carolina Mutual Life Insurance or The New York Times or Pears Soap or Levi’s, can weather more than a century of change. However, establishing a reputation for producing a quality product so strong it lasts 100 years must require something more than a good product. The North Carolina Mutual Insurance brand evolved over years of imagining, providing and developing a quality service.

Companies sometimes like to talk about their humble beginnings. Seven men discussed an idea and pooled their meager mutual resources to launch the North Carolina Mutual Insurance Company. Perhaps, though, because of all the odds against it — little capital, a niche market, racial prejudice, segregation and the struggling economy of the South in 1898 — the genesis of North Carolina Mutual was grand and noble rather than humble.

Seven young black men came together with an idea to support their economically challenged and underserved community in death and grief. They saw families at their most vulnerable, hard-pressed to scrape together money for funerals, and worse, scabbling to survive when crucial wage-earning

members died. They saw destitute people turn reluctantly to the charity of the passed hat, the kind neighbors, their church and their extended families. The North Carolina Mutual founders aimed to provide their people with an economic means to die and grieve with dignity. Their motto was “The Company with a Soul and a Service — Merciful to All.” Asa T. Spaulding, president of the company in the 1960s, said, “Even though they were not experienced in business, they knew nothing about life insurance, the need was the idea that they recognized and that motivated them to start this company under the most adverse circumstances.”

Even so philanthropic a cause, even a product so clearly needed, even such a great idea could not guarantee longevity of the brand. At 115, what does North Carolina Mutual Life Insurance demonstrate about building lasting reputation and recognition?

Flexibility

All brands that have passed their hundredth anniversary intact and well-recognized have this aspect in common: They began with a single idea, but in some way, they have extended that idea far beyond the original product itself. Products can become product lines, companies can diversify, the products themselves can be tweaked to keep up with or sometimes encourage changing lifestyles.

Centenarian brands have stretched to achieve more. They have been willing to bend but not break in adversity. By 1900, North Carolina Mutual had experienced a financial setback, but rather than cracking apart, the company reorganized and continued. In 2008, current president and chief executive officer James H. Speed, Jr., described a national economic crisis as one of the greatest

challenges in the nation’s history, “with chaos in the financial industry and the economy in a downward spiral.” North Carolina Mutual felt the impact of that crisis, yet Mr. Speed knew strong roots would hold the brand in place. As it had before, North Carolina Mutual regrouped, evolving its products and extending its offerings beyond personal life insurance policies — to group life, health and dental plans for businesses, for example. Throughout its history, the company has built strong relationships with other businesses. Currently, the company is focusing on developing ties to affinity groups and constructing strategic alliances with other like companies or organizations.

One of the most interesting aspects of flexibility at North Carolina Mutual is that it includes managed growth, even in periods of reduced profit. In the midst of difficult economic times, the company carefully absorbed the business of the Booker T. Washington Life Insurance Company, growing its footprint in writing individual life insurance. More recently, the company has partnered with Aon Hewitt to provide the senior community with access to a national network of quality Medicare insurance products, and is expanding their pre-need insurance product line in conjunction with funeral homes.

Certainly, it requires strenuous effort and considerable foresight to survive the changes in business practices, customer needs and market conditions that occur over 100 years in the rollicking American economy. The ability to overcome adversity and meet the future is the strong backbone of all the centenarian brands.

Stewardship

The company literature does not say so, but over the

years, the management of North Carolina Mutual Life Insurance surely remembered Jesus' parable of the talents, because the company recognizes that good stewardship of the brand involves investment in the company and willingness to change business practices as machinery and techniques advance.

If you look through the North Carolina Mutual archives, some available now online, you will see photographs from 60 years ago, behemoth machines labeled "unknown office equipment." They are clumsy, paper-based data processing equipment, an amazing breakthrough in collecting, sharing and analyzing data. That huge step forward in business practice is barely remembered in the age of the laptop computer and Microsoft Excel spreadsheet. Archival photographs of clerks with ledgers and pens and huge Univac computers spitting out long ticker tapes of data serve to reinforce the important principle that a business must constantly reinvent its operations. No matter the past success in establishing a brand, that brand will die unless the company embraces change.

Counting for something

Good products and sound business practices are the foundation of a company that is 115 years old in 2013, the oldest active insurance company chartered in the state of North Carolina and the oldest and largest African American life insurance company in the United States. However, Bert Collins, former president and chief executive officer and current chair of the board of North Carolina Mutual says, "Just being around for a long time is not enough. You have to count for something."

It is that determination to "count for something," that accounts for recognition of the North Carolina Mutual brand. Very early on, North Carolina Mutual

realized it could offer the African American people of Durham, North Carolina, a mere thirty-five years after Emancipation, a means of growing wealth for their individual families and their community. Life insurance helped families through hard times, educated children and grandchildren, made home ownership possible, allowed people to leave legacies to their churches and schools, and provided dignity for the end of life.

When North Carolina Mutual established its headquarters in a building shared with the African American Mechanics and Farmers Bank in the early years of a new century, the company became a force in the "Black Wall Street" of Parrish Street in Durham, joining other businesses in opening doors to extraordinary opportunity for its citizens.

By the early 1900s, North Carolina Mutual had taken its place in creating Durham's national reputation for entrepreneurship in the African American community. By the second half of that century, in April 1966 at the dedication of the current North Carolina Mutual office building on West Chapel Hill Street, Durham, Vice President Hubert Humphrey described North Carolina Mutual as "a symbol of a new and a better south. The modern, forward looking, enterprising, understanding, growing south."

Lifting while climbing

Another photograph in the North Carolina Mutual Archives, dated April 1939 and captioned "A Second Generation in the Mutual Dynasty" shows several of the company's long-serving managers standing with their grown children who, in their turn, had become agents for the company. Throughout its 115-year history, North Carolina Mutual has ensured the good health of its brand by fostering personal achievement

in its employees. The beloved and respected Charles C. Spaulding, president of the company from 1923 until his death in 1952, began as a part-time insurance agent and worked at various times as agent, clerk, janitor and general manager. The ethic that says a person should lift others up as he climbs to the top of his abilities surely gives the North Carolina Mutual brand an added strength and luster.

Today, Mr. Speed likes to quote Pastor T. D. Jakes, “If you have received any level of success, then pour it into someone else. Success is not success without a successor.” Mr. Speed goes on to say, “That has been the tradition at North Carolina Mutual. Each generation of leadership has mentored the next, providing smooth transitions and sharing generously of their experience and knowledge.”

Leadership

Just as the company encourages its employees to grow, it also recognizes its role as a catalyst for minority economic and social development. To the idea of lifting while climbing, the company added the concept of the “Double Duty Dollar.” The idea is that income from insurance sales can be channeled back into the community to improve the lives of citizens and the general business environment.

North Carolina Mutual’s first president (1898 to 1919), John Merrick, was a former slave and a barber, who had become a successful small businessman in Durham. He was a model for other men and women who wanted to establish professional lives. The company’s second president (1919 to 1923), Dr. Aaron McDuffie Moore, was the first black person to practice medicine in the city of Durham, wielded wide influence in the city, and was instrumental in starting other enterprises such as a drug company,

Lincoln Hospital and a library. The company has always encouraged its employees to volunteer and lead in community endeavors.

Throughout the years, North Carolina Mutual Life Insurance has been a center of influence in the Durham community, the State of North Carolina and the nation, actively supporting schools and colleges, churches and civic organizations. It has strong ties with the NAACP and the National Urban League. On September 25, 2009, the company transferred its historic records to North Carolina Central University Archives, Records and History Center and Duke University Rare Books, Manuscripts and Special Collections Library.

Celebration

The gift of the company archives is the final component of the longevity of the North Carolina Mutual brand. The company preserved the photographs, documents, letters and other artifacts because it understood the crucial importance not just of its place in black history, but also of passing its story down through generations. Employees celebrate Founders’ Day, preserving the history and tradition that are the underpinnings of a proud old brand.

North Carolina Mutual has a long and strong reputation, grounded in the black community of Durham, North Carolina, but reaching out to a newly diverse group of customers and employees, still providing quality, stewardship and leadership, still the emblem of concern and care for a larger community.

North Carolina Mutual
LIFE INSURANCE COMPANY

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