

Taking the brand's temperature

Roderick White outlines the reasons for monitoring brand health, and the ways in which this may be done

Page 24

Brand health measures your mother would love

Belle Frank and Michael Sussman

Page 28

Brand health: an individual challenge

Ian Addie

Page 30

China perspectives on building a healthy brand

Susie Hunt

Page 32

Brand equity and the bottom line

Peter Walshe and Helen Fearn

IF YOU ARE in charge of a brand, the most important job you have to do is not the high-profile task of accounting exactly for the payback from your small ad in the local paper. It's not the worrying business of making sure that next week's promotion with a third-rank retail chain is implemented correctly in every detail. It's not, even, dotting the i's and crossing the t's of the annual brand plan. It's to ensure your brand's ongoing healthy survival.

A going concern

One of the beauties of traditional accounting practice was to focus on the concept of the business as a 'going concern'. This, again, does not mean that it should, thanks to ruthless cost-cutting, come top of the profitability listings for a period of years - before, inevitably, it self-destructs. It does not mean that, by primary dint of aggressive price promotion, it should aim to achieve an apparently dominant market share - only to be destroyed by an unexpected competitive innovation.

Great brands - even good brands - are built for the longer term, and may well have lives extending for decades. Sometimes, this can involve changes of ownership, changes of positioning

and, almost certainly, a wide range of changes to products, formulations and product ranges. Long-run studies of (mostly) packaged goods markets show many of the same names maintaining high rank in their markets over decades.

Achieving this requires a whole range of elements to be put in place more or less from the beginning, and a continuous process of subsequent stewardship and development. As we are constantly reminded, innovation is a key part of the life-blood of brands, and innovation, while it may focus on the product itself, can extend through the whole of a brand's operations. Increasingly, progressive product brands are re-inventing themselves as bundles of product-plus-service in order to differentiate themselves from the throng of competitors and from retailers' private-label offerings.

Strategic focus

All this dictates a need for strategic focus allied to effective tactical implementation. And it means that the brand's managers need the ability to monitor and interpret where the brand stands in its marketplace. While this may well involve careful quantitative appraisal of the cost-effective achievement of specific marketing objectives, that accounting process tells us little about the underlying strength of the brand.

What is needed, clearly, is a regular means of assessing where the brand stands, and where it is going, in terms of its relationship with the consumers who buy it - or might buy it. This should, at the least, provide a direct comparison with known competitors in the market, and perhaps some form of benchmarking against other similar types of brand in unrelated but reasonably comparable categories. The reason for the first of these should be obvious; the second might be more controversial, but a moment's reflection suggests that a brand may be king of its own dunghill, but still look pretty much like a pile of ordure to the ruling brand in a neighbouring castle: superior performance in a lower league is not the same as superior performance in the Premiership. So it's good if you can benchmark against the best.

So, what are the ingredients of brand health?

If you accept that brands ultimately live only in the heads of consumers, clearly success and continuing prosperity depend primarily on how consumers see the brand, and how this is developing. Yes, of course the financial fundamentals

People matter

Andy Doyle, chairman of Holmes & Marchant, a well-established brand and pack design company which has worked on the likes of Guinness and Vodka Absolut, has a different slant on brand health:

Brand health vital signs are actually not about the brand itself but the people who run it. A brand doesn't get sick by itself, it's the people who handle the brand who ruin its health. So what sort of things are you looking for in the management team that gives indications on the brand health?

1. What is the churn rate of staff handling the brand?
2. What is the level of the person who makes the final decisions on the brand?
3. What are the professional backgrounds of the people running the brand? (Sales? Financial? Marketing? Production?)
4. Who does the head brand person report to in the organisation? (Sales? Marketing? etc.)
5. Where is the person based who handles the brand (in the market or in another country)?
6. What are the backgrounds of the people handling the brand? (Men on tampons? Dieters on chocolate products? 50 year olds on kids' products?)
7. How long have the brand's agencies (advertising, design, PR, etc.) been working on the brand?

need to be in place - that's the 'technical' side of brand management - but the brand will ultimately survive and grow only because people in the real world understand, love, respect, admire and desire it. (You could change some of the verbs in that sentence, but the message should be clear, without haggling over the niceties of language).

The characteristics of successful brands are by now reasonably widely agreed, though different researchers and pundits place different emphases on them, and the dynamic nature of markets means that any individual brand is likely to perform better on some than others, at different times.

A prime example of this is uniqueness or differentiation. Every pundit will list this as a key characteristic of a successful brand. But it is acknowledged to be extremely difficult for any brand to maintain a unique product advantage over its competitors for more than about six months, because of the speed with which competitors can respond to physical product innovation. This means that one key consumer-based measure of a brand's health will be some form of assessment of the brand's dynamism or perceived leadership in its field (not quite the same thing, of course).

There is, of course, a wide range of 'systems' for monitoring brand health: the articles that follow include pieces about two prominent ones. But they are not the only answer, and the box (on the previous page) contains a very different slant on the subject, which could be a useful form of cross-check for anyone meeting a brand for the first time.

There are, also, simpler 'answers' proposed by well-respected researchers. The classic example of this is Reichheld's vigorously promoted Net Promoter Score (NPS). This starts, very reasonably, from the premise that customers are key, and reduces this to one simple question. As the article by Justin Kirby and Alain Samson in last month's *Admap* (1) showed, this is clearly insufficiently nuanced for most useful purposes, and the accuracy of Reichheld's analysis has been seriously questioned (2). But the use of this kind of customer-focused questioning is, clearly, a key element in any assessment of brand health, and can be a valuable part of the necessary guidance for management.

What is clear is that assessing a brand's health is a relatively complex and multi-faceted process - especially if you take on board Andy Doyle's comments. It needs to be built into the brand's ongoing research programme, and evaluated systematically at intervals. So long as the brand is not actually already on a life-support system (in which case it's probably too late) it's not something that needs to be done continuously, though continuous research might provide some of the inputs to the process. ■

1. J Kirby and A Samson: *Customer advocacy metrics: the NPS theory in practice. Admap* 491, February 2008.
2. TKemingham: *The Net Promoter debate. Admap* 483, May 2007.

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