Brand health: an individual challenge

Nunwood's **Ian Addie** argues that brand health is sector-specific, so there is no point in erecting cross-sector systems to compare non-competing brands

INCREASINGLY, BUSINESSES ARE listing marketing expenditure as an asset on their balance sheet, as opposed to a cost in the profit-and-loss account, arguing that this expenditure is an investment in the brand, and builds brand equity and ultimately business value.

However, for this to be true, we would expect such expenditure to generate an absolute minimum return equal to that of the investment, although in practice a successful investment should generate a considerably greater return in order to make it worthwhile. The key questions for any business, and for that matter any current or potential shareholder, looking at the marketing assets of a business should be 'How is the marketing budget being spent? Is this spend generating an adequate return on investment, and is it contributing positively to current and future revenue potential?'

Brands must recognise that, ultimately, revenue potential rests on the ability of a brand to be chosen in the consumer's purchase window

Market understanding

To answer this question, and indeed to develop a marketing strategy that leads to a positive return on investment in marketing activity, it is first necessary to develop an understanding of the consumer market for the business's products and/or services.

Creating a model of the consumer market, in terms of which consumer groups currently generate business revenue and which offer future potential to do so, along with an understanding of the wants, needs and motivating triggers to purchase, is critical to ensuring an effectively directed marketing spend aimed at maintaining and growing brand revenues through improved penetration and frequency; and also provides a framework for measuring the ongoing efficacy of marketing activities.

Four common factors

Many approaches to achieving such a model rely on the hypothesis that all brands can be developed through a uniform set of levers, regardless of the sector in which they operate, and their position within that sector. To a degree Nunwood believe this to be true, and have identified four core levers to developing the consumer-brand relationship.

1. *Functional benefits:* the belief among consumers and the promise of the brand that the product or service is fit for purpose- and will do what it says on the tin.
2. *Personal benefits:* the belief among consumers and the promise of the brand that the product or service will provide the consumer with a sense of inner wellbeing i.e., the brand cares for the consumer and can be relied upon.
3. *Social benefits:* the belief amongst consumers and the promise of the brand that the consumer will receive a social benefit from being associated with the brand: specifically other consumers will respect an individual who uses the brand.
4. *Uniqueness:* the ability of the brand to be identified by consumers and differentiate itself from its competitors in a positive way.

The strength of these benefits can vary significantly between sectors and between markets, so in the fashion sector the influence on brand preference may be weighted heavily in favour of social benefits, while in the fmcg (consumer packaged goods) detergent market functional benefits play a far greater role in driving consumer preference for a brand.

Furthermore, if we dig deeper still, the way in which these levers are manifest in a brand and how the brand capitalises on these levers can and does vary considerably between sectors, as the specific wants, needs and motivations of the consumer market vary.

For example, the pertinent functional benefits of a brand of washing powder are quite different from those of an airline brand; while the personal benefits of the two brands may both be centred on providing positive associations to the consumer in terms of their environmental stance. In contrast, the functional benefit of both an energy provider and a fashion label may be to provide warmth to the consumer, while the social benefits may be to be environmentally friendly and to signify economic status, respectively.

A contrived exercise

The bottom line is that once we begin to dig into the specifics of what makes a brand desirable, this varies significantly from sector to sector, making it both a difficult and a contrived exercise to compare brand strength across sectors effectively. Moreover, in a commercial context there are few occasions when such comparison is of any real benefit to evaluating brand strength and equity other than at a cursory level. In other words, except purely as a

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publicity mechanism, what is the benefit of knowing the difference in brand strength of Shell and Coca-Cola, since the two brands do not compete?

Our approach to evaluating brand strength and developing ways in which this can be positively leveraged therefore centres on the comparison of brands that operate as competitors, since it is these differences that truly influence revenue and the resulting return on investment from marketing expenditure.

This is all very well. It provides us with an understanding of a brand's DNA and enables us to compare it to that of competing brands; to evaluate which aspects of the DNA have the greatest value in targeting consumers; and to hone marketing activity so that perceptions of the brand are strengthened in areas that will positively influence preference for the brand.

Moments of truth

However, this does not take account of the purchase process (the final five yards) in which a consumer, in the guise of a shopper, decides to purchase one brand and forego another. It is at this moment of truth that the efforts of the marketing campaign come to fruition.

The key point here is that, to a greater or lesser degree, dependent on the sector in question, shoppers are time-starved and under pressure to make a decision. As a consequence of this pressure, they will look for ways to shortcut their decision-making process and use rules of thumb or heuristics when reaching their final purchase choice. Such behaviour can be extremely detrimental to even the best marketing programme if it is ignored.

For example, our work in fmcg markets, in which, arguably, some of the most time-starved and pressured purchase decisions are made, has shown that in many product categories shoppers will instinctively pick up the product or brand with which they are most familiar, without giving any consideration to other competing products on the shelf, This behaviour is a consequence of two key factors:

1. past experience - the shopper has purchased the product before and found it to meet their needs
2. visibility - the shopper knows what the product looks like and is able to identify it instantly on the shelf.

Our work in this area provides brand owners with an understanding of how shoppers interact with their own and competing brands in the purchase window, and establishes whether brands are strong or weak at the point of sale.

To brands in the position of being tried and tested and having strong visibility, heuristic and habitual purchase behaviour is a distinct advantage; but to those brands looking to make inroads into a market, such behaviour acts as a powerful barrier to entry; and it is for these reasons that marketing efforts aimed at growing a brand's market share should not ignore the need to support and reaffirm positive communication at the point of sale in purchase environments.

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Risk of complacency

Moreover, established brands that enjoy such heuristic purchasing behaviour should not become complacent about their position, or lose sight of the importance of the ultimate purchase window when looking to maintain and strengthen their brands.

A good example of this sort of oversight can be seen in the case of a major washing detergent brand, which a number of years ago decided it needed to revitalise its packaging in order to ensure the brand remained relevant for the modern consumer. In doing so it axed its iconic packaging, resulting in shoppers no longer being able to identify the product on the shelf.

Ultimately a tactic intended to strengthen and grow market share resulted in quite the opposite effect, and the brand owner was forced to invest in additional and unexpected in-store communication to ensure shoppers were made aware of the packaging change.

Conclusions

In conclusion, it is our view that while brands across different sectors do resonate with consumers in some common ways, the tactics for achieving this resonance must be tailored to the sector and market in question to ensure their relevance to the target consumer and to enable a brand to achieve revenue growth through increased penetration and frequency.

Since consumers shop within sectors in order to meet their consumption needs, and do not, for example, buy oil as an alternative to a carbonated soft drink, there is little value in comparing the strength of brands operating in different sectors, since such an evaluation has no bearing on the revenue potential of the brand to be evaluated.

Finally, brands must recognise that, ultimately, revenue potential rests on the ability of a brand to be chosen in the consumer's purchase window and this is often a time at which habitual behaviour can override risk-taking behaviour and any desire to find a better product. ■

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