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Article series overview:

Oblique is one of Retail World's longest standing contributors. It has a strong, established reputation within the industry for being leaders in shopper marketing, shopper insights and category management; it was – and still is – the pioneers of all things shopper and category within Australia. As preferred shopper partner for many of the top FMCG players within the industry, it is known for its leading edge, relevant and actionable solutions. Its recommendations are proven and most importantly, have delivered significant sales growth for retailers, brands and categories alike.

In this series of articles on Shopper Marketing, Oblique draws upon its extensive shopper experience, as well its huge shopper database – Shopperpedia – to bring you understanding, real life Australian case studies and a global perspective on what it means to go beyond the surface of shopper.

Series:

- *Part 1: Shopper Marketing: Latest craze or simply the next phase? (Published June 23 issue)*
- *Part 2: Shopper Marketing: The critical five degrees of separation (Published August 4 issue)*
- *Part 3: Shopper Marketing: Making it happen (Published Sept 1 issue)*
- *Part 4: Shopper Marketing: Brands or world of sameness?*
- *Part 5: Shopper Marketing Forum: Your opportunity to have your say. Please contact us to post your view. Entries will be anonymous: info@oblique.com.au*
- *Part 6: Shopper Marketing: New Year Resolutions and Predictions for 2009*

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Part 4: Shopper Marketing: Brands or world of sameness

Oblique discusses the secrets behind strong brands, how to recognise if your brand is not as strong as it could be and how to build your brand's strength up.

Wikipedia: 'A brand is a symbolic embodiment of all the information connected to a company, product or service ... to create a relationship of trust'.

According to Wikipedia five key elements create this relationship of trust: the name, the identity, the promise, the values and the personality. Using these five criteria as the measurement stick, just how many strong brands do we actually have in FMCG? Isn't it true that the unfortunate bottom line in FMCG right now is: we have lots of brand names out there but not that many brands?

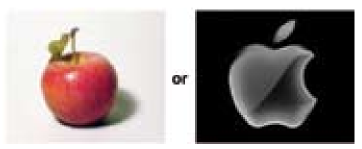
Most important of all, however, is that if we are going to have a future that involves branded offers, we need to get out of this world of sameness and actually create some points of difference.

In order to explore this further, I'd like to go through three key areas:

- Discovering the secrets behind strong brands;
- How to recognise if your brand is not as strong as it could be and;
- How to build your brand's strength back up.

So what makes a brand strong? Let's look at some outer-industry examples first to build up a picture.

Apple – what does it say to you? a round, green/red fruit or leading edge super cool technology?



The Mercedes Benz logo – do you see the car or the swanky lifestyle that it represents?

What about Virgin; how come Richard Branson has managed to create personality permeation in all that he touches? Fun, vibrancy and fighting for the little guy are clear strategies throughout Virgin's Path to Purchase (P2P). Key traits that these strong brands possess are relevancy and distinctiveness. Yes they have evolved over time but the relevancy has remained inherent and the reason why they are still strong today is because they mean something to each and every one of us today. Learning from the words of Charles Darwin: 'It's not the strongest of the species that survives, or the most intelligent that survive; it is the one most adaptable to change'.

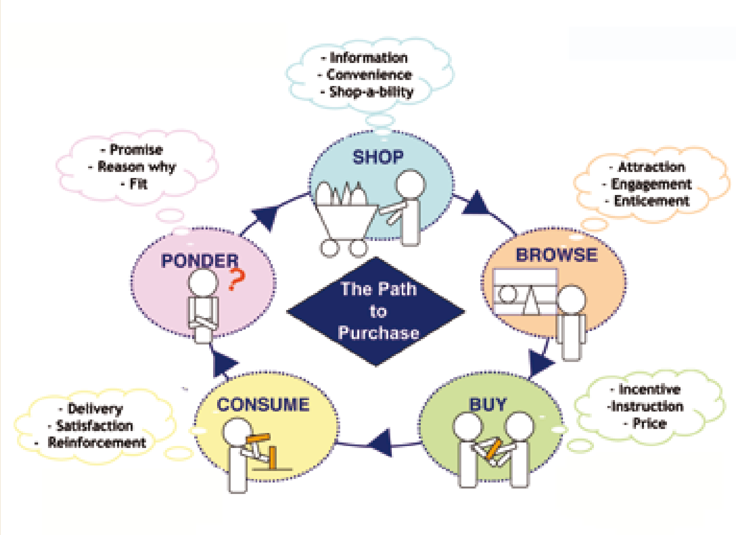


Figure 1: P2P: The Path to Purchase Journey. © Oblique 2008.

This ability to maintain relevancy is the key to any brand's continuing success. Creating shorthand that tells us quickly and succinctly what to expect is what strong brands do so well. In the blink of an eye, a distinctive logo = an untold amount of information that instantaneously makes us feel and think one way or another. This is what strong brands do, this is why they are successful and this is why they merit being called a 'brand'.

OK, so some of us might sit there thinking: it's easy to achieve dizzy height brand relevancy with a $150K car purchase as opposed to a $1.50 supermarket purchase, but this is not true.

The difference between buying a car versus a packet of chips is not brand relevancy, but category relevancy. It is also debatable whether it is easier to be a brand in a highly relevant category or not, but if the argument is category relevancy, what could be more relevant than food and drink? We can all do without the car for a day or so (no really, we can!), but we can't survive long without food and drink. The problem that we have in FMCG is not category relevancy but category commoditisation. Quite simply, we have turned the frequency of the purchase into a boring, old routine.

Our predictable, same-same tactics have resulted in consumers and shoppers alike being largely switched off and left with little else to compare except prices. Even with some of the strongest brands that we have come across so far*, Vegemite, Huggies and Sirena to name just some, the one dimensional price tactic still dominates in the P2P. Yet, these are brands that shoppers will cross the street for, go without if not available and discuss passionately with friends and family. These brands prove that strong brand status can be achieved within FMCG and if these brands can do it, the question you should be asking yourself is: why can't yours? In the words of John Moore**, 'I believe in brand euthanasia ... if you're not going to invest in it sufficiently to make it competitive, kill it and focus on your cash cows'. Basically, if your business is not prepared to make the tough calls that typify strong brands, it's probably time to start thinking about an exit strategy.

The next step is about recognising which brands in your portfolio are not as strong as they could be. Whenever I ask about brand strength, the most common responses that I get back usually include percentage bases of the following measures:

The lead indicators

- Awareness
- Likeability
- Usage
- Purchase pre-disposition
- Perceptions
- Resistance
- Health tracking
- Market share.

Now, while all of these measures help in assessing brand strength, the true measures of brand strength are:

The lag indicators

- Sales performance
- Switching propensity
- Repertoire sphere.

Now the idea is that if you get the first list right – the 'lead indicators' – then the second list follows – the 'lag indicators'. At least that's the theory. In my opinion however within FMCG, we focus way too much on what people tell us about our brands (ie. the first list) and brush under the carpet the reality of what they then actually go on to do (ie. the second list). From Shopperpedia*, many 'brand loyalists' – as classified by the first list – frequently become 'happy switchers' once at the shelf. While your business could invest dollars on brand tracking and health studies ad infinitum, the quickest way to recognise whether your brand is as strong as you think, is to do some fairly basic promotional analysis. How shoppers behave on promotion is the real world and the great news is – you've got lots of data to analyse here!

In this analysis, there are some likely scenarios that you will encounter.

Scenario 1: Your brand sells a truck load when on special – If this happens, one of three things can be happening:

- You are attracting new users to your brand and the category: This is the ideal scenario as it means the brand is going beyond just changing consumer attitudes and actually changing shopper behaviour.

If this is happening you should see a spike in scan sales for your brand and the category to a commensurate amount. If the brand actually delivers in the post-purchase 'consume' touch point (see figure 1), this should also lead to an increase in baseline brand sales ongoing. If this is your brand – well done – it demonstrates that your brand is winning versus its competitive set in the category.

- You are attracting current 'other brand' users within the category to your brand: This is a common scenario and could be a good thing for your brand strength. If this is happening you should see a spike in scan sales for your brand, no increase in the category and a directly converging pattern with another brand or brands in the category.

Once again, if the brand actually delivers in the post-purchase 'consume' touch point (see figure 1), this should also lead to an increase in baseline brand sales ongoing. While no category affect has been felt, it is still a positive for your brand. However if when another brand in the category is on promotion and the reverse happens to your brand, this means 'happy switching' is happening and belies a fundamental weakness in your brand.

- You are attracting your own brand users to wait/buy more when your brand is on special: This is a common scenario and is typically not a good thing for your ongoing brand strength. If this is happening, you should see a spike in your brand sales when on promotion with little impact on other brand sales within the category and either a dip in your brand sales post-promotion or a return to the baseline brand sales post-promotion.

This is a good thing in that your brand loyalists may not be going elsewhere, but fundamentally means that you are devaluing your brand and the category by giving away to those who were intending to purchase anyhow. This result could also depict an expandable consumption pattern, but more often than not, it is special waiting and stock piling that is happening.

Scenario 2: Your brand sells even more when on a gondola or in the catalogue – Shopperpedia shows that when on gondola, the benefit is about stock weight and minimal out of stocks at the shelf rather than hot cake selling from the gondola itself. While therefore playing a role, gondola visibility is less about brand awareness and more about operational necessity.

> "The difference between buying a car versus a packet of chips is not brand relevancy, but category relevancy."

Scenario 3: Your brand sales barely hiccup on promotion – You've got a big problem. Promotions are an incentive and therefore even though we have been using the same old tactics for years, at least they do go some way to generating a pulse at the fixture. If your target audience is so apathetic about your brand that the thought of getting it a bit cheaper from time to time doesn't receive a 'woo-hoo' at all, your brand has a lot of work to do.

The bottom line – and easiest test of all – in assessing your brand's strength is to answer honestly to the following question: how afraid for sales would your business be if you stopped promoting your brand tomorrow? If the answer to this question is at the top end of the 'very afraid' scale, this is as good an indication as any that your brand has some work to do in building up strength.

Now I obviously live in the real world and understand the trade relationship implications of needing to promote, which is why I am not necessarily advocating that your brand should stop promoting. I am simply trying to point out that if deep and frequent promotions are a heavily relied upon weapon in your armour, then your brand platform is built on a house of cards and is putting the cart well and truly before the horse in terms of the below brand priorities:

Brand Priorities – the real world		
Retailer	1. Store	2. Brand
Manufacturer	1. Brand	2. Store

So, how can your brand build its strength back up? Quite simply by being the most relevant – and not necessarily the best if we refer back to the Charles Darwin comment earlier – at every single touch point on the P2P (in Figure 1). When it comes to these key forks in the road, your brand needs to have the best insight into what is happening and then be the most relevant solution for the problem that the shopper or consumer is facing at that point in time.

As we discussed last time, we spend way too much time in FMCG trying to deliver a consumer-based solution when the problem we have is not actually consumer based. Here are a couple of real examples to illustrate this point. Company X was quite a way into discussions with the retailer about theatre at the shelf.

Their objective was spot on: to get more shoppers buying across the two key segments in the category. Their proposed solution however was some way off the mark. They were going to use the theatre at the shelf to educate the shopper on the differences between segment A and segment B. For the ponder touch point, this solution would have been ideal however for the browse touch point, it was not. At browse, the shopper is thinking about the meal that they can make with the product and therefore doesn't really care about the difference between segment A and segment B, but does care about the different meals that segment A or B represent.

A better solution at this touch point for this category therefore was not about segment education, but meal education. Both methods deliver the same goal – cross segment purchasing – they just deliver the solution differently. Critically, the difference = more relevance to the problem that the shopper was facing at that touch point and as we know, more relevance = greater brand strength.

In Toronto, P&G has really taken the shop touch point to a new level this year with the concept of a 'pop-up' store.

The focus is on giving shoppers information and advice on how to 'look fab' as opposed to simply banging the 'ponder' drum of brand promise and reason why. Consultants are on hand to give beauty advice and provide make overs and this much more relevant approach by P&G has resulted in huge success and hosted more than 7000 shoppers.

The goal of 'looking fab' is now into a third campaign year for them. Yes it's not easy, it's a big idea. But it's focused, relevant and consistent at every touch point. This is why it has been so successful.

Fundamentally, breaking down your P2P and defining: what the problem is; why it is happening and; solutions that can turn the situation around are the key steps that your business needs to go through in order to build up your brand's strength once again. If you don't know what the problem is, clearly this is knowledge that you need to gain ASAP. For those of you who may already know however, the key to your brand's future strength lies in your relevance of the solutions that you propose at every single touch point. This means one goal, one vision, but several methods of delivery. Different solutions for different touch points will translate your brand's identity and this is the only way that it can evolve from being just a brand name, into a brand.

**Source: Shopperpedia™. The largest shopper behaviour database within Australia.*

***Brand Autopsy.*