

BLOOD & BEER BRAND EQUITY

A new client once told me, "I have far too many things to worry about: revenue growth, profit growth, how to cut costs, competitive in-roads by the small scale sector, the speed of change, price under-cutting, etc. So the one thing that I would like you to worry about on my behalf is how to prevent a decline in brand franchise or, expressed in another way, the decline of customer loyalty".

This problem, in my view, is the root cause of many other and more familiar problems such as slow revenue growth, declining margins, loss of share, etc. Many of the difficult business problems we face today would be solved if we all owned stronger brand franchises.

A strong brand franchise is a priceless asset. We tend to take it for granted.

Virtually all companies have the ability to build a strong brand franchise regardless of the business they're in. Once built, it's priceless for many reasons.

The foundation for building a brand is a sound competitive strategy - a major component in the effort to gain the cutting edge through advertising.

Brands fail for many reasons - bad products, bad research, bad pricing, bad distribution, bad advertising, and bad luck.

SR (Super Mani) Ayer is an institution of Indian advertising. His immense contribution to the ad business is not only the building of brands for Johnson & Johnson, Richardson Hindustan, Brooke Bond, Cadbury, Chloride, among others; but also the building of talented people.



*SR Ayer,
Managing Director,
Ogilvy & Mather India.*

But I submit the reason most brands fail is bad thinking, which really means bad strategies.

If your strategy - if what you are saying and where you are saying it - is correct, sooner or later you'll be successful. Even if the advertising is pedestrian, if it communicates a good strategy, you will

pays to remember that the customer is sick and in pain. Hadensa, the Piles ointment has promised "relief" for the last 30 years - a meaningful promise.

5. Be more competitive

I don't mean naming a competitor's name or selecting a molehill attribute and making it into a mountain.

Many strategies tend to be too generic. The best strategies are *explicitly competitive*. They state why the consumer should buy our product instead of the competitor's.

6. Don't give up the high ground

There is an understandable temptation to search for a different position in a category, for the sake of being unique. The standard procedure is to find the top two or three appeals in a category, observe that the leading competitor is using the top-scoring benefit, and pick the second that is nearly as good. Rather than get pushed into a less desirable positioning, fight to find a better way to offer the same benefit.

The best strategies are explicitly competitive.

7. Don't be too verbally-oriented

Television is a visual medium. Let us not forget the importance of the television picture and the potential of non-verbal factors. In translating a strategy, don't overlook the emotional impact of a great visual or of music. "Spread the Light of Freedom" is an example of this.

8. Avoid price and convenience as reasons to buy

They may be very important as motivations, but price and convenience are quickly communicated and easily

understood.

The difficult problem for the consumer is quality, and that's what strategies should focus on.

Sometimes advertising is expected to carry the day, not only in the sense of tipping the balance of favourable impressions for a parity product or service, but in terms of actually compensating for a real deficiency in quality.

It simply does not work. It can't work. Consumers, customers, are not stupid. In this context, only advertisers and advertising agencies are stupid.

9. Resist change

The great successes of the advertising business are ones of continuity. Not necessarily of campaigns, but of positioning and strategy.

Too often, the poor old strategy is used as a whipping boy for bad sales. How much easier it is to simply change the strategy than to tell the agency they've done a lousy job; and that they should go back and do better advertising on the same strategy.

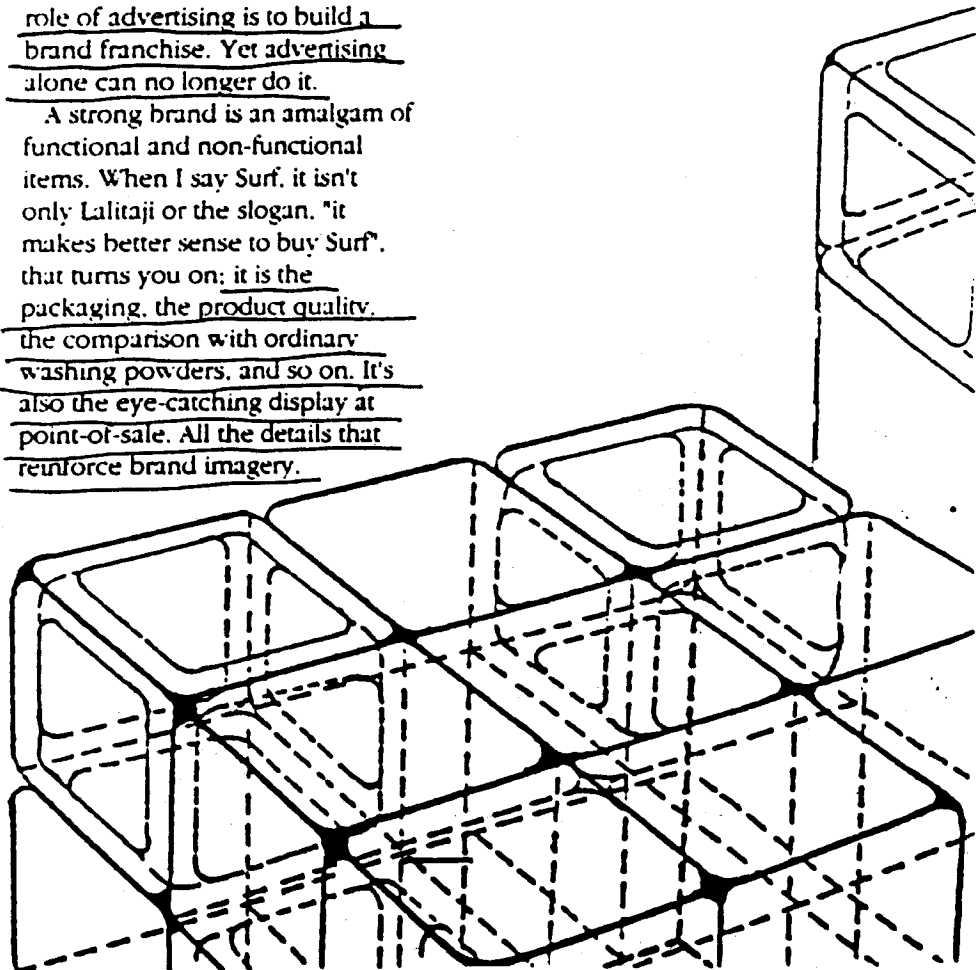
As I said earlier, the primary role of advertising is to build a brand franchise. Yet advertising alone can no longer do it.

A strong brand is an amalgam of functional and non-functional items. When I say Surf, it isn't only Lalitaji or the slogan. "it makes better sense to buy Surf", that turns you on; it is the packaging, the product quality, the comparison with ordinary washing powders, and so on. It's also the eye-catching display at point-of-sale. All the details that reinforce brand imagery.

It is essential that every piece of communication convey the same picture of a brand - advertising, sales merchandising, publicity, point-of-sale, packaging, direct response, catalogues, and promotion. By integrating and managing the communication mix, you assure that everywhere the consumer turns, he or she will receive the same message about the brand, adding up to a single powerful brand image.

Such a sharp focus ensures that every communication rupee works to enhance the value of the brand and to support the franchise. It does not require a huge leap of faith to understand the advantages of this concept.

Yet, how many advertisers do it? ■



Great Ideas are simple, not complicated.

advertising to be "straightforward and honest". (There aren't many successes based on a platform of being devious and deceptive). The need is to be distinctive.

Cadbury's Dairy Milk and Liril have built distinctive personalities through their advertising.

When new advertising is presented, the first issue is whether it delivers the fundamental selling idea of the strategy. Look at the strategy every time new creative work is presented

Anything which is not relevant to the promise of the strategy must be justified.

The argument against this is that it leads to dullness... that we must provide extraneous elements in order to provide intrigue, to charm the housewife, to be different. Obviously, this is true to some degree.

I believe, however, that the basic promise should in itself provide the interest and that the real creative task is not to be charming or off-beat, but to present the selected consumer benefit in an interesting and dramatic way.

It also ties in with findings about recall research. The best way to get a viewer's attention is not with gimmick, but with relevant and involving advertising.

The large area, however, is

making it work. How to get better strategies.

Here I would like to make some observations:

1. Keep your objectives reasonable.

The essence of positioning is sacrifice. Give something up. sacrifice something - so that the advertising can focus on one thing - and build a unique image for a brand. You can't be all things to all people.

Strategies are not security blankets under which you can tuck all your frustrations and problems, and ward off every evil.

Be careful when the advertising is asked to change people's habits, when products are positioned for all occasions - or all consumers.

All we expect people to take away from a 30-second

commercial is one simple idea.

You ought to be able to agree on one sentence that the advertising should tell people to feel about this product.

"Vicks Cough Drops are the best remedy for everyday throat irritations", in one sentence says it all.

3. Understand the market dynamics

You cannot design the best advertising solution until you fully understand the marketing problem to be solved. What brands compete with yours? Where is the business going to come from? Are you after trial or usage?

Different uses for a product is a clue that a brand has some loyal



Your executives can now fly to work. At ground level.

For example, the Tempco Traveller is positioned against a segment of the transportation market. The strategy is directed to those who wish to provide comfort. It sells that, as opposed to economy or return on investment - tempting and relevant add-ons though they may be.

2. Be more single-minded
Great ideas are simple, not complicated

users and is trying to increase usage among that group. The advertising for Milkmaid is an example of this.

4. Make a meaningful promise to the consumer

The key word is "meaningful". In every category, there is usually one meaningful benefit your advertising must promise. In detergents, it's "clean"; in food, it's "taste"; in drugs, it's "relief".

In selling proprietary drugs, it

longer guarantee your brand will make it.

Once you have made that all-important decision, you need a strategy to get you there. Positioning is the result. A strategy is the instrument that gets you there.

An advertising strategy is a plan of action to make consumers do something. It is like a route map that takes into consideration the target consumer, a creative strategy, and a media strategy.

For any strategy to lead to outstanding creative work and provide long-term direction for a brand, it is necessary that the following issues are addressed:



"I trust only
Johnson's
Baby Soap
for my baby's
tender skin."



And no other soap is
enriched with Johnson's baby oil

Babies trust over generations

The essence of positioning is sacrifice. Give something up, sacrifice something - so that the advertising can focus on one thing - and build a unique image.

- ✓ 1 The objective of the advertising programme.
- ✓ 2 A three-dimensional portrait of the target audience.
- ✓ 3 The benefit of the product to the consumer.
- ✓ 4 Some support for why your product delivers that benefit.
- ✓ 5 A statement of the *tone and manner of the message*.

The first element is the **objective of the advertising programme.**

So, start with a specific objective that the advertising can accomplish.

A commercial can create awareness, interest, attitudes, and impart knowledge. It can get new users for your product, can give them reasons to buy your product more often (or buy more of it).

But it cannot increase distribution, or improve sales by itself. The business objective of

Titan Watches is to get more people to own a quartz watch, naturally a Titan Quartz. The advertising objective is to make people look at watches as more than a time-keeping device.

The *strategic* issue is not what many people assume - the consumer benefit. The key strategic issue is the *target audience*.

Consumer benefits don't always come out of products. Those are manufacturer benefits, and they may or may not be seen by consumers as interesting or motivating.

Find your consumer first. She will tell you what the real benefit is in your product and that means understanding the consumer.

Demographics are one filter, but you are going to have to be more thoughtful than that.

The housewife who buys Bru is a different person from the one

who buys Nescafe. Research to find out *what you should say* is crucial.

What is *the* benefit to the consumer? Red Flag. There are many benefits. There are some which are not direct attributes of the product. And the one that is not so important to you may - in the words of one of my creative partners - fill a long unfelt consumer need.

We tested many promises for Johnson's Baby Soap. But we discovered that the most motivating was that Johnson's Baby Soap was the best for a baby's tender skin because it contains baby oil.

Select a benefit. One benefit. Support that benefit. Give the consumer a reason-why to believe you. But all these should be wrapped together in a consistent tone and manner, if you are to build a long-term image for your brand. A brand personality.

It must grow out of the true nature of the product - not slapped on like a label - or it won't be believable. Brand personalities are particularly important in categories where the differences between products are small.

You won't build a distinctive brand image if the tone-and-manner section calls for the

have a winner.

But if your advertising is brilliantly saying the wrong thing, you will fail.

Since a major portion of our working lives is devoted to the building of brands, let us spend a few moments on what this animal called a brand is all about.

When we think of "branding", I don't suppose any of us have a picture in our minds of a cowboy branding cattle.

Yet this is why we use the word "branding". According to Webster's dictionary, originally a brand was *"a mark made by burning with a hot iron to attest manufacture or quality of ownership"*. A rancher brands his cattle not just to deter cattle thieves, but to assure potential buyers of the quality of his beef, based on his reputation as a breeder.

What he is saying is that all cattle are not alike, that his have special characteristics, that he stands behind them, and they should therefore be more valuable to buyers.

A hundred or so years ago, manufacturers tired of being dominated by wholesalers, or competing only on price; and, lacking any control over demand, decided to do what the rancher does - "brand" their products. They "bred" special characteristics into their products, took out patents on them, and stamped their name on them.

Then, to get control over demand, they advertised. Just how well some of them succeeded is evidenced by a fairly recent study in the US, which concluded that *of 24 leading brands in 1923, 19 are still leaders.*

In India, too, there are brands whose origins go back to the 20's and 30's and are still leaders in their own segments. Brands like Lux Toilet Soap, Lifebuoy, Sunlight, Scissors, and even LG Asafoetida.

So, what is a brand? It certainly

isn't a product, although we interchange the two words frequently. Does the word "cigarette" possess the same power as "Wills Filter"? Does the term "coffee" mean as much as Bru or Nescafe? Is any watch as good as Titan? Is Johnson's Baby Soap just another soap? No, these brand names conjure up a clear picture in our minds.

So, what is the role of advertising in relation to the building of brands?

It is to build and maintain strong brand franchises.

A strong brand franchise, as I mentioned earlier, is one of the most priceless assets in a company's balance sheet.

A strong brand franchise is one of the most priceless assets in a company's balance sheet.

It is priceless in the literal sense - you won't see the value of that franchise listed by an accountant.

It has the ability to generate revenue year after year; it has the ability to command a higher price; it could provide a strong platform to launch new products; it gives you leverage with distributors and retailers; it can have the line extension possibilities, and so on.

A stable of strong brands enhances the value of a company's stock. Philip Morris didn't buy General Foods for 3.2 times the book value, they bought brands with priceless trademarks - Maxwell House, Jell-O, Kool-Aid, and so on.

So what is the financial value of

a brand? There are several ways to look at it.

First, goodwill on the balance sheet is an amalgam of customer loyalty and reputation of the company. Exide, for instance, is better known than its manufacturer, Chloride. Clearly, branding plays a key role here. It is not unusual for a buyer of a company to pay ten times earnings for that goodwill. How much would you pay if a company did not own strong brands? Without strong brands there would be no long-term guarantee of revenue and profits.

Plant and equipment deteriorate and need replacement. People come and go. Real estate crumbles. But a strong brand can go on forever.

To build successful brands, it would seem logical that what is required is sound thinking and strategies calculated not to lose.

If you are dismayed by the reference to strategy in a defensive tone, let me remind you that "the first thing about winning is not to lose".

A good strategy ensures you won't lose. A great strategy makes it easier to hit winners. A great strategy is what gives you the cutting edge.

It has often been said that the effect of your advertising on your sales depends more on "how you position your product" than on anything else.

The dictionary says that position is "the place held by a person or thing". When you position your product, *you place it in a certain way in the consumer's mind.*

This is crucial in today's context. Consumers do not weigh the merits of all the products they see. Life is too short to test-drive every two-wheeler, sample every soft drink, and visit the retail showroom of every textile mill.

The first objective for today's marketer is *entree* into the target consumer's shortlist of considered brands. Product advantages no