

AN OCCASIONAL PAPER  
BRANDING & HOW TO COMPETE

Thinking about **brand image**, any generalised overall perception of the brand equates to the net conclusion from all the knowledge, understanding, feelings and experience that a customer or potential customer has previously obtained about the brand.

These experiences come not just from the brand as presented, but from the products, the organisation and the distribution network and may be indirect – from friends and colleagues, press articles and other communications.

In addition, different customers will allow these experiences to influence their opinion to a greater or lesser extent depending on what is important to them. One poor experience can easily destroy an image and any amount of communication will not change the image if it is at odds with experience.

**Corporate reputation**, is a specific type of brand research where the organisation itself corresponds to the brand and may have its own set of attributes by which it is judged.

**Brand consultants** will attempt to develop a brand personality that reflects the image that is desired of the brand so that there is little dissonance between the style by which the brand is presented and the perceptions of the customer.

**Brand valuation** is an attempt to quantify the non-financial asset value of the cumulative marketing investment in establishing the brand in the market place, both in terms of level of awareness and suitable image. The benefit from this value usually translates into reduced selling costs – some of the product benefits are taken as a given and enable the customer to short-cut the decision process.

A brand may be identified with an individual product, a product range or an organisation (in whole or part). In each case, the **brand attributes** that comprise the image extend beyond the performance characteristics of the product(s) or organisation to include additional factors in areas such as:

- the technological strength of the R&D capability, innovation and design
- service factors that impact the buying or owning experience
- product availability and accessibility and the distribution network
- corporate reputation, such as management capability, ethics and environmental issues
- soft factors, such as the culture of the organisation
- sources of knowledge and their credibility

The details will vary by the type of product or service identified with the brand, the level of risk in the purchasing decision and the market segments appropriate to the brand.

The advantage of a strong brand image is that it acts as a proxy for everything people understand about the brand, without them having to consider all the detail - the brand attributes are the constituent parts of the brand image. This has several effects:

- it is persistent – small variations in performance of the underlying brand attributes are discounted, for good or bad, and customers may be less critical. However, that is not to say that a catastrophic failure cannot damage the brand instantly and a strong image may be a good image or a bad one. Otherwise, it is usually slow to change - in either direction.
- selling costs are reduced - if the brand is well-known, this makes it easier for sales people to obtain appointments and ads are more easily understood
- advertising can be more suggestive without having to convey too much information at once allowing more creative treatments and greater impact

- new products and services can assume the mantle of the brand before they have proved themselves individually

Organisations will choose **how to compete** from a combination of product and/or brand attributes in each market segment in one of three main ways:

- by **differentiation**: that is, a combination of product, service and brand attributes that is distinct from any competitors and some of which may enable a premium price to be obtained
- by **low cost** delivery: that is, a focus on delivering value through a combination of minimising additional features (consistent with product performance at the requisite level of quality) while optimising the costs of production and delivery
- by **focus**: that is, to service a particular market sector extremely well to meet its special needs

Generally, it is not possible to compete in more than one of these ways and it would usually be necessary to use a different brand identity to be able to compete on a different basis in a different segment.

On the whole, brand attributes fall in to one of three categories:

- **Essential**: that is, attributes that are a prerequisite for competing at all and the lack of which would damage market position
- **Differentiating**: that is, those that distinguish competing organisations and may form the basis of how an organisation can compete effectively
- **Focussed**: that is, attributes that matter only to certain types of customer

Therefore, the **purpose of brand research** is to establish which brand attributes actually matter to which types of customer and to evaluate performance against those compared with competitors or a peer group of respected competitors, as well as measuring overall brand awareness. Depending on the stage of development of the marketing strategy, the information may be used to inform how that strategy may be developed or to monitor the effectiveness of the strategy.

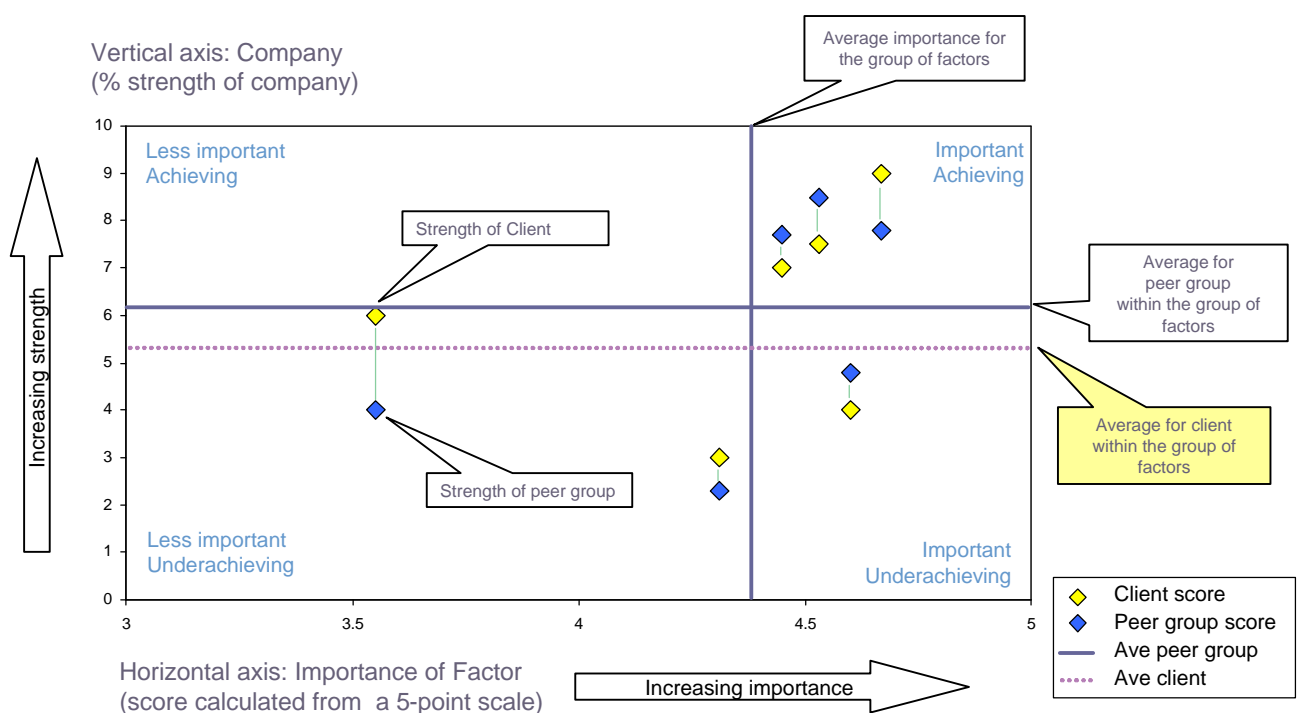
In addition, and to fit the information into context, it may be necessary to establish how customers currently fulfil their needs. If they are not customers within the relevant market segments, these prospects may be considered market potential and by establishing the brand image and the market dynamics with this group and by using market modelling it may be possible to establish their propensity to become customers.

The **implications for brand research** are several:

- it is necessary to identify those brand attributes that influence brand image and which are to be measured. A technical approach requires a pre-study to identify any co-correlation between similar factors to ensure that the factors are discrete discriminators. Otherwise, for most brands a comprehensive list of factors may be developed and reduced to the core factors that relate to the approach to competing, typically by running a workshop with customer-facing individuals or with focus groups.
- comparison should be made with a peer group to set norms for comparison. An analysis of how competitors compete and being able to account for their performance may reveal specific attributes that they have that should be included in the measurement.
- soft factors need to be included to provide a basis for the brand personality and “tone of voice” for communications and which would reflect the culture of the organisation
- at the same time, the market segments and dynamics may be researched to identify those which will provide the best potential for the products/services by correlating degree of need with degree of satisfaction
- attitudes to areas of change may be measured to anticipate the rate of change that may be possible

- low scores for any attribute need to be investigated to identify whether there are real inadequacies in the business that need rectification or whether it is lack of knowledge and understanding that requires a communications strategy. Serious deficiencies may require a strategic review of the organisation. Factors that are merely not well understood may provide a platform for particular stages of a communications strategy and others may require re-engineering and cannot be communicated until appropriate systems are in place. It is by this means that a communication plan may evolve taking advantage of a number of factors as they become available and building up knowledge and understanding in the minds of the customer
- many perceptions of a brand will be the results of communications from people within the organisation, sales people, service and delivery, accounts, copywriters, etc. so it is usually important to measure internal perceptions so that internal communications can fill any gaps in knowledge and understanding. Internal research may identify those cultural aspects of the organisation that facilitate or inhibit change. The communications capabilities of managers may also form part of any appraisal system and survey-based appraisal systems, such as 360 degree analysis, or attitude surveys may be used
- depending on the scale of the purchase and the level of risk, it may be necessary to identify the buying process; that is, who is involved in influencing different stages of the evaluation process, especially in the B2B environment. Decision influencers and purchase approval individuals need to be confident in any decision made by technical evaluators and will have different needs.
- appropriate demographics are required to enable segmentation and to identify the incidence of any differences between segments. Statistical techniques such as CHAID may be used on an investigative basis to identify segments with particular characteristics and which may have some bearing on targeting
- communications preferences may be measured to facilitate development of an effective communications plan
- it must also be recognised that knowledge and attitudes are a poor predictor of behaviour

The core to any analysis is to reveal discrepancies between the importance of factors to the customer and perceived performance by the supplier. By using scaling techniques, this may be represented in quadrants.



These two dimensions (importance of the brand attributes and view of performance against those) show:

- 1) where an attribute may be of relatively high importance to the customer and performance may be high enough to reflect that importance
- 2) where an attribute may be of relatively high importance to the customer and performance may be lower than expectations and require rectification. If key competitors or the peer group also has a low score, this may indicate a factor that could be differentiating
- 3) where an attribute may be of relatively low importance to the customer and performance is higher than necessary. This may reveal factors that are consuming excess resources
- 4) as low as necessary to satisfy the customer

The profiles of specific competitors may reveal why they are particular successful or unsuccessful in the market place.

In consideration of one brand attribute in particular, that of **CSR** (including the full spectrum of issues covered by sustainable production and consumption) this is an attribute that at present is in the “focus” category, and usually well down the list in terms of priority. As a profession, marketers need to take some responsibility for developing their brand image for reputation. It is recognised that “green products” have been difficult to market yet it is felt that customers need to believe that an organisation is “doing its bit”. This has implications for how marketers design products and communicate their position. If it can be raised to a “differentiating” factor, then commercial advantages should result. Ultimately it may become an “essential factor” and a company would be unable to compete effectively unless it had a strong position. As CSR increases in importance, it needs to be monitored to be able to take advantage of a company’s strengths as its importance increases, segment by segment. MPG International are actively involved with UNEP (UN Environmental Programme), CIM (Chartered Inst. Marketing) and Esomar (the world market research organisation to further these aims.

As a **consultancy-based research organisation**, MPG International is able to contribute a wealth of experience in corporate and marketing strategy to ensure that brand studies really contribute to business performance with research which enables decisions to be made about the development of the business and plans to be made. As a **research company**, we have a wide range of skills and techniques for developing studies: desk research, workshop facilitation, qualitative and quantitative approaches, fieldwork and data collection, statistical analysis, market modelling and reporting. We also have a very wide experience of different markets and industries which means that both direct and transferable experience may contribute to any project.

This means that when considering your markets and the driving forces that shape the market we can fully participate in the project and work with you to develop really effective solutions.

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