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Book Review

ProfitBrand

Nick Wreden

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A snazzy title for a snazzy book. It could have been 'How to make your brand profitable' and ten years ago it may well have been *Building Brand Equity*. But it's 2006 so it's *ProfitBrand*. It makes the book a brand, you see.

And it is certainly timely. We live in the age of brands. The BBC refers to itself as a brand. New Labour was launched as a brand. Your local council is a brand, usually complete with mission statement. Even charities now refer to themselves as brands rather than causes.

It has been going on for generations now, arguably since Mr Kellogg first named his cornflakes. Some brands even entered the language. 'Hoover', 'Nylon', 'Thermos', 'Aspirin', 'Sellotape', 'Biro'... once they were brands, then they became generic descriptions. And we still do this; Google has already become a transitive verb.

As long ago as the 1950s brands were much discussed, often on the basis that competitive brands were actually identical and could only be made to succeed by bright and emotive advertising. This is David Ogilvy, himself the apostle of something we used to call 'brand awareness', quoted in *The Hidden Persuaders* in 1957: 'The greater the similarity between products, the less part reason plays in brand selection. I am astonished to find how many advertising people believe that customers can be persuaded to buy one brand in preference to another, even when the two brands are technically identical.'

Mr Wreden would dismiss this as the shallow utterance of a simpler generation, and I think I would agree with him. But we move, as we do so often with management theory, from the bland to the questionable in 'ProfitBrand'. Early on we have a remarkable statement: 'A brand is not built by acquiring customers; it is built by keeping them.' Up to a point perhaps. My mobile phone supplier may prioritise a retention strategy and make it central to marketing planning. But my cat food supplier has no such luxury — I respond to what I see that week on the supermarket shelves.

The principle of profitable and unprofitable customers is embedded in this book. It insists that 20 per cent of customers generate 80 per cent of the profits. This is probably true but it is a fairly listless truth — why can't the unprofitable customer be turned into the profitable customer?

Indeed, there is almost a moral aspect to their turpitude... 'the unprofitable ones that sap corporate resources'. Bastards!

And at times the book is extraordinarily opinionated in its view of history and the future of marketing. 'The mass economy is fading into

The age of brands

From brand to bland to questionable

Profitable and unprofitable customers

Opinionated, wide-eyed, messianic...

...but a valuable methodology...

...rigid and logical structure...

...international case studies...

...but sometimes impenetrable language

history,' it says. 'Today it is the customer economy... No longer can companies position brands; now it is customers who define brands, based on economic, emotional or experiential attributes.' Hmmm.

But, for all its wide-eyed and messianic style, the book does provoke thought. It pursues its theories with hard statistical sets. The chapters on calculating customer profitability are especially interesting, punctuated with calculation methods, action plans and analytical tools of all kinds. You don't have to subscribe fully to the thesis here, but you can still value the methodology. Sometimes the best reaction to a management book is a simple 'I never thought of it like that before'. *ProfitBrand* will probably provoke such a reaction in many readers.

In fact, it is superior to many recent marketing books in its rigid and logical structure. For it proceeds from the general to the particular with old-fashioned zeal. Each of its 13 chapters ends not just with a summary of preceding content but with a series of 'takeaways' — rhetorical questions that provoke further thought. This is a disciplined book, its style sometimes as austere as its theme.

Donald Schultz has called it 'the first truly global brand and branding book' and there is truth in that statement. Not for the first time, a controversial theme is enlivened by anecdotes and mini case histories from around the world. Some of the usual suspects have been rounded up — Tesco makes its statutory appearances throughout the book. But Somerset Houseboats were new to me and the story of the Bruce Springsteen concert is an interesting one.

Branding, though? I really don't know. But then my scepticism is always aroused when I suspect that common sense is being transmuted into apparent science. Try this for size... 'Branding is about the business of business. Most of all it is about the business of creating and keeping profitable customers. As a result, rather than business executives learning more about branding, it is time for branding executives to learn more about business.' Nice rhetoric, shame about the verbal precision.

For, as so often these days, the language is often impenetrable. I was especially fond of the sentence 'Branding remains stuck in a bell bottom time warp.' And of 'Disney believes in customer penetration'. Which I suspect would have been news to Uncle Walt.

No point in sneering, though. The book is at least up to the minute and it does offer a workable thesis. Don't expect to be wholly convinced by it, but be prepared to be stimulated by it. At least it's a book worth arguing with.

George Smith