Data and the brand planning process

Received: 31st March, 2003

Gordon Pincott

has been actively involved in the strategic planning and research evaluation of brands and communications for over 20 years. In the early 1980s he worked for a major UK fast moving consumer goods (fmcg) company as a brand planner, working on some of the most famous ad campaigns of the time. In the mid and late 1980s he was a board director of Saatchi and Saatchi, then the biggest agency in London. In 1989 he joined Millward Brown where he worked on a number of major global clients and now has overall responsibility for all of the client relationships and client service staff. Gordon has been a frequent contributor to conferences and seminars having presented in Europe and Asia on topics including integrated communications, print advertising effects, brand equity and online marketing. He won the 'best paper' award at the annual UK Market Research Society conference in 1999 and 'best technical paper' in 2000 with an examination of the impact of the internet on advertising and research. He was a keynote speaker at the Australian market research conference in 2001.

Abstract All good planning starts with the brand. With an understanding of how the consumers' experience and attitudes affect a brand's financial performance, the right channels to realise the strategy can be selected. This paper explains how various brand situations might lead to different channel selections. Customer insight then has a further role to play in understanding how the creative vehicles adopted for each channel will work individually and in combination to achieve the desired outcome.

INTRODUCTION

Major corporate financial investment decisions are no longer made on the basis of judgment. A carefully drawn up case needs to be made for any significant marketing expenditure. In this area, an understanding of the likely consumer response to the communication will be critical.

In order to understand a brand, and in order to evaluate the effectiveness of the channels used to enhance brand value it will be necessary to use a wide variety of research techniques.

Media neutral planning is about dispensing with any prejudice which would incline a planner to one medium in preference to another. However, it is not just about using a wider range of media and it is certainly not about using as many media as possible. Effective media neutral planning means understanding

what tasks need to be achieved to enhance brand success and making a dispassionate evaluation of the available channels to carry out those tasks. This inevitably means solid consumer research to provide both direction and evaluation.

From the perspective of the database marketer the world of above-the-line advertising seems vague and unfocused. To the television advertising person, database marketing seems mechanical and soulless. In the age of media neutral planning it is important to make sure there are no grounds for these stereotypes.

Television adverts and database marketing (to choose but two — no prejudice intended) are trying to do very different things, but there needs to be a greater understanding of what each specialism is bringing because the reality is that they do not work in isolation.

Gordon Pincott
Head of Client Service,
Millward Brown UK Ltd,
Olympus Avenue,
Tachbrook Park, Warwick
CV34 6RJ, UK.

Tel: +44 (0)1926 826239
Fax: +44 (0)1926 833600
e-mail: gordon.pincott@uk.
millwardbrown.com

Integrated marketing is not something marketers do to consumers but it is what consumers do with the marketing messages they receive.

PLANNING: FIRST STEPS

Consumers are integrators of experience and brand messages. They are not necessarily doing this in a disciplined and rational way, but ultimately it is the consumer who is choosing between one brand and another. They will draw upon the jumble of memories and associations that they have with the brands in order to make that choice. They will not necessarily know (or care) where they heard a particular message and they are not prone to spending too much time over the process of choosing. It is in the mind of the consumer that everything comes together and it is through an understanding of that consumer that the available channels to carry out the necessary tasks can best be exploited.

All good planning needs to start with the brand. It is necessary to understand how consumer attitudes towards a brand impinge upon its financial performance. Once this has been understood, those levers which are most likely to enhance the financial performance of the brand can then be selected.

This is the first essential step in the media planning process. A database marketing campaign should always be carried out with an understanding of how that particular lever is expected to help improve the overall health of the brand. There should also be an understanding of what other levers are being pulled simultaneously and what the overlap of tasks may be with other communication channels.

It is questionable how often this occurs in today's business environment. The gap between above-the-line agencies

and direct marketing agencies still seems significant.

The author's company has a database of over 18,000 brands with the equity profiles of those brands collected in a consistent way across countries. The construct of the data is validated against sales and it provides clear outputs about tasks and, by implication, about channels. It is worth looking at some of the different profiles of brands to understand how the choice of channel may be informed by that.

BRANDDYNAMICS

The construct used is called BrandDynamics and it has a number of key outputs. The first of these is a brand pyramid (see Figure 1). A universe of all the relevant target for that brand is defined. Clearly, this would be done in conjunction with the brand owner. Within that universe some people may not be familiar with the brand, and therefore they would not feature in the brand pyramid at all.

The first level of the pyramid (the base) represents all the people in the universe who are familiar with the brand. A subset of these will believe that the brand is directly relevant to their needs and there will be people who are familiar with the brand but do not believe it is relevant for them, either because of the nature of the product or the price or any other factor to do with the brand.

There will be a further fall out from those who believe it is relevant but do not go up to the next level of believing that it has adequate product performance. Among those who do believe that it performs there will be a further subset that will feel it has particular advantages over the competition. And, finally, some people will feel that a particular brand has so many advantages over the

Figure 1 The BrandDynamics™ Pyramid represents the overall relationship of consumers with a brand

Figure 2 Loyal 'bonded' consumers spend more of their income on the brand

competition both emotionally and rationally that they believe it is the only brand they would consider buying. As the consumer makes this journey towards loyalty then they will spend more of their purchasing in that category on that brand as they move up each step of the pyramid (see Figure 2).

People at the bonding level are very much more valuable to the brand than the people who are only familiar with it but do not feel it is relevant.

A selection of pyramids for a number

of brands across a range of countries are described. Taking these brands in turn, it is possible to review the range of possible communication tasks that may be appropriate.

In Figure 3 Snickers in Brazil seems to be in a position where it has a very loyal following but relatively few followers. The issue here is about building familiarity with the brand. (For the purposes of this paper, it will be helpful to simplify some outcomes. In reality a much fuller understanding of the brand would

Figure 3

Figure 4

be needed to make concrete suggestions as to action.) For instance, it may be that Snickers is a niche brand with which it would be dangerous to try and increase familiarity because all the people for whom it is relevant are already familiar with it. They may feel that it has a particular cachet because it is not well known by others. In this case, however, it would seem more likely that the opportunity for Snickers would be to build familiarity and it may well be that mass market, above-the-line advertising is the most appropriate way quickly to build a wider familiarity with the brand.

For *The Sun* it is necessary to understand what the relevance barrier is — is it to do with price, product, format, comprehension of the proposition or emotional need? Is the thing that makes it relevant to some the very same thing which makes it irrelevant to others?

Very often in this situation it will be that the offer has simply not been compelling enough to make it relevant to a wider range of consumers. Above-the-line advertising may have a key role in this, but so might sampling or, indeed, a review of the product.

If, as with Fiat in Italy (Figure 4), there is a deficit in the performance area, the first thing one needs to understand is whether this is an issue of perception or reality. Does the product simply not live up to the expectations of the consumer, in which case some real practical changes to the offer will be needed, or is this a failure in communication?

It is at the high levels of the pyramid that tools such as database marketing come into their own. The ability to tailor and deliver focused messages to key customer groups allows the precision targeting of benefits which can create real competitive advantage and which, through loyalty programmes and customer relationship marketing, can even try to bond the consumer to one brand. With Carlsberg in Thailand consumers feel the brand performs but it is lacking real competitive edge. With Superdrug in the UK consumers feel the brand has some distinct advantages but it is just not converting these people into passionate advocates of the brand. This is possibly because it is a repertoire market. But this would look like an opportunity for some powerful direct marketing.

QUALITATIVE RESEARCH

BrandDynamics does not just focus on where there are successes to be achieved, it will also give some indication as to the size of the opportunity, thereby allowing some consideration of the appropriate allocation of media budgets to different tasks.

A purely quantitative approach such as this will have limitations on how much it can inform the tonality of communication, the style of that communication and the more emotional needs and expectations of customers. Even at this stage of understanding the shape of a brand's equity, in-depth qualitative research will be essential to

map out possibilities in a more emotional terrain.

The emotional aspect of a brand's equity is another crucial factor in the selection of appropriate channels to move the brand forward. In categories with very small rational differences between the brands the emotional engagement with the consumer may be key to establishing a close bond between the consumer and the brand.

In the beer market the progress a brand like Budweiser has been able to make on the basis of engaging emotional connections is clear evidence of this. They have done this primarily through their television advertising, the campaigns with frogs and lizards, followed by the 'Whassup' campaign which speak to the fun and cutting edge nature of the brand with no rational underpinnings while still sufficient to drive volume for the brand.

Herein lies the woolliness and vagueness that the direct marketer sees when looking at the world of big budget above-the-line advertising.

The brand knows how much money it has spent and can quantify the audience it has reached both in terms of number and demography. But it is much more problematic to link directly the effect of that communication on any particular individual and their purchasing habits.

This is compounded by the fact that such campaigns are not designed solely to drive sales in the short run, they are designed to work over the long term for the overall benefit of the brand.

Econometric modelling clearly suggests that very few above-the-line campaigns can justify themselves on the basis of a financial return within one or two purchase cycles. The evidence, however, is that the volume effects of good above-the-line advertising will occur over months and years and be very many times that of the short-term

volumes generated over the weeks after the advertising. So the measurement of the input is precise but the measurement of the output is very much more difficult.

QUANTITATIVE RESEARCH

If there is a perception that above-the-line marketers can only rely on qualitative feedback that, however, is misguided. Most big advertisers will have tools in place to predict the probable long-term effects of their brands quantitatively from an evaluation of the inputs. The best practice process to producing and reviewing television commercials would take the following steps.

Assuming that work had been done to evaluate the strategy, the first step in the process would be qualitative evaluation of different creative routes towards achieving this strategy. This could take many forms, be repeated on a number of occasions and absorb very different kinds of stimuli material — depending upon the stage of development and what was relevant to express the idea.

On some occasions where a number of routes appear equally viable, a quantitative phase of research can be introduced to identify the best one to pursue. The most likely first quantitative phase would, however, be a pre-test of an animatic or other rough material representing the idea.

An identical piece of research on the finished film may happen as well as, or instead of, the animatic test depending upon the particular set of circumstances with the client. The remit for action from a piece of animatic research is of course far wider than that once the film has been shot.

It is possible that this part of the process is iterative if sufficient changes are made as a result of one of the tests.

An advertiser may deem it appropriate to re-test the advert in its new form.

The final quantitative piece is to review the progress of the advert on air. It will not be possible to make any realistic assessment of the effect of the advertising on sales for most major brands in a short enough time period to move to the next development cycle. It is through intermediate measurement of consumer's memories and views that some prediction of the likely longer-term sales effect and the execution can be made.

The critical part of this quantitative research process is that the tools used are validated against sales outcomes. It is important to know (of the questions asked of consumers) whether the answers to those questions indicate a greater or smaller sales effect.

SALES OUTCOMES

The author's company has collected such data on over 23,000 television executions so, just as in the case of brands, an authoritative statement can be made about the key levers to pull in order to generate the best possible commercial outcome.

For instance, it is known that short-term sales effects are driven by a combination of persuasiveness and impact. And, typically, an advert that achieves a high result on both these measures will sell seven times more product than adverts which achieve a low result, all other things being equal (Figure 5).

It is also known that impact has a relatively more important role in generating long-term sales effect. So it is one of the crucial measures to look at. This can be broken down further to show that impact is driven by a combination of branding (whether the brand is absolutely at the heart of the

Figure 5 Sales effects are driven by persuasion and impact

Figure 6 Impact is driven by Creativity and Branding

idea) and by creativity (whether the advert engages the audience). Adverts that do these two things well will have four times more impact than adverts that do them less well (Figure 6). The validation for this comes from all those cases where an execution has been pre-tested and tracked and then, ultimately, where an econometric model has been built to quantify the return of the communications investment.

By comparing adverts for the same brand, in the same market context, it fairly quickly becomes apparent which

are the key drivers to the sales success. So for television advertising, the immediate connection between sales and the advertising input is difficult to observe, but there are powerful and robust tools which are routinely used to give advertisers appropriate guidance.

DIRECT MARKETING

In direct marketing there is, to some degree, a mirror image of that presented by television advertising. It is much more possible to make the concrete

connection between the marketing input and the commercial return. There are, however, some robust arguments for a more extensive evaluation of the marketing process. If the only basis for marketing investment is the sales data, this will only indicate whether the campaign has been successful or not in meeting expectations. What it will not be able to indicate is whether there is something that could have been done that would have created an even greater effect. And it will not necessarily create learning for future brand campaigns.

There is as strong a case for pre-testing and yet this is done remarkably infrequently. It is potentially a much easier thing to do than assessing television adverts because the sample are easy to recruit as they are known.

There is an even more powerful argument for the in-market tracking of these campaigns. The perceptions of a brand are influenced by all the communications which a consumer receives about it. If a marketer is to understand fully how a brand is affected by communications and, therefore, how to develop the campaign, then they need to understand how all the key components of the communications mix

are affecting brand perceptions. It is entirely possible to conceive of a database campaign which has acceptable sales results, but a damaging influence upon longer-term or underlying brand equity.

It is also possible to conceive of the reverse of this situation, where a campaign has perhaps done less well than was expected, but is still well worth running because of the brand equity benefits that result from the communication.

All research of this kind needs to be set in the context of the probable risks and opportunities. Small campaigns against select targets are unlikely to merit research expenditure, but major broad scale campaigns or campaigns targeted at the most powerful stakeholders in the brand are worth evaluating and getting right.

In today's budget challenged world, the marketer needs to know the outcome of every significant element of the campaign mix, both in terms of sales and their effect on brand equity. And ideally the marketer needs to know the likely outcome of these things before the campaign even begins. It puts data right at the heart of the brand planning process.