

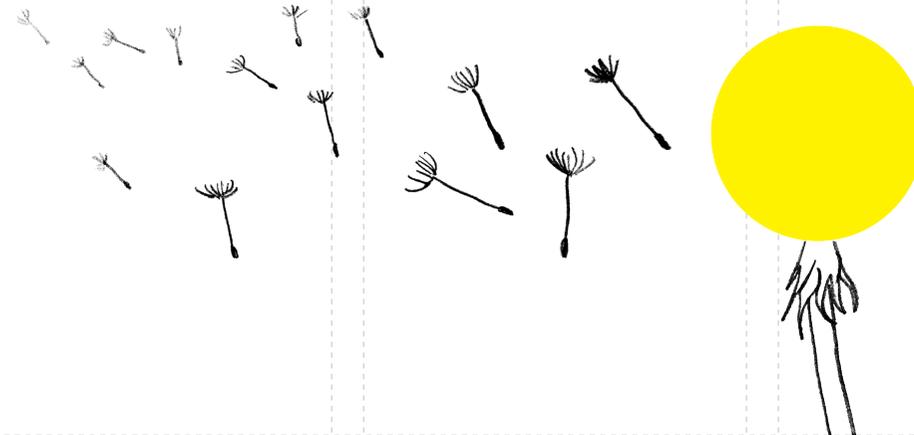


How to harvest the full potential of your brand

Stefan Kaminski
Associate Client Director
stefan@pslondon.co.uk
07731 988 275



How to harvest the full potential of your brand



A friend of mine runs an arable family farm in York. Each August, he sends out a request for interesting podcasts to listen to as he spends the whole month harvesting wheat on his combine harvester – an arduous, but extremely important task which enables the family to sell their produce and fund another year on the farm.

Keen to find out more, I was surprised to learn that this was in fact actually the lap of honour. The ‘real’ hard work began years before that – agonising over which crops to grow and where, carefully planting the seeds and cultivating them as they grow.

It turns out that a farmer’s success isn’t driven by their efficiency in harvesting the crop, it’s all down to how the seeds are sown.

A lightbulb went off in my head – is this not also how we should think when it comes to managing brands?

The power of a distinctive brand

We’ll start from the beginning. As you likely know, a well-known, distinctive brand can have many positive effects on overall business performance, from attracting new audiences to improving customer loyalty to drawing in higher calibre employees. Yet, how many marketers or brand managers today would say they feel they’re harvesting the full potential of the brands under their control?

Working closely with clients from a wide range of sectors, we regularly see the short-term and day-to-day pressures that can prevent marketing teams from managing their brands in the optimal way...pressure from the sales department, board members that don’t appreciate brand, limited resources to name but a few.

If some of that sounds familiar, let’s first set out what we mean by the ‘optimal way’, before offering up some tips to help you get there, hopefully making some sense of that farming analogy along the way...

Some of the organisational benefits of brand include:¹

- 01** Increased intangible asset value
- 02** Higher calibre and harder-working employees
- 03** Improved customer loyalty
- 04** Increased market share
- 05** Superior advertising effectiveness
- 06** Lower price sensitivity
- 07** Sustainable differentiation
- 08** Upstream attraction
(more suppliers wanting to work with you)
- 09** Easier diversification into new categories



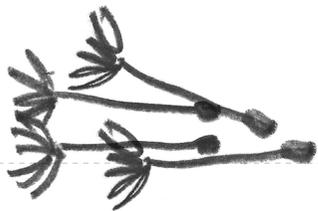
Plant the seed, then harvest the crop

In *The Long and the Short of It*, Peter Field and Les Binet highlight two very different ways in which marketing communications can work.

On the one hand, communications can be used for brand building. This involves repeated exposure to everyone in the market, regardless of whether they're shopping or interested right now. Because they're not actively looking to buy, we can't guarantee their attention, which is why brand building relies more on emotional priming which is more likely to cut through.

On the other hand, communications can also be used for sales activation (or lead generation). The aim here is to focus on people who are likely to buy in the very near future, to exploit existing brand equity to generate sales now. This involves tight targeting, and more rational persuasion, given that target audiences are more interested in what you have to say.

Consider brand building to be like planting seeds on a farm, and sales activation to be like harvesting the crops (bingo!). The idea is that over time, the two work together, so that the short-term sales activation generates sales now to fund long-term brand building next year, which in turn generates funds and brand equity for sales activation in the years to come.



	BRAND BUILDING	SALES ACTIVATION
Purpose	Creates mental brand equity	Exploits mental brand equity
Impact	Influences future sales	Generates sales now
Timeframe	Long-term (> 6 months)	Short-term (< 6 months)
Messages	More emotional	More rational and persuasive
Reach	Broad	Highly targeted
Most effective channels	Audio-visual media i.e. TV & online videos	PPC and information-rich media i.e. e-mail and direct mail



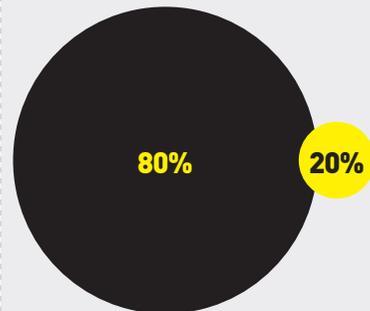
Crucially, it is brand building which is the main driver of long-term brand preference, long-term sales growth and long-term profit. This is because it is brand building which allows a company to reach and prime new customers, ultimately leading to increased market share. Field and Binet recommend an average 60:40 split between brand building and sales activation, although interestingly, this does differ by sector, depending on the ease of which brand building can be achieved.

For example, in the not-for-profit sector, charities are assisted by the more emotional nature of the issues they deal with, whether health-related, about children, animals, poverty or justice, leading to a slight relaxation of the level of brand building required to acquire new customers. In financial services, however, brands need to do the opposite. This is likely because choices around financial products are by nature more rational, meaning that activation becomes easier and brand building less so. Yet despite these differences, it still remains that primarily emotional campaigns work the hardest over the long-term.

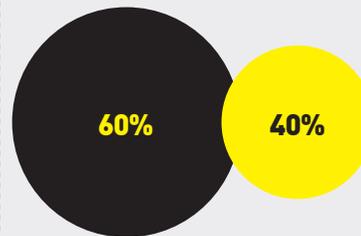
Brand building vs Sales activation across different sectors

■ Brand building
■ Sales activation

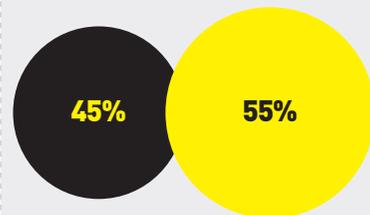
Financial services



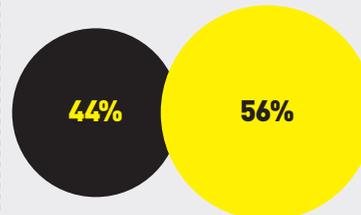
Average



B2B



Not-for-profit



Too much harvesting, not enough planting?

It might sound straightforward, yet, despite building a clear case for brand building, increased short-termism and focus on ROMI (Return on Marketing Investment) across the industry has led to more implementation of just the opposite – sales activation. Data from Enders Analysis identified a growth in activation spend from an average of 39% of total budget in 2000 to 49% in 2016.²

A recent survey for the B2B Institute also showed that...

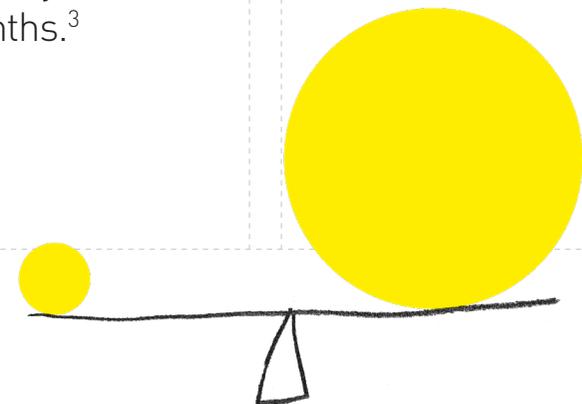
96% of B2B marketers don't even measure impact beyond six months.³

This is bad news for overall marketing campaign effectiveness, with IPA data showing that effectiveness (as measured by the number of 'very large business effects' reported) has now fallen to its lowest ever level.² What good is short-term ROMI if our businesses can't measure up in the long-term?

How to yield better results from your brand

To unleash the full organisational (and financial) potential of your brand, you'll quite likely need to tip the scales further towards brand building. However, doing so undoubtedly requires buy in, not just from the marketing department, but from the wider organisation as a whole.

Here are 5 steps to make that happen...



5 steps to make it happen



01

Look to educate senior leaders

Over half of business leaders, including 30% of senior-level marketers, rate their knowledge of brand building as average to very poor, in spite of being the ones responsible for setting marketing objectives across both the short- and long-term.⁴ Who do you need to communicate the commercial benefits of longer-term brand building to?

02

Start talking the language of finance

You won't help your case talking about brand building in terms of awareness, image and 'touchy-feely' terms. Brand building is about selling. It's about durable revenues and cash flow, over longer time periods. Help finance and sales teams understand that some marketing activity gives you an immediate short-term delivery of sales, while other activity increases the ability to sell through all channels and increases the long-term flow of money into the company.

03

Use the benefits of brand strategically

It's easy to list ten benefits of brand, but much more effective to use a tailored approach. Speaking with the Finance Director? Remind them that...

on average, brands contribute to 19.5% of organisation value when the impact of brand on cash flow, profits and firm value are properly measured.⁵

Speaking with HR? Lead with fact that companies that invest in employer branding experience a 28% decrease in staff turnover.⁶

04

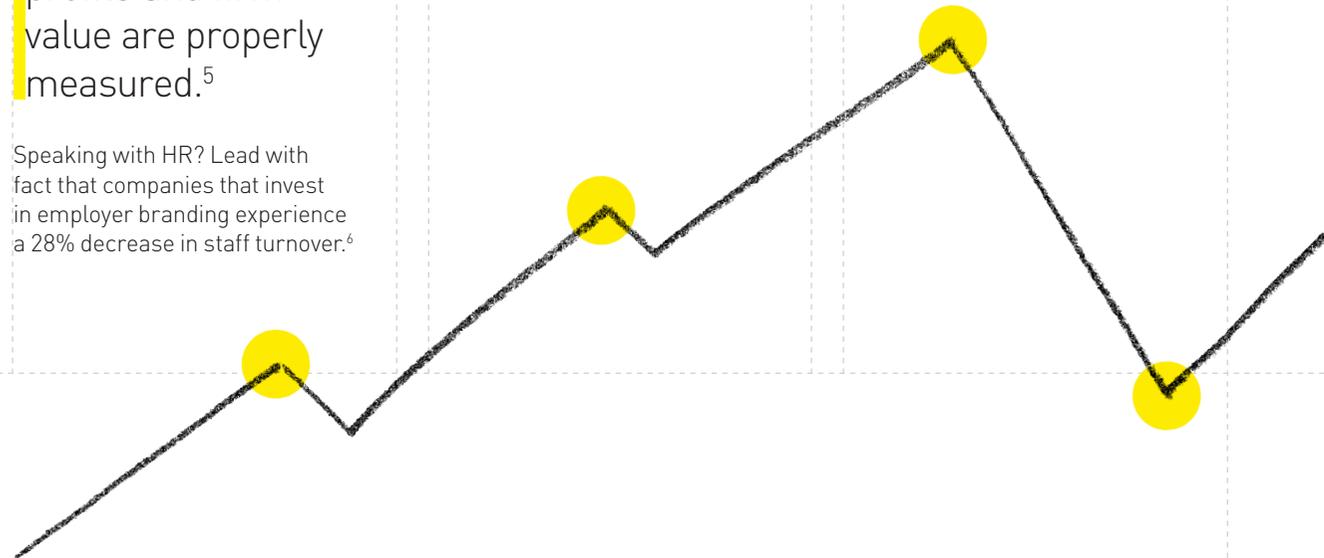
Monitor brand metrics

It's difficult to build the case for brand without being able to measure it or the impact it might have on your business. Invest in brand tracking to monitor brand awareness, and if possible, demonstrate its commercial impact. This doesn't have to be a significant exercise to begin with... looking at your own website traffic, search volume data or social listening would be a good place to start.

05

Focus on the longer-term

The benefits of brand building will generally come to fruition over years, not months, because it takes time for new customers to engage. So, to grow over the long-term, organisations need to track things over long periods of time. Short-term objectives are still valid, but too much attention paid to ROMI could harm overall brand growth.





Final thought...

There are a host of reasons why many brands aren't being maximised by the businesses that own them. "We don't know how", "the C-suite aren't interested", "our targets are all short-term", "we haven't done it before".

We get it. Stealing time from senior leaders or other stakeholders from the organisation to focus on long-term brand building is no easy task. But marketers and brand managers will have a better chance if they're able to clearly explain why their budget is being split across both brand building and sales activation, alongside demonstrating the commercial benefits of doing so.

Can we help you start sowing your own seeds for harvesting in the future? If so, feel free to get in touch with any questions, queries or ideas at **stefan@pslondon.co.uk**.

Alternatively, if you're more interested in finding out which podcasts are best listened to while at the wheel of a 500 horsepower combine harvester, ask away...

Stefan Kaminski
Associate Client Director

References

¹Marketing Week 'Mini MBA in Brand Management', Centaur Media Plc, 2020

²https://effworks.co.uk/wp-content/uploads/2017/10/MEDIA_IN_FOCUS_FINAL_PDF_909.pdf

³<https://business.linkedin.com/content/dam/me/business/en-us/marketing-solutions/case-studies/images/namer-pdf/lin-b2b-2030-trends-pages-v4-new.pdf>

⁴<https://ipa.co.uk/media/7698/the-board-brand-rift.pdf>

⁵<https://www.forbes.com/sites/forbesinsights/2019/01/22/the-financial-power-of-brand-preference/?sh=200dd9c0701b>

⁶https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/ultimate-list-of-employer-brand-stats.pdf

<https://www.marketingweek.com/long-short-b2b-marketing/>

<https://www.marketingweek.com/b2b-brands-invest-brand-marketing/>

<https://www.marketingweek.com/b2b-marketers-bet-big-long/>

<https://www.warc.com/newsandopinion/opinion/les-binet-on-why-long-term-marketing-matters-in-the-age-of-short-termism/3307>

<https://www.thedrum.com/opinion/2020/12/15/glance-across-the-media-landscape-2021>

https://effworks.co.uk/wp-content/uploads/2020/01/EIC_singles_oct2019-PDF.pdf

