Strategic Brand Management

Exeter MBA and MSc – Day 2
Brand Strategy

Aaker’s Brand Identity System

<table>
<thead>
<tr>
<th>BRAND IMAGE</th>
<th>BRAND IDENTITY</th>
<th>BRAND POSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>How the brand is now perceived</td>
<td>How strategists want the brand to be perceived</td>
<td>The part of the brand identity and value proposition to be actively communicated to a target audience</td>
</tr>
</tbody>
</table>

Understand Image  
Develop Identity  
Market Position

Jack Buckner
Brand Strategy Platforms

- Leo Burnett: ‘Brand Essence’
  - Functions
    » What is it?
    » What is it for?
    » What does it do?
  - Difference
    » How is it better?
    » How is it different?
  - Personality
    » How should people feel about it?
    » Why should they like it?
    » Why should they respect it?
  - Source
    » What does the company stand for?
    » What are its aims?

BMP DDB: ‘Brand Position’

- Proposition
  - Key benefits
  - Core identity
  - Points of leverage
- Target Audience
  - Primary
  - Secondary
- Advantage
  - Points of superiority
  - Points of parity
- Communication
  - Augmenting the message
  - Reinforcing the message
  - Diffusing the message
Kapferer: Brand Identity Platform

- Why must the brand exist?
- From where does the brand speak?
- What is the brand’s vision of the product category?
- What are our values?
- What is the brand’s specific know-how?
- Who are we addressing?
- What image of the customers do we want to render?

Brand Identity Prism

Source: Kapferer(1997) Strategic Brand Management
Jack Buckner
Brand Identity Prism

- Quality shirt
tennis golf
crocodile

- Social conformity &
distinction

- Neither too feminine
or too masculine
transgenerational

- Discreet
Without Fancy

- Individualism
aristocratic ideals
classicism

- Belonging to a club

Source: Kapferer (1997) Strategic Brand Management

Jack Buckner
Planning Brand Strategy

- Consumer Perceptions
- Company Intentions

- BRAND IMAGE
How the brand is now
perceived

- Understanding Image
Marketing Communication
Process

- Brand Identity
How strategists want the
brand to be perceived

- Market Position
Develop identity

EXECUTION

Jack Buckner
Brand Strategy - execution

- Cannot be all things to all consumers
- Clarity in consumer understanding
- Clarity in company intentions
- Product and brand must be aligned
- Authentic strategy
- Realistic expectations
- Budgets
- Time
- Executional excellence
- …and don’t forget all the messy stuff

Getting it Right

Lucozade established 1920’s
‘Hospital’ recovery drink
1980’s ‘Lucozade replaces lost energy – link to sports
1980’s – 1990’s – sports marketing and endorsement
1999 – Lara Croft

Product range evolved ‘energy replacement’
Lucozade Strategy

- Brand Image
  - Traditional and tired BUT a product truth
- Brand Identity
  - A sports performance drink
- Brand Position
  - Fast and athletic
- Marketing Strategy
  - Target a growth market
  - Use sports and sports communication

Jack Buckner
Lucozade Execution

- Daley Thompson – Olympic gold medalist – 1980’s
- British athletics – Linford Christie – late 1980’s
- Established sports and nutrition centre – research leadership
- Lara Croft – 1990’s
- Jonny Wilkinson – return to sports

What Lucozade did right?

- Discovered a product ‘truth’
- Identified a growth market – sports drinks
- Identified a new target audience
- Integrated strategy – marketing and product
- Effective use of marketing disciplines – advertising, promotions, pr, in-store, packaging
- Assumed leadership – research
- Strong executional vehicles
- Invested heavily
**Getting it Wrong**

Rationale:
- Repackage the Post Office Group
- Three silos – Post Office, Royal Mail, Parcelforce
- Change internal and external perceptions
- New world of integrated communications

**Consignia Strategy**

- **Brand Image**
  - Post Office
  - Royal Mail
  - Parcelforce
  - Traditional postal services

- **Brand Position**
  - The Brand Marketing Strategy

- **Brand Identity**
  - Integrated communications company

**Execution**

Jack Buckner
What Consignia did wrong?

- No benefit to consumer
- Re-branding doesn’t solve an organization’s internal problems
- Lack of alignment between external ambition and internal re-organization
- Coincided with ‘down-sizing’
- No significant product change
- Didn’t invest behind re-branding

At last…. Starbucks

Founded in 1971 – mate in Moby Dick
In 1982 – Howard Schultz joined
Left in 1985 – acquired Starbucks in 1987
Lost money 1987 – 1989
Massive US growth – from 17 stores in 1987 to 5689 in 2002
Spent less than $20 million on traditional media from 1987 - 1997
Some Schulz quotes

- “Brand has to start with the culture and naturally extend to our customers.”
- “Our brand is based on the experience that we control in our stores.”
- “Starbucks is as relevant in Tokyo, Madrid or Berlin as it is in Seattle.”
- “Real estate business in America is a very, very tough game.”

Starbucks – a consistent brand

The Store Environment
The Product Offering
The location and retail expansion
The Baristas

Consistency in image, positioning and identity
Note – Consistency is different from predictable and boring
Planning Brand Strategy

The Brand
History, traditions, product mix

The Market
Growth, static, functional or symbolic

The Consumers
Habits, patterns, groups

Strategy Choices

The Competitive Environment
Competitors and strategies

Current Situation
Market share, resources

The Customers
Retail channels, organizational issues

Strategy Alternatives – Market position

- Challenger Brand Strategies – Eating the Big Fish – Adam Morgan
- Leadership strategies
- Do Market leaders always need to lead?
- Niche brand strategies

Jack Buckner
Eating the Big Fish

- Break with your immediate past
- Build a lighthouse identity
- Assume thought leadership
- Create symbols of re-evaluation
- Similar to differentiation
- Targeted at Challenger Brands

Strategy Alternatives

- Industry considerations
- Growth or mature market?
- Functional or symbolic purchase?
- Do functional brands really exist? (own label, retail brands)
Brand Strategies and Consumer Choice Processes

High Involvement/Risk

Thinking

SYMBOLIC BRANDS
- Cultural Meaning
- Personality
- Relationship
- Trust

FUNCTIONAL BRANDS
- Learning
- Memory
- Habit
- Perception
- Minimise Effort

Low Involvement/Risk

Feeling

Strategy Choices – functional versus Symbolic brands

- Symbolic brands – investment, brand image, trust, communication
- Functional brands – value, packaging, repeat purchase, shelf space, convenience
Revitalising Mature FMCG’s

- Focus on loyal or exiting users
- Increase purchase frequency
- Increase usage frequency
- Increase distribution
- Refresh favourable perceptions and salience
- Packaging

P & G’s value pricing - 1

- Brand management system
- Premium prices
- Discounts
P & G’s value pricing - 2

- Changed to category management
- Simplified product range
- Eliminated 25% SKU’s
- Mega-branding (brand extensions)
- Introduced value pricing
- Organizational efficiencies
- Eliminated discounts
- Invested in brand building communications

P & G’s value pricing

- Increase in both profitability and market share
- Illustrated effective branding strategy in mature markets