SCHOOL OF

MARKETING

CONDUCTING A BRAND DIAGNOSIS

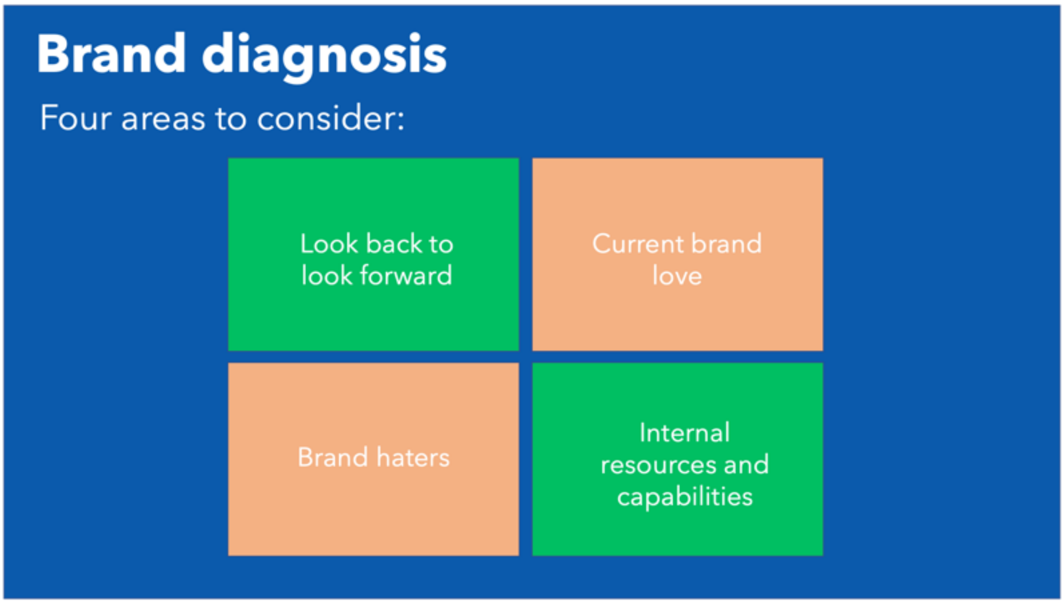
MARKETING FUNDAMENTALS GUIDE

Diagnosing a brand is important when developing a brand strategy. Let's go through a number of key considerations in this area.

The first thing you need to do is understand your brand and what makes it tick. I’ve too often seen marketers who are new to a brand role look to make changes to the brand, whether that be its strategy, assets or execution too quickly. They rush into it without truly understanding the brand and why it has gotten to where it has. I would say that this is a crucial step that most brand managers miss or certainly do not do a thorough enough job on.

You need to break your brand plan down into three areas: the first is brand diagnosis, the second is brand strategy, and the third is brand execution. Spend about a third on each of these three areas in equal measure.

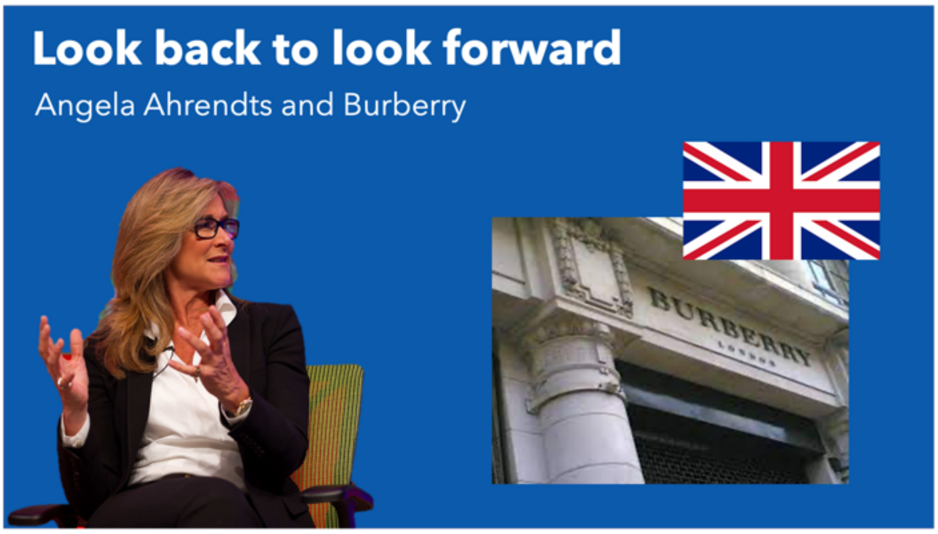
So with that in mind, let’s talk about how you should engage in diagnosing your brand. There are four helpful areas to cover:



1. Look Back to Look Forward

The first area is 'look back to look forward'. You need to really understand the historical context of your brand. Dig into its rich heritage its history and look at what made the brand really stand out at the beginning.

This is precisely what Angela Ahrendts, the former CEO of Burberry, did when she was looking to re-launch the brand. She dug into the archives to look into its origins, centred in a deep sense of Britishness, which she was able to really bring to life once again.



On the point of Burberry and its Britishness, the origins of a brand is vitally important in where it's going. So going back to its roots, its location, and its starting place also gives you vital clues as to where the brand's heart really is. Even to this day, despite the many global brands we have, their birthplace always remains significant.

For example, Unilever's origins go back to a small village in Northern England called Port Sunlight. It's where the first soaps were made. The village had a strict ethical code for its people, most of whom worked for Unilever. Many of these codes still live on at Unilever today, showing the importance and significance of that location.

I would also look to the Founder of the company to really understand the vision that they had for it. We can all point to iconic Founders and how their personalities, attitudes, and ethos has shaped company cultures. So, it's well worth digging into this to help reveal some of the most important elements of your brand.

Interestingly, a study conducted by Brand Finance showed a direct correlation between the personal reputation of CEOs and that of their brands, particularly in founder-led businesses. They used Elon Musk to illustrate the point. They showed that year-on-year tracking of his own reputation saw an uptick, and so too did the brand reputation of Tesla in the USA among consumers.

However, the opposite effect can also take place. For instance, when Brewdog CEO James Watt was accused of a 'culture of fear', BrewDog's reputation score plummeted from 19.1 to just 1.6 in the aftermath of the accusations, according to YouGov's brand health tracker BrandIndex.

The three things to really double down on in this section are; heritage, geographic location and the founder/CEO.

2. Current Brand Love

The next area of diagnosis you need to conduct is 'Current Brand Love'. Here, you need to really understand why current customers love your brand, why they remember it and why they choose it over others. Of course, you also need to understand why the opposite may be true, but we will cover that in the next section.

Getting to the heart of why your customers love your brand can be a remarkably satisfying experience. Yet, it can also be frustrating to some brand managers who are looking to change things up. To those people, I would say, rather than looking for the gap, look at areas you can double down on and shine a light on. If it isn't broken, don't fix it. Focus more on your brand's strengths, making it an even more compelling reason for your customers to keep coming back.

It is an investigative process; begin with holding a series of in-depth interviews and focus groups with your customers. It's as simple as that, and all you need to do is really listen to what they are saying. Observe their behaviours and body language when talking about your brand; there may be points where they look visibly joyful and other times when they are really annoyed by a certain aspect of things.

Use open-ended questions like;

Now, once you have done this qualitative analysis you need to validate some of what was said to see if it's generalisable over a more extensive customer base. So, you can use a survey or even some of the social listening tools out there. The key is to try and understand if the parts that a few customers love are also loved by a broader range of people. If it is – well, you know you have struck gold.

Now, this part does not end there. You need to see how people interact with your brand in a natural setting. Go to a supermarket stand by the aisle of your brand and see how customers compare it to other brands in your category. See who is picking it up and what faces a family member is making when others want to buy your brand.

A good example I recently had was during a night out. I ordered a bottle of champagne as I thought it was one of the best until the waiter gave me a funny face. I said, what's the matter and he said "Well, I really would not recommend that bottle, but this other one would be perfect for what you need". To that point, I was all primed to choose a particular brand and bottle, until his recommendation. It's a great lesson that you can do all the branding right, and yet it all can get derailed at the last moment. No amount of data could have told a marketer about this, so remember, you have got to get dirty when it comes to understanding this stuff.

3. Brand Haters

So, the next area of brand diagnosis is 'Brand Haters'. It is the opposite of all those wonderful things you have just heard, and it's about why consumers dislike or are even indifferent to your brand.

Why are these important?

Well, they will help you identify why someone chose a competitor brand over yours, which could be as simple as you didn't answer the phone when they called whilst your competitor did. It could be that your brand does not stand out or your position does not resonate with them when your competitors did. It also could reveal that people are just so indifferent in your category that actually, no one stands out, so they chose someone else over you as they had better searchability.

You also want to speak to lapsed customers or those who were customers but for some reason, are no longer. They will give you a great indication of why they left and what it would take for you to get them back.

Like before, once you have spoken to them, you want to use some form of quantitative research to see how generalisable your findings are. This can be looking into complaints data, exit interview data, or again go to social listening.

4. Internal resources and capabilities

The final brand diagnosis component is conducting an internal resources and capabilities analysis. This is a process where you look inward at your organisation to determine its key strengths, resources and capabilities that you can leverage and articulate through your brand strategy.

Prahalad and Hamel developed a concept known as the ‘core competence’ of the organisation to articulate the aspect that makes the organisation deliver something special and unique.

A core competence, according to them, has three characteristics:

- Makes a significant contribution to customer-perceived value
- It has applications in a wide variety of markets
- It is difficult for competitors to imitate

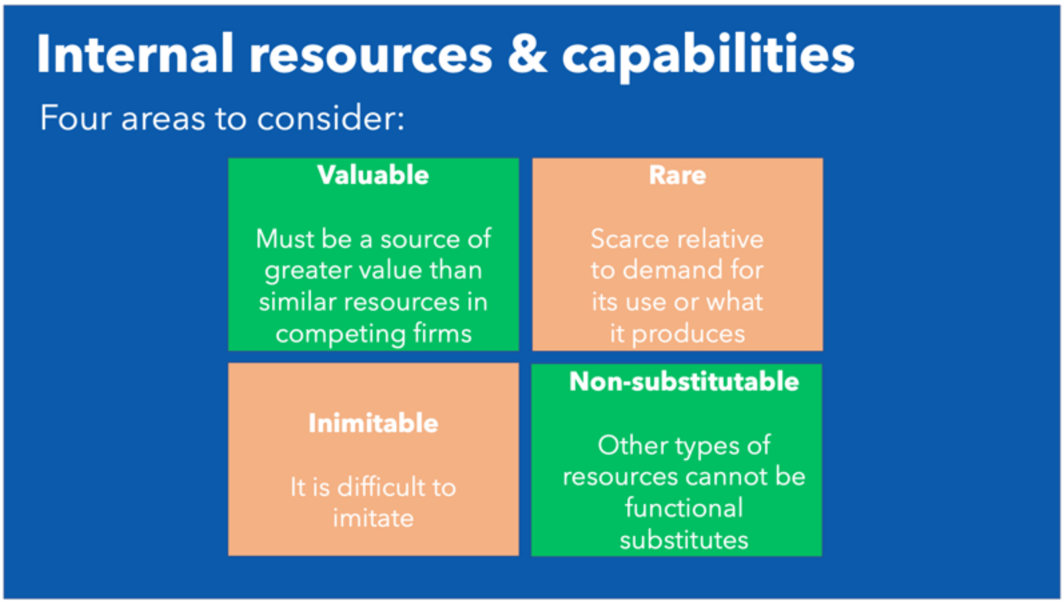
A good example is Amazon’s customer obsession, which sits at the brand's heart and what it has become known for. It adds considerable value to the customer, in fact, it's often this reassurance that makes a customer choose Amazon over other delivery options. It is also universally applicable in all its markets, and its proof points, service levels and reputation for customer excellence are something that competitors in the category are unable to match easily.

So, you can see how this guiding principle has been incorporated into everything that Amazon does and gives it a considerable advantage in the marketplace.

The question is, of course, how do you assess your organisation’s core competency? Well, another academic, Jay Barney, has developed a theoretical framework known as the Resource-based view of the firm. He describes it as:

“A basis for a competitive advantage of a firm lies primarily in the application of the bundle of valuable resources at the firm's disposal. To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile. Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great effort. If these conditions hold, the firm's bundle of resources can help it sustain above-average returns. Firms can earn sustainable super-normal returns if and only if they have superior resources and those resources are protected by some form of isolating mechanism preventing their diffusion throughout the industry".

Now, that's a mouthful, however, to help bring this to life, Barney created a framework known as VRIN which you can assess your organisation's capabilities to determine its core competency. There are four components to VRIN.



Let's continue with the Amazon example, but this time focus on AWS, Amazon Cloud Services. Here, we can see that this product fits the VRIN criteria well. It is valuable given the breadth, scale and flexibility of the offering, allowing customers to customise the solution to their exact needs and speeds. It is a rare resource since only a handful of players have similar capability and access to customer bases and marketplaces like Amazon do. It also requires heavy infrastructure and, therefore, very difficult for others to enter the market and copy the offering. Finally, it's likely that it's not going to be substituted with other products, such as physical servers, given today's dynamic contexts.

Now, you know the four steps to conduct a brand diagnosis. The question really boils down to what are you looking for? Well, you are looking for what makes your brand loved, what makes your brand unique and stand out, what value your brand gives to the consumer, what are the reasons your consumer cannot live without your brand, and how does your consumer go about buying your brand.

All these things will give you an edge when developing your brand strategy. Of course, understanding the flip side is as important, which acts as both watch-outs as well as things you need to improve on to create a compelling brand strategy.