SCHOOL OF
MARKETING

BRAND SIZE
HOW TO GROW BRAND

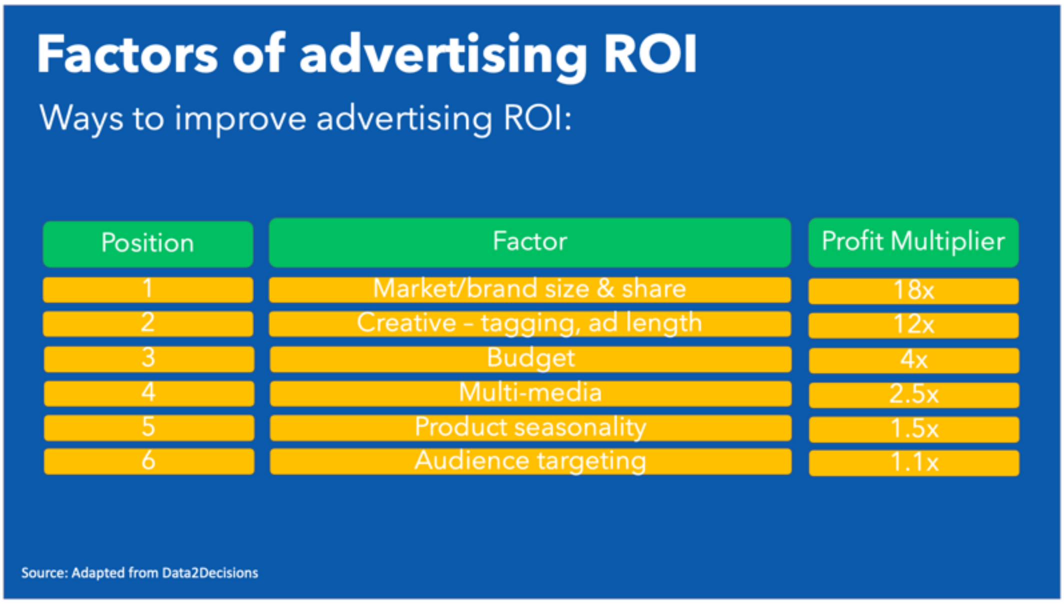
MARKETING FUNDAMENTALS GUIDE

In one simple sentence – big brands win.

Big brands win on advertising effectiveness, big brands win on brand awareness, big brand wins on brand re-call, big brands win on almost every measure. In movies and folk tales, David beats Goliath, in the real world. Goliath pulverises David, pins him down, and, quite frankly, either beats him into submission or buys him over.

But the simple truth in the marketing world; big is just better. But it's not all bad news in that if we know that big brands win – our goal as marketers is to do everything we can to grow our brand, and the better news is with every notch up we make, we actually are building both a defence against brands that go behind us and an offence as it actually makes us more effective. So, in short, grow your brand.

The evidence is clear. The first comes from the Data2Decisions, and it shows that the most effective way to improve advertising ROI is to have a big brand. In fact, it trumps any other factor, hands down, from creative to budgets, channel selection to target audience. It's the number one factor.



The second piece of evidence comes from Dr. Grace Kite as she analyses ARC data. She shows us that the larger the advertising budget, the higher the level of ROI to a point of diminishing returns. And so you can spend your way to earn market and brand share.

The optimal level of spend to maximise ROI amongst the companies she analysed was around £30 million in media spend in a year. And, of course, this is the reserve of the privileged few super brands, which are again big. Or at least have big backers, which explains how some supposedly smaller brands can break through. In short, they can only do so when they throw a lot of money at marketing.

Double jeopardy concept in marketing

As we have just referenced, the size of a brand has a significant impact on its effectiveness. This lines up nicely with Nelson-Field's concept of 'double jeopardy', not to be mistaken with the 'triple jeopardy' concept.

Double Jeopardy describes the relationship between a brand's size and its customer base's loyalty. It suggests there is a "double punishment" effect on smaller brands where they not only have fewer customers who buy them, but these customers are also less loyal. This is also exacerbated by the way digital algorithms work since they push the most demanded content, which is likely to come from audiences that recognise a brand and, therefore, more often than not will favour a bigger brand over a smaller one.

And whilst you may be able to point to one or two offshoots of smaller or challenger brands coming through, the reality is that it's actually a battlefield full of tragedy. And it's likely that even these challenger brands will have a huge budget from venture capital or private equity as a driving force.

To highlight this, take a look at Kantar's Most valuable UK brand's 2022. In the top risers category, two seemingly challenger brands occupy the top two positions, Revolut and Wise, beating more established brands like NatWest, EE, BT and Innocent[1].

[1] https://www.kantar.com/inspiration/brands/uk-brand-values-hit-283-billion

At first glance, that may lead you to believe that challenger brands can indeed win. The answer is over a period of time and with a lot of marketing clout they can eventually shine through. For example, Wise has spent well over £10mn per year on their marketing for over a decade, and is backed by Richard Branson, giving them instant credibility.

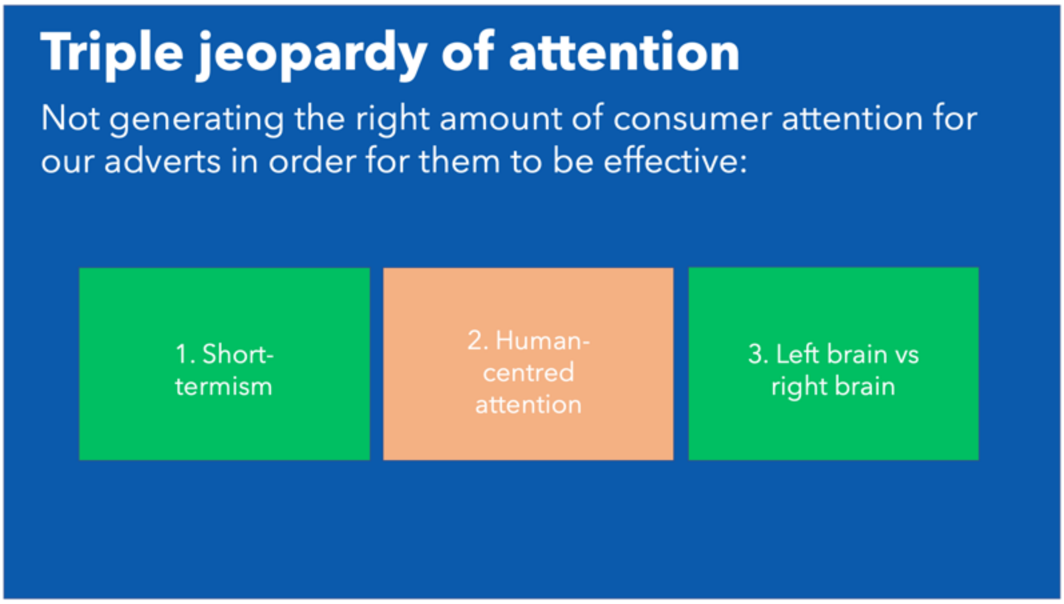
So the clear message is, if you are taking on established brands, you need to spend a significant amount on your marketing over a considerable period to really make headway.

Triple jeopardy and the role of brand attention

There is an essential concept developed by Peter Field known at the "triple jeopardy of attention". At the heart of this concept, he says we are not generating the right amount of consumer attention for our adverts in order for them to be effective.

He and his colleagues, Nelson-Field and Wood, developed a theory known as the 'attention-viewability' gap to further explain this. They discovered that in order to create any meaningful influence on memory structures, a communication has to achieve a minimum attention of 2.5 seconds. However, across their sample size of over 100,000 communications, 85% of them did not achieve this benchmark.

Upon diagnosis, they found three reasons why we fail to grab and keep the attention of the audience.



Let's take each in turn.

1. Short-termism

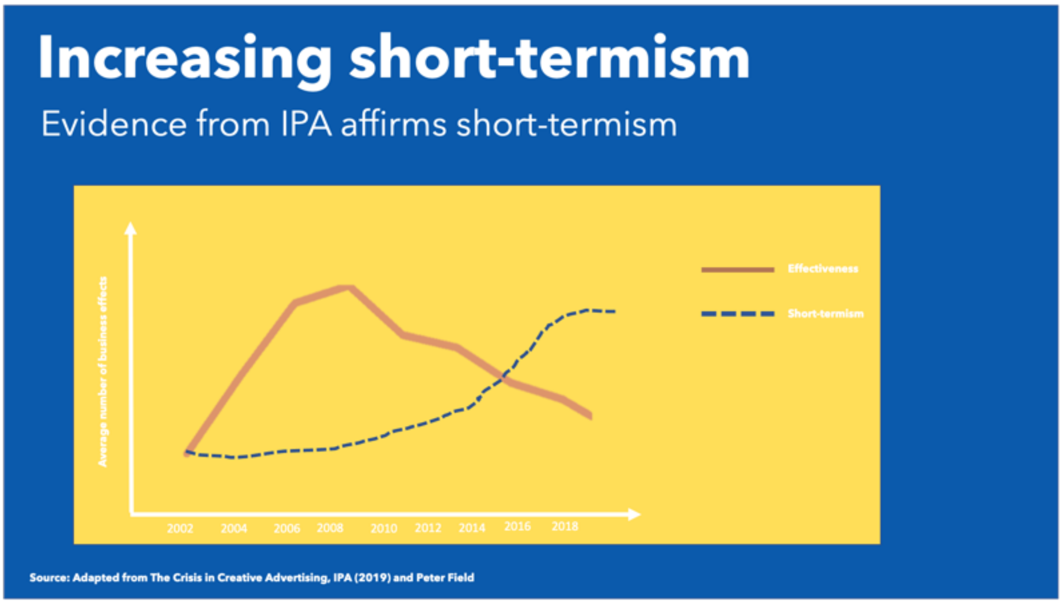
The first is that we are increasingly seeing short-termism creeping into marketing. This relates to the movement towards more performance marketing, where the intent is to drive instant results over brand-building efforts. Typically, these campaigns prioritise a rational view over an emotional one, which has a negative impact on long-term recall.

That's not to say that performance or direct marketing is not valuable, it does help brands get more immediate sales. However, this only happens when consumers are in the market for the things you have to offer. So you can imagine that you are kind of shouting in the dark since the vast majority of people will not be shopping for your product at a point in time.

Instead, these efforts need to be balanced with a more enduring form of advertising in order to get people both currently in-market as well as those who need to remember your brand when they eventually come to purchase what you offer.

Brands still fundamentally skew towards performance marketing when in fact, according to Binet and Field, it should actually be the other way, in order to build mental availability in the minds of the audience.

Interestingly, evidence has shown that in order to create long-term demand, we do need to use more brand-building advertising that really attacks the top of the funnel. Without this, our performance-driven advertising is less effective as there is nothing that pre-primes the audience of the brand, and therefore, they are far less likely to purchase it.



In this regard, Field talks about the effectiveness principle that states that “a brand’s share of market correlates with its share of voice, defined as its proportion of advertising in a given category. In turn, having a greater share of voice than share of market, known as ‘excess share of voice’, traditionally corresponds with growth over time.”

So, the important takeaway here is that in order to grow your market share you need to start by growing your share of voice. If you can get a bigger and louder share of voice from the competition, this will, in turn, lead you to grow faster than them. So, outspending your competitors and doing so in a way that maximises attention and improves memorability of the communication is key.

2. Human-centred attention

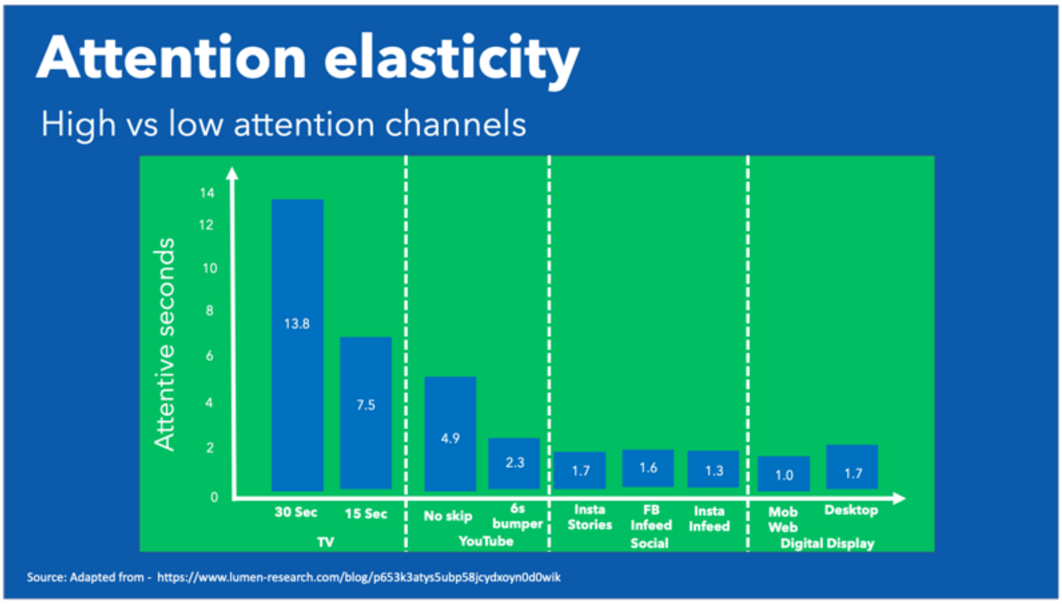
The second in the trio of the triple jeopardy concept is that media investments do not reflect real-life attention.

This theory was developed by Nelson-Field and suggests that by simply measuring attention based on what digital or other channels say has some serious flaws. She says, “we stopped measuring humans; we started measuring metadata and device data,” she said. “And the problem with that is that it makes the assumption that device metadata is actually quite an accurate predictor of human behavior. I can tell you it is – and it isn’t.”

So, you need to adopt a more human-centric approach to generating attention and account for the fact that many platforms' stats are widely different from what happens in reality.

A consumer who is actively attentive, for example, could be impacted by an ad in a far deeper way than someone paying partial attention – say, scrolling on their phone while also watching TV – or no attention at all.

The attention journey and spectrum will be distinct for each platform, ad format and user group. "Low-attention formats have more people who switch between active attention, which is looking directly at the ad, and passive attention, and non-attention more often," said Nelson-Field.



In this regard, Nelson-Field talks about a concept known as 'attention elasticity'.

This is where lower attention platforms also have smaller attention elasticity limits or said another way, this is the total attention time someone will give to an individual communication on that channel. For instance, if you take Facebook, you are likely to give an ad your attention for a period of a few seconds as you scroll. If on another high-attention platform such as TV or YouTube, you are likely to give the communication more attention.

For marketers, there is a significant implication, and that is the channel of choice drives more attention than your creative. It's unlikely your creative will break the attention norms of that channel, so you need to factor this in when deciding which channels to choose.

A major implication is that channels that receive lower attention also are more likely that people will switch between being active, passive and non-attention. This is a serious consideration when you look at channel attention stats, which will not factor in the human equation but majorly impact the effectiveness of your communication.

So don't just get bought into the engagement numbers on platforms and recognise that different platforms also have vastly different attention outcomes.

3. Left brain vs right brain advertising

The third element in the triple jeopardy concept is that there is a growth in the adverts that appeal to the 'left' rather than 'right' brain. This is related to the short-termism we are seeing. Orlando Wood from System 1, says "Left-brain" ads are usually factual and literal and feature product elements and body parts in close-ups, words overlaid on a screen, voiceovers and monologues, as well as repetitive visuals and soundtracks. And they tap into this brain hemisphere's "narrow" mode of attention, which prefers clear, explicit statements to ambiguity.

"Right-brain" ads, by contrast, have a sense of story, place, and characters with agency. They frequently use dialogue, humour, parody, implicit communications – such as knowing glances – and melodic music. In doing so, they tap into this brain hemisphere's nuanced, holistic and interconnected view of the world to secure a form of "broad-beam attention".