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Building a triangle of trust

Skilled branding involves balancing short-term needs with long-term vision. But it is not just the marketing department that is responsible for delivering these goals, as Matthew Valentine reports

Branding is not one discipline but a complex group of strategies that can add value to a company's bottom line. Good branding is not necessarily limited to the scope of the marketing department but the actions of the whole company working in alignment with each other.

Skilled branding involves balancing short-term needs with long-term vision and aims. But how can companies mix new technologies with traditional promotional methods to help them weather the economic downturn?

"Brands need to ensure that all the elements of their marketing mix are working as hard as they can," says William Grobel, a consultant at Intangible Business, an agency that attributes financial value to brands.

Grobel says that since consumers have less money to spend, companies must focus their branding activities on direct forms of communication. He suggests that direct marketing, promotions and coupons can strike a chord with consumers, while also offering brands measurable feedback to show their money is being well spent.

Institute of Sales Promotion chief executive Annie Swift agrees. She claims that the promotions industry is increasing its share of total marketing spend as companies cut their support for other less measurable disciplines. "If you look at a direct marketing item, in 90% of cases there will be a promotion or call to action," she adds. "Marketers have to be more accountable."

Direct marketing isn't enough alone to build a brand, however. Branding requires companies to keep a firm grip on every facet of their exposure to customers. An impressive department store building is of little use if staff don't



You have to build in trust points in all communication, in all channels

Terry Tyrrell,
The Brand Union

reflect brand values in their actions, while investment in new packaging can be worthless if it is let down by poor advertising.

Terry Tyrrell, worldwide chairman of The Brand Union agency, warns: "Companies are not geared up to deliver consistency. They are generally made up of silos and one part doesn't necessarily know what the other is doing."

The Brand Union works with mobile phone business Vodafone to help the company apply its brand in a consistent way across all its channels, from stores to websites.

Global brand director David Wheldon, who oversees the group's operations in 27 countries, says that

the company always plans to bring new acquisitions under the Vodafone name because it wants to build the brand "across the world".

While Wheldon is directly responsible for managing how Vodafone operates internationally, Tyrrell says that the best branding strategy comes to the fore when all employees take collective responsibility for it.

BRAND OWNER

"Everyone in the company is now a brand owner," he says, pointing out that customers are more likely to be in contact with the finance department than the marketing team. "When you get a bill, it is your closest contact with a utilities company."

But getting staff engaged can involve an incredibly intensive approach, which can come down to minute details, such as teaching sales staff how to introduce themselves to clients or the best tone of voice to use on the telephone.

The complexity of this situation means that keeping messages simple

is often the best strategy. Supermarkets are well practiced at this, says Paul King, retail director of consultancy Vivid Brand. While he admits that the retail sector is "pretty dire" financially at the moment, he says the likes of Tesco are still making good progress in marketing their brands.

WIN, SAVE AND FREE

"In the Eighties, there used to be three words we could use – win, save and free," he reveals. Those same words are now being used by supermarkets in their marketing across the world, albeit in a more contemporary fashion. King predicts that anything "quick and accountable" makes good branding sense at the moment.

He cites Wal-Mart rolling out a digital screen network in its US stores as a prime example of simplicity branding. The screens enable the retail giant to apply what King calls "old-fashioned principles of shopkeeping in a 21st century format". Put simply, it can promote ice cream when it is hot and umbrellas when it is raining, which suits Wal-Mart's brand positioning as a value-driven retailer.

While keeping things uncomplicated can help companies develop their brands, it's vital not to make things so simple that they are easily copied by rivals. John Noble, chairman of the British Brands Group, warns that grocery products can be copied by own-label imitators if they don't have a clear differentiating factor: "It's all about their personality, and that is unique to every brand," he says.

Brands also face considerable danger if they misjudge price-cutting activity, says Grobel at Intangible Business. "By focusing too much on price, you can dilute the equity you have built up over

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the years. Brands have to make sure they aren't cutting by too much."

While manufacturers might be most at risk from focusing too heavily on cost, cutting label price can also be a mistake for own-label products. Grobel points out: "If brands become cheaper, then own-label looks like less of a bargain. People can switch back to brands," he says. It also begins a cycle of ever-decreasing margins and deflation as products try to out-discount one another.

It is not only price cuts that companies need to look out for. Branding requires companies to be in control of their reputations at all times, but the internet has opened up the ability of consumers to pass around their comments and feedback about brands.

REBUILD TRUST

"Banks are a very good example. They have to go back to the level of communities to rebuild trust," says Tyrrell at The Brand Union. "People don't actually believe what they are told by brands any more."

Instead, consumers now operate from a "triangle of trust", according to Tyrrell. This is where, faced with so much choice, they prefer the endorsement of independent third parties to convince themselves that they are making the right selection. This means that for branding to be effective, brands must engender trust.

To work within the triangle of trust, brands must have an "authentic" tone of voice, adds Greg Taylor, director at brand

consultancy Elmwood.

It was this search for authenticity that the consultancy used to spark its rebrand of the British Chambers of Commerce last year. The BCC wanted to update its image to portray itself as the ultimate business network. Taylor says: "It had a strong following in the Rotarian-type audience, but the BCC wanted to get into the 21st century."

A careful process of choosing styles of typography, photography, illustration and words followed. "With digital and viral communication it's quite often the written word that gets the message across," adds Taylor.

The British Brands Group launches its Branding For Britain parliamentary week on February 23, in a bid to gain recognition of the scale of the branding sector and a reflection of that when it comes to policy here and abroad. The BBG calculates that 1 million people are employed in the UK in the creation and management of brands, and that £32.55bn is spent every year on those tasks.

"The brands consumers know and love are trusted to provide quality and value for money, and branding already contributes significantly to the UK economy," says BBG chairman Noble. "However, the value created is not being measured and is not integrated in Government policy."

It may transpire that the business sector least successful at consistent communication of its prime assets is the branding community itself. ●

CASE STUDY: LADBROKES

Using multiple channels of communication has enabled betting group Ladbrokes to develop sub-brands to target specific consumer groups. This has allowed it to continue serving traditional gamblers, who tend to favour horse racing, and younger ones, who may prefer online poker.

After developing a master brand, agency Designhouse created a retail format that sought to move the brand away from the archetypal betting shop of old to a modern "leisure experience". Subsequent brand extensions have included the Ladbrokes Casino and the Ladbrokes.com World Darts Championship, a live event broadcast on TV channel Sky Sports. The brand has also run TV ad campaigns featuring giant bingo balls to bring a fun element to the company's marketing, which Charlie Goodenough, head of marketing, Casino, for Ladbrokes eGaming, describes as "really exciting". Goodenough also added an iPhone application to the company's portfolio to help the brand reach every aspect of people's lives – on the high street, online and in their pocket.

