BRAND MANAGEMENT 101

101 LESSONS FROM REAL-WORLD MARKETING

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MAINAK DHAR

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John Wiley & Sons (Asia) Pte., Ltd.

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Published in 2007 by John Wiley & Sons (Asia) Pte Ltd
2 Clementi Loop, #02-01, Singapore 129809

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Wiley-VCH, Bosch Strasse 12, D-69469 Weinheim, Germany

Library of Congress Cataloging-in-Publication Data

ISBN 978-0-470-82229-6

Wiley Bicentennial Logo: Richard J. Pacifico
Typeset in 10/13.5 Points ITC Novarese by JC Ruxpin Pte Ltd
Printed in Singapore by Saik Wah Press Pte Ltd
10 9 8 7 6 5 4 3 2 1

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Never tell anyone that you're writing a book, going on a diet, exercising, taking a course, or quitting smoking. They'll encourage you to death.

- Lynn Johnston

Now having successfully tried all of the above, I must say I disagree with the quote, especially when it comes to writing a book. When you're trying hard to get down to writing at night after a tiring day at the office, or waiting for the dreaded rejection slip that hangs over every writer's head like a guillotine, you need all the encouragement you can get. However, if there's anyone who needs even more encouragement, it must be the aspiring writer's spouse, who has to accept mood swings, ideas coming into one's head in mid conversation, and the unenviable task of reading the drafts, all are occupational hazards.

So first and foremost, if there's one person who is at the very core of anything I end up achieving as a writer and as a person, it's my wife Puja. As always, I'm sitting right next to her as I write these lines, and wondering what I must have done so right in some previous life to be lucky enough to be with her in this one. Thanks for everything, sweetheart.

Fluffy will never get around to reading this, but here's a tip for aspiring writers—get a Shih Tzu puppy. Playing with her may be the best cure ever for writer's block.

Huge thanks also to C.J. Hwu, Joel Balbin, Cynthia Mak, Louise Koh and the team at John Wiley & Sons for helping bring this book to life.

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INTRODUCTION

Before trying to impress you with reasons why you should read this book, let me give you a few reasons why you should not read it. First, I am no highbrow academic and I do not have a PhD in marketing. In fact, I was so glad that I would not have to write any more exams for the rest of my life that I left a fair bit of my last paper in business school unfinished. Second, you probably will not learn a lot of new theoretical constructs and models in this book—there are some really great books out there on the subject, written by people better qualified to write them than me, so I won't waste my time and yours trying.

Still With Me? Great.

Before I talk any more about marketing, let me tell you a story. Many years ago, when I was still in school, I developed a fascination for martial arts. I started reading books that all promised to teach self defense. Many of them were written by supposed experts, and most made it look all too easy, with their step-by-step instructions and nicely drawn diagrams. Soon I was practicing the steps at home, and had started on the breathing and physical exercises some of the

books laid out. A few months later, I joined karate classes at a YMCA near my home, starting an association that was to last nearly seven years of scarred knuckles and aching ribs.

When I started the classes, I felt pretty good about all that I had learned, and when my *sensei* started teaching theory to the class, I thought I already knew it all. And then I had my first sparring bout with a large, brooding boy who stood a few inches taller than me and had been learning karate for over a year. All the theory I had learned, all the practice I had done at home, all the things I thought I knew about karate dissipated in one single moment.

That was when I tasted my own blood.

I was frozen like a deer in the headlights. It was just a glancing blow that had cut my lip, but the shock of being hit, of feeling my own blood sloshing around in my mouth, and learning to recover fast enough to not get hit again was something that I had not been prepared for by anything I had read. And when I did manage to get a kick in, what surprised me was just how much it hurt me. That was my first experience of how theory sometimes leaves you unprepared for the real world.

Many years later, I had a similar experience with marketing. I loved the classes in business school, read all I could on the subject, and without a second thought took up my dream job—brand management at Procter & Gamble. Now, almost a dozen years later, I love marketing more than ever, but I realize that marketing is just like karate—you can read all about it, but nothing really prepares you for the chaos of the real world, where unpredictable competitors, fast changing markets, demanding bosses and finicky consumers make marketing theory alone a very bad way of preparing for a career in marketing or understanding what the real world of brand management is like.

This book is no substitute for the various great books on marketing and management theory you can find, but it aims to complement them with some lessons from the trenches of brand management. Specifically, I hope it gives a flavor of how theories and concepts can be applied in the real world to build great and enduring brands. I cannot claim to provide an exhaustive listing of every single issue that marketers face, but have tried to capture many of the common challenges a marketer encounters in the real world. Also, I hope this book gives you some exposure to that critical "P" of marketing that most books do not mention—people. Marketing

is at best an inexact science, and its application and results depend to a large extent on the motivations, skills and relationships of the people involved.

As I said, I am no theorist, but I have taken my share of blows in the sparring ring of marketing, and this book is meant to give you a flavor of what that tastes like.

Let the lessons begin.

Mainak Dhar

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Building a better mousetrap: Creating new ideas and concepts

One of the most exciting, and most terrifying, things a young marketer is often asked to do is to come up with a new idea—whether it be for an event, a promotion or the launch of a new product. It is exciting because this is the reason that most people join marketing in the first place: to feel the stimulation of ideation and then the thrill of seeing one's creation come alive in the marketplace. I do not have any kids yet, but when I saw the first ad on which I had worked broadcast on TV, I felt like jumping and shouting to the world, "That's my baby!"

Oh, did I mention terrifying? Terrifying because, more often than not, such critical tasks filter down to the most junior and inexperienced team members, who are often still struggling with their other tasks of locating the washroom and tracking down the coffee machine. Inexperience, enthusiasm, fear of screwing up and a burning desire to prove oneself combine to form the cocktail that sustains most young marketers as they start their careers. It would be pretentious to say that I can summarize all that you need to know about this in a few glib sentences, but I'll share some thoughts to get

you started on this critical building block in positioning a brand: deciding what you want the brand to stand for.

LESSON 1:
Mix 50% inspiration and 50% perspiration—Ideation is a science and an art

Let me start with a little quiz. Assume you are asked to come up with the idea for the positioning of a new brand of beer that is being launched in the market. Which of these most accurately describes how you would get started on coming up with the idea?

a) Ask for data on existing beer brands and consumers; analyze what current brands offer and what consumers want in an ideal beer, and try and find a gap in the market—either in terms of some key needs not being met, or a consumer segment that no brand is currently talking to.
b) Go to the nearest pub with a friend, and while trying out several brands of beer so you see and taste firsthand what is available in the market, bounce around ideas and come up with something that sounds like it could be new and exciting.

So, what is the right answer? In my book, you should probably do both! A lot of people immerse themselves in data, trying to find a neat intellectual solution to marketing issues. Do not get me wrong, nothing beats having all of the data concerning your category and your consumer; however, by itself, this is usually not enough. That is simply because marketing in real life is not an abstract intellectual challenge or a business school case study to be solved in the vacuum of one's room, but rather it is a dynamic problem involving ever-changing variables, and you never know where a new insight could come from. In addition, data tend to reflect what exists, not possibilities that consumers have not yet articulated. Therefore, there is usually no substitute for "getting one's hands dirty" by meeting consumers, visiting stores for inspiration, and experiencing the market in the flesh, rather than on sheets of paper or on one's computer screen.

As an example, the idea for a global brand that has sales of hundreds of millions of dollars came from a chance observation from watching women make *sake* in Japan. The observation (the inspiration) was that the women working in the brewery had unnaturally smooth

hands. This seemingly irrelevant observation led to intense research (the perspiration) that studied the chemical processes involved, and identified an agent that had such an effect on skin. That agent came to be known as Pitera, and the brand that emerged out of this flash of inspiration was SK-II.

A breakthrough insight can come in either order—a chance observation like the one above, followed by detailed analysis and validation; or a process of data analysis to generate hypotheses or ideas that are then backed up by real world observation. It really does not matter in which order you approach it, as long as you remember to leave yourself open to some inspiration.

LESSON 2:
I know they want it, but who else offers it? Differentiate, don't imitate

Chances are that when you were in school or college, you had a crush on someone. Now imagine that you are back in school, and that you have found out that this certain special person has two passions, watching football and reading poetry. One of the people trying to ask her out (no offense to readers, but I am assigning genders for simplicity) is the football captain, who is a real jock but is far from a literary genius. You, on the other hand, are quite well read, but you are more likely to trip over the ball than score a goal. So what do you do?

a) Brush up on your football skills so you can try out for the team and impress her on the field.
b) Dust off your books of poetry and, next time you meet her, see if you do indeed have some common ground to build upon.

The answer seems blindingly obvious, doesn't it? But you would be surprised how such common sense sometimes eludes marketers in the real world, who somehow believe that they can win just by offering what consumers want, without looking at whether some competitor already offers it. This is usually justified by delusions of "our product is better," "our marketing is better," or, the biggest delusion of them all, "our people are better." Now, which soft drink brand comes to mind when I say "new generation"? Which entertainment brand comes to mind when I say "family fun"? Pepsi and Disney are just two great examples of brands that own a positioning first in consumers' minds. There are many other types

of cola out there and many other media companies, but it would be tough for them to take over these leading positions, even if their cola tastes better or their programming is better liked.

The point is simple: it is good to be better, but it's better to be different. Just as in our example above, the consumer's mind already has one "brand" that owns the positioning of "football ace," and trying to dislodge this existing competitor is not likely to do much for your love life, although it may well improve your tackling skills. On the other hand, "reads poetry in spare time" is an open positioning that you could be the first to fill, and it is also something in which your competitor would have difficulty matching you.

LESSON 3:
Remember that everyone wants free ice cream! Learn to be selective

Do you like ice cream? If not, then substitute beer, chocolate or whatever it is that you like a lot. Suppose I were to ask you choose between one scoop or two scoops of ice cream for the same price. What would you choose? I do think it is reasonable to assume that most people would gladly take the extra serving.

Now if I were to tell you that for the extra scoop you would have to pay 50% more. What would you do? Chances are that more people would say yes the first time around than would say yes to the second offer. This goes to show that when people do not know there is an extra cost involved, more is usually better.

The flip side holds equally true for marketers when they do not recognize the costs involved in bundling too many benefits or attributes, and automatically assume that more is better. This cost to marketers can be in the form of an unsustainable cost structure that leads to higher prices and poor consumer value, or simply in the form of an excessively diffused positioning such that the brand does not really end up standing for anything. What usually makes such "more is better" thinking prevalent is that a lot of decisions are based on consumer research in which consumers do not actually have to pay money or do not have the option of choosing a competitive offering. As a lot of marketers have learned the hard way, there is a huge difference between consumers ticking "will definitely buy" on a market research questionnaire and consumers actually

shelling out money for a product when cheaper competitive options exist, albeit without some of the frills.

The point here is not that it is always necessary to sell products cheaply, but rather that it is important to understand what you really want to stand for in the consumer's mind, and then to structure the proposition or product to convey that message as strongly as possible. A good example of this is McDonald's, which is able to offer speed, convenience and affordability by limiting frills like table-side service and minimizing customized offerings. I can bet you that if you conducted a market research test in which everything that McDonald's offers was combined with table-side service, no standing in queues and the ability to customize food ("I'd like less mayo and more mustard on my burger, please"), you would get higher purchase intent. However, the reality is that translating this finding into the real world would likely be suicide from both a cost standpoint (the added staffing and inventory costs) and a brand equity standpoint (if you want fine dining, why would you go to a McDonald's anyway?).

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Breaching the defenses: Sourcing market share from an existing player

Everybody loves an underdog. There is something very attractive about the struggle in the David vs. Goliath story that usually leads us to root for the little guy, the dark horse, the weaker team, when they face seemingly impossible odds. No wonder there are so many movies based on such a theme. Marketers are no exception. I think most marketers fantasize about working on a brand that wins against a huge competitor, where they can prove their mettle against the odds, and sheer marketing brilliance helps them succeed where all others have failed. Unfortunately, in the real world, more often that not, the big brand steps all over the small challenger. There are certainly exceptions, but this tends to happen only when the smaller brand plays by certain rules.

LESSON 4:
Aim small, hit hard—Attack on a narrow front

Yes, David beat Goliath, but have you wondered what would have happened if he had challenged Goliath to a wrestling match? I don't

know about you, but my money would be on Goliath. In essence, David applied a lesson that is equally valid for marketers today. If you are up against a much bigger competitor, you are better off not to engage him in all-out frontal combat. The key is to find a point of vulnerability and then focus your attack there; in David's case, with a slingshot.

In marketing terms, this means that when you study a large competitor, the trick is not to try to "out shout" it, but rather to find a segment of its customers with a higher appeal for you, or to find some benefits you can offer that it does not, and then focus all of your marketing on this consumer segment and offering. In practical terms, ask yourself (and your research agency) "which segment of competitive users is likely to convert to me first?" Once you know this, see how you can design your plans to attract this segment to your brand. When you have built some scale and made some inroads, you can think about challenging the competitor more head-on, but to start with, ruthless focus is the best way to stay alive against a much larger competitor. First, starting with a focused, less direct competitive approach allows you to develop a foothold in the consumer's mind from which to launch a broader challenge. Second, a larger competitor may not react as violently to a narrow attack as it would to an all-out attack. The gut reaction of a marketer working on a large, established brand, when faced with a frontal attack by a smaller competitor, is to crush it before it becomes a bigger threat. On the other hand, a narrower attack that nibbles away at market share may be ignored until it is already too late.

This point is valid even if you are a large player. Whatever your company's size, finding narrow segments where you can tap new users without head-on competition can be a smart and less bloody way of building scale. This scenario plays out all of the time in the real-world marketplace. In the gaming console wars, for example, the slugging match between Sony's PlayStation franchise and Microsoft's Xbox has been hogging much of the headlines. However, even as Sony takes on Microsoft in open battle in this segment, it has also launched the extremely successful PSP handheld gaming device. The PSP device taps into a unique segment where Microsoft does not compete by addressing a specific consumer need—mobile gaming—while the PlayStation franchise continues to face the Xbox juggernaut in the mainstream gaming console market.

LESSON 5:
Judo not sumo: Use competitive strengths against them

When looking at competitors, we often tend to think of all the things they may do, building elaborate SWOT (strength, weakness, opportunity and threat) charts in an attempt to read the competitors' minds. This is undeniably useful, but sometimes the key to winning against an entrenched competitor is to ask the opposite question: "What would my competitor never do?" One of the inherent disadvantages of a large brand is its own strength—mass appeal means that it must appeal to very diverse segments and end up being many things to many people. For a small brand challenging a large, existing player, the answer often lies in turning this strength to a weakness by focusing on a narrow segment or positioning where the existing player will not follow for fear of alienating its current user base. This is something with which you are probably already familiar, as such concepts have been covered in several marketing texts. What I will do, however, is give some practical tips on how you can translate this to action in the real world.

A good way to put this into practice is to take all that you know about your competitors and put yourself in their shoes. Imagine that you are running their business and ask yourself what you would not do for fear of diluting "your" brand equity or losing your current users. This seemingly simple exercise often yields critical insights into how you can position your brand in the minds of competitive users. A second trick, once again putting yourself in your competitors' place, is to profile "your" users and categorize those who are the most loyal users and those who are most likely to move to other brands. This would give you a good starting point on which to focus your efforts.

Now back to our school crush scenario. If you had any doubts about the wisdom of not trying to compete on the football field and out-jock the jock, ask yourself what he would never do. I am guessing he would not want to be seen hanging around the library too much. Does this give you any ideas about where you could approach your object of desire without fear of your competition stealing your thunder?

LESSON 6:
Make an offer they can't refuse—
Understand and break down their barriers

Assume that you have taken the lessons thus far to heart and have identified a segment of consumers that you want your brand to target with a single-minded proposition, and in a way that encourages consumers to try your brand without attracting a competitive onslaught. So, what do you do now? Sit back and wait for the fruits of your marketing genius to roll in? Hardly. Just because you know whom you want to sell to and what you want to sell does not actually mean that they will buy. This is when you need to anticipate and understand what barriers may prevent your targeted consumers from trying your brand, and then develop a plan to bust through these obstacles.

The key to success is to identify the obstacles beforehand and to have a plan that attacks them head-on. The nature of the barrier, and how best to bust it, will differ from category to category and market to market, but the principle is the same. In a real-world marketing context, this can be achieved through a simple exercise of hypothesis setting.

In general, busting barriers is primarily a question of risk minimization. Every decision, whether to buy a car, choose an airline, or date someone, comes with an associated risk. This risk may be monetary ("this car is much more expensive than the other, and I do not know if it is worth the extra money"), physical ("I have heard that this airline has a terrible safety record") or emotional ("I am not sure that I am ready to commit to a relationship"). So ask yourself one question: What would make your target consumer perceive that there is less risk in choosing your brand? A great example of a brand that has done this is Dove. In beauty care, a common barrier is consumer cynicism ("everybody looks beautiful in advertising, but how do I know your product really works?"). Using a successful combination of a "women like you" testimonial campaign and offering "before-your-eyes proof" through simple devices like the litmus test, Dove has built a huge global brand in a brutally competitive market.

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Enemy at the gates: Defending against competitive attack

The last lesson was all about attacking an existing player, while this one is about the reverse—how to defend when you are under attack. Imagine that you are fast asleep at home, after a great dinner with your family. In the dead of night, you hear a strange noise in the living room. You check it out and realize there is an intruder in your home! How would you feel?

Angry at this invasion of your space? Afraid of something happening to you or your loved ones?

In real life, facing a major competitive attack evokes similar reactions among marketers. Leave aside all you learned in business school about how marketers react to competition. When the competition comes calling and you happen to be near a brand team, the first thing you will hear is not a rational discussion about SWOTs or principles gleaned from marketing texts on competitive advantage. Chances are the first things you will hear are a few choice four-letter words and a lot of emotional reactions. That is why reacting to a competitive act can be very dangerous, as it is usually not a cold and rational decision, but rather one tinged with plenty of emotion and adrenaline.

LESSON 7:
Know who blinks first—Understand the broader strategic stakes

We are back in your home when you have discovered the intruder. I am going to give you some more information about this intruder. Let's see how that influences your reaction. First, suppose the intruder is an unarmed 10-year-old child from a poor family who has never committed a crime before and who has broken into your home to steal some easy money to buy Nike shoes. What would you do?

Now suppose the intruder is a serial offender with a long prison record for violent offenses, and who has been stalking your family all evening. Would you approach the situation any differently? I don't know about you, but in the first case, I would probably just interrupt him and try to scare him away. In the second, I would not just call the cops, but also find something that could serve as a weapon and be ready to strike the first blow in case I had to confront him. If I tried the former strategy with the second type of intruder, I would probably be seriously hurt, as would my family. On the other hand, taking an overly aggressive approach with the small child would be a huge overreaction and I would probably find myself in legal trouble for causing serious harm to the child.

It is the same in marketing: it is critical that you know what the stakes are for your competitor. Is your competitor just fishing for quick gains, and will back off in the face of a determined defense? Or is it playing for keeps, and you have a bloodbath on your hands that you cannot avoid? In the example above, you probably would not have any of the background information, but in facing a competitive attack on your brand, you can equip yourself with some pretty good clues as to your competitor's intent. Your finance department can often assist by helping you identify profit pockets for you and your competition, as well as the broader strategic imperatives for both companies. This would help you understand just how deep your competitor's pockets are. For example, if your competitor has other large, profitable businesses, especially ones where you do not compete, chances are it may be able and willing to plow in significant investments against your brand.

A great example is again from the gaming console market, where the Xbox launch was clearly a long-term play by Microsoft to enter this segment, where it could afford to invest heavily in the short term due to its profitable base business. Microsoft's competitors in this segment, Sony and Nintendo, were unable to nullify this scale advantage, since they

could do nothing to attack many of Microsoft's profit pockets, such as its software business.

LESSON 8:
Play to the home crowd—Protect your loyal users first

In the home invasion scenario, your first instinct would probably be to protect the safety of your family. You would probably get them locked away in a room while you called the police, or, if you had to, confronted the intruder. Once again, marketing is all about applying the same common sense thinking to business. In a competitive attack situation, the first thing you should do is protect your loyal users. Too often, in the fog of competitive reaction and counter-reaction, the attention shifts to what the competitor is doing and how to counter it, rather than focusing on hunkering down and making sure your current users do not have an incentive to shift.

Part of the game is to turn Lesson 6 on its head and increase the perceived risk of shifting to a new brand by either playing up the familiarity and heritage of your brand or the perceived unfamiliarity of the challenger. Another part of the strategy is to simply load up your current users for the initial window of vulnerability when the competitor launches. It may not sound like sexy marketing, but never underestimate the power of a simple price-off or a "Buy x, get y free" offer to load up your current users and take them out of the market, thereby preventing them from shifting to a new competitor. Timing is key: if you do it too late, your users would already have been in the market and possibly tried the competitor. A rule of thumb is to try to remove your users from the market for at least one purchase cycle. This strategy is second nature in fast-moving consumer goods (FMCG) categories like beauty care or foods, but it is equally relevant for other contexts. Examples of this strategy in use include scenarios like a bank offering discounted rates on loans when new competitors launch, or an airline offering special privileges to its frequent flyers when new airlines start encroaching on its routes.

In addition to such tactical moves, when you are under serious attack from a dangerous competitor, it may be worthwhile to tailor all elements of your marketing mix to protect your loyal users. That may mean supporting lines or flavors that are most purchased by your loyal users or shifting your in-store money to channels where these users tend to shop most.

LESSON 9:
Raise the stakes—Make the cost of victory too much to bear

Suppose you do have to confront the intruder—what objective do you have in mind? I would say forget what you have seen in the movies where the good guy pummels the bad guy into submission. I would settle for the intruder backing off and running away, and leaving my family and me alone. Most books will tell you that unless you happen to be dealing with the very small minority of serial killers and psychopaths, most criminals will back off when they face determined resistance, since getting hurt is not something they have bargained for. If you corner the intruder and give him no room to escape, you are probably making things worse, not better, since he will have no option but to fight. In other words, the objective is not to fight, but rather to make it clear that you are not a pushover and that this will not be a painless conquest.

In the world of marketing, too often you hear young brand managers say things like "We'll wipe them out," or "We'll put them out of business." Brave words, but usually stupid words if they are backed by action and money, since in the real world you will rarely put a competitor out of business through a competitive defense. It may work in the rare situation where you are the overwhelming leader, and the challenger is a smaller player with no other profit pockets. If you have followed Lesson 7, you will know whether this is the case, or if your competitor is here to stay, with profits from other categories to plow into this launch. In the latter case, fantasies of wiping them out will likely remain just that. The more pragmatic strategy may be to estimate how much they are willing to lose and how much you can lose, and then to make this a war of attrition where you can demonstrate your willingness and ability to stand your ground. I firmly believe that it is better to defend fiercely to save your current business than to embark upon the infinitely more costly exercise of trying to woo back consumers who have already shifted to a competitor. Defending your current client base may require actions such as shoring up your media to competitive levels, implementing aggressive promotions and increasing in-store displays.

In parallel, a strategy that will increase the cost to competitors of challenging your brand would be to threaten their profit pockets. In this situation, knowledge of where your competitors make money and how

they plan to fund their launch will once again be invaluable. If the intruder knew his own house had just caught fire, chances are he would be hurrying back to save his home!

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There are no limits to growth: Growing a high market share brand

Conventional wisdom says that the bigger a business gets, the tougher it is to keep growing at the same pace. That may well be true in most cases, and if you look over a long time horizon—say 20 years—there will be only a handful of brands still leading their categories after such a long time. But then there are the truly iconic brands—take Coca-Cola, Pampers or McDonald's, for example—which have not just endured, but have found ways to reinvent themselves and continue growing in the face of new competitors, changing consumer trends and market realities. So, it is not impossible for a large brand to keep growing, it is just a matter of knowing what it takes to keep growing over the long term.

LESSON 10:
Would you like fries with that? Use the magic of driving consumption

If marketers thought more like entrepreneurs running their own business, they would have more intuitive answers to a lot of the

business issues they face because they would rely more on their instincts and common sense rather than approaching problems as purely intellectual exercises. I like to frame marketing issues through analogies that put one "on the spot," thinking like an entrepreneur would. So, suppose you were to open a restaurant that sold burgers and soft drinks. You do roaring business for some time as customer after customer laps up your burgers. One day, you realize that your sales growth has started flattening because, let's face it, there is a limit to how many burgers a person can eat, and you have attracted as many new customers in your area as you can. What would you do? Write down three ideas that come to mind.

I am guessing you may have had several wacky ideas, but one of them may have been to try convincing existing customers to eat at your restaurant on more occasions. If people largely come to the restaurant for dinner, how could you get some people to come for breakfast or lunch? The second approach to increasing sales would be to get them to spend more on each dining occasion by increasing the size of burgers or by adding to the range of items available on each consumption occasion (e.g. adding starters, fries or desserts to your menu). If your ideas included these, you would fit right in at McDonald's, as its continued growth for many years was based on this strategy.

Both approaches essentially operate on the same principle: increasing the "share of wallet" among existing customers by either finding new consumption occasions or increasing the amount of your brand that they consume per occasion. Both are proven ways for a large, existing brand to continue fueling its growth. So, next time you try to justify why your brand is not growing by saying that it is already too big, ask yourself two simple questions:

a) Is there one more occasion where my brand could be used where it is not currently used?
b) Is there a way that I could get my consumer to use more of my brand per usage occasion?

LESSON II:
Start a retrial factory—Continually seek new users

The other trick to continue growing is to define success as finding new users. In the example above, the logical next phase of growth would be to open more outlets in your town, then perhaps expand to other towns, and, who knows, one day expand to other countries altogether.

Geographical expansion is a proven way of growing a brand by tapping into new users in all sorts of industries, from banking to fast food. Yes, there will theoretically be a time when you run out of people to market to, but over the short to medium term, expansion into new consumer markets and segments almost always works.

You may ask the question: "Geographical expansion is easy, but what if I have to operate in only one market and I do not have this easy way out?" The answer is that the same basic principle applies. Is there a group of consumers not using your brand today to which you could expand your appeal? You could arrive at such opportunities in any number of ways, slicing consumers by demographics, gender, life stage or income. Any of them may work—the key is to know which may be right for your category and brand, and to look at how well your brand is penetrated in each segment. This should expose some potential segments where your brand is under-represented today.

One of the most successful examples of this in recent times has been Gillette's expansion into the female segment. Long known as the gold standard in male shaving products, Gillette identified a potential growth opportunity among females. Gillette found that while the functional need was similar (hair removal) and they could fully leverage their technical expertise, the basic emotional need was very different among men and women. For men, shaving is one of the integral parts of their grooming routine and a key part of feeling masculine. For women, shaving is the removal of something unwanted that comes in the way of them fully revealing their femininity. What resulted was an exercise in classic marketing, spanning the creation of a totally new brand, revolutionary design to appeal to this new target consumer, and a new proposition that resonated among female shavers ("Unveil the goddess in you"). The resulting brand, Venus, has become a huge global success and a great example of how a brand was able to identify and tap into a new set of consumers to continue fuelling growth.

LESSON 12:
Seek new horizons—Reframe and refresh the competitive set

What business do you think Nike is in? Shoes? Think again. If Nike had defined its business just the way it had started, it would be nowhere close to where it is now in terms of ubiquity and sales. Along the way, Nike redefined the need it fulfilled from merely offering footwear to providing

authentic athletic performance. Doing so opened up a wide range of growth opportunities for the brand, from apparel to sponsorships to sports equipment. That is the hallmark of a truly great brand—the ability to see beyond the obvious physical need that it meets, and then find a broader set of needs that it can tap into to keep growing the brand. One of my close friends is a loyal Starbucks consumer—he starts each day with a latte—but his loyalty goes beyond just the physical need for good coffee. He collects Starbucks mugs from every city he visits and drinks coffee at home from these mugs, trying to recreate the "Starbucks experience" when he cannot be there. This kind of loyalty is something every brand would envy, and it would never have emerged if Starbucks had limited its vision to just selling a good cup of coffee.

Ask yourself what other needs, both physical and emotional, your consumers are seeking to fulfill when they interact with your brand. That one question can unlock a whole set of possibilities, since you may find yourself competing with a whole new set of products and services. A Harley-Davidson buyer, for example, does not just want the means to get from point A to point B, but also wants the feeling of control and power and the pride of being associated with a certain elite group. For Harley owners, their motorcycle plays a role in creating their personal identity, which they proudly display to the world. That is why you can recognize Harley owners even when they are nowhere near their bikes: their trademark tattoos, caps and leather vests are meant to show off who they are. This kind of relationship between brands and consumers is not just limited to ultra-premium and prestigious brands. Disney was able to evolve from a straightforward cartoon company into a multi-billion dollar empire by expanding its positioning to "wholesome family entertainment," which led it to compete in categories like entertainment parks, movies and toys.

Sounds easy, doesn't it? Well, before you become too excited, remember that for every Disney or Starbucks, there are hundreds of brands that have tried to expand their horizons and failed miserably, even when the parent brand itself was very strong. The next chapter will show you how to build an empire for your brand.

Brand Management 101: 101 Lessons From Real-world Marketing
By Mainak Dhar
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Empire-building: The mega-branding challenge

The problem with most empires in human history is that they tend to overextend themselves, and this condition, termed "imperial overreach" by historians, becomes the root cause of the empire's decline. Brands are no different. For a lot of brands, extending the core equity too far and into too many categories becomes an important cause of decline. The reason for this behavior is something that empire builders and brand managers have in common: a seemingly unquenchable thirst for growth. This chapter aims to share some lessons on the delicate balancing act between seeking perpetual growth for a brand by identifying new segments and categories to play in, and extending a brand so far that it breaks.

LESSON 13:
Create value, not just volume—Seek competency and equity fit, not just added sales

The temptation to extend into a new category is great when the potential for new users and volume seems huge. In the short term,

you may well achieve some added sales, but the difference between success and failure lies in answering two questions:

1. Does this new segment or category allow you to leverage some things you are currently good at in terms of marketing, manufacturing or distribution?
2. Is your existing brand equity an advantage when entering this new category?

In the Gillette-Venus example, Gillette could fully tap into its existing manufacturing and distribution expertise. Also, its equity as the gold standard in men's shaving products was a huge advantage while it grappled with the challenge of targeting a new set of consumers. In the last chapter, I mentioned how Starbucks has been able to tap into needs and categories beyond its starting point, but even a great brand like Starbucks faces natural limits to how far it can stretch itself.

Imagine that Starbucks were to start a new chain called Starbucks Pizza. Would you go there instead of your regular Pizza Hut? I would venture to say that Starbucks Pizza would have a tough time. On the one hand, it would have some existing skills it could draw on in terms of running food and beverage outlets, such as the necessary service skills and training procedures. On the other hand is the fact that Starbucks' current equity (a great coffee experience) would not readily translate into this new category, no matter how tasty the pizzas.

LESSON 14:
Would you play football without shoes? Learn the rules of the game in each category

Even if you have found a category to extend your brand into that seems to be perfect in terms of equity fit, it does not mean success is assured. Let me use another analogy: suppose an Olympic swimmer were to try his hand at football. He would have some obvious advantages that would help him in his new sport, such as great physical condition, discipline and the proven ability to perform under pressure. Of course, he would have to learn the basics of the sport, but you'd assume that he'd have a huge head start over any ordinary person starting out in the sport. Now the big day arrives, and our star arrives on the field without the proper shoes. All his superb physical condition and training aside, all that he would likely

achieve is a serious foot injury. This is because no matter how well he may have otherwise performed, he ignored some of the basic rules of the game.

It is the same in marketing. When you choose to extend your brand to a new category, you need to act with a bit of humility and put aside how strong your brand may be in the category where it plays today. You need to be willing to learn and play by the rules of the new category you are entering, which could have implications regarding the marketing and distribution models needed to succeed or the basic product or design features consumers expect in that category. If you want to avoid getting bloody feet like our aspiring football player, there are some basic issues that you need to address to see if you are ready to play by the rules of any new category or segment. These include consumer media habits and how they may be different from those of your parent brand's consumers; the nature of distribution channels; and the type and pace of innovation needed to win in this new segment. What sometimes makes this difficult is the human tendency to operate within one's "comfort zone" and fall back on what one is good at or finds familiar. As a result, when brands are extended into a new segment or category, the temptation is to run this new part of the business in the same way that the mother brand is run. However, what is often critical for success in extending a brand is understanding what is likely to be different, and then being able to adapt to it. In the Starbucks Pizza example, this may entail developing capabilities like home delivery, which is not a core part of the current Starbucks business model but is considered the norm in the pizza business.

LESSON 15:
Create a recurring deposit—Pay back into parent brand equity

One of the things smart empire builders have had in common throughout history, from the Romans to the British, is the foresight to use their colonies to augment the motherland's resources. This took the form of natural resources, money from taxation and the formation of large professional armies that did battle for the empire around the world. This approach was one of the reasons why a small island nation like Britain could dominate so much of the world. If it had relied solely on an army comprising its own citizens, it would have overreached itself much more quickly and collapsed sooner.

It is the same with branding, in terms of making sure that the new category you want to expand your brand into does something to augment your total brand equity and scale. So even if you have successfully expanded your brand into a new category or segment, it is important to ensure that playing in this new segment not only generates added sales, but also does something to enhance the total brand equity. That is when mega-branding really yields a multiplier effect—when the presence in multiple categories exponentially builds what the total brand stands for.

A great example is Dove, which has carried with it across multiple categories some key brand equities, such as a common moisturizing property in its products and the brand's blue and white color palette. This has ensured that no matter which category the brand has expanded into, each expansion has added to Dove's total equity—and this has paid off in unimaginable synergies in their go-to-market strategy. For instance, when Dove launched into the hair care segment, it was able to piggyback on its skin care business to get quick trial and distribution.

To do this, you need to start with a very clear understanding of what lies at the core of your brand. Just as people pick up new mannerisms and habits over time, brands tend to accumulate additional attributes and benefits as they extend across categories. To get to what may be the very core of your brand, it may be a good exercise to spend some time with your most loyal users and understand what makes them stick to your brand. Doing so may yield some clues as to what aspects of your brand you ought to protect as sacrosanct even as you expand it to far horizons.

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By Mainak Dhar
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Miracles do happen: Turning around a declining brand

Imagine you could choose the brand that you work on. Would it not be great if you could work on the brand that is the darling of top management, one that has been growing year on year, one where you have all the resources you need to keep taking the brand to even greater success? Now pinch yourself, rub your eyes and wake up to the cruel reality that in the course of any career as a marketer, there will inevitably be times when the brand you work on is the ugly duckling and not the belle of the ball. So what do you do? Curse your fate, resign yourself to a couple of years of your career down the tube, and wait for the moment when you can get reassigned to a brand that is in better shape?

You could, but you would not be doing yourself any favors. I have yet to meet a marketer who says, "I want my brand's sales to decline." Turning around a declining brand can be the most exciting thing you ever do as a marketer, and it is an experience that teaches you a lot about both marketing and leadership.

LESSON 16:
Shaken and stirred—Call out a crisis, it's not business as usual!

In 79 AD, one of the biggest cities in the Roman Empire lay shattered and covered in smoldering lava, its once mighty buildings buried along with thousands of its citizens. Hundreds of years later, as scientists excavated the ruins of Pompeii, one of the remarkable things they found was that many of the victims seemed to have died doing perfectly ordinary things—eating, sleeping in their beds, taking a bath. It is almost as if many of them were oblivious to the imminent disaster, even though they would have seen the volcano smoking for at least a few days and the area had witnessed earthquakes for years. The explanation for their behavior lies in the fact that most people try to wish problems away, assuming that things will somehow work out. I am not a shrink, but it may be because nobody wants to look silly like the boy who cried wolf. In marketing, even though a brand may seem to be obviously in trouble, with declining sales or equities, quite often people working on it will try to find explanations for this rather than confront it as the imminent crisis that it is. As a marketer faced with such a situation, your first job is to light a fire under people's seats and shake them out of complacency. It takes courage, as you do run the risk of overstating what may indeed be a short-term issue, but often it is better than waiting to see your brand, and your career, buried under a disaster.

The first step of turning around a brand in trouble is not to apply some smart frameworks or analysis, but to get the team working on the brand to rally around a common understanding of the issue and put them into crisis mode to commit to fixing it. This sounds intuitive and like a lot of common sense, but then that is what marketing is usually all about. This first step is important because a crisis brings about different behaviors, decisions and actions than when it is business as usual. Some important initial steps include:

1. Quickly pinpoint what is the core issue you are trying to solve. When a business is in trouble, the tendency to try to fix everything is a natural temptation. You need to focus the thinking on what the real issue is: is it declining trial, is distribution a problem, or is there a product issue?
2. Assemble a team to work on it as a priority apart from their regular responsibilities. Everyone usually becomes so preoccupied with their "day jobs" that they rarely have time to really step back and return to

fundamentals—something you need to do in a crisis.

3. Identify key questions to be addressed and the dates and milestones by which they will be tackled. When things are going downhill, you cannot afford to let things drift.
4. Let your bosses know all of the above. In a real-world business crisis, your bosses will be all too eager to "help," and sometimes management attention is not a good thing. Attention from management can distract your crisis team from working on the issues they need to look at, and with the business in trouble, the added stress of management questions is something that nobody needs. Informing your bosses early on and updating them regularly will give them the confidence that you are on top of things, and this will hopefully get them off your back while you figure out how to sort things out.

LESSON 17:
Look at the bright side—what do you have to lose anyway? Think big, not incrementally

Okay, now you have everyone all worked up about turning around your brand. So, what do you do? When your brand is faced with a real crisis, continuing to do what you usually do instead of tackling the core issues involved is often a recipe for disaster. Tinkering around with a few new pieces of advertising when the brand has a basic product performance or value issue is likely to be as effective as rearranging the deck chairs on the Titanic when it was bearing down on the iceberg. So what do you do?

Before jumping to the answer, it is worthwhile to consider why people in crisis situations often continue to do what is normally done and yet hope for different results. I suspect that the answer lies in the fear of loss. It is the same reason why people hesitate to intervene when they see a stranger being mugged on the street, and why governments hesitate to take economic decisions that are right but may result in the alienation of voters. The fear of losing something we value—safety, money or power—is a powerful self-preservation instinct that kicks in at times of crisis. And that is the instinct you will have to fight to succeed when you face the task of turning around a brand.

There is no easy way to do it, but here are a few thoughts on the subject. First, remember that when the brand is in decline, you are probably up against a low base for next year's results! So on the bright side, if you do not totally screw things up, it is hard to do worse. That

tends to be a liberating thought to overcome the real and very legitimate fear of losing out in one's career. The other trick that I have seen work if you are dealing with a small brand is to imagine that you have withdrawn the brand and are launching it again. Encourage yourself and your team to think this way and also convince your management that this is the spirit in which you want them to look at your plans. That liberates you to think afresh on getting the fundamentals right instead of worrying about losing whatever little business you have today. The final thought in such a situation is to try to get some new members on your team to help look at the situation. When the team is composed of the same people who were involved when the problems afflicting your brand began, it may be difficult to get radical new thinking. This is simply because people do not like admitting that they screwed up! So avoid this trap by getting a fresh perspective on the situation. Just remember that it is better for you to acknowledge what may have gone wrong and recommend drastic changes than it is for your management to reach the same conclusion and change the brand manager!

LESSON 18:
Remember the other "P" of marketing: Patience!

As you read this book, one of the things that will irritate you is that some of the lessons are easy to share, but much harder to adopt in real life. I liken it to a friend telling you after you have been dumped that over time, you will forget him or her and move on. You know it is true, but when you hear it you feel like shouting at your friend that it is easier to give advice than to go through what you are dealing with. This is one of those frustrating lessons: if you want to turn around a brand, do not expect overnight miracles. It will likely be a hard slog, and there will be months, and perhaps years, when it looks like things are not going to improve. Here are some thoughts to help you cope while you wait.

1. Set realistic expectations. If a brand does need radical surgery such as a total re-positioning, results will take time to come through. So if business does not turn around in a few months, do not assume all is lost. Setting unrealistic expectations of success is a sure way to set yourself up for disappointment.
2. Have some milestones that you can look forward to and use to measure success. While a total turnaround may take time, there will always be signs that will tell you if you are on the right track. It could

be research results saying that consumers love your new proposition, favorable responses to new packaging, or early signs of business recovery. Whatever the indicators, know and measure them to ensure that you are making progress.

3. Celebrate all the small victories along the way, such as when you hit one of the above milestones. When business is tough, what the team often needs is the encouragement to keep going. For a brand that is growing 10% year on year, a flat performance versus a year ago would be nothing to write home about. However, for a brand in terminal decline, it could be the sign that you are about to turn the corner. Recognizing and celebrating moments like these could be the difference between a team that hangs in there and one which abandons what looks like a sinking ship.

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A brand new you: Reinventing and relaunching an existing brand

While turning around a brand is an opportunity that may come your way only rarely in the course of your career, something you are sure to encounter more often is the relaunching of an existing brand. A restage, or relaunch, has several definitions, but for the purposes of this book, let us define it as any activity that aims to make consumers reconsider a brand in its totality versus the launch of individual items or lines. This could be through packaging changes, product upgrades, a new positioning, or any combination of several changes in the fundamentals of the brand. There are many reasons why a brand could be relaunched, including the availability of new technology, a desire to upgrade a dated image, or competitive actions. Whatever the reason, relaunches are common, but experience in the real world indicates that failed relaunches are even more common.

To understand why, let us take another analogy from everyday life. Assume you are trying to win over a major new client, and you think it may be a good idea to get to know the client team better outside of work. They are the same age as you, but they are a tight

bunch, with common interests like golf, theater and spending their evenings enjoying fine wine. You, on the other hand, have always been more of a "regular Joe," whose idea of evening entertainment is a beer with your buddies. So what do you do? In answering that we can learn a lot about what it takes to create a successful relaunch.

LESSON 19:
When familiarity does not breed contempt—Learn the importance of keeping loyal users

In the example above, let us assume that you pick up golf, change from jeans into formal clothes, and finally learn the proper form for sipping wine. You may or may not fit in with your clients, but one thing is for sure: your old buddies would find you very odd indeed. It is the same with many relaunches—in trying to go after new users, brand managers often forget what made them successful in the first place, and they end up losing their current loyal users. It may be that you no longer want to hang out with your old beer buddies as much as you did, and this may be a deliberate decision, but in most cases marketers only realize that they are alienating existing customers when they start seeing an exodus of erstwhile loyal users. The fiasco of the New Coke launch and its resulting alienation of existing users is staple fare for most marketing books, so I will not repeat that oft told tale. Instead, I will share some practical tips on how you can avoid such a mistake.

1. Know who your current loyal users are and why they are loyal to your brand. A hint is that for most brands, this is rarely just the functional benefit they offer, but also a combination of all the imagery, feelings and emotions they evoke. My favorite airline is Singapore Airlines, not just for the excellent connections and the amazing in-flight entertainment, but also due to the personalized service that makes entering a plane after a long trip something like a homecoming. If Singapore Airlines were to relaunch itself with a totally modernized fleet, improved in-flight amenities and better connections, none of that would ever compensate for the loss of the emotional connection if it slipped on its service.
2. Understand what makes your brand familiar and recognizable—what is your brand's "calling card"? This can be critical if you are thinking of changing the packaging, since you would ideally want to retain some elements of your brand-mark to help retain a bridge with your current

loyal consumers. There are several techniques to do this, but in essence it boils down to understanding which visual signals—shape, color, font or design element—come top of mind to consumers when they think of your brand. The great brands know this—Coke's red and white, Nike's swoosh and Marlboro's cowboy are all examples of how this understanding of the importance of having a consistent visual identity can go a long way in creating an enduring brand.

3. If you do relaunch, have a plan to talk to your current users so that they understand why you are changing and why they should stick with you. This communication could be in the form of a sticker on the new pack, an ad that shows what is better about your new product or service, or an offer that rewards loyal users to shift to your relaunch. In our earlier example, it may mean inviting the boys over for beer so you can explain what you are trying to do.

LESSON 20:
Substance over style—Offer something that really enhances the consumer experience, not cosmetic changes

I'm a jam freak, eating jam with toast pretty much every morning. As I was browsing the supermarket aisles yesterday and was about to reach for my usual brand, I was struck by the following words on a neighboring brand's pack: "Same great product, great new look." As a consumer I was left wondering why I would ever reconsider that brand just because their pack may look more esthetic, since the jam inside, by its own admission, is the same. To me that amounts to marketing suicide. Market experience shows what should be an obvious truth—that relaunches with purely cosmetic changes usually do not work as well as those that actually enhance the consumer experience in a meaningful way. I am not saying that you necessarily need to have an improved product to make a relaunch work, but it certainly does help. Even if you do not have a product or technological improvement to offer, you can make a relaunch a success if you ensure that you are offering your consumer some real improvement in what they get out of the total experience of your brand.

Think of all the points where consumers interact with your brand: when they see your ads, when they see your product in a store, when they are shelling out money to buy it, when they actually use it, and when they or others around them react to the impact that the brand has had on them. If your relaunch is not able to bring about a meaningful impact at

one or more of these points of interaction between your consumers and your brand, you are unlikely to succeed. So become familiar with these points of contact, and then do a brutally honest assessment of whether the proposed changes to your brand do anything to really improve the consumer's experience at one or more of them.

In practical terms, you may find the following exercise useful when you are creating a relaunch or evaluating if the one you are working on is likely to succeed or not. List all the points of interaction, and then establish the current situation of how your brand fares on each of those as compared to your key competitors. For example, how does your product perform versus your competitors, how much do you spend on media compared to them, what do consumers feel about your packaging versus theirs, and so on. Then overlay your relaunch plans, and see if you are able to make a marked improvement on at least a couple of these factors versus where you are now. If you do not see such an improvement, then you have your work cut out for you.

As you can see, there is not one magic solution to creating a winning relaunch. Instead, there are many possible routes to success—better product experience, packaging that enhances the shopping experience through better sizing, pricing, information on the pack, a new proposition, etc. However, the point is to remember that the consumer does not buy your brand to frame the pretty packaging and hang it on the living room wall, so think beyond just cosmetic changes.

LESSON 21:
It takes more than one meeting to build a reputation—Don't move away too fast from a relaunch message

Assume your first meeting with your new clients was a big hit. You were able to impress them with your wit, and you did not really mind sipping wine and talking about golf. In fact, you think that they were far less stuffy than you had feared, and you would not mind meeting them again. However, chances are you may have made a good first impression, but it will not last unless you can carry it off every time you meet them.

It is the same with a relaunch—the initial relaunch may be strong, but often it will quickly run out of steam as consumers move on to the next big thing. In many relaunches, especially in consumer packaged goods, this is important since a relaunch brings with it a conversion on the shelf from the old product or pack to the new one. As a result, you

may in fact lose distribution and trial, and unless you can get rapid and sustained trial and distribution built up, you could take several months just to return to where you used to be. The best relaunches are the ones that recognize the need for sustained support and plan for it proactively. The same principle applies for services as it does for products, as the basic dynamic of boosting awareness and trial holds true for them both.

If you are going to change some of the fundamentals that make your brand, whether it is your packaging or your proposition, never underestimate how long it can take to really get that message to sink in. What your brand stands for today probably took years to establish, so there is no reason to believe that in a matter of months, consumers will suddenly embrace and recognize the new you. Here are a couple of thoughts to help you sustain support on the relaunch and avoid consumers hopping from one message to another:

1. Just because you are bored with your advertising or message, do not assume that consumers are as well. As marketers, we live and breathe our brand's marketing every day, and it is easy to believe that something is "old" very soon. Set clear objectives on what kind of awareness and trial you want for your new message, and do not move until you see yourself hitting those numbers with consumers. In other words, your boredom does not count—listen to the consumer.
2. Plan for a second and third wave of marketing even before you relaunch. One way of thinking about this is to consider that despite your new message or proposition, you are unlikely to achieve 100% market share. There will always be consumers who will not convert to your brand. Learn what may hold them back and use that to plan for future waves of marketing, building on your relaunch message instead of jumping to another launch or project. In practical terms, this means doing the opposite of what most marketers do. Usually marketers spend a lot of time understanding what consumers find appealing in their brand, but to get this right, you will have to understand what consumers dislike about your offering. Go and talk to consumers who reject your proposition and understand what their barriers are, then plan for future waves of communication to bust these barriers. That is one proven way of ensuring that you do not move away from a relaunch message too soon.

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When two's a crowd: Managing a portfolio of brands

One of the milestones in marketing history was the introduction of the concept of brand management in the 1930s. Simply put, each brand was to be treated as an independent business entity, competing externally as well as internally with other brands. This worked wonderfully until people realized that a more strategic approach was needed to manage a portfolio of brands. This realization was prompted by changing retail realities and by the increase in competitive clutter, when having your own brands trading users between each other did not grow total company sales. With the growth of large retailers and their greater bargaining power, the focus shifted from just growing a particular brand's sales to ideas that would grow the entire category. This change was driven by the recognition that retailers make more money only if the total pie grows, not just by shifting volumes from one brand to another. So "category management" became the new buzzword, and since then virtually every marketer has been walking the thin line between driving a brand as an independent unit and adjusting it for the greater good of the category. Whether you manage a portfolio of brands or simply

want to learn more about how one should approach doing so, this is the chapter for you.

LESSON 22:
No stepping on each other's toes—Pull brands apart in the consumer's mind

As you start thinking about category management, the basic question you need to tackle is the best way of separating the brands in your portfolio so that they truly complement each other instead of just trading users and market share. One of the most common pitfalls is to automatically assume that a "clustering" of brands is best done based on features. This may be because as consumers ourselves, we often categorize products and brands by the features they have—for example, looking at horsepower as a way of grouping different classes of cars. That may be fine to start with, but as categories mature, consumers become more discerning. When this happens, the connections with a brand start going beyond its functional features, and as a result you will need to think about grouping brands by more than just what they do.

I would argue that the best way to have a differentiated portfolio of brands is to have clear and distinct target audiences for each. In other words, rather than differentiate based only on what the brands are, start with whom they want to target. This approach is as applicable for "technology driven" categories like cars and services like airlines as it is for fast-moving consumer goods. Airlines are a great example of this, where the demand for budget travel and competition from new budget competitors has led several airlines to launch "low cost" carriers supplementing their traditional carriers. One way of differentiating the two could be purely based on cost—in other words, strip out some features to enable the lower price. Doing so may make the numbers add up, but it would not necessarily delight the respective target audiences of each offering.

Another approach would be to start by considering what the target consumer—the budget traveler—would regard as unnecessary frills (e.g. Internet check-in, in-flight meals or movies on short flights) and then designing features based on this. The other big advantage of segmenting your brands based on who their target consumers are is that doing so often identifies new growth opportunities that would not be obvious if one focused solely on the brand's physical or functional features. In Lessons 13 to 15, we discussed the perils of extending a brand into

multiple categories, but using a "consumer-centered" segmentation can yield powerful insights into where you could extend a brand, and also which brand in your portfolio would be best placed to extend into a new category.

LESSON 23:
I love you both, but...Be ruthless on the role each brand plays in your portfolio

Part of being a good marketer, and a good leader in general, is being decisive and making tough choices, and you will be tested on both when it comes to managing a portfolio of brands. What makes it harder is that in real-life marketing, you are dealing with real people whose lives and careers can be impacted by your decisions rather than with paper case studies. In the example above, the budget carrier would likely never get the same level of resources as the full-fare carrier, but both brands would have teams working on them who want to grow their respective businesses. It can be difficult to tell people that their brand will receive fewer resources or less support than another because of category priorities, but that is an example of the tough decisions that good category management entails.

Once the roles that different brands need to play are clear—ideally based on the segmentation of consumer needs, as discussed in Lesson 22—it is critical to follow this through with ruthlessness. The best of strategic differentiation can be undone if the strategic intent is forgotten in the course of everyday decision-making.

In the airline example, one of the choices to be made would probably be that advances in technology (the latest planes, the more comfortable seats, the better in-flight entertainment systems, etc.) would ideally go first to the full-fare carrier before possibly filtering down to the budget carrier. If the airline did not do this, there is little reason you could expect consumers to pay more for the premium carrier. Brand managers on the budget carrier, interested primarily in growing their brand's sales, could be forgiven for making demands that the better seats and entertainment systems be installed on their planes at the same time. However, the real test of category management comes in staying true to the role each brand is to play in the portfolio—maximizing the sum of both brands, even if it means each brand individually may be constrained in some way.

That is not to say that you should play favorites in any way or set up one brand for failure. You still want each brand to stay true to the principles of classical brand management and remain focused on growing its business as an entrepreneurial unit. Where category management would add value is in helping the brands stay true to their roles in the portfolio so they can win with the business model that is right for their assigned role. In the airline example, even if you felt like being generous and told the budget carrier that it could install the new and more expensive seats or entertainment systems, this may in fact be a handicap and prevent it from best playing its role in the portfolio. This is because the increased cost would put pressure on its ability to be priced competitively versus other budget carriers, which was the reason for its existence in the first place.

LESSON 24:
The wonder of scale—Use the portfolio to your advantage

Any financial advisor worth his salt will tell you that the secret to wealth generation is diversification, so that losses in any one area can be compensated for by gains in another area. In plain English, it is better not to put all your eggs in one basket. This is also the beauty of having a portfolio of brands—ups and downs are inevitable on any brand, but with a portfolio of brands, chances are high that one could be used to compensate for weakness in another and buy you time while you fix the problem brand. You can take this a step further by using a portfolio of brands strategically—the key is to have a strategic game plan. If you focus on trying to maximize each brand in isolation, you will miss out on one of the biggest advantages of having a portfolio: scale.

At it broadest level, you can use the portfolio to balance out top and bottom line growth. If you need to invest disproportionately in one brand for top line growth—for example, to launch in a new market or segment where you may not make much money in the short term—you can compensate by pricing actions or cost savings in another brand to meet profitability. When it comes to winning in stores, piggybacking one brand on another, especially if the second is stronger or more widely distributed, and using pooled funds for joint displays are examples of the benefits of having a portfolio to work with. Having a portfolio of brands working well for you can also be a big source of competitive advantage. If

competition heats up, you could choose to use one of your brands to do tactical promotions or activities versus scrambling to make changes on all of your brands.

In air warfare, the concept of a "wingman" is widely used, where pilots fly in pairs and the wingman is assigned to make sure the other plane can complete its mission and is protected from enemy attack. With a portfolio of brands, you can use individual brands to work as a wingman for others, fending off competitive attack. In the Indian Cola Wars of the 1990s, both Coke and Pepsi entered the country at about the same time, sparking off a vicious battle for market share. Pepsi was at its usual irreverent best, but rather than use the flagship Coke brand to respond, Coca-Cola used a strong local brand it had acquired, Thums Up, to take on a more youthful positioning and do a lot of "in your face" tactical advertising and promotions against Pepsi. Doing so allowed the company to stay the course on building awareness and equity for Coke. In doing so, Coke successfully leveraged the strength of its portfolio instead of relying solely on one brand to fight its battles.

This brings to a close the first "P" of marketing that we took on—positioning. By now, I hope I have been able to give you a taste of the real decisions a marketer faces in positioning a brand and setting it up for success. But a marketer's task does not end there. You may have the best mousetrap in the world, but you will not sell a single one unless your potential buyers know what you have. That brings us to the second "P" we will tackle in this book—promotion.

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By Mainak Dhar
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THE 101 LESSONS SUMMARIZED

POSITIONING

Building a better mousetrap

Creating new ideas and concepts

Lesson 1. Mix 50% inspiration and 50% perspiration—Ideation is a science and an art

Lesson 2. I know they want it, but who else offers it? Differentiate, don't imitate

Lesson 3. Remember that everyone wants free ice cream! Learn to be selective

Breaching the defenses

Sourcing share from an existing market player

Lesson 4. Aim small, hit hard—Attack on a narrow front

Lesson 5. Judo not sumo: Use competitive strengths against them

Lesson 6. Make an offer they can't refuse—Understand and break down their barriers

Enemy at the gates
Defending against competitive attack
Lesson 7. Know who blinks first—Understand the broader strategic stakes
Lesson 8. Play to the home crowd—Protect your loyal users first
Lesson 9. Raise the stakes—Make the cost of victory too much to bear

There are no limits to growth
Growing a high market share brand
Lesson 10. Would you like fries with that? Use the magic of driving consumption
Lesson 11. Start a retrial factory—Continually seek new users
Lesson 12. Seek new horizons—Reframe and refresh the competitive set

Empire-building
The mega-branding challenge
Lesson 13. Create value, not just volume—Seek competency and equity fit, not just added sales
Lesson 14. Would you play football without shoes? Learn the rules of the game in each category
Lesson 15. Create a recurring deposit—Pay back into parent brand equity

Miracles do happen
Turning around a declining brand
Lesson 16. Shaken and stirred—Call out a crisis, it's not business as usual!
Lesson 17. Look at the bright side—what do you have to lose anyway? Think big, not incrementally
Lesson 18. Remember the other "P" of marketing: Patience!

A brand new you

Reinventing and relaunching an existing brand

Lesson 19. When familiarity does not breed contempt—Learn the importance of keeping loyal users

Lesson 20. Substance over style—Offer something that really enhances the consumer experience, not cosmetic changes

Lesson 21. It takes more than one meeting to build a reputation—Don't move away too fast from a relaunch message

When two's a crowd

Managing a portfolio of brands

Lesson 22. No stepping on each other's toes—Pull brands apart in the consumer's mind

Lesson 23. I love you both, but… Be ruthless on the role each brand plays in your portfolio

Lesson 24. The wonder of scale—Use the portfolio to your advantage

PROMOTION

What starts well ends well

The importance of a good brief

Lesson 25. The power of one—Learn to be single-minded

Lesson 26. Good things come to those who wait—Be patient

Lesson 27. Who is going along on the journey? Be clear on who is part of the process

What if you were dating your viewer?

How to develop great TV *advertising*

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Lesson 29. Nobody dates a bore—Engage, don't ramble on about yourself

Lesson 30. The power of "ummm"—Empathize with strong insights

Testing, testing, 1, 2, 3
Using advertising testing smartly
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Lesson 33. Would she leave her boyfriend for you? Don't just measure appeal, measure conversion

Radio gaga: D*eveloping radio advertising*
Lesson 34. Can you "see" your radio ad? Use visualization to create great radio spots
Lesson 35. The sound of silence—Use sound design, not just words
Lesson 36. Haven't I heard that before? Tailor for the medium; don't just repeat your TV ad

S*ex appeal sells, but what?*
U*sing celebrity advertising smartly*
Lesson 37. Popularity isn't everything—Find a celebrity who fits your brand
Lesson 38. Remember who pays your salary! Sell your brand, not the celebrity
Lesson 39. True love or a one-ad stand? Build brand ambassadors, not just paid models

Getting down and dirty
T*he risky business of competitive advertising*
Lesson 40. Pissing contests never built brands—Speak to your consumer, not your competitor
Lesson 41. Fancy moves never won a street fight—Learn to be ruthlessly competitive if necessary
Lesson 42. Real fights are over faster than you think—Move quickly and win in the consumer's mind

S*urround and conquer*
U*sing multiple media to win with the consumer*
Lesson 43. Avoid the trap of doing a little bit of everything

Lesson 44. Don't throw away good money—Understand and use the concept of ROI
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PRICING

The price is right
The art of setting pricing
Lesson 46. If you don't like getting ripped off, why should they? Price based on the consumer, not just your costs
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You're going down!
The tricky business of pricing down
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But they started it!
The even trickier business of dealing with price competitors
Lesson 51. Understand, don't dismiss price competitors
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Lesson 53. Using specialized offerings to fight price competitors

There's no such thing as a free lunch
Pricing up
Lesson 54. Price based on consumer price points, not spreadsheet indices
Lesson 55. Sweetening the mix—Make premium-priced items your best friend

Lesson 56. Money can't buy you love—Use reframing to make money no object

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B*ut I flunked science*!
A *marketer's role in product design*
Lesson 57. Make sure that product attributes mirror your desired equities
Lesson 58. Watch for over-engineered products not based on consumer needs
Lesson 59. Barking up the wrong tree—Understand real consumer usage habits and considerations

C*ooking* 101
M*aking a product launch a reality*
Lesson 60. Too many cooks aren't always bad—Recognize that marketing alone won't get the job done
Lesson 61. Plan for a buffet, serve *à la carte*—Start with a broad set of ideas, and then narrow them down
Lesson 62. A bad waiter can undo the best dish—Understand and help bust bottlenecks that may get in the way, even if they aren't marketing related

A*nother "*P*" of marketing*
P*ace—setting the right rhythm of "news"*
Lesson 63. The disease called "Launch-itis"—Continually launching new items is not always smart
Lesson 64. Setting the speed limit—Understand the pace requirements of your market
Lesson 65. Learn to build on big ideas instead of jumping to the next big thing

P*erception is reality*
T*he power of marketing vs. product innovation*
Lesson 66. Hidden talents—Rediscover your product before looking for a new one

Lesson 67. Play it by the numbers—Harness the power of claims
Lesson 68. When old is gold—Remember that marketers become bored much faster than consumers!

Yet another "P" of marketing
Planning
Lesson 69. Always have a pipeline of future ideas at the ready
Lesson 70. It won't come out of thin air—Set goals and measure sufficiency of your ideas
Lesson 71. Less is more—Prioritize and focus on the few big ideas

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Shopping is like speed dating
The critical role of packaging
Lesson 72. Turning heads—Use packaging to stand out in the clutter
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The role that big customers play today
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Winning in small stores and developing markets
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A *slightly different ball game*
T*he challenges of marketing to the shopper*
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Lesson 82. What I learned shopping for beer—Use the power of adjacencies
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D*oes familiarity breed contempt?*
T*he double edge of continuity*
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Lesson 86. Passing the baton—Ensure knowledge continues even if people do not

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F*orming winning agency partnerships*
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Lesson 88. Learn your agency's true value—It can do much more than just make advertising
Lesson 89. Sugarcoating is for candies—Tell it as it is, and you will earn respect

V*iew from the top*
M*anaging management*
Lesson 90. Don't let there be a leadership void, or your boss will fill it

Lesson 91. The curious case of the Iraqi information minister—Share both good and bad news promptly to build credibility
Lesson 92. Know how to take advice based on the four types of people you will meet

No, *they are not really all out to get you*
Working with other departments
Lesson 93. Row together to move the boat forward—Understand what success means for them and make them part of the solution, not the problem
Lesson 94. Success has many fathers—Be generous in acknowledging others' contributions
Lesson 95. Everyone screws up once in a while! Help fix the issues, don't just blame others

Snafu
What to do when things go terribly wrong
Lesson 96. Call a spade a spade—When things look ugly, total candor is your best friend
Lesson 97. One bad ad doesn't kill a brand or a career—Remember, you have equity too!
Lesson 98. What doesn't kill you makes you stronger—Absorb and share lessons

Healer, heal thyself!
Some parting thoughts for the marketer
Lesson 99. Get a life and you will excel at work—My take on work-life balance
Lesson 100. What stories will they be telling about you? Leave a legacy, not assignment histories
Lesson 101. You can't be a saint, but you can do your part—Genuinely try to improve consumer lives, and equities and sales will follow

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TAKE THE BRAND MANAGEMENT 101 QUIZ!

You've read the book, but are you really ready to take on the real world of marketing? Take this simple quiz and find out for yourself.

1. **What can marketers learn from a gentleman called Vilfredo Pareto?**
   a) Identify the few ideas that are likely to make up the bulk of your growth and focus your energy and resources on them.
   b) Be careful if you're planning to marry a penniless immigrant—she may just run away one day.
   c) The systematic application of econometric tools and principles.

2. **Your competition just introduced a costly new product feature. What could you do?**
   a) Use your existing knowledge and data on your consumer and market to quickly see if it makes sense from a consumer point of view. If it doesn't, ignore it; if it does, see what you could do to counter it fast so you don't lose out in the marketplace.

b) Hope that they're wasting their money.
c) Do detailed evaluation including large-scale quantitative research and wait for the full data to come in before you commit yourself to a point of view.

3. **What comes first in small stores in developing markets—distribution or consumer demand?**
   a) A little bit of both, though to be safe, start demand creation efforts very early—together with, if not before, any distribution effort.
   b) What comes first—the chicken or the egg?
   c) You would need more robust multiple regression data to really establish a causal relationship.

4. **Which of these could you consider in extending a brand across multiple categories?**
   a) Equity fit, the potential to pay back into parent brand equity and your knowledge of what it takes to win in the new category.
   b) How much added sales will it bring? That's what matters at the end of the day, right?
   c) There must be a good model somewhere for looking at such questions; you'd find that first.

5. **Which of these would classify as an appropriate use of the concept of Cascading Choices?**
   a) Listing your spending choices by importance and ensuring you're spending on the most important ones before spending on the others.
   b) Prioritizing getting a cold beer vs. doing this silly quiz.
   c) Using quantitative models to estimate the return on investment of alternative media vehicles and then using optimization software to generate an optimum mix.

6. **What could you learn from the myth of Icarus in approaching pricing decisions?**
   a) Know how high you can go without getting burnt by crossing a critical price cliff.
   b) Next time you want to fly, buy an airline ticket.

c) The importance of getting accurate data before taking any decision. Icarus should never have set out without properly simulating his flight path.

7. **Your agency just presented an idea you don't think would work. How could you react?**
   a) Say that you can't buy it in its current form and explain just why it doesn't meet your specific business needs.
   b) Say tough luck and offer to buy beer in the evening.
   c) Lay out a full analysis of all the positives and negatives referencing existing consumer and market data, and identify further research that may be needed to reach a conclusive decision.

8. **What do residents of ancient Pompeii and marketers sometimes have in common?**
   a) They try and wish away potential bad news till it blows up in their faces.
   b) They drink too much.
   c) They could do with more accurate forecasting models.

9. **Why is developing TV advertising like dating?**
   a) It's all about the importance of making a strong visual impression, having empathy and not being boring.
   b) Everyone claims to do it well, but only a few are any good at it.
   c) Both are about inducing the right mix of rational and emotional responses among a desired target audience.

10. **When is launching a new item not necessarily a good idea?**
    a) When it means adding more items than you can support through marketing or in stores, or when it comes at the expense of cannibalizing your current items.
    b) When it means too much work.
    c) It's hard to say in the absence of some robust pre-market qualification that measures the potential of the new idea to build your business.

Scoring:
Give yourself 10 points every time you answered (a), 5 points for (b) and 1 point for each (c). Add up your scores and use the key below to see how you did.

Your score: _____

70-100 points means that you're ready to take the world of real-life marketing by storm!
40-70 points indicates that you probably need a refresher in some of the lessons, but at least you know the importance of being street-smart in addition to having theoretical knowledge.
0-40 points means that you probably studied pretty hard in college! Theoretical knowledge is an invaluable asset, and never lose it, but do complement it with some of the lessons in B*rand Management 101* to win in the real world of marketing.

BRAND MANAGEMENT "1 ON 1"

You've read B*rand Management 101*, but here's your chance to get "1 on 1" with Mainak Dhar. Write in with your questions on marketing and branding issues, and receive a personalized response from him. Whether it's a tough marketing issue you are dealing with at work, a concept you'd like to know more about, or just a question on some of the lessons in this book, help is just an e-mail away with "Brand Management 1 on 1"!

It's quite simple. Just write in to mainakdhar@yahoo.com.sg with the following details:

a) Your name
b) Where you live
c) What you do
d) Your question

Brand Management 101: 101 Lessons From Real-world Marketing
By Mainak Dhar
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POSITIONING

Advertising may be described as the science of arresting the human intelligence long enough to get money from it.

- Stephen Leacock

As a student of marketing, positioning was something that always fascinated me. In many ways, it was the "purest" aspect of marketing: trying to slot your brand into your consumer's mind in a way that differentiates it from the competition. The strategic choices involved in this are usually the bedrock for all the other elements of the marketing mix. So while it may be impossible to say which "P" of marketing is the most important, it is a pretty easy choice when it comes to deciding which one to start with. In the real world, positioning continues to be one of the most exciting aspects of marketing, due in part to the fact that you are operating in a dynamic context where your competitors are not going to sit back and let you occupy the most desirable position in your consumer's mind. Also, while the basic principles of positioning that you learned in textbooks may still largely hold true, their application in the real world needs to be modified depending on where your brand is in its life cycle. A new launch requires different thinking compared to an effort to grow a large, established brand; similarly, growing a successful brand requires slightly different approaches compared to trying to turn around one that is in deep trouble.

This section of the book will give you some pointers on how you can create a desirable positioning for your brand, defend against competitive moves, adapt to changing market situations, and think about extending a brand's positioning across categories or segments.

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PROMOTION

In the modern world of business, it is useless to be a creative original thinker unless you can also sell what you create.

- David Ogilvy

A strong positioning for your brand counts for very little unless you can communicate it to your consumers. It is tempting to assume that promotion is essentially about making the right media choices, and indeed a lot of textbooks go into this with a fair bit of detail. However, in the real-world marketplace, promotion is much more complex than just figuring out your media plan. It is marketing at its best: part art, when it comes to transforming your strategic positioning to advertising and promotional materials that bring it to life; and part science, in terms of making the right spending and media choices.

In the real world, your messages are not reaching the consumer in a vacuum, but rather are competing for both media and mind space with your competition. Also, in recent years the use of media beyond "traditional" TV-centric models has been part of the staple diet of marketing literature. While it is impossible to discuss each and every media choice, this section will give you some tips on how to choose between some of the different vehicles available for reaching your consumer.

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PRICING

Price is what you pay; value is what you get.
- Warren Buffet

It is amazing the volume of marketing literature that focuses on two of the P's of the marketing mix—positioning and promotion. Admittedly, they are at the core of creating and growing brands, but they are only a part of the story. If you believe that they are all there is to success in a career in marketing, you are likely in for a few nasty surprises. I know of many young marketers who jump into their careers assuming that they are in for a lot of ideation, creativity and advertising. Then at some point in their careers they are hit by the hard reality that they are brand managers, not advertising professionals. As such, their reward system is not based on creating great advertising, but rather on growing their brands on a sustainable basis with a cost structure that allows them to keep investing behind the brand and meet the profit targets set by management. In other words, if you want to be a great marketer, you also need to be at least an adequate businessperson. This means gaining some degree of understanding of aspects of managing a brand that go beyond what is typically considered strictly "marketing work." To do so, you will need to gain an understanding of the other P's of marketing, and one of the critical ones you will face is pricing. Don't worry if finance courses seemed to zoom over your head—my intent is not to transform you into a finance guru, but to highlight some areas where you as a marketer can have a critical role in determining pricing moves for your brand.