Follow the money

'You've gotta be business savvy really, or else you get the piss taken out of you.' -*Melanie B, The Spice Girls*

Too much of the work on branding is still over-intellectual and theoretical, divorced from the reality of business. Leaders need to be more business savvy, ensuring that brand strategy is always anchored on a clear growth objective, and drives concrete actions. This requires a ruthless focus on those initiatives with the best potential to boost 'return on brand investment'.

Too much of the strategic work on brands remains a waste of time and money, full of complicated models and language and divorced from the reality of business. This is shown by the welcome we received when interviewing the CEO of a leading insurance company we were working for recently: 'Oh, you're here to talk about brand bollocks are you?'. Ouch. But why does branding still have such a bad reputation in boardrooms around the world?

Why branding *still* has a bad name Problem 1: Pyramid polishing

Too much work on branding is still spent filling in the boxes of complicated positioning tools. Brand pyramids, onions, keys, beacons . . . there's a shape for every season. These tools create long shopping lists of big, fat words that have little or no practical use to anyone. This approach is also often too backward looking, trying to distil the brand's past rather than looking to the future.

To make things worse, hours, weeks and even months are then spent 'polishing the pyramid': fiddling, word-smithing and polishing the pyramid, or onion, in a fruitless quest to make it 100% perfect. Hours are frittered away debating words or phrases, such as 'Isn't the brand personality more "cheerful" than "happy"?' or 'Our benefit is "excellent taste" not just "great taste" '. Even worse is the debate about which box of the positioning tool a certain word or phrase should sit in: 'Isn't confidence really a higher order emotional benefit, not a functional one?'

Problem 2: Obsession with emotion

Many marketers remain obsessed with 'emotional branding'. They have been seduced by agencies urging them to forget the product 'sausage' and focus instead on emotional 'sizzle'. One example is the Lovemarks approach from ad agency Saatchi, that selects brands where 'Your story tells the world about the emotional connection you have to a product, service, person or place you can't imagine living without.' (1) This is a 'brand beauty contest', with no mention of business growth, profitablity or even proven brand equity. The problem is well summed up by Greet Sterenberg of Research International (2):

At times product performance has almost been ignored – left off the guest list at the branding party. Marketers often treat it as a hygiene factor – essential, but hardly exciting.

Problem 3: Brand ego tripping

Many marketers seeking to stretch their brand into new markets under-estimate the challenge of taking on established Leader Brands, taking teams off on what we call a 'brand ego trip'. This has much to do with the obsession with emotional sizzle discussed earlier, with teams mistakenly thinking that this will be enough to add value for consumers. They forget both the product sausage and the practical business issues of entering the new market, such as the company's capabilities, the supply chain and building enough on-shelf presence in store. These problems explain why at least one half of all these extensions fail. Our book *Brand Stretch* (3) details examples from the over-crowded extension graveyard, such as Cosmopolitan Yoghurt, ***Virgin Vodka*** **(brandgymblog.com)** and Levi's Suits. A further problem with brand stretching can be a neglect of the profitable core business where the brand has a leadership position.

So, what could be the answer to these problems that are giving branding a bad name in the boardroom? How to ensure a more pragmatic and bottom-line focused approach to branding, that concentrates time, people and money on gaining and retaining brand leadership. Well, here it comes. The only three words you need to remember.

-The BrandGym, David Taylor and David Nichols