Management for Professionals

Ralph Krüger
Andreas Stumpf

Brand Growth Barriers

Identify, Understand, and Overcome Them

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“This book shows: Outstanding brand management isn’t rocket science. It can be implemented for any brand using the systematic and, above all, logical BGB Model. The authors have repeatedly convinced us of this, not only in the book but in practice, too!”

Oswald Barckhahn, Managing Director, Pepsico Deutschland GmbH

“A very convincing book that is highly relevant for everyone involved in managing brands.”

Alfredo Flores Pachón, Global Head Marketing & Communications, Private & Business Clients, Deutsche Bank

“Refreshing, provocative, inspiring and – above all – convincing! A model whose use will prove worthwhile for every brand!”

Ulli Gritzuhn, Business Head Europe, Nestlé Infant Nutrition

“To grow strongly in the present market environment, brands must use sophisticated techniques. Effectiveness and efficiency are equally important. An excellent book with valuable suggestions!”

Thomas Ingelfinger, Managing Director, Beiersdorf Italy

“Brands are positive prejudices in the hearts and minds of customers. These positive prejudices are incredibly powerful. They ensure that customers include a brand or its products in their relevant set or even make it their first choice when they consider a purchase. Brands that succeed in becoming first choice in the hearts and minds of customers have already won about 50 % of their market share. This is confirmed by many data at Bosch. Ralph Krüger and Andreas Stumpf start from that insight. With a high level of practical focus, they show what companies need to do for their brands and products to become first choice. This book is a sound practical manual on how to succeed on the market.”

Rainald Mohr, Senior Vice President Brand Management and Marketing Communication, Robert Bosch GmbH

Introduction: Something to Look Forward To

Why Write a Book About Brand Management?

Enter the term "brand management" in Google, and you see some 105 million entries – an incredible number of books, articles, forums, websites and presentations. But despite all the theories, models and methods available, brand management remains an activity that is relatively difficult to structure, measure and control. When was the last time you were able to accurately predict the impact your campaign had on your market share, or determine your return on marketing investment reliably? This lack of control is very dissatisfying because the impact brand management will have on sales and net income is important to you – whether you're a board member, marketing manager, sales head, controlling professional or provider of marketing services.

For brand management to drive sales and profits successfully, its design and implementation must be perfect and build your brand reliably. In the business-to-consumer (B2C) markets, this has been understood for some time, but strong brands now play an increasingly important role in the business-to-business (B2B) markets as well. A brand can reduce the purchase decision risk for customers – a factor that matters, especially in the case of investment goods. Having a brand enables B2B suppliers to charge higher prices. And strong brands can sustain companies even during a crisis. That applies both for B2B and B2C brands. A brand's image can overcome the widespread focus on price among potential customers in periods of economic strain. Even savings are easier to implement with a strong brand because it will weather budget cuts for some time, whereas weaker brands have little to sustain them.

In other words, being able to plan brand growth and build your brand systematically is essential to corporate success. To do so, brand management needs a comprehensive, clear and practicable model – a model that defines and controls all your marketing activities, your investments into the brand and the expected benefit in terms of sales and market share. Such a brand management model is indispensable, and yet not easy to find. And that's why many clients keep asking us to provide them with a comprehensive but simple method for the direction and control of their brand management activities.

Targeted Brand Growth Instead of Growth by Chance

Clients often say that a certain degree of control is possible in individual brand management areas. After all, they do have enough experts for brand maintenance, design, concepts, innovations, communication, packaging, point-of-sale (POS) or customer loyalty. They also see enough data to verify that individual activities have worked. What they usually lack, however, is an overview of all brand management challenges and of the contributions individual activities make to the brand's overall development. Companies inevitably apply piecemeal solutions which do not add up into a coherent strategy and therefore provide little focus and even less impact. Without a comprehensive strategy, leading a brand to sustained growth is either enormously difficult or simply happens by chance.

It's like when you try to get maximum speed out of your sailing boat and still sail in the right direction. It can certainly be done, but you need to set all those different sails in exactly the right position. You'll only achieve top speed and sail where you want – not where the wind wants to take you – if all sails are set perfectly to exploit their maximum potential.

So how do you determine which are the right sails and settings? How do you take the right brand management decisions? Some people believe that brand management should simply follow good instinct. But market research professionals see how little weight initially promising brand positioning and communication concepts often carry in the target group. They know how misleading gut instinct can be. The plain fact is that a company that doesn't listen to its target group is likely to land a market flop. Mere gut instinct can only achieve brand growth by luck. This can't really be satisfying for either brand managers or CEOs.

Other people claim that brand management is a tremendously complex thing. That, too, is a fallacy. In fact, brand management is simple if you follow a coherent system which ensures that the best decision for your brand is taken at every step along the road. Simple steps, one following from the other, that lead to logical strategies and activities are all you need.

Simple and logical brand management can supply a company's executives with straightforward and logical information as well. This is vital if the board is to take informed decisions about brand and marketing strategies. However, more often than not, executives who are not involved in day-to-day marketing and sales, but still need to take those decisions, are inundated with barely comprehensible data or pseudo-facts. At this point, it becomes clear that something must surely be wrong. If marketing and sales followed a clear and logical process from the start, the results should be quite comprehensible for "outsiders" too. If anything is not 100 % intelligible at some point in the brand building process, management is entitled to ask questions and to ask them until every strategy and activity is truly easy to understand. In some cases, that may mean having to start all over again. To make it easier for management to ask the right questions, we have listed several at the end of some chapters in this book. They can be used to shed more light on your brand building process and its potential flaws.

This book offers far more than good questions for executives, of course. It provides the professionals in marketing and the associated areas also responsible for brands (e.g. sales) with the tools they need in order to make brand management as straightforward as it should be. They, too, need to be able to pursue the strategies and activities derived from a professional brand management plan consistently, without being brought offtrack by erroneous or whimsical arguments. This happens all too often. After months of work and multiple tests with the target group, the results are presented to the board. Someone perks up and says, "You know, my wife had an interesting idea last night too. Why don't we . . .?" To avoid being blown off course by suggestions of that kind, those in charge of marketing and sales must be able to present their strategy confidently and convincingly. Questions and answers at the end of some chapters in this book may provide some support and inspiration in that regard. They can be used as a checklist to make sure that all strategies and activities are focused on growth and that no opportunities for growth are missed out.

Whether you're a decider or a doer, you need a brand management model that delivers the desired results. It needs to guide you in taking the right decisions in all key areas – your business strategy, target group, growth potential and brand positioning – and ultimately lead you to winning customers and achieving your business objectives, and all that in a way that is both simple and saves time and effort.

This book presents such a model. The first chapter introduces you to a number of examples of successful brand management to whet your "appetite for more". The second presents the main challenges in brand management and the requirements a superior model must fulfil. Chapters 3, 4 and 5 then explain the entire brand management process based on our Brand Growth Barrier (BGB) model showing how to (i) identify, (ii) understand and (iii) overcome brand growth barriers. The book ends with a presentation of the methods for growth forecasting and controlling in Chap. 6.

You're in Good Company!

Whether we're talking about Bayer, Beiersdorf, Bosch, Deutsche Bank, Pepsi, Stabilo or Wrigley, every client had a goal and hence a fundamental question: *How can we lead our brand to more growth – in a way that is targeted, controlled and consequently sustainable?* That question formed the starting point of many successful consulting projects in the field of brand management based on our *Brand Growth Barrier* model. What they achieved were well-founded strategies, comprehensible recommendations and – above all – measurable market results. At the request of clients, these projects also led to the development of the extensive brand management seminar series AMC BrandAcademy, which consists of several consecutive marketing, market research and sales training sessions.

We have now brought together our experiences from these projects and seminars to present our model for growth-oriented brand management to you in detail.

The book includes a wide range of examples from our consulting activities. After all, it's meant to be not just helpful but also a good read. This book is not a scientific treatise on brand management but a compact, hands-on guide in the "art of growth-oriented brand management". If you have a clear idea of your future brand management approach after reading it, we will have done the job we set out to do.

Frankfurt, Germany
January 2013

Ralph Krüger & Andreas Stumpf
AMC – Agency for Brand Growth

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Chapter 1
The Wonderful World of Growing Brands

Stirring up the power within
Joseph Murphy

1.1 Brand Management as a Growth Booster for Your Company

There are only three ways a company or its brand can go: up – growth; down – decline; neither nor – stagnation. And only one way satisfies everyone involved, especially owners and shareholders: going up, i.e. achieving growth. Theoretically, the sky's the limit in terms of growth – you can always grow more. Even in economically hard times, you need to strive for growth because, sooner or later, you'll have cut all the costs you can. The only other lever with which to increase profits is growth. So it's all the more important to use that lever and create new growth – especially with the help of your brand. Even in a period of crisis when many potential customers focus on price, a strong brand can overcome that barrier and revive sales, turnover and profits.

But how do companies and their brands manage to generate growth time and time again – be it in sales, turnover or profit? The theory is simple: by selling as many products or services as possible at the highest possible price – and by minimising costs. How do you turn that theory into practice? One of the ways successful companies do this is by investing in strong brand management.

This is not just a question of marketing alone. The effects of consistent brand management extend far beyond into other corporate divisions like sales or research and development. But let's look at marketing first.

1.1.1 Brand Management Boosts Marketing

To focus all marketing resources on brand growth, brand management oversees all fields of marketing. Without such guidance, it is very easy to find yourself working with the wrong target group, asking the wrong questions in market research, sending an ineffective message in your communication work, or using media inefficiently. That way, you will at best keep your brand alive. You certainly won't make it grow. Marketing will only achieve brand growth if brand management influences and steers

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every aspect of marketing, so that all activities work towards the same growth objective and everyone is pulling together. It's not hard to be inspired by such a collective drive. Brand managers at PepsiCo in Poland were highly motivated once everyone had tuned into the same idea about what needed to be done in brand management. They started to look for unused growth potential in one brand after the other. Whether it's Pepsi, Lays, Lipton Ice Tea or Cheetos, one of the main tasks of brand management today is successfully detecting and overcoming growth barriers.

1.1.2 Brand Management Boosts Research and Product Development

R&D should ideally also not research and develop independently, but be inspired by brand management – e.g. by receiving information about the unfulfilled desires of a brand's target group. After all, what R&D develops needs to sell well. It must satisfy demands that are not yet fulfilled. How should R&D know what those demands are and which product features really matter? That information is mainly available to brand managers because they need to know the target group inside out. It would be a waste of knowledge if R&D didn't receive the target group information generated by brand management.

The manufacturer of an adhesives brand repeatedly had trouble marketing innovative products successfully. There was no shortage of new products, but sales were difficult to boost. This was so at least partly because innovation had been driven almost exclusively by R&D for years. Products that appeared exciting were developed – sometimes unplanned – and then presented to marketing. In some cases, the innovation generated a healthy sales boost. But not every innovation was easy to market. For instance, it was not clear to consumers what reusable adhesive tape is actually good for. So marketing had to work out a sales concept for the product afterwards. In other words: the product was forced onto the target group. It became clear that this approach was not sustainable and certainly not likely to generate growth. A new process that allowed brand management to inspire R&D based on real demand was needed. It had to involve R&D, marketing and sales. The role of marketing and sales was to be analysing relevant trends and themes for innovation, discovering new, exciting segments and investigating potential for the brand. The role of R&D was to be informing and inspiring marketing and sales with what was technically possible in product development, to then jointly develop innovative ideas in the given field. This is the only way a company can pursue targeted innovations that are not to become a mere niche product, but an important source of sales. The aim is to produce products that address a sufficiently relevant demand in the target group so that a price policy that reflects the innovation becomes feasible.

1.1.3 Brand Management Boosts Sales

Thorough target group surveys are often the best method for identifying why you have a sales problem. It's easy to see when sales are no longer satisfactory in a particular channel. But you can only discover the reason for that by studying the target group's purchasing process in detail. And that is one of the key tasks of brand management.

The producer of a cough medicine was unhappy with its sales. The product contained a tried and trusted active agent and should have sold much better. Detailed studies among pharmacists provided an explanation. They identified two main reasons why the medicine was rarely recommended. Firstly, many pharmacists had received insufficient information about the product's advantages. Secondly, the pharmacists that did know about them did not communicate them to customers convincingly. Competing brands provided pharmacists with simple, but effective sales "stories", i.e. punchy, convincing sales arguments that worked in customer advice. So the company's marketers joined forces with pharmacists to develop a sales story that quickly convinced "test patients" of the benefits of their cough medicine. The core of the story was that the actual problem was not just the cough, but also the clogged air passages caused by the formation of mucus. Unlike competitor products, this cough medicine not only counteracted the acute cough, but also prevented it in the long term by working in three ways: (1) It removed mucus. (2) It reactivated the natural self-cleaning system to remove mucus. (3) It protected against the formation of new mucus. So the cough medicine had a catchy sales story with the claim "1, 2, 3 and you're cough-free". These sales arguments were communicated to pharmacists – both in personal meetings and information material. The pharmacists were taken on board and became allies in improving sales.

Strong brand management acts as a company's growth booster and drives the different corporate divisions forward:

Brand Management Drives Marketing

Brand management ensures that marketing is fully focused on transforming the brand into a true sales driver.

Brand Management Boosts Research and Product Development

Brand management uses precise knowledge of target group behaviour and unfulfilled needs to drive new and further product development.

Brand Management Boosts Sales

Brand management uses precise knowledge of the target group's purchase decision process to exploit sales potentials.

1.2 Brand Management Must Be Given Top Priority

As a growth booster for companies, brand management should always involve the CEO. Even if the strategies and activities are mainly the job of the marketing department, controlling them and their results should always be a key topic for the management board, involving the board in all important marketing decisions. At the very least, the board should be informed continuously about brand management strategies and activities to be able to question them in good time. Surprisingly, in many companies this is not the case. Some corporations still believe they can do without a chief marketing and sales officer (whose responsibilities include controlling brand management). Some even believe they can work completely without brand management. Yet in almost every company, there is a correlation between corporate growth and good brand management. Later in this chapter, some examples will show that this applies not only to those with "classic" brands.

Companies that recognise the importance and potential of good brand management invest in it and are deservedly successful. Despite the economic crisis, heavy competition, saturated markets and a "best-price" frenzy, they have managed to achieve growth with and for their brands. There is no fixed formula for growth, as the success stories of Jägermeister, HiPP, DWS Investments, and McDonald's, show, all of which are described below. But as different as their brand management activities were, they were always based on similar principles and led to stronger growth.

To start with, the companies described below asked the most important question: "Where is growth to come from?" They found the right answer for their respective situation and – above all – steered all resources into that direction.

The most important question you need to answer first if you want to succeed with targeted brand management and boost growth is: "Where is growth to come from?"
Sustainable growth is possible only with the right focus.

1.3 Where Exactly Is Growth to Come From?

Basically, there are two major sources of growth, and they can be broken down into a choice of eight growth strategies:

Grow with what you have	***Grow with new things***
▪ *Penetration*	▪ *New products/services*
▪ *Conversion*	▪ *New segments*
▪ *Loyalty*	▪ *New markets*
▪ *Frequency*	▪ *New countries*

Every marketing manager applies at least some of these strategies. But often there is no clear focus on one or two of them – although it's quite impossible to pursue them all successfully at the same time. For a start, depending on your strategy, the message to your target group will differ fundamentally. The target group, by the way, are the people from whom you expect more growth, i.e. future sales. It is not to be confused with your existing customer base (though it may be part of your target group!). The target group is best described as the "growth group". A specific target group always needs a message aimed exclusively at this group, depending on their current behaviour and how you want to change it. People who have never used a highlighter before (penetration strategy) require completely different arguments to be convinced of using one compared to those who already do use highlighters but prefer competitor brands (conversion strategy). The former must first understand the advantages of using a highlighter (e.g. faster reading, better learning). This information is irrelevant to existing users who must be told why this highlighter is better than others (e.g. lasts longer or doesn't dry out). If you try to pursue too many strategies at once, you will make many compromises to address all your different target groups. So you often end up with a shallow message that achieves nothing – no reaction in the target group, no additional sales, no growth. In certain situations, you can pursue a primary and a secondary strategy, but in most cases it's better to focus on just one.

At this stage, it's "back to basics" and time to think again about which strategy you really want to pursue, i.e. which promises the greatest growth. It's important even for experienced brand managers to review and question their choice of strategy regularly – especially before major brand investments.

1.3.1 Penetration Strategy: The Cake Gets Bigger

Penetration means gaining non-users of the category as first-time customers. This strategy is most popular with market leaders, since they generally benefit most from new users. The reason is that a new customer in a category – for example a parent who buys a child seat for the car for the first time – is not an expert, especially regarding particular product functions and characteristics. Young mums and dads are therefore drawn to the market leader because that makes a complex decision as easy for them as possible. The logic is: I can trust a company that has already satisfied countless parents.

Generally, the entire baby market is a classic penetration market for market leaders. Few markets make it so easy to address the target group directly and efficiently. The time when a potential new customer enters the market can be predicted accurately: with the birth of a child. The target group is also easy to reach: on internet platforms and forums on all aspects of pregnancy and birth, in hospitals themselves and through midwives, paediatricians and any form of official "mums-get-togethers". Welcome packs around the time of birth are especially popular. Pampers used such campaigns as part of its penetration strategy. The data showed that loyalty to Pampers was more than 50 % higher if mothers were convinced to buy Pampers right after birth when still in hospital.

> ***Growth Through Penetration***
>
> *The target group has to be convinced to buy a specific product category for the first time.*
>
> *Gaining non-users of the category can be an especially promising strategy for market leaders.*

Next, brands that are not chosen immediately by new users entering the market for the first time (or only to a limited extent) can consider the conversion strategy.

1.3.2 Conversion Strategy: What's Yours Becomes Mine

The conversion strategy targets users of competing products and brands. This strategy is especially attractive for brands with low market share, since the potential target group is larger than the own user-base. The conversion strategy is easier to pursue if consumers have no particular reason to reject your brand and if there is a certain general openness to switching brands.

Jägermeister – an international spirits brand from Germany – chose to focus on a conversion strategy in the past in order to achieve growth. A declining customer base and increasing competition from lifestyle drinks like Bacardi, Smirnoff and others led Jägermeister to take drastic steps to ensure the brand's future growth. To stop the downward trend, Jägermeister decided to rejuvenate its somewhat outdated image and expand its customer range.

Until then, the traditional brand had users in the middle-class 55 + age group who could no longer provide the sales potential for the planned growth. Studies showed that male consumers of competing brands between the ages of 18 and 39 seeking self-fulfilment and entertainment presented a promising new target group. So Jägermeister had to find a way of addressing this group without putting its existing consumers off with this new brand positioning. Jägermeister's brand managers found the right balance between consistency and innovation in relaunching their brand. Its core qualities flavour, social consumer experience, brand iconography (namely the green, angular bottle with its stag-and-cross logo and dominant orange colour) as well as "self-confident humour" were retained and complemented by new elements in positioning and communication. The image of a "wild party brand" was established in the minds of potential consumers. The funny talking stags Rudi and Ralph in the TV spots surprised viewers, allowing the traditional brand to reach a new target group while preserving its traditional value of “humour”. The new claim “WARNING: WILD” communicated youthfulness and individualism, along with the desire to break the mould.

More than 400 promotion ladies descended on bars, clubs and beer gardens to increase awareness of the “new” Jägermeister. These activities were complemented by extensive promotion campaigns at the point of sale, the TV format “Jägermeister WildShopping.tv” with merchandising and, last but not least, event campaigns like the concert tour “Jägermeister Rock: Liga” and open air “Orange Events”. All resources were focused on the task of “brand growth by conversion”. This coherent strategy and its consistent implementation were a resounding success. According to surveys, consumer behaviour did change as intended, and growing numbers of consumers said they drank Jägermeister at parties. The brand managed to shake off its antiquated image. Hard facts confirmed this upward trend: In 2006, Jägermeister sold 76.5 million 0.7 l bottles, representing a 15 % sales increase worldwide. The strongest growth was achieved among 18–29 year-olds. Consistent brand management enabled Jägermeister to reinforce its position as the biggest selling German spirits brand by far on the international market.

Growth Through Conversion

Consumers of competing brands have to be convinced to switch to your brand.

Winning consumers of competing products is often a promising strategy – especially for brands with low market share.

DWS Investments, too, opted for conversion when the market for financial products contracted after the dotcom bubble had burst: Net cash inflows shrank from over € 60 billion in 2000 to less than € 10 billion in 2004. That slump was accompanied by rising competition from new sales channels. DWS Investments now had to sell its investment funds also outside its parent group Deutsche Bank and beat external competitors in Deutsche Bank branches to achieve further growth. In the “years of plenty” before 2000, strategic brand management had not been a priority at DWS Investments. The negative effects were a lack of distinction from competitors, unsystematic brand portfolios and a muddled corporate design. As the competition in a shrinking market intensified, the company had to convert competitor customers to win new business.

DWS Investments recognised the need to act and took steps to establish a brand management function that helped the brand grow in a shrinking market. To underpin its value proposition as a high performance, trustworthy brand, a new positioning was developed and introduced with an advertising campaign, logo redesign and new claim, along with a uniform corporate design throughout Europe. Based on in-depth knowledge of the target group, DWS Investments developed communication that presented the brand as a competent, high-performance partner for customers and their financial investments. This enabled DWS to distinguish itself from its competitors. While the competition experienced a considerable image weakening, DWS made good advances in likeability, trust and loyalty far above the industry average. So, despite the recession, DWS increased both its market share and its lead over the company's nearest competitor.

1.3.3 Loyalty Strategy: Together Forever . . .

The loyalty strategy aims at keeping the customers you have and increasing their loyalty to achieve a targeted increase in their share in sales. The aim is to turn people who are already satisfied with your brand into true fans who would never consider a different brand in future. This strategy is especially effective for brands that already have a large user-base since the potential target group is then quite large. If these current users also choose other brands in addition to yours, there is sufficient growth potential to be realised by convincing them to cover their entire demand with your brand.

One brand that can hardly do without the loyalty strategy is McDonald's. In Germany alone, 75 % of the population visit the famous fast food chain. Alternative strategies such as penetration (gaining people who don't eat fast food) or conversion (gaining people who eat fast food, but haven't yet been to McDonald's) are therefore unprofitable since their comparatively small size means they offer little potential.

The claim McDonald's has used for years, "i'm lovin' it", already aims at loyalty. Guests should not just like the brand and its products – they should love it and become true fans. To turn a customer into a fan, every visit must be a positive experience. That's not easy if you have such a wide range of customers – school kids, students, singles, couples and families from all sections of society and with a wide range of lifestyles. McDonald's tries to design its restaurants to permit all these people to find something that relates to them and meets their expectations: burgers, salads, wraps, coffee and cake, high-chairs, play corners and leather sofas. It's not easy to find the right balance and often, the pendulum swings too far in one direction or the other. But overall, the brand makes an effort to offer every guest an experience that is perfect for (and expected by) that individual.

But fans also want something new and exciting at regular intervals. McDonald's therefore launches a variety of campaigns – from specials like the "Mexico Weeks" or "America's Biggest Macs" to the well-known Monopoly game, collectable glasses, new toys in the Happy Meal box or the "My Burger" social media campaign.

So business grows steadily, despite the trend towards organic and health food and despite the economic crisis. For the moment . . . The question is: Will a continued crisis lead to people eating out less and preferring home cooking? It may become necessary for McDonald's to defend frequency, i.e. prevent people from generally eating out less often. That leads us on to the next strategy – increasing frequency.

Growth Through Loyalty

Your own consumers have to be convinced to cover more of their demand with your brand, reducing the use of competing brands alongside yours.

Increasing the loyalty of your own customers is especially suited for larger brands with customers that are not particularly loyal.

1.3.4 Frequency Strategy: Always and Everywhere

This growth strategy aims at making those who already buy your brand use and buy it more often. There are two ways of doing that: You can describe the advantages of using your brand more often in the way they already use it. One example would be to encourage the target group of a toothpaste brand to brush their teeth three times a day instead of twice. That would increase toothpaste consumption by no less than 50 %. Alternately, you can present entirely new situations for using the brand, for instance using a paper towel not just for wiping in the kitchen, but for cleaning in the whole house, the car, or as an underlay when preparing food, etc.

Another example is mineral water. How do you get a target group to buy and consume even more bottles? You encourage them not to leave their home without a bottle of water and drink as much as possible as often as possible. Especially when out and about, water consumption expands from the occasional glass at work or in a café to constant drinking from a bottle – in your car, on the bus, while walking, at your desk, while shopping etc.

Growth Through Frequency

Consumers in the category – especially those of your own brands – have to be convinced to use and buy the product or service more often.

If this choice of four growth strategies still does not offer enough potential to achieve the intended growth, you need to bet on “growth with something new”. That generally requires considerably more resources – which is why you should always try to grow with what you already have, first. In fact, that is often not done thoroughly. Instead, innovations are incessantly called for. If they can be developed and marketed successfully, growth leaps are possible. But they are rare.

1.3.5 New Products/Services Strategy: The First, One and Only

This growth strategy is based on innovation. It is often used, although it requires considerably more time and resources than the standard penetration, conversion, frequency and loyalty strategies. But who doesn't want to be innovative and benefit from the potential true innovation can offer?

One brand that achieved targeted growth through new products and services is Volkswagen. For a long time, life was very easy for the brand on the Chinese market. Until 2001, when the market had not yet opened up, the "Santana" was the leading western car in China. Demand quickly exceeded supply – that was money waiting to be made. VW had an easy time and achieved a market share of 50 %.

But the following statement by the humourist and showman Will Rogers also applies to VW in China: "Even if you're on the right track, you'll get run over if you just sit there."

After China joined the WTO, the challenge to VW's brand management arrived in the shape of 50 new car brands and production over-capacity of 40–50 % in the industry. Between 2001 and 2005, VW's market share slumped from 50 % to 17 %. So, the company had to pursue a new growth strategy – which in the case of VW was "new products".

The objective
1. To sell more cars in 2006 than in 2005,
2. To stabilise the continuing decline in market share, and
3. To become profitable again.

To do so, VW focused on an "Olympian" five-point programme – in reference to the five-ring Olympic Games logo. The programme was based mainly on new models, followed by four other supporting elements: product costs, branding and positioning, sales and marketing and synergies and structure.

At the time, eight out of ten customers in the category were first time buyers. Since they couldn't have developed any customer loyalty, price initially played a major role. To avoid a price war, a clear preference for the VW brand and its models had to be established. It was achieved, first of all, by the new positioning as a "high performance limousine made in Germany" and, secondly, with new models that addressed the needs of Chinese buyers more effectively. Compared to Germany, the Chinese market prefers a more masculine design. Chrome, rear seat leg-room and leather-wood combinations also play an important role. Qualities like modernity, performance and excellence are well received. But more economic, simple models also have their buyers. The target group requirements therefore not only differed from those in Western Europe, but were also highly diverse.

Consequently, a whole series of successful VW models were introduced in China in the following 2 years – including the Chinese Passat "Lingyu", the "Sagitar" and the two Polo versions "Jinqu" and "Jingqing".

By September 2006, the focus on new target-group oriented products had raised sales by almost 30 % compared to the prior year. Market share stabilised and VW climbed out of the loss zone.

Growth with New Products/Services

Almost every company has an innovation process aimed at developing new products or services. This strategy generally requires more resources than those described before. But it is feasible if the new products/services can achieve growth you cannot get with what you already have.

1.3.6 New Segments Strategy: Small Brand Expansion

With this strategy, you don't move far from your core business. You expand your core competence to exploit the potential of neighbouring segments. In most cases, this strategy will require more resources than the four strategies in the field "grow with what you have", but possibly less than investing in completely new markets or countries. This strategy works especially well with brands that have a clear positioning they can use in the new segment. One classic example is NIVEA, which used its core positioning – gentle care – excellently to expand into neighbouring segments such as hair care, shower gel or body lotion.

This strategy can also be interesting even if you are not a large and established brand, as the example of the "Deutsche Kammerphilharmonie Bremen" shows. The Bremen chamber orchestra combined two strategies to overcome critical indebtedness: conversion and new segments.

This happened when Albert Schmitt, who had played as a bassist in the orchestra for many years, became its director. He was not only a master of his musical instrument, but also good at management and marketing, transforming the Bremen chamber orchestra into a brand. In addition to organisational units such as marketing, PR, fundraising and controlling, Schmitt developed the orchestra's positioning based on its record and competence. The orchestra communicated its distinctive qualities (e.g. a repertoire from Baroque to contemporary music, both in highest quality and with an experimental slant) very deliberately using visually distinctive features. A dress code was defined, and the entire orchestra bowed after the concert – which is usually the privilege of the conductor and soloists. Not only during the concert itself, but also in media communications, this consistent and distinctive image served to develop the brand: And that was a clear advantage compared to many other orchestras.

A consistent effort also went into expanding the portfolio and addressing new target groups. New segments such as open-air concerts and collaboration with other artists like the children's songwriter Rolf Zuchowski acted as a bridge to new listeners. Here, the chamber orchestra used its improved positioning and prominence in the field of classical music.

What works for more conventional brands also worked for this orchestra: Sustained brand management and a targeted growth strategy were successful. While other ensembles felt the pinch of a shrinking classical music market, the Bremen orchestra celebrated two sold-out subscription series and a waiting list for a third series of concerts. That the Bremen chamber orchestra self-funded 60 % of its budget, compared to 90–95 % subsidies for other orchestras, can also be regarded as the positive result of consistent brand management. The orchestra also used its strong brand identity successfully to establish an advertising value of € 3.5 million for the City of Bremen, which was only surpassed by the football club Werder Bremen, with € 5.5 million.

Growth in New Segments

Growth is achieved by extending a brand's core competence to a neighbouring segment. This strategy works best for brands with a strong, clear and stable positioning that supports the new business.

1.3.7 New Markets Strategy: Big Brand Expansion

With a strong brand, it's possible to expand successfully not only into neighbouring segments, but also to completely new markets. But the same rules apply as for new segments: The advantages of the existing brand's core qualities must be plausible and convincing in the new market too. If not, it is more advisable to develop an entirely new brand for the new market to avoid credibility problems. Would you immediately buy baby care products from Marlboro? Presumably not. But you would from the international baby food brand HiPP – after all, HiPP has long stood for top quality baby food and therefore has excellent knowledge of what our little ones need.

In view of increasing competition and a shrinking core market caused by declining birth rates, HiPP's management decided to seek new growth opportunities at an early stage. The promising strategy of the company's managing director was: "To succeed as a medium-sized company on the food market, you have to do things that others can't or won't do – and do it well and fast." The brilliant idea for boosting growth was to transform the mono-brand HiPP into an umbrella brand for the new sub-brand Babysanft in the baby care market in addition to the core baby food business. In pursuing the "new markets" growth strategy, the company could build on the strength and competence of the HiPP brand. But a well-known brand is not enough to be successful in a new market – especially if the competitive pressure from other established brands like Johnson & Johnson, is so high. The key to success was the positioning for HiPP baby care products, which picked up on the core brand qualities of HiPP (top quality, healthy and safe products with the best ingredients) and underlined that with the idea "For the most precious thing in life" with target-group related arguments (pure and clean, no allergenic additives, produced with care). The credibility of HiPP's competence in the new field of baby care was confirmed by the "very good" quality appraisal awarded by the German eco-consumer association Ökotest for all HiPP baby care products. Communication in trade and consumer magazines and on TV established that positioning consistently: A mother and child visualised protection and softness; the focus was on creams and care products to increase awareness of the new product category. Klaus Hipp also personally vouched for the quality and safety of the products in a baby care commercial. In addition to standard advertising, HiPP used direct marketing to introduce the new product category, for instance handing out HiPP care sets to mothers while still in hospital. This addition of the loyalty strategy for HiPP baby care laid the foundations for future growth of the expanded brand. Presumably mothers who tried HiPP baby care in the first days after birth would remain loyal to the brand.

HiPP baby care was rapidly accepted by consumers and became an established player in the baby care business. The market figures confirm its success: Shortly after launching the campaign and 6 months after its introduction, the brand already had a 5.4 % share of the market. The aim was then to consolidate that very good starting position and establish the new brand in the long term – using classical growth strategies (grow with what you have).

Growth in New Markets

As when expanding into new segments, the core competence of the brand is also used to open a completely new market. Even more so than in new segments, the brand's positioning must be communicated credibly in the new market. Otherwise, it is more advisable to grow by introducing a new brand.

1.3.8 New Countries Strategy: The Great Unknown

Finally, there is the option of achieving growth by moving into new countries. This subject alone could fill entire volumes, but is only addressed briefly here to round off our account of possible growth strategies. It quickly becomes apparent how much effort this strategy requires. But if the expected growth warrants the required investment, there is no reason not to pursue it. Success is difficult, however, simply due to the complexity of the entire process and the involvement of many different departments and partner companies.

Marketing also has to master entirely new tasks when implementing this strategy. A classic example is IKEA. Even this furniture company, which successfully implemented a growth strategy in new countries countless times, initially had to fight hard in some. For instance with vases that some Americans regarded as rather expensive drinking glasses. American customers also had to get used to the store's DIY philosophy.

But if brand managers prepare very carefully and learn all there is to know about the new market and especially the new target group, there is every chance of success in a new country – at least as regards launching the brand. Success can even go as far as convincing the target group that the brand is national or local and worthy of great trust. The care brand NIVEA achieved that abroad. Time and time again, consumers in many countries believe that NIVEA is a local brand. One of the reasons is the constant adaptation of the brand's products and advertising to local conditions. For instance in some Asian countries, NIVEA has whitening products, because it's attractive to have a lighter "whiter" skin there. So you won't find any NIVEA self-tanning lotion, as available in other countries, in the "whitening countries".

Regardless how successful the start in a new country is, you must never forget that the brand must then also use the strategies of "growth with what you have" – penetration, conversion, loyalty and frequency.

The above examples show that brand management and brand building with the aim of generating growth is not only important to traditional brand products like Jägermeister or HiPP. Brands naturally include service providers (UPS, Deutsche Bank), investment goods or product components (Bosch, Intel), people (Sean Connery, Roger Federer), characters (Harry Potter, Hello Kitty), destinations (Disney World, Taj Mahal), institutions (Harvard, Red Cross) and media (BBC, MTV). All have one thing in common: Their managers must determine which growth strategy promises the best results. Some strategy options can quickly be discarded. But often there are three or four remaining options that could be feasible in theory. The Brand Growth Barrier Model presented in this book will show you how to select and design the strategy that promises maximum growth.

In addition to focusing on one (or at most two) growth strategies and the growth they achieved, the brands presented in this chapter also have another thing in common. Whether spirits, baby products, cars, financial services or orchestras: All these products and services are regarded as brands by their managers. And their targeted management is recognised as a competitive advantage that pays off financially. If a brand is viewed in isolation with no connection to corporate strategy, on the other hand, brand management activities quickly fall victim to short-term bottom-line targets. They are then regarded as cost drivers rather than investments – especially in periods of economic fragility. But to be successful in our period of product inflation, perceived brand or product parity, information overload and increasing trading power, companies must view their brand as a value creator. Studies show that developing strong brands is worthwhile and that brand value is a major component of corporate value. Strong brands generate almost 2 % higher than average shareholder returns, while weak brands are 3 % below average.

If we've managed to whet your appetite sufficiently for brand growth, sit back, read this book and be inspired by our model to give your brand management a new growth-oriented style.

Chapter 2
Requirements of Growth-Oriented Brand Management

Go home and weave a net, instead of diving for fish in the pond
Chinese proverb

Before looking at the Brand Growth Barrier Model and its advantages, we need to understand the flaws in today's popular approaches to brand management. This will help us identify the key requirements a model for growth-oriented brand management must meet. Several ideas presented in this chapter will strike you as new and inspiring. Some you may have thought about already, but not found a satisfying solution yet. If you come away from this chapter with the impression that your brand management challenges are even bigger than you thought – that's fine. You will find answers to your (new) questions in the next chapter.

One thing is certain: Only brand management that is both effective and efficient will lead to targeted brand growth. And, of course, that's easier said than done. During the past 10 years of working as consultants, we never met a single brand manager who was entirely happy with the effectiveness and efficiency of his or her brand leadership. In fact, most of them were looking for better methods and solutions in at least one of these two points.

2.1 Effectiveness: Doing the Right Things

2.1.1 Exactly What Effect Do You Want to Achieve?

Everyone agrees that brand management and the activities it involves need to be effective. Surprisingly, however, only few brand managers know the precise effect or change they want to achieve. The reason is often a lack of clear facts that would show which brand management problem currently needs to be addressed most urgently and which effect solving that problem should have – especially in terms of brand growth. Is the aim to increase brand awareness? Or is it more important to enhance brand positioning? Do you want to enter the relevant set of new target groups? Or should you concentrate on developing a customer loyalty programme?

R. Krüger and A. Stumpf, *Brand Growth Barriers*, Management for Professionals,
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Without a clearly defined effect – a specified target – there can, however, be neither a plan nor effective activities. Because depending on the desired effect, the strategies and measures will be different.

Important Questions to Ask

- *Which target is your brand management currently focused on?*
- *Are you sure that reaching it will lead to the greatest possible growth?*

More often than one might expect, the marketing plans for the current year are astonishingly similar to those of the past. A former marketing manager of a well-known diaper brand recalls: "Last year's plan was changed a bit and adapted to the current product range. And that was the new marketing plan." With a bit of luck that may be sufficient to defend and hold your market position. To achieve continuous and planned new growth for a brand, however, you need to do more.

Of course, you don't have to keep reinventing the wheel. But just repeating what's been done before will not achieve anything truly new – no effect that will differ from last year's and no additional growth. And if others are doing their job properly, your standstill may even mean you regress and are overtaken by your competitors.

Important Question

- *Was the latest marketing plan based on an up-to-date target, or was it based largely on last year's plan?*

Several years ago, that was the situation faced by the brand Aspirin – or more accurately the traditional 05 Aspirin tablet. One of the world's best known pain relievers was no longer just stagnating, but losing market share over an extended period of time. And that was happening despite continued major investments in this sub-brand and a growing painkiller market. So why did all the effort not produce new growth? What was missing was a focus on a defined effect. Aspirin's competitors were very successful, for example in their drive to enter the relevant set of their prospects and become their first choice, i.e. they were considered (and preferred) by the target group more and more often. The objective of the Aspirin tablet, on the other hand, was not sufficiently specific to leverage all forces properly. All the usual measures were implemented, but doing so failed to produce a sufficiently powerful effect overall. The messages communicated by competitors were clear and distinct: "especially fast", "especially well tolerated", "especially low-priced" or "especially good against headache", in other words: "better than others" in some form or other. Meanwhile, the Aspirin branding was almost neutral and relied more on the history and familiarity of the brand. As time went on, even pharmacists ran out of arguments for the Aspirin tablet, while competitors kept supplying them with good arguments and new facts to present to their customers: e.g. "especially well tolerated even with a sensitive stomach due to specific ingredients".

So the marketing managers of the Aspirin 05 tablet initially faced just one key task, and that was to define just a few brand management objectives focused on growth: to paint a clearer picture of the tablet among patients and pharmacists, for example, and persuade pharmacists to recommend the product more strongly. Clearly defined brand management goals were the precondition for a successful turnaround to achieve at least a stabilisation of sales. This may sound straightforward enough, but Aspirin 05 was by no means the only brand that had to recover its focus.

If the need for a clear focus is so obvious, why do companies not invest the time and resources needed to define clearly what next year's marketing activities are to achieve? One reason is that it's often not easy to opt for a new desired effect or target based on sound information. Should the target be greater brand awareness? Or to win a new target group? Increase loyalty among users? Better distribution? Being able to charge a premium price? The list of possible targets is long.

It would, of course, be nice to say: "Yes, we want all of that all at once!" But that wouldn't work even with unlimited manpower, time and budget simply because some of these objectives are mutually exclusive. So, you do have to decide which effect you're aiming for – and then pursue it relentlessly. And choosing one effect naturally involves a conscious decision against others. A tricky one if you don't have the data necessary to substantiate that decision. And before deciding against a good target, people prefer not to decide at all and take last year's plan out of the drawer again.

Important Questions

- *Can brand management access enough facts and information to decide on the right growth target?*
- *How can this target be pursued consistently, without falling back into pursuing others again, although they were deliberately excluded?*

If the desired effect and target are not clearly defined and you more or less follow last year's plan again, the brand will just stay afloat. That might work for a certain period for brands with high market share. If you're a manufacturer of chewing gum or baby-bottles and soothers with almost 80 % market share, you can live for quite a while just holding your market share and not aiming for additional growth. But only very few companies have that kind of market share, and even those few virtual monopolists will have to contend with stronger competition sooner or later (probably sooner). And then "maintenance marketing" – just taking care of your brand – will no longer be enough. This leads us to the first and most important requirement a growth-oriented brand management approach must fulfil:

Requirement No. 1 of a Growth-Oriented Brand Management Approach

– Effect –

The approach must ensure that specific effects and/or targets that will lead to optimal growth are defined.

The following chapters will explain how you can quickly and confidently come to a decision on the effect you want to achieve next year, and how to achieve it.

2.1.2 Which Brand Management Approach Should You Choose, If Effectiveness Is Your Goal?

There are many brand management models and methods. Some are helpful, others less so. Some have been tried and tested widely, while others are home-grown. The reason is a good one: Everyone dealing with brands tries to improve their existing brand management processes. Marketing professionals want them to become more straight-forward, faster, more productive, more targeted and more cost-effective. The wide range of approaches available makes it increasingly hard to choose the right one and, above all, stick to it for an extended period. Next year or the year after, a recently introduced model may be discarded if another one appears more convincing or if a new managerial appointment leads to a shift in preference. Although a model abandoned so swiftly may not have been perfect, continuous model changes are not good for the brand in the long run. A brand needs a model that is so superior to others that it will not be "driven out" by a new development or approach.

This is vital because one of the key functions of a brand management model would otherwise be lost: the control function. Whatever their differences or similarities, most models do permit a controlling of results. But that control can really only take effect after 1 or 2 years. If you don't give yourself that time, you can never be sure whether you are or have been doing the right thing. And that makes continuous and targeted development of brand growth extremely difficult.

Important Questions

- *How long has your current brand management approach already been used?*
- *Has it repeatedly led to new growth in a way no other model could?*

What exactly was wrong with those many approaches tried to date? What were their weaknesses? Why were they discarded instead of being continued? There are three main reasons:

1. *Lack of understanding of the brand's situation*

One problem in brand management is the enormous variety of ideas and possible activities. There is virtually nothing you couldn't be doing. So how do you choose the activities that really make sense and are best suited to achieve the desired result? To do that, what you need more than anything else is a deep and comprehensive understanding of the brand's current situation.

To assess that current status correctly, you need to answer the following questions:

(a) What are the main "construction sites" (issues) when it comes to managing your brand?
(b) Why do they exist?
(c) How could they be solved?
(d) Which effect would the solution have on brand growth?
(e) What has actually been achieved (seen in retrospect as valuable experience for the future)?

As said before, you usually face a never-ending list of "construction sites": innovation management, packaging design, communication concepts, online shopping, POS presence, market research. In fact, there is no area that could not be improved. The secret of success lies in focusing on one or two big construction sites that can make a real difference. Big doesn't necessarily mean time- or cost-intensive. For us, big construction sites are those that best contribute to brand growth once fixed. They should be at the centre of your model to give clear focus to your brand management. And that's what many models currently don't do: They don't give clear answers to the questions raised above, therefore don't lead to a correct assessment of the status quo and hence don't show what you should focus on.

2. *Insufficient consideration of all possible activities*

Most models fall short when it comes to choosing the right brand building activities. Time and money have been invested, a lot has been learned about the brand, but then one of the most important aspects is left aside: moving from strategies to concrete activities. How do you decide which activities to use in order to address your target group? Who is to draw up the activity and media plan? All activities have their own strengths and weaknesses – be it classical advertising, online communication, direct marketing, POS design, dealer training or promotions. Not all are suited to transport every message. The point is to identify those that will best communicate the current message to the target group. All the effort is only worthwhile if the target group can be influenced as required to achieve your defined growth target. And if that means last year's combination of TV, print and poster is no longer right, then why stick to it?

3. *Limited to marketing*

Too many models also focus entirely on marketing only – both when looking into the cause of problems as well as when developing solutions. But a brand's problem can be caused outside of marketing. Your main issues might lie in distribution. Or maybe R&D has been focusing on areas that are not relevant to customer satisfaction. Mistakes in production and procurement can cause brand problems when dissatisfaction with products or services means that customer don't repurchase.

And looking for solutions in the areas outside of marketing is even more important. Marketing is neither the sole cause of all problems, nor the sole remedy. While it is obvious to look for solutions in other areas if that's where problems have arisen, you might also find solutions there even when the cause lies within marketing. Even if a problem is not caused by R&D, for example, this may well be where it can be solved – for example with product improvements.

Ultimately, the key is to identify the optimal solution, the most promising activities to pursue your strategy and achieve the defined effect. And it always pays to look beyond familiar solutions to achieve more growth.

Requirement No. 2 for a Growth-Oriented Brand Management Model

– Understanding –

The model must ensure that the situation of the brand is understood in depth and comprehensively: What are the major construction sites, why do they exist, how can they be resolved, and what will resolving them achieve?

Requirement No. 3 for a Growth-Oriented Brand Management Model

– Activity planning –

The model must ensure that the activity plan takes account both of tried and tested and of new activities, without being restricted by plans from the past.

Requirement No. 4 for a Growth-Oriented Brand Management Model

– Comprehensive analysis –

The model must ensure that causes and solutions are sought not just within marketing, but also in adjacent areas like R&D, sales, production or purchasing.

Two more principles can help establish a model over a longer period and lead the brand to more targeted growth.

All those involved must believe in the model. It's no use to anyone if after months of hard work and substantial investments the results of a model are questioned by some. Unfortunately, this happens all too often. It is therefore essential to prove that the model is right and matches reality. This is best done by establishing a solid relation between the model and the real success of the brand on the market. Are the sales or market shares reflected in the model? Does the brand strength indicated by a model match the brand's market position? Only if you can prove measurable and sensible relations will all your stakeholders believe in the model's analysis, recommendations and forecasts and take them seriously in their work.

Requirement No. 5 for a Growth-Oriented Brand Management Model

– Credibility –

The model must be credible for everyone involved to ensure it is taken seriously and worked with consistently. This is achieved by presenting credible relations between the model and reality.

The action recommendations of some models also have their weak points. Most marketing professionals have already worked with different models, consultancies, institutions and agencies and no doubt gained valuable new insights from doing so. But at the end of every model or project, they are left to find out for themselves how exactly to implement recommendations like "the brand must become more emotional" or "the brand must become the best friend of modern housewives". Especially projects largely based on depth psychology market research tend to deliver only vague results that are hard to implement. Here, you should rely on your common sense to tell you whether you can truly work with such results. The basic rule: If you yourself already have a problem understanding the logic of a recommendation, implementing it will certainly not be easy and probably not very successful.

Requirement No. 6 for a Growth-Oriented Brand Management Model

– Practicability –

The model must ensure that recommendations for action are concrete and logical to support optimal implementation.

The Brand Growth Barrier Model described in the following chapters not only helps identify major construction sites and the expected effect of solving them, but also recommends clear, hands-on actions needed to do so.

Important Questions

- *Are all construction sites, their order of priority and the methods for resolving them clearly understood?*
- *Does the activity plan already include all tried and tested as well as possible new activities that are best suited to resolve the problems identified?*

(continued)

- *Are causes and solutions also sought outside marketing – e.g. in sales, R&D, production or purchasing?*
- *Is the model realistic enough for all stakeholders to believe in it? Or will the results be called into question?*
- *Are the action recommendations clear and specific?*
- *Can they be implemented in a practical and swift way?*

In fact, a brand management model should be able to do even more than that: It should also have a controlling function. As mentioned above, the main problem here is a lack of model continuity. But control is absolutely indispensable. Even if you have succeeded, for example, in initiating projects for a more emotional brand (if that's the solution), you still need to know when the brand is emotional enough – and which effect this change actually had on brand growth. Answering these questions remains a challenge. Which effect did the individual messages and activities actually have on the overall development of your brand? Did the investment pay off? And, above all: What do you do next? Should you stick with the existing focus or replace it? This naturally also depends on how other areas and construction sites have developed in the meantime. What you need is a fresh new overview of the whole brand situation.

Requirement No. 7 for a Growth-Oriented Brand Management Model

– Control function –

The model must ensure that activities and their effects are predictable and measurable to permit continuous control. This is the only way to guarantee that you learn from errors and gain valuable insights for the future.

2.1.3 Which Facts and Figures Really Help?

Most brand managers already have 70–80% of the facts and figures they need to understand which brand building activities are necessary, prioritise them and know what effect to expect. But interestingly, only few really use that information fully. This will become even clearer in Chaps. 3, 4 and 5: they present the whole range of things you can learn and understand by analysing your data using the Brand Growth Barrier Model (BGB Model).

A lot of data is left more or less unused because it is collected or purchased independently by different users. But in many cases it's all there: valuable qualitative and quantitative data from household panels, concept tests, product tests, brand image studies, consumer studies, copy tests, etc. But hardly anyone sits down and looks at all of the data to create a comprehensive analysis of the entire brand with all its different construction sites. Finding time for regular reviews of all brand data in the bustle of day-to-day business is admittedly not an easy thing to do. And you do need a clear methodology or system to come to meaningful results. Without a clear focus on certain aspects, you are more likely to drown in details when viewing the material. So it's not surprising that people rarely make the effort to develop a complete picture from those thousands of data snippets.

Important Question

- *How often are your data analysed comprehensively to get the full picture?*

However, you need that overall perspective to find out how to make your brand grow. The Brand Growth Barrier Model (BGBM) described from Chap. 3 onwards presents a systematic method for analysing all data and creating a complete picture of your brand's situation.

Requirement No. 8 for a Growth-Oriented Brand Management Model

– Working systematically –

The model must ensure that all data, facts and figures are examined systematically to derive a valuable understanding of the situation and interpret the insights correctly.

It is also important to know which performance indicators are really helpful, and which not. Almost everything can be measured, but not every measurement is useful. Our model also helps make your market research more efficient since it clearly shows which indicators are essential and should be measured regularly.

Important Questions

- *How well does your current market research show where new growth should come from and how it can be realized?*
- *Is every indicator measured really helpful and necessary?*
- *Are important indicators missing?*

Ultimately, the essential thing to do if you have a wide range of indicators, data and facts is prepare them in a form that enables managing directors, board members or marketing directors to obtain a clear and objective picture of the current situation easily and then take the appropriate decisions. Such a presentation is not only helpful for that initial decision, but also helps track trends and developments over extended periods. After all, every decision-maker wants to be sure that investments in the brand pay off. And that brings us to the next topic – efficiency.

2.2 Efficiency: The Biggest Bang for the Buck

It has become clear that going for the right desired effect is all but easy. So how about the thorny issue of efficiency? How well is your marketing budget spent? And for what exactly? Budget planning is always a period of heated discussion and negotiation, and those with the better arguments and solid data will clearly have a head start. The trouble is that sound arguments, data and information are not always available. The uncertainty already begins with the question of who is to get how much budget.

2.2.1 Marketing Versus Sales

The budget allocation between marketing and sales always gives rise to intense discussion. Marketing and sales don't always cooperate well. In fact, artificial boundaries are sometimes erected between them. The inevitable result is that their budgets, tasks and initiatives are insufficiently aligned. In theory everybody knows that marketing and sales need to cooperate to strongly influence the purchase decision process of the target group. But what you get in reality is – in the worst case – subliminal or even open rivalry, where every failure is the other's doing and every success one's own. And every year sees a repeat performance of that great battle for budget.

Whichever way it ended last year – be it 50:50, 30:70 or 70:30 – a very different allocation may make sense for the coming year. The key question is, again, very simple: Who is in a position to achieve the greater effect? The answer is not quite so simple and requires a sound understanding of the brand's key construction sites. Sometimes, they can be mainly addressed by marketing and sometimes more by sales activities. Whichever is the case, success will always require joint action.

Important Questions

- *Is the budget allocation between marketing and sales directly related to the problem areas that need to be addressed?*
- *Has it been made clear who can achieve the greater growth effect?*

In some product categories – often in the B2B segment – the sales function has always played the key role. In others, marketing usually has the greater leverage. Budgets have therefore tended to be allocated accordingly. But even where the allocation seems predetermined, it is worthwhile to investigate the respective potentials of both functions more closely with reference to problems that need to be solved.

This doesn't mean you need to start afresh every year. Both marketing and sales need a certain basic budget that changes only little from 1 year to the next. On top of that come the budget items for specific projects and campaigns, and this is where the problem areas should come into play. If your brand is not growing mainly due to weak brand positioning, marketing will certainly generate the stronger growth effect. But if actual sales are the problem (e.g. due to listing problems), appropriate sales projects will be more effective. And if both areas are responsible, the aim must be to determine which can generate stronger growth, and by which means.

The budget allocation decision is far easier if information about the main activities and their potential growth effects is available. If not, the heated arguments will continue until whoever is loudest, more persistent, cleverer or just better connected carries the day. The growth potential that has been lost by that kind of procedure to date is probably everything but negligible.

2.2.2 How Much Do You Really Want to Spend?

Before deciding into which activities companies want to invest their brand management budget, they need to decide how high it should be. At which point does a budget become so small that even guerrilla marketing cannot achieve much and you'd be better off saving that money? And at what point are you simply going overboard with your budget? Here too, you can try the simple approach: a TV, print and radio campaign for six million last year – a TV, print and radio campaign for six million this year. Or maybe 5.5 million. No time-consuming investigations, no arguments, no opposition – and most likely no new growth.

Sometimes, however, the exact opposite happens. Management no longer bases its budget decision on the past. Instead, everything is suddenly up for review. Companies then use methods like zero-base budgeting. In endless discussions, they attempt to assess all activities by their contribution to the bottom line and costs. All activities are called into question and have to be argued for afresh. Here, a decision based on data and facts is essential to show quickly and clearly which activities are necessary and which effect they will have.

In any case, you need to ask a key question first: How much growth can be achieved theoretically, or what exactly is your growth target? You can only determine how high your budget should be once you know how much new business can be generated and where it is to come from. If the potential growth is high, a larger budget is justified. You first need to know your growth limit to identify your budget limit. Although the drive for growth should be unrestricted, growth itself may have limits, at least in the short term. These limits are not easy to push, no matter how much you invest initially. Successful resource planning based on your brand management model therefore also means knowing your limits and where to set your target within your range.

Important Questions

- *Are your budgets mainly set based on last year's budgets?*
- *Have you clearly determined how much growth is achievable and derived the required budget from that?*

In addition to your key brand activities, it is also vital to understand the market environment and what your competitors are doing to see what works and what doesn't. You will learn more about that in the next chapter.

Requirement No. 9 for a Growth-Oriented Brand Management Model

– Resource planning –

The model must ensure that resources are allocated in a way that enables use of the levers – e.g. in marketing or sales – that promise the greatest growth. The budget should be derived from the amount of growth to be achieved.

2.2.3 How Is Marketing Money Invested Best?

"I know half of my advertising budget is wasted, but I don't know which half." This statement by Henry Ford is often quoted. The astonishing fact is that no satisfactory solution to the problem of return on marketing investment (or brand investment) has been found in the more than 90 years since. The results of individual activities, for example the response rates from mailing campaigns, can be measured. But to what extent they really influenced sales is harder to say.

Important Questions

- *How accurately do you know the return on brand investment of your campaigns?*
- *How satisfied are you with their cost-efficiency?*

Brand managers often regard the efficiency of their campaigns and activities as sub-optimal. They believe that substantial increases in sales are principally possible, but only if the right product or service is presented to the right customer in the right channel at the right time. It just seems as though the methods, instruments and organisations currently used don't permit designing a campaign whose cost-efficiency is predictable and measurable.

So the situation remains as it is: The majority of campaigns don't achieve the desired effect and have little influence on sales. Worse, a campaign break-even is often not achieved. And even doubling the advertising budget often leads only to minimal sales increases of a few percentage points. Why is that and how can things be improved? Negative results frequently occur with traditional campaigns. Of course, that doesn't mean you should avoid the traditional media. It just means that they should be selected with the same care as all other channels. And people often find that more difficult than you might expect. Since TV and print always seemed to work in the past, many brand managers keep relying on what seems tried and tested – and miss out on growth opportunities in the process.

Indeed, the structures of marketing and media plans remained the same for a long time. The division into above-the-line and below-the-line is still often applied. People take the traditional media and embellish them with a bit of new media. But how exactly do they decide how much to invest in above-the-line and how much in below-the-line? Which business objectives does that allocation target? The answers to these questions are usually not very satisfying. Why did marketing opt for print ads in dailies for this particular campaign? Because that's what they did last year. Well, OK – but couldn't the entire environment, including your own brand, have changed since? And maybe it was already the wrong medium last year. Who can prove that a contact on radio is worth less for your brand than a contact in a consumer magazine?

The point is to scrutinise all available media and activities as to their cost-efficiency. They are justified only if they have really proven to help the brand achieve the desired effect and sales target efficiently.

Important Questions

- *Which rules govern the creation of your marketing and media plans?*
- *To what extent are new plans responsive to current and changing conditions and, above all, new targets?*

Something will certainly have changed since last year. The competition will not have slept. It may even have been rather clever and creative. Some weaknesses of your own may have been corrected. New challenges have emerged. The target group displays new potential. Your entire growth strategy may have changed. And, above all: the desired effect is more than likely to be a new and different one. You can't simply ignore these changes. Would anyone execute their moves in a game of chess as planned without looking at what their opponent has been doing with his figures in the meantime? And, as in a game of chess, you need to watch and understand the whole board – the whole situation – instead of merely reacting to a single move by your opponent.

What becomes clear is this: Only a precise and, above all, regular examination of the entire brand situation, your brand management activities, the position of your competitors, the prioritisation of your activities and the expected growth potential will show what needs to be done. And only this kind of insight can help you design your brand investment to ensure that customers aren't just addressed by individual activities, but directed towards the desired target: a purchase.

Requirement No. 10 for a Growth-Oriented Brand Management Model

– Cost-efficiency –

The model must evaluate and ensure the cost-efficiency of brand management and all its activities.

2.3 Achieving Growth Even During a Crisis

When looking at crises and their effect on brands and brand management, it soon becomes clear that the impact of a crisis and the reactions of consumers and companies depend on what kind of crisis it is.

A classical economic or financial crisis produces more cautious consumers and investors. People save more, focus on price and lower their expectations. The driver here is the worry about a company's future or your own financial situation.

A currency upheaval like the current Euro crisis, on the other hand, can mean that saving is not necessarily regarded as a solution. This applies especially in countries which are still relatively prosperous. Here, consumers' biggest concern is the loss in value of their currency. Money becomes less attractive and is consequently spent – on real assets like real estate, valuables, commodities, gold and silver.

But most brand managers will regard the reactions to "classic" economic or financial crises as more relevant. This is why we look primarily at their effects below.

Overall you see that economic or financial crises have three major effects on brand consumption and hence on brand management.

1. *Consumers and customers choose less expensive brands*

This response is typical for the necessaries segment: the majority of foods or hygiene products like toilet paper.

It becomes increasingly difficult for high-quality brands to prevail against cheaper brands like private labels or the offers of discount chains. In some categories and countries, the predominance of private labels is, indeed, impressive. The countries where low-price brands and discounters have almost captured entire product categories include Germany, Switzerland, Spain, France and Britain. Especially affected are low-involvement categories like toilet paper or paper towels. A crisis intensifies this trend, especially in categories where buying low-price brands has long been accepted. These developments can reach the point where even leading brand manufacturers are fully de-listed or decide themselves to withdraw from an excessively competitive market.

However, even categories more closely associated with a sense of personal security and self-esteem – values that gain in importance in a crisis – are affected. Body care and health products, for example, may not yet be as strongly hit as the low-involvement categories, but they do feel the pinch.

The challenge per se remains unchanged – brands continue to operate in a highly competitive environment and have to convince their target groups of their products and cost-benefit ratio. What has changed is the pressure on price. Here, the market simply grows more competitive, so that the product or service needs to be marketed attractively to ensure that the right cost-benefit ratio is maintained in the eyes of consumers. Just “sitting out” the crisis is not a good solution, by the way, because studies show that consumers quickly get accustomed to buying certain products more cheaply or from discount chains and stick to that behaviour even after a crisis has passed.

In the B2B sector, too, prices partly become more important, so that lower quality is accepted as long as that seems justified. More often, however, orders or projects are suspended entirely or postponed to the (hopefully better) next year. And that takes us to the second effect of the crisis.

2. *Consumers and customers consume and invest less overall*

In addition to increased preference for low-price offers, market shrinkage due to a crisis is observable in some categories. People simply do without certain things or at least postpone some purchases. This applies above all to products one can forgo most easily. However, it excludes the “small pleasures” everyone wants to enjoy once in a while, compensating for frugality: wine, sweets or lipsticks often benefit in times of crisis.

Tourism, for example, is one of the sectors that suffer. Global visitor numbers and visitor spending declined after the crisis year 2008. To date, not all regions have recovered. Both private and business travellers consider the cost and necessity of a trip very carefully. Do you really need to sunbathe under the palms on a Pacific island beach, or will the deck-chair in your own, hopefully sunny garden not do just as well?

Restaurants are another segment that both business and private customers feel they can visit less often. At the same time, compensatory cocooning is on the rise. When people save on “out-of-home entertainment” and the general sense of dislocation increases their desire for security, those who can afford to invest in their homes do so: in furniture, decoration, renovations and electrical appliances.

So, the familiar argument “I don’t want to buy this (because I think it’s too expensive, for example)” is at least in part replaced by “I (believe I) really can’t afford this”. This point is usually reached first in the high-price categories. However, in most cases the price decisions remain a matter of attitude and not real lack of funds. Whichever way, consumption needs to be promoted – either by adjusting the target group, offering financing support or by changing that attitude.

3. *Brand management budgets are cut or scrapped*

Without effective brand management initiatives or an economic upturn, points 1 and 2 ultimately lead to reduced sales or the expectation of reduced sales and hence to less budget for the near future. Or the existing budget is set aside to compensate expected income losses in crisis-ridden countries. These cutbacks then tend to affect all areas – strategic brand management, operations, innovation processes and internal training programmes.

The consequence: For strategic brand management it becomes all the more important to achieve maximum impact (due to more intense competition) and maximum efficiency (to cope with reduced budgets). The more severe the crisis and its effects on the brand's business are the more urgent and beneficial the BGB Model presented in this book will become. After all, a crisis is a barrier to further growth.

The requirements the model has to meet don't change in a crisis; its application is independent of the particular economic environment. The questions to be answered also remain the same. But the answers will now be different. The barriers will differ as they will also, though not only, be caused by the crisis. The task nonetheless remains the same: to identify, understand and overcome barriers.

Past experience has shown that the model can raise both sales and price in good periods and hence drive sales income. Even when budgets are reduced, the effectiveness and efficiency achieved are sufficient to keep raising sales. And even when budgets are cut to the bone, at least the current level of sales can usually be maintained.

Sticking to solid growth-oriented brand management even in a crisis always pays off. This is so because every crisis also presents many opportunities. If everyone else falls silent, you can seem "loud" even with reduced funds and achieve more than in other periods. Companies that successfully defend their price in a crisis will benefit afterwards – because those who lowered their price and hence their quality image will find it hard to raise them again once the crisis is over. Those that stay close to consumers during the crisis – when consumers change their habits faster than at any other time – will understand their new habits better. And companies that keep investing in new ideas during a crisis will have a lot of powder in their casket afterwards, i.e. many innovations for consumers who are happy to buy again.

2.4 Many Questions, One Answer

Looking at the challenges and issues described above, it becomes clear that a comprehensive solution that ensures greater brand management effectiveness and efficiency and hence stronger brand growth must fulfil quite a list of important criteria:

Ten Requirements a Growth-Oriented Brand Management Model Must Meet

1. ***Effect***
   The model must ensure that specified effects or targets are defined and that achieving them will lead to optimal growth.
2. ***Understanding***
   The model must provide a deeper understanding of the overall situation of the brand: the major problems, why they exist, how they can be solved and which effect solving them would have.
3. ***Activity plan***
   The model must ensure that all possible activities are considered in activity planning, without being restricted by past plans.
4. ***Context analysis***
   The model must ensure that problem causes and solutions are sought not only in marketing, but also in adjacent areas like R&D, sales, production or purchasing.
5. ***Credibility***
   The model must be credible in the eyes of all stakeholders to ensure they work with it consistently. This requires a clear demonstration of the relationships between the model and reality.
6. ***Focus on practice***
   The model must ensure that all action guidelines and instructions are concrete and comprehensible to guarantee optimal implementation.
7. ***Monitoring and control***
   The model must ensure that the activities proposed and their effects are predictable and measurable to permit continuous control. This guarantees that you learn from mistakes and build up experience for the future
8. ***Systematic approach***
   The model must ensure that all data, facts and figures are analysed systematically. Only that can provide a reliable understanding of the situation and permit a sound interpretation of the insights gained.
9. ***Resource planning***
   The model must provide sound resource allocation which ensures that the levers best suited to achieve optimal growth are applied – e.g. in marketing and sales. The budget amounts should also be based on the growth that can be achieved.
10. ***Cost-efficiency***
    The model must examine and ensure cost-efficiency of all proposed activities.

Chapter 3
Identifying Growth Barriers

The wisdom of life is to rid oneself of inessential things
Chinese proverb

The first step is to find out what you will need to focus on – in other words to identify the major challenges your brand is facing. This is done using the Brand Growth Barrier (BGB) model. The challenges can also be described as the conditions which are a barrier to the growth of a brand – hence the term "brand growth barriers".

3.1 A Concept That Has Proven True

The basic idea of the BGB model is not new and more or less common sense: Certain conditions must be met before your target group will buy your brand. They must be aware of the brand, product or service, understand it and want to have it. And these are exactly the things brand management must seek to influence: awareness, relevance and the intention to buy.

> *To turn a prospect into a customer, he or she must first pass through a purchase decision process – from awareness of the brand to brand preference. That process is what brand management seeks to influence.*

In 1975, a Brand Choice Model based on this fundamental idea was developed by Chem L. Narayana. In the early 1990s, Rom. J. Markin and Frank R. Kardes presented a similar model: the Sequential Multistage Process Model. This model assumes that a customer needs to know certain brands (Retrieval Set), consider some of them (Consideration Set) and ultimately buy one brand. Many models of this kind are available today – e.g. the Brand Funnel by BBDO, the Purchase Funnel by McKinsey or the Brand Pipeline by icon added value.

They all start from the basic idea that the target group must pass through a process before buying a brand. In practice, the process will not be as rigid as

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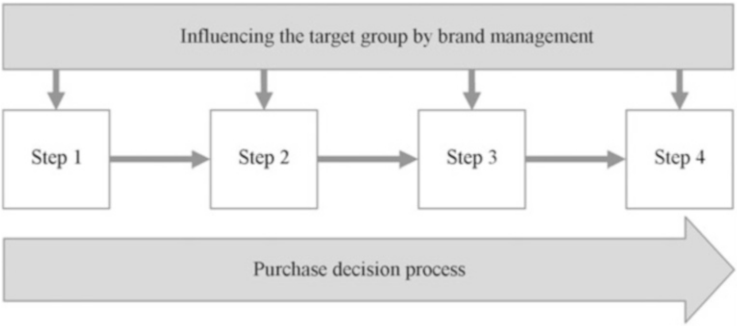

Fig. 3.1 The basic idea of the BGB model: The purchase decision process to be influenced

presented in the model. And it is largely passed through unconsciously in just seconds, e.g. when choosing a brand in front of the supermarket shelf. But regardless of how exactly the process evolves in practice – it must be influenced at the right moments by brand management to ensure that the customer buys a particular brand (see Fig. 3.1).

Since potential customers can get "stuck" at every step in the process, these steps are described as brand growth barriers in the BGB model. For instance, if a prospect knows the brand X, but wouldn't consider buying it, he is stuck on the "relevance" aspect or relevance barrier.

A prospective customer can get "stuck" at every step of the purchase decision process – and then not reach the next step. Since that impedes brand growth, the steps are called Brand Growth Barriers (BGB).

A brand usually "loses" part of the target group at different steps in the process. If a large part of the target group remains stuck at a particular barrier, this barrier represents an especially large growth potential: If the reasons that make the target group stop here are removed, the barrier is torn down, so that the target group volume reaching the following steps increases – and that also applies to the purchase barrier, i.e. a larger part of the target group will at least make it up to the purchase barrier. What brand managers therefore need to do is tear down the biggest barriers and ensure that the target group is no longer lost at those barriers – or at least that less potential buyers get "stuck" at that point. The standard model that can be used for many categories includes a total of seven barriers (see Fig. 3.2).

1. *Awareness barrier*
   Part of the target group has not heard of the brand or seen it.
2. *Brand clarity barrier*
   Part of the target group has heard of the brand or seen something of it, but can't say exactly what the brand stands for.

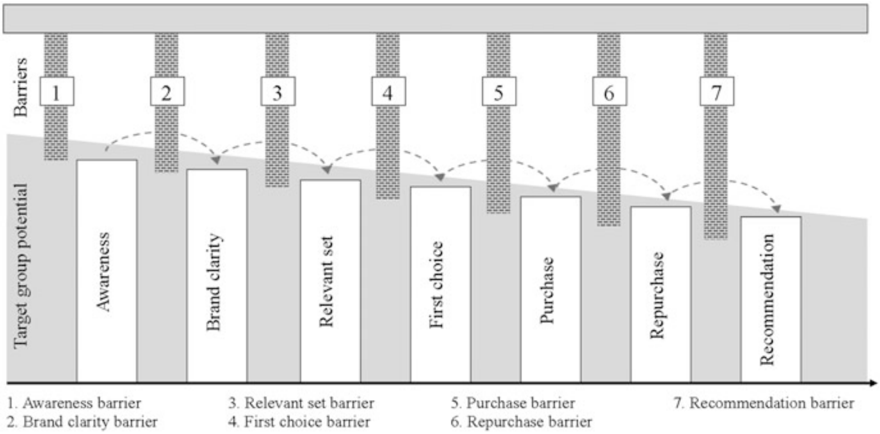

Fig. 3.2 Standard BGB model with seven barriers

3. *Relevant set barrier*
   Part of the target group has an idea of what the brand stands for, but would not personally consider buying it.
4. *First choice barrier*
   Part of the target group considers the brand along with others, but it is not their first choice.
5. *Purchase barrier*
   Part of the target group does consider or even prefer the brand but ended up buying a competitor brand after all.
6. *Repurchase barrier*
   Part of the target group does not buy the brand a second time, but opts for a competitor brand.
7. *Recommendation barrier*
   Part of the target group has bought a brand repeatedly, but does not recommend it actively to others.

Use some examples to experiment with the model. For example, think of a toothpaste brand. On which barrier are you personally stuck with this particular toothpaste? And how does it work with car brands? Or mobile phones? To ensure that you will in future go at least as far as purchasing the brand and ideally even recommending it actively, the brand's managers need to address precisely the barrier on which you are "stuck" and tear it down for you. All resources must be focused on overcoming that barrier.

The standard BGB model includes seven brand growth barriers: awareness, brand clarity, relevance, first choice, purchase, repurchase and recommendation. If these barriers present a major impediment to brand growth, they need to be torn down by appropriate marketing and sales activities.

Can such a simple idea – which many others have worked with before – really offer a new concept of brand management and lead to targeted brand growth?

Yes! – If we exploit the full potential of the BGB model, it will indeed be the foundation for a brand management model that meets all ten requirements described in Chap. 2. But before that can happen, the model needs to be adjusted to your own brand.

3.2 The Do-It-Yourself Kit for Your Own Brand Growth Barrier Model

Most categories and segments work well with the standard BGB model. But there are categories for which the standard model does not adequately reflect reality. Here, it needs to be adapted to purchasing behaviour. In some categories, one or several barriers in the model may not be particularly relevant, either because they simply don't exist in that category or are highly unlikely to be overcome. For example, the repurchase barrier makes little sense for baby cots because most parents buy one for their first child and then use it for the younger siblings. Persuading parents to buy a new cot for every child would require disproportionate effort, so that this barrier can safely be kept out of the picture right from the start.

In other categories, however, it may make sense to add more barriers. Especially in new or unsaturated markets, the brand often has to work on the category barrier first. There are households, for example, who principally don't buy or use paper household towels. In particular for a market leader, it is then very important to address this category barrier, in the expectation that the newly won category customers will primarily buy the market leader's products.

Some categories need their own BGB model, since in certain cases supplementary barriers are important, while in others one or several standard barriers can be left out.

The first task is therefore to build as BGB model that is best suited for a particular category. This is basically done in three steps.

1. *Purchase preconditions*
   First of all, you list all the preconditions for purchase. Let's take the online travel operator Expedia as an example. To create a BGB model for Expedia, we would first need to draw up the entire booking process. Most probably, the following needs to happen before a customer books a holiday with Expedia:

   We start with the total mobile population (those who cannot travel, e.g. for health reasons, are excluded). A member of this total mobile population would need to have the desire to travel. He or she also has to be able to realise that

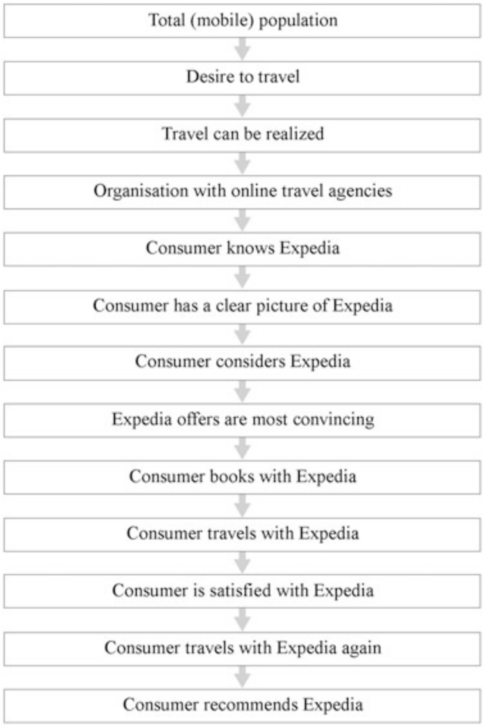

Fig. 3.3 A possible booking process to serve as the basis of a BGB model

wish – have the necessary cash and time. The person must also want to book with an online travel operator, instead of organising the trip independently (e.g. a holiday in the caravan). The person should be aware of Expedia and know what Expedia stands for, not only consider Expedia, but prefer its offers and ultimately book with Expedia. After the trip, the customer is ideally satisfied, books the next trip with Expedia again and recommends it to friends and associates (see Fig. 3.3).

Conclusion: A brand faces many barriers which all need to be overcome if its growth potential is to be fully exploited.

2. *Where would you expect true barriers?*

Now you ask yourself at which points along the process described above could a prospective customer be "lost". The required desire to travel becomes a barrier, for example, if the target group has particular reasons not to travel: lack of time, fear of flying, the cost of travelling with a large family, etc. If some of the possible barriers are quite similar they can be combined in a single barrier since a model with too many barriers means a lot of work collecting the data for each of them. So you might leave out the point "Travel can be realised" or combine it with the "Travel desire" barrier. The only question then is: "Will the person travel, or not?" The travel booking can also be combined with the trip itself in

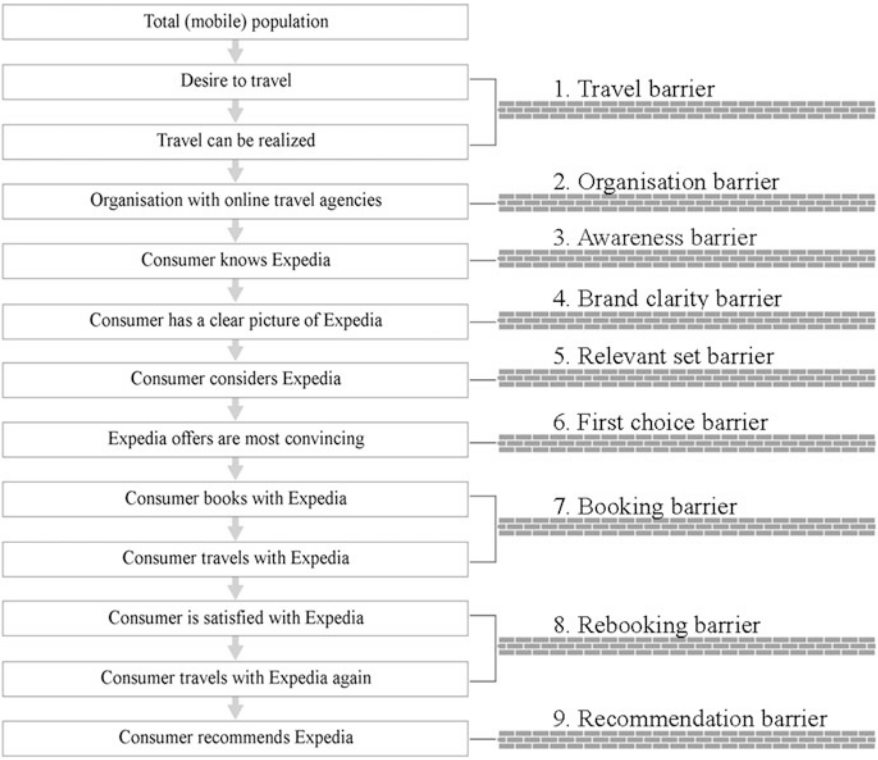

Fig. 3.4 A possible BGB model for a travel agency

one barrier – e.g. the booking barrier – since a person who has booked will usually also travel. Using this method, you create a list of all possible barriers.

3. *Which barriers are meaningful?*

Once the list of possible barriers has been created, you need to examine them again to see which of them are most relevant. As already mentioned, a barrier that can never be overcome does not really have to be included. Finally, the remaining barriers are given a suitable name. And you also note how the corresponding data should or can be collected, i.e. in which surveys and with which questions (see Fig. 3.4).

To create the optimal BGB model for your own category, you need to answer the following questions:

1. *What are the preconditions for a purchase?*
2. *Where would you expect barriers?*
3. *Which barriers are truly relevant?*

3.3 Filling the Model: With Fresh or Used Data?

Now the BGB model must be filled with data. To do so, you can use either "fresh" or "used" data.

3.3.1 Fresh Data

Fresh data are collected specifically for the BGB model and its analysis. These are naturally the most accurate data, but also require additional time and budget for market research – unless you simply supplement an existing regular survey with the relevant questions.

When filling a standard BGB model, data on the following themes are ideally used (illustrated here by the "private car" example):

1. Awareness Barrier (aided and unaided brand awareness)
   I would now like to discuss car brands and manufacturers with you. Which companies or brands can you think of spontaneously?
   People can't immediately name all car brands and manufacturers. I will now read out some brand names to you. Which of them do you know, even if only by name?
2. Brand Clarity Barrier
   Just like people, brands are something we know more or less well. How clear is your idea of the following car brands, i.e. *how accurately do you know what each brand stands for? Please state values from 1 to 5, where 5 means "clearly and accurately" and 1 means "hazy and unclear".*
3. Relevance Barrier
   How interesting is each brand for you when choosing the car you want to purchase? (Scale 1–5)
4. First Choice Barrier
   And which car brand is your first choice?
5. Purchase Barrier
   Which car brands have you purchased/owned during the past 5 years?
6. Repurchase Barrier
   Which car brands have you repeatedly bought?
7. Recommendation Barrier
   Which car brands have you already recommended to your relatives, friends and associates?

When transferring the collected data into the model, make sure you consider the following points:

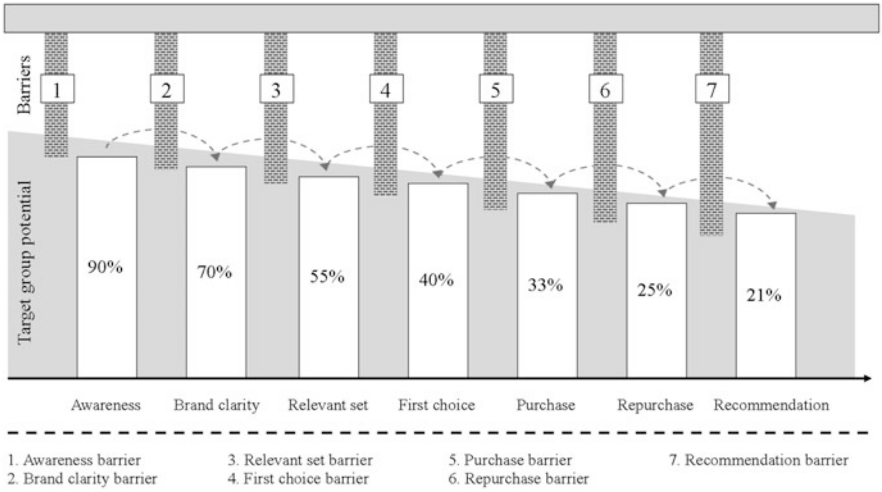

Fig. 3.5 BGB model with absolute values for the own brand

1. Enter the per cent data for your own brand first (X % of the target group know our brand, Y % of the target group have a clear picture of our brand, etc., see Fig. 3.5).
2. Then do the same for the main competitor brands (see Fig. 3.6).
3. It should be noted that the data entered always need to refer to the same base (total target group). Especially when using different surveys, some percentage data may refer to a particular subset of the target group. The repurchase question, for example, is often only addressed to respondents who bought. To enter the absolute values in the model correctly, you need the per cent value for the entire target group, including all buyers and non-buyers.

3.3.2 Used Data

Used data are less expensive. They are collected from existing surveys like image studies, ad tracking and sales reports. But this approach can lead to misinterpretations, unless some rules are observed:

1. The target group surveyed must be the same one (otherwise you may need to adjust up or down to achieve a shared base).
2. The survey periods must be largely identical (the same year is sufficient for most categories).
3. The same competitors must preferably be surveyed to avoid gaps in the competitor analysis.

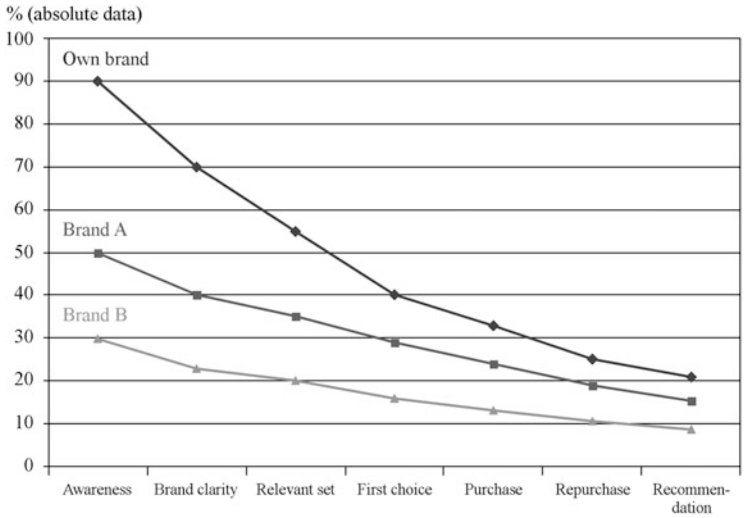

Fig. 3.6 BGB model with absolute values – own brand compared to the competition

3.4 Identifying Focus Barriers

Once the model has been filled with the respective data both for your own and the main competitor brands, you search for the so-called focus barriers. They correspond to the "challenges" mentioned at the beginning of this book. It is not enough to just look at the absolute figures in the model. Knowing on which growth barrier you are placed lower or higher than the competition does not really get you very far. If that was all we were looking at, all "small" brands would have to declare every barrier a focus barrier. Looking at the relative development from barrier to barrier is more beneficial.

The question is how many per cent of your potential buyers you can take over to the next barrier. A brand X, for example, is considered by 55 % of the target group, but only 40 % also see it as their first choice (see Fig. 3.7). In this case, the brand X lost part of its potential from the preceding barrier (relevance) at the next barrier (first choice). Its relative value on the "first choice" barrier is only 73 % (40 % of 55). The brand lost the other 27 % of its potential.

One important question when analysing brand growth barriers is: How many per cent of your potential target group do you take over to the next barrier? And how many per cent of them do you lose?

Now the competition enters the picture: Another brand Y, which may be a smaller market player overall, is considered by only 30 % of the target group, but is the first choice for 27 %. This brand Y therefore loses only 10 % of its potential

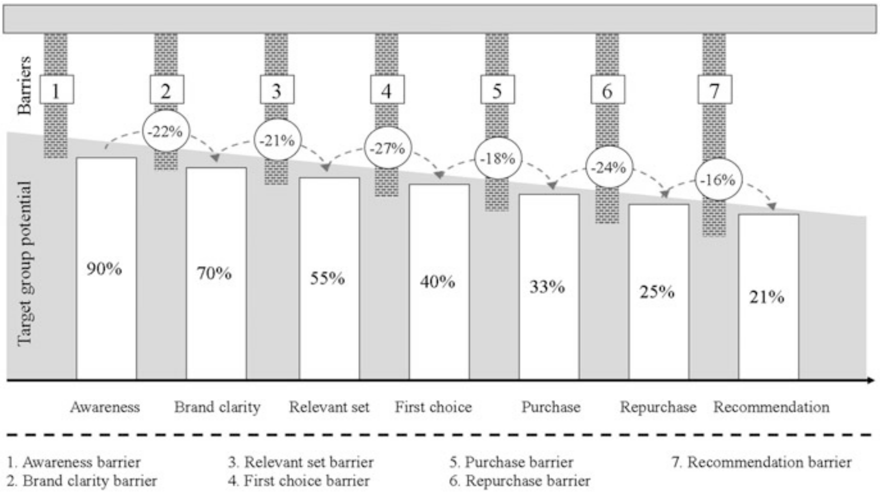

Fig. 3.7 BGB model with relative data – only for the own brand

buyers on the "first choice" barrier (3 % of 30). Its relative value on this barrier is therefore still 90 %. Although the brand Y may be "smaller" than the brand X, it must be doing something significantly better on the "first choice" barrier. Whatever it is that makes brand Y better, brand X should theoretically also be able to do so and raise its relative value from 73 % to 90 %. Brand X therefore has great growth potential here – a "big challenge" or growth barrier to be overcome.

If you compare the relative values of your own brand with those of the competitor brands, you will quickly see on which barriers you could do better. After all, there is no reason why you shouldn't be able to take as much potential from one barrier to the next as the competition. And there is also no reason why "big" brands shouldn't be able to learn from "small" ones.

You can only find out on which barriers you lose potential "unnecessarily" – i.e. an unnecessarily high share of your target group – by comparing your performance with that of your competitors for every barrier. These barriers then become your future focus barriers.

Looking at the relative values – your own and those of your most important competitors – in an overview, you see a kind of corridor in which all brands are set. It can be presumed that the upper end of the corridor, i.e. the best relative values on the individual barriers, are the current maximum that can be achieved in the prevailing market environment. This is based on the assumption that a market or category follows certain rules that apply for all players (see Fig. 3.8).

That a certain degree of conformity really does exist in the progression of brands along the purchasing process is already confirmed by a look at the absolute values in

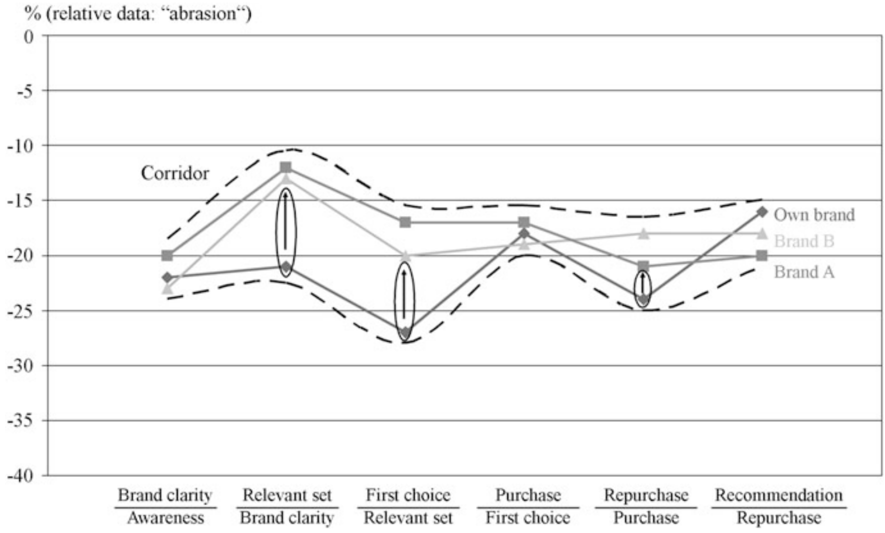

Fig. 3.8 BGB model with relative values – own brand in competition comparison

the BGB model. Experience has shown that the individual lines of the brands in the diagram usually extend almost in parallel or at least present a similar pattern. There are categories in which almost all brands improve markedly from the first choice barrier to the purchase barrier, simply because people usually buy more than one brand. This means that brands that are not first choice do get bought too. One example is shampoo: Few consumers have only one shampoo brand in their bathroom. Most tend to have at least two. But only one of them was the first choice. It's more or less the same for shower gel. In other categories, the values barely change between first choice and purchase. This is so, if only one brand, the "preferred" one, is purchased. This happens, for example, if consumers are less inclined to take risks in that particular category. They regard the risk of a bad buy as too big. This behaviour is observable for deodorants, for example. If consumers have opted for a deodorant brand, they tend to stick to that first choice and do not "experiment" with others in parallel. The risk of being disappointed by another brand (unpleasant odour or embarrassing sweat spots) is simply too big.

This conformity within a category is reflected in the relative values and leads to the corridor described above. Only rarely does a brand show a real "break-out" on a particular barrier. The comparison with competitors quickly reveals which barriers represent the greatest growth potential for your brand: those where your brand is close to the bottom of the corridor.

How you can successfully rise up in the corridor on the decisive barriers in future is described in Chap. 4. Here, in the first step, the important point is to define your focus and understand where you need to work harder and deploy all your resources to generate growth.

3.5 Optimizing Your Brand Management

The BGB model not only shows you how your own brand fares in the purchasing process compared to others. It goes far beyond that and provides answers to the following brand management issues:

1. How do you define measurable brand management goals?
2. Which growth strategy should be pursued?
3. Which target group should you focus on?
4. How do you derive a growth-oriented marketing and sales plan?
5. How do you calculate your return on marketing investment (ROMI)?
6. How is successful growth measured?

3.5.1 How Do You Define Measurable Brand Management Goals?

The maximum potential that can typically be moved across a barrier is usually the value achieved on that barrier by your best competitor. This results in a wide corridor across all barriers between your own brand and the respective best competitor's brand. What your own brand can achieve on the market will fall within this corridor. The best brand forms the upper limit. Why do we use the value of the best competitor as the maximum which can be achieved? Because it is assumed that every market operates according to certain rules and laws by which all players are bound. This also explains why the relative values of most brands in a market evolve in a similar pattern. The general behaviour of a target group in choosing a brand is similar, as is the repurchase or recommendation behaviour. It is unlikely that you can undo these laws just like that.

The growth target of your own brand falls within the range between its current relative value on a barrier and the relative value of the best competitor.

The maximum, of course, must really be regarded as a maximum. The actual target you set should not be higher, but can certainly be lower. In many cases the maximum can still be utopian for your brand, even if a competitor achieved it. What matters is to define a point for your brand within the corridor that will meet the four key requirements of a target:

- Specific: The target is clearly defined (in figures)
- Measurable: It can be measured and therefore controlled

- Achievable: The target is realistic
- Compatible: The target does not conflict with any other goals (other focus barriers)

It works best to develop scenarios. When defining your targets, what matters is not just to examine how meaningful and realistic the desired development on a particular barrier is. You also need to investigate which effect that development is likely to have on the following barriers. If you improve your relative value, say on the brand clarity barrier, this will automatically improve the (absolute) figures on the following barriers, i.e. the relevance barrier, first choice barrier etc. – because the "flow" of the target group has grown in size. So you need to work through different scenarios and decide which target would be realistic (also looking at your own past experience) and which just wishful thinking.

Your target needs to be not only specific, measurable and compatible, but also realistic. To ensure it is, you use scenarios to assess different conceivable targets within the theoretically possible range.

3.5.2 Which Growth Strategy Should Be Pursued?

This question, too, can be answered more easily looking at the relative values in the BGB model process. Let's recall the four basic growth strategies: penetration (bringing new customers into the category), conversion (winning competitor customers), loyalty (increasing the loyalty of your own customers) and frequency (raising usage/purchase frequency). When choosing your growth strategy, you also need to take into account both the size of the target group and how easy or difficult it will be to convince the target group.

The BGB model serves to supplement your initial analysis of possible growth strategies by verification and validation.

The BGB analysis also serves to validate your chosen growth strategy. If your focus barriers are located in the front end of the model, a penetration strategy is likely to be best. Focus barriers in the middle section (up to purchase) suggest a conversion strategy, whereas barriers towards the end point to loyalty or frequency.

If it's not entirely clear which strategy the identified focus barriers suggest, a strategy combination may be the best solution. It needs to be noted, though, that some strategies can be combined better than others. This depends mainly on your chosen target group.

STABILO, a manufacturer of writing utensils, had to decide some time ago which strategy combination promised the best growth for its highlighter business in Malaysia. The four basic growth strategies were investigated and their potentials compared. In doing so, two main criteria were applied: the size of the target group in the different strategies and how easy it would be to persuade these prospective customers.

In the end, the loyalty strategy promised the largest growth, but conversion and frequency also offered interesting target group potential. The penetration strategy showed less potential, and it would have been difficult to combine with another strategy because the penetration target group – non-users of highlighters – would have required a completely different presentation of the product. It would have needed to be convinced of the category as such. Arguments for the use of highlighters per se would have been necessary. So, for example, the message could have been: "Most people find it hard to understand a longer text quickly, remember the main points and then just skim them later. All that is much easier with a highlighter! Remember things faster and better – because with highlighters from STABILO, you can mark all important points clearly." People who already use highlighters will hardly be impressed – and certainly not influenced – by that message. In fact, they are most likely to not even notice it simply because it's entirely irrelevant to them. And since the three other strategies – conversion, loyalty and frequency – address existing users, a combination with penetration and a corresponding message will generally not be effective, unless you have the resources required to focus on two target groups.

STABILO therefore had to choose between the loyalty, conversion and frequency strategies. As mentioned before, the loyalty strategy promised more growth than the others whose growth potential was more or less the same. So, the question then was: What works better together – loyalty and conversion, or loyalty and frequency?

The target group of the loyalty strategy is made up of existing users of a company's products: customers who already use STABILO highlighters, but usually have other brands on their desks or in their pockets too. Although they use a variety of brands, they have already regarded something about STABILO highlighters as positive: something that caused them to at least buy one or more highlighters from STABILO. But the majority of these people were not convinced of STABILO sufficiently to stop buying other brands. To use the loyalty strategy, new strong arguments would have had to be found to convince the target group to buy STABILO exclusively.

With the frequency strategy, STABILO would have had to address all users of the category and convince them that it is better to use highlighters more often. This would probably have required communicating a number of situations that show how and for which other tasks highlighters can also be used. Such situations could have been: drawing pictures, decorating texts, structuring shopping lists, etc. The focus would then have been more on the use of highlighters per se, and less on strong arguments for STABILO. Combining the loyalty with the frequency strategy would therefore have been difficult, given the different messages needed for each target group.

So, only the combination between loyalty and conversion remained. This combination is, indeed, often selected because a shared message is feasible. Both strategies aim to dissuade the target groups from buying competitor products. Users of competitor products are to change to STABILO, and STABILO users are to stop also using competitor products. Here, you are looking for arguments *against* the competition and *for* your own brand. STABILO therefore opted for loyalty as its primary and conversion as the secondary strategy.

This strategy combination was examined with the BGB analysis and validated. The BGB analysis showed that the focus barriers for STABILO were located predominantly in the area around the purchase (which concerns loyalty and conversion), and only to a minor extent on the front end which could have pointed to penetration. And the barrier analysis also sharpened the focus of the two strategies, showing that what needed to be addressed was not only the purchase, but also the first choice and repurchase barriers.

Not all growth strategies can be combined easily. You need to investigate how similar the two target groups are and to what extent communicating a shared and yet specific and pointed message is possible.

3.5.3 Which Target Group Should We Focus On?

The strategy defines the target group – either competitor customers, new category customers and/or your own customers. The target group may also be subdivided further into "heavy users" (customers with high demand) or "light users" (customers whose demand is still low). A decision is needed in each case – not only regarding your two to three focus barriers, but also regarding your growth strategy and the target group on which you want to focus. The BGB model makes these decisions easier. That's one of its big benefits, because these decisions are otherwise quite difficult to take.

When asked "Who do you want to address?," marketers often respond: "We definitely want to convince and win competitor customers. We naturally also address new category customers to expand the market. And, of course, we can't afford to lose our existing customers either – so we address them too." What makes decisions so unpleasant is that, in deciding *for* something, you automatically decide *against* the alternatives. And marketing pros don't find it easy to decide consciously and deliberately against a target group. Avoiding that decision, however, means your advertising messages are likely to communicate shallow content. The broader your target group is the more general your message will need to be to avoid alienating some potential customers. But a superficial message will never achieve the same effect as a pointed and specific one – and will therefore contribute less to growth.

Brand managers are often concerned that new approaches or messages could alienate the existing customer base. This should be avoided, of course. So the messages should be tested with the existing target group as well. It is then often found that they feel confirmed in their previous purchase decisions by the new messages. At the end of the day, the most successful companies are likely to be those that work with clear focus barriers, clear targets, a defined strategy and a specified target group.

How you go on from there to derive a marketing and sales plan, calculate the return on marketing investment and control the achievement of your growth target will be discussed in Chap. 6 because all this happens in a later stage of BGB model implementation. What needs to be done next is to derive and develop the actual activities and messages. But to do so, we first need to understand why a focus barrier exists at all and then do everything to eliminate whatever the cause may be. Only once you know *what* needs to be done to achieve your defined goal, can you start thinking about *how* to do it.

3.6 Only Asking Questions Will Give You Answers!: Questions and Answers That Help Identify Barriers

In this section, we present brand management questions that are worth asking – not least because in many cases they have not been asked for a long time. You will find the right answers using the BGB model and your own market research data.

The following questions help ensure that the focus is fully on growth and that no opportunity remains unused. The answers show how the BGB model can be applied to find the right approach to each question. We'll use the example of the fictitious brand "Refresher" for illustration. Water dispensers are sold under this brand both to private households and to companies and organisations with frequent visitors for which offering "drinking water" is useful. This applies, for example, to companies with their own sales outlets, medical practices, hospitals, schools, public authorities, etc.

What is our position on the market compared to the competition?

The absolute figures in the BGB model show that we are positioned very well with our brand Refresher. The competitor brands Dispa and ThirstKO are a bit better than we are on the awareness barrier, but we are pretty much at the top end of the market corridor. Things do get interesting, however, once we look at the category barriers. Although the target group is largely familiar with the concept of a water dispenser, the majority still get stuck on the category barrier "Water dispenser purchase intention". Our competitors are therefore the providers of bottled mineral water. This means that the entire market still has great penetration potential, both among private households and in companies/organisations. We want to target that potential and regard that as our first priority. Our second priority concerns the brand barriers.

Here we see that we have additional improvement potential on some barriers. Above all on the first choice and purchase barriers, other water dispenser brands like Dispa and ThirstKO use their target group potential better than we do. In the company segment, for example, we only succeed in persuading app. 30 % of those who consider our brand to actually buy our water dispensers. Among private persons, the figure is even only 25 %. Dispa and ThirstKO achieve around 35 %. We are now investigating what our weaknesses are with regard to these two barriers, so that we can then focus our resources on improving that position.

Can we rely on the data?

In the case of private persons, many of the data we use – for example on brand awareness and brand purchasing and repurchasing – are standard market research data. They are collected annually. We also collected new data by adjusting the existing questionnaire. It is ensured that all data refer to the same target group – modern families and couples – and were collected in the same survey period. We also have the same data for the main competitor brands. In the company segment, we use a regular survey that we ourselves conduct among customers and prospects and the experience and assessments of field service staff who have worked with us for many years. In addition, we see a clear correlation between the values recorded in the BGB model and the achieved market shares – both for our own brand and for our competitors.

Does the model really work for our category?

The entire model is derived from the real purchase decision process in the relevant category, so that the model's design already takes account of all peculiarities regarding the purchase and use of a water dispenser. For example, we have integrated additional category barriers at the front of the model, since many companies and households have not yet switched from bottled mineral waters to water dispensers. We took care nonetheless to keep the model as practical, simple and clear as possible.

What is our growth target?

We have set our growth target for the barrier "Water dispenser purchase intention" at 25 %. Until now, only 20 % of those who know the concept of water dispensers also developed a purchase intention – regardless of brand. Using the right activities, an increase to 25 % should be possible. In some other countries, the values are already 50–60 %.

The growth targets for the two other barriers first choice and purchase fall within the corridor. The relative performance of our best competitor – Dispa – defines our maximum for these focus barriers. On the first choice barrier, Dispa's relative value in the private consumer segment is 75 %. This means that the brand is first choice among 75 % of those who include Dispa in their relevant set for water dispensers. In most cases, the Dispa product is then also bought. An improvement of our current value of 45–55 % would be realistic *for us. We won't be able to achieve Dispa's 75 % straight away, but an increase to 55 % would already be equivalent to an absolute increase of 22 % on the first choice barrier. That would suggest an increase in sales by about 15 %.*

◈ *Which growth strategy should we pursue?*

☑ *We continue to focus on the penetration strategy among both private households and companies, since that remains the largest target group for us, which should be relatively easy to persuade with the right arguments. So the penetration strategy is our primary strategy and has absolute priority. The BGB model shows that we already have a certain awareness level even among people who don't use a water dispenser yet and are considered part of the relevant set along with brands like Dispa and ThirstKO. The aim is therefore to win buyers in this target group. And that also matches our other two focus barriers first choice and purchase.*

◈ *Who is our target group?*

☑ *Since we are primarily focusing on the penetration strategy, our core target group consists of small companies and private households who know the concept of a water dispenser and the main suppliers, but have not yet opted for a water dispenser themselves. Among private households, our focus is on young modern couples and families, since they would be more prepared to try a new concept. They also consume more drinking water – they're so-called heavy users. And in the company segment, we focus on those with frequent direct customer contact, for example companies with sales outlets, but also medical practices, hospitals and schools. They will all use our water dispensers primarily as a service to their customers/visitors.*

Chapter 4
Understanding Growth Barriers

If there is any one secret of success, it lies in the ability to get the other person's point of view
Henry Ford

Now that we know which barriers are our focus barriers, the next task is to understand why they exist. This part of the model is called diagnostics. Like a doctor examining a painful knee and asking the patient questions, we study the barriers and, in many cases, also conduct interviews with our target group.

4.1 How Does a "Brand Doctor" Make a Diagnosis?

It is important to understand two main things: Why is part of the target group stuck at a particular barrier? – i.e. what are the barrier drivers? And why has another part of the target group already overcome that barrier? – i.e. what are the business drivers?

Without that knowledge, it's impossible to develop the right arguments to overcome barriers by whatever means – standard communication, online advertising, product development, packaging or POS marketing. You can "tell" your target group as many nice things as you like, but if you don't address their actual reservations or the cause of their lack of interest, it's very likely that everything else will fail to convince them.

To find the right arguments to break down a barrier – be it in the form of standard communication, online advertising, product development, packaging or POS marketing – you must understand two things:

1. ***Barrier drivers**: Which thoughts, conditions or experiences lead part of the target group to get "stuck" at the barrier?*
2. ***Business drivers**: What motivated those in the target group who overcame the barrier to do so?*

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This principle is actually used all the time in everyday life. Imagine you want to go on a holiday with your partner. You suggest Spain as the destination. But your partner doesn't want to go to Spain. How do you change his or her mind? If you say how fantastic the weather is and that you can lie in the sun all day that will hardly change your partner's mind if she doesn't enjoy the heat. You could talk about the sea and great boat trips, but that won't help either if she gets seasick easily. Only once you know the reasons why you partner objects to Spain – in this case reservations about the sun and the sea – can you begin to argue successfully and change her mind. Trips to cooler mountains or a travel date that isn't in mid-summer are certainly aspects that could overcome her reservations. Perhaps you know a good sea sickness medicine. Whichever arguments you use, they will only work if they address the most important barriers.

Barriers can only be removed if you have a detailed understanding of them and what causes them!

The principle is simple, but rarely applied in brand management. Very few companies have data-based knowledge of why their brand is *not* purchased or *not more often*, or why part of the target group gets stuck at a barrier. The many studies on a brand's image, communication, POS etc. generally only research *why* a brand is purchased. As we've just seen, that's only half the story. Without knowing the reasons for rejection, you would need a lot of luck to choose among the many positive arguments you might use to make non-buyers change their view. But if you take another look at the data with the right questions in mind regarding target group behaviour, brand image, communication etc., you can derive sensible assumptions about what causes a barrier.

Important Questions
- *Why does a target group not buy the brand or not buy it more often?*
- *What are the exact reasons for non-buyers' rejections?*

4.1.1 Barrier Drivers: Why Is Part of the Target Group Held Back by a Barrier?

The diagnostic part of the model often has a depressing effect. In workshops or at presentations on barriers, one can often see people's faces growing longer and longer. This is not surprising. After all, this is primarily about the "negative" aspects of a brand from potential customers' point of view. It's very important to remind yourself and your partners that this is the point of view of those who have not yet been convinced to buy your brand and are held back by specific barriers. Not everyone has a poor opinion of the brand – otherwise it wouldn't exist anymore. You must remember that, so you don't lose faith in your own brand.

So how do you find out why customers are rejecting your brand? Since very few people have asked the "non-buyers" directly, you can initially only use assumptions. They can help specify the range of possible reasons, so that you can then qualify them in a research with non-buyers. You can already determine many assumptions simply by comparing with the competition.

Some years ago, the pain killer brand Aspirin Plus C, which had been a sales driver for Bayer's overall Aspirin business for many years, suffered stagnant and declining sales. Competing brands on the other hand, made major gains in market share. An extensive analysis of brand growth barriers showed that Aspirin Plus C had fallen far short of its growth potential on the "first choice" barrier. More successful competitors were able to convince more potential customers to overcome that barrier. Naturally, almost everyone knew Aspirin Plus C. Many also had the brand in mind when wanting to buy pain killers in a pharmacy. But too many asked pharmacists specifically for competitor products. So why did consumers get stuck at the first choice barrier? It seems that they were sceptical about the efficacy of Aspirin Plus C as a pain killer. Market studies asked people to evaluate the efficacy of Aspirin Plus C and competitor brands. The results showed that lower efficacy was ascribed to Aspirin Plus C than to others. That was initially hard to understand, especially from the perspective of the pain killer experts at Bayer. After all, Aspirin Plus C had clearly proven its efficacy countless times in studies. First indications of the reasons for the lower efficacy perceived by the target group came from advertising tracking. Although Aspirin Plus C enjoyed extremely high awareness levels, the most widely remembered advertising elements were the effervescent tablet and added Vitamin C. Information on especially high efficacy was not remembered so well.

Qualitative studies also showed that consumers didn't trust the efficacy of the product because the effervescent tablets were dissolved in water and thereby seemed to be "diluted". A pain killer watered down like that wasn't considered as effective as other standard painkillers, which might even have some kind of effect catalyst. So the "hallmark" of Aspirin Plus C – the effervescent tablet – was also one of the most important causes of the perceived lower efficacy and therefore the first choice barrier.

Other data confirmed simple common sense: Efficacy is the no. 1 choice factor for pain killers. It was also very important for consumers that the pain killer be gentle on the body and start working quickly. But all that is irrelevant if the tablet is not perceived to be sufficiently effective. Having understood the problem with the effervescent tablet, Aspirin Plus C now knew what to do. The aim was to convince consumers that the effervescent tablet was the key advantage of the brand, and not a disadvantage. We will discuss the action then taken in the next chapter.

So diagnostics involve analysing existing data, but with a clear focus. Due to the focus barriers, we know what we are looking for – for instance an explanation why a brand is considered, but still loses out against another brand.

Barrier drivers mainly focus on the "negative" side of a brand from the perspective of non-users and infrequent users. If that information is not available from primary studies, assumptions are sufficient initially, based on comparisons with competitors.

4.1.2 Business Drivers: Why Have Others Already Overcome the Barrier?

Another indicator why some people are stuck at a barrier will be found in the reasons why others overcome it easily. This part of the target group has understood, believed, known or subconsciously sensed something specific that motivated them to opt for the brand. Accordingly, non-buyers probably have *not* understood, believed or sensed that same thing. The exciting question is why this is so. You can find that information in quantitative surveys such as image studies, ad tracking, sales figures and in greater depth in qualitative studies such as focus group discussions or individual (depth psychology) interviews.

For instance an internationally renowned manufacturer of power tools acted as follows during a BGB analysis: It asked why craftsmen did not buy the drills, circular saws and angle grinders intended for them, although the brand was initially considered for purchase. The craftsman failed to overcome the first choice barrier.

An existing quantitative study on brand growth barriers showed that craftsmen who ultimately bought power tools from the brand identified a number of positive brand characteristics, while those who failed to overcome the barrier identified them less clearly. The positive characteristics included "Top quality for professionals" and "Top service". Non-buyers considered other brands to be "more professional" – especially since these brands did not offer a second series for DIY enthusiasts. Our brand did have a second series of products for DIY enthusiasts, which made non-buyers regard it as not sufficiently specialised in the professional segment. Products by other brands, such as Makita, were also considered to be better for "tough jobs". The targeted search for barrier causes paid off. The knowledge gained was a first important step towards convincing craftsmen more successfully to buy the brand. Also, the service from other brands was perceived to be better. In critical situations where a replacement machine had to be procured as quickly as possible, other brands appeared to react faster and with less red tape. Unfortunately, many craftsmen didn't know how extensive our manufacturer's services really were. So the aim was to correct the misleading image regarding the professionalism of the brand's products and services.

Business drivers involve understanding what people who overcame the barrier saw in the brand, which non-buyers didn't see – and especially why. That information is usually available in standard brand studies.

For every barrier, there are a range of standard questions that permit a targeted search within existing data material to identify what causes the problem. The most important standard questions are listed below.

4.2 Awareness Barrier or: Brand X, Never Heard of It

The causes of an awareness barrier initially seem simple: If a competitor is better known, its advertising budget must be bigger. So if you want to tear down that barrier, you presumably just need a bigger budget. But, of course, that's too simplistic as a theory and too difficult in practice.

Even if you can't change your advertising budget, it's worth taking a closer look at the awareness barrier. There is presumably at least one competitor who has a similarly long brand history and a better awareness-advertising budget ratio than your brand.

So what can you improve with regard to that barrier apart from your budget? Which levers do your competitors use? Often, it's helpful to simply assess your own brand in terms of branding and its media plan. The following considerations may seem banal to experienced brand managers, and yet even seasoned brand management teams often overlook branding and media planning problems – perhaps precisely because these things seem so obvious.

To understand the causes of an awareness barrier, it's worth always keeping an eye on your branding and media plan, regardless of budget.

4.2.1 Branding: Do You Always Leave Your "Zorro Z"?

Almost every brand has its own branding, just like Zorro and his famous "Z". A memorable impression and permanent branding are essential for a growth-driving effect. That's obvious to many people, but not always followed in practice. To check branding, you need to ask a number of simple questions – so simple that they are asked far too rarely. When did you last ask: Is our brand memorable and high profile? Is it easy to remember the brand name, logo and slogan? To what extent are the brand name and logo distinctive compared to competitors and neighbouring segments? And above all: How strongly is the brand name/logo highlighted in all communication? You should also ask these questions for individual products and product series.

How often do you remember a communication – whether on TV, in print or on the radio or internet – because it was especially funny, dramatic, beautiful or surprising? Probably quite often. But how often do you actually remember the name of the advertised brand? Certainly not every time.

Take a close look at your communication. It happens more quickly than you might think that your branding is overshadowed by all those creative ideas. Have all communication of the last 5 years compiled and then answer the following questions honestly: How uniform was your market presence really? Were the logo and slogan retained for a long time? How clearly is the sender highlighted? Could you attribute one of your advertisements to your brand even if the brand name and logo were deleted? Or does the target group have to absorb a new layout and design in every new campaign?

One brand that manages to retain its style and therefore an established market presentation is NIVEA. When new TV spots are released, you already sense that what you're looking at is a NIVEA ad even before the product is shown or mentioned. Another classic is Marlboro. This brand succeeds by doing something that for most brands would be a serious mistake: The brand name, product or logo only appear in the last few seconds of a spot – if at all. Still, you know that you're looking at Marlboro. Why is that? It's because the images and music have shown similar, very striking characteristics for many years, so that they stand unmistakeably for the Marlboro brand.

Important Questions

– *Is your brand memorable and high profile?*
– *Is it easy to remember the brand name, logo and slogan?*
– *How distinctive are the brand name and logo compared to competitors and neighbouring segments?*
– *How dominant are the brand name and logo in communication?*
– *How uniform has communication been during the last five years?*
– *Could a viewer attribute the ad to the brand even if the brand name and logo were removed?*

4.2.2 Media Plan: Every Shot a Winner?

Like branding, media planning is too rarely questioned or reviewed – maybe because, in most cases, a media agency is in charge as the expert. But that's no reason not to question things yourself and discuss alternative options with the agency. After all, nobody has ultimate wisdom, so it's definitely good and proper to ask as many questions as you want, rather than recognising that the chosen media strategy was not perfect once it's too late.

A few years ago, the European tour operator DERTOUR struggled with low awareness levels. Major competitors like TUI and Neckermann had much higher advertising budgets, but it was other "smaller" competitors like ADAC Reisen and Meier's Weltreisen that impressed. Despite budgets that were about as low as DERTOUR's, they enjoyed relatively high awareness levels. That was reason enough to question the DERTOUR media strategy and examine it in detail.

At the time of the study, DERTOUR had spread its advertising budget across different profit centres, which prevented a strong overall advertising effect. In media selection, the main focus was on dailies and radio, as well as consumer and trade magazines. This wide diffusion meant that not enough funds were invested, notably in magazines, to achieve a significant effect. In addition, the main medium of DERTOUR – dailies – was already so strongly occupied by all competitors and, in particular, TUI that DERTOUR had less chance of being "seen".

Does all that sound banal? Of course it does. But the media plan had nonetheless not been questioned. Why? – Maybe, because it isn't common practise to do so. Or maybe because other brand building activities looked more exciting. And maybe, because standard indicators like gross coverage and contact classes actually looked pretty good. But having good indicators is not enough. The aim must be to break down existing barriers, which in the case of DERTOUR were the brand clarity and awareness barrier – using the right channel and the right pressure. To overcome the brand awareness barrier of DERTOUR, the media plan had to be refocused. The task was to choose the right channels that were not yet dominated by competition and, above all, suited best to overcome the awareness barrier.

Regardless whether you focus your entire budget on one or several media channels, you need to check one thing above all: Are the channels you use really best suited to break down the awareness barrier? The sole aim of the media plan is to break down barriers. The former distinction between above-the-line and below-the-line serves no real purpose. Allocation based on focus barriers does, because it guarantees that only the media that support targeted brand growth are used. So the brand contact strength of different channels must be examined. This analysis looks at two main factors:

1. *A media channel's potential to break down barriers*
   This in turn can be broken down into three aspects:

   - Intensity of contact with the target group
     This is measured by standard indicators like gross coverage, net coverage and contact classes and generally examined by the media agency.
   - Level of attraction for the target group
     This addresses the affinity of the target group to the channel in general. Secondly it involves the thematic relationship to the situation. A hot chocolate will be advertised more successfully at a bus stop (on a cold winter day) than on the shirt of a football team.
   - Information content
     This analysis investigates how well a channel will transport the message you want to send to e.g. break down the awareness barrier. Sampling, which may even provide the full sensual product experience, can communicate messages which differ from those of a radio spot that can only address the listener's imagination. The analysis of a channel's potential to overcome barriers can be applied to all barriers, not just the awareness barrier.

2. *The media channel's cost effectiveness*
   The funds invested are compared in terms of Cost per Thousand (CPM) or Cost per Point (CPP). The necessary figures can be requested from the media agency.

A presentation of the potential of channels to overcome barriers and the respective costs in a coordinate system quickly shows the brand contact strength of all channels (see Fig. 4.1).

When entering channels into the coordinate system, you shouldn't be restricted solely to those currently used. By entering currently unused channels that are nevertheless attractive and may be more appropriate to overcome specific barriers – in this case the awareness barrier – you can create a comparison, which will give you a better assessment.

> *In media planning, the most important question is: To what extent are the channels used best suited to break down a specific barrier – for instance the awareness barrier? This question must also be addressed to the media agency.*

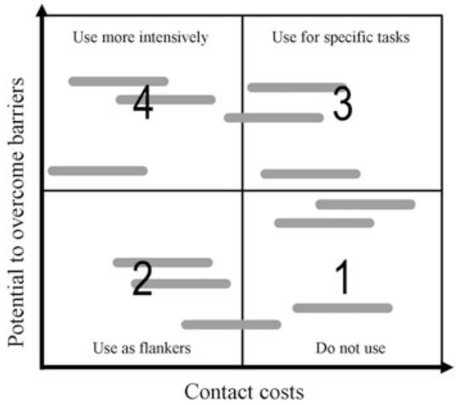

Fig. 4.1 Brand contact strength

4.3 Brand Clarity Barrier or: What Am I?

The brand clarity barrier is a very interesting one because it is often not really considered. Many companies may assume that they have a problem with their awareness or with being first choice. But only very few know to what extent the target group has a clear idea of their brand. This is usually not regarded as a problem. But a clear brand image – i.e. a clear idea of what a brand stands for – is the core driver for purchase intent and buying. Customers will only consider buying a brand if they have a precise idea of what it stands for. Only then can they recognise the advantages compared to the competition and opt for your brand.

The enormous leverage effect of a clear brand image is confirmed in a wide range of industries by a simple comparison: the absolute values for purchase intentions or purchases among people who know what a brand stands for, compared to those for people who don't know. The difference is massive. In entertainment electronics, for example, the choice of a specific brand is 85 times more likely if the target group has a clear idea of the brand. The average sales rate for an investment fund with brand clarity is even 142 times higher than for one with none. These figures show impressively that brand clarity is an indispensable (though insufficient) precondition for sales.

A clear brand image is the core driver for purchase intent and buying. The target group can only opt for a brand if it has a clear idea of what it stands for.

One precondition of a strong brand image is a convincing brand positioning with a clear brand focus. And yes, this is difficult to develop and strictly adhere to in all communications. Once again, the point is to set limits and make choices, i.e. deliberately not pursue certain options, which is always tough.

Let’s take the NIVEA brand. It has always stood for “gentle care” in everything it has done. Maintaining such a clear brand focus for such a long time is a great achievement, especially if you consider how much the brand was expanded over the past decades. Today, the umbrella brand NIVEA has products in over ten categories – including facial care, hair care and deodorants.

It’s no doubt easier for some products to stick to that “gentle care” brand focus – for instance in Bath Care. With shower gels and bath additives, “gentle care” is naturally important and one can play well on gentle, soft and sensual aspects in communication. It was no doubt more difficult for other products – such as those under NIVEA Beauté which were then discontinued. “Gentle care” still plays a certain role for make-up, powder, lipstick and mascara, but other factors dominate, such as perfect cover for make-up, volume for mascara or the latest summer colours for lipstick.

The NIVEA products constantly face the challenge of finding ways to distinguish themselves and succeed on the highly competitive cosmetics market using the brand focus “gentle care”. This means that certain messages are simply taboo. If a competitor claims that its product removes facial wrinkles in only a few minutes by deftly (but artificially) “plumping up the skin”, that might sound appealing to many women. But for NIVEA, that claim is difficult to reconcile with the concept of “gentle care” and therefore unlikely to be used.

By the way: “gentle care” from NIVEA entails more than just those two words. Slogans alone are generally not sufficient for sustainable and convincing brand differentiation. Positioning models that divide the market along two axes no longer do justice to the intricacy of market reality. Occupying rational utility, like Pampers did for years by focusing on dryness, is no longer sufficient in today’s often oversaturated categories. In addition to the promised utility, you need another distinguishing dimension – something that underlines the rational utility promise, while also making it unmistakeable and desirable. Many marketing service providers and brand managers believe that the much-vaunted emotional benefit will do just that. But this is generally a misconception. While emotion can make a brand more attractive and its use more desirable, it seldom gives the target group a convincing argument why it should opt for it. If consumers believe that their currently used brand can fulfil their rational needs just as well as the emotionalised brand, then it’s logical to conclude that it is likely to provide the emotional benefit too, or that emotion is simply not really important.

This is, of course, a polarising theme. Many swear by the emotional end benefit, which is per se not wrong. But if the brand is not “earthed” in a rational, understandable purchasing reason, emotional benefit will carry little weight. In more than 100 concept and advertising media tests we supervised, a purely emotional positioning always fared significantly worse than its rational counterpart. The upshot is clear: You should no longer accept statements like, “we must charge the brand emotionally” or, “the brand’s long-term distinctiveness can only be achieved by emotion.” Long-term successful positioning can be achieved only by a brand advantage that the target group understands and finds convincing. Therefore, don’t think about whether a benefit is rational or emotional – think about how to make it relevant. Examine your brand positioning. Is it clear and unmistakeable? Are there qualified reasons that make your positioning more relevant and credible than others?

You should also examine whether your entire brand presentation including communication, packaging, POS materials and even your hotline, etc. conform to your brand positioning. Companies at first often don't understand why their target group is unaware of what their brand stands for. The official brand positioning is dug out of the drawer and held up: It says in black and white what the brand stands for. Everyone in brand management certainly knows it. But that doesn't mean that your target group has already been sufficiently informed. It doesn't have extensive background information about the brand and depends entirely on what advertising, packaging and other activities promote.

Important Questions

- *Is the positioning focused and clear?*
- *Are there qualified, relevant reasons for the target group that make your positioning more desirable than that of other brands' ?*
- *Is the positioning implemented in all fields – communication, packaging, POS, hotline etc.?*

Whatever the cause may be for a brand clarity barrier, it is essential to break down the barrier. If potential buyers don't know what a brand stands for, they can't decide – either against or for it. It is unimportant at this point whether the image the target group has of a brand is "right" or "wrong". That is only significant at the next barrier: the relevance barrier. The brand clarity barrier only addresses the question whether the target group has a clear brand image that helps with the purchase decision.

4.4 Relevance Barrier or: Knocked Out in the Qualifiers?

The relevance barrier is one of the simpler barriers. To be considered at all as a brand, two points must be fulfilled:

1. The brand positioning must be accepted by the target group.
2. The brand must fulfil the most important criteria of a category – at least as well as its competitors.

4.4.1 Brand Positioning

The preceding barrier – brand clarity – involved having a clearly focused positioning and communicating it successfully. The relevance barrier additionally involves making the target group attracted by the image it has of your brand. That especially applies if the target group/your potential customer can't "hide" the brand from others, e.g. in the case of a wrist watch, car or mobile phone. A more extreme positioning that polarises is a valid option for smaller specific target groups. Think of Red Bull. But a broad target group requires a correspondingly broader positioning – "broad" here means "generally popular" and not an "all-things-to-everyone" product.

You should also remember that the intended brand positioning and the target group's current brand image need not always concur. Just because some in your target group apparently don't like your brand or have a different image of it than the one you wish to communicate doesn't mean that your brand positioning is wrong. Check your communication again. Perhaps the current advertising message projects an entirely different image of your brand from the one you originally planned?

Also: The question whether your brand is relevant to the target group is more important than whether the target group likes it. Would you give a craftsman a job just because you liked him? Like emotion, likeability is highly overrated. Relevance is the decisive purchase criterion a brand must fulfil.

4.4.2 Category Criteria

In every category, there are basic criteria a product/service must fulfil to even be considered. For a children's soft drink, the criteria would be "thirst quenching" and "tasty". If these basic criteria are not met, the drink may have as many exciting features like "carbonated" or "sugar free" – it very likely won't be bought or consumed. The children's soft drinks segment also presents a double challenge because it has to impress two target groups – parents (usually mothers) and children. As everyone can imagine, their interests are not always identical. The "health" factor is considerably more important to parents than to children.

You therefore need to know the most important basic criteria of your category and specific target group. Most companies have a list of them based on market research. Your brand or products must fulfil these criteria – not only from product developers' point of view, but also and especially in the eyes of your target group. It alone will decide whether the criteria are met. So fulfilment of the category criteria must also be communicated, even though that is mostly done indirectly. The product's look and feel, for example, must be designed to let the target group assume that the criteria are fulfilled. For food products this means you need to make sure your product or packaging must look as tasty as possible as tastiness is one of the basic benefits of food.

In doing so, you need to bear in mind how your target group experiences the product/service, especially if it can already examine the criteria at the point of sale. If the packaging of a deodorant suggests that it smells of “fresh mountain flowers” but, after spraying the tester in the store, your prospective buyer is confronted by a heavy rose scent, a basic criterion for deodorants – pleasant fragrance – has not been met. If the target group believes that a basic criterion is unfulfilled, this is a strong reason to reject the brand. The (over-)fulfilment of this criterion must therefore be actively communicated to at least give the product a chance.

Apart from that communication focuses on the brand’s positioning – except if a brand is positioned directly on a category criterion. That can make sense, although this is a subject of continuous debate. For example, a toilet paper brand faced the question whether a leading brand should even occupy the criteria softness and strength. After all, every brand, even private labels, would do so too. Instead, they considered a positioning focused more on design or the family. We can only warn against such “desertion from the centre” of the market. You can, of course, successfully offer black toilet paper as a design brand and niche product, but only a minority of the target group has been found to regard the design criterion as sufficiently important to be willing to pay a premium price for it. The majority wants the category benefit and wants it in the best possible form. This means that you can in fact position your brand on category benefit successfully. The point is that your target group must perceive that your brand is considerably better at providing that benefit than others. And that advantage must be so relevant that customers will be willing to pay a considerably higher price for it!

Important Questions

- *Does the brand’s target group perceive the brand as intended by your positioning?*
- *Is the brand positioning accepted by the target group? Is it highly relevant to the target group?*
- *Does the target group believe that the brand/products meet the most important criteria of the category (basic criteria) at least as well as the competition?*
- *If a brand is positioned towards one basic criterion: Does it sell that benefit significantly better?*

4.5 First Choice Barrier or: Missed Pole Position Again?

Things get really interesting at the first choice barrier. The aim now is not only to meet the basic criteria and be at least as good as competition. You also need to be far better than your competitors on at least one criterion or distinguish your brand clearly by additional criteria.

So what about your own brand? Which arguments do you use to distinguish it from competitor brands? Standard brand image and performance studies are helpful in this respect. They make it very easy to compare your brand with its competitors to discover which distinguishing features yours really has. If you then discover that, in the perception of the target group, there isn't a single distinctive feature, your task is clear: to find at least one criterion that could make your brand distinctive in future.

Studies can also indicate that a brand distinguishes itself from the competition by one or more criteria, but is still not the target group's first choice. So why doesn't that specific factor, the unique promise, motivate the target group to overcome this barrier and make your brand first choice?

In 90 % of cases, those in the target group who fail to overcome the first choice barrier have one of the following reasons for rejecting a brand:

- I don't need the promised benefit. Because . . .!
- I already have the benefit. And my brand additionally provides . . .!
- I don't believe that the brand can actually offer the benefit. Because . . .!

Only if you know which of the reasons for rejection is the most important one and why, will you find convincing arguments to change the minds of those who reject your brand.

Take the example of a household cleaning agent from the Sagrotan brand, which is also known as Dettol in many regions. Sagrotan/Dettol stands for hygienic cleanliness. Its classic products include anti-mould kitchen cleaners, WC hygiene wipes and hygienic travel sprays. How can Sagrotan/Dettol convince its target group of a new, especially hygienic household cleaner, so as to boost sales significantly? With a strong umbrella brand like Sagrotan/Dettol, brand clarity and relevance are usually in good shape. But it's not that easy to become first choice as a cleaning agent. After all, there are plenty of other established brands that also offer excellent cleaners, many of which are cheaper.

The special aspect of Sagrotan/Dettol – hygienic cleanliness – may not be enough in the household cleaner segment. The target group may initially not be very interested in whether the product not only cleans floors well, but also kills 99.999 % of all bacteria on their floor. So even though the product can do more than a standard floor cleaner, it might not be bought by every household. Why?

Some of the target group doubt whether it really does kill 99.999 % of all bacteria ("I don't believe it"). They demand proof of such hygienic cleanliness before being prepared to buy the product.

Others believe that their current household cleaning agent also removes almost all bacteria – and is cheaper, has a more pleasant scent, or is offered in a more convenient bottle ("I already have it").

Another section of the target group doesn't see the need for hygienic cleanliness where 99.999 % of all bacteria are killed ("I don't need it"). It believes that floors are for walking on and therefore don't need to be sterile. It's a different story for the worktop in the kitchen, but for floors, removing regular dirt which can be done well enough with standard household cleaning agents is enough. What matters is therefore to understand which of these possible reasons is most important for the majority of the target group so as to find persuasive arguments to convince the target group to buy the product, thereby making it the first choice.

Some people might now say: You may well be able to identify the nature of the barrier for individuals, but I have millions of customers for whom all three barrier types apply. And for each of them, there are probably a 1,000 different reasons... The result of this kind of reasoning is that some companies don't even try to analyse barriers in detail, which in turn means that their communication doesn't even try to address them proactively. But the question is: What would happen if you could convince only 50 % of the people who aren't buying your brand today to do so tomorrow? Wouldn't it be rewarding to understand which barriers dominate in your target group so that you can address them? Experience has shown that there are 40–50 barrier causes in every category, of which only 3–5 are really relevant. These 3–5 barrier causes are very likely to be what is preventing double-digit growth for your brand! Wouldn't it be sensible to make every effort to discover those 3–5 barrier causes? It's the best brand management investment you can make.

In 90 % of all cases, those in a target group who fail to overcome the first choice barrier have one of three reasons for rejecting the brand:

- *I don't need the promised benefit. Because ...!*
- *I already have the benefit. And my brand also provides ...!*
- *I don't believe the brand will actually provide the benefit. Because ...!*

You have to understand which of the three barrier types is relevant and which motivation lies behind it to develop convincing and relevant arguments (see Chap. 5).

4.6 Purchase Barrier or: Beaten Just Before the Finish Line?

The purchase barrier is one of the most annoying barriers. You've finally convinced the target group to prefer your brand to all others, but then they don't buy it. The most common reasons for this problem are the price and POS.

Premium brands often fall foul of this barrier. The target group considers the price to be so much higher than the competition that the additional benefits (image, prestige, quality etc.) no longer justify that price difference.

If premium brands are sold exclusively in just a few sales channels or only one, they are also "hard to find". That's no reason for brands to give up their premium positioning. But you need to have a good understanding of the target group's thoughts with respect to the price, for example, and develop convincing new counter-arguments. After all, some of the target group were willing to pay the higher price. What did they see in the brand that others don't yet see?

A manufacturer of power tools – we'll call the brand Top – is such a brand that showed impressive BGB values right up to the purchase barrier. The majority of craftsmen knew the brand, knew what it stands for and – had the craftsmen had a free choice between Top and a different brand – they would invariably have chosen the premium brand Top. After all, whoever owned a Top hammer drill proudly carried it to work and managed even the toughest tasks comfortably. But too many craftsmen failed to overcome the purchase barrier. They bought other brands, most of which were cheaper. To overcome the purchase barrier, Top had to convince them to accept the higher price.

Another brand that had a hard time overcoming the purchase barrier is TENA – a manufacturer of special sanitary towels for those suffering from incontinence. Incontinence remains a taboo subject in Germany, although one in four women over the age of 35 has already experienced it, especially during pregnancy. Nevertheless, you don't really talk about it, neither with your best friend nor with the doctor, and certainly not with your partner. Sometimes things can go as far as denying the condition by simply ignoring it. As the market leader, TENA therefore not only faced competing manufacturers of such special sanitary towels, but also those of "normal" sanitary towels and panty liners. People can buy and use Whisper and Always products without evidently being classed among those suffering from incontinence.

TENA therefore had to contend not only with competitors from two different, albeit similar, markets, but especially with a major social taboo. However, TENA had superior products. People who had already tried TENA were convinced of their superiority and mostly remained loyal to the brand. But new growth had to be generated, of course, by winning customers who had not yet bought special incontinence products. Many in the TENA target group – even if they had not yet had any experience of TENA – were at least convinced that TENA provided the best and most reliable products. But when it came to the crunch – before the supermarket shelf – they all too often bought competitor brands. Given the taboo mentioned, that was understandable. Nobody wants to stand in front of the supermarket shelf with incontinence products or, worse still, wait in line with TENA products in their basket. So the aim was either to seek new distribution channels or to make the purchase experience less embarrassing by removing the theme from the taboo zone. Not an easy task!

POS staff should also not be underestimated and can even make a decisive difference. For over-the-counter drugs, customers often enter a pharmacy with a concrete purchasing intent, but buy a different brand after being influenced by the pharmacist. It is definitely worthwhile to study in detail which people can influence a purchase decision at the point of sale. What is their opinion of the brand? How convinced are they of competing brands? Do they offer a better "sales story"? Have we provided the seller with enough arguments for our brand? Things are especially difficult if sellers have split into two camps. A well-known cough syrup manufacturer had exactly that problem: Pharmacists were divided into those convinced of the benefits of phytopharmaceuticals (based on plants) and those who preferred conventional medicines. How do you convince supporters of phytopharmaceuticals to recommend your non-phyto cough syrup? You need to convince these pharmacists that the efficacy of this cough syrup is equally good or better than that of the phyto cough medicine and in the end the better choice for the patient.

The most common reasons for a purchase barrier are found in the areas "price and point of sale".

- *Above all, premium brands fail at the purchase barrier if they cannot justify their higher price convincingly.*
- *Potential POS obstacles such as poor distribution, placement, unease when buying (especially in taboo categories) or lack of conviction among sales staff must be examined.*

4.7 Repurchase Barrier or: Only a One-Hit Wonder?

The repurchase barrier is also an especially frustrating barrier because nothing is more annoying than gaining a customer and then losing him again. A classic reason is dissatisfaction with the product or service. Perhaps the product expectations were too high or the customer hoped for something completely different. What did he hope for? Do you know what exactly it was?

The satisfaction and dissatisfaction with your brand can usually be checked quickly by standard studies on the brand's image/performance or product tests. You need to understand how well your products/services really fulfil certain criteria, but also how important the criteria are to the target group. Your brand may do very well with some criteria, but worse than competitors on the one that matters most. However, knowing about dissatisfaction is not enough. You have to understand it too. What expectations do customers have? If that question hasn't been presented to them yet, you can compare their real product experience with the image the target group probably developed from the contents of your communication in the last 1–2 years. If the product promise and product experience vary greatly, the target group will naturally be disappointed. Even if the product experience wasn't bad, it just wasn't what they were hoping for.

The international wheat-based coffee substitute CARO struggled with the repurchase barrier for some time. Consumers bought CARO hoping to find a tasty, healthier alternative to coffee or tea. Unfortunately many consumers didn't like the instant CARO coffee powder at all, since it lacked the full flavour of a good coffee and the fine aroma of fresh tea. As important as the "healthier solution" may have been to consumers, they were not prepared to do without the flavour. So, next time they bought their usual coffee or tea.

CARO had to find a way to make the coffee substitute tasty for consumers, without having to change the product. Impossible? That's what the responsible decision makers at Nestlé also thought initially. But if consumers enthusiastically enjoy lifestyle drinks with a strong flavour polarisation, why shouldn't it be possible to turn consumption of CARO coffee into a delightful experience? The next chapter describes how that was ultimately achieved.

The repurchase barrier can not only be a focus barrier if your own brand is less successful than the competition. If the entire category loses a large number of customers on that barrier, it is also worth studying why.

Finally, there are categories which have longer product cycles than others – longer than brand managers would like them to be. Here, it can be rewarding, especially for the market leader, to shorten the time between two purchases and increase overall purchasing frequency.

Things get especially critical if the customers' last purchase took place so long ago that, when buying again, they can't remember which brand or product they had bought. That increases the chances for competing brands to "win" this time.

Since the competition naturally hopes to win each time the target group makes a purchase, customer loyalty programmes play a major role in the management of many brands. But that also automatically makes them a potential cause of failure on the repurchase barrier. Is an effective customer loyalty programme in place at all? Is it as effective as the competition's? You should also examine competitors' promotional offers. Could they convince your customers to switch to the other brand despite your customer loyalty programme? If you were a customer, how would you react?

Important Questions

- *How well does your brand perform on the key criteria?*
- *Based on your overall brand communication, what are your target group's expectations?*
- *To what extent do these expectations conform to the actual product experience?*
- *Is there a customer loyalty programme?*
- *Does the customer loyalty programme help customers remember the right brand the next time they buy?*
- *Is the customer loyalty programme conceived in a way that makes it hard for competitors to "poach" your customers?*

4.8 Recommendation Barrier or: The Big Silence?

The recommendation barrier is very important for certain categories – most of all for products/services related to health or safety. Over-the-counter drugs are such a category, as are all products for babies and small children or equipment for dangerous sports, hobbies and professions. In the case of these critical products, the target group values the opinions, recommendations and experience of others greatly, instead of trusting the manufacturer's statements alone.

What can keep people from recommending a brand and its products? Two things must apply before people make a recommendation:

1. The recommending person must be convinced that the brand meets the other's expectations (e.g. based on his or her own very positive experience).
2. The recommending person must be convinced that the product/service will not harm the other person.

If one or both of these things are absent, it would certainly be impossible to recommend a product or service. The second point is critical, of course. How would you feel if you recommended a headache pill to your friend and he felt even worse afterwards because it made his stomach ache?

Aspirin had to contend with such problems. People had read in the press or heard from friends for too long about Aspirin intolerance especially for sensitive stomachs. Bayer claimed that these statements were unjustified. All Aspirin studies proved the good tolerability of the product. But this hardly changed anyone's mind. Aspirin was recommended less often than competitor brands. The recommendation barrier became a focus barrier.

In-depth analyses indicated that pharmacists were one driver for this attitude. Sales discussions in the pharmacy often proceeded as follows:

Customer: "I'd like some headache tablets. Something like Aspirin."
Pharmacist: "Do you have a sensitive stomach?"
Customer: "Perhaps... yes I think so."
Pharmacist: "Then take this brand – it's very effective and very gentle on sensitive stomachs."
Customer: "OK, I'll take a packet of that. Thank you."

No wonder the next time this customer is asked, "Do you have an Aspirin for me?", he'll reply: "Here, take these, they're great and gentler on your stomach."

Two things must apply for a recommendation to be made:

1. *The recommending person must be convinced that the brand will fulfil the other's expectations.*
2. *The recommending person must be convinced that the product/service will not harm the other person.*

If both things do not apply for the target group, you must provide them or key influencers with the right arguments.

Brand image can be another cause of failure on the recommendation barrier. If a customer is too embarrassed to recommend a brand because this means admitting to buying it himself, he is unlikely to recommend it – even if he is convinced of its quality. You will often find insights on this aspect in brand image studies. If a brand's image does not conform to the target group's own self-perception that can diminish the will to recommend.

The tour operator Neckermann – a Thomas Cook brand – faced that problem. Many holidaymakers enjoyed travelling with Neckermann, but didn't want to admit that because the brand was perceived as antiquated and cheap. For example, they didn't attach the Neckermann address tags to their suitcases or deliberately omitted the name of the tour operator when reporting on their travels after returning.

Other brands also have to contend with a social taboo. The category isn't even mentioned. When was the last time you recommended a specific condom brand? Who likes to chat about incontinence, haemorrhoids or hair loss in a café? In cases like these, the recommendation barrier is especially important if competitors come from categories that are less taboo-affected.

For instance it's much easier to offer someone with digestion problems a digestion yogurt like Activia than to recommend a proper laxative (which you will in that case presumably have taken yourself).

It was extremely difficult for TENA to get consumers to talk about their experience with TENA in public and recommend the brand. Consumers who used TENA sanitary towels for slight incontinence were very impressed by the product. But some went as far as buying TENA sanitary towels and then refilling them in a neutral box or even in the packaging of a normal panty liner at home – so that visitors wouldn't "discover" the product. If you asked these consumers which products they used for light incontinence, many replied, "Oh, normal panty liners – it's not too serious with me." Openly recommending TENA was rarely an option because that would mean admitting (also to themselves) that they officially suffered from incontinence.

> *A brand image with which the target group does not wish to associate itself publicly because it's embarrassing to do so or because they wish to appear different is another possible cause of a recommendation barrier. Underlying social taboos ("it's not talked about") are another deterrent.*

Whatever the causes of focus barriers may be – once you've understood them in detail, you can develop arguments against them.

4.9 Only Asking Questions Will Give You Answers!: Questions and Answers on Barrier Causes

This section contains more questions and answer examples using the fictitious water dispenser brand "Refresher" we introduced in Chap. 3.

- **General**

? *Why do some of the target group not buy our brand or not buy it more often?*

☑ *Both the quantitative analysis of our brand growth barriers and deeper diagnosis show that the existing category barrier "water dispenser purchase intent" is caused by target group perception. Although most people know the concept of a water dispenser, they are not completely convinced of the benefits compared to standard bottled water. They wonder whether the water quality is the same, whether they will drink enough with a water dispenser, how the switch will happen and what the difference in price is. This insecurity impedes the decision to actively consider purchasing a water dispenser. Potential customers also find it difficult to opt for a water dispenser brand, since they are difficult to compare. Specifically for our brand, there is a lack of convincing arguments why they should opt for Refresher and how best to approach the matter. Some companies also cannot see the necessity and benefit of such a drinking water service for their customers.*

- **Awareness**

? *Should we improve awareness?*

☑ *The awareness barrier is not one of our current focus barriers. The category itself is well known in principle, as are the main brands, including ours. The problem is the will to switch to the category water dispenser and then opt for our brand. We will therefore benefit more by aiming our resources directly at the focus barriers "water dispenser purchase intent", "first choice" and possibly also "purchase".*

Have the brand name, logo and brand design been used well to date? Or should we revise or strengthen our brand presentation?

During our barrier analysis, we performed a review of our communication during the last 3 years and discovered that our brand presentation was memorable and consistent throughout. The brand name, logo and entire brand design are well known and function well. Our brand always remained at the centre of our communication. We will therefore not implement the relaunch of the logo and brand design proposed by other departments. Our budget will achieve more if we concentrate on the focus barriers.

To what extent is the entire media plan focused on increasing awareness?

Increasing awareness is not a priority. We are concentrating on the identified focus barriers. But we do want to maintain the awareness already achieved, which is why the subject continues to be supported sufficiently in our communications. For instance, we continue to make sure that the brand is sufficiently present in all communications, so that the sender is clear and obvious in every activity.

- **Brand clarity**

Do we have a clear brand focus?

Our brand communication to date focused on the claim: "the better alternative to bottled mineral water". We still regard that focus as right, especially since it addresses many target group reservations. We are the better alternative to mineral water in terms of price and convenience. We also provide at least the same water quality. Our brand focus has also been perceived by the target group, as confirmed by our good results on the brand clarity barrier and deeper analysis. The target group connects us with this core claim.

Is the brand focus applied across the board without exception – in communication, packaging, at the POS, on the hotline etc.*?*

As already mentioned, the brand focus has been communicated very clearly. This was ensured by strict communication guidelines for our brand. They serve to monitor and ensure that the brand focus is always applied everywhere – in the selling line, in visuals, in sales arguments etc.

- **Relevance**

Is the communicated positioning as relevant and distinctive as intended?

The target group regards Refresher as a professional and competent provider, which is why the brand is certainly considered. Positive results for the relevance barrier confirm that. Since we address important reservations by the target group through our brand focus – the better alternative to bottled mineral water – our positioning is automatically relevant enough.

Do the brand and its products really fulfil all the basic criteria at least as well as competitor brands?

☑ *The brand's image values were re-examined during diagnosis of the relevance barrier. All standard basic criteria such as high water quality, range of waters, delivery conditions and value for money continue to be met, which is also reflected in the positive figures for the relevance barrier. However, the main competitors perform equally well on these criteria, so there is no possibility for distinction in this respect.*

- **First choice**

❓ *What are non-buyers' most important reasons for rejecting the brand?*

☑ *Most don't believe that we can really fulfil our promise or believe that others can do it just as well. Being the better alternative to bottled mineral water is important, yes, but that doesn't differentiate us from direct competition.*

❓ *Why does the target group think it can get the same from competitors?*

☑ *Some of the target group think so, partly because some advertising messages are rather similar. But our investigation of the first choice barrier showed that the target group has misinterpreted a number of our competitors' arguments. For instance, if a competitor claims that his water is good for body and soul, some of the target group equate that with "on the same level as a high-quality, truly balanced mineral water" and regard that as a quality advantage compared to our water.*

❓ *Why does part of the target group not believe our brand promise?*

☑ *A smaller part of the target group has already tried water from one of our water dispensers and believes it did not taste as good as from other dispensers. A general prejudice towards our water dispensers therefore developed over time: The water quality was perceived to be inferior.*

- **Purchase**

❓ *How great is the perceived difference between the accepted and actual price, and why?*

☑ *The perceived difference is greater than previously assumed, as shown by a detailed study of the purchase barrier. Competitors with similarly high prices can "sell" their prices better than we do. But we presume that a strong brand focus and convincing positioning will continue to boost the superiority and relevance or our brand, enabling us to justify our price more easily.*

❓ *Do we need to improve our POS presence?*

☑ *In our case, the POS is the corporate website and our field service. We carried out diagnostics on the category and purchase barrier including targeted discussion groups with our sales staff and discovered that they like selling our product in principle, but sometimes lack a convincing "sales story". Other brands have good stories. We will provide you with ours, derived from arguments that we will identify to overcome the existing "water dispenser purchase intention" and "first choice" focus barriers.*

- **Repurchase**

◈ *Based on the entire brand communication, what are the target group's real product expectations?*

☑ *No repurchase has occurred in our current target group because they are still non-users of the category. However, we have some indication of the product expectations of customers who have already switched to Refresher. The product expectations (high quality drinking water, a wide range and excellent delivery terms for fresh supplies) were exceeded overall, especially as regards water quality. Since we haven't stressed this aspect strongly enough in our communication, expectations were lower than the quality of the water actually delivered. We should definitely use the enthusiasm of our existing customers when addressing prospects, for instance in the form of testimonials. That can distinguish us clearly from competition.*

◈ *Are our loyalty campaigns really specifically designed to make it harder for competitors to "poach" our customers?*

☑ *Since loyalty is not our most important challenge, this has not been a focus to date. However, reactions from existing customers provide initial warning signs that this theme needs to be looked at in future. We rarely lose customers, but competitors have been able to gain individual customers occasionally. That means that we must at least be prepared: by automating orders for fresh supplies, providing discounts after purchases of certain volumes and other loyalty campaigns.*

- **Recommendation**

◈ *Are our current customers satisfied with our water dispensers?*

☑ *Satisfaction does not appear to be the problem because we have excellent recommendation barrier values. As already stated, most customers are especially impressed by the high quality of the water. Satisfaction is evident, for example, when visitors arrive who are sceptical when they try the water and are then surprised by its quality. We will integrate such positive experiences into our future communications.*

◈ *Are our customers uneasy about talking about our brand?*

☑ *No, they are not, but water dispensers are not the No. 1 topic of conversation. The positive experiences mentioned, however, are enough to generate customer recommendations.*

Chapter 5
Overcoming Growth Barriers

A mighty flame follows a tiny spark
Dante Alighieri

Whichever focus barrier you're dealing with, you'll always find a solution. And once you've done that, you have opened the door to new growth.

5.1 Real Versus Perceived Barriers

To find the right solution to overcome a barrier, you first need to understand what kind of barrier it is. There are basically two kinds of barriers: real and perceived. Real barriers are facts, for instance insufficient distribution, a low promotion rate or a problem with the product itself. In these cases, an improvement inside the company is needed to overcome the barrier. These things are usually part of the standard tasks of marketing, sales and other departments. Perceived barriers exist only in the minds of the target group and are caused by things like a weak or unclear brand image. What you need here is a change of the brand picture in the minds of your target group (those whose behaviour you want to change).

The solutions for perceived barriers are usually more similar to each other than those for real barriers. To change the "negative" image in the minds of the target group, you can use a highly effective method that works time and again, regardless of barrier content. It consists of the targeted development and use of key arguments (BrandKeys) that help overcome barriers, which are described in detail in this chapter. Solutions for real barriers are far more diverse. They need strong support from other divisions like R&D, Sales or Production and depend on a company's specific situation. These real problems and solutions are so varied that addressing them comprehensively would go beyond the scope of this book. Wherever a solution for a real barrier is relevant, it is described briefly below, but this chapter is mainly about overcoming perceived barriers.

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Real barriers must be addressed by changes in sales, product or product range policy (everyday tools of marketing and sales managers).

Perceived barriers must be overcome by developing BrandKeys (key arguments) that transform the target group's negative attitude towards the brand into the intention to buy it.

5.2 What Is a BrandKey?

In many marketing departments and agencies, the magic word for a long time has been "insights", though there are differing views about what that means. For some, insight is the problem to be solved by the brand's value proposition. Others define insight as a "deep understanding of the target group". Market researchers in many companies are therefore now called consumer insight managers. Many define insight as awareness of target group behaviour: For example, when washing dishes, most people first wash the glasses, plates and cutlery, before moving on to the dirtier pots and pans, since the water will be too dirty for glasses after that. However, insight alone has no effect on target group behaviour and sales. It only becomes powerful once it is used to change the thinking and behaviour of the target group in relation to the brand. Insight then acquires real significance for brand management. And in that case, we are talking about a BrandKey.

A BrandKey is the key you use to remove the target group's negative attitude and make it enthusiastic about the brand. A BrandKey gives target group members a real "wow" experience by casting an entirely new light on the brand. Such BrandKeys are based on a deep understanding of the target group and must always be worked out analytically and developed. The target group itself will never be able to say what would impress it. A BrandKey that breaks down a barrier must by definition be a new piece of information (perceived for the first time) that changes the target group's mind – basically the "wow" effect just mentioned. A target group can only tell you what it thinks now and why it won't buy your brand. You yourself have to develop the key argument that will change that attitude. And to do so, you need to have profound insight into your target group.

So if a washing up liquid has a problem with the first choice barrier because consumers don't believe that it cleans significantly better than others, you need a BrandKey to prove its cleaning power. If you know the consumer's above-described washing up procedure, you can use the following argument (BrandKey): "Our washing up liquid is so good that even a glass you forget to wash will still be clean if washed after you've done your pots and pans." Only if the consumer then thinks, "In that case I'll definitely buy this washing up liquid." you've found a true BrandKey that helps you break down the barrier.

A BrandKey is more than just a deeper understanding of the target group – it is a real "wow" experience for target group members. Everything that transforms the target group's negative attitude towards a brand into a new desire for the brand or category is a BrandKey. A BrandKey by definition therefore has the potential to generate growth for a brand.

In most cases, BrandKeys are deployed as communication content. But they can also exist in other forms, such as cooperation with experts that give the brand credibility. The good thing about most BrandKeys (apart from the fact that they generate growth) is that they are budget-friendly. If you've already planned your media budget, it doesn't make a big difference financially whether you send this or that message. Creating a concept naturally costs money, but these costs would usually have been incurred in any case.

BrandKeys can also concern things like packaging, for example. Perhaps an improvement in its form, handling, colour, material or pack information can already have a positive effect on brand perception. Let's take a lubricant gel as an example. A brand struggles with the fact that consumers are embarrassed to put a tube of lubricant on the cash counter in a supermarket. Unpleasant thoughts plague them: "What will the cashier think of me?", "What if a neighbour is queuing behind me?", "What if anyone else is looking?" In-depth analysis and interviews with consumers show that consumers would buy the brand if the word lubricant were not printed on the product in large letters. After all, the product is on the same shelf as condoms (from the same brand) and can be recognised as lubricant by the buyer even if the pack front doesn't explicitly say so. Changing the packaging – writing only "Gel" on it instead of "Lubricant" – means the product no longer embarrasses buyers. So the consumer and brand overcome their purchase barrier. The result transformed a product that was at risk of being discontinued into a top product in the category.

The point-of-sale can also be a BrandKey. For example, placing a brand on another shelf can help if consumers don't like to be or are rarely in front of the one the product is currently placed on. Let's take the example of TENA. Most products by TENA are intended for women, but men can also suffer from incontinence, which is why they need special products. Would you place those products together with other TENA items on the shelf for panty liners, women's sanitary towels and tampons? Most men would feel uncomfortable at that shelf and typically don't even go there. So it's worth considering a different placement for the product – e.g. near razor blades or toilet paper – to weaken the brand's "female image" and make it easier for men to buy.

How a product is presented on a shelf can also be a helpful BrandKey, e.g. to overcome the purchase barrier. A manufacturer of satellite navigation devices found that they belong to those products in electronics superstores that interested customers want to “test”, but often can’t. The demo devices are on the shelf, but rarely switched on or connected, and no sales personnel with time to present the device to customers are available. So clueless customers either grab the device they’ve heard about most (which was unfortunately not our manufacturer’s) or go for the cheapest one (also not our manufacturer’s). Or they choose the one with the most relevant information in the product description (once again, not our manufacturer’s). Or they leave the store without buying anything. In each case, the satnav by our manufacturer is not bought. The next generation of the product will therefore be equipped with an improved simple demo, so that interested customers only have to press “Demo” to see how easily they can enter their route before leaving on a journey, how the device leads them from A to B and what to do in the case of traffic jams. The chances of competing better against other brands at the point-of-sale will improve.

The problem with Aspirin Plus C described in Chap. 4 was also solved by a strong BrandKey. The target group perceived the Aspirin Plus C effervescent tablet as less effective since it was taken when dissolved in water and therefore “watered down”. The strong image of the effervescent tablet dissolving in water could not be abolished – after all, who has the luxury of such a strong embedded image? So the effervescent tablet in water had to be transformed into a brand benefit. That worked with the following BrandKey: The Aspirin Plus C effervescent tablet works especially quickly because the active ingredient is already dissolved in water, reaches the bloodstream directly and therefore kills pain faster. This is why Aspirin Plus C works faster and better than all other brands that dissolve only in the stomach, for example. With this clear information, the target group gained an entirely new perspective on the Aspirin Plus C effervescent tablet and was successfully convinced of the painkiller’s effectiveness.

So, everything that helps a target group overcome a barrier is a BrandKey. That includes innovations, for instance if they enhance the image of a brand.

Even if most BrandKeys are deployed in communication, they are not limited to that. A BrandKey can also be used to improve packaging, the POS presentation or the product itself – for example by a product innovation.

That brings us to a key precondition for new growth: If you want to help your brand grow, you need to ensure that every single activity is based on a BrandKey. In other words: Each and every activity must address a previously detected focus barrier and transform the negative perception in the target group into a positive one. This is ultimately the only way to boost sales.

The following section focuses on themes generally encountered when developing a BrandKey. We also use examples to show what exactly you and your brand will be looking to achieve.

5.3 Overcoming the Awareness Barrier or: Finally Famous

The awareness barrier can exist both as a real and a perceived barrier.

5.3.1 *Real Barriers to Awareness: The Budget Could Be Bigger . . .*

Real barriers in the field of awareness have a lot to do with budget. But you can get the most out of even a modest budget by managing your activities intelligently to achieve a sustainable effect. You should apply the following principles:

1. Only invest in a medium if the effective contact frequency in the target group is achieved during the period of the activity (required number of contacts until behaviour is changed, i.e. the brand is purchased).
2. The lower your budget, the more you should concentrate on achieving the effective contact frequency in your core target group, because that's where your potential is greatest.
3. The lower your budget, the closer the contact should be to the purchase decision in terms of both time and place, since that is where the communication influence is greatest.

If you apply these principles, you'll quickly find an approach that assesses the possible contact points with your target group based on their respective potential – i.e. their influence on the purchase decision. If you group the cost-efficiency of the media that can be used in those contact points based on their costs per percentage point of net coverage in the effective contact class, you receive an overview that will show you quickly which media should be used for which contact points.

Three important principles help increase awareness even with a low budget: (1) Invest only if the effective contact frequency can be achieved during the period of the activity. (2) Focus on the core target group. (3) Ensure the contact is as close as possible to the purchase decision.

5.3.2 *Branding: The Desire to "Leave Your Mark"*

The main factor in branding, which can also be the cause of a real barrier, is simple: It's not just about communicating the brand name and logo memorably. You must above all use the supporting corporate design elements like colours, forms, fonts,

Fig. 5.1 Ads in the study "Communication patterns", 2003

tonality, visuals etc. consistently for a long period. The elements can be enhanced or modernised regularly, but should not be changed fundamentally – unless the current design elements are themselves the cause of a barrier.

The following examples show how consistent and continuous branding can be.

Which brands do these ads stand for? (Fig. 5.1).

You probably recognised at least one of these two brands: Marlboro and Milka.

It's easy to stick to the rules. A simple checklist, based on the guidelines, is used before every release of communication material. The checklist must also survive policy discussions and creativity arguments. And this is precisely where many companies fail. It's astonishing how quickly the necessary discipline is often thrown overboard and simple rules are disobeyed. That tends to happen especially when new brand managers and agencies want to leave their mark on a brand.

Strong branding needs continuous high-profile presence of the logo, brand name and, in some cases, the product name. And that must be combined with strict long-term adherence to corporate design guidelines (colours, forms, fonts, tonality etc.).

5.3.3 Perceived Awareness Barriers: Others Might Not Know the Brand . . .

This problem is quite rare, but it does exit. For instance a leading German automotive supplier wanted to significantly improve its recruiting of engineers in China. One of the core barriers was not that the company was unknown to graduates as a potential employer, but that they feared the company wasn't known well enough among their friends and families. Since a well-known employer is also a kind of status symbol in China, the perceived awareness barrier had to be broken down. The conclusion was to focus many of the activities not just on the immediate focus group, but also on their environment, thereby increasing acceptance of the company as an employer.

5.4 Overcoming the Brand Clarity Barrier or: That's Me!

Brand clarity is influenced by one of the most important tasks of brand management: brand positioning. Positioning describes briefly and clearly which (unfulfilled) demand the brand meets, what the target group can expect from the brand and why the brand can deliver what it promises. A classic positioning concept includes the points Issue Set-up (which demand/problem are we addressing), Benefit (the brand proposition) and Reason-why or Reason-to-believe (proof or substantiation) and sets a certain tonality for the execution.

If your brand positioning works well, you'll at least have no problems with the brand clarity barrier and the subsequent relevance and first choice barriers. How exactly is brand positioning related to these three barriers? The brand clarity barrier is basically about the brand focus as perceived by the target group. If brand positioning is not focused (e.g. if it addresses too many themes), the image your communication is trying to create will also be unfocused. After all, every communication should be based on your brand positioning. It serves as the guide for everything. To overcome the relevance barrier, your positioning must be formulated in a way that theoretically makes your target group willing to opt for your brand because it meets their basic requirements. To then become first choice, your positioning must use convincing BrandKeys to communicate the impression that your brand is superior on at least one relevant purchase criteria and at least equal on all others.

Growth-generating positioning must always be based on one or more BrandKeys so that non-buyers become future buyers of the brand!

Developing and implementing a brand positioning that breaks down all three of these barriers is a great art and requires strong BrandKeys. So let's start with the first of the three barriers: the brand clarity barrier.

5.4.1 Real Brand Clarity Deficiencies

In principle there are no real barriers with respect to brand clarity. It's very rare for a brand to have no focus at all and try instead to sell a large number of different products or services in a wide range of categories without a unifying element. So, brand clarity is really about sharpening the image the target group has of your brand. What matters is therefore target group perception. In other words: "Perception is reality".

5.4.2 Perceived Brand Clarity Deficiencies: Focus

Almost all weaknesses in the field of brand clarity are related to the problem that the target group has not been communicated a sufficiently clear brand focus – because it wasn't defined clearly or communicated well enough. In either case the target group has not yet grasped what the brand really stands for.

The principle of brand focus is simple: the clearer the better. In most cases, one or two of many available criteria are chosen as the brand focus. For example, some of the most important criteria for cold relief medicine are "fast", "effective", "gentle" and "natural". Anyone trying to combine all four criteria will probably appear implausible. "Jack of all trades" products have rarely sold very well. So one brand decides to focus on "effective" and "gentle", while another goes for "fast" and yet another for "natural". These three approaches also have three different target groups, because as we all know, different people want different things. Of course it gets interesting when at least two brands compete for roughly the same positioning. Then the aim is to be more convincing in your communication than your competitor – something that we'll come to when we discuss the next two barriers.

So how do you find a clear and convincing brand focus? In principle, the process is easy – the stumbling block is discipline. The task is to look at the category's most important criteria and choose the one or two that generate the greatest purchase interest among your target group. For established brands, those criteria must also suit the existing brand image, unless you have decided to relaunch your brand completely and go for a clean slate.

The basic principle: The simpler a brand image is the better. That's why it's based ideally on just one of the category's basic criteria (product requirements).

You should stick to this selected brand focus, which has ideally been well tested with the target group, in everything you do. Not just the communication reflects the brand image; the products themselves, their packaging, POS material etc. do so, too. In some companies, you even see how employees "live" the brand image. For instance STABILO has "colourful" as part of its umbrella brand focus. That characteristic is not only expressed in its communication. Employees, regardless of position, also rarely walk around in a grey suit and dark tie. In cosmetics companies, the brand's style of perfection is often lived every day. People there never wear the wrong clothes or have messy hair, and finger nails always shine in the latest colours.

As clear as the above "instructions" are, it remains difficult to follow them consistently. Take the example of DERTOUR. In a BGB analysis, the European tour operator discovered still untapped potential in the field of brand clarity. What were the category's most important criteria that a tour operator should meet? – Product range, value for money, safety, quality, service, travel experience and individuality. Which one had DERTOUR focused on to date? Almost all of them. What was the competition doing? Some tour operators had a clear focus on two or three of those criteria. Others were like DERTOUR, feeling they needed to address them all. That led to a situation where holiday-makers could hardly detect any differences between tour operators. DERTOUR, like most others, offered everything – from package holidays to customised or personalised trips. There was nothing that distinguished DERTOUR and set it apart from the rest.

To define a clear brand image, DERTOUR was examined thoroughly. What good and bad things could be said about the brand? This type of analysis can be performed in two different ways. You can look at consumer studies: Which of the many important brand attributes are most important for consumers? The answer provides initial pointers for positioning. In the case of DERTOUR, classic attributes like price, quality and product range naturally played a major role for consumers. But they were also occupied by a number of competitors. A new trend was emerging, however: stronger demand for personalised holidays. More and more people felt that off-the-peg holidays were not what they were looking for. It was easy to combine this trend with one of DERTOUR's strengths: the enormous range of travel modules that permitted customers to design their holiday wholly or in part according to their own desires (travel to destination, accommodation, programme, return travel).

So it was decided to make DERTOUR stand for personalised travel. This focus had to be turned into a convincing brand positioning in the shape of a clear verbal concept that would then help DERTOUR overcome the relevance and first choice barriers more easily. More on that later.

> *Not only communication has to reflect the brand image. All points of contact with consumers must do the same: the products themselves, packaging, POS materials and even the employees.*

In the absence of useful data on consumer needs from which to derive a promising focus, it has often proved helpful to organise a meeting of the company's best brains. They are usually colleagues from Sales and Product Development, possibly POS staff, and employees in Marketing, Creative and Market Research, of course, who already have considerable knowledge of the target group. Together, they list all the category's brand attributes to be considered and weight them based on experience. The current brand focus of the main competitors is also taken into account. A comparison with the traditional strengths of your own brand and products or services then shows which of all possible positioning directions are really viable.

Once you've opted for your positioning, you move on to the difficult part: You need to stick to it, not just for the next 1–2 years, but ideally for five to ten. The brand must continue to stay fresh. So the "selling story" based on the brand focus – i.e. the entire brand positioning – is freshened up at regular intervals, but without changing its core characteristics. That means either "modernising" the communication or communicating the positioning by a new "story" with new strong BrandKeys – in other words reinterpreting it. Given the often high levels of personnel fluctuation, this simple task can be a major challenge – because so many people want to leave their own mark on your brand.

5.5 Overcoming the Relevance Barrier or: I'm in!

Chapter 3 presented the two most common causes of a relevance barrier: unfulfilled basic criteria or a brand positioning that is not (or no longer) accepted by the target group.

5.5.1 Real Relevance Deficiencies: Meeting the Basic Criteria

Which criteria must a product/service in a category meet as a minimum to be considered by the target group? If you've asked this question, answered it satisfactorily and designed and marketed your products accordingly, you should have no problems with relevance.

Interestingly, a relevance barrier is caused more often by weaknesses in perceived "brand positioning relevance" than in real "fulfilment of basic criteria". If your problem is nonetheless caused by product performance, you should examine whether your products really don't meet certain criteria or the target group only has that perception.

Check the criteria with reference to product development. Don't just examine the criteria defined by the product developers, but above all those recognised by the target group as a basic criterion. This analysis can, incidentally, be performed regularly since some criteria will slip from the "special aspects" to the "basic" category over time. While electric windows and airbags used to be something special, they have long since become part of the basic equipment of cars.

Once you have adapted your product or service, you must ensure that the target group is informed that all basic criteria are now fulfilled. This is mainly achieved in a subtle, indirect way. After all, meeting the basic criteria is not exceptional or a thing to be highlighted proudly. Still, you should make sure that the message gets across to the target group, e.g. by targeted product information on the packaging. The general presentation of a product, its packaging, a shelf or an entire store can suggest that the basic requirements of a brand have been fulfilled. In the case of body care products, high quality packaging conveys the impression that the content is also of high quality. Soft colours, for example, suggest that the ingredients are especially gentle.

You should regularly check the extent to which your brand still meets the basic criteria in the eyes of the target group. If it is perceived to fall short of fulfilling these requirements, fulfilment must be communicated more clearly or the brand adapted to meet the new standard.

The validity of the basic criteria of a category should be checked regularly since they change over time.

5.5.2 Perceived Relevance Deficiencies: If You Have Lost Relevance

Relevance should not be a problem as long as a brand is positioned clearly and the principles of the previous section "Overcoming the brand clarity barrier" have been followed. If so, the brand has focused on a field that is important and relevant to the target group.

But brands with older positioning may need to have their relevance restored. In that case, you need a new "story" for the brand to show consumers why the brand proposition is still very important for them. This is what a sustainably strong, clear brand is about. Its brand proposition should remain the same for a long period and still be as up to date and desirable as it was in its first year. This, too, can be achieved using BrandKeys. Which new argument can be presented or which new perspective can you use to continue filling the target group with enthusiasm for your brand benefit?

In the case of DERTOUR, the positioning of personalised travel had to be made especially relevant to the target group, even more so when competitors also tried to cash in on the new trend. DERTOUR found convincing new reasons for preferring a personally tailored holiday to package offers and tested those BrandKeys with the target group in the form of alternative verbal concepts. The following chain of thought finally emerged as the strongest BrandKey: The everyday lives of most people in the target group are controlled externally. Daily working routine is pre-planned and influenced by outside factors. You rarely do what you really want to do, but stick to doing what's necessary. Sounds familiar? During a holiday – the only time you can really do what you want to do – the last thing you want is someone telling what to do when. This is the time you want to define for yourself, i.e. plan your holiday exactly as you want it to be (at a reasonable price, of course). DERTOUR adopted this proposition and backed it up with its individually bookable holiday and experience modules! That BrandKey worked very well for DERTOUR for a couple of years – until the target group that felt addressed by this message had been "grazed off". The next task was then to sell the individual holiday in a "new" way – with a new, equally strong BrandKey.

How did DERTOUR find that BrandKey? How can you develop such a BrandKey for your own brand?

To do so, you run through a checklist designed to help shed new light on your brand – perhaps together with experts. Positioning is the priority. The following questions have often proved useful and provided inspiration for a strong BrandKey:

– Is this positioning perhaps especially attractive for particular target groups (families, young adults, senior citizens, single parents etc.)? Why?
– Does the positioning match the image the target group would like to have of itself better? Why?
– Does the positioning make the target group's daily life easier? How?
– Does the positioning meet unfulfilled desires or needs? Which and why?
– Are the consequences of the positioning/brand proposition especially relevant to the target group? Why?
– Inversely, are the consequences of not buying the brand especially negative? Why?
– Does the positioning solve problems the target group was not even aware of? Which and why?

You can ask yourself more questions like these as long as they help you say something new and positive about your brand positioning.

If your brand positioning has been around for a while, you may have to make it relevant again – by developing a new sales story around it.

5.6 Overcoming the First Choice Barrier or: Pole Position

So now you have a clear basic positioning. A sufficient proportion of the target group considers your brand alongside others, since your positioning is relevant enough in the eyes of the target group and the basic requirements of the category are fulfilled. But how do you get the target group to opt for your brand – before the actual purchase and at the point of sale at the latest? To achieve that, the brand must not only communicate a clear and relevant positioning. It must also succeed against its strongest competitors. Positioning thrives on a BrandKey that breaks down existing purchase barriers to create a purchase intention. The widely used two- or multidimensional positioning models which place brands within a system of axes are therefore no longer up to date. They may help create a market overview, but verbal concepts that can be tested are much more effective as the basis for successful positioning. With an involving introduction (Issue Set-up), a relevant benefit and a convincing argument why the proposed benefit is fulfilled (Reason-to-Believe) you have a far more promising basis for communication than with a positioning description in a simple axis model.

To be truly promising, a verbal concept must meet the following criteria:

1. BrandKey-driven, to positively change the perception of the target group.
2. Triggers a "smile" (the idea impresses).
3. Has a relevant introduction (addresses an issue relevant to the target group).
4. Has a relevant proposition (offers the target group an important benefit).
5. Has convincing unique substantiation (gives the benefit more credibility).
6. Sounds unique and new.
7. Differentiates from the competition (creates a preference).
8. Suits the brand.
9. Can be implemented in all relevant media/activities.
10. Can be used long-term.

If you have tested a promising verbal concept with the Issue Set-up, Benefit and Reason-to-believe successfully, you have the ideal basis for developing other important positioning elements (brand character, haptics, colours, forms etc.). As indicated in Chap. 3, you now need to determine by which criteria you wish to distinguish yourself from your competitors (which presumably also meet all the basic criteria).

5.6.1 Perceived First Choice Deficiencies

The first choice barrier is always a perceived barrier. Never mind whether a brand really does differ from the competition by a particular criterion or not – you will always need to change the target group's perception of the brand. If your brand is superior to its competitors, you must communicate that more strongly than before. If it is not, you must still find ways of presenting the brand in a better light.

You can ideally identify a special and relevant criterion where your product is clearly superior to competition. Or you find a criterion that only you fulfil and make that one as relevant as possible. But if you can't find a truly exciting criterion on which you're clearly better than all competitors or even the only brand to provide it, it may also be sufficient just to be the first and only one to talk about that criterion.

Take the example of a well know German beer brand which advertises that it brews according to the German Purity Law. That sounds special and may well address the target group successfully. In reality, every German beer has to comply with that law, but that's irrelevant. If you manage to bind a criterion of this kind so strongly to your brand that competitors can no longer use it without appearing to be "imitators", you've achieved a great deal.

To be preferred to competing brands, you have to distinguish yourself clearly by at least one relevant criterion:

- *A criterion on which you're regarded as significantly better than the competition,*
- *A criterion that nobody has addressed yet.*

If, on the other hand, your brand already meets a firmly established criterion that you want to keep, you need to understand why the target group has not been entirely convinced yet. Why are you still not first choice? You have to understand the target group and its motives. Since there are always reasons why a target group prefers a different brand or doesn't consider yours sufficiently, there are also arguments (BrandKeys) with which you can change their minds and convince them of your brand. Chapter 4 presented the three classic reasons for rejecting a brand:

- I don't need the promised benefit. Because . . .!
- I already have the benefit. And my brand also provides . . .!
- I don't believe that the brand actually offers the benefit. Because . . .!

Let's return to the example of Sagrotan/Dettol in Chap. 4 – the brand with the hygienic cleanliness. If you have a strong umbrella brand, your awareness, brand clarity and relevance are usually fine. But the problems often start with the first choice barrier: Other competitors also offer very good household detergents and some of them are cheaper. To find the single convincing argument that sells the hygienically clean result with Sagrotan/Dettol to the target group better than all the arguments of your competitors, you need to know the target group better. Why is hygienic cleanliness not as important for household detergents as it is in other categories? One important target group for brands like Sagrotan/Dettol is families with young children since they "make the most dirt" and therefore use a lot of household detergent.

The conceivable reasons for this target group are:

- The target group does not find it necessary to have a hygienically clean floor, since it's only there for "walking on".
- The target group thinks that its current household detergent also removes all bacteria just like Sagrotan/Dettol – so they're already very satisfied with their product.
- The target group simply doubts that the Sagrotan/Dettol household detergent really does remove bacteria thoroughly enough to speak of hygienic cleanliness.

The lack of need for a hygienically clean floor ultimately seems to have been the main reason why the Sagrotan/Dettol household detergent was not preferred. A convincing key argument to strengthen the positioning of Sagrotan/Dettol significantly had to be found. The strong key argument for communication proceeded from the following idea: “As soon as children jump around, cuddle, play on or even eat from the floor, the hygienically clean aspect of the Sagrotan household detergent gains special importance.” Using such BrandKeys, brands like Sagrotan/Dettol created the basis for convincing their target group and breaking down the first choice barrier.

How did Sagrotan find its BrandKey? How do other brands find theirs? You basically need an excellent knowledge of the target group and the right questions. Everything positive you can say about a brand can form the basis of a strong BrandKey. It could be the ingredients, product handling, its production, the consequences of use or non-use, the competition or the experience of others. It’s always astonishing to see how many positive things there are to say about a brand. Finally, you need to find convincing answers to the known reasons for the target group’s rejection of your brand. These chains of argument based on BrandKeys are preferably qualified with the target group to find out which of them are most convincing and motivate the target group to switch to your brand.

The trick is target orientation. The more precisely you know why a brand is rejected and what kind of reason for rejection you are dealing with, the better you’ll be able to find the right counter-arguments. The key is accurate knowledge of the barriers and an appropriate questioning technique that teases the existing counter-arguments out of the brand.

To find targeted arguments against the three major rejection reasons (don’t need, already have, don’t believe), you need a precise understanding of your target group, common sense and the right questions. They will help you identify all the positive aspects of your brand. For example

- *Ingredients*
- *Product handling*
- *Production method*
- *Consequences of use or non-use*
- *Competitor weaknesses*
- *Other people’s positive experiences*

When developing strong BrandKeys, it is necessary to work through different themes to ensure that you haven’t left out any important potential. The following BrandKey themes have proved useful in practice:

5.6.2 Product-Driven BrandKeys

Many of the strongest BrandKeys originate in the product or service. Consumers ultimately want good value for money. The manufacturer of dental products Heraeus and its implant product IQ:NECT offer an example of product-driven BrandKeys. To convince dentists and dental technicians of this implant system, IQ: NECT used the following idea: Standard tooth implants would use a screw to fix the new artificial tooth. Here, the screw mechanism and the required threaded channel would limit the stability and aesthetics of the implant. The new tooth couldn't be fitted perfectly and therefore didn't blend in with the other teeth visually. Due to its innovative insertion technique, IQ: NECT managed without a threaded channel, using a very precise and stable click mechanism instead. IQ: NECT provided maximum stability with all the design options of a natural tooth. This technical, product-driven BrandKey made the proposition of IQ: NECT – "As beautiful and strong as a natural tooth!" – convincing for dentists and dental technicians.

Those of you who are neither dentists nor dental technicians don't need to understand that entire chain of argument. What should be understood is that BrandKeys are the key to growth both in the B2C and B2B segment. You need to adapt the depth of the argument to your target group and its knowledge of the product to create a credible impression. Fortunately, consumers are often satisfied with far simpler arguments.

5.6.3 Situation-Driven BrandKeys

It can be convincing to present a situation in which the target group finds itself. Here, the situation must literally be screaming for the solution offered by the brand. The cold medicine category offers an example. The producer of a medication for sore throats qualified the following BrandKey with its target group: When you have a sore throat, your first thought is: "Don't get sick now!" because that would throw your life off track straight away. So if there's a medicine that cures a sore throat quickly and reliably and prevents the development of a severe cold, it would definitely be a first choice for the target group.

5.6.4 Emotionally Driven BrandKeys

Emotionally driven BrandKeys work very well in some categories. For example: laxatives. The customer's emotional state plays a major role both in the purchase decision and when using the product. After all, life is only half as pleasant if your digestion plays up. . . When your household remedies don't work, you feel tired and drained, your stomach is bloated and starts to hurt, even nice pastimes like visiting friends or playing with your children become stressful. A digestion medicine brand that solves constipation problems reliably and gently and lets users enjoy life again would quickly become first choice.

5.6.5 Analogy-Driven BrandKeys

An analogy can be helpful too. It can often communicate more clearly what a problem is about or why a solution works. An anti-wrinkle cream uses the same cell regeneration principle as plants do. A washbasin with a very smooth, water and dirt repelling surface makes every drop roll off it like from a lotus petal. When eating with a sore throat, you feel as though you're swallowing barbed wire. Especially when you need to explain a complex or unusual situation – be it a problem or solution – analogy-driven BrandKeys can help. They explain things more simply by referring to things people know and to everyday situations and experiences.

5.6.6 Use-Driven BrandKeys

Use-driven BrandKeys can also be very plausible because most people are highly use-oriented. For instance, if you want to convince your target group that a satnav is especially reliable, the following use-driven BrandKey can help: All satnavs basically claim to get you reliably from A to B. But it's only in critical situations – for instance in tunnels or between long and tight rows of buildings – that you realise how reliable it really is. The superior reliability of your brand guides you effortlessly and correctly even in critical situations. That was proven by countless test drives on challenging routes in mountains and urban jungles. Interested customers can see that for themselves by testing loan devices in a wide range of situations. Such a line of argument convinces even critical customers.

Regardless of the nature of a BrandKey, it turns a tiny spark into a mighty flame if it manages to convert the target group from its "negative" attitude and make it willing to buy your brand.

BrandKeys (key arguments) change behaviour and create a purchase intention by distinguishing a brand from others – keeping it relevant over a long period and ultimately turning it into a brand with strong growth! And they can do that even if a brand is "only" positioned on a single category benefit.

The task of brand managers should mainly be to find new, even more powerful BrandKeys continuously, based on well-founded knowledge of the brand's growth barriers

5.7 Overcoming the Purchase Barrier: First Past the Post

As described in Chap. 4, the most common causes of a purchase barrier are the price and point of sale. Although potential buyers were prepared to buy your brand (first choice), they decided not to just before their purchase and bought a competitor product instead. The greatest influence on this "change of choice" comes from a price perceived as too high, an unsatisfactory presentation at the POS or a negative recommendation by sales staff.

5.7.1 Real Deficiencies in the Purchase Process: Pure Luxury?

Only very rarely is the price a real barrier. If there is a problem with price, it's usually because the target group *thinks* the brand is too expensive for what it offers – not because the target group really can't afford it. In these cases, the price is only a perceived barrier that you can overcome with arguments. If the price does happen to be a real barrier, you either have to reconsider your target group and move into higher income classes or look for ways to reduce the price.

5.7.2 Optimal Placement

Another real weakness with respect to purchasing occurs far more frequently. It concerns the "placement" at the point of sale. Is the brand on the right shelf? Can potential customers find that shelf? Are the products presented properly? What does the competitive environment look like?

There generally isn't much leeway here, given that retailers are mostly entitled to decide as they please. But three (combinable) possibilities are available:

Option 1: Convincing the retailer

As part of successful category management, your aim should be to align the product range with the target group's consumer requirements in cooperation with your retailers. First of all, it's worth presenting to retailers all the efforts taken by your brand to boost demand, and then back up your placement wishes with data. You should show clearly how your desired placement will boost sales. After all, that's the shared aim of retailers and manufacturers. Working together, you analyse and optimise the presentation of goods. For the target group, the result is better orientation at the POS and a superior buying experience. And the design and administration of the product range become more efficient at both ends, ensuring stronger customer loyalty and increased sales. Even if retailers don't fulfil all your wishes, every concession they make breaks down part of the purchase barrier.

Option 2: Target group communication

How can a customer suffering from incontinence know that appropriate products have long been available not just in pharmacies, but also in supermarkets and drugstores? How will male customers know where to find the "for men" products? They could theoretically be placed on the female hygiene shelf or next to shaving cream or toilet paper. It's easy to use your communication to tell people where exactly to find your products or services. Retailers also welcome that kind of activity – and it serves as an argument for placing your brand in a specific (ideal) location.

Option 3: POS communication/signposts

This is another easy way to increase sales, as long as you know how to use these POS instruments and activities effectively. Today, it is not enough to be present with a big, bright and colourful display. Here too, you should try to communicate convincing BrandKeys from the first choice field, to not only guide customers, but also consolidate their preference for your brand. Wobblers, floor graphics, displays, ceiling pendants and panels that communicate to the customer "I'm here!" on their own don't achieve as much by far as when they incorporate strong BrandKeys. There are no limits to an agency's creativity in designing and integrating a BrandKey.

Another purchase barrier is distribution. If the target group has clearly declared your brand to be first choice, nothing can be more sobering than not finding it at the point of sale. In addition to standard distribution efforts by marketing and sales, the activities described above also help make your retailer a partner and increase its sales capacity.

5.7.3 Perceived Purchasing Deficiencies: Too Expensive?

Let's start with pricing. How can you prevent a potential buyer who regards your brand as first choice from buying a competing brand just because he believes you are too expensive? The example of the power tools brand Top in Chap. 4 shows one way to do it:

You need to justify your (higher) price: The success of premium brands proves that this can be done all the time. If price were the only issue, everyone would always buy only the cheapest retail brands and no-names. The question is: How can you justify your higher price?

Arguments that reveal irrational behaviour by the target group are often convincing. Prospective buyers must be persuaded that their decision in favour of cheaper products is wrong. As the famous saying goes, "I can't afford to buy cheap shoes." That's the opinion you want to encourage. You need to present the target group with the negative consequences of their decision. In the case of "shoes", there are many. Cheap shoes wear out much faster and break sooner, so new ones need to be bought more often. Many people are familiar with the unhappy experience of buying a cheap pair of shoes that turned out to be so uncomfortable that they had to buy another pair the very next day. Ultimately it would have been cheaper to buy the more expensive shoes in the first place.

The long life of a brand and its products is also a strong argument for a higher price. Customers are likely to be prepared to pay a higher price for a mobile phone or television, for example, if they know they can use it for a long time. Technical innovations that occur all the time in some industries will not be a problem for these buyers, because their high quality device already anticipates them. So they don't need to buy a new one soon nor make do without the new technology.

The risk of a wrong purchase decision is also a strong argument, especially in the case of corporate investments. Will a company opt for this or the other IT system? If you can present the consequences of a wrong decision (and its costs) convincingly, you'll have made a powerful case.

Services should also never be underestimated. Private customers just like companies will be ready to buy a higher quality computer if it guarantees a higher service standard. Dell's on-site support or Apple's complete replacement offer are services customers value enough to pay more.

You can also try a different price presentation. For example, you could present the price per use. If the target group hesitates to buy more expensive jam, they will probably overcome that reservation if you spread the price difference over the number of portions, i.e. the number of jam toasts. Presumably people will be willing to enjoy an especially tasty jam for less than 1 cent extra per slice or per breakfast.

The power tool brand Top already mentioned also had to demonstrate how negative the consequences of buying a cheaper brand can be. Top had a number of promising strategies to choose from: Cheaper tools may not deliver the required results because they are inaccurate or user-unfriendly and hence prone to slip, wobble and miss. They are less powerful, so you need longer or can't finish your job. They may break sooner, so you have to interrupt your work and find a replacement. Whatever the argument, the final consequence should ideally include a reference to cost. In the case of a replacement tool, that implication was clear. Shoddy work also means you need to do it all over again with new working materials.

A higher price can be justified convincingly by pointing out the negative consequences of buying a cheaper product.

In addition to price, the presentation at the POS plays an important role in overcoming the purchase barrier. It's the closest you can get to the target group's purchase decision. Here again, you need BrandKeys that make your brand first choice. POS marketing is one of the most effective forms of marketing when used well. The POS can thereby refer to two different settings:

1. *Stores, possibly including advice from sales staff*
   The most important BrandKeys should already be visible on the packaging to permit customers to make the "right" decision and to provide sales staff with appropriate arguments. Shelf labelling and in-store communication must also impress with the strongest BrandKeys. Even samples and tasting have a much greater effect if you can communicate BrandKeys along with your samples.
2. *A sales representative visits the customer*
   Often every sales rep sets out with his own sales story. Some are very successful, others aren't. Good sales stories rarely find their way to the less successful sales reps. Therefore it's prudent to not only involve your sales reps in the development of your BrandKeys, but also to provide them all with the same BrandKey-loaded story.

Moving on to the deficiencies that often arise at the POS:

5.7.4 Feeling Good While Shopping

A perceived weakness can be the shopping experience itself. The example of TENA in Chap. 4 shows how difficult it can be to overcome the purchase barrier, even if the target group is convinced by your product. The issue here is the social taboo about incontinence. People don't like to talk about it. Hardly anyone wants to be associated with it. No wonder you don't want to stand at the cash till with these products if a friend or acquaintance might see you. How do you overcome such a purchase barrier?

Once again, you need to find the right BrandKeys. Like with the previous barriers, you need to complete the following sentence: "If I knew that . . ./If I thought about the fact that. . ., I imagine I'd be more willing to actually buy XY." To overcome a taboo, it often helps to make the subject socially acceptable. When many people still found it awkward to stand at a counter with a packet of condoms, an anti-AIDS TV commercial showed an embarrassed young man buying condoms in a supermarket. The pretty till girl has problems reading the price tag and shouts to her colleague: "Tina, how much are the condoms?". The ad helped remove the taboo by presenting an elderly lady waiting in line behind the young man who then leans forward and happily informs the till girl about the price.

A similar approach helped TENA out of the taboo corner. This was especially important for younger women whose desire to distance themselves from using the brand was markedly stronger than among older customers, but who nonetheless had an incontinence problem, e.g. during pregnancy. Information showing that incontinence affects more people than generally assumed and that it is, in fact, as common as migraine or hay fever made the condition appear more acceptable. That key argument helped potential female customers overcome their reservations. That is even more difficult with men, since society generally attributes light incontinence to elderly women. So TENA used a strong BrandKey that removed the taboo of sanitary towels for men by showing that a surprising number of men have to contend with incontinence. A few years ago, a print ad for TENA for Men stated: “Today, incontinence is as normal as hay fever. Around 1.5 million men in Germany are affected.” Naturally not all men overcame their purchase barrier and flocked to buy TENA after reading the ad, but it was a step in the right direction. Today there is an entire TENA for Men website, which continues to work on removing the taboo and making a purchase less unpleasant.

The buying experience itself must be made more enjoyable, i.e. simple, fast, entertaining and pleasing. That’s especially important if taboos make a purchase embarrassing.

5.7.5 Sales Staff as Allies

Sales staff can be a strong barrier to success if they have a negative conception of the brand. The right sales story is all-important. It helps sales staff understand the brand, prove their competence and make a sale. It’s generally enough to present sales staff with facts and figures which prove that the target group will be persuaded quickly by the arguments provided. They need a list of the best arguments and to be shown how to demonstrate the product’s advantages. This information can be communicated in personal conversations, training sessions, on a tutorial CD, on the internet, the packaging or in information documents.

In certain categories it may be necessary to give sales staff additional information. When selling medicines, for example, pharmacists not only need arguments that are relevant to their customers. They also need technical information on the pharmaceutical product to be convinced by it and believe the arguments. Only that gives them the certainty that they are advising their customers properly.

A producer of sore throat remedy products prepared strong sales arguments for pharmacists: The product’s dual effect targeted not only the symptoms like most competitor products did, but also the cause, i.e. the inflammation. That was the key to preventing a return of the sore throat and presumably the development of a severe cold. These sales arguments were combined with detailed product information for pharmacists, e.g. about the active ingredients that acted both as a local anaesthetic and anti-inflammatory medication.

If you don't use a convincing sales story and other details and evidence to turn sales staff into fans of your brand, it is very likely that they will recommend competing brands.

Your own sales team must also know the barriers and BrandKeys to use them effectively. Ideally, sales reps should be involved in the development of BrandKeys.

5.8 Overcoming the Repurchase Barrier or: Forever Yours

A product is usually not purchased again because (a) it disappointed the user, (b) the user can't remember the product, or (c) competitors attracted the customer with more exciting offers. You can overcome all three causes with BrandKeys – key arguments that help change the target group's mind.

5.8.1 Real Repurchase Deficiencies

Like the first choice barrier, the repurchase barrier is rarely related to real deficiencies. If the products or services of a brand are not associated with very negative experiences, product disappointment is likely to be caused by a misperception or wrong product expectation in the target group.

5.8.2 Perceived Repurchase Deficiencies: The Big Disappointment

Disappointment with a product is a widespread cause of failure on the repurchase barrier. Perhaps the customer's expectations were too high or they simply differed from what the brand can really deliver. But what exactly did the customer expect? What did the advertising, packaging and price suggest to the customer? In the case of the CARO coffee from Chap. 4, the target group gained the impression that the cereal coffee would be a healthier but equally tasty alternative to real coffee. But only few customers enjoyed the taste of the CARO coffee dissolved in water, so that it was often not purchased again.

How do you find arguments that will prevent such disappointments? One helpful approach is to consider whether the way customers use the product can be changed.

Did customers do something wrong? Would a different way of handling the product lead to better results? This was how CARO found a solution. A number of attempts to prepare the unchanged cereal coffee powder differently and the insight that milk was becoming increasingly popular (think of Latte, Cappuccino & Co.) ultimately led to a new preparation using milk instead of water. The cereal coffee now tasted far better – fuller, milder and more aromatic. Or at least that was the perception among users. A product that was sold for decades as one to be dissolved in water, now achieved a previously unknown popularity in target group qualification tests because it can or should now be dissolved in hot milk.

Red Bull was another brand that first had to contend with a disappointing flavour. The beverage's syrupy sweetness may certainly not be to everyone's taste. Initially placed in the lemonade category, the product didn't do well. Those who didn't take to its unusual flavour generally didn't buy Red Bull again. In that kind of situation, it may help to change customer expectations. Red Bull looked for a different expectation and found the solution: The product needed to be placed in a different category. The theory behind that insight is straightforward: You may be a poor swimmer in the Olympic pool, but you'll be the hero in the non-swimmer pool. Red Bull even went a step further than "just" moving into a different category. It created a new one: energy drinks (only known at the time in some Asian countries). By promising customers to give them fresh energy, Red Bull changed their product expectation. The flavour simply moved into the background and, in doing so, became more acceptable. To some, the unusually sweet flavor even enhances the expected magical effect of the drink.

To avoid product disappointment in future, you need to either (a) change product use so that the result is improved, or (b) change customer expectations by placing your brand in another category in which you can play to your strengths, and the weaknesses are noticed less.

5.8.3 Memory Lapses

Another repurchase barrier cause is a persistent problem for brand managers: customers' forgetfulness. So much time can pass between two purchases that customers simply can't remember which brand or product they bought last time.

Hair colorants are a category in which that problem can occur. Customers who tint or dye their hair regularly every 5–6 weeks may still be able to recall the brand and colour they used last time. But the longer the interval between two hair colourings the more difficult it becomes to remember the brand, let alone the precise tone. Was it light brown, hazelnut, medium brown, chocolate brown – or was it dark blonde after all? To confront these memory lapses and hence prevent potential customer loss, some brands have developed a memory aid. It builds on the insight that some customers are truly annoyed that they can't remember the brand and colour when they buy their next colorant and have to start searching for the optimal product again (including the risk of buying the wrong tone). The memory aid comes in the shape of a simple printed packaging section naming the brand and colour, for example, which can be torn off and kept until the next purchase. That's simple, but effective.

You need to help customers remember the brand and product from their last purchase next time.

5.8.4 Competitor Attacks

High product loyalty can also be undermined by competitor attacks. All too often, the repurchase of your product is prevented by discounts, new advertising campaigns, 2-for-1 offers and similar promotions by your competitors. In the worst case this happens exactly when your customer is out shopping to stock up again. Until that's the case, the acceptance of such promotional offers may not be very high since your customer still has "enough at home". The point is therefore to survive the critical stocking up period. Whichever methods your competitors use to poach your customers, you need to be one step ahead. But how exactly do you determine that right moment?

The easiest thing to do is to link your own offer to the declining customer stock. For example, you can place discount coupons at the bottom of the tissue box, photo paper pack or biscuit bag. A printer could print a promotion offer automatically as soon as a cartridge needs to be refilled. Some categories naturally offer more options than others, but this kind of solution is certainly worth considering. Similar activities have long been used by some loyalty programmes. Who didn't empty one breakfast cereal box after another as a child, just to cut out and collect enough coupons to receive whatever reward was offered? This already takes us to the next point: customer loyalty programmes.

The time of stock repletion (when a new purchase is made) must be targeted to advertise your own offers to customers before competitors have the opportunity to do so.

5.8.5 *Customer Loyalty Programmes*

If you don't have a customer loyalty programme yet, introducing one may help you overcome the repurchase barrier. If you already have one, you should check whether it really improves customer loyalty.

There are enough examples of customer loyalty programmes that work very well. Whether customers have to fly frequently, spend their night in certain hotels, shop in particular chain stores or fill up at particular petrol stations, they certainly want to be rewarded properly. This doesn't necessarily mean the reward must be valuable financially. It simply needs to trigger a "want to have" response among customers. It doesn't always have to be a free flight or better hotel room. Even a plain football or toy Ferrari will do just as well, as long as the promotion generates a certain "fever" and makes customers really enjoy repurchasing. Some basic preconditions must be fulfilled: It must be easy for customers to join the programme and act as it asks them to. They must also be able to claim and receive their reward easily. Some programmes even work without specific rewards: for example, the different promotions at McDonalds with new special burgers you want to try.

Whatever the system, it must be as simple as possible to understand. That's easier said than done. But still: a thorough analysis should yield new and potentially more powerful ideas and meaningful improvements. In case of doubt, it may be useful to simply ask customers who lack loyalty why that's so once in a while. Despite customer loyalty programmes, they sometimes buy from competitors. Why? The answers will certainly be instructive and inspiring and can form the basis for – you guessed it – BrandKeys that foster growth.

A customer loyalty programme must meet three essential requirements:

1. *Taking part must be easy.*
2. *The reward must be sufficiently attractive.*
3. *Claiming the reward must be easy.*

5.9 Overcoming the Recommendation Barrier or: Talk of the Town

As we saw in Chap. 4, recommendations are very important in some categories and are becoming even more relevant in times of social networks and platforms. This applies especially where health, children or safety are concerned. In all things that really matter to people, where they want only the best and definitely no damage, they tend to ask people they trust for their opinion. However, before these trusted individuals make a recommendation, a number of barriers may arise: (a) they themselves are not sufficiently impressed by the product or service; (b) they aren't certain whether the product/service could damage the person asking them; (c) they are "embarrassed" by their own choice; (d) they simply don't talk about the category.

You need to convince the target group that the product or service will delight the person asking them, that its use is entirely unproblematic, that others also regard it positively and that the theme as such is interesting. Since these things all relate to customer perception, the barriers we address here are perceived barriers.

5.9.1 Perceived Recommendation Deficiencies: "Magic Moments"

This issue was mentioned briefly in the section on product disappointment. To overcome the recommendation barrier, however, it's necessary to go a step further if possible. Potential recommenders not only have to be satisfied. They have to be thrilled – have experienced a "magic moment" – so that they recommend the product or service spontaneously. How can you create such a "magic moment"? We are talking here about a very special moment where the product experience is unusually and above all unexpectedly positive. A product cannot always be designed to create such magic moments just by itself. What matters is to capture significant moments – those in which you can surprise customers.

Such moments are more frequent in the service sector. Here, every occasion where a problem arises and an advisor, seller or hotline can provide outstanding support is a potential "magic moment". Anyone who has lost their cash or credit card and was rescued in that unpleasant situation quickly and professionally by a perfect service team will talk about that experience. Those who have missed a connecting flight through no fault of their own will also report on that experience positively if they received immediate assistance. The following principle applies: The more difficult the situation was for the potential recommender, the greater the "magic moment" can be. What is necessary therefore is to identify all possible unpleasant situations and be prepared optimally to provide an impressive solution.

But "magic moments" can also be created for washing machines, yoghurts, suits, computers, IT systems, tax consultants, pneumatic hammers and any other product or service you may think of. In all these categories, customer service usually enters the scene, personally or through a hotline. If products that broke far too early can be returned or replaced without difficulty, or if customers who have problems using a product receive advice and guidance immediately, they too experience a "magic moment". The product or service must, of course, also meet certain basic quality standards to ensure it doesn't acquire the image of a cheap or unreliable brand.

The point is to create "magic moments" for customers – to surprise them positively when they don't expect it. This is easiest when customers are really in need of support and services.

5.9.2 Don't Cause Damage

In general, potential recommenders rarely assume all by themselves that a brand and its products could damage others. Here, we exclude the case where a product has really failed in a hazardous manner, since that falls in the "product disappointment" category. Potential recommenders usually hear or read something that makes them worry their recommendation could cause damage.

In the case of Aspirin in Chap. 4 it was the pharmacist whose sales talk caused concerns. If he'd not mentioned stomach sensitivity and the greater tolerability of another medication, the headache customer would have (a) bought a pack of Aspirin and (b) probably passed some of it to others suffering from headache. After all, scientific trials have shown: The likelihood that he would really have experienced stomach trouble after taking Aspirin is extremely slight.

The point is therefore to prevent negative statements. This isn't easy, especially in test-obsessed countries, which makes PR all the more important. You need to understand where negative "reports" come from, why that is so and how to correct them or at least place them in the right context. In the case of Aspirin, it was necessary, among other things, to convince pharmacists that Aspirin is well tolerated. Sufficient data were available which provided scientific proof that the criticism regarding tolerability of Aspirin was unfounded. These studies had to be used to change the perception of pharmacists.

Good arguments and evidence are needed to dispel and/or prevent reservations about product or service safety caused by third-party commentary. Potential recommenders can otherwise still be influenced negatively by other sources (e.g. test reports) and refrain from recommending the product.

5.9.3 The Wrong Brand Image

Sometimes people opt for a brand although they think other people wouldn't do so. They believe that the brand offers them enough advantages to make up for the negative image it has among others. For example, reading a tabloid may not win you admirers, and a lot of people will probably claim not to read that kind of stuff. But someone must be reading those million-copy print-runs…

If you want your brand to be recommended you need to improve its image and make it socially acceptable. You need to find out what exactly the negative brand image is, what causes it, who promotes it and how much weight it really has. Only then can you start to change that image – and in the right direction. In the case of Neckermann, some holidaymakers evidently did not wish to let it be known that they travelled with this tour operator and therefore deliberately removed the Neckermann address tag from their suitcase or failed to mention the company when reporting on their holiday afterwards. Why? Neckermann had a dull and antiquated image in the eyes of part of the target group and was also regarded as a "cheap" provider. Although its travel product continued to convince, people now felt that which operator they had travelled with was not something everyone had to know. The aim was therefore to add a bit of modernity, quality and stature to the brand. That image change was implemented by refreshing the brand positioning and its communication concept. Exciting holiday destinations and higher-value hotels were mentioned and shown more frequently, instead of focusing on staid locations and 3-star bunkers. The accommodation and landscapes presented were more attractive, as were the people displayed. But the accustomed product range and convincing "Neckermann prices" of the established positioning were retained.

If a negative image prevents active recommendation of a brand to others, it has to be corrected by communication activities. But this does not require an entirely new positioning. The point is just to change the way the brand appears.

5.9.4 Taboo Topics

As for the purchase barrier, society and its opinions also play an important role for the recommendation barrier. If a topic is simply never discussed, recommendations are virtually impossible. In that case, a brand principally has the same improvement options already presented for the purchase barrier. You need to try to make the topic socially acceptable as far as possible, and at least to the point where people talk about it to persons they trust (and of whom they assume that they may have similar "problems"). To achieve that you need information. Are more people affected than generally assumed, so that you're far from being the only one? Are "entirely normal" people affected? Is the whole issue perhaps not a problem at all, but quite natural?

Anonymous chat forums can be a first helpful tool before you can move on to prompting the target group to discuss the topic. Everyone can present advice and tips in these forums – and recommend brands openly. Directing the target group deliberately towards such forums is therefore a useful initial approach.

On the recommendation barrier too, you need to make the taboo topic socially acceptable. Anonymous chat forums where people affected engage in more open discussion and may even recommend their own brand are a good place to start on the often long road to wider social acceptance.

5.9.5 Customers Recommend Customers

Once the recommendation barriers addressed have been scaled, the task is not only to make recommendations possible, but to promote them actively. Customers-recommend-customers programmes are usually quite easy to launch. To be successful, they have to meet criteria similar to those for customer loyalty programmes. Participation in the programme must be as easy as possible. The reward must be attractive for recommenders. The best rewards are usually things in high demand among consumers. Online sales platform or search engine rankings provide useful information in that regard. One type of reward that is especially effective are attractive but fundamentally "naff" products like lifestyle mobiles or "hip" accessories people usually wouldn't spend their money on. Getting them more or less for nothing as the reward for a customer recommendation gives people a good excuse for owning them nonetheless. It must also be easy to claim and receive the reward. Ideally, the reward is haptically exciting, i.e. customers have to see it and hold it in their hands – even if it's only a symbolic cheque.

For customers-recommend-customers programmes the same principles apply as for loyalty programmes: They will only work if they are both simple and attractive.

5.10 Only Asking Questions Will Give You Answers!: Questions & Answers About How to Overcome Barriers

Below you find the important questions to ask and answer in the course of implementing the BGB model to ensure that all your resources are focused on growth. The model itself and your own market research data will give you the right answers, which you can then present convincingly.

- **General**:

How do we tear down existing barriers?

☑ *We have analysed the causes of the main barrier water dispenser purchase intention, first choice and purchase, and we were able to derive strong BrandKeys from that – i.e. key arguments that help overcome these barriers. We can now use them to convert both companies and private consumers from their negative attitude and make them enthusiastic about our brand. The BrandKeys we developed are not limited to standard communication activities. With the support of our field service, they will be used mainly to exploit our growth potential on these barriers.*

- **Water dispenser purchase intention**

How will we overcome the category barrier "intention to buy water dispensers"?

☑ *Our analyses and diagnostics on this barrier had already shown clearly which negative attitudes we have to contend with in both target groups. Companies still largely don't see the need for a water dispenser. Many private households don't yet see sufficient benefits compared to their present bottled water. However, they can be convinced fairly quickly using clear BrandKeys on the theme "lugging water crates about". Especially BrandKeys that present this chore as more burdensome than one might think work very well. If you calculate how many crates you lug for how many miles and (up) how many stairs, the target group will quickly recognise the advantage of water dispensers. Companies, on the other hand, are more difficult to convince. Here we need to communicate the argument that a water dispenser improves the atmosphere while shopping, visiting a doctor's practice etc. convincingly. What does the water dispenser do for the customers, patients and visitors of our customers? It offers a pleasant refreshment or small pastime while waiting – for example also when tired partners are waiting outside the changing room in a boutique until their friend or spouse has decided (at last) what to buy. Our hot and cold water dispensers are especially suitable here because tea can also be offered. Companies ultimately make spending time on their premises more pleasant for customers, and that is good for their business. Our field service reports that the use of such scenarios in sales talks does have a positive effect: The advantage of a water* *dispenser is recognised. Our field service will now use these BrandKeys more intensively.*

- **Awareness**

◈ *How can we increase awareness of our brand?*

☑ *Although awareness is not one of our focus barriers we do regard branding continuity as an important issue. We monitor compliance with our brand design before every release of communication material. The respective guidelines not only concern the logo, fonts and colours, but also tonality, forms etc. As long as no reason presenting a risk to growth suggests otherwise, we will retain these guidelines unchanged for at last 4 years.*

- **First choice**

◈ *Our status on brand clarity and relevance is good, but how can we overcome the first choice barrier? How can we distinguish ourselves more strongly from competition?*

☑ *Our target group surveys have shown that water quality is an especially relevant theme for private households. The target group doesn't yet believe that they will get the quality they want from us. Part of the target group also believes that our water quality doesn't differ from that of competitors. In reality, however, our quality is better. Based on our new partnerships with renowned mineral water brands, we have expanded our product range. In addition to our standard water, we now also offer two other mineral water brands which have been known for a long time for high water quality from the best springs and for an especially healthy supply of minerals. With these brands, we now provide both still and sparkling water. The retention of the carbonic acid is possible only with our special bottle cap technology and drawing mechanism. This range of high-quality mineral waters is what private households find attractive. They don't have to forgo their accustomed water quality or their choice of different waters. Even people who want to have both still and carbonated water are served very well by our dual-bottle dispenser. The first responses of the target group to these BrandKeys have been very promising. The versatility of our dispensers, by the way, is also very interesting for companies. We will focus on these BrandKeys in our future positioning and include them in all communications – on our homepage, in meetings with the field service, in brochures and flyers, and in our print ads.*

- **Purchase**

◈ *How can we convince the target group to accept our higher price?*

☑ *We have tested different chains of argument with the target group and qualified a very strong one. It principally concerns showing how important the choice of high-quality water is and how damaging it can be to drink large quantities of inferior water in the long run. This argument already convinced the target group of our products in the first tests – although our dispensers are more* *expensive than others which are, however, currently expected to provide only water of average quality.*

◈ *How can we improve our POS presentation?*

☑ *As mentioned before, our POS consists of our field service and homepage. The field service has been equipped with all convincing sales arguments and can even present critical prospects with samples of all water types and brands. We have also ensured that our BrandKeys are used in our revised positioning to direct the target group to our homepage – they attract them in the right locations on the internet. The initial registration on the homepage has also been reworked: It is easier and faster now, and the first dispenser and bottle are already delivered the next morning.*

- **Repurchase**

◈ *How can we prevent satisfied customers from switching to competitor brands?*

☑ *We have developed a loyalty point programme which we will launch during the next 6 months. All customers will receive a booklet in which they can stick their special refresher stickers. Every bottle will bear one of these detachable stickers. After 20 bottles respectively, customers receive their next bottle for free, and for every 100th bottle, there will be a value present. These presents, of course, always relate to water – vouchers for swimming pools, wellness centres and the like.*

- **Recommendation**

◈ *How can we foster the will to recommend?*

☑ *We already know that there is no real barrier to recommending our brand. The brand is not associated with any risks whatsoever, and some of our customers even experience "magic moments" when their visitors are surprised by the high quality of our water. But the whole water dispenser theme is rarely a really interesting discussion topic. Our category is so mundane that it is simply not often talked about. This is why we will develop an active customers-recommend-customers programme and link it to the loyalty point programme. The sticker booklet includes coupons which can be taken out and given to friends or associates. The coupon, again, communicates our positioning with the strongest BrandKeys. And it provides prospective customers with all the information they need to register with us and order their first dispenser. The customer number of the recommender is also included, so that she will receive the recommender bonus: two free bottles or a voucher – more or less as in the loyalty point programme.*

Chapter 6
Planning, Forecasting and Monitoring Growth

Trust is good, control is better
Vladimir Ilyich Lenin

To complete the process of comprehensive growth-oriented brand management, this chapter deals with the unanswered questions addressed in Chap. 3 – how to develop your marketing and sales plan, calculate your return on marketing investment and monitor success. It also presents checklists and questions for successful use of the BGB model.

6.1 Planning Growth: How Do You Create a Growth-Oriented Marketing and Sales Plan?

At this point, it won't come as a surprise that a growth-oriented marketing and sales plan is derived directly from the barriers identified and the BrandKeys, i.e. the key arguments used to overcome barriers. The last chapter described how to develop BrandKeys (communication arguments, product improvements, packaging, sales,, POS, customer services etc.). These BrandKeys and the activities derived from them form the basis for the marketing and sales plan (see Fig. 6.1).

The distinction between marketing and sales should not be regarded as cast in stone. It is far more important which barrier an activity addresses. At the end of the day, marketing activities will require support from sales and vice versa.

So it makes sense to develop a comprehensive plan for both functions that shows which barrier(s) will be influenced by which activity. How to weight or prioritise your activities should thereby be based on the priority different barriers have for you. One advantage of this method is that every activity serves a specified purpose and that no activity in the plan can therefore be prone to doubt or questioning. Should budget cuts become necessary later in the year, the barrier allocation of activities means you just need to take a quick look at the plan to recognise activities that can be dropped – those that contribute least to growth.

But before the marketing and sales plan can be finalised and adopted, you need to perform a profitability analysis, as described in the following section.

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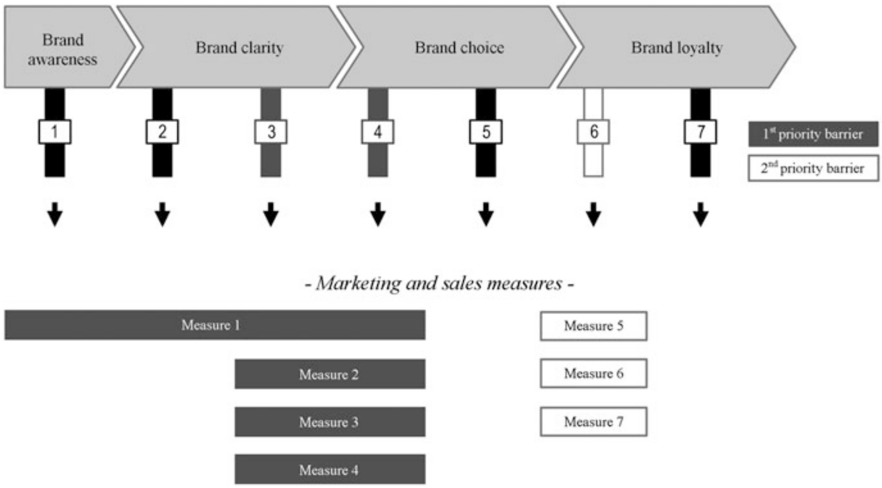

Fig. 6.1 Deriving marketing and sales activities

6.2 Forecasting Growth: How Do You Calculate Your Return on Marketing Investment (ROMI)?

The basic question at this stage is: How will my sales and ultimately my profit contribution change if I implement my planned activities to overcome a particular barrier? To answer that question, you need to work out the connection between sales and the growth barrier(s). Two approaches are possible: simple forecasting (requires less additional research data) and detailed forecasting (is more accurate, but requires more data).

6.2.1 Simple Forecasting

Step 1: Deriving market share from the BGB model and comparing it with your real market share

This first step permits you to verify whether the relationship you've established between sales (initially in the form of market share) and your growth barriers is correct. That relationship must be understood and analysed to enable you to make a valid forecast of the expected market share later on, based on barrier measurements, e.g. in copy tests. You first derive a market share from your model. A comparison with your real market share (from other sources) will then show whether your assumptions were right or need correcting.

So, how do you establish that relationship? In some categories, market share may be relatively simple to derive directly from the purchase barrier (percentage share of buyers of your brand in the total market). If you're dealing with a category where the target group only makes one purchase during the period investigated, the absolute percentage of the brand on the purchase barrier should correspond to the brand's market share. In these cases, it is easy to continue with step 2 – scenario development. If the absolute amount at the purchase barrier rises by 10 %, your market share should rise by the same percentage. And if you don't increase your performance directly on the purchase barrier, but on the brand clarity barrier, for example, you can still calculate the increase at the purchase barrier if you assume that the percentage ratio of the relative losses remains the same from barrier to barrier. In the short term, that does indeed correspond to reality because you haven't worked on these barriers yet.

But in most categories, the relationship between purchase barriers and market share is more complex. Take the example of STABILO. The manufacturer of writing utensils set up a BGB model for its highlighter brand and fed it with data. The data from the model and an associated survey are now to be used to derive the market share. The logical steps are as follows:

1. Eighty percent of students use highlighters. That is the category's market.
2. Of those 80 %, 30 % use the STABILO brand – STABILO swing cool, to be precise.
3. However – and this is the key point – brand loyalty varies among students. Some also use competitor brands. So you can't assume that STABILO has a market share of 30 %.
4. The survey that delivered the BGB data did, however, provide information on the different levels of loyalty.
5. Of all STABILO users,

   ... 34 % use STABILO exclusively → 100 % of their requirements
   ... 7 % mainly use STABILO → 75 % of their requirements (assumption)
   ... 59 % mainly use competitors → 25 % of requirements (assumption)

6. So, STABILO...

   ... has 10 % of category demand (34 % of 30 % times 100 %)
   ... plus 2 % of category demand (7 % of 30 % times 75 %)
   ... plus 4 % of category demand (59 % of 30 % times 25 %).

7. That gives us a total of 16 % of category demand, which can be assumed to be the market share.
8. Those 16 % are compared with the real market share. If they come close, you can continue to work with these assumptions. If the figure is too far out of line, you need to check your assumptions and correct them.

At this stage, it already becomes clear that the entire calculation model does not guarantee 100 % correct results. Since we're working with assumptions, it's very likely that reality will be a little different in the end. But the procedure is nonetheless far more helpful and economic than letting yourself be surprised, as it were, by the effect of an activity (growth by chance).

Step 2: Creating scenarios

The assumed change is now simulated in the BGB model. As already mentioned, it's quite easy to create scenarios if there is a direct relationship between the purchase barrier and market share. In more complex cases, the logic applied above is helpful.

Let's continue with the STABILO case. Regardless whether the increase at the purchase barrier is direct (activities designed to overcome the purchase barrier) or indirect (activities that first break down one of the barriers preceding the purchase barrier and thereby increase the absolute value at the purchase barrier) – you need to calculate what that will mean for your market share.

One scenario for STABILO could be as follows: Users (purchase barrier) increase from formerly 30 % (absolute value) to 40 % in future, *and* loyalty among users increases. For loyalty, that means an increase in the group of absolutely loyal students from 34 % to 44 % and a reduction in the group of not so loyal students from 59 % to 49 %. The proportion of relatively loyal students remains unchanged at 7 %. Following the calculation of market share in Step 1, these figures produce a new future market share of 25 %. That looks rather ambitious.

A less ambitious scenario could be as follows: Users increase from 30 % to 35 % *and* again there is a new loyalty ratio of 44 %, 7 % and 49 %. In that case, the new future market share would be 22 %. There is no "right" or "wrong" in either scenario. You have to decide which scenario you regard as right based on your experience with market share developments in the past. Based on that experience, how much can really be changed on the market? How fast can market share really change?

The results of pre-market tests always give you a better understanding of the possible improvements at specific barriers – be it tests of the verbal concept that forms the basis for communication, the creative sales idea (e.g. in the form of storyboards or creative drafts) or the finished creative implementation. It's important to ask appropriate qualifying questions: What was the purchase intention before the test and how high was it after the planned activity (e.g. a campaign) was presented? On that basis, you can make a better judgement as to which scenario is most realistic.

Step 3: Assessing your ROMI

The final step assesses the cost-efficiency of the planned activities. Now that you know which changes can theoretically be achieved by them, you want to understand the relationship between the corresponding sales and the required investment.

Since the latest figures on sales and market share are usually available, all you need to do is transfer the expected increase in market share to the sales volume.

The required investment is best presented by the media agency. It calculates how much needs to be invested to reach the target group successfully. Once that's been done, you can assume the same results and changes already seen in the copy test, for example. If the relationship between your investment and the expected increase in sales or profit contribution is economically reasonable, the activity can be implemented.

But if you have the capacity to collect more data, you can create a detailed forecast instead of the basic one described above. This more complex calculation takes additional influences and market factors into account, e.g. the impact of important opinion leaders on the decisions of potential buyers. It can therefore present reality more accurately and produce a forecast whose realisation is more probable.

6.2.2 Detailed Forecasting

Step 1: Creating a relationship between the BGB model and market results

Like in simple forecasting, the first aim here too is to create a relationship between the figures in the model and the figures on the market. Without understanding these relationships, you wouldn't be able to create a convincing connection between the forecast figures in the model and expected changes in the market later on. In simple BGB models which work with only one target group, you can start by determining the barrier value that shows the highest correlation with market share – as in the simple forecast described above. That barrier is often the first choice or purchase barrier. These values are defined and used like KPIs. You can then use regression analysis to determine the market share function, with which you can calculate the market share from the expected KPI.

In some categories however, several target groups play a role in influencing the final decider. These influences must also be taken into account.

House building or renovation serve as a good example: Whether the product is the windows, heating system, electrics or water pipes, other people like the architect, installer and interior designer all have a certain influence on their client's final decision. Their opinions on the actual brand will most probably differ. So the aim is to take both the degree of their influence and their own brand opinion into account. In such cases, you need to calculate the KPI "purchase probability" instead of deriving it directly from the model. To do so, builders/renovators themselves are asked how much other opinion leaders influence their decision. In this way, a "power ratio" or "influence ratio" is created, which you can integrate into your purchase probability. The first choice value of the installer may be 19 % (compared to only 16 % for the builder/renovator). But the installer only influences the decision of the builder/renovator by 9.7 %. So overall, installers have a value of 1.8 % (9.7 % of 19 %), which is integrated into the calculation of purchase probability (see Fig. 6.2).

The next step is to calculate the correlation between the KPI that was calculated or directly derived from the model with the real market share. Correlation coefficients of 0.8 or more are common and show that you have found your decisive KPI. Using regression analysis, you can then derive a formula with which to calculate the market share depending on the KPI or forecast it later on. This first step – the relationship between the model and reality – is also very important for the model's general acceptance. Many models – and therefore their results – are

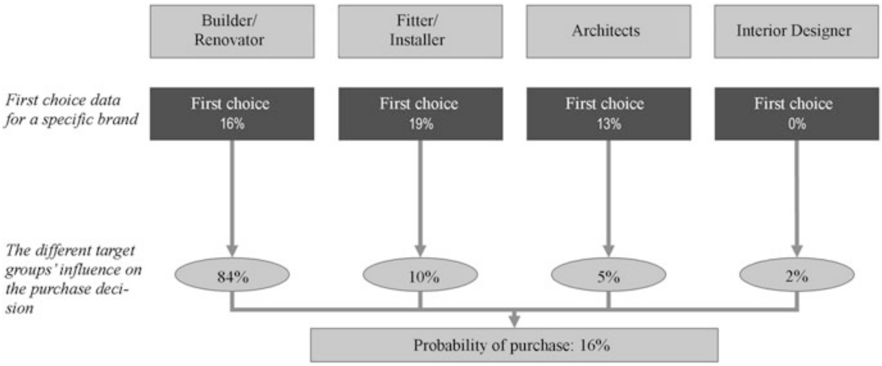

Fig. 6.2 Fictitious example of the purchase probability calculation, taking several target groups that influence the decider into account

questioned due to their distance from reality. The logically proven relationship between the model and real market conditions convinces even the greatest sceptics and therefore ensures that you can work with the model successfully.

Step 2: Optimising activities with respect to the KPI

In all tests which should be performed before implementing an activity, you can also check whether you will achieve your desired KPI. For instance a qualification of the communication concept already shows how the activity would change the purchase intention of the target group. To do so, ask the target group at the start of the qualification about the relevant barriers in your own BGB model. Once you have presented the new concept(s), ask about the barriers again to measure the difference. You can work in a similar way while developing activities, for example if you're testing a new packaging, a loyalty programme or TV copy. A quantitative pre-market test on the completed product is the final hurdle before actually launching the activity. It can measure the extent to which the KPI can be improved or whether the newly planned KPI target was achieved (KPI shift). Note that the KPI value measured in the pre-market test is the maximum possible value if you reach 100 % of your target group. After all, all people in the pre-market test were confronted with the test material. You then only need an assessment of how high the KPI shift to be achieved on the market can be.

Step 3: Forecast of achievable growth

The KPI shift measured in the pre-market test can only be expected in reality if the message embedded in an activity reaches the target group often enough. With support from the media agency, you can calculate the corresponding net coverage structures in the effective contact class. This can also be done for alternative budget scenarios to compare the different effects of different budgets and so be better equipped to decide on the scale and duration of activities. That way, you can forecast quite precisely how the brand will develop at a specific focus barrier if you implement your BrandKey-based activities as planned and with an adequate budget. Using the previously calculated regression analysis, you can then derive the expected development of market share from the predicted KPI development.

Since the required investment and resulting expected development of market share are now known, you can calculate the ROMI for the different budget scenarios. That gives you a basis for well-considered and plausible brand management investment decisions.

6.3 How Do You Control Growth Success?

Since the forecast methodology not only allows you to calculate the end situation (market share after x periods), but also your progress towards it, it makes continuous controlling possible. Combined with continuous collection of BGB data, you can now understand exactly whether the activities are improving the KPI as planned, and how that has affected the development of your market share. You can even calculate the extent to which the barrier causes are addressed by your brand management activities. This insight allows you to decide which activities should be continued in future, which optimised and which are no longer required. This integrated forecasting and controlling methodology consisting of pre-market and post-market tests gives you everything you need to achieve targeted new growth every year.

So it's an advantage to collect data for the BGB model regularly every 1 or 2 years (depending on the category) or even continuously. In many cases, no new study needs to be set up, but existing studies on image, behaviour, attitudes and advertising can be extended to include questions relevant to the BGB model. This is feasible at acceptable cost. And the more often you collect BGB data, the more precisely will you understand your growth success.

Basic growth control is easy: The data for all barriers in the model (own brand and competitors) are collected again. Care should be taken that the target group and competitors are again the same. Once again, the brand's absolute and relative values (the loss from one barrier to the next) are observed. The key question is: Have the relevant growth barriers or the KPIs at these barriers really improved? And if so, to what extent? You previously defined a target within the category corridor (between your brand and the best competitor). Did you achieve it? What change in absolute values, especially in terms of purchasing and repurchasing, did the new relative values lead to?

In this context, it's interesting to find out which connection exists between the results of the copy test, for example, and the subsequent development of the barrier or subsequently measured KPI and sales. In time, you can develop a very valuable database from your experiences. This information can be used to make your future growth forecasts even more accurate and realistic. For instance, if a copy test showed that the loss from the relevance to the first choice barrier has fallen by 30 % (compared to the target group assessment before the test), you can initially only assume what that means for actual barrier development. Did the loss from the relevance to the first choice barrier also fall by the same amount outside the test studio after the campaign was implemented? Or should you calculate more cautiously and assume a loss reduction of only 15 %? With every BGB round, you will develop a better feel for the relationships between test results and real barrier effects.

But actual barrier development is not the only highly relevant aspect. To make sure your growth is even more targeted and reliable in future, you must understand how exactly that new growth was achieved this time round. What caused the new barrier results? In addition to standard diagnostics, as described in Chap. 4, you can now also assess the effect of your own activities. After all, you've developed and implemented a whole range of activities with the aim of influencing specific barriers positively. But were they really responsible for the positive change? Or did a different event – perhaps poor campaigning by a competitor – affect your barriers?

To understand the precise causes of barrier development, you should ideally integrate more questions into the study that also collects the new BGB data. The focus should be on the barriers you wanted to influence. Ask questions on those barriers to investigate the extent to which your activities had a direct effect. For the first choice barrier, for example, you could ask which specific aspect of the brand makes it the respondent's first choice. Does that match the communication content? You could also ask where respondents heard or read about it. For the repurchase barrier, you can ask why they didn't buy competitor products. Did they remember your product better? Were they especially pleased with it? Why didn't they like competing products?

The targeted activities you used to break down one or more barriers are never the only influences on target group behaviour. Nevertheless, this method gives you an initial idea how influential your targeted activities were. The insight so gained forms a valuable pool of experiences that will make every future decision for or against an activity and on its exact design easier.

6.4 Meeting the Ten Requirements of a Growth-Oriented Brand Management Model

That the BGB model has been applied for many brands in different sectors proved time and again that it provides everything you need for growth-oriented brand management in terms of processes and systems. Implementing the model just once, even without a detailed forecast and without developing a control database, is already a huge step towards targeted brand growth. Even in its simplest form, the model provides everything growth-oriented brand management needs.

Let's remind ourselves that we were looking for a model that would meet the following requirements:

Does the BGB Model Fulfil the Ten Requirements of a Growth-Oriented Brand Management Model ?.

1. ***Effect*** ✓
   Focusing on improvements at the central focus barriers ensures that clear targets are defined and concrete effects determined to achieve the greatest possible growth.
2. ***Understanding*** ✓
   The model's three steps "identifying barriers", "understanding barriers" and "overcoming barriers" give you deep insight into the situation of the brand and how to use its potential.
3. ***Activity planning*** ✓
   By concentrating on the focus barriers even during activity planning, the model ensures that all relevant activities are considered without being limited by past plans.
4. ***Comprehensive analysis*** ✓
   In the search for causes, solutions and activities, the model also integrates fields adjacent to marketing like R & D, Sales, Production and Procurement.
5. ***Credibility*** ✓
   The model is realistic and credible because it creates a logically coherent, data-backed connection between the KPIs in the model and real market conditions.
6. ***Practicability*** ✓
   To develop solutions, the model mainly uses BrandKeys (key arguments to overcome barriers)) that are per se concrete messages to be communicated to the target group by appropriate activities. They are therefore easy to implement in practice. The model also comes with a range of helpful templates for market research and checklists for brand management.
7. ***Control function*** ✓
   By identifying appropriate KPIs within the model and creating a clear relationship with market reality, the model ensures that activities and their effects can be forecast and remain measurable and controllable.
8. ***Working systematically*** ✓
   The entire model is characterised by a clear methodology with detailed steps and procedures. By concentrating on specific focus barriers and defining their causes, for example, the model ensures that all data, facts and figures are explored systematically. This permits understanding the overall situation correctly and interpreting insights clearly.

(continued)

9. ***Resource planning*** ✓
   By identifying the best possible solution for every focus barrier in different corporate divisions (including Sales and R&D as well as Marketing), the model creates a plan that a) is focused on growth, b) defines sensible priorities, activities and responsibilities and c) deploys budgets effectively.
10. ***Cost-efficiency*** ✓
    The correlation between the KPIs in the model and real market conditions permits accurate forecasting using the model at any time. These forecasts enable you to foresee expected changes in market share and sales and to examine the cost-efficiency of planned activities and return on marketing investment in advance.

Conclusion

Excellent brand management is a powerful growth driver. To leverage its full potential, you need a systematic growth-focused brand management model that leads directly to action recommendations. The key point is to understand which barriers are impeding your growth and how to overcome them. With that insight, every brand will grow!

The Brand Growth Barrier (BGB) Model guides that process perfectly. It not only identifies the main focus barriers in the purchase decision process. It also tells you the reasons why these barriers are impeding your brand. These barriers can be either real (real weaknesses in the company) or just perceived by the target group ("wrong" target group impressions). Real barriers can be addressed using the instruments of marketing and sales, and sometimes of adjacent areas like product development. Perceived barriers, on the other hand, must be overcome by the development and use of BrandKeys (key arguments). The chains of argument with which you can convert the negative attitude of your target group into approval and trigger the intention to buy your brand can be used on almost all barriers in the purchase decision process.

A BrandKey gives your brand positioning the required distinctiveness. It helps the brand acquire significantly higher relevance and even become first choice. For repurchasing, a BrandKey can make the vital difference between product satisfaction and dissatisfaction. And, finally, the right BrandKey helps convert your target group into enthusiastic fans of your brand and persuade them to recommend it to others.

Once the power of BrandKeys has been recognised and experienced, it becomes evident what the actual challenge in brand management is. It isn't to refine your brand presentation, campaigns or innovations once in a while, but to identify the key barriers to growth and overcome them systematically by activities that are driven by BrandKeys. In other words: Don't ever again be content with marketing and communication activities that don't overcome a specific growth barrier! Don't let yourself be won over by marketing platitudes like "We must charge the brand with emotion". Keep digging until you get strategies and activities that will foster the growth of your brand in a way that is entirely transparent and logical. That way,

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brand management will no longer be witchcraft, but become targeted, systematic and comprehensible to everyone.

The great strength of the BGB model is that it overcomes growth barriers systematically by a method that is entirely logical. But that's not its only benefit. If the model is applied consistently, it can also be used to make the entire brand management performance measurable and economically intelligible. This is particularly important in periods of economic malaise when brand management budgets are under scrutiny and maximum efficiency is essential.

If you use all the benefits the Brand Growth Barrier Model offers, you can come very close to the ideal of growth-focused brand management which makes success on the market something you can plan. Boom or crisis, market leader or challenger, products or services, global corporation or start-up – those who know how to use the power of their brand, its fascination, potentials and opportunities in a targeted way will achieve growth in every environment and situation. The BGB model gives you the foundation for doing so.

Try it! Even those who remain sceptical after reading this book and seeing all the successful examples presented will be convinced by the first results from using the model. And do use the questions and checklists in the following section to lead your brand to targeted growth as quickly as you can. In doing so, you will soon receive very valuable insights. And, if you have any questions, need support or would simply like to discuss the model with us – just ask us. We look forward to inspiring discussions with you.

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Checklists and Questions

☑ Step 1: Identifying growth barriers

- **Understanding the seven standard barriers:**

  1. Awareness barrier
     Part of the target group has not yet heard of or seen the brand.
  2. Brand clarity barrier
     Part of the target group has heard of/seen the brand, but can't say exactly what it stands for.
  3. Relevance barrier
     Part of the target group has an idea what the brand stands for, but doesn't consider it personally.
  4. First choice barrier
     Part of the target group considers the brand along with others, but it's not their first choice.
  5. Purchase barrier
     Part of the target group buys a competing brand although your brand was considered and may even have been first choice.
  6. Repurchase barrier
     Part of the target group does not buy the brand again and opts for a competitor product instead.
  7. Recommendation barrier
     Part of the target group has bought the brand repeatedly, but does not actively recommend it to others.

- **Create your own BGB model in three steps**

  1. What are the preconditions for a purchase?
     What has to theoretically happen to make your target group buy your brand in the end? What is the typical process?
  2. What could be possible barriers?
     At which stages along the described process could you "lose" a potential customer?

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3. Which barriers are the right ones to take into the model?
   Which barriers can be overcome at least in theory? Barriers you have absolutely no influence on do not need to be included.

- **Remember, when working with "used" data:**

  1. The surveyed target group must remain the same.
  2. The survey periods must be largely the same.
  3. The same competitors must be studied to the extent possible to prevent gaps in barrier development.

☑ Step 2: Understanding growth barriers

- **Awareness barrier: Branding questions:**

  – Is your brand memorable and high profile?
  – Is it easy to remember your brand name, logo and slogan?
  – How much do your brand name and logo differ from those of competitors or neighbouring sectors?
  – How dominant are the brand name and logo in your communication?
  – How uniform has your communication been over the past five years?
  – Could people associate an ad with the brand, even if the brand name and logo were omitted?

- **Brand clarity barrier: Brand positioning questions:**

  – Is the positioning focused and clear?
  – Have (rational) reasons been qualified with the target group that render the positioning more credible, unmistakeable and desirable?
  – Is the positioning applied in all fields – communication, packaging, point of sale, hotline, etc.?

- **Relevance barrier: Questions on positioning and basic criteria:**

  – To what extent does the target group perceive the brand the way the positioning intends?
  – Is the brand positioning accepted by the target group? Is it highly relevant to the target group?
  – From the perspective of the target group, do the brand or its products fulfil the most important criteria of the category (basic criteria) – and do so at least as well as competition?
  – Once a brand is positioned on a basic criterion: Does it manage to communicate this benefit far more credibly than competition?

- **First choice barrier: Questions on the target group's preference for another brand**
  In 90 % of cases, those in the target group who are held back by this barrier will have one of the following three reasons for rejecting the brand:

– I don't need the promised benefit. Because . . .!
– I already have the benefit. And on top my brand offers me. . .!
– I don't believe that the brand can provide the benefits. Because. . .!

You first need to understand which of these three barrier types you are dealing with and which reasons lie behind them, before you can develop suitable and convincing arguments.

- **Purchase barrier: Price questions and POS questions:**

– Is the high price of the brand a decisive cause of the purchase barrier?
– Are there too few purchases because distribution or placement is poor?
– Does the taboo around the category or brand prevent higher sales?
– Do sales staffs not promote sales sufficiently?

- **Repurchase barrier: Questions on product disappointment and customer loyalty:**

– How well does the brand perform on the truly important criteria?
– Based on your brand communication overall, what does the target group expect of the product?
– To what extent do these expectations match real product experience?
– Is there a customer loyalty programme?
– Does the customer loyalty programme help customers remember the right brand for their next purchase?
– Is the customer loyalty programme designed deliberately to make it difficult for competitors to "poach" your customers?

- **Recommendation barrier: Questions on recommendation and image:**

– Is the target group not sufficiently impressed to recommend the brand to others?
– Does the target group have reservations regarding product safety and is therefore not willing to recommend the brand actively?
– Does the target group find it negative to be associated with the brand because its image is negative?
– Is it negative for the target group to be associated with the brand because the theme is taboo?

☑ Step 3: Overcoming growth barriers

- **Awareness barrier:**
  Overcoming real barriers:
  Relatively low advertising budget

– Only invest if the effective contact frequency can be achieved.
– Focus on the core target group.
– Make contact as close as possible to the purchase decision.

Branding

- Constant, high-profile presence of the brand logo, name and (if appropriate) product name
- Strict, long-term adherence to your corporate design guidelines (colours, forms, fonts, tonality, etc.)

Overcoming perceived barriers:
(Presumed) perception by others

- If perception by "others" is very important to the target group, awareness must also be increased in that environment.

• **Brand clarity barrier:**
Overcoming perceived barriers:
Finding and maintaining a brand focus

- Select a basic criterion that has proven to achieve the greatest purchase interest in the target group.
- Check whether this basic criterion matches the brand.
- Use the basic criterion as the foundation for the entire brand presentation (communication, products, packaging, POS, employee behaviour, etc.).
- Ensure that the brand focus is maintained for a long time to fully establish itself.

• **Relevance barrier:**
Overcoming real barriers:
Fulfilling the basic criteria

- Ensure that the brand and its products/services fulfil the basic criteria especially in the eyes of the target group – not just from the perspective of R&D.
- Ensure that any adaptation of products/services is communicated immediately and clearly to the target group (in general subtly on the packaging, the POS presentation, etc.).

Overcoming perceived barriers:
If you have lost relevance

If your market positioning is older, you will in some cases have to make it relevant again for the target group, i.e. develop a new sales story covering all aspects of your positioning:

- Is this positioning especially interesting for specific target groups (families, young adults, seniors, single parents, etc.)? Why?
- Does this positioning match the image the target group would like to have of itself better? Why?
- Does the positioning make the target group's daily life more convenient? Why?
- Does the positioning address unfulfilled desires/needs? Which and why?
- Are the benefits of the positioning/brand proposition especially relevant to the target group? Why?

  - Inversely, are the consequences of not buying the brand especially negative? Why?
  - Are problems solved that the target group wasn't really aware of before? Which and why?

- **First choice barrier:**
  Overcoming perceived barriers:
  Finding a distinctive criterion

  - A criterion which you clearly fulfil better than the competition
  - A criterion no-one else has addressed so far
  - One that you can present more convincingly than the competition

  Selling your brand more convincingly – using BrandKeys (key arguments to overcome barriers)

  - The target group must be convinced that (a) they need your brand's value proposition or (b) will benefit more from it than from those of competitors and that (c) your brand can actually deliver its value proposition.
  - Product-driven BrandKeys: Identify a specific advantage of the product.
  - Situation-driven BrandKeys: Identify a situation that is crying out for your brand.
  - Emotionally driven BrandKeys: Build on the target group's emotions to move the brand closer to the target group.
  - Analogy-driven BrandKeys: Present a problem the brand solves more clearly.
  - Benefit-driven BrandKeys: Demonstrate the positive effects of using your brand.

- **Requirements a promising verbal or positioning concept must meet:**

  - BrandKey-driven, to change the attitude of the target group
  - Triggers an "inner smile" (the idea impresses).
  - Relevant introduction (addresses a problem that is relevant to the target group).
  - Relevant proposition (offers a meaningful benefit).
  - Convincing reasoning (gives the benefit more credibility).
  - Sounds unique and new.
  - Differentiates from the competition
  - Matches the brand.
  - Can be implemented effectively.
  - Can be sustained in the long term.

- **Purchase barrier:**
  Overcoming real barriers:
  Price
  If the price is a real barrier (the target group not only thinks it can't, but really can't afford the brand), either the price or the target group itself must be adapted.

Placement

- Make the retailer a partner by using data to prove that a different placement will also achieve the retailer's (economic) objectives.
- Clearly communicate to the target group where the brand can be bought.
- Lead the target group actively to the brand / the purchase decision at the point of sale.

Distribution

If distribution is a major reason why the brand is not bought more often, it must be improved using classic sales tools.

Overcoming perceived barriers:

Price

Justify the higher price with the right arguments:

- Does the target group end up paying more if they decide to buy a cheaper brand?
- Is your brand more sustainable or can it be used longer?
- What other risks does a wrong purchase decision entail?
- Will the target group lose out on important services if it buys cheaper brands?
- Will the price appear cheaper if presented differently – e.g. price per use or in the form of consumer financing or leasing?

• **Repurchase barrier:**
Overcoming perceived barriers:

- Prevent product disappointment either by changing the result of brand use (e.g. different handling) or by changing the expectations of the target group (e.g. placing your brand in a different category in which it performs better).
- Help the customer remember the brand and product bought last time more easily when buying again.
- Match the target group's "stock-up" time to make poaching by competitors more difficult.
- Set up a simple, rewarding customer loyalty programme.

• **Recommendation barrier:**
Overcoming perceived barriers:

- Give your target group a "magic moment": Surprise them positively when they don't expect it.
- Correct or prevent reservations about product safety with good arguments and evidence.
- Improve the brand presentation and image to ensure the target group can stand by its choice openly.
- Remove the taboo the brand/category is associated with by making it socially acceptable.
- Set up a simple and rewarding customers-recommend-customers programme.

☑ Developing and creating activities

- **Checklist for internal assessment of creative sales ideas (selling ideas):**
  - Is the concept transformed into a creative, high-awareness idea?
  - Are the statements relevant to the pre-defined target group?
  - Are qualified BrandKeys, propositions and arguments expressed?
  - Is your communication distinct from competitors'?
  - Does the target group now have a greater desire for your brand?
  - Does the target group now see the brand in a new light?
  - Does the idea suit the brand image/brand positioning?
  - Can the idea be implemented in all (selected) media?
  - Can the idea be implemented with the given budget?
  - Can the idea be used over a long period of time?
  - Does the idea help break down your focus barriers?
- **Checklist for internal assessment of creative production/visual implementation:**
  - Is the creative sales idea implemented properly?
  - Does the creative production suit the brand image/positioning?
  - Can the creative production be implemented in all (selected) media?
  - Can the creative production be implemented with the given budget?
  - Does the creative production help break down your focus barriers?

  Big Picture (central visual element that communicates the value proposition)

  - Is the brand proposition visualised?
  - Does the Big Picture grab attention?
  - Will it help distinguish the brand more clearly from the competition?
  - Is the Big Picture memorable?

  Drama (the story)

  - Does it exclusively focus on the brand and its value propositions?
  - Does the story captivate the target group?
  - Is the target group motivated to buy the brand?
  - Is the story easy to understand?
  - Does the story support the brand character?

  Selling line (summary of the brand proposition in a few words)

  - Does it reflect the brand proposition?
  - Can the selling line be used over a longer period?
  - Does it grab attention?
  - Is it relevant and credible?
  - Is it easy to remember? Will it remain memorable?

☑ Forecasting and controlling brand growth

- **Checklist for creating growth forecasts:**

Simple Forecasting

- Compare the model and market reality: In simple models, you take the value at the first choice barrier, for example, and compare it with your real market share. In more complex models, you also need to take parallel use of your brand and competitor brands into account at the purchase barrier.
- Create different scenarios and compare them with real experience (what has been possible on the market to date?). Ideally, the scenario, i.e. the expected change at the purchase barrier, for example, is derived from previous qualifications (pre-market tests) of the concept or creative production.
- Transfer the expected improvement in market share to the correspondingly expected increase in sales. Have your media agency calculate the investment required to reach the target group and then examine the cost-efficiency of that investment by comparison with your expected growth.

Detailed Forecasting

- Establish the relationship between the BGB model and market conditions. Here, you must take into account both possible parallel use and the influencing factors between opinion-leading target groups and your "buying" target group. Only then can the correlation between the calculated purchase probability (KPI) and expected market share be derived.
- Optimise your activities with a view to the KPI: The achieved KPI shift is measured both while your activities are being developed and finally in pre-market testing.

- **Checklist for controlling growth:**

- Collect data for the BGB model at regular intervals (every one or two years or even continuously).
- Monitor barrier development – both absolute and relative values.
- Examine the KPI shift.
- Trace the connection between the implemented activities and the growth achieved.
- Use further diagnostics to analyse why existing barriers remain unchanged or new focus barriers have emerged.
- Check the accuracy of your forecast and collect experience for the future.

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