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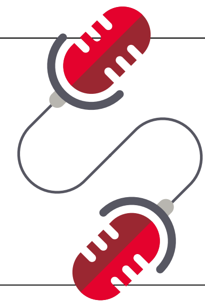
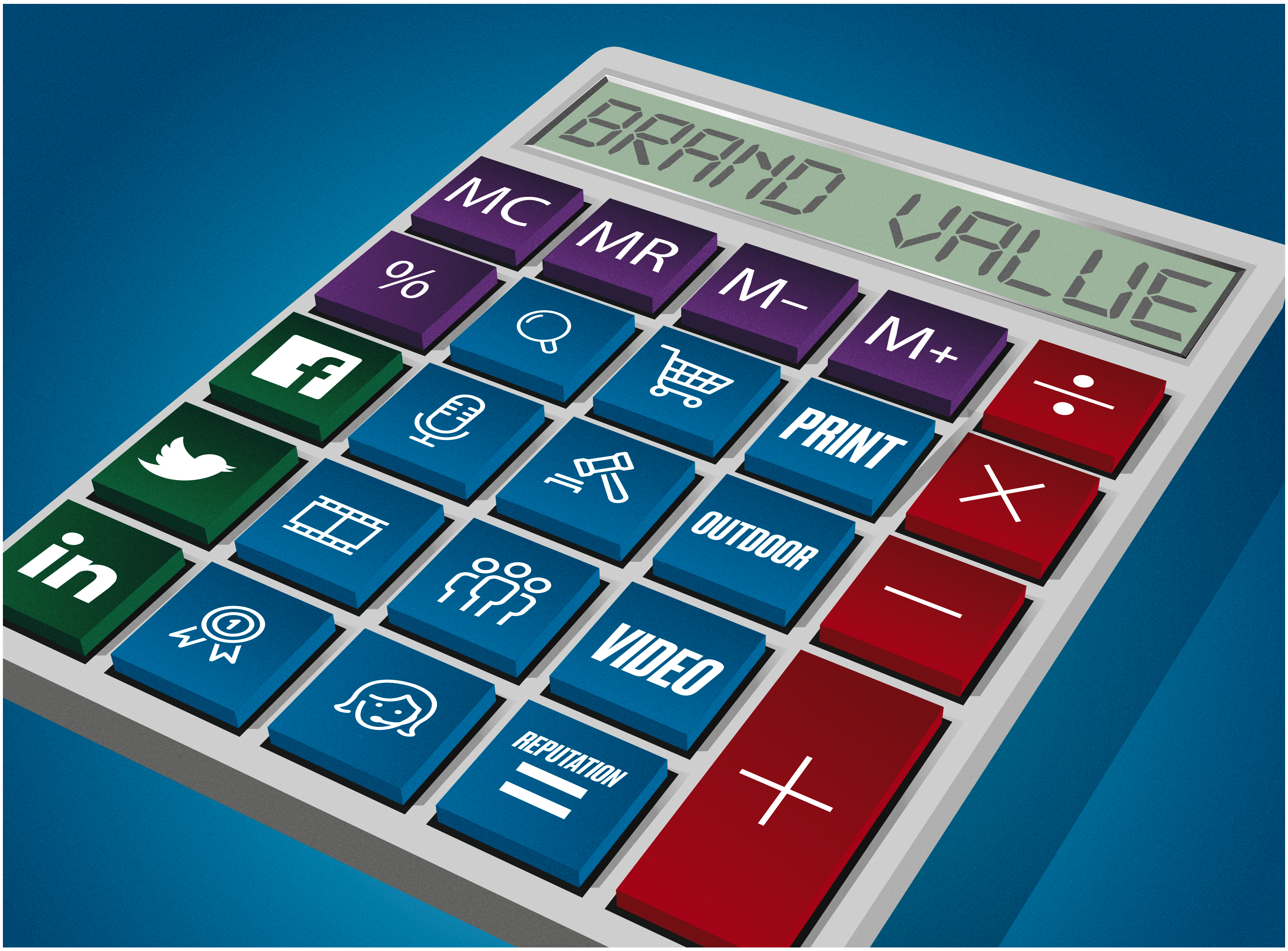
BRAND & REPUTATION





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Brands must listen to customers – or die

Two-way conversation between companies and consumers, either through word of mouth or on social media, is an opportunity for brands to thrive

◆ **OVERVIEW**

● **MAISIE McCABE**

When Sony wanted to launch its new LCD TV in 2005, it did so with a 150-second-long film of brightly coloured balls chasing down the inclined streets of San Francisco at speed. In a glimpse of the world to come, passersby built anticipation of the ad before it reached TV screens by uploading footage of the shoot to YouTube. The ad was launched on Sky Sports in the break right before kick off in a crucial football match between the 2005 Premiership champions Chelsea and Manchester United.

Fast-forward ten years and the relationship between brands and their consumers has changed. Many brands have tried to create the magic of Sony's 2005 ad, not least Sony itself, clinging on to past glories, but they are now subject to the judge and jury of social media. Moreover, they are competing with an explosion of content as 300 hours of video are uploaded to YouTube every minute. When Sylvester Stallone reprised *Rocky* by running up Bolton's Town Hall steps for bakers Warburtons, images were all over the web months before the ad hit TV.

When once disgruntled customers might have to spend hours on the phone to a premium-rate helpline, they now have a free-to-access public soap box. "Before brands could hide behind walls of advertising and corporate communications," says Tash Whitmey, the UK group chief executive of data agency Havas Helia, which works with Tesco and easyJet. "Now they can't. The self-expression of people, and the speed with which populist culture is created, means that to be relevant, brands must be aware of and, where appropriate, be responsive."

But just as the public has better opportunities to talk about brands that fall short, there are more opportunities for brands to speak directly with consumers. This works best when a brand is honest to its positioning and customers' experience, whether that's Yorkshire Tea or a kebab shop in London's trendy Dalston. Yet it has its downsides. In September 2014, the US brand DiGiorno was widely criticised for joining in a hashtag being used by women to share reasons why they stayed in abusive relationships, to promote frozen pizza.

However, the way many marketers have been distracted by social media may belie what is happening on the ground. There may actually be no evidence that word of mouth and conversations have changed much at all. Despite what your favourite self-proclaimed digital marketing guru might tell you, research from the word of mouth specialists Keller Fay Group found less than 10 per cent of brand conversations happen online. The majority of conversations about brands continue to happen in the real world, just as they always have.

> "Marketers can use the new information to improve products, fine-tune their marketing mix and, crucially, join up the customer experience

"The so-called 'shift' has been massively over-hyped," claims Dr Byron Sharp, professor of marketing science at the University of South Australia. "First, marketers never had much power over consumers. Second, the world hasn't changed much. The vast majority of word of mouth still occurs offline. And word of mouth about brands is still largely positive, not negative. People use social media to talk to their friends. They rarely use it to engage with brands."

Mark Holden, the global strategy director at media agency PHD, which works with brands such as Sainsbury's, Cadbury and Dove, agrees, saying "earned media" is "potent but insignificant". Earned media – publicity or coverage generated without paying for ad space – might be two of three times more powerful than advertising, Mr Holden says, but it rarely reaches more than 0.1 per cent of a brand's target market. "People do a lot of number-wanging, but is the price right and does it make you buy any more toothpaste?" he asks.

Even in days when brands could only speak to or at consumers through broadcast advertising, they were quickly discovered if people's experience of their products did not match their marketing. But this is now even more important because of the sheer number of places people can interact with brands. Marketers can use the new information this new world brings to improve products, fine-tune their marketing mix and, crucially, join up the customer experience.

But Ms Whitmey questions whether this flood of data counts as a fundamental change. Moreover, she says the concept of "big data" needs to "disappear" for brands. She says there is "no such thing" as big data, but the idea has been "co-opted by the technology companies, consultants and agencies to get noticed". Brands can become more powerful on the back of these new data sets, but their growth is finely balanced with consumers' own muscle.

"Brands that view the world in terms of control and ownership will die," Alex Naylor, director of marketing communications and digital engagement at Barclaycard, says. "Businesses never owned brands. They exist in people's hearts and minds. Brands that seek to leverage the ever-evolving opportunities presented by technology to better serve and involve their customers will thrive."

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Balancing the push and pull of marketing

Effective marketing is combining awareness of products or services with engaging potential customers through value-added content to become brand advocates

◆ **MARKETING**

● **GREG SATELL**

For decades, marketers plied their craft according to a simple formula: TV advertising creates awareness which in turn produces sales. This was not, as many would argue, a mistaken belief. Virtually all the great brands of the 20th century were built that way and many still prosper by it today.

However, it has become incomplete. A variety of trends, including community marketing, digital technology, social media and mass personalisation, to name a few, have conspired against the traditional view that message and media are sufficient to create sales.

So today's marketers have a serious challenge. If the old model is broken, what should replace it? Unfortunately, there is no easy answer. Media budgets continue to play an important role in successful marketing programmes, just as many of the trendy new tactics often fall short. What we need is not a new model, but a more strategic way of thinking.

Push marketing, although until recently nobody ever called it that, has prospered for decades because it is based on a premise that is both simple and true: if you want to sell something, you have to tell people about your product. That, in essence, is what the big ad agencies get paid to do – craft messages and get them in front of the right audience.

Yet push strategies ran into two problems. The first was that cable TV and the internet fragmented audiences significantly, narrowing them and raising costs. So many marketers found themselves priced out of the market, unable to reach significant numbers of viable prospects for a reasonable outlay.

The second problem is, if anything, even more challenging. The idea of push marketing has always been to provoke a response, such as a phone call or a trip to a store. But in a digital world, prospects will often engage in searching behaviour on the internet. That activity can be tracked by competitors, who will retarget those customers with competing offers.

Clearly, marketing has changed forever. Even when push marketing achieves its core objective of awareness it generates leads for competitors. That's no way to create a sustainable advantage. So many marketers have started to look for another way.

As marketers recognised that simply pushing messages at customers was losing its effectiveness, many started to think in terms of pulling people in through engaging them with a value-exchange strategy.

Getty images

> **Rather than focusing on one set of tactics to the exclusion of another, marketers should be applying suitable strategies to address a measurable set of objectives**

Often, pull strategies are content focused. L'Oréal's Destination Beauty channel on YouTube, for example, offers videos that help customers use its products more effectively. Marketo, a company that sells marketing automation software, has created Marketo University to train and certify its users on the latest digital marketing techniques.

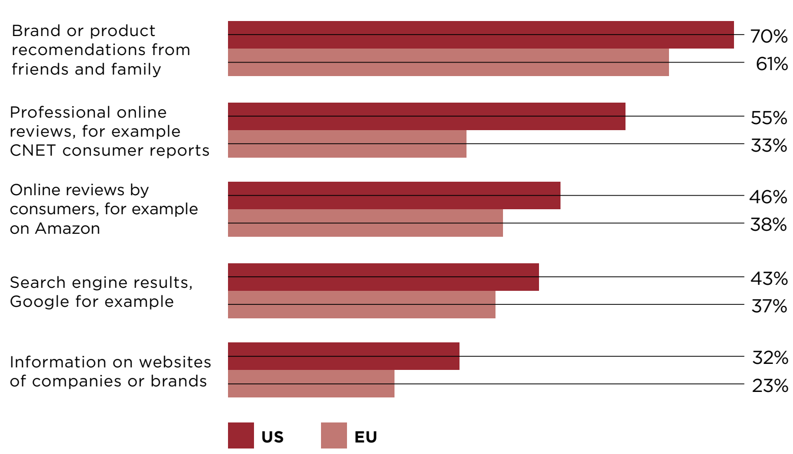
Zappos has turned its call centre into an effective marketing platform. Rather than using it to cold-call prospects or pushing its customer service representatives to speed through calls, the company recognised that the staff could win customers over with superior service.

Yet pull-marketing techniques are not a panacea. In fact, they can sometime backfire wildly. One famous case is Pepsi's Refresh Project, which replaced the company's traditional TV ads on the Super Bowl with a $20-million social initiative. The results were a disaster, as the company lost market share and fell to third place in its category, behind Coke and Diet Coke.

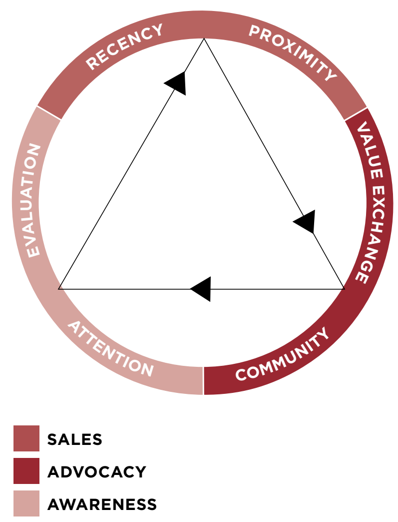
While there are strong and passionate advocates on both sides of the push-pull marketing divide, the choice between them is a false one. Rather than focusing on one set of tactics to the exclusion of another, marketers should be applying suitable strategies to address a measurable set of objectives.

Marketers have three core challenges: to make consumers aware of their products and services, to generate sales, and to inspire consumers to become brand advocates. Clearly, tactics will vary according to the particular challenges each brand faces.

HOW MUCH DO YOU TRUST THESE TYPES OF ADVERTISING AND PROMOTIONS?



Source: Forrester



Source: Digital Tonto

The chart above shows the three core objectives of awareness, sales and advocacy, each of which is measurable by standard surveys, paired with strategies to address those needs.

A brand that needs to build awareness would want to focus on push strategies to promote consumers' attention and evaluation of their products. Promotions that are close to the point of purchase can help to drives sales. Pull strategies that encourage value exchange and help build a community around the brand helps to win advocates.

Clearly, as competitive as the marketplace has become, no marketer cannot afford to take a "one size fits all" approach.

All too often, push and pull-marketing strategies are seen as on opposite sides of a great divide, with advocates of each lining up to defend their champion. In actuality, the best marketers are the ones who are able to integrate them successfully.

Tesco regularly uses push-marketing tactics to announce promotions, yet its virtual stores targeting commuters in South Korea is a great example of pull marketing at its best. Both support its mission of offering high-quality merchandise at competitive prices.

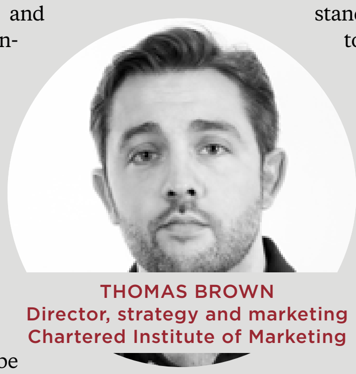
In a similar vein, L'Oréal's Destination Beauty YouTube channel succeeded because it supported the company's longstanding dedication to helping women to look and feel beautiful. Pepsi Refresh failed, in part, because it conflicted with its longstanding positioning as a young, carefree brand.

In the final analysis, it is the mission that must drive the strategy, not a preference for one set of tactics over another. Smart marketing integrates push and pull strategies into a coherent whole.

Learn to let go: the new reality for brands...

For generations marketers been trained to think and act in a certain way with brand and reputation management – now that schooling is fast becoming obsolete

OPINION COLUMN



THOMAS BROWN
Director, strategy and marketing
Chartered Institute of Marketing

"Command and control. Ownership. Protection. Governance. Legions of brand and marketing professionals have been brought up with this mindset.

An organisation's brand and reputation is a strategic asset which can only be crafted by trained professionals, which must be managed diligently and robustly, and which must be protected from misuse, abuse and misrepresentation at all costs.

This thinking has spawned volumes of brand rule books and, in many larger organisations, entire teams installed to ensure that the organisation's desired brand positioning and messaging is accurately reflected at every opportunity, internally and externally. The term brand police sounds all too familiar.

This mindset, however, now has a nemesis: empowerment. In a simpler time, consumers were much more passive. Communication from an organisation was largely one-way and largely controllable as media options were fewer and trust higher than it is today.

The passive consumer, however, has been replaced by a more savvy, connected and empowered population, particularly accelerated by the advent of social media and the penetrating role of technology in our day-to-day lives.

Today's consumer expects greater participation in the brands they interact with. They expect more personalisation and more of a dialogue, and they expect to be listened to. Contrary to the controlled media environment of years gone by, today anyone with an opinion can share an update, post a tweet or write a review and there's absolutely nothing that an organisation can do about it.

For business and brand owners, this is often treated as a risk, leading to fear and a potentially defensive response. I would argue, however, that the opportunity this shift towards empowerment presents far outweighs the risk.

So what is the opportunity? Well, an empowered consumer isn't a bad thing. Better engagement with consumers, clients and even colleagues in what your organisation does, how it does it and what it stands for, has the potential to be potent.

An empowered and positively engaged stakeholder is more likely to show loyalty and advocacy to your brand, if you recognise they have a voice, want to be listened to and need to be responded to.

To get value from this opportunity the starting point is to accept that you can't control every message, every opinion and every act of your brand. As simple as that might sound, in practice it's almost counter-intuitive. It runs contrary to those teachings of brand and reputation management over many decades, and requires marketers to unlearn past models and approaches. It needs us to learn to let go.

In practice, there are two key ingredients to help any organisation embrace the democratisation of brands and reputation, and turn fear and risk into opportunity.

Firstly, start by listening. A smart friend once told me, "You have two ears and one mouth for a reason". He was right. Businesses are all too quick to jump into a conversation with a consumer or announce something, but we often forget to listen first.

Social media is an incredibly powerful tool for gauging customer sentiment, understanding frustrations and aspirations, and learning about our markets. Find the places your customers inhabit – the right blogs, forums, Facebook pages, Twitter accounts, and so on – and soak it up like a sponge. Importantly, have colleagues in your organisation do likewise; don't just keep it to the marketing team.

Secondly, change what you mean by success. Encouraging marketers to let go of control and innovate requires a different mindset. Evaluating success based on whether something works or doesn't work will actually stifle innovation. Prioritise experimentation and a test-and-learn approach to customer engagement, new product development, branded content and marketing campaigns. A little failure is good for the soul and the learnings that come with it can open up new opportunities for future success."

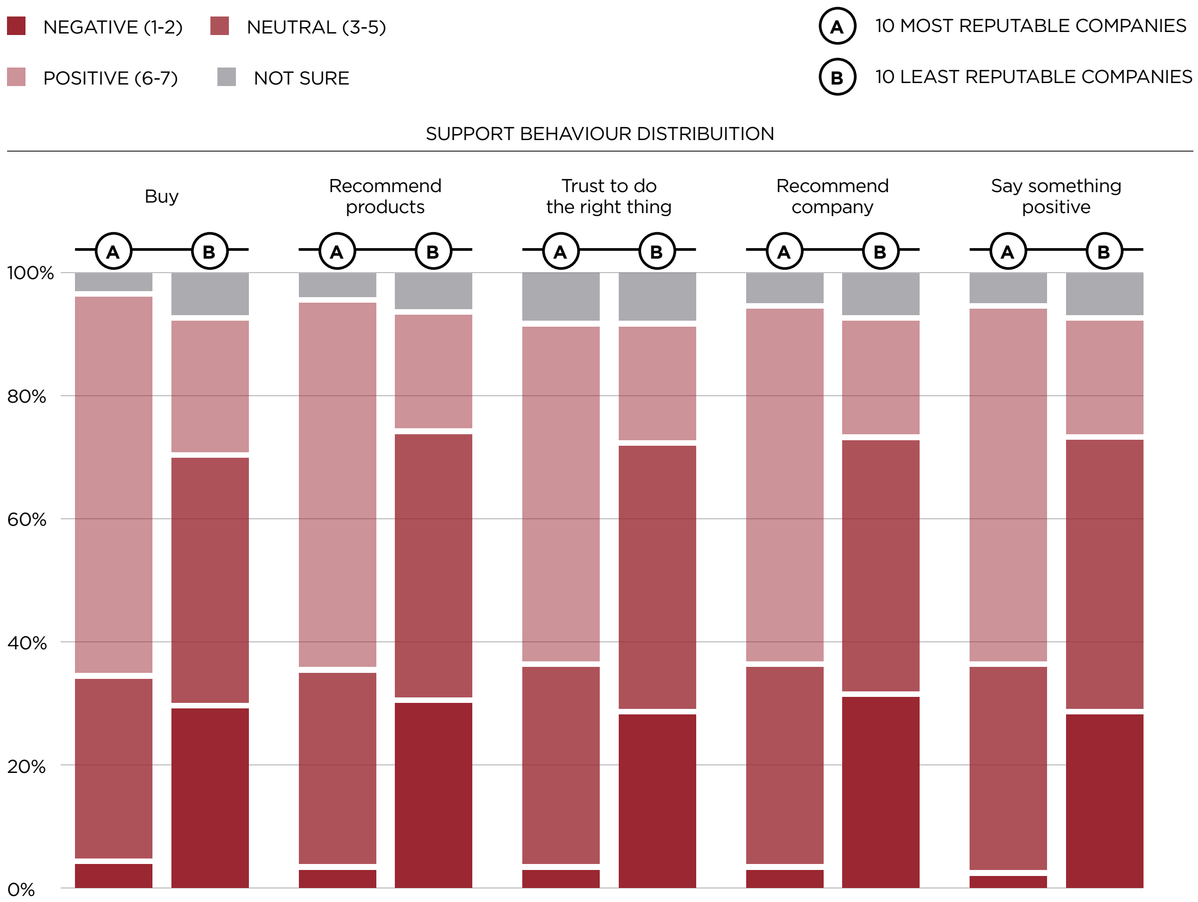
◆ **REPUTATION**

● **GIDEON SPANIER**

Brand and reputation will grow side by side

They are so interlinked that successful companies are taking a proactive, long-term approach to managing their reputation while investing in the brand

MOST REPUTABLE COMPANIES COMPARED WITH THE LEAST



Source: Research conducted by Reputation Institute ©, UK 2015

When businesses used to plan for the future in the days before social media, they focused on building their brand rather than worrying about their reputation. While the board saw investing in the brand through advertising and sponsorship as a long-term strategic goal, it tended to regard reputational issues as a short-term worry that could be sorted out tactically.

But this idea that brand and reputation should be treated separately looks outmoded in the age of social networking and the non-stop news cycle. Now information is shared more easily, crises blow up faster, there is greater pressure for transparency, and customers and clients are increasingly likely to turn to their peers on social platforms to judge the reputation of a company, rather than just listen to one-way brand messages.

BP's Deepwater Horizon oil spill disaster in the Gulf of Mexico in 2010 and the supermarket chain Tesco's £263-million accounting scandal in 2014 are just two examples of how a reputational problem ceased to be a short-term issue and had a long-term impact on the brand as profits and the share price slumped.

In both cases, it became clear that the immediate public relations crisis raised deeper questions about senior management's long-term behaviour that had created the circumstances for these problems to escalate, be it a weak approach to safety at BP or a hard-nosed approach to suppliers at Tesco. BP's share price halved in the immediate aftermath of the 2010 disaster as claims for damages mounted and, five years later, it remains around 25 per cent lower. Tesco's stock price also nearly halved as the accounting woes had followed a loss of market share.

Experts say this shows that brand and reputation have become far more interlinked, particularly because of the growing power of platforms such as Facebook, Twitter and YouTube to magnify a reputation crisis.

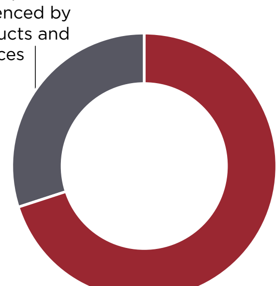
Michael Frohlich, UK chief executive of the agency Ogilvy Public Relations, says: "Reputation is built on three things – what you say, what you do and what others say about you when you're not in the room. A challenge to the first two will affect, to a lesser or greater extent, the third one. This is where the reputational damage sits, particularly on social media. If a company has a bad product or their chief executive breaks his or her promise, anyone can simply and directly take their issues to shareholders and customers."

Tim Burt, managing partner at StockWell, a strategic communications agency, agrees that social media has been a game-changer. "All companies suffer setbacks. It's part of doing business," he says. "What separates a setback from a crisis is loss of control, whether real or imagined. A social media firestorm – its speed, its intensity – makes any crisis harder to control. When that happens, investor confidence suffers.

"Think of the HSBC tax avoidance row or the Lufthansa-Germanwings crash. BP's Deepwater Horizon fiasco in 2010 was perhaps the first crisis played out in the full glare of social media. Arguably, it has taken BP five years to recover, at the cost of major disposals, a management decapitation and damaged share price."

So smart companies are learning that it pays to take a proactive, long-term approach to managing their reputation as well as investing in their brand. "It is being driven by the C-suite [chiefs in the boardroom] really recognising that reputation not only has a big influence on brand in today's society, but also it can change so quickly," says Jeremy Thompson, chief executive of the media intelligence company Gorkana Group. Failure to prepare means a company is at greater risk when the next crisis strikes.

REPUTATION INFLUENCING BUYING DECISIONS



Source: Ogilvy PR

38%

of a business's value rests on the intangible asset of its brand and reputation

Source: Reputation Dividend

Matt Peacock, group corporate affairs director at Vodafone, the mobile phone giant, says: "Reputation management means doing the right thing by your customers, suppliers, shareholders, employees and communities. That's doing, not just saying. In the digital age, no amount of dissimulation can hide the consequences of foolish or malign business decisions. The equation is simple – integrity builds loyalty which in turn creates value."

Mr Peacock cites Blueprint for Better Business, a London-based not-for-profit organisation founded in 2011, as an inspiration because it re-establishes the idea that companies should have a "social purpose by providing goods that are good and services that serve".

This ethos can be especially powerful internally, as a company's own staff should be the best advocates of corporate reputation.

There are signs that Vodafone's investment in its reputation has been working. The phone giant has come under fire in the past over allegations of tax avoidance and for handing over customer data to law enforcement agencies on the orders of national governments. Vodafone has responded by being more transparent. It voluntarily publishes a report detailing how much tax it pays on a country-by-country basis and it was the first mobile company to reveal how many demands for information it has received from law enforcement agencies.

It is not easy to measure the impact of such changes on Vodafone's reputation, but its wider financial performance has been strong as it agreed a record-breaking £50-billion return to shareholders last year, following the sale of its share of America's Verizon Wireless.

Mr Burt of StockWell, who has just published a book, *2020 Vision*, about where business leaders see their companies at the end of the decade, says it's important to recognise reputation is not always the catalyst for sales and profits to rise. Rather it can be a consequence of improved performance.

"In consumer businesses, three levers drive sales and profits: product quality, pricing and brand appeal," he argues. "A rising share price and strong reputation tend to follow. In different sectors, Apple and BMW get this right. They combine smart marketing with consistent quality, justifying premium prices that underpin rising profits. Burberry and Disney also do so. It's far harder in business-to-business sectors where success depends more on supply chain management, outstanding technology, access to resources, volume control and speed to market. In Britain, technology group ARM fits that profile."

The proof is that Apple and ARM shares have more than doubled in three years, and Disney's are up 150 per cent, while BMW and Burberry have roughly tripled over the period.

Reputation is an intangible asset that remains hard to value because it must be judged largely on qualitative measures. Devising more quantitative metrics to demonstrate its importance is a pressing issue for the PR industry, according to Gorkana's Mr Thompson, who also chairs the trade body Amec, the international association for the measurement and evaluation of communication.

> "Reputation is built on three things – what you say, what you do and what others say about you when you're not in the room

"A lot of heads of PR and comms have more access to the C-suite than they ever had before, and the chief executives and chief financial officers are pushing them to measure it [reputation]," he says. "PR is becoming a much more strategic tool – it's having to take itself more seriously."

Amec rejects the idea that public relations and reputation should be measured in the same way as advertising, which tends to equate the value of editorial coverage with the cost of the same amount of paid-for ad space – a concept known as advertising value equivalents.

Instead, the trade body, which drew up a manifesto called the *Barcelona Principles* in 2010, is keen on digital and social media data to measure "conversations" and "communities" as well as "coverage", and to link this to the effect on business results. Even so, Mr Thompson admits it is still a battle to demonstrate an exact link between reputation and a business's key performance indicators.

However, Mr Frohlich of Ogilvy PR believes the battle to show that reputation is as important as brand has largely been won already. "The smartest companies see that their brand and reputation are interlinked," he says. "Their brand is their promise and their reputational health is a measure of how they are delivering on that promise. Companies who align their brand and reputation can more easily ride out short-term reputational risks, as there is always a focus and connection to the longer-term brand ambition."

Mr Peacock at Vodafone puts it in stronger terms: "Brand, reputation and business performance are all indivisible. You are what people think you are and perception is shaped by how you behave."

Ultimately, the value of a reputation is that it is a store of goodwill for when the next crisis strikes.

SUCCESS

Getty images

When Tim Cook came out as gay last October, the chief executive of Apple did so in his own words in an opinion piece for *Bloomberg Businessweek* – rather than in a TV interview – that was a master class in reputation management.

The potential risks were high both for Mr Cook and Apple. Few business leaders talk about their sexuality and, as he noted, there are plenty of states in America and other countries around the world – some of them key markets for Apple – that are homophobic.

But Mr Cook explained how he felt he owed it to gay people in less senior roles who fear coming out. "I consider being gay one of the greatest gifts God has given me," he wrote, timing his announcement for just weeks after the record-breaking launch of the iPhone 6 and Apple's annual results.

His decision was widely lauded – *Time* magazine said he had "set a new paradigm" – and it showed the former chief financial officer as a distinctive personality who had emerged from the shadow of the late Steve Jobs, Apple's founder.

This underlined a growing view on Wall Street that Mr Cook had the confidence to pioneer new products, such as the Apple Watch, in a post-Jobs era. Apple's share price, which had already doubled since Mr Cook took charge, has risen 20 per cent on the strength of record results since October, when he came out.

He has spoken out further, sending a tweet in March in which he condemned the US state of Indiana's latest anti-gay legislation and linked his sexuality with the company by declaring: "Apple is open to everyone." His comment was retweeted and favourited 30,000 times.

FAILURE

The disappearance of a passenger jet is always going to be difficult, but Malaysia Airlines' handling of the flight MH370 disaster was widely seen as a public relations failure.

The decision to inform anguished relatives by text message, two weeks after the plane went missing in March 2014, that their loved ones were presumed dead, was the worst moment in a catalogue of mistakes.

Within hours of the plane disappearing, Malaysia Airlines struggled to communicate amid a frenzy of speculation on social networking sites.

Critics said the airline was underprepared and its top executives should have taken the lead in briefing the media, instead of initially leaving it to more junior staff. Chaotic meetings with relatives and the complex nature of the investigation, involving a state-backed airline and multiple Asian governments that were not used to public scrutiny, added to the sense of a crisis that was out of control.

Malaysia Airlines' share price halved in three months and then their flight MH17 was shot down over war-torn Ukraine.

Hugh Dunleavy, the airline's director of commercial, later defended the handling of MH370. "People say, 'Why didn't you work quicker?'" he said, but there was a deluge of "false information". Sending a text to relatives "wasn't done in a callous way" because the news was about to break and the airline didn't want them to hear it first from the media.

Yet Malaysia Airlines kept making mistakes. In September, it launched a marketing campaign called My Ultimate Bucket List about things to do before you die. Two months later, it sent a tweet asking: "Want to go somewhere, but don't know where?"

These gaffes pointed to an ongoing problem as the airline failed to manage its brand and reputation in a joined-up way.

COMMERCIAL FEATURE

GET THE REVIEWS YOU DESERVE

Reviews of services or products can boost or blight a business, but they can be misleading

Richard Harrison
Managing director UK

reputation.com®

Holidaymakers go through a familiar ritual. Before they book a hotel, they'll go to TripAdvisor and check out the reviews online. If the hotel has cockroaches in the kitchen, it will be clear in seconds. The reviews can reveal all.

It's not just hotels. We use reviews to assess the quality of almost everything. Whether you want a dentist or a mechanic, you can read the detailed comments of other customers before you buy. No profession escapes scrutiny. Electricians are reviewed on Checkatrade, cafés on Yell, hairdressers on Google. Even doctors are getting scrutinised by sites such as RateMDs.com.

Reviews are a way of life for consumers. The rise of reviews ought to be great for strong businesses. They'll get the recognition they deserve. But there is a problem. Reviews may not reflect what customers truly feel.

It is well documented that negative experiences are far more likely to result in reviews than good ones. It's rooted in neurology. Roy F. Baumeister, professor of social psychology at Florida State University, put it succinctly in a paper for the *Review of General Psychology:*

"Bad emotions, bad parents and bad feedback have more impact than good ones. Bad impressions and bad stereotypes are quicker to form and more resistant to disconfirmation than good ones."

Review sites can thus give a distorted picture. Even if just 20 people out of 1,000 had a bad experience, the bad reviews may outnumber the good. Worse, rival companies may add a few negative reviews to the competition. Unethical, yes. But it happens.

To thrive in this new world of reviews, companies need to redress the balance. It can be as straightforward as increasing the quantity of reviews.

> **Reputation.com helps businesses generate reviews in a fair and truthful manner**

Reputation.com helps businesses generate these reviews in a fair and truthful manner. "We start by simply asking customers for reviews," says Richard Harrison, Reputation.com's UK managing director. "We give businesses an iPad or they can buy their own, so when customers leave they are asked to swipe a star rating as their review. If they want, they can add a few comments. This gets added to the business's own review site."

This approach means the number of reviews rises and the business can track feedback - valuable for marketing.

A follow-up boosts the effect. "Later, we e-mail the customer asking them to leave another review on a third-party site, such as TripAdvisor or Yell. They are usually happy to, if they left an earlier one," says Mr Harrison.

Once more the number of reviews rises, and the overall balance is naturally redressed.

Reputation.com amplifies the impact of reviews via Twitter, Facebook and other social media. And its software gives clients a centralised view of coverage on all review sites.

"There's no mystery to it," says Mr Harrison. "Getting better reviews is about making it easy for customers to add their thoughts to review sites. The more reviews, the more accurate the picture for potential customers doing research on review sites."

As the number of reviews builds, a business can insure against a single bad review – they will still happen, no matter what – impacting trade.

"Reviews are a huge part of commerce today," says Mr Harrison. "We make sure businesses get fair reviews. We advise companies on how to spread coverage across the sites which matter. If they need more Yell or Checkatrade reviews, we push customers gently in that direction.

"Getting the coverage you want begins with getting engaged. It is an issue far too important to neglect."

To find out more visit Reputation.com

How to measure the value consumers pla

Increasingly manifold definitions of brands and branding may have made measuring value more difficult, but it is nonetheless essential a nd is now informed by social media

◆ **MEASURING BRAND VALUE**

● KATE HILPERN

"As markets have matured, we have realised there are now a multitude of important components to brands and as a consequence there is some disagreement about what the term 'brand' actually means," says James Cronin, lecturer in marketing at Lancaster University.

"While once upon a time experts could pin the term down to a signifier or an identifier of one producer from the next, and measuring results simply came down to awareness and sales, brands now have been defined according to more complex constructs like emotions, imagery, mental associations, symbolic meanings, tribal meanings, loyalty and accessibility.

"While this plethora of theory has deepened our understanding and appreciation of brands, the recognised complexity has made it extremely difficult to agree on how results should be measured. In short, our advanced knowledge has made it more difficult to swallow a 'one-size-fits-all' approach to measuring performance."

> " It's worth remembering that the traditional measure of value is quite simply price over experience

Indeed, almost everything is becoming branded, from suppliers of commodities and materials to services, such as universities and hospitals, and even ideas and causes, political parties, cities and entire nations.

Then there's social media. "Until social media came on the scene, brands enjoyed a heavily protected monologue with the world, guarded by fierce brand police," says Jamie White, director of Overture London. "Then it all changed. Dialogue-driven brands suddenly looked like the way forward. Evolution and flexibility have now become as important as authenticity and consistency."

Helen Rowe, UK head of brand and communication at TNS, argues that digital has made measuring brand equity easier. "But with it comes a plethora of data that is often overwhelming and unwieldy. Good research is about going beyond analytics from monitoring to meaning, which in turn can drive action. Getting to this 'meaning' requires a lot of ground-work through both data cleaning and applying intelligent analysis," Ms Rowe says.

Thanks to a whole range of new techniques, marketers are able to get closer to the truth of each brand moment. "Researchers now have both 'the telescope' and 'the microscope', which enables them to identify new, unexpected competitors, and also isolate precise opportunities for building brand equity and future predictions," she says.

Cesar Lastra, managing director of Bash and Build, agrees that digital has been the real game-changer in measuring brand equity, particularly when it comes to the rise of mobile. "So while traditionally we would measure brand equity by their affirmation of brand variables in a questionnaire – 'This brand makes me feel...' and 'This brand is for people like me' – today people are telling brands what is important to them and how the brand should act or respond to them," he says.

It's also relevant that brands are now able to build brand equity faster than ever before, says Mr Lastra. "The traditional rules of brand-building have been disrupted by startups," he explains. "By cutting out the middleman, disrupter brands such as Uber and Airbnb have become instantly relevant to consumers in a valuable way and, as a result, become part of our everyday lexicon," he says.

"Brands can now even get investors to part with their wallets long before they have been launched or consumed. Take, for example, Google's $500-million investment in their augmented reality venture, Magic Leap. Here's a brand that no one has ever seen and already it has generated what could be thought of as a disproportionate amount of brand value.

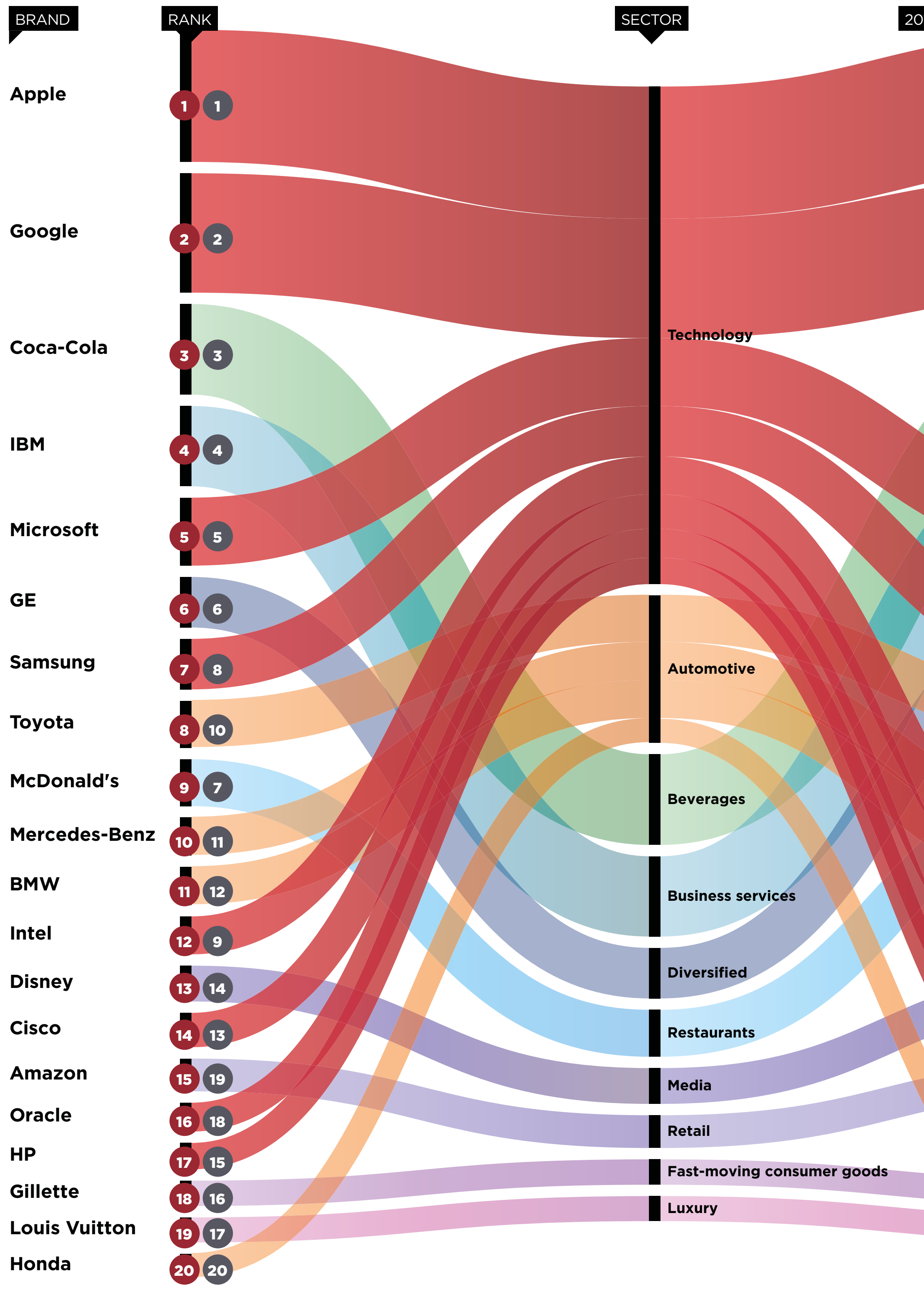
"The question then becomes how should we value these disruptor brands versus the tried-and-tested brands? How much emphasis should be placed on the business model and the brand promise versus the value that the brand actually creates in consumers' lives?"

Despite the changing landscape, it's worth remembering that the traditional measure of value is quite simply price over experience, says Mr Lastra. "If you want to generate value, you need to create a compelling brand experience that people will be willing to pay for. That may sound old fashioned, but with the rise in complex, proprietary black-box algorithms for measuring brand value, it could be easy to forget that in the end it's about people inviting the brand into their lives and having meaningful interactions."

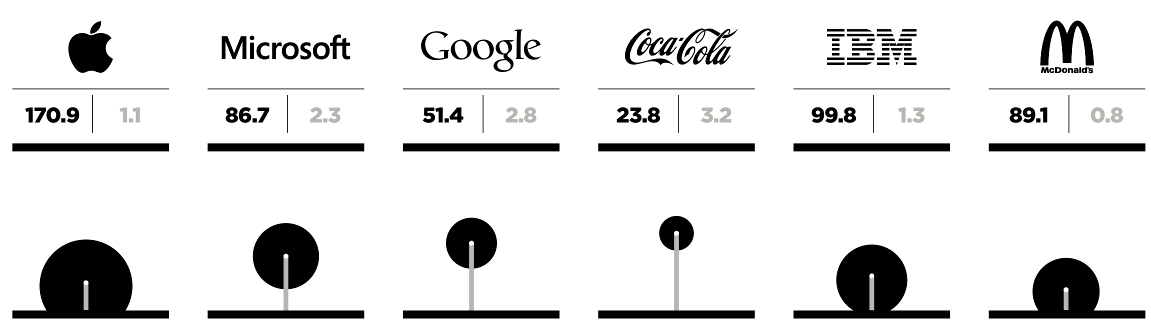
Customer service champions, such as Southwest Airlines and Disney, never lose sight of this, he says. They know that brand value is measured one brilliant customer experience at a time. They also know that by wowing their customers they will get a ripple effect. And they are not shy about capturing feedback at every point along the way.

A brand's strength and endurance in the marketplace does not equate with consumer recognition, sales and market share alone, Lancaster University's Dr

TOP 20 BEST GLOBAL BRANDS



WORLD'S MOST VALUABLE BRANDS



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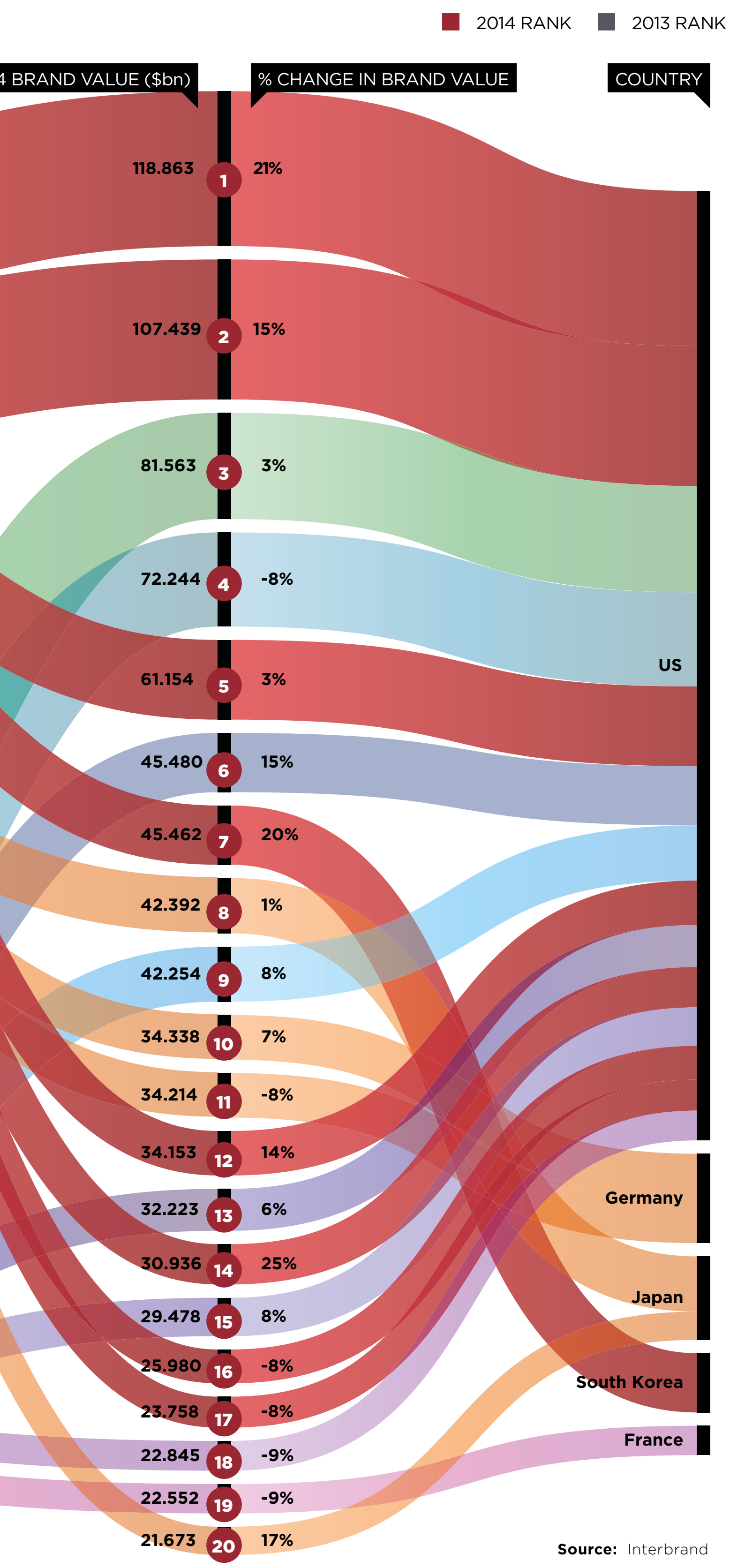
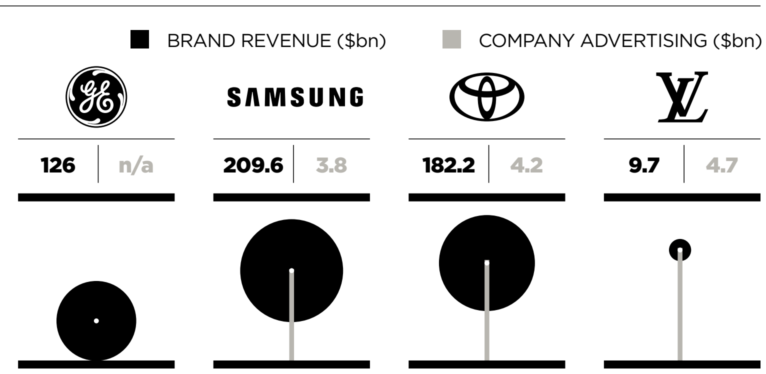


Source: Interbrand



Source: FactSet; *Forbes* 2015

UK'S TOP 10 CONSUMER SUPER-BRANDS

1	British Airways	Travel - airlines
2	Rolex	Watches
3	BBC	Media - TV stations
4	Microsoft	Technology
5	Nike	Sportswear
6	John Lewis	Retail
7	Gillette	Toiletries
8	Mercedes-Benz	Automotive
9	Kellogg's	Food
10	Apple	Technology

Source: 2015 Superbrands UK

UK'S TOP 10 BUSINESS SUPER-BRANDS

1	British Airways	Travel - airlines
2	Apple	Technology
3	Virgin Atlantic	Travel - airlines
4	Microsoft	Technology
5	Visa	Financial
6	MasterCard	Financial
7	Google	Advertising solutions
8	FedEx	Courier, delivery
9	IBM	Technology
10	Samsung	Technology

Source: 2015 Superbrands UK

TOP 10 UK'S MOST REPUTABLE BRANDS

1	LEGO Group
2	Kellogg Company
3	Rolls-Royce Aerospace
4	Sony
5	Samsung Electronics
6	Rolex
7	BMW
8	Volkswagen
9	Walt Disney Company
10	Amazon.com

Source: RepTrak® UK 2015

Cronin agrees. "We have known for quite some time that there needs to be some kind of partitioning of brand equity into a customer-based approach and a financial or cash flow-focused approach," he says.

"This comes down to a recognition in marketing thought and practice that notions of short-term exchange and voluminous quick-fire sales have less to do with how a brand is perceived out there in the marketplace than principles like ongoing consumer loyalty and enduring relationships."

Furthermore, in the information age, the performance of brands is increasingly being benchmarked by external stakeholders against their role and impact in society. "This is for individual or image-based reasons, such as what kind of consumer identity is attached to using a particular brand to more social obligations, such as their role in local communities and national economies," says Dr Cronin.

"Thus a brand's reputation as an employer, its treatment of workers and consumers, its upkeep as a good corporate citizen, and its capacity to maintain and develop positive relationships with its customers all become important factors in cementing a particular image and awareness in the psyche of the public."

The notion of employer brand is particularly significant in the light of the huge role employees can play in performing and conveying a company's brand identity to the outside world. The baristas at Starbucks and the floor staff of the genius bar at Apple reveal how employees are the emissaries of a brand and, for many organisations, literally bring brand images to life at the customer-contact point.

The fact that consumers no longer consider themselves solely as individuals, but more members of a wider brand community, is also relevant to brand equity, Dr Cronin adds. "In an increasingly connected world, there is recognition that consumers are seeking products, services and experiences not just for their use value or their sign value, but also for how they can help link us to one another," he says.

Gaming is the prototypical example here. "The dominant brands in the home console gaming market, Sony's PlayStation and Microsoft's Xbox, have nurtured their own dedicated and loyal communities, committed not just to the brands themselves, but to the online social networks that cohere around multiplayer gaming, news and activities," Dr Cronin says.

"For a lot of gamers, choosing a particular brand stakes out their allegiance to a particular social field and their opposition to another – you are either in the PlayStation camp or the Xbox camp. A competitiveness and dynamism is injected into the whole market when it feels as though it is not just companies who are competing, but also the communities of real people who use their brands.

"The importance of brand community members' abilities to evangelise and act as 'citizen marketers' for the brand they are loyal to cannot be understated, particularly in the current age of social media, user-generated content, consumer reviews, vlogs and so on."

Keith Glanfield, senior FME fellow and lecturer in the marketing group at Aston Business School, goes so far as to argue that these brand communities mean consumers are actually co-creating brands, taking it upon themselves to develop and shape the brands they care about with other likeminded people.

He also argues that the notions of brand communities and employer brand are becoming inextricably linked. "Consumer members of brand communities are starting to see members of the brand's organisation not as employees but as fellow community members. This completely changes the way we measure the causation of brand equity," says Dr Glanfield.

> "Reputation measurement, not brand measurement, should be the focus for companies

Regardless of how much you measure, for Kasper Ulf Nielsen, executive partner at the Reputation Institute, it will never be enough. Reputation measurement, not brand measurement, should be the focus for companies, he argues, with companies including Walt Disney, BMW and Google among the 15 per cent that have caught on to this.

"The brand strength can be measured up against the targets you have defined yourself. And that also questions the relevance and value. You might be able to show that people can repeat what you wanted to tell them. But if that does not translate into supportive actions, then what is the point?" he says.

Your reputation strength is something else. "This is the level of trust, admiration and respect your stakeholders have of you as a company. This emotion is based on a number of dimensions, such as your products, your people and the way you treat them, your leaders, your financial performance, and how you engage in society," says Mr Ulf Nielsen.

"And a strong reputation drives support. We see that if you are able to improve your reputation by five points, the willingness definitely to recommend your company goes up by 5.7 per cent. That will have a direct impact on your financial performance and this link is why companies are focusing more and more on their reputation as a significant driver of value."

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Business must get social for friends and not enemies

Companies are gradually ditching decades of one-way communication to embrace social media

Getty images

◆ SOCIAL STRATEGY

● DAVID BENADY

Sandwich chain Pret A Manger is relaunching its Quinoa Rice Pot after customers took to Twitter demanding that the vegetarian product be made suitable for vegans.

Pret's head of social media and PR Julia Monro says her team picked up on these comments and fed them back to the chain's food team. They took on board the suggestion and have created a vegan version, receiving plaudits from customers.

This is one small example of why businesses need a social media strategy, says Ms Monro. "With all the social feedback and conversations there's this great opportunity to learn what the customers think of you. I've learnt more from social media than from running focus groups," she says. "It gives you the opportunity to deliver amazing customer service in real time."

Pret is a relative late-comer to the world of social media. Other high street chains have created huge social media operations over the past five years. Starbucks UK has amassed 1.35 million likes on Facebook, while Costa has 1.25 million.

However, Pret A Manger put off creating a robust social strategy until last spring. Most communication for the brand is done in stores and on packaging, but chief executive Clive Schlee eventually saw the advantages of having direct conversations with customers and hired Ms Monro from Marks & Spencer to boost its presence.

"Pret has built a reputation for customer service in our shops, so it is a natural progression to offer that online," says Ms Monro. But many businesses are still shying away from getting involved with social media, she says. "Social media directly impacts on reputation, so people rightly see there can be risk attached."

A decade after Facebook and Twitter launched, businesses have yet to get over their fears of interacting with the public. As James Kirkham, head of social and mobile at ad agency Leo Burnett, says: "It is going against decades of one-way communication. People have been used to putting out their brand message, but are fearful of getting a message back."

Perhaps these fears are understandable. There are plenty of examples of brands getting monstered on social media by campaigners, such as Greenpeace, or ridiculed by members of the public. Some corporations are wary of putting their heads above the parapet for fear of drawing attention to themselves. The sheer volume of embarrassing Twitter fails for which brands have been lampooned is enough to make any business wary of getting involved.

But Mr Kirkham says brands need to learn to act transparently and realise that the best strategy is to engage with critics and try to address their concerns. Brands have huge power to influence conversations by creating interesting, engaging social strategies. And if campaigners are targeting brands on social media, those brands have to be prepared to respond.

> "Brands have huge power to influence conversations by creating interesting, engaging social strategies

Meanwhile, Jim Coleman, managing director at agency We Are Social, says while many young marketing directors fully embrace social media, there are "silver-haired marketers" who fail to grasp the impact it can have on their business. "Some of the reticence comes from the top of the organisation with people asking will it drive value for us? There's a real struggle still to justify a spend of a couple of hundred thousand pounds in an area where it is difficult to measure direct business value," he says.

Social media has been transformed over the past two years as Facebook has made it harder for brands to reach fans through their news feeds, meaning they have to use paid ads through the platform to reach their target audiences. Along with promoted tweets and advertising on Instagram, social media is being transformed into a paid media platform, rather than the free PR opportunity it once was.

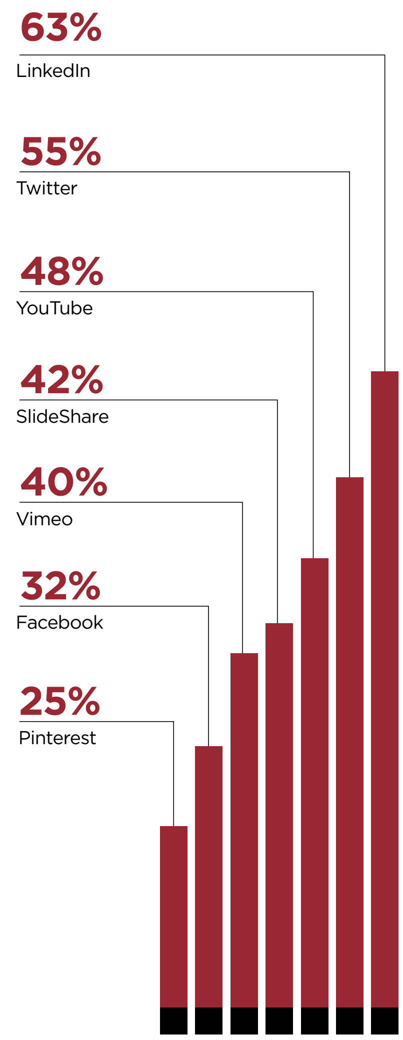
Mr Coleman says many of his clients spend £1 million a year on social, including media spend and creating high-quality content. Some businesses may baulk at such costs. But it should be remembered that social media is about more than broadcast advertising, it is also a way for customers to get in touch with a company, and make their complaints and queries widely known.

Resistance to getting involved with social media is particularly marked in the world of business-to-business (B2B) brands. Candace Kuss, director of social media at PR agency Hill & Knowlton, concedes that many B2B companies have not leapt at the opportunity to create a social strategy, though says some of her clients are doing strong work in this area.

Norway's Statoil created a successful LinkedIn page to highlight its thought leadership on energy innovation issues and has attracted 21,000 global influencers. "For B2B especially, I think we will see a renaissance of the company blog as an owned social hub and white papers blossoming as interactive, dynamic data visualisations," she says.

A company that has made great use of social media for B2B communications is delivery service UPS. As Matt Guffey, UPS director of marketing for UK, Ireland and Nordics, explains: "Customers can and

EFFECTIVE RATINGS FOR BUSINESS-TO-BUSINESS SOCIAL MEDIA PLATFORMS



Source: CMI 2015

SOCIAL MEDIA FAIL TALES

Is it any wonder brands are scared to go on social media given the scrapes that many have got into on Twitter and Facebook? Social media has the power to damage corporate reputations, though the injuries are often self-inflicted.

Take publisher Penguin, which created a Twitter hashtag #YourMum and asked users to post the names of books their mothers would like to receive for Mother's Day 2015. They seemed unaware that "your mum" is a common playground insult. The hashtag inspired childish "your mum" jokes from Twitter users. "#YourMum – she can easily be seen from Antarctica," went one of the tweets and there were plenty more unsuitable for publication.

Digital agency Possible has compiled a comprehensive list of social media fails over the past few years and groups these into five areas. Ignoring customer complaints is a common failing, as is getting angry with customers. Allowing accounts to be hacked, leaving accounts open to abuse and "posting before you think" are among the most common mistakes.

An amusing example of this was the hashtag #Waitrosereasons, asking Twitter users to finish off the sentence "I shop at Waitrose because…" This elicited much derision on Twitter, where internet wags ridiculed the store for its high prices and rich customers, with lines such as it being the best place to pick up unicorn food and gold toilet paper thread. One post read: "I shop at Waitrose because it makes me feel important and I absolutely detest being surrounded by poor people."

> Ignoring customer complaints is a common failing, as is getting angry with customers

Sheer ignorance can also get a brand into hot water on social media. After the United States beat Ghana 2-1 at football in last year's World Cup, Delta Airlines tweeted a picture of the Statue of Liberty with a "2" on it and a picture of a giraffe, to denote Ghana, with a "1" on it. The only problem was that there are no giraffes in Ghana, leaving Delta looking like it needed a geography lesson.

Earlier this month, Lord Sugar seemed to open himself up to ridicule with a post asking Twitter users to suggest a name for his new book. They came up with all sorts of facetious suggestions, including "All fired up", "From my side of the finger", "Now 99p" and "Katie Hopkins – it's all my fault".

do use social media to tell their friends and contacts about their experience with UPS, and to contact us directly. This is an opportunity." He adds that the company uses social media to show how logistics can help companies grow, using LinkedIn to build its thought leadership.

Despite social media's worldwide popularity, many companies rarely discuss it in the boardroom and few chief executives outside the world of technology get involved with communicating via social platforms.

But there are lessons to be learnt from active social media bosses. As LinkedIn's senior director of marketing solutions for Europe, the Middle East and Africa Josh Graff says: "Chief executives who were once convinced that social media wasn't worth their time, now consider participation in these networks as essential to their business." Sir Richard Branson is a prolific tweeter with 5.3 million followers. Air Asia boss and Queen's Park Rangers chairman Tony Fernandes used Twitter powerfully when an Air Asia plane went missing last year, briefing the media and customers about developments through his Twitter feed.

At Pret A Manger, chief executive Mr Schlee has just started writing his own blog which he tweets out. As Pret's Ms Monro explains: "I suggested the idea of him – starting a Twitter account – because it seems like a really natural thing for him to do. It took a bit of persuading and training, but he's really enjoying engaging in one-to-one conversations."

As social media forces companies to become more accountable, chief executives are under increasing pressure to join the conversation and engage directly with their customers.

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COMMERCIAL FEATURE

GETTING TO THE FUTURE FIRST

*Marketers need sophisticated information which enables them to look to the future, not the past, says **Rosie Hawkins**, global head of brand & communication at **TNS***

Rosie Hawkins
Global head of brand and communication

TNS

A constant complaint about market research is that it is backward looking. Consumer surveys take a few weeks to compile, so the data is always dated. If something drastic has happened in the intervening period, it'll be missing.

This time-delay is more than annoying. It paralyses the marketing department's ability to influence events.

Imagine a new ad campaign. Expectations are high. But the early signs are that something is wrong. The campaign isn't generating much buzz and there is no sign of sales improving. Should the marketing team step in and change the campaign or ride out the blip and stay on message?

A survey will provide the answers, but it isn't available now when the decision needs to be taken.

What marketers crave is foresight – they want the ability to perceive trends before they materialise as sales. Then they can anticipate behaviour. Problems can be remedied before they develop.

Impossible? Not at all. Brand equity scores reveal how consumers feel about a product or company. The score helps marketers predict how consumers will behave. The only glitch is up to now the process had taken too long.

To look into the future you need predictive brand equity scores. TNS is pioneering this switch. The surveys for which we are known are being enhanced by modelled social media and search data, which accurately predicts brand equity months in advance of survey data.

Armed with this information the marketing team can foresee changes to sales before they happen. For example, in the event of an underperforming ad campaign, the marketers could use the score to identify an imminent fall in brand equity, foreshadowing further problems.

> **What marketers crave is foresight – they want the ability to perceive trends before they materialise as sales**

Thus, they can intervene to turn the campaign around. Or, if the score is strong, stick with the current strategy.

The term "game-changer" gets used a lot in this industry, but in this case it's spot on. How are we doing it?

We scrape Twitter, Google+, Facebook, LinkedIn and other social networks, and combine that data with searches on Google, Yahoo! and Bing, and content from relevant blogs – for example, hair care blogs for hair care products – to get a complete overview of consumer opinion around an issue or a brand. We crunch the data to provide an easy-to-understand brand equity score, and rich and early insights to explain what is happening.

We use sophisticated processes. We've all heard the concerns about the accuracy of social media. When a Twitter user mentions Apple do they mean the fruit or the iPhone manufacturer? Does "sick" mean good or bad? And how can the negative bias of internet commentary be factored in?

We work with a variety of specialists in the field of data-cleaning and modelling to refine the methodology. Our results have been tested against real-world outcomes and survey data, with an average of 90 per cent accuracy. As a footnote, it is cheaper to conduct than surveys, freeing up budget for other research.

Marketers can now summon a metric which is more cost effective and reliable with a potent power to predict future behaviour. It ushers in a new era in which marketers spend their time looking at prospective opportunities and pre-empting risks, not looking over their shoulders at past events they are powerless to influence.

It's a powerful approach. The question now is how you are going to use it.

Continue the conversation on Twitter @RosieHawkinsW or visit www.tnsglobal.com/brands

◆ INTERVIEW

● RAYMOND SNODDY

Spirit of selling a brand is a full career worth savouring

David Gates, a top executive with the world's largest producer of spirits, British multinational Diageo, tells how he is selling a range of brands worldwide – and teaming up with David Beckham

Ask David Gates, Diageo's global head of premium core spirit brands, what is his personal favourite and there is no hesitation.

"Johnnie Walker Black Label with ice and soda is my number one. The product just tastes damn brilliant," says Mr Gates, who has an emotional, taste and career attachment – he spent five happy years in Brazil marketing the brand.

Then again it can depend on the occasion or time of day. Another favourite, the Isle of Skye malt, Talisker, goes down well after dinner. Before dinner it's more likely to be Tanqueray gin and tonic or a Smirnoff.

Mr Gates may have to make room in the pantheon of favourite brands he is in charge of for a new creation launched in October. It came in a heavy, opaque blue bottle with the involvement of former footballer David Beckham and his entertainment partner Simon Fuller.

Haig Club is an attempt to address a long-term problem facing whisky in mature markets – the drift from dark to lighter spirits and the difficulty of attracting younger drinkers, particularly women, who see the drink as challenging.

While whisky is growing in the developing world, in the United States and Western Europe, the market has not been "particularly strong" for 30 years.

"We believe there is a real opportunity to revitalise the Scotch whisky category in those quite mature markets, but we need to be quite disruptive to do that. The vision to make whisky the most vibrant category in spirits gave birth to Haig Club," explains Mr Gates, whose first job was promoting Perrier before spending 24 years at Diageo and its corporate predecessors.

The disruptive "answer" was to use a single-grain spirit, light in colour, flavour and texture, the sort of spirit, which normally goes anonymously to make blended whiskies.

The Gates insight came from programmes teaching consumers about whisky on his international travels, including stints in Japan, Singapore and the Netherlands. Consumers were introduced to Islay malts, such as Lagavulin or Caol Ila, which go into Johnnie Walker blends, and then to single-grain spirit.

Though single grain is not widely available as a separate drink, Mr Gates noticed people absolutely loved it. "It's slightly sweeter, it's more approachable, it's a much easier way to come to whisky," he says.

The Diageo executive also wanted to be "disruptive" about appearance. Whisky bottles appear "samey" in shades of green, brown or beige. The answer was found in the whisky-blending lab in Scotland where "the noses" – the master blenders – use dark opaque blue glasses to avoid being influenced by colour.

"That was the design inspiration. My God those glasses look absolutely beautiful," recalls Mr Gates. And then while Haig Club was still being developed, along came Beckham and Fuller. Beckham has been building a business career and was interested in working with alcohol in the context of responsible drinking.

Diageo, trying to introduce a "game-changer" to the world of whisky saw Beckham, with his "extraordinary" appeal, particularly in Asia, as the ideal partner.

When Beckham posted images of himself and Victoria "at the launch of my new whisky Haig Club" on Facebook, there were 200,000 "likes" within 45 minutes, 1.4 million within 12 hours.

Mr Gates says Diageo could, and would, have launched its new whisky without a Beckham-like figure, but not at the same speed.

"There is a brand awareness of around 20 per cent which for a product launched just eight months ago is extraordinary," says Mr Gates, who used a mixture of traditional television and out-of home advertising, combined with Twitter, Facebook and the PR Beckham generated through online and conventional media.

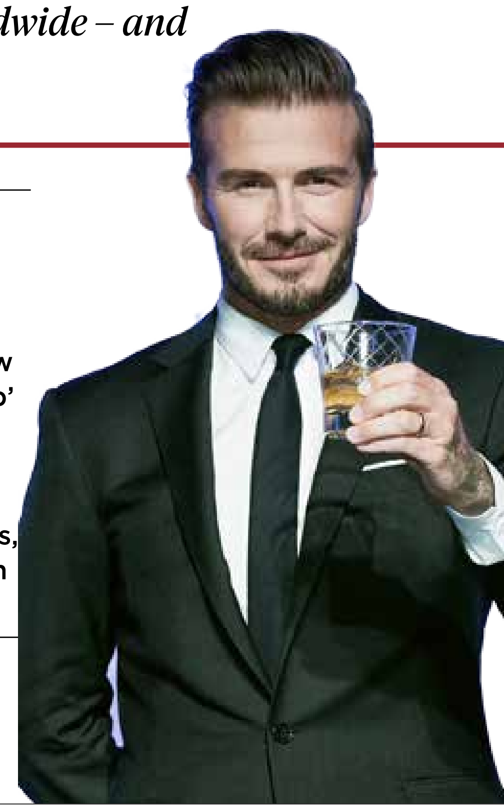
He won't talk about sales yet, other than to say that Haig Club is ahead of plan. It may not be obligatory to have a celebrity behind a launch, but if you do, the model that works best, the Diageo executive believes, is a continuing partnership rather than a more shallow short-term endorsement.

The company has also had success with a Beckham-style relationship with the hip-hop star Sean "Diddy" Combs, formally Puff Daddy, and the relaunch of Ciroc premium vodka. Diddy has even been heard to call himself Ciroc Obama.

"When you have a disruptive model and a disruptive business partnership, we think there is real magic in there," says Mr Gates, who is nonetheless planning further spirit innovations without deployment of celebrity.

What is not an option is any failure to recognise the fragmentation of media channels over the past decade,

> When Beckham posted images of himself and Victoria 'at the launch of my new whisky Haig Club' on Facebook, there were 200,000 'likes' within 45 minutes, 1.4 million within 12 hours



DAVID GATES' CAREER

Appointed Diageo's global head of premium core brands in July 2013, he leads the Johnnie Walker, portfolio whisky, rum and tequila, Smirnoff and Captain Morgan brands. He is also chairman of the International Affairs Committee of the Scotch Whisky Association (SWA) and a member of the SWA Council. In his previous role of global category director of whiskies, he was responsible for driving global whisky strategy across Diageo's largest drinks category portfolio, contributing approximately one third of the group's total profit. He has also held a number of senior marketing positions within Diageo, including global brand director Johnnie Walker, marketing director spirits, Asia-Pacific, and marketing director, Asia. He has travelled extensively and worked in Brazil, Japan, Singapore and the Netherlands.

and the rise of the social media and the ability to reach dispersed groups of like-minded people, such as fans of Islay whiskies.

As a former rower, he is involved in many online communities devoted to the sport and notes the scale of the positive coverage generated by Newton Asset Management's sponsorship of the women's Oxbridge boat race.

"You need to talk to the small groups who love you and you need to speak to the broader audience as well. It's getting quality and quantity, and that is getting more complicated," he concedes.

Setting up partnerships with credible people in appropriate genres of music or entertainment is important. Smirnoff has always had a strong footprint in electronic dance music.

So Mr Gates set up a partnership last year with Tomorrowland, the major Belgian music festival, and created a Smirnoff House, something that looked like a suburban house where "the kids" were staging a six-day house party with DJs while the parents were away.

Through the live Tomorrowland TV stream, Mr Gates was able to reach 20 million people globally with Smirnoff, something that would have been very difficult if Diageo had staged its own event.

He recognises the obvious double-edged nature of social media coverage – he has just read Jon Robson's *So You Have Been Publicly Shamed* – but believes you can guard against the trolls by demonstrating integrity, transparency and humanity.

"If you do make false claims or do try to manipulate the truth you will be in danger of being exposed in social media very quickly," says Mr Gates, who adds that Diageo has its own very detailed internal code for how the company's alcohol products are marketed.

The Diageo executive concedes that "very restrictive legislation" in countries as different as France and Vietnam inevitably make life more difficult, but the company has a "tool box" of marketing strategies to cover the wide range of international regulatory environments.

"Our central view is that used responsibly, alcohol can enhance people's pleasure and enjoyment in life," says Mr Gates, who is based in Amsterdam, but regards Putney in south-west London as home.

The internet is not, however, a panacea for marketing single brands, such as Johnnie Walker, around the world and Diageo has a four-stage strategy. It runs from basic information for some cities in China, where the drink was unknown, through to countries, such as Greece and Thailand, where the Johnnie Walker "Keeping Walking" campaign is well understood, and on to the problems of post-mature markets such as Germany.

For Mr Gates the acceleration of fragmentation and the resulting befuddling choice for consumers will continue.

"But I do think there will be a continuing demand and expectation for transparency, and for premium, quality brands," he concludes.

In the meantime, he recommends what he and David Beckham call the "signature service" for Haig Club – mixed with ice and sparkling apple juice – a combination that might raise an eyebrow if offered to a traditional malt whisky drinker.

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COMMERCIAL FEATURE

IDENTIFYING A CLEAR BUSINESS PURPOSE

*Getting to the core of what a business is striving to achieve can be a study in simplicity, says **Richard Parkinson**, chief executive of **IncrediBull***

Richard Parkinson
Chief executive

IncrediBull

There's a lovely story about President Kennedy visiting the Nasa centre in Houston during the space-race era. He asks an old janitor sweeping the corridors what his job is. "I'm helping put a man on the moon, sir," came the reply. This was an organisation with an inspiring sense of purpose.

A lot of companies start out with an equally well-defined idea of what they want to achieve. The founders have a vision which propels them through the painful startup process. It is a clear message which wins the confidence of investors, gives the product a premium price over rivals and lures top-calibre employees to join the mission. Yet, as time goes by, things get challenging.

When headcount increases, the company culture gets diluted. Diversification means the original brand statement feels a little out of date, so gets put to one side.

All too often a company will lose its identity. Employees aren't entirely sure what they are striving towards. The job becomes a pay check.

This corrosion is well documented. Its effects are well known. What companies want to know is how to keep that original sense of drive.

This isn't about shutting the senior team into a room and getting them to brainstorm. In fact, a common mistake is to approach this as an exercise in reinvention. You can spot this a mile off when buzzwords like "global" or "innovative" start infiltrating mission statements. These words just don't mean anything to people.

I'd never say "Gosh, Debbie was very global today." As for "innovative", show me a firm that doesn't want to be.

What companies need is a set of principles which everyone can understand. This ought to be like a mini-constitution, written with the help of everyone affected, which instantly communicates the purpose and characteristics of the brand. It takes time to create and it's often a process of excavation rather than innovation.

What we're actually looking for is the passion that originally brought the company into existence. It's way beyond the business plan and growth strategy, it's what motivates people to get up in the morning and instils a sense of pride in their work.

> **What we're actually looking for is the passion that originally brought the company into existence**

That's not to say you don't need data. At IncrediBull, we work with large tech and financial services companies, and as you'd expect, their board members are used to detailed analysis. Our process, however, although thorough, aims to generate enthusiasm and excitement. It's about finding the eureka moments that get to the core of what the business is striving to achieve.

Such was one client's excitement, we were repeatedly stopped in the corridor by board members wanting to recite their newly articulated purpose. This purpose and the accompanying elements of the brand box are rarely complicated. In fact, they're usually a study in simplicity.

To find them, we use a trade-marked multi-step process. It begins with workshops with senior leaders to address the business objectives. There are internal sessions with staff from all departments. Contributions from clients are sought. The results are condensed into a set of statements:

- The purpose which is why you get out of bed in the morning.
- The promise you are going to make to your customers.
- The essence, a short phrase that goes to the heart of the business.
- The attributes which differentiate you from the competition.
- The personality characteristics associated with your brand – are you fun or sincere, extrovert or demure?
- The identity, so all your visual and written communications support your brand.

Of course, before any of this is seen by your customers, you need to spread the message internally. I am a big fan of brand ambassadors who are empowered to speak up if anything happens which isn't compatible with your values. You really have to live what you say you stand for, so all employees can rally behind that.

When your firm can identify and express a clear, tangible and memorable purpose, your staff, customers, investors and even your rivals, will all know you are working towards something really special.

www.incredibull.com

Measuring success is more than simply counting clicks

For decades, the public relations and marketing sectors have struggled to prove their return on investment. So what key performance indicators and timescales should boardrooms be using to evaluate their success?

◆ **EVALUATION**

● **KATE HILPERN**

What are the latest methods being used to evaluate the effectiveness of PR and marketing? And to what extent does "digital" provide the silver bullet when it comes to measuring returns?

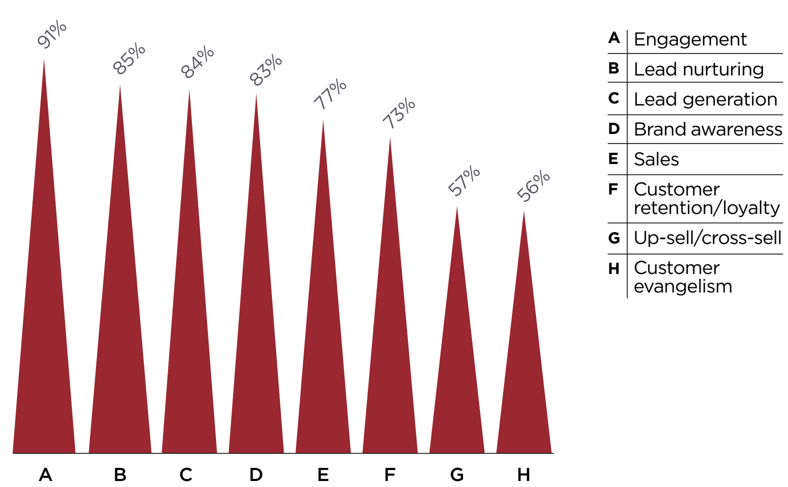
Marketing has never been more accountable in the boardroom, says Richard Wergan, global head of brand, communication and digital at Philips. "In an increasingly complex marketing environment, as new kinds of media have grown in importance and mobile has created new opportunities to reach consumers, approaches to making marketing investments count have also rapidly evolved," he says.

"As such, soft measures including reach and frequency have been put aside in favour of return on investment or ROI and attributable revenue. But although this focus on real-time results-tracking is essential to ensure that marketing spend is more agile and targeted than ever, it should not distract from taking a look at the bigger picture on a regular basis."

Key performance indicators or KPIs are only useful, he explains, if they help marketing and PR teams understand how their activities are contributing to reaching the larger organisational goals. "Having an holistic view of how our programmes are performing across platforms and disciplines is critical to creating a successful marketing mix and reaching our consumers with the right content, in the right place at the right time," says Mr Wergan.

KPIs must, therefore, be clearly aligned to business priorities, as well as being granular and market specific. "Philips has an award-winning and market-leading measurement system in place that aims to strike a balance between long-term and short-term KPIs, with a focus on the tangible business priorities as they change and evolve over time," he says.

ORGANISATIONAL GOALS FOR UK CONTENT MARKETING



Source: CMI 2015

> "A good practice approach will see measuring and reporting against key performance indicators on a monthly basis

In terms of timescales, the frequency of data collection should be closely considered, he adds. "There should be enough time between the setting of the KPIs and their final measurement for the action plans to be thoroughly implemented. If the balance between actionability and frequency is not balanced, it will be very difficult to determine what exactly is having an effect on a particular KPI.

"Beyond individual campaigns, annual external benchmarks can also help to provide a longer-term view. Financial pressures can lead to an unhealthy focus on short term KPIs, but the wider picture is important for a well-rounded, accurate measurement," says Mr Wergan.

Matt King, managing director at Media Safari, believes that if an organisation is looking to garner initial traction for its brand or key spokespeople on social media, then it could reasonably expect to see a return on the investment within two to three months. "However, a higher-level strategic objective, such as growing market share, could quite conceivably take up to nine to twelve months. As such, agreeing what success looks like is entirely contingent on the ultimate aim," says Mr King.

A good practice approach will see marketing-PR activity measuring and reporting against KPIs on a monthly basis. "Under this model, an iterative, detailed update should also be made available at board level on a quarterly basis in order to paint a clear overview of cumulative success and the achievement of corporate goals," he says.

KPIs, which should be agreed at the start of any campaign, can be many and varied, including such metrics as key message alignment, share of voice, prominence and positive sentiment, says David Brookes, media strategist at PHA Media.

Meanwhile, among the most useful tracking tools for evaluating the effectiveness of a campaign are Google rankings, marketing qualified leads, social shares, demo rates and cost per lead. "The obvious, most tangible measurements of success are lead generation and sales, and intelligent campaigns will ensure a clear conversion path from coverage to close," says Mr Brookes.

Be warned, however, that the communications world is awash with metrics and competing platforms, with each vendor claiming to solve the KPI and particularly the elusive ROI question, says Richard Bagnall, chief executive at PRIME Research UK. "Most, if not all, are flawed," he claims. "This is because they are predominantly 'one-size-fits-all' tools that provide an ongoing real-time 'data puke' of the things that are easy to count. They lack the context of being tailored to different objectives and, as a result, they fail to measure what actually matters."

Just because there are lots of charts and dashboards, he says, doesn't mean there is a meaningful measurement programme. "Without a clear thought process based around aligning goals, objectives and metrics, the measurement is always going to be largely meaningless – a snapshot of a moment in time and a large collection of basic outputs, none of which answer whether organisational success has been achieved or not," he says.

While digital has been the real game-changer, Daniel Stauber, strategy director at Golin, believes it took measurement one step back and two steps forward. He says: "Previously, the mistakes of traditional media measurement were repeated only by focusing on volumes of articles and shares – numbers that don't provide any real insight.

"Today, we have moved to assessing the quality and outcomes of campaigns, which means you can really see how consumers are interacting with the brand. New tools, such as digital analytics and

62%

Website traffic (62%) and sales (54%) were the most popular metrics for measuring business-to-consumer content marketing success

Source: CMI 2015

51%

Measuring content effectiveness (51%), producing engaging content (50%) and lack of budget (46%) were the biggest challenges business-to-consumer marketers faced

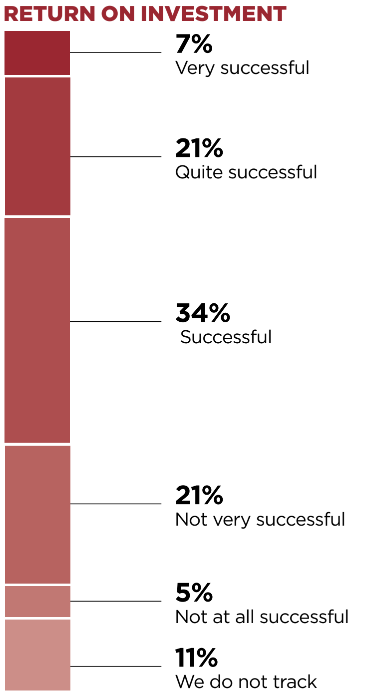
Source: CMI 2015

11%

increase in marketers' ability to measure return on investment of their social media activities in 2014

Source: Social Media Examiner 2014

HOW UK MARKETERS RATE THEIR ORGANISATION'S SUCCESS AT TRACKING RETURN ON INVESTMENT



Source: CMI 2015

social media listening, allow us to capture unsolicited conversations and feedback we weren't able to capture before in a cost-effective way."

But it's not a silver bullet in its own right, insists Richard Rawlins, managing director at Finn public relations agency. "Digital certainly provides the basic ingredients to measure effectiveness of activity which is executed through digital channels. But most PR activity requires more than a digital action – click, share, like, purchase, comment – so it's important to focus on the end result of activity and much of that happens in the real world," he says.

Heather Baker, founder and chief executive of TopLine Communications, agrees. "Too many people think they can simply look back at their Google analytics and spot campaigns that were successful. That's a ridiculous notion. Campaigns should be designed with specific outcomes in mind, KPIs must be set, benchmarked at the start and measured throughout," she says.

Precision segmentation and control of exposure are the key pillars to driving efficient brand-building efforts through digital platforms, Andy Stevens, chief operating officer at SYZYGY Group, believes. "The growth and innovation of digital advertising over the last ten years has largely been by the tracking and understanding of people's behaviours through anonymised and non-personally identifiable means. This allows brands to take all the work done on key audiences and their behaviours offline, and transfer this to the digital world using cookies and advertising IDs instead of 'high indexing' sites and networks. This cuts wastage and allows you to put a real value against each audience segment and still drive scale and reach," says Mr Stevens.

> While digital has been the real game-changer, it took measurement one step back and two steps forward

Format is also critical. "Through rich media innovations, such as HTML 5, digital brand formats are continuing to evolve to become far more interactive, with the same being true of video as well as native content," he says. "Relatively low barriers to testing means that, with the right KPIs in place, brands can find the right mix for each campaign to drive the most bang for their buck."

TWEET SUCCESS

86% of Twitter users are more likely to visit a business after it has been recommended by a friend

Source: CMI 2015

"Programmatic buying is really accelerating this as the perception of it continues to shift from solely a mechanism to deliver remnant inventory into the advantageous method of combining rich data with vast inventory scale and algorithmic agility. Private auctions with publisher data overlays, large and custom ad formats, and viewability technology are all bringing efficiency to digital brand-building, without killing scale, reach or context."

At Nestlé, the brand drives efficiency, which helps measure ROI, by doing all their programmatic advertising buys on a single platform. "Using our platform partner, TubeMogul, we can place our bids, monitor success and dial up or down impressions and spend in real time as we monitor which sites are performing best," explains Gawain Owen, digital lead at Nestle. "With the introduction of programmatic TV and digital out-of-home advertising to the mix, this is going to become increasingly important as Nestlé works under the impression that we have to be 'always on'.

"To monitor everything effectively across multiple platforms, spreadsheets and reports, and not miss anything, would be beyond the capacity of any company. One report means we are reducing administrative pressures and building a 360 campaign that delivers stronger results for less spend."

But, in the end, there remains as much cynicism as optimism around digital, with some believing it is actually obstructive to proving ROI. Ian McKee, account director at Wildfire public relations, concludes: "As PR is getting more digitally advanced on a tactical level, moving into the areas of content marketing and search engine optimisation, we're getting tied to the more easily measured metrics of those disciplines, judging success by links and clicks. This means that while at the more advanced end of marketing there's movement away from the dreaded last-click attribution model, in PR we seem to be moving towards it."

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