



Three axioms and three questions that summarise all of brand strategy

Brand strategy is not complicated, it's just the systematic application of the basics all marketers are taught. Here's a simple way to be sure you're taking the right steps – in the right order.



By Mark Ritson | 21 Jan 2021

The demand for brand strategy has never been greater or more tantalising. It's not just that most companies are struggling with brand strategy – that's been the case for decades. It is that these companies now know they are struggling and are actively seeking assistance.

I was greatly aroused by a recent headline chart from Gartner's new CMO survey. The questionnaire asked a panel of more than 400 CMOs and senior marketers for the capabilities these executives considered the most vital in the next 18 months. The marketing echo chamber might be filled with talk of analytics, UX, personalisation and all things digital, but the biggest single deficit at the moment is brand strategy. A third of the marketing elite identified it as a crucial capability.



Source:
Gartner CMO
Survey 2020

It's a great time to be a brand consultant!

Except if you're based out of Australia. I live in a country blessed with virtually no Covid-19, which treats a single positive case as a proper, State-wide, shut-down-the-streets emergency.

The flip side of this fastidious approach to viral transmission is that there is zero chance that Australia will open its borders to international travel this year. And I'd push several dollar notes across a green table and bet that 2022 will not see much airport action down under either. I might fancy filling the yawning competency gap opening up around brand strategy, but I will be physically unable to service it any time soon.

So, instead, let me cannibalise my own consulting potential and help all those lost marketers with a simple, relatively concise guide to brand strategy. It's really not as complex or as difficult as many would have you believe. I can confidently lay out brand strategy in about 3,000 words using just three axioms and three questions. Note that I cannot tell you what your brand strategy should be in those 3,000 words. You need to do that part. But I can lay out the way to work it out in all its simple, bullshit-free beauty.

Ready? Then I will begin.

Axiom 1:

Diagnosis first, strategy second

When the Greek military generals of antiquity approached a battle their first consideration was to create a map of the surrounding territory. Only then would the business of battle begin. Those generals, strategoi to give them their original Greek name, knew that discovery and understanding were the perennial parents of a successful strategic plan. Without knowledge of the land on which the battle would be fought, the battle plan would be unlikely to deliver victory.

And that 3,000-year-old lesson provides the basis for the First Axiom of Brand Strategy – diagnosis first, strategy second. The first step in any decent brand strategy is a step back. Commission a new brand tracking survey – a proper one. Update the segmentation. Interview loyalists. Interrogate the perceptual map. Delve into brand heritage. Review the year just ending and ask the question 'what have we learned from the past 12 months that we should take into the planning for the next 12?'

My first question to any prospective client is always 'when does your financial year begin?'. It's not only an odd question. But the right one. The start of the financial year is the start of execution. Work back from that date to allow enough time to get the diagnosis done, propose the strategy, get budget approval and put the tactics in place. It's inevitable and unfortunate that brand managers are working on the research for their brand strategy long before that strategy will be executed. Often the lag can be six months. But it's the price good marketers pay to be ready with the appropriate level of diagnosis to enable a strategy to be developed and then executed.

Axiom 2:

Strategy is choosing what you will not do

It sounds so negative doesn't it? But it's probably the single biggest insight brand managers can take from the world of corporate strategy and the great thinkers like Michael Porter and Roger Martin who dominate it. The essence of strategy, according to Porter, is choosing what not to do. There are two things inherent in that simple but brilliant observation. First, that your strategy should focus as much on what you will avoid as what you intend to do. Second, that you achieve that focus by making sure that choices are evident at every possible stage of your strategic process.

'Choicefulness' is one of the cheesiest nouns in the English language. But it is also one of the greatest compliments you can ever pay a brand manager when reviewing her work. To be choiceful is to focus and to ensure that the maximum resources are invested into the most rewarding places. "You can't do everything, or at least you cannot do everything well," Martin repeatedly tells his clients.

My old professorial colleague at London Business School, Freek Vermeulen, is even clearer. "One major reason for the lack of action is that 'new strategies' are often not strategies at all," he observed in the Harvard Business Review. "A real strategy involves a clear set of choices that define what the firm is going to do and what it's not going to do. Many strategies fail to get implemented, despite the ample efforts of hard-working people, because they do not represent a set of clear choices."

So many marketers end up with a strategy that simply tries to do too much. Faced with the three recurring questions of brand strategy (detailed below), the answer is always the same: Yes. Yes. Yes. We want to target everyone. We want to throw the kitchen sink at our position and have as many brand values and benefits as possible. We also want as many objectives as possible.

All of this misses the do-less mantra of strong brand strategy. My old hero AG Lafley, the former CEO of P&G, points out that when you have too many brand objectives they stop being objectives and turn into “dreams that will never come true”.

So be selfish when it comes to strategy. Don't be afraid to do it in a way that suits you and only you. And make sure you question and kill anything that does not make sense for you. Delight in doing it your way and infuriating others by refusing to do many of the things that they consider 'industry standard'. Keep asking yourself in the shower each morning, 'what else can I kill?'. Morons create and then create more. Good marketers keep cutting the fat.

Axiom 3: Strategy before tactics

While it's certainly true that a strategy without successful tactical execution is pointless, it's also true that most marketers fail because they cannot put down the tactical toys long enough to develop a proper brand strategy. It is vital that marketers are trained to recognise the difference between the strategic questions of branding (shown below) and the tactical levers of the marketing mix, or four Ps, as famously outlined by Jerry McCarthy over half a century ago.

A word on the four Ps. Anyone with a marketing brain and experience knows that product, price, place and promotion are the unequivocal, eternal set of tactical levers. Sure, the constituent ingredients that make up promotions or pricing has changed dramatically over the decades, but the general concept is as applicable now as it was in 1960.

Anyone with a lesser marketing training or an obsession with change at the expense of knowledge has already suggested an improvement that uses six Ps, or eight Cs, or an acronym that spells 'fucktrumpet'. The four Ps are our disciplinary Rorschach test. When you look upon them, do you

see tactical clarity or an opportunity to mess everything up with a naïve attempt to modernise that which does not need to be modernised?

Once you have clarity on what tactics consist of, it is time to put them down. And don't touch them until your strategy is complete. This may be bad news for a lot of people, but you cannot have a 'digital strategy' or a 'media strategy' or 'Facebook strategy' in any real sense of the words. There is just a brand strategy, which then feeds the tactical choices that follow it.

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When you line up your marketing ducks properly like this, things become a lot of simpler and easier to grasp. I've trained thousands of marketers and the best part is watching them realise that diagnosis feeding strategy, which then feeds tactics, is the way it was always meant to have been done.

Delay all those questions about communications and distribution and which colour the dingus should come in. Put them down and let them sit there on the floor until the strategy work is done. Because once that work is complete you will find that, having made the strategic choices, the tactical quandaries that you face are almost immediately solved by simply looking back to the brand strategy answers for guidance.

So, what do I mean by 'brand strategy'. I've seen this topic bent and abused by countless people who seem to lack any practical ability other than to do keynotes and eat up billable hours with mind-bending bullshit.

Beware anyone who has the word 'strategist' in their title. It is almost always a signal of someone who has no clue about strategy. Do a keyword search on LinkedIn for 'strategist'. See what I mean? They are nearly as unimpressive as the people who bill themselves as 'authors' or the ones that use verbs like 'changing' or 'challenging' or 'improving' in their profile as if it signals anything other than their utter uselessness.

Ignore the strategists. Brand strategy is really not that complicated. It just means answering three simple questions. I am not even sure you need to answer the questions correctly to be successful. The bar is that low for brand strategy and the lack of clarity that severe. Simply attempting these questions and applying the axioms above will get you to a better place. At least that has been my experience.

Question 1: Who are we targeting?

Segmentation, the stage that precedes targeting, is the end of diagnosis. As the name might indicate, market segmentation is about the consumer, not about you or your brand. If your competitor was as smart and informed as you, they could quite probably build the very same segmentation over on the other side of town. I've actually worked on a job where our main rivals appeared to have a very similar view of the market and later found out, under the influence of enormous amounts of alcohol, that this was exactly the case. Our rival had different names for its segments and slightly different values, but was essentially playing Battleships against us and using the exact same map only with way more resources.

Targeting, by contrast, is the start of strategy. By looking at the market, the competitors and our own resources, we must decide where we will play next year. And where we will not. Not too long ago targeting was the relatively simple challenge of working out the most fruitful segments and then chasing them down. But that was before Ehrenberg-Bass turned up and turned marketing on its head. The shared assumption that we all had, that mass-marketing was wasteful and unsuccessful, was challenged by Byron Sharp and his trusty gang of empiricists. And, to everyone's gradual horror, he turned out to be correct.

Well, partly correct. Provided you have the funds, it now appears clear that for long-term brand building, you are much better off targeting every consumer in the category, all the time. This is, in itself, a strategic choice, of course. But it is now readily apparent that you want to build brand and generate top-of-funnel impact on everyone in the category, irrespective of which market segment they might belong to. If they own a dog and you own a dog food brand and have the resources, they should be a target.

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Not every brand has the funds to do this. And even if it does, it would be wise to follow Peter Field and Les Binet's 60/40 split of long- and short-term marketing. That leads to what I call a 'two-speed' approach to brand strategy. About 60% of the budget should go to mass-marketed brand campaigns. The remaining 40% is meant to work on shorter-term performance marketing – the sort that is clearly (at least in my opinion) better spent on specific target segments than across the whole market.

But which target segments? And how many target segments? Well, that is the strategy bit. Start with agreeing on your long- and short-term marketing split. Then decide if you really want to spend the long part of the budget on the whole market or not. Finally, work out which segments you want to go after with your shorter-term activation stuff. You have yourself targeting clarity.

Question 2: What do we want to stand for?

You can only answer question two after question one. Once you have worked out who you are going after, you can then answer the follow-up challenge of what you want to stand for in the eyes of these target customers. Or the 'position' as we usually call it.

It's painful to watch so many brands lose their semiotic marbles with the multiplicitous complexity of modern brand positioning. So many badly run brands have layer upon layer of positioning. Brand essence leads to brand DNA, which segues to brand values and then to brand purpose and then brand attributes and tone of voice and character and wanky wanky wank wank. There are so many layers, each with so many inane words, that no-one inside the company, never mind any of the consumers that the brand hopes to ultimately target, have any clue what the brand actually stands for.

Remember that strategy is about choices and about what you don't do. This is particularly applicable to positioning. So many marketers see positioning as an end in itself. They build a deck with wheels and purpose and keyholes and stuff upon stuff. In truth, they just need to remember that positioning is meant to be the intended brand image. If targeting is who we want to go after, position is simply what we want them to think when they think of our brand. A brand needs the consumer to know that it exists and to think two or three things about it. Those two or three things are what we need the brand position to be. Write them down.

Call these words whatever you like – purpose, North Star, attributes, sex stones from Mars. It really does not matter. The point is that you have found a few things that your target consumer wants. That you can deliver. Better or more distinctively than the alternatives this consumer is aware of.

Question 3: How will we achieve this?

Brand strategy is not a goal. Your strategy cannot be to increase sales by 20% or become the number one brand in the category. That is like a football coach telling his team at half time that their strategy for the next 45 minutes is to win the game. The final part of brand strategy is to outline the objectives through which success will ultimately be achieved.

At a broad level, success will result in more sales or more profit or more growth. But brand strategy must outline the levers that need to be pulled to ultimately deliver the success being sought. That means articulating very clearly and very tightly an short list of objectives that direct the activities of the brand for the coming year. We already know who the target is and what we want to stand for. The objectives add the final piece of the puzzle: what do we want to do to that target?

The first part of this challenge is to build proper, customised purchase funnels. Again, you will encounter a lot of people who pooh-pooh the whole idea of funnels. Ignore them. Funnels are the backbone of any decent brand strategy.

Start with the total population of the market or the target segment at the top of a whiteboard. Then identify the four or five stages that take a consumer from ignorance to repeat purchase and advocacy of your brand. Don't copy the generic awareness to consideration to preference to purchase to re-purchase models. Use qualitative research to understand the specific steps in your business and create a custom funnel. Then use quantitative research to establish your conversion rates versus the competitors.

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Next, with the funnel built and populated, write proper smart objectives. If there is one sure sign you are in the presence of a well-trained marketer, it is the existence of three or four pointy, choicful and smartly written objectives. Some dreary 'digital marketer' has 12 objectives that include "increase brand love" and "generate digital advocacy". No benchmarks, no date, no target, no clue. Meanwhile the gun from P&G with an MBA from Wharton has "increase preference for our brand among the unhappy segment from 12% to 35% by 31 December". And she has only two other objectives alongside that one to focus on, having killed the other, less valuable options weeks ago.

There you have it. A decent brand strategy. It might sound simple, but it won't be to get there. Start with diagnosis. Then make choices. And remember to ignore the tactics while the strategy decisions are being made. Answer the targeting question first and make sure you can summarise who, exactly, you are aiming at next year. Then clarify the position to each target on one page or less. Finally add a handful of smart objectives to outline how the strategy will succeed.

Who. What. How. Basic brand strategy. I'm not going to be getting on a plane any time soon to help you with it. So why wait? Get on with it yourself. There is literally nothing more essential or valuable right now if you work in marketing.



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