Good brand management needs better brand measurement

What gets measured gets managed. More attention to monitoring brand health would put brand higher up the leadership agenda.

I realised the other day that I had devoted my entire working life to date (don't ask…) to the development, protection and promotion of brands. So I can perhaps be excused for being upset by the cavalier attitude of many leaders towards what is often their most valuable asset – their corporate brand.

This seems to be especially the case in professional services where, in spite of the tireless work of many talented marketers, brand is still regarded with suspicion. It's still seen as the "fluffy end" of the marketing to business development spectrum.

This in spite of the inexorable rise in the value of intangibles across all industry sectors in the past several years.

This in spite of growing pressure from some parts of the accounting profession in the past decade to record, measure and report upon intangibles.

This in spite of many high profile examples of extremely hard nosed companies paying huge sums to buy or protect brands (P&G paid £31 billion for Gillette and bought only £4 billion of tangible assets).

(This is beginning to sound like a party conference speech…)

So what's stopping them? What persuades managing partners and CEOs of professional services companies that they don't need to pay due attention to this multi-million (sometimes billion) dollar asset?

At least part of the problem lies in the marketing community's inability to provide leadership with the appropriate data to measure brand health and link it to the business.

Complacency?
I suspect that many professional services firms are performing so well that it is assumed the brand is equally healthy.

Well, possibly, but not necessarily. It's not so long ago that the M&S business was continuing to grow apace, while, unknown to the leadership, customer satisfaction and brand equity were in decline. Fortunately, someone woke up early enough and took remedial action.

Acritas' recent "Sharp Legal Brands" study demonstrates that some of the largest and seemingly most successful firms are failing to build strong, long term brand franchises.

Strong brands confer great benefits on their owners. But in today's wired world, brands are increasingly fragile and vulnerable. Complacency is dangerous.

There's no panacea to this, but one solution is to provide the "drivers" of the business with a small number of easily digestible "dials" to enable them to monitor the strength of their brand over time and adjust the brand strategy accordingly. In short, a "brand dashboard".

What is a dashboard?
In the same way that a car driver expects to be able to see the critical indicators as to speed, direction, capacity and health of the car, so the business leader needs to have ready sight of those measures that indicate the continued health or otherwise of the brand.

I use the term “dashboard” in preference to “scorecard”, having been persuaded by the eminent Tim Ambler of London Business School, that a scorecard refers to keeping score and is therefore historical by nature. A dashboard, by contrast, combines historical with current and future measures. A car driver with a mission to go somewhere is more interested in whether the petrol tank is full than in the historical consumption figures.

A dashboard contains the key high level measures of brand health, grouped for easy consumption, which then allow for adjustment of brand direction or strategy. Beneath the high level indicators, there should be a set of diagnostic data that allow a better understanding of why a particular indicator has changed.

Ideally, the dashboard has three levels:

- inputs (what you do to drive the brand)
- outputs (the results in terms of eg awareness, favourability, trust etc)
- value (the impact on business and brand financial value)

This may sound like a tall order, but one of the nice things about the dashboard concept is that, rather like a website, it doesn’t have to be complete on day one. You can start with the data you have and, over time, let it evolve to become more comprehensive and more sophisticated. And don’t for a moment under-estimate the power of giving even the simplest of measures more airtime.

What are the benefits?
There are many, some of which simply emerge from the process of debating and developing an approach. The main benefits are:

Risk management
- the security of knowing that the brand is being comprehensively monitored and the ability to adjust the strategy to ensure its continued strength

Good governance
- being seen by the Board and others (eg ratings agencies, directories) to be properly managing a key strategic asset of the business

Investment justification
- the ability to be transparent about the effects of investments in the brand

Marketing accountability
- being able to demonstrate more clearly the short and longer term effectiveness of marketing activities

Brand as science
- removing brand and marketing from their usual “fluffy” reputation and demonstrating the tangible business value created or destroyed by the organisation’s actions

So where do I start?
A good starting point is to examine more closely the existing measures available to you. Look at how they might be better grouped and presented. Look at how existing regular tracking research might be extended to give you the data you need. And look at how best to ensure that the leadership take note.

You might take the following headings and ask what measures you have or could make available under each:

Leadership and saliency (eg awareness, familiarity)
Delivery and trust (eg favourability, client satisfaction)
Differentiation and innovation (eg core brand characteristics)
Loyalty and advocacy (eg willingness to endorse)

That's not a bad list of generic brand measures. But of course you really need to know what are the key drivers for brands in your market and for your own brand.

At Lloyd's of London, we identified 8 drivers for the insurance market and just 5 key drivers for the Lloyd's brand. That made our brand tracking much more focused and productive.

Finally, when you're feeling really strong, you can and should get into the financial numbers:

- what are the tangible and intangible assets of the business?
- where does brand fit into this list?
- how strong is your brand relative to its competitors?
- what is the financial value of the brand?
- how does your marketing mix drive value?
- what is happening to brand value over time?

Feeling tired? You may need help at this point. There are recognised methodologies for this stage. But often the greatest benefit to emerge from such an exercise is not the answer but the understanding that emerges from the debate and the communication channels that it opens up with others in the organisation, especially finance.

I well remember having to justify a substantial launch marketing budget to the global board. We worked with the media agency to come up with five or six quantified approaches to setting the budget, all of which were presented. We looked at share of voice, impact and frequency, marketing to sales ratios, needs based analysis, to name but a few. In truth, the final number was no more right than it would have been had we simply used our judgement. But the board were impressed. One memorable comment was "Until now, I thought you guys just plucked a figure from the air". The result was that we got our budget. We also gained credibility that served us well in the future.

To sum up
Professional services marketers are right to wonder why the rest of the world doesn't think from a marketing, customer and brand perspective. It will always be a source of bafflement to me.

However, if the tide is ever to turn, we have to meet the others on their ground, speak their language. Dashboard may not be the best label to use and it's certainly not the only answer. But it's a good start to the process of putting brand on your leadership's "must take seriously" list.

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