

Four Ways to Generate Greater Brand Efficiency

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Anyone can do marketing with a blank check. Lean times, or even the threat of lean times, force us to be more careful with our decision making. Which brands

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should be pushed? Where should these brands be promoted? How can duplication be avoided? Who is the target audience? Answering these questions and behaving accordingly will protect brands in difficult times, and also provide long-term solutions for building strong brands, during any economic period.

To help CEOs and Chief Marketing Officers realize strategic 'brand efficiencies' in a slowing economy, we have identified four key areas for review.

1. Tighten the communications reins
2. Conduct a brand head count
3. Assess advertising spending
4. Implement a centralized brand management system

The following describes our perspective on these four areas:

(1) Tighten the communications reins

The U.S. economy has experienced almost 10 consecutive years of strong economic growth, which has allowed many companies to flourish and spend. During prosperous times, when companies are constantly unveiling new products and services, marketing materials can often grow out of control. An objective communications audit is the first step to ensuring that all marketing efforts are consistent and not wasteful.

A review of all marketing support materials can help companies to identify what materials are being produced, who's producing them, the cost for each, and then the total marketing communications cost. This is often a surprisingly large pot of cash. It also results in identifying the audience for each communications vehicle. Completing this kind of company audit can help companies identify where their efforts are repetitive, and possibly even unnecessary. It also results in a quality check, something that often isn't done on a regular basis during boom times.

(2) Conduct a brand head count

The cost to promote and maintain a brand is expensive, especially for companies that support multiple brands. When the resources needed to support all of those brands are not available, there are measures that can be taken to make supporting the portfolio of brands more efficient, stronger and more unified.

Through a brand portfolio analysis, companies can take a serious look at their products and services to determine their target audience. After evaluating each brand by grouping it in a designated category and assigning it to a key audience, a company can then step back and decide if support for some of those brands can be consolidated, cut back or eliminated.

(3) Assess advertising spending

Heavy advertising spending is not a prerequisite for building a strong brand. E-Bay, one of the few profitable Internet companies, spent only \$15 million on advertising in 1999. That's one-third of what some other dot-coms shelled out on advertising. Hershey, one of America's best-loved brands, didn't spend any money on advertising until 1980. Understanding who your targets are, and then prioritizing those audiences, can help in ascertaining where advertising is a necessity and where it's a luxury. By narrowing the focus and sharpening the message content, companies can use creative, less expensive alternatives to communicate to who's critical and not to who isn't.

(4) Centralize brand management

An economic downturn can be the best time to centralize brand control and to establish a system that codifies the control of the brand across the company. Companies can use this time to develop decision-making tools based on a set of criteria to manage naming, co-branding and marketing expenditure. Developing a permanent set of criteria will also ensure that future branding issues are decided upon consistently and efficiently. Brand management systems also save money.

Other cost-cutting measures include co-branded advertising, consolidating outside vendors, and cutting down on printing costs by creating more electronic promotional materials, for example an online annual report.

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