KANTAR

A comprehensive guide to brand equity and growth

Introduction

Brand equity is not a mystical notion: it's one of your business's most valuable assets. Our many studies have proven that the stronger the brand, the more superior the shareholder returns, and the greater the contribution to a business's cash flow.

In this booklet, we've brought together decades of Kantar BrandZ empirical data, and wisdom from our brand experts, to demystify brand equity. We share our thinking on what brand equity is, and why and how to measure it, then shift our attention to the distinctive brand assets that help drive sales. Guided by analysis of our extensive databases, we lay down a solid case for the importance of monitoring touchpoint landscapes and uncover the optimal channel spend allocation for media effectiveness.

We then discuss the hotly debated notion of building brand equity through meaningful purpose, before we turn the spotlight on the forces that influence consumers' perceptions and lead to strong brand equity. Our journey climaxes with a piece on Brand Strategy, where we reveal the essential elements needed to get it right, whether you need to build it, improve it or revitalise it.

Disclaimer! We put our theories to the test and evolve them perpetually, or as Nobel prize winner Richard Feynman put it: "We are trying to prove ourselves wrong as quickly as possible, because only in that way can we find progress."

So, watch this space for updates to our thinking on how brands can create more value for businesses.

Mary Kyriakidi

Global Thought Leader, Brand Guidance

Contents

What is brand equity?

Back to Contents

The first stop in your journey is understanding brand equity – what it is, how to measure it, how to build it, the impact of media investment on it, the role of brand positioning as a solid foundation – all of which contribute (or should at least) to the making of one's brand strategy. And of course, how to clear the pandemic fogginess that's currently surrounding it.

A short history of branding

Branding is about making your mark; without differentiation, everything is identical. Back in the 1500s (or some would say, even further back in ancient Egypt), it was all about making your mark – literally – with brand marks on cattle. Much, much later (if there's anything Mad Men's Don Draper taught us), the golden age of marketing cemented 'instant associations' as the winning formula for brand growth – i.e. making your mark figuratively.

This network of associations in people's heads makes a product's assets – verbal, visual or auditory – distinctive; these associations trigger an instant recognition that acts as a shortcut to brand meaning.

There are some of those assets we would instantly recognise, even if we could only catch a glimpse of them, even if they were not fully formed.

Think of strong brand mnemonics like Apple's half-eaten apple, McDonald's golden arches, Mastercard's deep association with the word 'priceless', Intel's three-second audio – someone, somewhere in the world plays that tune every five minutes, so it's no wonder it's entrenched in our minds.

An instantly recognisable brand is not always the chosen one though. It's the power of brand equity that is revealed in people's choice, which often is the tipping point between a brand and its competitors.

And it all starts with power in the mind of the consumer, one's predisposition towards a brand.

Power in the mind: the persistent nudge called predisposition

People and brands live and interact alongside each other. People form thoughts and feelings, gather facts and anecdotes, experiences, frustrations, even hopes towards a product or a service. It's these cumulative associations that will steer their decision in a purchasing situation. Or, simply put, it's the sum of all positive and negative attitudes and experiences that a consumer has developed towards a brand that defines whether they will ultimately pick it (often, again).

Predisposed consumers will find themselves inclined to:

— buy with less reminding

— overcome market obstacles to obtain that brand

— pay more for it

— be more likely to tell others about it

— be less influenced by competitive advertising

Over the last decade, companies have increasingly invested in activation, targeting and incentivising buyers in their category.

> Our analysis finds though that two-thirds of growth comes from people who are already predisposed to choose a specific brand.

Fulfilling that predisposition is less a matter of discounts and promotions and more about ensuring a brand is easy to bring to mind and easy to buy.

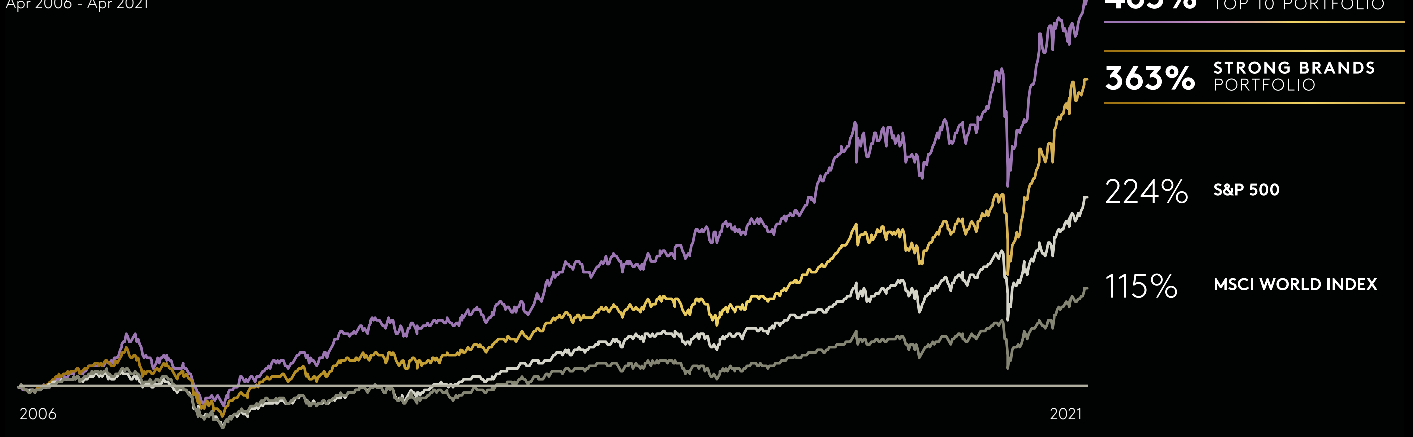
Survived (or even thrived) during the pandemic storm? Your brand equity had something to do with it.

Brand equity is the core element of your brand strength. In good times and tough times, strong brands win. In good times, strong brands grow value faster; in tough times, strong brands recover faster. BrandZ research provides evidence from two crises – the 2008 Great Recession and the COVID-19 pandemic. And although history hasn't repeated itself exactly, it's proven to be an important guide.

> Following the financial crisis of 2008, strong brands recovered almost three times faster within two years… and in 2020, it is the strong brands again that have managed to stave off the worst of the crisis – growing in value against a backdrop of uncertainty.

Strong brands
(1) generate superior shareholder returns
(2) are more resilient in times of crisis
(3) recover more quickly

Kantar BrandZ Portfolios vs S&P 500 vs MSCI World Index
Apr 2006 - Apr 2021



Brand strength is key. During the height of the pandemic, luxury brand sales declined precipitously in China. But when the market reopened, pent-up demand for these brands popped up like a jack-in-the-box. The primary factor for this was the power of the brand, in this case, that of the luxury category, which tends to enjoy strong brand equity in China. So, strong brand equity adds resilience.

Knowing your brand equity, how to measure it and how to build it, is the foundation for success.

It takes more than luck to build irresistible brands

Our meta-analysis of growth drivers shows that brands with strong clarity (i.e. the extent to which what a brand stands for is universally understood and perceived by consumers) contribute 70% more to sales. Clearly, meeting consumers' functional and emotional needs (i.e. being instantly meaningful) offers a commercial advantage to a brand. But is this enough to maximise growth?

> The biggest success stories come from brands that are meaningfully different; those that stand out and then stand for something.

Jeremy Bullmore once said:

"People build brands as birds build nests, from scraps and straws we chance upon."

Consumers construct their perceptions of brands from their own experiences, moments, trials, ads, in essence, all the clues that brand owners lay out in front of them. But brand owners can't leave this to chance – their brand building needs discipline; it needs a framework that provides focus at every stage of the journey; from defining and refining/resetting brand strategy to guiding effective development and getting implementation right.

Using NeedScope, Kantar's brand positioning solution, brand owners are making the most of every brand encounter, ensuring their brand's essence consistently permeates and connects everything they do. Chapter 6 explores how purpose drives meaningful difference and fuels a brand's growth.

The bottom line: Brand equity has a strong relationship to sales – both in the short and the long term

"But nothing ever moves" was a common observation in traditional survey brand trackers. KPIs, wave after wave, only shifted marginally. So, understandably, and fuelled by the abundance of digital and behavioural data, over the last few years there has been a concerted push for a narrower range of KPIs that have a proven relationship to financial outcomes.

Which made marketers more commercially credible in the boardroom and their activities generating a definite sales return. For the short term, that is.

The drive for evidence-based KPIs pushed marketers towards activity with ROI that's easier to demonstrate (short-term sales or digital click-through behaviours) as opposed to activity with potentially the greatest ROI (longer term growth and sustainable profitability). Binet's and Field's 60% brand building/40% sales activation harmonic ratio is enjoying universal acclaim and their work of genius is now even featuring in modern job descriptions: "You'll be responsible for developing an end-to-end marketing strategy, applying brand building and activation marketing approaches such as Binet and Field to develop and activate plans for (...)". So, in principle, everyone is in agreement.

> But, "It's groundhog day in most marketing departments," as Mark Ritson puts it. "They never get to make money because they are trapped, paradoxically, in an ROI cycle, which delivers less money over the long term."

Businesses worldwide have taken multiple approaches to overcome the pandemic crisis and mostly focused on reducing fixed costs and discretionary spend; marketing, communications and media were the hardest hit, as it was revealed in Kantar's Global Business Compass study. Which put even more pressure on marketers to appear impactful within the year's planning cycle and the already malfunctioned pendulum swung even more towards immediate ratification – short-term sales activation.

With the overhaul of spend remaining, how can one combat short-sightedness and improve their brand's chances of achieving sustainable growth?

Ka-ching... a first taster of game-changing metrics

How quickly a brand comes to mind, what we call salience (not to be confused with awareness) or what Byron Sharp refers to as 'mental availability' in his 2012 'How Brands Grow', is one of those proven indicators that can monitor and guide performance in the immediate short term.

Does your brand come to mind first at key decision-making points? If yes, you are more likely to be chosen. Although we know very well that in most product categories salience alone is not enough to make a sale and that salience alone is not an indicator of future success, we've witnessed whole categories benefitting from the pulls of 'coming to mind' quickly (e.g. takeaway delivery) during the various waves of the pandemic.

Recent industry thinking, notably from the Ehrenberg Bass Institute, has further enhanced our understanding of mental availability and salience. Detecting the early signals of how easily your brand can come to mind when prompted by a relevant need or occasion will drive sales growth today and capture demand in the near future.

Mary Kyriakidi

Global Thought Leader, Brand Guidance

Build your brand equity

Always know how your brand is performing versus the competition. Measure and monitor the KPIs that will help you drive growth in the long and the short-term with a tailor-made brand guidance system.

Find out more

Why and how should you measure brand equity?

Back to Contents

In chapter one we argue that consumers hold in their minds many associations with brands. The strength of these associations is a brand's ticket to success in a purchase situation; the faster a brand comes to mind, the more likely people are to buy it – this is why mental availability matters.

When it comes to long-term brand building and sustainable growth, creating an emotional connection with people is key. Such connection further influences consumers' intention to buy; it creates a lifetime advantage that predicts purchase behaviour, accelerates growth and can help support a price premium.

This is why a brand shouldn't merely be famous, but also meaningful and different.

The next thing to focus on is why it's important for brand owners to understand and measure their brand equity, and how they can do this.

To measure or not to measure

It feels intuitive to proceed with the cocktail of KPIs that guarantee to grow your brand equity detailing the optimum tracking frequency for each. But, V. F. Ridgway's 1956 paper, tellingly titled: "Dysfunctional Consequences of Performance Measurements" rings in my head. It's true: not everything that matters can be measured and not everything that can be measured matters.

However, brand equity does matter, it can and should be measured. Why? Because it's "brand magic" as Kantar's Dom Boyd says – a fundamental step to ensuring brand marketing is hardwired into the business' future growth strategy. And in its practical application, it's a process; a tracking process that enables marketers to quantify and celebrate accomplishments in the boardroom, but also, crucially, to gain and retain stakeholder buy-in through commercial alignment and the ability to predict future outcomes.

Your brand is one of your business' most valuable assets

Many companies out there are measuring the financial value of brands. What we uniquely say though is that a brand's equity in the minds of the consumers is the game-changing multiplier in the calculation of a brand's value. Kantar's BrandZ measurement methodology accounts for the intangible perceptions that consumers have for a brand over and above the tangible assets on the company's balance sheet. Simply put, including brand equity in financial valuation shows the future contribution that investment in the brand is making.

The annual BrandZ rankings are 'the Oscars' of marketing effectiveness – the more you have strengthened your brand, the better it can navigate through market storms and new category arrivals, the faster it grows, the more valuable it is. BrandZ's approach is distinct in peeling away all the financial and other components of brand value and getting to the core – how much the brand itself contributes to enterprise value. And it does this through the uniquely validated metric of Brand Power.

What is Brand Power and its relationship to sales?

Meet Brand Power, the great surrogate for understanding and quantifying long-term sales.

It's worthy of such introduction as it closes the gap between perception and reality. It is a simple, yet comprehensive set of brand equity metrics that explain and predict a brand's market reality – as myriads of our analyses show.

The BrandZ top 100 most valuable global brands remained unfazed by the decline in global economy (2019-2020: -3.3%) and continued to thrive, enjoying a brand value increase of 5.8% in 2020. Meaning they continued to sell strongly amidst turbulence.

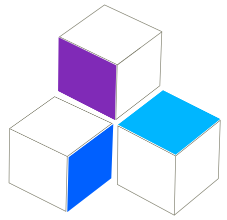
How did they do it?

Brand Power's 'secret sauce' has been discussed (and praised) by well renowned (and less biased than me) brand consultants.

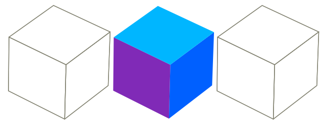
> The industry has moved on from the "differentiate or die" mantra of 30 years to one that "combines salience and meaningful difference"

Mark Ritson says in his bothism as cure for marketing article, adding that "Kantar has been politely proving for years that such combination is greater than the sum of its parts."

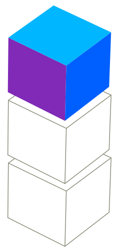
So, 1 + 1 + 1 > 3. But what do we mean by each term?



Meaningful: this brand meets people's needs and they feel emotionally connected to it



Different: this brand is perceived as a trend setter for its category, as unique



Salient: a brand that comes to mind quickly in a purchase situation

Brands that are meaningful AND different AND salient:

— have the power to capture significantly more volume

— can command a price premium

— have much greater potential to gain value share in the future

The combination of all three is the holy grail for brands; the proof is undeniable:

1

Meaningful difference gives salience wings. Growing salience from a position of strong equity gives three times the market share gain compared to a starting point of weak equity; marketers should, therefore, seek first to define and build meaningful difference.

% growth in market share*

Source: Kantar, BrandZ studies 2014-2020
* Survey surrogate market share: claimed bought/used last

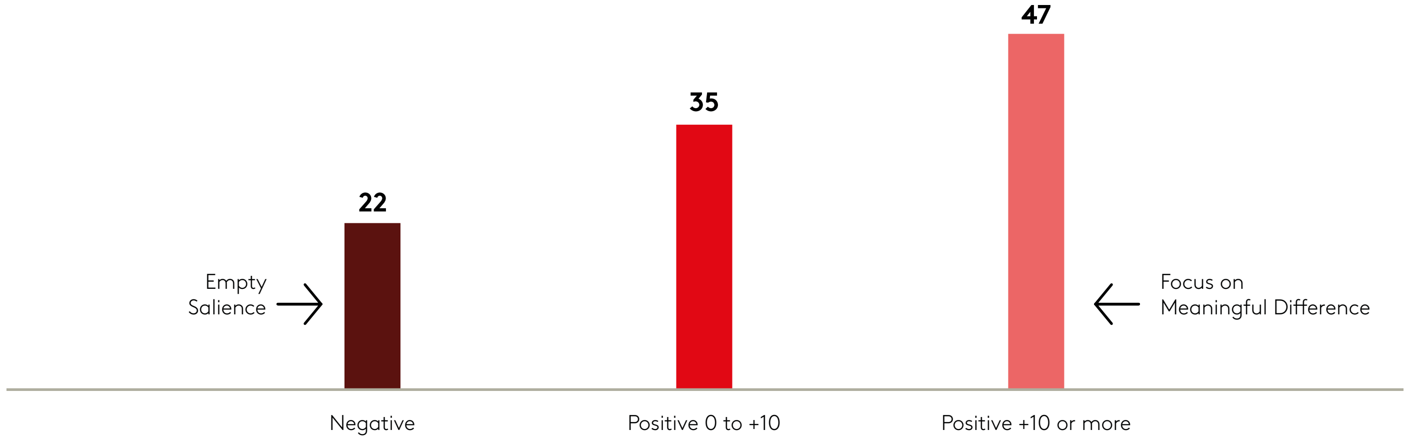
2

Flipped on its head, this last argument further supports the truth: our studies can prove that declining brands have over-invested in salience alone and have neglected nudging their meaningfully different brand associations. Kodak, Blackberry, Nokia, Toys R Us and IBM are some of the brands that were flying high until they weren't. Although decoding their demise is a complex and nuanced exercise, what they all had in common is a strong heritage and high levels of salience. They still vanished though as fame alone is not sufficient for growth.

Average % brand value growth, 2020-2021

Salience gap = (meaningful difference - salience)

Source: Kantar BrandZ



3

Talking percentages, a Kantar analysis of growth brands globally found **only one quarter were able to grow from salience alone. The other three quarters grew from working on that reciprocate relationship with consumers that leads to repeat purchasing – a focus on 'meaningful difference'.**

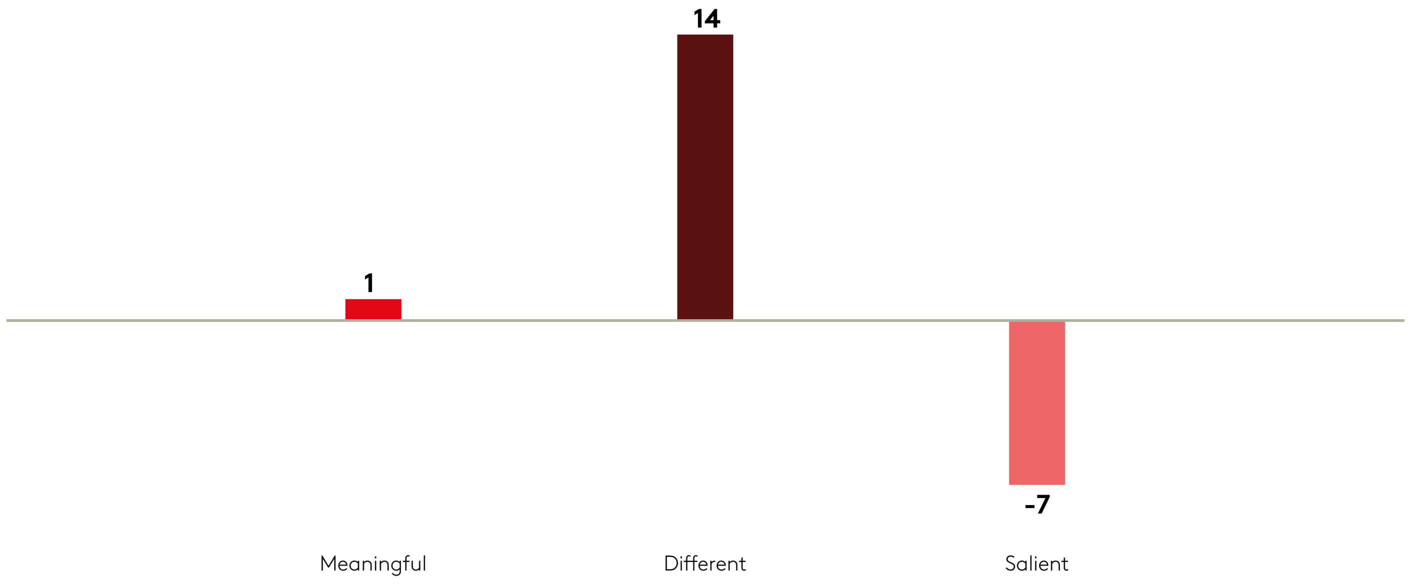
(J Walker Smith's The Courage to Grow White Paper).

4

The eccentric 'differentiate or die' mantra holds great truths. **Over and over again, the biggest discriminator of brand growth and resilience in difficult times is proven to be difference.** The graph below vividly illustrates difference as the definitive advantage for growing brands.

Difference as an advantage for growing brands

Source: Kantar BrandZ



A brand's perception as meaningful and different is linked directly to profit too. Whether consumers are driven by brand (choose a brand first, then look for the best price) or are driven by price (can't resist a good bargain), they are willing to pay more for those brands they single out as meaningfully different. A striking 37% more in the case of brand-driven consumers, a respectable 14% more for those who are price-driven.

Diesel's CEO Massimo Piombini summarises the sentiment artistically: "When you think a brand is expensive, it's because your perception of the brand is wrong. When your perception is right, there is no price resistance. Suddenly paying €250 for a pair of jeans, you think you got a good deal."

How much of your sales are driven by your brand equity? And how can you influence them?

You've built your strategy and you are about to proudly activate it. Small changes in your brand positioning can have an impact on your brand equity or, in measurement terms, those equity measures of your Brand Power that are indicative of your sales.

You can now have a play, puppeteer the image associations that make your brand meaningful, different, salient and test the impact of different scenarios on your equity and sales. This mind to sales simulator helps you optimise your investments for better returns.

Getting brand equity wrong. It can happen to the best of us

Even top brands can lose sight of their brand equity at times when short-term goals become a priority. Adidas' senior Director of Global Media, Simon Peel, has been open about the company's journey to move from efficiency to effectiveness. Giving into the pressures to deliver in the short-term, Adidas over-invested in their digital advertising and their interim sales at the expense of building their long-term brand equity. "We were trying to grow sales very quickly" Simon says, "we were focusing on the wrong metrics, the short-term, because we have fiduciary responsibility to shareholders".

Adidas' rectification action plan encompassed a deeper emotional connection with consumers, a consistent measurement system across the business, in essence, a greater focus on long-term growth.

Binet's and Field's latest research on their 60/40 rule – which is a universal lighthouse on how much to invest in the short and the long term - shows that sales activation is becoming much more efficient. And as this happens, Binet says, "activation requires less budget and so, almost counter-intuitively, the optimum split is shifting away from sales activation towards brand building". To put it simply, Binet continues "in a digital world, emotional brand building is more important than it's ever been".

It's a weakening emotional connection with consumers that's the culprit for the long-term decline of the UK brands (BrandZ UK Top 75). Their scores for 'meaningful difference' – the impressions they leave in people's heads but also in people's 'gut' – have been falling over the last eight years.

In the UK, our plan of action is concrete, and we are partnering with the Marketing Society to bring it to life. We know very well that brand building is dependent on developing an emotional connection with consumers. Also, that this is a prerequisite for mastering the long/short term momentum and achieving solid gradual brand growth. Our 4-pillar plan is designed to equip thirsty-for-growth brands in the UK and all around the world to take transformational action.

Brand equity: a shift in the consumers' mind, but equally, in the marketers' approach. Some home truths to sum up:

- 'Brand' has never been more important. The stronger the brand, the more superior the shareholder returns, the greater its resilience in times of crisis – a proven fact, accentuated by the pandemic
- ROI rocks, we are all in agreement; it shows you what works and what doesn't. But its powers dissipate beyond the short term
- Successful brand building starts with the realisation that we are in it for the long run. A eureka moment that brand building is not a cost, it's an investment
- Measurement is not (or rather shouldn't be) a vanity project; it's a meaningful input into the decision-making process, an input that stimulates interaction and exercises influence in the boardroom
- Measuring and tracking progress is only worthwhile if consistency lies underneath. Building or tweaking one's strategy comes first; the hunt for the world's best brand tracker comes later
- Trading on fame only can leave a brand in an exposed position, as an eroding connection with consumers leads to a brand's eroding value

It seems that the old cliché is wrong: "good things" DON'T "come to those who wait". Good things come to those who work systematically towards acquiring them. Securing a sale and growing your market share are not the result of one action; rather, a series of actions that take meticulous planning. Using the right brand guidance system to measure and build your brand equity is part of the process.

Mary Kyriakidi

Global Thought Leader, Brand Guidance

Future focused brand building

Work with us to create a brand guidance system that will accelerate your brand growth, with validated metrics and leading-edge analytics to help you understand what the future holds.

Find out more

What role do brand cues have in brand equity?

Back to Contents

In the first two chapters we looked at what brand equity is, and why and how you should measure it. Here we take a look at the behavioural science behind the brand associations people have in their minds that contribute to brand equity. We also outline the ways that you can build powerful brand cues that will drive more people to buy your brand.

So why should you care about strong brand assets?

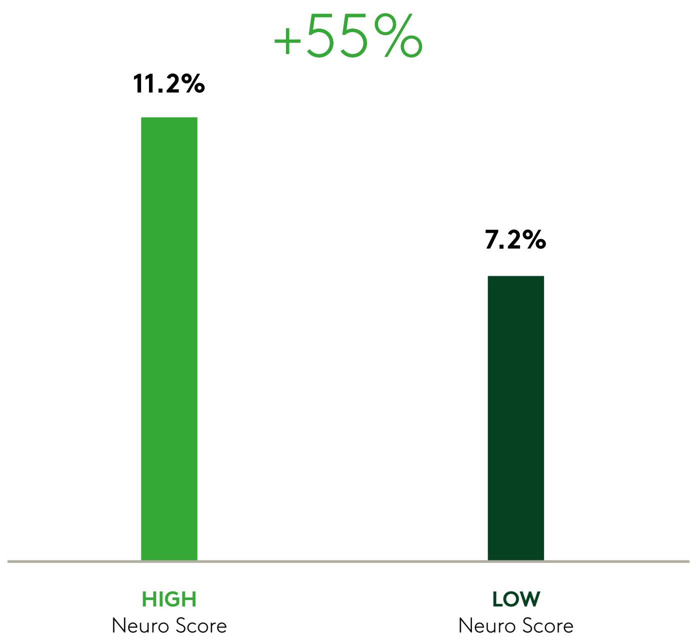
Because having strong brand cues increases your brand saliency by 52% and, perhaps even more importantly, results in a more valuable brand, and the ability to more than double your future growth prospects.

In addition, Kantar's neuroscience research shows that brands strong on 'Neuro' indicators such as instinctive perceptions, emotional connection and brand imprint have a brand equity 55% higher than brands with low 'Neuro' indicators.

Brands with strong neuro scores have stronger equity

Average brand power share

Neuro Index Scores. Base N=46



Gut feelings, the frequent drivers of brand choice, are built up of positive and negative associations with your brand, or, as Mary Kyriakidi astutely points out in chapter one, your brand equity.

But how can you strengthen your brand equity with subtle cues that resonate with your consumers, and lead to sales?

We reveal five ways of building strong equity based on insights from analysis by our global Behavioural Science practice. We also share additional insights from NOVA, the brand behind the earpiece which also doubles as wireless earphones, on how they have used brand cues to drive sales.

Are you wondering if we are going to mention emotions? After all, brand equity is a mould of positive and negative experiences. We will of course reveal the role of emotions as we discuss our recommendations, as this is inherent across all of them.

1

The need to belong

Since the Stone Age, we have had a strong desire to belong to a group, which, according to Professor Gad Saad, can be traced back to "one of four Darwinian overriding pursuits...reciprocity". This gives us safety and a comforting answer to 'who am I?' by identifying with the values of the group. You can reinforce a sense of belonging, and with that, solidify your brand equity, by cuing the idiosyncrasies of the different groups your audience belongs to and by clearly showing openness and a sense of care.

A prestigious brain imaging study has shown that the same brain area, the so called medial prefrontal cortex, gets activated both when we assess a 'socially oriented brand' and when we judge the intentions of people. This demonstrates the extraordinary influence of a brand: even our brain, beyond our conscious awareness, may see brands as powerful as the influence of our friends.

Thus a 'caring' brand may be as strong in influencing consumers' behaviour as a conversation with consumers' friends. Many consumers want to belong to the Apple tribe, and one of the cues of Apple's brand equity is their open-plan stores. They also display photographs taken by people from all over the world, conveying a truly global community.

Establishing a sense of belonging has a pleasant by-product too: it creates positive associations and experiences, the essence of brand equity. Belonging to a group increases consumers' self-esteem, which makes them feel balanced, confident and carefree.

All in all, by creating a sense of belonging, you have elicited positive feelings and experiences, ultimately strengthening your brand equity.

2

Aspirations

As much as we like to belong, we are also motivated to achieve internal growth, as posited in the paper on Self-Determination Theory by Professor E.L. Deci and R.M. Ryan. We can work towards this growth by being in control of our choices (i.e. autonomy), by becoming good at certain things (i.e. competence), and also by feeling loved (i.e. relatedness).

Your brand can help your consumers' inner growth by offering a lifestyle your consumers can achieve (autonomy), or a skill they can learn (competence), or a happy relationship they can establish (relatedness).

One of our recent studies combined insights from our BrandZ database and intuitive associations exploration tool, which uses neuroscience techniques to analyse the ideas people intuitively and immediately associate with a brand, and those which only come to mind when thinking harder about a brand. The study showed that when directly asked, customers don't regard financial institutions as enabling their autonomy. However, their instinctive perceptions of the financial institution category, teased out with our neuroscience method, are that of reassurance, a sense of being in control.

Nike does not claim that their sports gear will make consumers the next world champion. However, it does assure consumers that with their trainers, they will be able to run even faster, increasing their competence. Patek Philippe conveys the idea that you never actually own one of their watches; you merely look after it for the next generation. This passing down from generation to generation creates a strong sense of connectedness.

Being in control makes consumers feel free, their competence makes them beam with pride and positive relationships trigger compassion. What you have achieved by tapping into consumers' inner growth, eliciting positive behaviours and emotions is building another layer of brand equity.

When one of our financial services clients wanted to introduce a new product, they were keen to test how it would be perceived before launching, to ensure it met their aspirations. Using Kantar's intuitive associations exploration tool, our client was able to explore the product's 'instant meaning'. The analysis showed that the product triggered deeply rooted perceptions of 'modernity', 'comfort' and 'safety', which was exactly in line with the brand's intentions, and our client was able to confidently introduce the new product knowing that it would help strengthen their brand equity.

3

Personal memories

A powerful way of building positive predispositions for your brand is by tapping into your consumers' personal memories.

The power of personal (also known as autobiographical) memories lies in the fact that they connect a wide array of sensations and experiences, such as your trying on your grandma's heirloom necklace, the lavender scent of the room, the soothing sensation of touching the pearl, and the loud chirping of the birds outside. You can tap into your consumers' nostalgia through product features: for example, using pearl will remind your audience of their grandma's necklace. You can also reinforce personal memories through your storytelling, by placing your brand in a 1920s scenario on a print or in digital advertising.

This 'nostalgic' brand positioning increases brand equity by creating emotional attachment to the brand by taking the audience back to the past when 'everything was better'.

In addition, brands that create such positive dispositions are also seen more authentic. Nostalgic brands can also replace real social connections, thereby becoming as strong an emotional support as one of consumers' loved ones. Lacoste's 'Timeless' advertisement takes the audience back to the 1930s, evoking memories of their grandma sharing stories of her first love affair, her fierce fight with her parents over her engagement, and the decadent wedding they eventually had.

One of our automotive clients, owning a strong 'traditional' brand equity, wanted to modernise their brand through upbeat music in their advertisement. Using Kantar's intuitive associations exploration tool and Link ad testing our client was able to confirm that this attempt would have failed: the audience still preferred the brand that took them back to the peaceful and comforting past. As a result, the client continued to use their 'nostalgic' auditory cues to maintain their existing brand equity.

4

The power of design

Brand assets such as shapes and patterns can evoke strong predispositions and become a powerful route towards strengthening your brand equity. One of our recent studies combined insights from our BrandZ database and brand asset optimisation tool, which accesses intuitive responses to understand which brand assets uniquely bring a brand to mind. The study found that alongside logos, shapes and patterns are the strongest assets (please see chart) simply because our brains are on a hunt for shortcuts (heuristics) to lighten the cognitive load.

The magic of such, seemingly tiny brand cues lies, partly, in how our memory works.

The moment people detect your brand assets, even if they are not consciously aware of noticing them, neurons start to fire. Emotions, triggered by your assets, as well as real or imagined sensations (such as smell or touch) help forging your asset in consumers' brain. The work in the memory continues, and the asset may become part of consumers' short-term and even long-term memory.

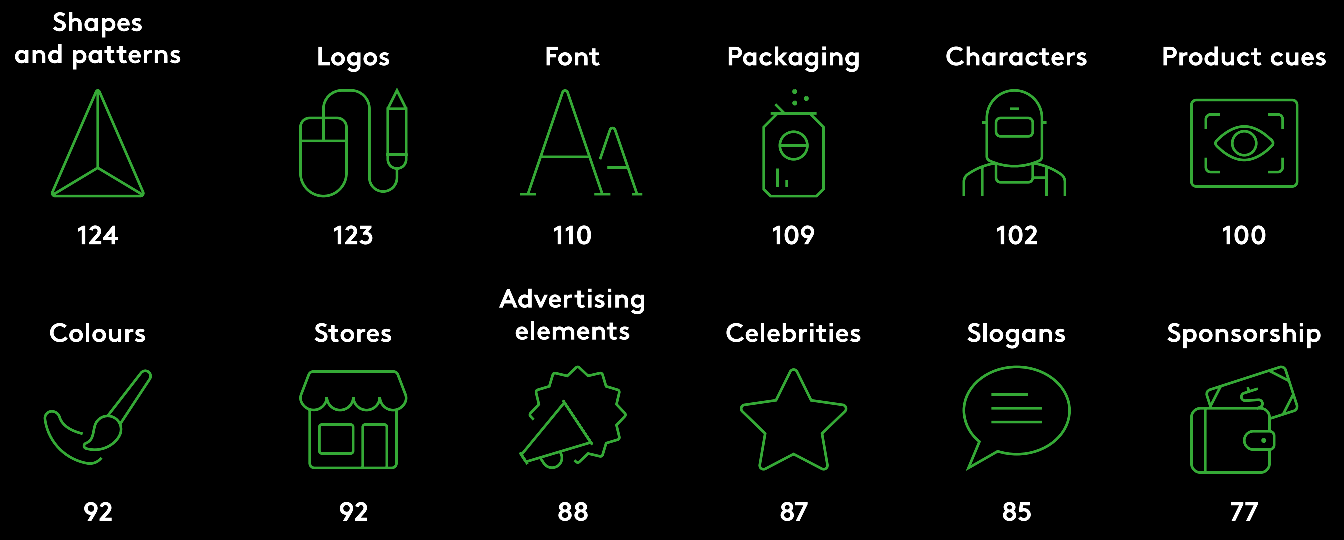
In addition, different facets of your brand cues leach onto different nodes in our spider-web like memory, which further strengthens the power of your brand: the colour of your asset may trigger the colour of consumers' mother's eyes, which may then evoke the love for their mum, and so forth.

Meeting your brand cues through various experiences and touchpoints engrains your brand asset in consumers' memory even more. This, then can increase the likelihood of consumers choosing your brand over the competition.

Performance by asset type reveals basic shaps, patterns and logos are most effective in cueing brands

Average score = 100

Based on 228 brands, 28 categories, 1,390 assets



Furthermore, studies have shown that shapes evoke emotions. For example, one study found that curved and less complex shapes in general are more likely to lead to positive feelings.

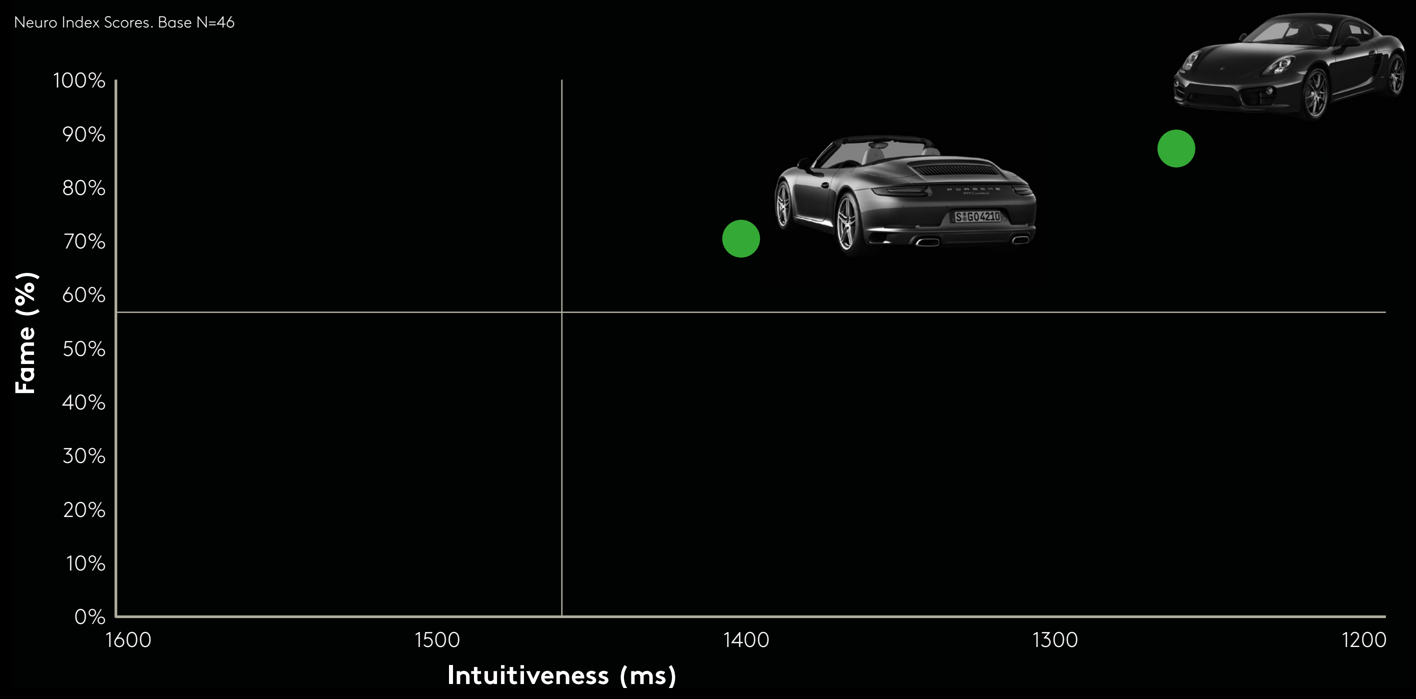
In addition, the sheer act of imagining touching materials, for example, steel, wood, metal, creates a sense of ownership; your consumer already feels as if they own your brand. This sense of ownership, or endowment, also means they don't want to lose you, they insist on you like a wolf on its prey.

Chanel's 55.5 necklace is not only made of white gold and diamonds, but its 'pendant' is the shape of their Chanel No. 5 perfume bottle. The shape of Porsche's 911 is not only iconic but is also a strong and instinctive brand cue – as seen in the graph.

Porsche 911 is an instinctive asset driven by its shape

Most instinctive brand cues

Neuro Index Scores. Base N=46



A word of caution: even though shapes are the strongest brand cues, it is not guaranteed they will work for your brand. One of our clients within a highly aspirational category felt confident they had strong assets; however, they decided it was time to put the assets to the test. Using our brand asset optimisation tool, they were able to see that while their logo was indeed a strong and distinctive asset, most of their other assets, including shapes, were mixed up with their competitor. We therefore suggested the client never use their brand assets, bar the logo, independently, out of context, as they were likely to benefit their competitor.

5

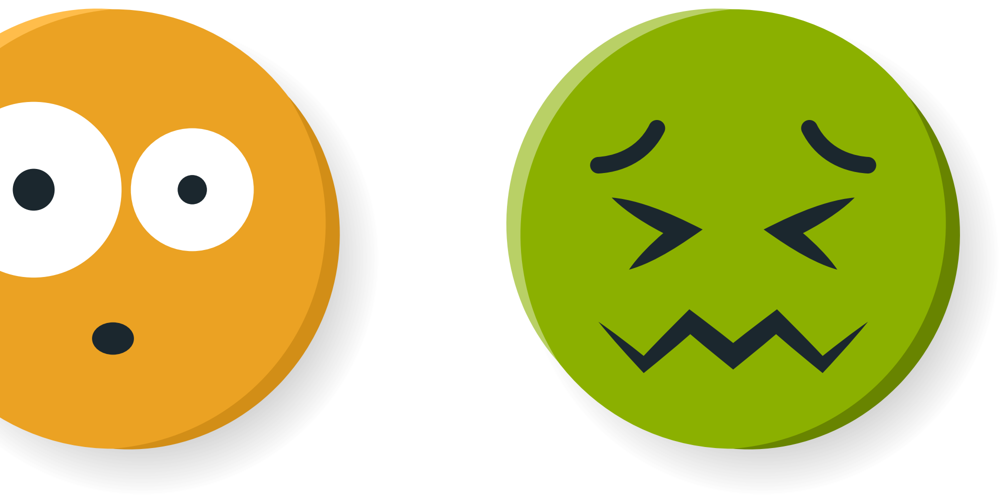
Emotions

What about emotions, you ask? We clearly need emotions to strengthen brand equity. After all, the ancient part of our brain, the limbic system, orchestrates memory, emotions and behaviour. The truth is though, that emotions will spark alongside the recommendations, as we have demonstrated above.

As Professor Saad says in his book, The Parasitic Mind, "We are both thinking and feeling animals. The challenge is to know when to activate the cognitive (thinking) versus the affective (feeling) systems". Separating emotions from thoughts is arbitrary and has no use in shaping consumer behaviour.

Reflecting the scientific viewpoint, at Kantar we fuse our thinking (Type 2) and feeling (Type 1) measurements: our neuroscience methods reveal feelings, emotions, hard-to-articulate perceptions, which we integrate with what consumers said and thought in our surveys.

Insights from Kantar's recent Creative Effectiveness Awards have also revealed that triggering an emotional response is one of the five habits of the most successful advertisers: "Making the viewer feel something wins engagement for the ad, bypassing the natural tendency to screen out advertising" having "positive effects on the brand's emotional associations."



How NOVA built strong brand cues to drive sales

NOVA achieved 100% funding within one hour of its launch. Many of the cues that NOVA used to build strong brand assets reflect the four routes of building positive brand associations we described:

- **The 'need to belong':** In visual branding, NOVA uses models that represent the diversity of different consumers
- **'Aspirations':** The materials used, silver or gold and pearls, are perceived as high quality and when the user is wearing it, they feel their social status elevated
- **'Nostalgic memories':** the pearl might evoke memories from the audience's childhood, remembering their grandma's pearl earrings and all the positive emotions with that
- **The 'psychological power of design':**
  - NOVA chose pearl because the circular shape represents wholeness and original perfection. In addition, the jewel – silver and gold – evokes tradition and elegance
  - In the design, NOVA tried to stay away from edgy corners since these represent rigidity and go against the premise that tech flows, changes, evolves
  - The colour palette of the brand, green, aubergine and yellow mustard, denotes luxury, strong and vibrant personality

How do you know if you have done a good job?

How do you know if you have built strong brand cues that will contribute to the strength of your brand equity? A safe way of discovering this is through measurement, and by using our neuroscience techniques, such as intuitive associations exploration and brand asset optimisation, within the right brand guidance system, we can help you make informed decisions for brand growth. Do get in touch if you would like to find out more, or discuss how you can strengthen your brand cues to drive sales and strengthen your brand equity.

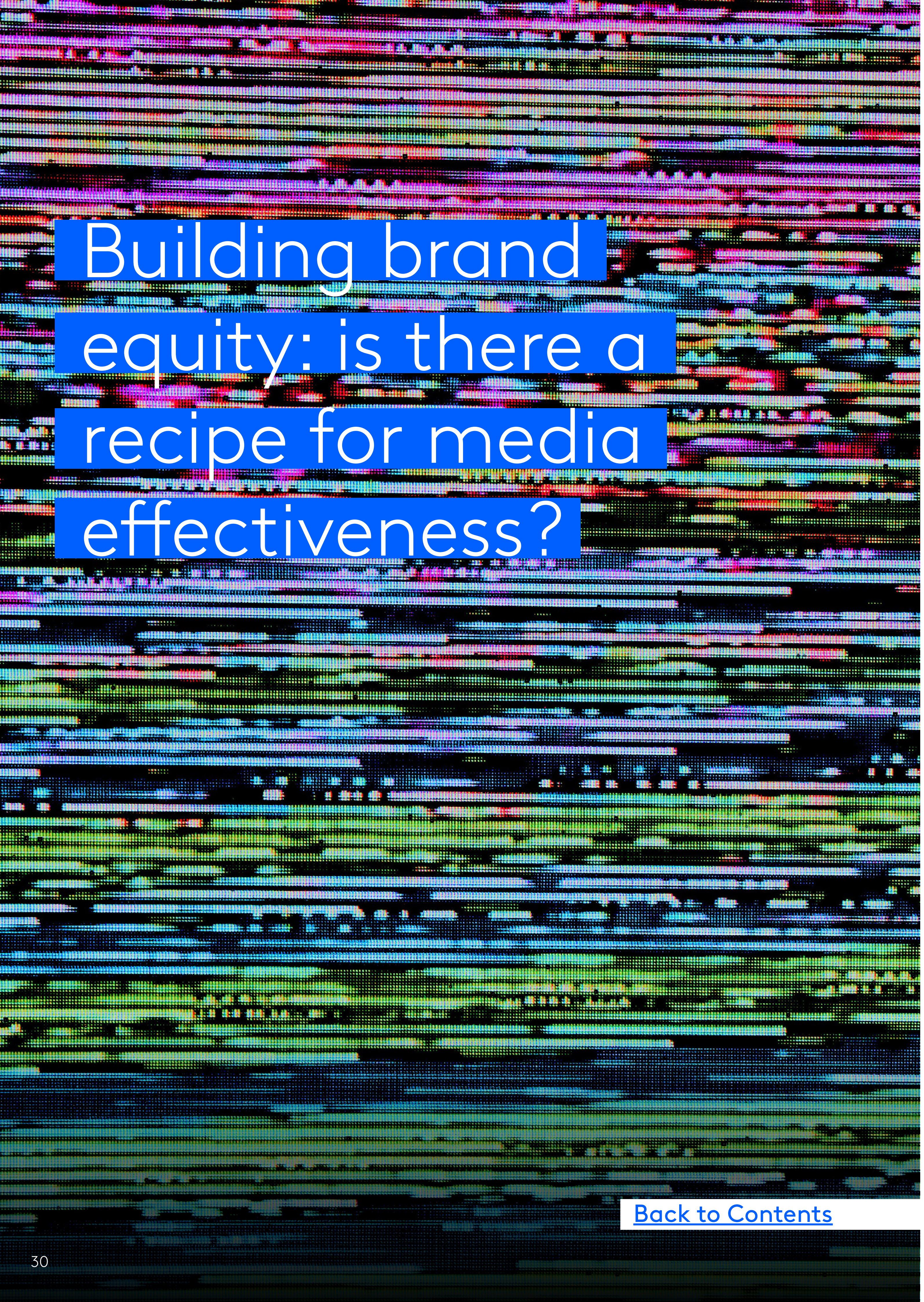
Eszter Boczan

Global Director, Behavioural Sciences

Optimise your brand assets

Know how quickly and easily different assets are intuitively associated with your brand with Brand Imprint which uses the latest behavioural sciences and approaches.

Find out more



Building brand equity: is there a recipe for media effectiveness?

Back to Contents

We now turn to the important contribution media effectiveness can play in building brands. Media Reactions 2020 shows that advertisers are less confident than ever in getting the mix right between their online and offline media investments.

The study showed that 51% of marketers say they are not confident they have the right media mix (up from 44% in 2019).

Finding the right combination of media channels to optimise ROI and achieve brand objectives is a challenge, but examining Kantar's CrossMedia database shows that there is clear guidance on which channel mixes work best for different brand objectives.

Understanding media effectiveness

To uncover the recipe for the optimal media mix and to understand which channel synergies work in combination to meet specific brand objectives, Oxford University's Saïd Business School conducted the largest ever academic study into media effectiveness based on an analysis of Kantar's CrossMedia database. The analysis covered 1,105 multi-media campaigns (including paid, owned and earned media) with an average spend of $12m and a total spend of $13bn, across 557 brands and 51 different countries.

The focus of the analysis was to understand how successful advertisers are at building brands using their current media mix, based on four key brand metrics: awareness, association, consideration and motivation. The findings are intended to inform media strategies and help optimise media plans to improve ROI.

The composition of media channels used for each campaign was examined, and the effectiveness of those campaigns in achieving the brand metrics was assessed. Machine learning techniques including spectral clustering were used to group similar campaigns based on the channels chosen. Nine campaign typologies were identified based on the weight and the likelihood of each channel being used as part of the mix.

Nine media plan clusters

	1	2	3	4	5	6	7	8	9
Major channel(s)	TV	TV Online display	TV Radio	TV Youtube	Outdoor	TV Outdoor	TV Newspaper	TV Facebook Outdoor	TV Facebook
Minor channel(s)	Online Video	Outdoor	Outdoor	Facebook Online display	Online display Facebook		Outdoor		

In eight out of the nine media plan clusters, TV is the dominant channel, used in combination with other major or minor channels. Major channels are those with a higher proportion of spend and minor channels a lesser proportion. Each of these nine clusters was then explored to understand their synergistic contribution to the brand objectives.

The analysis found that the average brand campaign could have been 2.6 times more effective with a different allocation of media spend.

It also identified that two-thirds of campaigns (65%) feature channels used in a dominant way (major channels), and supplementary channels (minor channels) are used in around 30% of campaigns.

There is no one recipe

The study concludes that no single media mix is best for all brand outcomes, and hence there is no single recipe for campaign success. However, there are some clear lessons on which channel mixes work best for specific brand objectives. For example, while heavy investment in TV and Newspaper are generally most effective in increasing awareness, TV, Facebook and Outdoor can better drive motivation.

The best performing media plans

	Major channel(s)	Minor channel(s)
Awareness	TV/Newspapers	Outdoor
Association	TV/Facebook/Outdoor	
Consideration	TV/Youtube	Facebook/Online display
Motivation	TV/Facebook/Outdoor	

The key findings include:

1. Campaigns that underdeliver often invest too heavily in one or two channels and should consider the synergistic effects of a better channel mix.
2. TV advertising is still an effective bedrock for campaigns, but shouldn't dominate investment.
3. The combination of digital and offline channels is a powerful mix and should be considered carefully in line with campaign objectives.

The results show that brand owners are unlikely to achieve different outcomes using the same campaign or channel mix, so it's back to basics:

the main priority for marketers is to clearly identify campaign objectives and consider channel synergies at the start of the planning process.

Jane Ostler

Executive Managing Director, Creative & Media

Optimise your media plan

CrossMedia helps you optimise your media mix across channels to deliver impactful campaigns and improve return on investment.

Find out more

How can you build brand equity in dynamic touchpoint landscapes?

Back to Contents

Chapter four revealed that campaigns could be 2.6 times more effective in building equity with a different media spend allocation. In an increasingly complex media landscape, how can you ensure you invest in the touchpoints that have the most impact?

We now broaden the focus with analysis from Kantar's Connect touchpoint database to look at paid, owned and earned touchpoints, and how their impact on brand building has evolved.

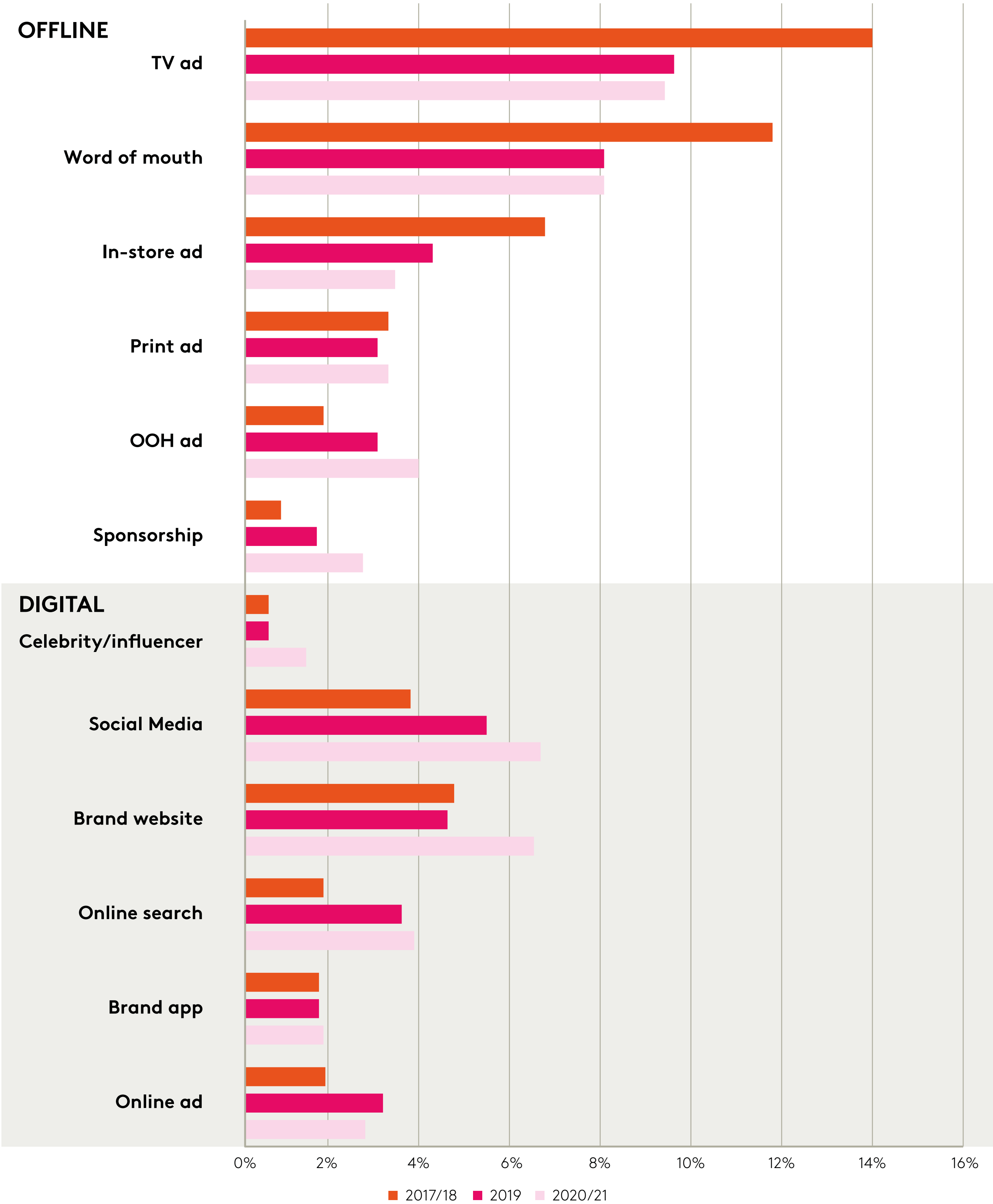
With 20% of all touchpoints accounting for 80% of brand impact – knowing which consumer interactions to target is essential for brand strategy.

Dynamic media landscapes

While marketers around the world strive to understand the impact of changing consumer behaviour and media consumption during and after the pandemic, the dynamism of media landscapes is not a new phenomenon. A new year-on-year analysis across 40 consumer touchpoints reveals how the importance of touchpoints has been evolving over the past few years, globally and locally – both digital and offline.

Over the past four years, the advertising market has become more dynamic. The overall impact of all touchpoints on brand equity, and therefore the influence of marketing activities, has increased from 16% to 19%. The impact of paid touchpoints has grown (from 28% share to 30%), while earned touchpoints have gradually lost impact (from 46% to 41%). This is good news for marketers, as it improves their chances to communicate directly with consumers.

Share of touchpoint impact on brand equity over time (Selected touchpoints)



Digital channels saw the biggest growth in share of impact – from 36% to 49%. As digital ad spend continues to rise globally, the share of touchpoint impact is likely to continue to grow.

In contrast, the impact of offline touchpoints has declined. TV ads, word of mouth and in-store activation decreased in their quality of experience, resulting in a much lower brand impact. The impact of print stayed stable and OOH ads and sponsorship touchpoints have grown. This is mainly due to increasing mental availability, although the quality of experience actually fell. This means that brands continue to invest in traditional touchpoints, but their effect on consumers' brand perceptions is declining, which reduces the return on investment.

Monitor and course-correct

Ongoing digitalisation offers competitive opportunities for brands that understand how to use digital channels effectively. Our US financial service client tracks the touchpoint landscape in the finance industry annually. They saw a gradual increase in the impact of digital touchpoints year-on-year. While TV had always been in the lead, in 2021, YouTube (ads and content) topped the list. At number three, TV was still the biggest contributor amongst traditional paid media – although it was trailing in terms of experience quality. Podcasts took a leap forward to one of the top five touchpoints with almost three times the average category impact.

The importance of digital media for the category was clear from the 2019 study. Our client subsequently moved spend from less impactful touchpoints to digital ones, and the 2021 study proved how valuable digital was in building the brand. Touchpoints like education programmes and community volunteers now have less impact, so we are now advising our client to shift spend to more impactful touchpoints such as OOH, social and podcasts, which have shown consistent upward progress.

While we see the increasing importance of digital channels across countries and industries, our analysis also uncovers trends that are specific to particular industries. A German automotive client continuously monitors the touchpoint landscape in their major markets. They saw the impact of big automotive fairs steadily decline year-on-year, so they decided to shift investment to smaller local fairs, particularly in Asia, where they saw greater potential to engage with consumers. As a result, they managed to create higher mental availability and greater brand impact with a similar budget.

Look beyond touchpoint reach

When monitoring the impact of brand touchpoints over time, it's important to look beyond reach. It is the quality of experience that matters.

A beverage brand in Europe had been investing heavily in OOH and promotion in hotels, restaurants and cafes (HORECA). During the pandemic they feared they might lose brand impact as the pandemic lockdown forced consumers to stay at home, and restaurants, cafés and bars were temporarily closed. Their touchpoint tracking revealed that their brand suffered less than expected: while the reach of OOH and HORECA went down notably as anticipated, the quality of the experience increased compared to previous years. This almost compensated for the lower reach. Spending time outside and in restaurants or cafés had turned into a more special event during the pandemic and thus brands have better opportunities to engage with consumers in those valuable moments.

While the pandemic has accelerated digitalisation, touchpoint landscapes have always been dynamic, and even small and local events can lead to significant changes in the importance of brand touchpoints in some markets. A new competitor, or a competitive campaign, has the potential to change market dynamics and change the effectiveness of brand communication.

Monitoring touchpoint landscapes over time is key to understanding how they are changing and identifying challenges and opportunities to inform future investment.

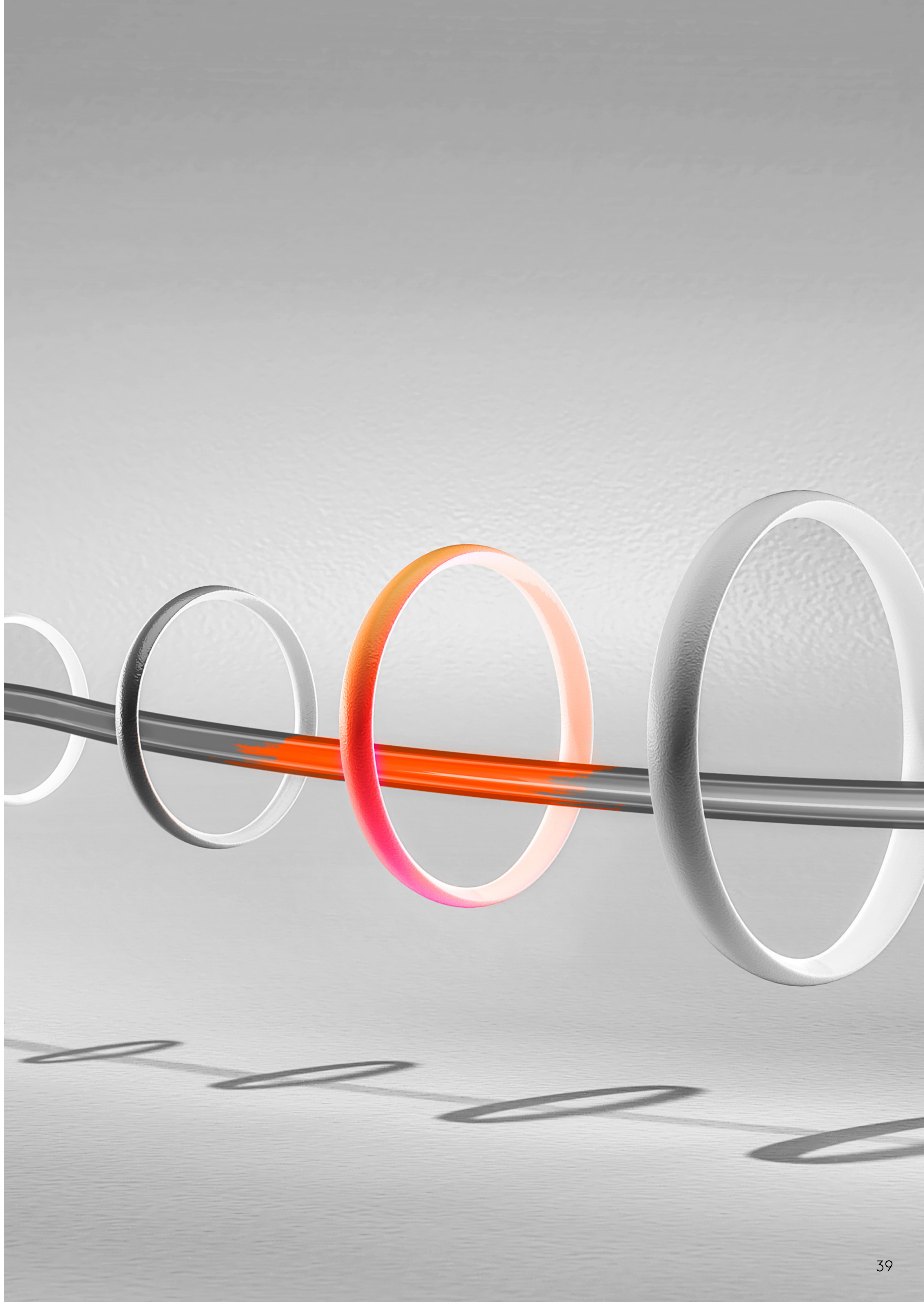
Nicola Niesl

Global Development Director,
Media, Insights Division

Maximise your touchpoint effectiveness

Connect shows which paid, owned and earned touchpoints have the greatest brand impact, and how they work together, to optimise your media and marketing spend.

Find out more



How can you build brand equity through meaningful purpose?

Back to Contents

It's important to understand and measure brand equity, pre-disposition and brand power. Creating an emotional connection is key to long-term brand building and brand assets are key to this. And there is compelling evidence for brands to be meaningfully different, in terms of their ability to command a price premium and greater potential to gain value share in the future. We now look at how brand owners can build meaningful difference through emotion and are increasingly using brand purpose to do the job.

Meaningful difference is hard to find

Kantar's BrandZ brand equity research shows how being meaningfully different is the key to building a powerful, valuable brand. So how do we go about doing this?

For many brands this seems daunting. A quick glance at a few categories reveals the nature of the problem. Most brands operate in very demanding competitive situations. Consumers have an overwhelming range of choices in many cases. But often there's parity between brands and few functional differences to see. Not to mention that some categories are not very engaging, and consumers might not care that deeply for the brands on offer. These are not uncommon situations. It's often quite tough to find something worthwhile to build your brand around.

Given this, it's not difficult to see why some brands are turning to brand purpose to act more responsibly and find that elusive point of meaningful difference.

Brand purpose offers an alternative path

In a broader sense, the idea of having a 'purpose' beyond making profit is not new. Successful brands have always stood for an ideal that captures the consumer's imagination. For example, Coke's 'Open or share happiness' reached beyond product benefits and promised a social good of bringing people together.

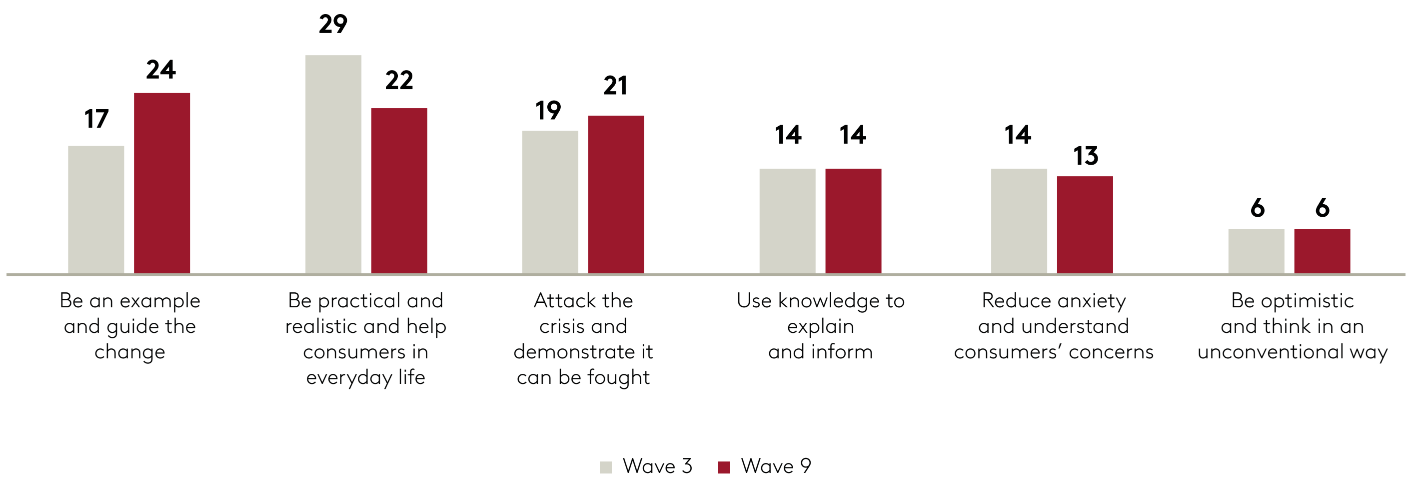
But purpose defined this way is largely a brand's purpose within its category, rather than the broader 'higher purpose' that links in to a social or environmental issue, that we might think of today. And when we think of brand purpose as 'higher purpose', some obvious success stories leap out. For example, the outdoor clothing brand Patagonia, the cosmetic brand Lush, or the household and personal care brand Seventh Generation.

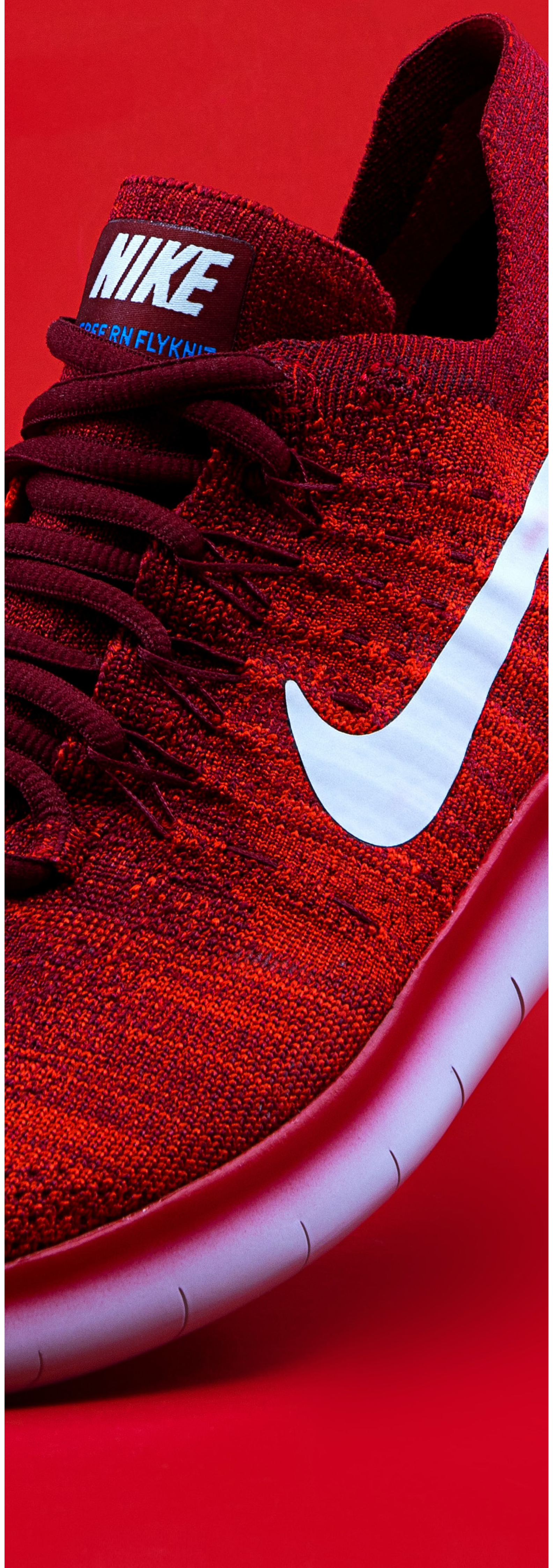
These often-quoted brands had a higher purpose embedded in them from the outset. Their sustainability credentials are very clear. And their purpose is closely linked to how their organisations run and their company culture. Their authenticity, their values, their messaging and what they offer draws consumers to them.

The allure of this kind of success is understandable. So much so that it appears these brands are tapping into a wider shift in brand marketing toward brands that play a stronger role in addressing societal and sustainability issues. As Kantar's COVID-19 Barometer shows, consumers increasingly expect brands to play an active role in making the world a better place. This shift will only intensify.

Consumer expectations of brands

Source: Kantar COVID-19 Barometer





At the same time, these purpose-led brands stand in stark contrast to their more established competitors. Whilst brands such as Dove or Nike have successfully evolved with this shift, building strong purpose credentials, many others have struggled. We've all seen examples where a newly acquired brand purpose has felt forced, inauthentic, or even irrelevant to the brand.

The problem is that unlike newer brands, social and sustainability issues weren't given much thought when most well established brands were first conceived. And some established brands don't easily lend themselves to having a higher purpose.

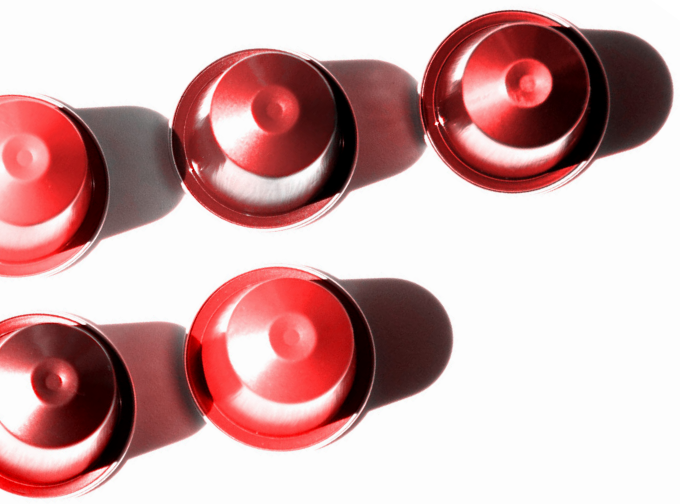
So, how do established brands move forward to acquire an authentic purpose?

Learning from brand purpose success

We can learn lessons from where we see success. These two well established brands illustrate how to authentically evolve a purpose:

— Nespresso 'Made with care' is a great example of a brand taking on sustainability and fairness issues that are important in their category. In this they retained links with George Clooney as a celebrity spokesperson, keeping continuity. But this is more than a campaign; the company has committed to being carbon neutral by 2022

— Nike's 'Just Do It' campaign re-boot took a provocative stance on racial stereotypes through Colin Kaepernick, subsequently followed by 'Dream Crazier' challenging females stereotypes with Serena Williams. Nike supported this with tangible action – it significantly invests in organisations focused on economic empowerment, education, and social justice to address racial inequality for Black Americans. This approach continues with their latest campaign 'You can't stop us'



These are award-winning marketing efforts from well-known brands. Neither started out with their purpose, but have developed a purpose that flows naturally and authentically from their brand positioning. Some commonalities emerge:

— Their purpose is relevant to the category in which they compete, grounded in a category need, based on emotion

— Their purpose is not tacked-on but cohesive and well aligned with the brand positioning

— They back their purpose up with tangible action

This kind of authentic purpose doesn't happen by chance: it requires the discipline of robust brand strategy development. For established brands looking to develop purpose, the link with emotion may not be that evident. Some brand owners might assume that simply having a higher purpose is emotional – you are showing people that you care. But is this enough? As we saw in the early stages of the pandemic every brand was quick to show they cared. The advertising was a sea of sameness doing nothing for brand differentiation.

It needn't be this way. Before 'doing' purpose, brands should be clear about what emotion they are trying to capture through their position. The emotion in their purpose should also reflect this.

Start with emotion

Emotion should underpin everything a brand does – aligning through every touchpoint, from logos to brand experiences, communications, packaging and so on. Is our brand warm and friendly or is it bold and dynamic? Is this tonality implied through the logo expression? Is it aligned with the emotion in all communications? Brands with the 'irresistibility factor' align every touchpoint on emotion and this contributes to their meaningful difference. This kind of alignment ruthlessly and consistently executed builds emotive clarity over time.

Looking more deeply at Nike we see a powerful example of emotive clarity expressed through its touchpoints.

The Nike brand expressed through touchpoints

NIKE

JUST DO IT.

— Bold, dynamic, and provocative emotions make it unique from competitors

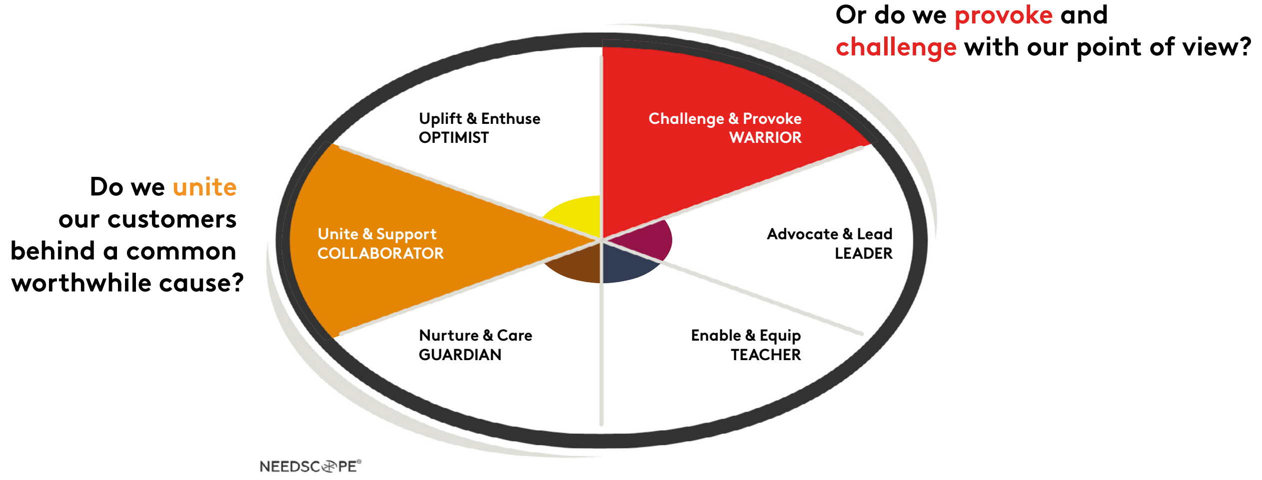
— Its famous swoosh logo and 'Just Do It' tagline radiate emotion – these powerful symbols give out a dynamic and active feeling, well suited to sports

— Its ad campaigns are provocative but stay true to the spirit of the Nike brand

Build consistent emotion through brand purpose

Likewise, purpose should align too, along with all the other elements that support the brand positioning. Whilst purpose can show how a brand cares, there are a range of ways a brand can bring this to life, each of which deliver a different kind of emotion. The NeedScope model below uses psychological principles to reveal the range of emotion a brand can tap into. These form the basis of potential positioning territories that brands can occupy to define their meaningful difference. What emotion do we want to reinforce for our brand? What kind of role could our brand play through purpose?

Potential brand roles using purpose



For example, if your purpose is to empower women, do you take an activist stance by overtly challenging stereotypes? Or do you support education initiatives for under-privileged groups that brings women together? Similar purpose – different emotive delivery.

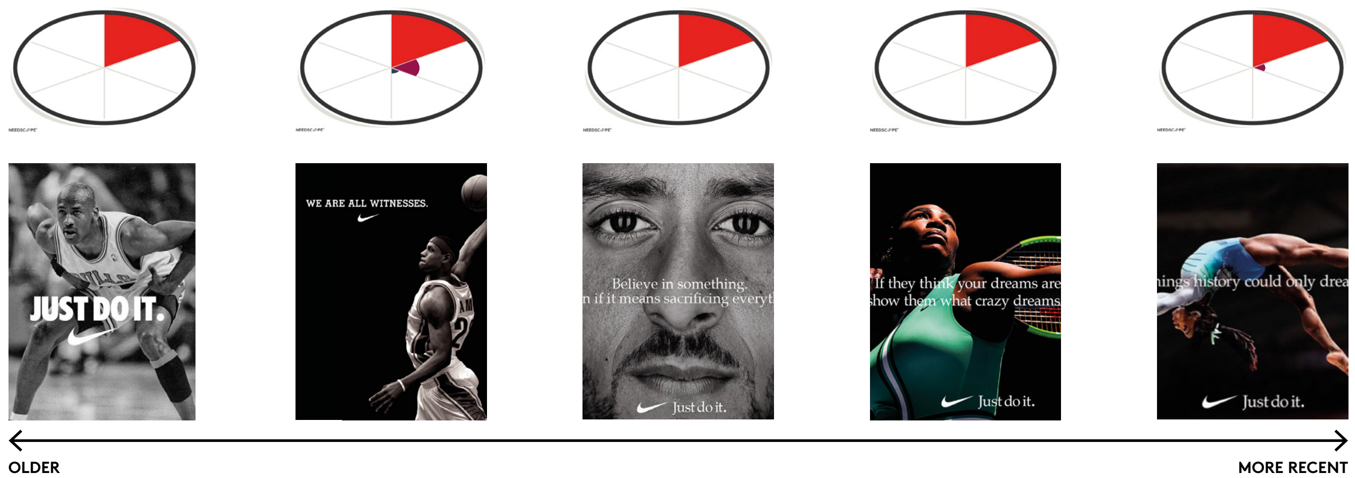
Returning to the Nike example, we can apply this model. By its nature, the bold, dynamic, and provocative emotion inherent in the Nike brand place it in the ‘Red’ territory of the NeedScope model.

By choosing to take on purpose issues such as the treatment of minorities and female stereotypes in sport, Nike could have executed in a heartfelt, caring way like a lot of purpose advertising. They chose not to do this, but to challenge and provoke on these issues. In doing so their purpose execution was tonally consistent with the Nike brand itself.

Take the time to do purpose right

What’s more, by comparing older Nike executions with the newer purpose ones, we can see how the brand has evolved consistently over time. Its messaging has shifted from simple associations with successful sports stars to more nuanced recent messaging encompassing social causes. But most crucially the code and tonality has remained remarkably consistent. This tonal consistency is clearly seen when analysed through the NeedScope AI Decoder (a tool that uses machine learning to decode the emotion in advertising). All are consistent with the emotion in the ‘Red’ space – aligning on the active, dynamic, and provocative emotion Nike is famous and meaningfully different for.

Emotive clarity: Nike ads are tonally consistent over time



It’s this consistent, well aligned evolution that makes Nike’s purpose feel more authentic. Its purpose is a continuation of an ongoing brand story. It should come as no surprise that Nike is a consistent high performer in the Kantar BrandZ global top 100.

Brand purpose represents a big opportunity for well-established brands to find a valuable point of meaningful difference. But the pathway to authentic purpose demands a lot from brands.

The rewards are there for those that have the courage to take a stand, they focus on the emotion they need to capture and the discipline to execute consistently over the long haul.

Myles George

Global NeedScope Director

Optimise your brand positioning

Create brands with a sharp, differentiated and consistent positioning and clarity of purpose, with NeedScope.

Find out more

How can you influence consumer perceptions to build brand equity?

Back to Contents

Now we turn the spotlight on the forces of influence that can shape, and deepen, the perceptions from consumers that lead to strong brand equity.

Inside consumer's minds

In 2017, McKinsey published a cornerstone article based on new data about the real consumer decision-making journey. It evolved the old funnel model and identified a truly cyclical process. Crucially, it validated what we already knew: that brands needed to 'hook them early', since initial consideration explained more than 60% of growth. In 2019, Kantar analysis of growth drivers again concluded that market share growth was dominated by creating brand predisposition.

The Kantar BrandZ global brand equity study has collected a wide range of data on perceptions of brands since 1998, among consumers and business decision-makers.

It relates these to brands' ability to drive demand, both in the short and long term. It uses a validated approach called the Meaningfully Different framework to capture metrics that are predictive of sales – based on demand (Power) and willingness to pay (Premium).

But why are some brands perceived to be more Meaningful, Different and Salient than others?

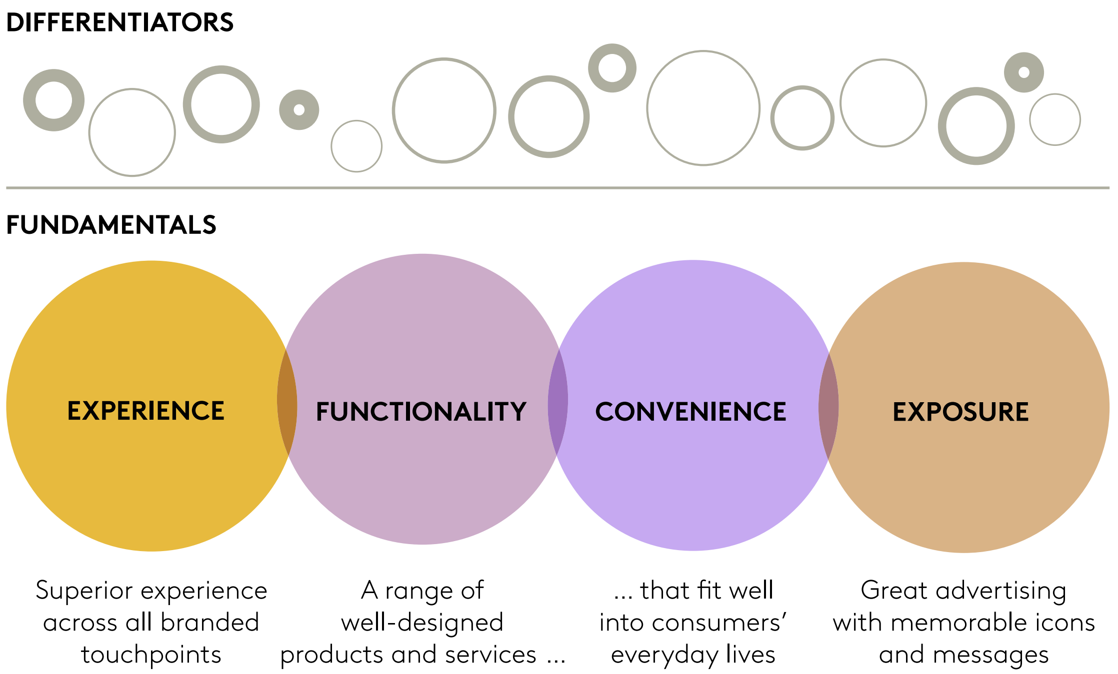
New analysis reveals the drivers of consumer perceptions that contribute to the brand equity measures of Power and Premium.

Unlocking consumer perceptions

We conducted a two-stage analysis on data from over 400,000 respondents in 2019-20, covering over 11,000 brands. First, we converted 28 attributes into 18 brand image pillars using factor analysis. Next, we used Brand Structures Analysis (based on Bayesian modelling) to create a complex model of relationships between the brand image pillars and Meaningful, Different, Salient and Power metrics.

All brand image pillars had some contribution to the Power metric. However, the most significant finding was how four fundamental areas typically account for around 70% of brand equity globally. These areas should receive more focus and attention from marketers for every brand. The remaining 30% can be built from a wide range of brand-specific differentiating attributes and perceptions.

The four fundamentals of brand building



The four fundamental areas are:

— **Experience.** Strong brands both meet the expectations of new users and continually deliver a superior experience to regular users. The memories laid down by these experiences are one of the key foundations of a brand's relationship with its customers

— **Exposure.** The best brands are created in the mind of the consumer through great communications, which define the brand and 'frame' the actual product or service experience. Messaging needs to be relevant, memorable, creative and consistent

— **Functionality.** Ensure you offer a product or service that is seen as well-designed with a suitable range of options – and innovate as necessary

— **Convenience.** In a consumer-led environment, it is essential for brands to fit seamlessly into the everyday lives of users. Brand choice should be habitual and easy, without the need for conscious thought from busy consumers

Clearly, circumstances vary depending on the nature of the brand, the market, the category and the types of customers involved. This will affect the overall importance of the four fundamentals and the relative importance of each.

Together, the four fundamentals relate to consumer perceptions shaped by good management – and synergy – of the basic elements of marketing: product, place, price and promotion.

The design of the product or service, its efficacy or quality of delivery, its packaging and handling; all these marketing decisions will impact the fundamentals. A brand's distribution channels can also shape the experience and impact its convenience. Its pricing will set expectations for experience and quality, and effective promotion will ensure the brand is always mentally available.

Bringing the Fundamentals to life: examples from Kantar BrandZ

Experience

Retail and airline categories have brands that excel in delivering a great experience. Great experiences increasingly come from online shopping environments. Two of the best-perceived brands are JD in China, and bol.com in the Netherlands.

Airlines, particularly national carriers such as KLM, Emirates, ANA and Lufthansa, evoke a sense of national pride and an emotional connection with users. This strengthens the memories of flying with them and makes them more Meaningfully Different than other carriers.

Exposure

Many brands have been awarded for the creativity and effectiveness of their communications. The right messages, resonating through memorable devices and stories, are a vital part of marketing. Brands like Pampers, Nike, Heineken and Nintendo stand out in our database as achieving this consistently over time to build up a store of positive brand associations that feed both the Type 1 and Type 2 decision-making parts of the brain.

Two of the strongest examples are well known for their use of furry friends in the UK: the Dulux sheepdog and, with data shown below, comparethemarket.com, a price comparison website, promoted through a loveable – if unconventional – meerkat family.

Functionality

Meeting the basic needs of consumers is summarised by two attributes: having well-designed products or services, and offering a good range. Almost all leading brands perform well in these areas but two brands that stand out are Amazon and Samsung. Both are democratic brands that try hard to bring the best to everyone. Amazon retail – across more than 50 studies around the world over the last two years – has an average index of 126 on Functionality.

The example to the right shows Samsung in its home market of South Korea for consumer technology, but results are equally strong in mobile phones, consumer electronics and domestic appliances in many countries around the world.

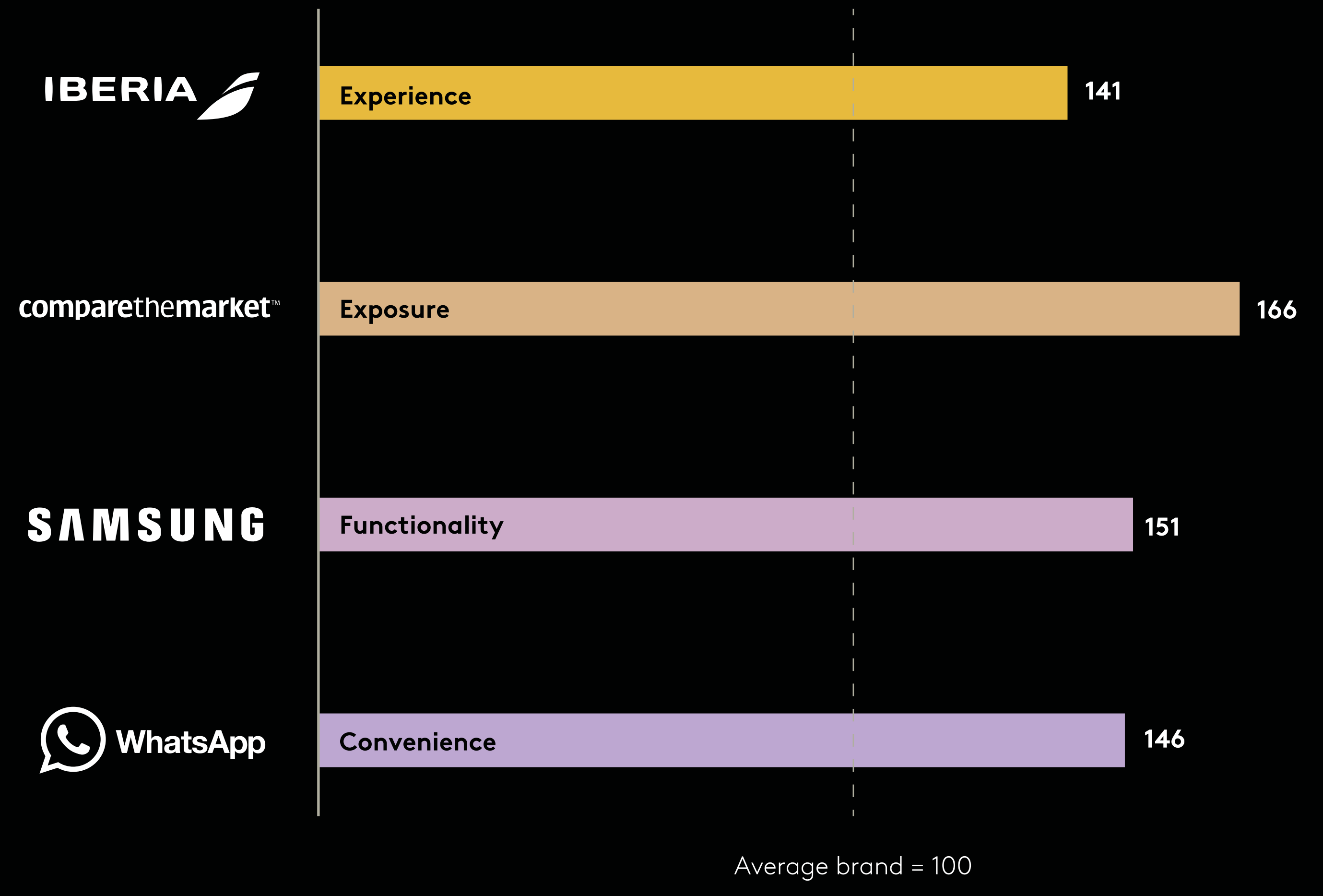
Convenience

Our evidence shows that consumers have increasingly adopted brand ecosystems – choosing products that work well together and fit seamlessly into their everyday lives. People prefer simple choices. Convenience has become king in a time-pressured world.

Some of the best performers are digital native brands that put the world into the palm of your hand through mobile applications, like WhatsApp, Just Eat and Meituan, the Chinese delivery brand that connects consumers to over 200 product and service categories, from ride hailing to food delivery and even movie ticketing.

As the data from WhatsApp in South Africa shows, the brand's primary value to its users is the reliable simplicity and ease with which it can keep them in touch with everything that's important to them.

Excelling in the fundamentals



Strong brands perform well on all four fundamentals

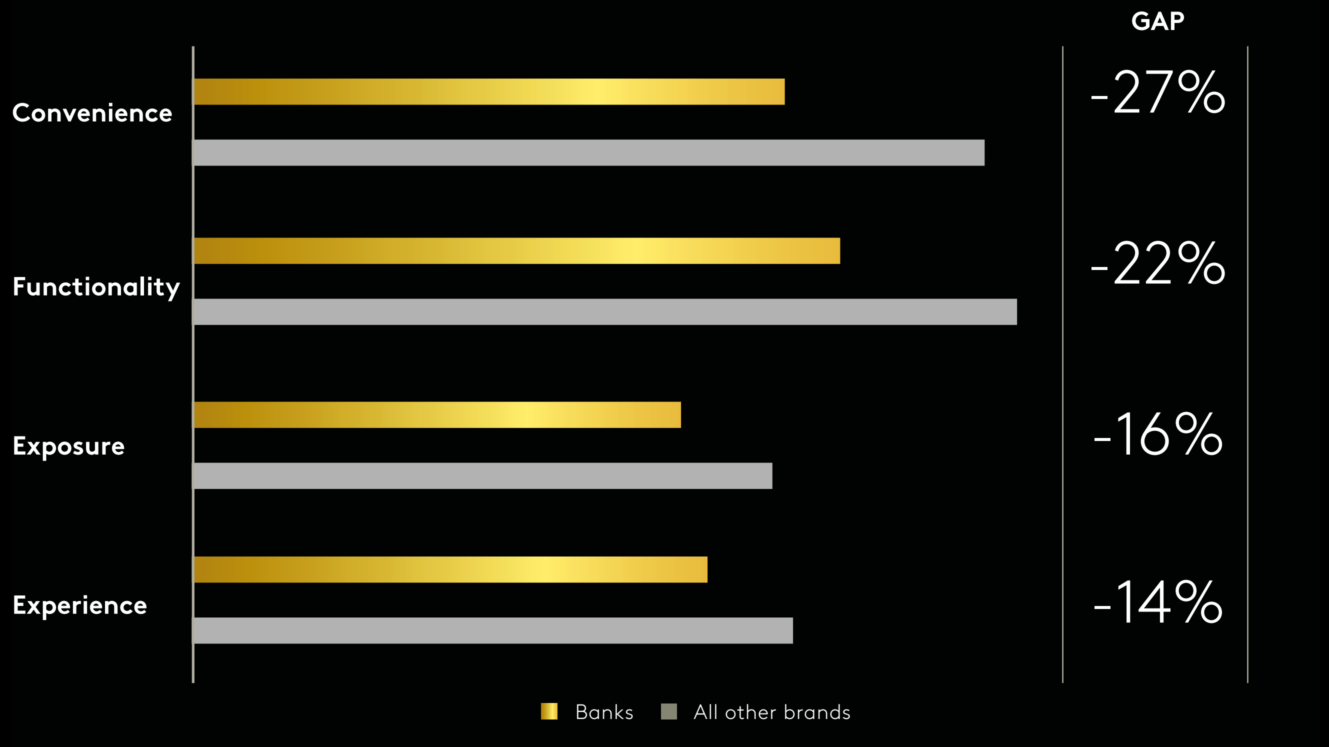
Analysis of Kantar BrandZ Global brand valuations in 2021 shows that the most valuable brands typically perform better across all these fundamentals.

Underperforming on the Fundamentals should raise concern. Compared to the average, Kantar BrandZ's 15 most valuable global banking brands don't perform well across all four fundamentals and their growth rate lags behind brands in other categories.

The banking sector grew on average 10% in brand value (2020 to 2021) compared to 42% growth for the top 100 brands. In particular, banks show the biggest deficit on Convenience – the ability to fit easily into everyday life. This suggests that new fintech companies using smart digital technology to disrupt the sector have a major weakness to address to drive growth.

Brand fundamentals: Banking

Average level of endorsement



Track and benchmark your progress against competitors

The metrics behind the four fundamentals are trackable in every Kantar BrandZ study, and can be easily replicated in brand tracking studies. Any brand can use them to benchmark their performance against competitors and understand better how to drive demand. Together they create an actionable focus for brand management and marketing strategy: a blissful blended scorecard of short and long term indicators that becomes your journey towards sustainable growth. It reveals the key steps and obstacles through a simple analysis of Experience, Exposure, Functionality and Convenience. Executing well against consumer expectations in each of these areas may not be easy, but knowing where you need to get to, and measuring your progress along the way, will make marketing your brand more manageable.

Graham Staplehurst

Director, Thought Leadership,
Kantar BrandZ

Insights to build your brand

Kantar BrandZ uses millions of consumer interviews from across 50 markets to understand the value the 'brand' brings, diagnose its strengths and weaknesses, and provide actionable insights on how to drive growth.

Find out more

The art of brand strategy and how to get it right

Throughout this booklet we've looked at what brand equity is why and how to measure it, how to build powerful brand associations and alter consumers' perceptions, why emotion should underpin all that a brand does, along with the role of media and brand touchpoints in driving effectiveness.

This amalgam of musings laid out the red carpet for brand strategy. Now we examine just how close brand strategy is to a marketer's heart and reveal five strategic components that will build and/or improve your brand's equity. But remember one thing: the end of this series doesn't signal the termination of our journey; our hunt for brand equity truths continues, and we remain committed to sharing them as they come to light.

It's good news: marketing is reclaimed as a key driver of business

Marketers have added a noticeable swagger to their step. After months of cutting back on marketing, the discipline has bounced back and repositioned itself centre stage of the business. Marketing spending growth has returned to historic levels with the projected growth promising to smash the last decade's trends. It is therefore unsurprising that marketers feel their job has increased in importance. Though the striking truths emerging from the same CMO survey results are that brand remains their primary focus and that building brand value is now perceived as their most important objective.

The challenge? Never in their careers have marketers experienced a consumer change of this magnitude and such nuanced, disorderly and complex newly formed consumer journeys.

Yet the subject of interest (i.e., the consumer herself) has retained one major characteristic: her polygamous behaviour towards brands. Don't fret, there is order in the chaos. Although what follows is not a comprehensive guide to brand strategy, there are a handful of principles that offer stimulus and direction. Each one will lay a foundation for growth and take you a step closer to stronger brand equity.

Back to Contents

1

Insights and tactics make a strategy sandwich

Insights come first, before strategy. Though not all types of insights will do. Insights that serve as the company's imaginative golden thread spark the corporate imagination and kindle bolder bets are a business's secret sauce of success. Kantar Insights 2030 research found that companies that have embraced imagination use both insight and foresight to advance originality and significantly outperform the competition.

Insights should be used to tell you where to play, to create springboards and surprise you with new ideas, not to confirm pre-existing ones. "We work hard to find the tensions that we can help resolve" P&G's ex-CEO Bob McDonald explains. "From those tensions come insights that lead to big ideas. Those big ideas can be the basis of a powerful 'where to play' choice". When Walkers and KFC joined forces at the beginning of 2021, for instance, it was because they carefully 'listened to consumers' Fernando Kahane, Walkers' senior marketing director admits.

A listening strategy that paid off for Walkers; sales soared, and brand equity saw its highest increase in five years. It's the right insights that give your strategy wings and fuel growth.

Tactics come last, after strategy. Fast-forwarding now to tactics (for the sake of this narrative and exactly what we are advising you not to do), imagine that they are like the Sirens in Greek mythology. If you give in to their enchanting music, your hasty plan will shipwreck on the rocky shrine of your strategy. Or in simpler, modern marketing terms: "Any approach, that begins with the tactical focus before first establishing the strategic focus, is inherently flawed", Mark Ritson says. "If you've already decided the answer is digital, you are going to try and find as many ways to answer whatever questions there may be with that pre-existing answer and that's the wrong way around."

2

The 3Cs of positioning demand re-prioritisation

Brands are commercial instruments to help people choose your offer over something else. And as a marketer, part of our job is to create that priming mechanism, to build the memories that help our brand to be chosen. We do this by answering these three simple questions and smashing our positioning:

A	B	C
Who is it for?	Can we walk the walk?	Why is our product/service different/better?
(Consumer)	**(Company and brand itself)**	**(Competitors)**

Common sense, but not always easy to do.

Leader in positioning and author of 'Obviously Awesome' April Dunford puts it nicely, in a mouthful but all-inclusive description: "Positioning defines how your product is the best in the world at delivering some value that a well-defined set of customers cares a lot about. Like the opening scene to a movie, it's context-setting...but for products".

Fighting for the consumer's mind is hardly a new phenomenon. Jack Trout and Al Ries declared an "over-communicated society" back in the 70s with sharp positioning rising as the manna from heaven to "cut through the clutter and get into the mind". How?

3

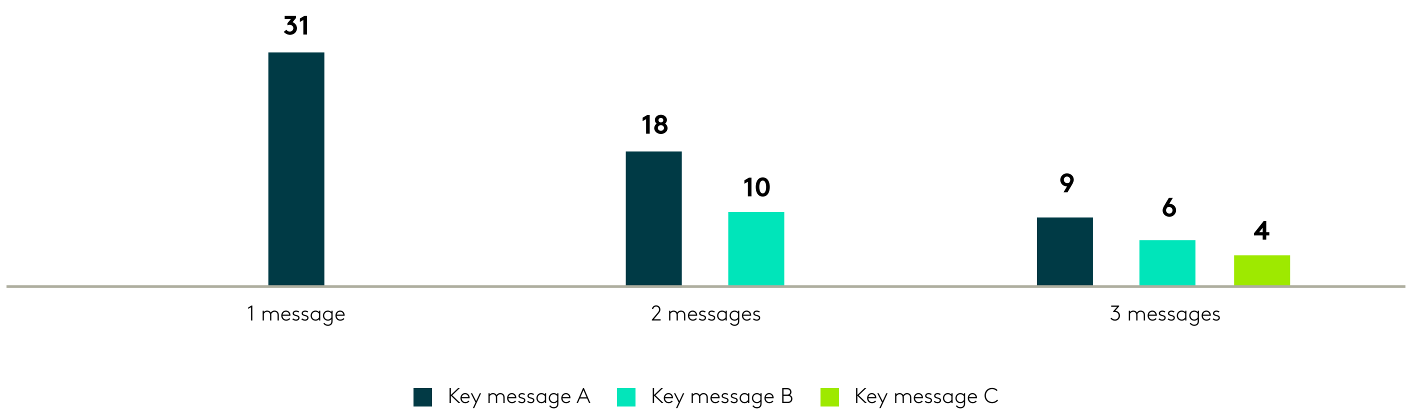
Less is more

As we look for ways to build memories and cement pre-disposition in consumers' minds, coherence and clarity remain significant enablers across touchpoints and over time.

Using Kantar's Link database, we investigated the percentage of people who playback each of the 'key messages' in ads that have 1, 2 or 3+ messages.

One message in an ad has much more impact

Source: Kantar Link database, US TV ads



The findings were a clear plea for simplicity. Too many messages can dilute communication as our brains can only really think about 3-4 things at once. So, in essence, the more messages an ad attempts to communicate, the lower the likelihood any single message will be communicated strongly. And although the results are somewhat varied by type of ad - TV or static - and by market, there was consensus that to successfully communicate a product benefit, we need to keep it simple and avoid too many messages. This is advertising 101 really, but with the rise of digital, it got lost in some places.

4

Conquer the art of staying consistent and relevant in a moving environment

"Consistency demands change", Mark Ritson urged us to acknowledge this as a core paradox of branding when he made the case of revitalisation vs. rebranding for The National Lottery. And this is not an isolated case. More and more brands take account of their cultural milieu, and act and react accordingly. "My competitors aren't Levi's or Balenciaga. My competitors are the gym, Netflix. Diesel has to be a part of your life. We want to have a physical presence and a cultural presence." admits Diesel's CEO Massimo Piombini.

Other brands aim higher and become a source of hope for our society. Sharing her thoughts in our Kantar BrandZ 2021 report, Lynne Biggar, Executive Vice President & Chief Marketing Officer at Visa, de-coded the company's growth enablers that are good for the soul and keep their shareholders happy. From helping under-served individuals access digital payments and offering financial literacy programmes in 30 countries to digitally enabling small and micro-businesses around the globe, Visa took massive leaps in imagination and faith in pursuit of a fairer, more equitable, more inclusive society and thrived in the process.

Others again waited patiently for a cultural opportunity to present itself, to triumphantly time their return. Ok. Cupid might have lost its connection to younger daters when Tinder captured the imagination of millions, but the tables turned when Tinder fatigue kicked in and they offered "the antidote to superficiality."

Uncovering your business's buried treasures isn't always down to strategy by the way, but also luck. Cupid was lucky in the way the culture moved, but then had the agility to recognise and respond to that opportunity. Andy Nairn, rather entertainingly, talks exactly about how to jump into the strategy gaps fearlessly in his book 'Go Luck Yourself'. This is a vivid demonstration of the power of foresight that we mentioned earlier. The art of spotting opportunities in unexpected places and turning misfortune into good fortune shouldn't go unnoticed.

However you decide to approach the change vs. consistency conundrum, simply don't stay static. Evolve with the times, maintain your relevance, whilst keeping a vigilant eye on how you are doing against your ambition.

5

Influence your future customers

If you follow the money and align with finance (future cash flows) rather than sales (short-term gains), the brand will come on top. Prompted by the results of their new research with the Ehrenberg-Bass Institute, Peter Weinberg and Jon Lombardo from the B2B Institute carved a new shortcut to the CFO. Their "95:5 rule" pitch is convincing: "~5% of buyers are in-market and ~95% are out-of-market at any one time. So, the biggest growth opportunity in B2B (but also B2C) is to influence the 95% of 'out-of-market' buyers who are not even in the funnel yet".

And we concur. We analysed more than 5,000 brands over three years from Kantar BrandZ to identify the growth triggers across the buyer lifecycle. What we found was that brands that grew were over-performing in Experience, Exposure and Activation, but the greatest impact came from Exposure. Predisposing more new customers indisputably impacts future sales. In other words, it's the art of advertising that nudges people to desire your brand before they even need to renew their choice or before they buy the category for the first time. Future sales will come from "making it easier for people to choose your brand and pay the price asked when the time comes to buy" as Nigel Hollis says.

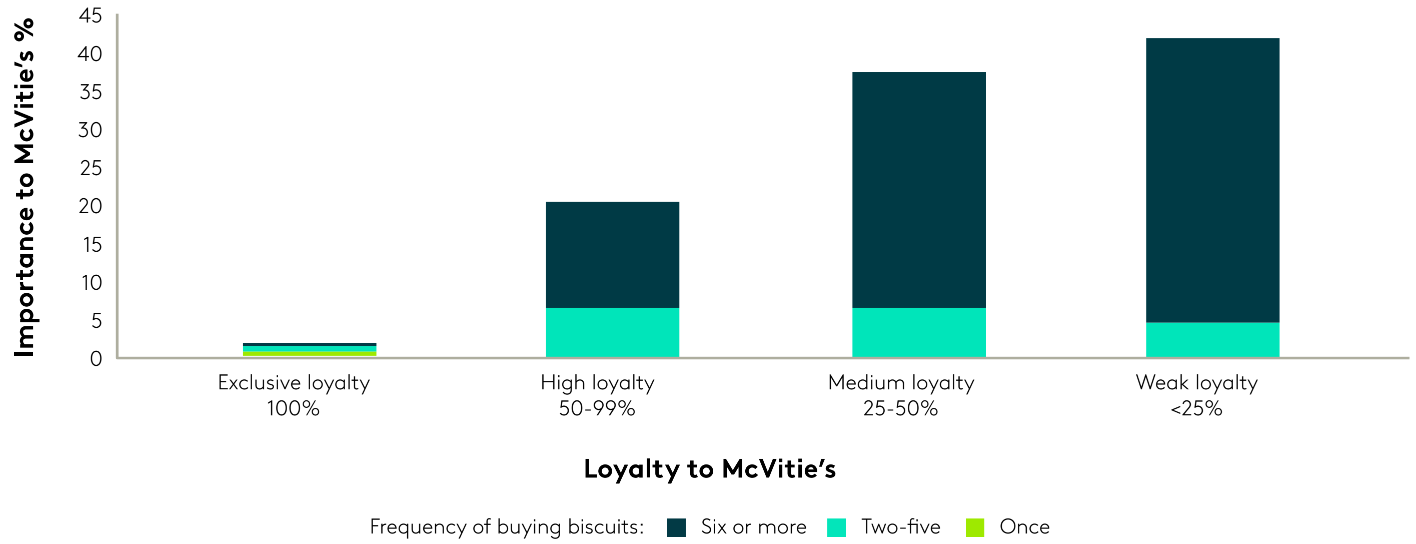
Despite the compelling data, the majority of marketers tend to fall back into a low-risk, low-gain strategy. 73% of CMOs admitted in the Gartner CMO survey that their primary focus to fuel growth in 2021 was to increase sales from existing customers.

But there is no need to roll the dice between current and new customers as target segments and mass marketing are not binary alternatives, Les Binet and Peter Field have proven. Their analysis of the Effie award submissions revealed that sophisticated mass marketing works best – allowing for that memorable connection brands can create with brand building.

So, the next time you dunk your biscuit, think of this random, fun and highly relatable fact from our consumer panel analysis: £4 in every £5 spent on McVitie's comes from less loyal shoppers. They are there to shop, but they keep their options open. Building that reciprocal relationship that exists at a much more watered down level can lead to repeat purchasing. Predisposing new customers will boost future sales.

Attracting high frequency shoppers is more important than particularly loyal ones

Source: Kantar Worldpanel



The tiny little issues of time and data

It's complicated. Leaders' relationship with strategic thinking is a head scratcher. They claim they lack the time for it, yet they know it's crucial to the organisation's success and are keen to make more time for it. What's holding them back?

It could be the fact that nearly half of advertisers (and a similar proportion of marketers too) feel ill-equipped to make decisions in their roles. In Kantar's Media Reactions 2021 study, professionals in the industry are arguing that the data they need is not there. Quite ironic really given that more data has been created in the last two years than in the entire history of humanity. And striking evidence that we are a bedevilled industry.

"So many brand strategists. And so little brand strategy"

Bob Huffman wrote in a recent LinkedIn post. Could he be more right than funny?

Disruption: a kick in the pants and a growth opportunity

When the marketplace promises to be one where disruptions are here to stay, operating models are challenged. And the first place to look for growth is not externally, but internally at the structure, skills and competencies it takes to grow.

Strategy often feels like a ghost discipline, missing out on exactly that: the discipline to create it, connect the data dots and go beyond to claim value through differentiation. It takes leadership, creativity and a fair amount of bravery to simply make choices and (if needed) break with conventional ways of thinking.

The pandemic has given us the rare gift of time, big data and analytics have climbed to the top of the corporate agenda; marketing has reclaimed its spot at the centre of the business. The excuses for neglecting strategy are crumbling like a house of cards.

Let's bring back the magic in brand strategy.

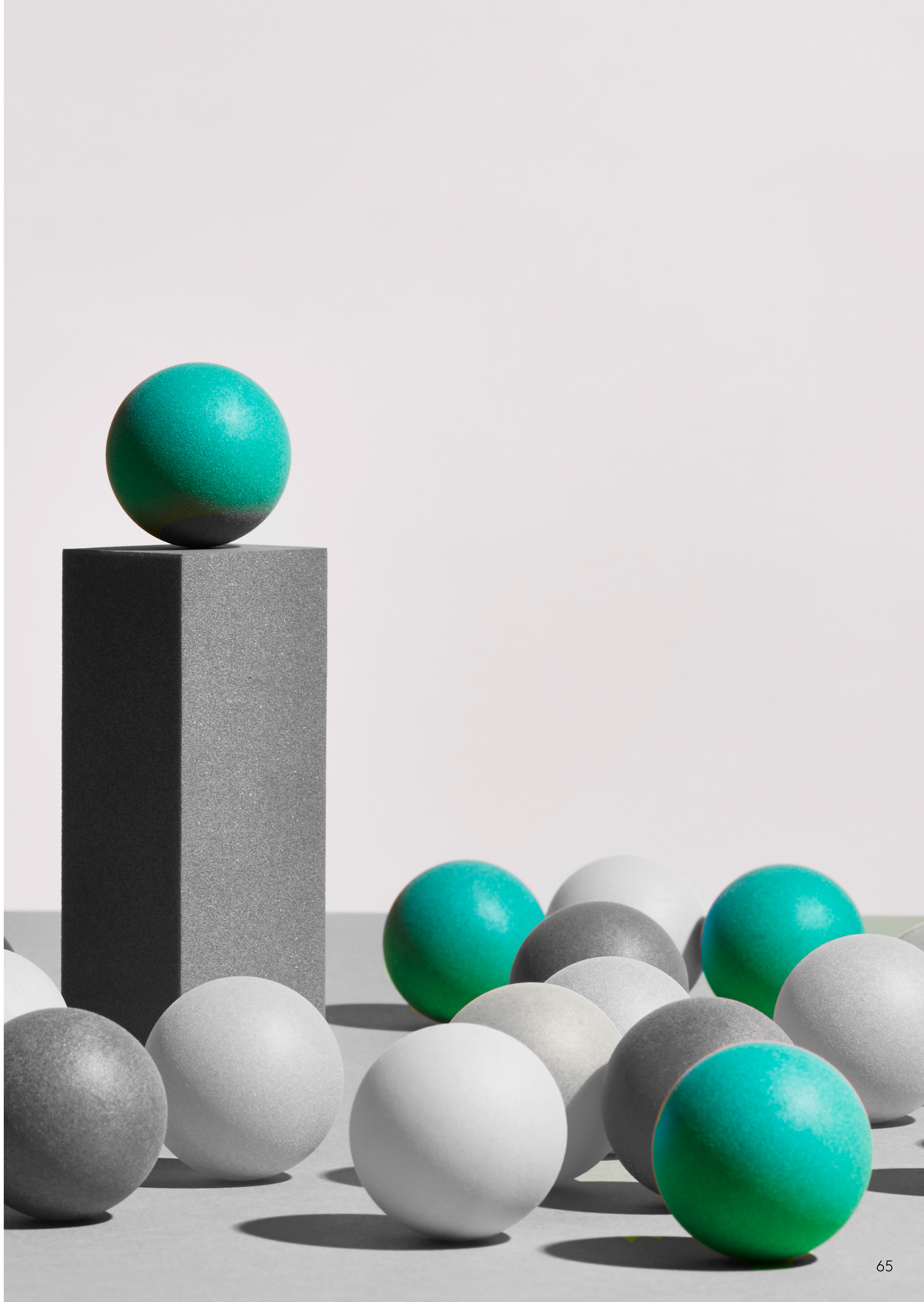
Mary Kyriakidi

Global Thought Leader, Brand Guidance

Inform your brand strategy

Get the insights you need to create a compelling strategy for your brand. Understand your audience, optimise your brand positioning and deliver a consistent and compelling brand experience.

Find out more



Conclusions

There you have it: we've demystified brand equity and how to grow it. Over the last 15 years, we've been looking for evidence of how brands add value to their businesses, and we've found it. After analysing data for over 20,000 brands, we identified the patterns, characteristics and growth triggers of the most valuable and strongest brands in the world.

It's this groundbreaking Kantar BrandZ work that allows us to proudly take an evidence-based stance on how to build, improve and rejuvenate a brand's equity; regardless of the brand's size, sector or market, or whether it's operating in thea B2C or B2B space.

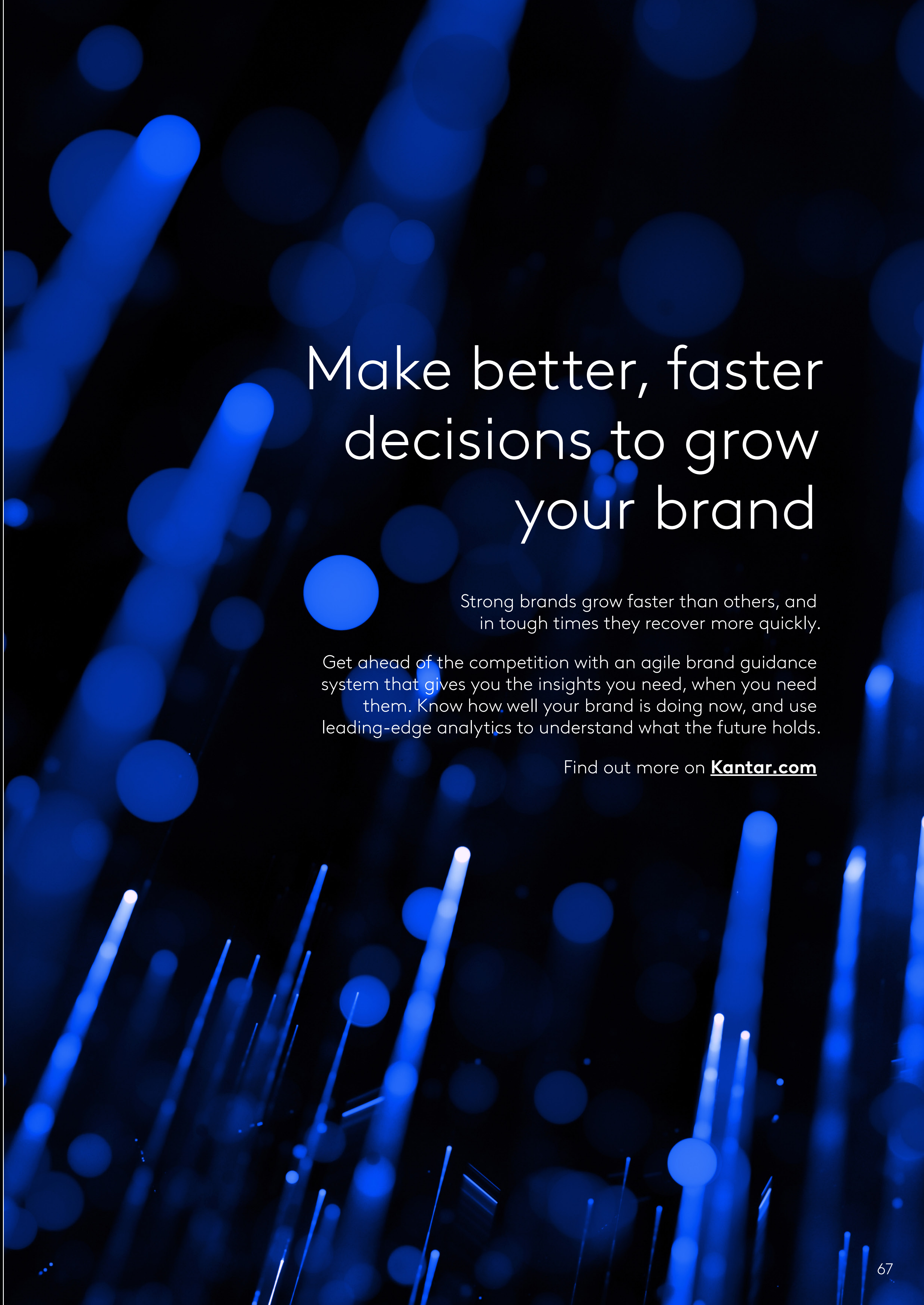
While the analytics are complex, our findings are simple. The metrics and solutions we use are extensively validated and our advice is tangible and underpinned by compelling learnings. We help our clients to craft their path to sustainable brand growth. It is quite a journey; a strenuous, zigzagging, utterly surprising journey that makes us even more determined to keep looking for truths around how brands create value.

Watch this space!

R&D at Kantar never rests: more truths and more routes to stronger brand equity will jump out of our work with clients, ongoing analysis and passion for learning. Kantar's number crunchers, brand consultants and marketing experts remain committed to helping brands reach new heights of sustainable growth.

Get in touch

If your destination is stronger brand equity, we know the paths (often intertwined) that will take you there. We love great conversations with our clients about brand building; they bring us joy, stimulus and often new hypotheses to test. Please get in touch with your Kantar representative to discuss this important topic further.

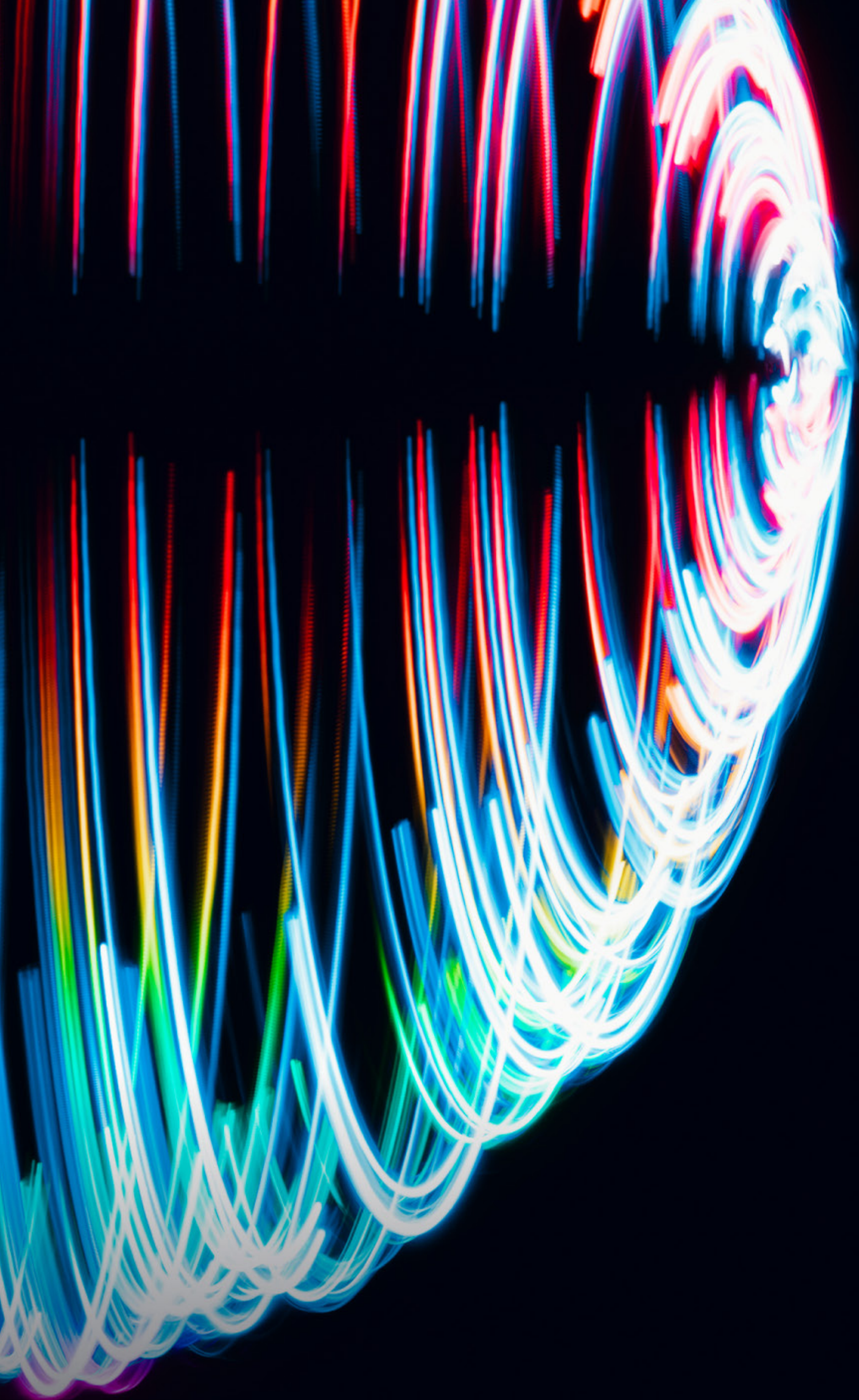


Make better, faster decisions to grow your brand

Strong brands grow faster than others, and in tough times they recover more quickly.

Get ahead of the competition with an agile brand guidance system that gives you the insights you need, when you need them. Know how well your brand is doing now, and use leading-edge analytics to understand what the future holds.

Find out more on **Kantar.com**



About Kantar

Kantar is the world's leading evidence-based insights and consulting company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks, our innovative analytics and technology, we help our clients **understand people and inspire growth.**