



# BRAND RANCH

## BRAND & MARKETING CONSULTANCY

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Branding requires an imaginative approach to the study of consumer attitudes and behaviors, while uncovering how trends, insights, and outside factors affect the relationships with your category and brand.

Creating and maintaining a differentiating and relevant brand strategy is challenging – and the key factor in today's world is meticulous execution at every touch point.

Dear Executives

I would like to express my sincere thanks to the many executives who sent e-mail expressing their appreciation and compliments on our inaugural newsletter. We hope we can continue to meet your high expectations by continuing to provide you our ideas and insights into the world of Branding.



If you have an issue you would like me to address in a coming newsletter, please don't hesitate to e-mail me at [mjblanck@brandranch.us](mailto:mjblanck@brandranch.us) or call 406-284-4384.

This second issue will focus on the most important variable in branding – the consumer. We offer a number of ideas and tools to better understand the wants and needs of your consumers, and provide further ideas on data collection, and turning data into information and information into insights.

There are a number of new and exciting techniques that can be used to study and understand the ever changing and difficult consumer audiences, each of which has its own set of unique nuances that must be clearly understood and tracked.

If you are not continually collecting information about your customers you will have a very difficult time making your brand meaningful and relevant to your audiences.

## *“YOU CAN'T CONTROL WHAT YOU DON'T MEASURE”*

In today's technology driven world, you should be able to collect just about any type of data – information that will make you a better learning and decision making organization.

Thanks again and enjoy this issue.

A handwritten signature in black ink that reads 'Michael'.

Michael Blanck  
President



## BASIC DATA – INFORMATION

Whether you are starting a new business or managing an existing brand, collecting information (metrics) is paramount to success. Collecting and analyzing this information on a continual basis can and will affect every area of your business model. It will also provide you critical information and insights into future strategic brand initiatives and decisions.

When used as the foundation of your process, metrics can impact areas, such as:

- Positioning or repositioning your brand (differentiation and relevance)
- New product opportunities/development
- Segmentation (audience and distribution)
- Packaging
- Marketing/Advertising
- Merger & Acquisition
- Partnerships and/or alliances
- Employment and employee needs (training or recruitment)

If we continue to follow a few basic branding disciplines (differentiation and relevance), we see why and how information is so important to success. We must be able to understand the very basics of consumer and product/service information, including:

- Sales
- Traffic and transactions
- Product mix sales (by category or SKU)
- Monthly sales information (seasonality to items)
- Single or multiple unit or item purchased
- Cross reference options
  - Style
  - Color
  - Price
  - Size
- Geographic breakout (Regional preferences)
- Sales by location (cross referenced by demographics/competition, etc.)

Whether you are a manufacturer (scanner data) or a retailer (POS) system, this information can be collected and analyzed with very minimal software packages or links.

Today's business is all about maximizing return on investment and turning over your inventory more frequently – stocking the right items.

If you are a start-up company, you should be doing a lot of homework to better understand the consumer wants/desires for the category you are about to enter. This information will assist you in differentiating your

products/services and making them relevant to your target audience. Some are very easy – low cost research that can return valuable information:

- Observational Research  
Stand in the aisle and observe who is shopping the category.
  - Gender, age, etc.
  - How do they shop the category (impulse, planned, compare, etc.)
  - How important is packaging
    - Unit size
  - Do they buy national brands or private-label items
- Category Information  
– contacting the associations for the business segment or talking to editors of trade publications will often give you great information and insights into some of the key issues and dynamics of the category leaders. What are the areas of opportunity?
- Competitive Interviewing  
– interview competitor's employees, see what they are focused on and what they can offer about the competition.
- Conventions – attend the regional and national meetings of the industry trade. This will allow you to see what and where your competitors might be headed in terms of new

**“COLLECTING INFORMATION (METRICS) IS PARAMOUNT TO SUCCESS.”**

products, packaging, sales techniques and incentives, advertising messages, etc.

- Mystery Shop – shop your competitors often. For you to understand the total “consumer experience,” you must understand what your competitors are offering and how they deliver their brand. In addition, you should also shop your own brand to identify what the strengths and weaknesses are in your own brand offering and business model.
- Reverse Engineer – from purchase, reverse the steps that consumers would need to take in order to obtain your product or your competitor’s. Review and analyze all the information and variables that are offered – “touch point analysis” is critical in today’s competitive marketplace.
- Competitor Usage – the only way you can evaluate the quality and price/value relationships of the competitive set is to actually use and compare the offerings on the key variables for your category. It is very easy to discount what your competitors are offering without actually buying and using their products/services.

We always think we are the best, when in actuality we might not be competitive – reduce your biases by actually doing paired comparisons with your key competitor’s product or service.

## FUTURE TRENDS

For a leader in any category, the difficulty lies in balancing the realities of today with the changes of tomorrow. I see major industries and companies not looking or tracking even the most basic “future trend” data and information. For example:

- What major demographic changes or shifts are taking place?
  - Regionally
  - Nationally
  - Internationally
- What psychographic and attitude changes are impacting consumer behaviors?
  - National Brands vs. Private Labels
  - Big Box Stores vs. Local Businesses
  - Cheap vs. Premium Brands
  - Loyalty Factors
  - Environmentally Friendly Companies, Packaging, etc.
  - Ethics and Values of your Executives
- Distribution and Buying Trends
  - Bricks and Mortar Retail
  - Online E-commerce Shopping
  - Use of Internet/Web Sites to Compare Products
  - Return Policies
  - Guarantees of Satisfaction

The keys to successful business today is really understanding the current markets and changes taking place that will affect you in the near term. Understanding these variables will allow you to stay ahead of your competitors and be a market leader. For example, consider setting up economic tracking systems to help with forecasting, such as:

- Consumer Confidence Rating
- Interest Rates
- Housing Starts or Sales
- Retail Sales
- Stock Market Trends
- Inflation Numbers
- Consumer Price Index
- Raw Material Costs
- Salaries and Benefits (health care a major issue)

As I often instruct my clients in today’s marketplace, you must track and analyze everything on an ongoing basis, or at least quarterly. See where the shifts are and determine if they are short or long term trends and how they will affect your business.



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## VOLVO CONTINUES TO IMPRESS

With the American Auto industry in shambles, it's not surprising that Volvo continues to separate itself from the pack. With a very strong brand identity, image and essence, Volvo's latest innovation continues to show how a company and brand can use its key differentiation as a "focus" and "advantage" over competition.

While most brands continue to chase others, Volvo, with its core brand architecture anchored in SAFETY, now offers consumers yet another innovation and relevant difference. This time it has developed an "Accident Avoidance Technology" system. The product is a unique "City Safety" option that can help drivers avoid 50 percent of the rear-end, low speed accidents that often happen in urban environments and slow-moving traffic. If a car in front suddenly brakes or is stationary, the system will automatically pre-charge the brakes to help the driver avoid an accident by slowing down in time, or steering away from a potential collision. However, if a collision is imminent, the system will activate the car's brakes automatically.

When will American auto engineers wake up and start to design automobiles that the consumer wants and needs? Instead U.S. designers focus on gadgets that only increase the cost of our products instead of addressing major issues of safety, performance, durability, and efficiency. Not a single U.S. auto made the Top 10 Safety Cars for 2006.

The consumer will once again vote with their wallets in determining who will win in the auto industry. Go Toyota, Subaru, and Honda.