THE POWER OF BRAND: ENLIGHTENMENT DURING THE DARK AGES

Sebastien Artois became head brewer of a small Belgian brewery founded during the dark ages – four hundred years before what historians assert as the beginning of the “age of enlightenment”. But Strop would argue that Sebastien Artois was one of the most enlightened entrepreneurs and business operators in history. Yes, his beer is delicious – but it was his business acumen that is perhaps more notable. In the 1700s, Sebastien Artois and his successors christened what others - like Levi’s in the 1800’s, Walt Disney in the 1900s, or P&G in the 1950s - would perfect as “brand marketing” … developing a brand logo, a brand philosophy, and a brand positioning that meant something to his customers, that evoked an emotional connection to his product.

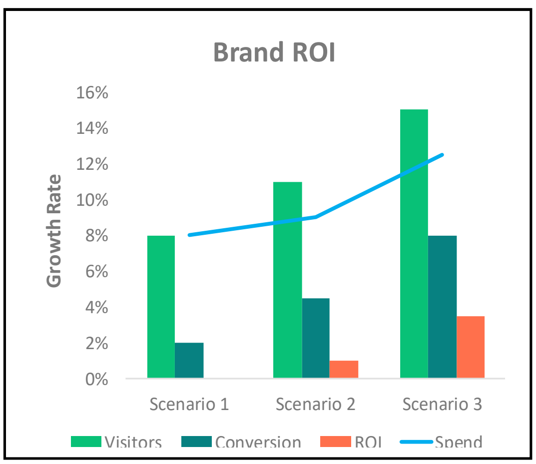
If brand marketing is centuries old – and a watermark for some of the most successful and recognizable brands in the history of modern times – how can “brand” be polarizing? Why do some companies view “brand” as a “soft investment”?

The challenge with investing in a brand is tying that investment to a measurable, quantifiable return – and understanding when diminishing marginal returns make incremental brand investment unwarranted. In a world of quick wins and ubiquitous data, the measurement of a “brand return on investment” continues to be a black box (or perhaps just an opaque box) with which the world’s most sophisticated data scientists, academics, and business professionals grapple.

If the question is “measuring the effect of a brand investment”. And if the answer is “brand ROI”. Then the missing variable in the equation is “attribution”.

Attribution creates two unique challenges for investment in brand. First, the return on a brand investment may take time (particularly if purchase cycle for a product or service is long). Second, many companies use “last touch attribution”, which “gives credit” to the channel that was the most recent with which the consumer engaged to purchase the product or service (despite many other factors influencing that decision).

A financial services company has taken a different approach to measuring brand investment. Strop has developed a “Financial Journey ROI Model” to quantify both the short-term and long-term impact of brand investment. The model highlights how all of the touchpoints along a consumer’s jouney influence the consumer decision to purchase.



The Financial Journey ROI Model provides growth rates for the direct and offline channels - as well as the measured incrementality across traffic, conversion, and revenue for tangential channels (those channels that would have traditionally been apportioned 100% “credit” for those sales). This model that Strop has developed provides a more precise ROI model – and perhaps most importantly, the model links all consumer touchpoints back to a centralized ROI.

The financial services company is leveraging this model to allocate brand and television investments – and instilling confidence to invest more in brand advertising than ever done before – with the ability to monitor the conversion of customers and assign a purer ROI to its marketing and brand efforts.

Strop is a market research and marketing strategy firm that combines the intellectual brainpower of seasoned business consultants with the innovative research and insight tools needed to get inside the hearts and minds of the people who matter most: your customers.

This article is part of our quarterly “Insight on a Page” newsletter. Each quarter we’ll showcase a marketing & market research topic based on the work that we do.