

Management for Professionals

Ralph Krüger
Andreas Stumpf

Brand Growth Barriers

Identify, Understand,
and Overcome Them

 Springer

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Brand Growth Barriers

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Jede Marke kann wachsen!

by Ralph Krüger and Andreas Stumpf

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“This book shows: Outstanding brand management isn’t rocket science. It can be implemented for any brand using the systematic and, above all, logical BGB Model. The authors have repeatedly convinced us of this, not only in the book but in practice, too!”

Oswald Barckhahn, Managing Director, Pepsico Deutschland GmbH

“A very convincing book that is highly relevant for everyone involved in managing brands.”

Alfredo Flores Pachón, Global Head Marketing & Communications, Private & Business Clients, Deutsche Bank

“Refreshing, provocative, inspiring and – above all – convincing! A model whose use will prove worthwhile for every brand!”

Ulli Gritzuhn, Business Head Europe, Nestlé Infant Nutrition

“To grow strongly in the present market environment, brands must use sophisticated techniques. Effectiveness and efficiency are equally important. An excellent book with valuable suggestions!”

Thomas Ingelfinger, Managing Director, Beiersdorf Italy

“Brands are positive prejudices in the hearts and minds of customers. These positive prejudices are incredibly powerful. They ensure that customers include a brand or its products in their relevant set or even make it their first choice when they consider a purchase. Brands that succeed in becoming first choice in the hearts and minds of customers have already won about 50 % of their market share. This is confirmed by many data at Bosch. Ralph Krüger and Andreas Stumpf start from that insight. With a high level of practical focus, they show what companies need to do for their brands and products to become first choice. This book is a sound practical manual on how to succeed on the market.”

Rainald Mohr, Senior Vice President Brand Management and Marketing Communication, Robert Bosch GmbH

Introduction: Something to Look Forward To

Why Write a Book About Brand Management?

Enter the term “brand management” in Google, and you see some 105 million entries – an incredible number of books, articles, forums, websites and presentations. But despite all the theories, models and methods available, brand management remains an activity that is relatively difficult to structure, measure and control. When was the last time you were able to accurately predict the impact your campaign had on your market share, or determine your return on marketing investment reliably? This lack of control is very dissatisfying because the impact brand management will have on sales and net income is important to you – whether you’re a board member, marketing manager, sales head, controlling professional or provider of marketing services.

For brand management to drive sales and profits successfully, its design and implementation must be perfect and build your brand reliably. In the business-to-consumer (B2C) markets, this has been understood for some time, but strong brands now play an increasingly important role in the business-to-business (B2B) markets as well. A brand can reduce the purchase decision risk for customers – a factor that matters, especially in the case of investment goods. Having a brand enables B2B suppliers to charge higher prices. And strong brands can sustain companies even during a crisis. That applies both for B2B and B2C brands. A brand’s image can overcome the widespread focus on price among potential customers in periods of economic strain. Even savings are easier to implement with a strong brand because it will weather budget cuts for some time, whereas weaker brands have little to sustain them.

In other words, being able to plan brand growth and build your brand systematically is essential to corporate success. To do so, brand management needs a comprehensive, clear and practicable model – a model that defines and controls all your marketing activities, your investments into the brand and the expected benefit in terms of sales and market share. Such a brand management model is indispensable, and yet not easy to find. And that’s why many clients keep asking us to provide them with a comprehensive but simple method for the direction and control of their brand management activities.

Targeted Brand Growth Instead of Growth by Chance

Clients often say that a certain degree of control is possible in individual brand management areas. After all, they do have enough experts for brand maintenance, design, concepts, innovations, communication, packaging, point-of-sale (POS) or customer loyalty. They also see enough data to verify that individual activities have worked. What they usually lack, however, is an overview of all brand management challenges and of the contributions individual activities make to the brand's overall development. Companies inevitably apply piecemeal solutions which do not add up into a coherent strategy and therefore provide little focus and even less impact. Without a comprehensive strategy, leading a brand to sustained growth is either enormously difficult or simply happens by chance.

It's like when you try to get maximum speed out of your sailing boat and still sail in the right direction. It can certainly be done, but you need to set all those different sails in exactly the right position. You'll only achieve top speed and sail where you want – not where the wind wants to take you – if all sails are set perfectly to exploit their maximum potential.

So how do you determine which are the right sails and settings? How do you take the right brand management decisions? Some people believe that brand management should simply follow good instinct. But market research professionals see how little weight initially promising brand positioning and communication concepts often carry in the target group. They know how misleading gut instinct can be. The plain fact is that a company that doesn't listen to its target group is likely to land a market flop. Mere gut instinct can only achieve brand growth by luck. This can't really be satisfying for either brand managers or CEOs.

Other people claim that brand management is a tremendously complex thing. That, too, is a fallacy. In fact, brand management is simple if you follow a coherent system which ensures that the best decision for your brand is taken at every step along the road. Simple steps, one following from the other, that lead to logical strategies and activities are all you need.

Simple and logical brand management can supply a company's executives with straightforward and logical information as well. This is vital if the board is to take informed decisions about brand and marketing strategies. However, more often than not, executives who are not involved in day-to-day marketing and sales, but still need to take those decisions, are inundated with barely comprehensible data or pseudo-facts. At this point, it becomes clear that something must surely be wrong. If marketing and sales followed a clear and logical process from the start, the results should be quite comprehensible for "outsiders" too. If anything is not 100 % intelligible at some point in the brand building process, management is entitled to ask questions and to ask them until every strategy and activity is truly easy to understand. In some cases, that may mean having to start all over again. To make it easier for management to ask the right questions, we have listed several at the end of some chapters in this book. They can be used to shed more light on your brand building process and its potential flaws.

This book offers far more than good questions for executives, of course. It provides the professionals in marketing and the associated areas also responsible for brands (e.g. sales) with the tools they need in order to make brand management as straightforward as it should be. They, too, need to be able to pursue the strategies and activities derived from a professional brand management plan consistently, without being brought offtrack by erroneous or whimsical arguments. This happens all too often. After months of work and multiple tests with the target group, the results are presented to the board. Someone perks up and says, “You know, my wife had an interesting idea last night too. Why don’t we . . .?” To avoid being blown off course by suggestions of that kind, those in charge of marketing and sales must be able to present their strategy confidently and convincingly. Questions and answers at the end of some chapters in this book may provide some support and inspiration in that regard. They can be used as a checklist to make sure that all strategies and activities are focused on growth and that no opportunities for growth are missed out.

Whether you’re a decider or a doer, you need a brand management model that delivers the desired results. It needs to guide you in taking the right decisions in all key areas – your business strategy, target group, growth potential and brand positioning – and ultimately lead you to winning customers and achieving your business objectives, and all that in a way that is both simple and saves time and effort.

This book presents such a model. The first chapter introduces you to a number of examples of successful brand management to whet your “appetite for more”. The second presents the main challenges in brand management and the requirements a superior model must fulfil. Chapters 3, 4 and 5 then explain the entire brand management process based on our Brand Growth Barrier (BGB) model showing how to (i) identify, (ii) understand and (iii) overcome brand growth barriers. The book ends with a presentation of the methods for growth forecasting and controlling in Chap. 6.

You’re in Good Company!

Whether we’re talking about Bayer, Beiersdorf, Bosch, Deutsche Bank, Pepsi, Stabilo or Wrigley, every client had a goal and hence a fundamental question: *How can we lead our brand to more growth – in a way that is targeted, controlled and consequently sustainable?* That question formed the starting point of many successful consulting projects in the field of brand management based on our *Brand Growth Barrier* model. What they achieved were well-founded strategies, comprehensible recommendations and – above all – measurable market results. At the request of clients, these projects also led to the development of the extensive brand management seminar series AMC BrandAcademy, which consists of several consecutive marketing, market research and sales training sessions.

We have now brought together our experiences from these projects and seminars to present our model for growth-oriented brand management to you in detail.

The book includes a wide range of examples from our consulting activities. After all, it's meant to be not just helpful but also a good read. This book is not a scientific treatise on brand management but a compact, hands-on guide in the "art of growth-oriented brand management". If you have a clear idea of your future brand management approach after reading it, we will have done the job we set out to do.

Frankfurt, Germany
January 2013

Ralph Krüger & Andreas Stumpf
AMC – Agency for Brand Growth

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