Passion Branding

Harnessing the Power of Emotion to Build Strong Brands

Neill Duffy

with Jo Hooper

www.passion-branding.com

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For Marion, Sean and Kyle – my greatest passion in life

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Neill Duffy & Jo Hooper

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Neill Duffy

1

Passion branding – a new way of marketing

'Passion branding: a relationship between a brand and its consumers around a consumer passion, and the leverage of that passion in order to create stakeholder value'

In a world of switched-off and disenchanted consumers, the time is right for a new way of communicating with these consumers, one which is grounded in a deep appreciation of the *people* that purchase and use our brands, their likes and dislikes, concerns and needs, hopes and aspirations, passions and interests; a new way in which marketers focus on the needs of the *people* that use their brands as much, if not more than, on the needs of the businesses that own those brands; a new way where marketers gain permission from *people* to talk to them rather than simply interrupt whatever it is that they might be doing in the hope of catching their attention; and a new way where *people* feel that they can trust, respect and have a relationship with the brands that they let into their lives.

Most marketers have over the years used sponsorship or cause related marketing to some degree as part of their communications mix. From my perspective however, the majority of marketers have not used these marketing disciplines as effectively as they could have done.

In a changing world, which I have labelled the 'Passion Economy' and which I introduce in Chapter 2, the traditional marketing model is no longer appropriate. I believe that the time is now right for a new way of marketing, a way centred on a relationship between a brand and its consumers, around a consumer passion, and the leverage of that passion in order to create value for all involved in the relationship; a new way of marketing which I call 'passion branding'.

Passion branding, if managed effectively, has the unique ability to multi-task in delivering against a range of business, marketing and communications objectives, a feature not evident in any other single form of communication. Passion branding's role as a brand builder is covered in detail in Chapter 3 while Chapter 4 covers the many other areas in which this versatile business tool can play a role. The amazing thing is that passion branding is one of the few business tools that has the ability to positively impact on all stakeholders in a business relationship and play a major role in helping a business to make a real difference in the lives of people while making a profit for its shareholders.

Right from the outset it is important to appreciate when reading this book that passion branding is not just sponsorship – it is so much more than that. Passion branding is about harnessing the power of people's passion to build strong brands and drive the bottom line. In Chapter 5 therefore I explore the various platforms available to a passion brander, from sponsorship to cause related marketing, from social responsibility marketing to public/private sector partnerships and what I call public domain sponsorships.

Following an understanding of the *why*, Chapter 6 moves into the details as to *how* effective passion branding campaigns should be approached and managed. I provide a passion branding road map which passion branders can use to guide them through the process of identifying the role that passion branding can play in their business and how best to leverage maximum results from the passion branding initiatives.

The greatest challenge facing the passion branding industry is that of measurement. Despite the huge benefits that the discipline offers no generally accepted measurement practice exists and, given the nature of passion branding, I do not believe that it ever will. Measurement around this genre of marketing will continue to be an art rather than a science. Chapter 7 explores the issue of measurement in depth and provides guidelines that passion branders can use to both justify their investment in this area as well as help focus their efforts on those aspects of passion branding that will have the greatest effect on their brands and bottom lines.

As with every industry there are challenges that need to be addressed. Chapter 8 explores some of these and provides a starting point for debate amongst passion branders as to how these should be best overcome.

In each chapter of *Passion Branding* you will find best practice case studies drawn from around the world. They all make for wonderful reading and provide hard support for the various opportunities that passion branding presents. Equally valuable are the thoughts of a group of practitioners within the industry that I consider to be leading the way in terms of how passion branding is evolving as a serious marketing discipline. Drawn from all sides of the industry – client, agency and property owners – they provide invaluable insights that we can all learn from.

I hope you enjoy *Passion Branding* as much as I have enjoyed writing it. My hope is that you will use the book as a constant reference guide and in its pages find some direction as to how to maximize the return that you, your passion partners and your shareholders gain from this extraordinary business tool.

2

The Passion Economy – a new way of thinking

Where we've come from . . . and where we've got to

The relationship between consumers and business has, over the last century, come full circle with the balance of power now having shifted firmly back into the hands of the consumer.

Despite all the technological advances witnessed over the last 100 years such as those in IT, medicine, electronics, space travel and the like, the relationship between consumers and business has, in many respects, started reverting back to that evident over a 100 years ago, that is a relatively personal one where the shopkeeper talked to his customers, knew their names and habits and pretty well understood their needs and wants, likes and dislikes.

The one major difference of course is the scale on which things now happen in terms of the number of consumers participating, the number of products and services on offer and of course the geography involved.

Brands have moved to centre stage as a commonplace way to try and differentiate what have become otherwise commodotized products and services. Everyone is trying to build a brand.

Add to this the fragmentation of mass media – once the mainstay of traditional marketers wanting to reach millions of consumers with their messages in a cost-effective manner – and you quickly realize that it is a complex new environment in which marketers now need to operate.

The passion economy – new trends and expectations

With the benefit of hindsight, and with some fresh insights into where consumers' heads and hearts are currently at, there are a number of trends that point towards the emergence of a new economy, which I have termed the 'Passion Economy'.

This is an economy where brands on their own are no longer enough, where consumers demand that they be treated like people and that marketers respond to both their customers' emotional and their functional needs.

Let us take a look at these trends and how they are shaping the passion economy.

Product to experience – a new offering

Whilst consumers may have historically purchased products, people now want to immerse themselves in positive experiences that address their needs, concerns, hopes and aspirations – perhaps in response to a need to escape from the realities of their day-to-day lives.

Companies marketing products to people therefore need to provide brand experiences that go way beyond the functional attributes of those products and enhance the experience enjoyed by the people consuming their products. Consumers are no longer satisfied with just buying a pair of running shoes – they want to be entertained and enjoy themselves while they do it.

Starbucks provide a wonderful example of this. Thanks to their efforts, over the last decade in their major markets they have transformed coffee from a simple product to a lifestyle experience and in the process have raised the bar in terms of how much people are now prepared to pay for a cup of coffee served alongside the right experience. Their success is based on an insight into what it is that their customers are after; no longer a simple cup of coffee but rather a lifestyle experience with coffee as one of the main actors. The premium price that consumers are prepared to pay for a cup of Starbucks' coffee as compared to the average cup of coffee is directly attributable to the value-added experience that consumers feel they receive from Starbucks.

This is the age of experiential marketing, where experiences exist as a fourth economic offering alongside commodities, goods and services played out in response to people's desires to be feted in a personal and memorable way.[1]

Company to consumer – customers in charge

As was highlighted earlier in this chapter, the balance of power has shifted away from the company and into the hands of the consumer. As a result, consumer activism is now a real factor that companies need to contend with. In some extreme cases consumers are organizing themselves to bring about change in companies that demonstrate undesirable business practices – and succeeding.[2]

The *Cluetrain Manifesto*,[3] written by IT savvy consumers throughout the world, reinforces the web-enabled changes that have taken place in recent years, firstly in respect of the relationship between consumers and companies and secondly in respect of the influence that consumers now have over brands and companies in general. 'We are not seats or eyeballs or

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1 B. Joseph Pine II and James H. Gilmore, *The Experience Economy: Work is Theatre & Every Business a Stage* (Boston: Harvard Business School Press, 1999). This is a wonderful book for those wanting to gain further insight into experiential marketing and is strongly recommended reading for passion branders.

2 Naomi Klein, *No Logo* (London, Flamingo, 2001). This visionary manifesto provides great insight into how modern day consumers view modern day brands and more importantly how they are responding to branding as a whole. Again, a must read for passion branders wanting to better understand the environment in which they are operating.

3 www.cluetrainmanifesto.com. Read it, it's free.

end-users or consumers, we are human beings – and our reach exceeds your grasp. Deal with it', say its authors.

Of the 95 theses included in the manifesto, there are a couple which really drive home the changing attitude of consumers towards business and the consequent rise of the consumer:

> '88. *We have better things to do than worry about whether you'll change in time to get our business. Business is only a part of our lives. It seems to be all of yours. Think about it, who needs whom?*'

> '89. *We have real power and we know it. If you don't quite see the light, some other outfit will come along that's more attentive, more interesting, more fun to play with.*'

Share of wallet to share of consumer – the whole person

In most categories, the functional attributes of a product alone no longer drive consumer purchasing behaviour. In a world of product parity where technological innovation is copied at the drop of a hat, the 'soft' issues are the area in which consumer loyalty can be won or lost by brands.

A company's response to these 'soft' issues encompasses all those things that a company or brand does in the community in which it operates and sends out a message about the company's or brand's attitude towards doing business and the people with whom it does business.

In response to this insight, Unilever, by way of example, has taken the decision to break with tradition in the FMCG category and move from a very product-based to a value-based system of communication as Unilever's Michael Brockbank explains:

Leading Thought
Michael Brockbank, *Vice President Brand Communication, Unilever*

We've learned that in today's environment it's impossible to continue to rely on functional points of difference. Rather, we need to depend on communicating and connecting with the consumer using a set of values which they find very attractive and that's actually a lot more difficult to handle than the functional approach.

The second challenge we face is to identify how to engage the consumer such that they want to hear our message. We need to reward them so that they feel it's beneficial to them to listen to us as well as being beneficial to us.

With regards to our value-based approach, we're trying to place our brands in a much broader context of the consumer's lives. So in trying to gain consumer insight, we're investing in understanding what's in the hearts and the stomachs of our consumers as it were, rather than just peering into their brains.

So we look for opportunities where our brands can play a greater role in peoples' lives and if they can, people might then feel strongly about their choice for our brand. You can generally say that there aren't many of our brands which consumers feel passionate about. So we look for areas of activity, relevant to our consumers that they do feel passionate about and try to share their passion in a relevant way. If we can connect it with things they feel passionate about rather than just interested in, then that's a much more valuable relationship.

A fantastic example of this approach is the laundry detergent campaign which started off in Brazil and has moved around the world. After many years of us saying that stains were dirty, we placed stains on children's clothes as an essential part of growing up. If kids are dirty they're dirty: they can't be creative and develop their skills without getting dirty. So accept the fact that they're going to get dirty and just take it for granted from us that it's not an issue with our brand because the stains are going to go anyway. That's an example of putting a brand, a fairly functional brand, in a much broader context to people's attitude towards life.

We are also trying to find new points of engagement with our consumers. In traditional media like television, that means making sure that our contents are more engaging. But it's more than that: it's about finding ground through PR, through editorial, through sponsorship activities, through internet sites and through consumer relationship marketing. It's about engaging with them more when they want to engage with us rather than when we want to engage with them and that's the area of course in which sponsorship is playing an increasing role.

It would therefore seem appropriate that in the passion economy, marketers need to focus on gaining 'share of person' as opposed to 'share of wallet' as well as considering how best to embrace the hearts, minds and souls of the consumers that they are marketing their products and services to. Those companies and brands that get it right will be able to develop a degree of loyalty between themselves and their consumers not seen before which will translate into profits and long-term value.

Short-term gains to long-term value

The last two decades have seen the reporting periods of companies shrink from the traditional annual assessment to a situation where a company's share price, and its executives, almost literally live or die on the company's quarterly results.

Investment analysts now influence the behaviour of corporate executives to such an extent that manipulating the numbers for the sake of achieving their targets appears to be becoming more and more prevalent amongst CEOs. This model is not sustainable and the proverbial 'bubble' has begun to burst as recent examples in the United States – Enron, Worldcom and many others – have shown.

While profits will always be important, shareholders are currently reassessing their focus on short-term gains in favour of the creation of long-term value. This shift in focus is in turn resulting in a reassessment of how best companies should manage their relationships with their customers with life-time value of customers taking precedence over short-term sales and the importance of brand equity moving to the fore like never before.

Consumers – receptive to sceptical

Consumers are becoming very marketing savvy. They now, more so than ever before, understand the motivations behind marketing.

Up until now, this 'education' of consumers has essentially been a passive or a natural development with consumers arriving at their own conclusions based on their own experiences and what they have seen happening around them. However, a recent development in Britain may just accelerate this process. The National Consumer Council has recently introduced a new feature to the 'citizenship' module of the school curriculum in Britain in terms of which children will learn about the power branded goods hold over society and be taught how to resist the pressure to buy them and, it is hoped, made more cynical about the images they see on television.[4]

Little trust in corporates and CEOs

Time magazine has labelled the current period in the US as the 'Season of Mistrust'. A June 2002 *Time*/CNN poll conducted after a number of accounting scandals in the US indicates that 59 per cent of Americans have less trust in major American corporations now than before the scandals; 71 per cent think that the typical CEO is less honest and ethical compared with the average person; and 72 per cent believe that the accounting scandals are indicative of a pattern of deception on the part of a large number of companies.

Even more astounding is the statistic from the same poll that shows that over 57 per cent of Americans rate the moral and ethical standards of CEOs, stockbrokers, the news media, religious leaders and accountants as poor or fair.

The Economist highlights the most vivid example of this fall from grace – General Electric's former CEO Jack Welch. Following on from the corporate failures at Enron and Andersen, GE has also come under the spotlight as Americans turn against their former hero once described by the publication as 'the most successful manager of the past quarter century'.

The sobering reality of all of this is that the American view is not materially different in the rest of the developed world. Europe too has had its share of corporate failures attributed to previously 'revered' CEOs.

The loss in faith in the corporate world has had a devastating effect on consumer confidence and the relationship between brands and consumers seems destined to be a rocky one for brands that do not go out of their

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[4] Victoria Fletcher, Children will learn to resist the power of big branding (*Evening Standard*, Monday 4 November, 2000).