



GROWTH UNLOCKERS

PODCAST: Episode 1. How brands grow: It's complicated!

THOUGHT LEADERSHIP

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Is growing brands an art or a science? And how do you actually do it?

Three MediaCommers – Matt Mee, Global CSO; Jane Christian, UK Head of Business Science; and Chris Binns, Global CSO, New Business Development – discussed these issues with Sunday Times journalist Mark Edwards in the first episode of Growth Unlockers, our new podcast. Scroll down to listen or read to what they said...

MARK EDWARDS: In the olden days the orthodoxy was that growing brands was an art – that you can't fully define the rules of how you did it. The current orthodoxy is that it's a science – that there is a small number of very simple rules that you have to follow. Our starting point for this discussion is that it's a bit more complicated than that – that it's a

mixture of art and science. If there's one thing that you *know* is true about growing brands, what is it?

MATT MEE: Marketing is a risk. It's a risk investment. And to say that you can "science out" the risk of it – or scientifically predict the scale of its benefit – is rubbish. But there are things you can do and things that you can learn which can reduce the risk.

So not screwing up is something which *is* possible – you can understand the things that reduce the risk in each category. So, one thing we can be sure of is that marketing is a risky process, but if you do it right – if you don't treat it as a simple set of rules, if you really work to understand it – you can improve your chances of success.

JANE CHRISTIAN: There are a hundred little things that drive growth. But if there's one thing I've learned it's that it doesn't happen instantly and that you have to stick at it for the long term if you want to generate growth.

CHRIS BINNS: What Jane said! It's really, really difficult. There's an assumption that there are all these brands that are just popping into existence and growing exponentially almost immediately. But if you actually look at the likes of BrewDog, Popchips or Fever Tree, it's taken them years to get to the point where they've entered the public consciousness. They've existed for a decade, and it's taken them a long time to grow. The thing that sticks out for me is that if you are going to continually grow brands, you need to be both a student and a teacher of the craft of it all.

MATT: Equally, there's this idea that you look at a success story like BrewDog, you see what has made them successful and then you apply it from their beer brand to your baby food brand. And you go, everything should be D2C and there should be a subscription model for every product. Well... that really depends. Yes, there are probably categories of brands we work with where we could transfer lessons and models and get a sensible result. But equally, there are loads of instances where that won't work.

“There are a hundred little things that drive growth. But I’ve learned that it doesn’t happen instantly.”

Jane Christian, UK Head of Business Science

MARK: We’re constantly hearing about how consumers are changing but it’s helpful to remember that the basic human drives stay the same. Including the drive for convenience. There’s a Daniel Kahneman quote that goes – roughly – “Humans beings are to thinking, what cats are to swimming – they can do it if they really have to, but they would much prefer not to”.

MATT: I actually saw Jane in the audience while watching a movie of [Les] Binet and [Peter] Field talking about effectiveness at an IPA conference. The speaker before – who was from a content research and evaluation company – talked about something very interesting. We’re in a business where we are elbow deep in bullshit sometimes, and sometimes things that are almost guaranteed to help you deliver growth are ignored.

He was talking about persistent creative or branding devices – that could be an image like Churchill the dog, a running gag like “should have gone to Specsavers”, or a jingle. These are things that work over time. The speaker was saying that the most successful content uses a persistent device, and the very successful ones were the ones that used the device well beyond the initial ad. But often those devices that were so successful hardly even progressed out of the TV spot. Even in online video, the persistent device was dropped quite quickly – let alone when it got to CRM or email marketing.

It’s really fundamental. As an industry, we talk about building memory structures, but really applying it is the thing that seems to elude us. The industry is obsessed with new things, we’re neophiles. Whereas human beings are not neophiles. We like MAYA – Most Accessible Yet Advanced. We want something that feels fresh yet is familiar to us at the same time. We want to see Churchill the Dog, but in a new scenario. We don’t want to see the same Specsavers gag. We’d like to see it re-interpreted.

JANE: It was Orlando Wood from System 1. It's on the IPA website. That was my favourite section of the conference. He called them "Fluent Devices", which allow you to link up the brand from one occasion of seeing it to another. It's very compelling.

He talked about colour, characters and jingles. We used to use them a lot, and even though they work really well, we're using them less and less. And these days brands might stick with an idea for a year and then change it. Orlando's research says the exact opposite of that: keep it and evolve it. He picked Churchill out as a great example of that.

MATT: We like things to be new, so good stuff gets lost; and there's also perhaps a phenomenon that the company lives the campaign day in and day out, so after about a year they'll say "that's quite tired now, let's refresh it" meaning that essentially *they're* bored with it, but consumers have only seen it three times.

MARK: So how could we stop the mad dash to do the latest fashionable thing, and therefore throwing away the stuff that's actually working?

MATT: It's about building a really comprehensive understanding of what works and what doesn't work for you in a category and building, with your partners, an engine that optimises and measures according to those things. You need to play your own game, build your own engine, understand your own metrics, and then you're captain of your own ship, which gives you enormous advantages; it gives you an advantage against the vendors because they don't know what you're optimising to, and it gives you an advantage against your competitors because they probably don't know what they're doing.

This isn't something that happens all the time. There is more complexity in terms of metrics and more people pointing in different directions these days than ever before. So, if you're not the captain of the ship then you'll get pulled all over the place, and it's very easy to swing from one direction to another. We see this a lot. Binary thinking – it's *all* about precision marketing or it's *all* about [Byron] Sharpian reach and scale – whereas the art is to understand the balance. And you can only really understand that when you have your own understanding of what works and what doesn't for your brand.

MARK: So, you need to be open to new stuff, but really clear on the core stuff that works – and always has worked for your brand?

MATT: You can update how you do things, but the thing you're actually doing should be the same.

CHRIS: For all the rhetoric around data and personalisation and targeting this is where it actually makes a significant difference to a business: where you find the understanding that allows you to create that engine – and you stick to your guns in it. It's important to have test-and-learn experiments around the borders of that so you can understand where that engine – to badly mix my metaphors – bleeds. I'm not a car person.

MARK: But are clients looking for new all the time, or is it okay to say, "we're doing what we did before and it's still working". Is that a good start to a meeting?

JANE: This is quite a tricky area. Everyone's always looking for something new. If you tell them "what you're doing is spot on – just carry on" it's not considered the best bit of research. But actually, sticking with something and waiting for it to work – that long term view of things – is definitely something we don't see enough of.

MATT: Our friends at Kantar World Panel did an analysis of CPG brands. And there were lots of differences about the maximum amount of penetration you could get in any markets around the world – but the one thing that was consistent was that you would be in the top quarter of all growth brands if you grew between 1 and 1.5% every year sustainably. So, the hyperbolic transformation stories are all very well, but if you want to be one of the top 25% then grind out 1.5% of growth every year – and you will be stellar. And I think again that's a piece of information which probably is not widely distributed.

**"You can update how you do things, but the thing you're actually doing should be the same."
Matt Mee, Global Chief Strategy Officer**

MARK: That's a fact about growth that perhaps isn't widely known. Let's flip it, what ideas about growth that are widely held do you suspect aren't true at all?

JANE: I'd be sceptical of people who claim they have the entire answer. Anything that you read in a book that's a set model – you need to wonder what brand does that actually work completely for? Probably none. Even our friends Binet and Field have said that the idea that you should be spending 60% on long-term brand building and 40% on short-term activation is actually not that simple – it depends what sector you're in. People get it wrong when they stick too closely to a model. You have to think very carefully about what's relevant for your brand in your sector in your life stage. In fact, it can be wildly different in some sectors – 80/20 or 50/50 or 40/60.

MATT: If you suddenly go “oh now I've just found the new Bible, and henceforth it shall be 60/40 everywhere” it's not helpful. In a competitive environment knowing whether it's 60/40 or 65/35 could be the thing that gets you the 1.5% of growth.

CHRIS: Way back we used to talk about the difference between religion and philosophy – the difference between diktats and things that you should explore. And the reality is that these are all things you should explore and then come to a common understanding in your organisation about what's working for you and how to deploy that over time. Anything that's published in a business book is likely to not be the exact right answer that you need.

MARK: What factors shift the split away from 60/40?

JANE: Broadly speaking, if something's easily purchased you should spend more on brand because activation's easier; and if something is generally a more researched purchase then again, it's more on brand, less on activation. It looks a bit counterintuitive – and it's certainly not that simple.

MATT: The simple, directional principle is this: a lot of good things come from getting the balance between long-term and short-term right. However, because of the way the tools available to marketing have evolved, we've kind of bailed out of the long-term one, and we've become much more comfortable investing in something where we can see an immediate response – as opposed to something that can feel like... well... a CMO is in their job now for an average of two or two and a half years. When does an equity-led investment start to pay back? Not in the first year.

JANE: We know investment in brands does pay off long-term. It feels like a risk while you're doing it on your own brand, but the industry evidence is strong. But you still see companies who won't stick at it. It's scary, right? You don't see the

barometer move up immediately.

MARK: It's scary, and maybe not that easy, for a CMO to say 'I've taken a reasonably successful brand and I've kept it being reasonably successful, can somebody please give me an incredible new role on the back of that?' They're going to want to be able to say, "I've done something amazing and transformational".

JANE: Although, from a modelling point of view what we measure that you don't usually see is that *just standing still* takes a tremendous amount of effort. We don't pat ourselves on the back for that. All of the potential losses that we had to competitors we made up for those *and* we grew by that 1.5%.

MATT: We work with a retail business which has millions of customers every day and is extremely interested in doubling the size of its business, but they also know the importance of a brand – that their business success is based on having a brand that is culturally interesting and compelling and fashionable, as well as being really good at putting the right product in front of you at the right time.

I think it's when those two ideas can't be held in your head at the same time that businesses get into difficulty. At the moment there's a lot of pressure, a lot of recommendations from consultants in this area, who are saying that the answer to all of your problems is going to be rushing down the route of precision targeting. No, that's going to be *one* of the things that helps them.

If you haven't done this for a long time you don't know that the growth thing is about patience, is about several things, is about holding several ideas in your head at the same time.

CHRIS: In terms of the question "What do people believe that you know isn't true?" then absolutely, invariably disappearing down that black hole of incredible precision, data-driven marketing (from an advertising perspective, not from a CRM perspective) – in our experience if you disappear down that hole, inevitably your brand will start to fall over.

MARK: And presumably, as each year goes by that route is going to be more and more tempting for more and more people because they've got more and more data. So why is that a black hole?

CHRIS: At a very simple level, brands are cultural artefacts. And they operate in the public consciousness. Actually, people like to be seen as part of a tribe, part of a community. If I see other people who I think are like me buying a certain brand of shoe, a certain brand of car, a certain brand of soft drink, then I am more likely to want to buy them too, and also, I like to be seen to be buying them by those people.

The second you become more and more fragmented and precise and acting on the things you know about someone as an individual is the second you take that communal element away from advertising, and the second you stop building a brand and you're just having an activation conversation.

If you take that communal element away from advertising, it may well work in the short term – and there are some very successful short-term ROI businesses. But that's the problem with it. But you are no longer building a brand. The more individually precise you become, the more culturally invisible you are.

This is an edited transcript from the first episode of Growth Hunters, a new series of MediaCom podcasts about the art and science of growing brands. Every month we feature experts in the field from MediaCom, our clients, and our partners. [Follow the podcast on SoundCloud here.](#)

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