

October 2016

IPSOS VIEWS

Building Stronger Brands

By **Dave Hannay**

Chief Research Officer – Brand Equity

and

Gailynn Nicks

Chief Research Officer – Ipsos Connect

INTRODUCTION

Brands exist in a constantly changing world. But the role brands play in people's lives has not changed and people themselves change more slowly.

There is ample evidence to show that, even when conditions are in constant flux, the way humans gather and process information and make choices is more constant. For businesses, understanding people provides a relatively stable strategic anchor. There are also significant new approaches based on neuroscience and behavioural psychology that mean we know more about human decision processes than ever before.

Many of the questions businesses ask about their brands boil down to "how well are we doing" and "how can we do better?" Answers to these questions start with people. Specifically, why do they choose brands and how can brands influence people to choose them more? Put quite simply, brands that are successful are chosen by **more people, more often, more easily**.

To achieve this, brands must be closely associated with people's changing needs, knowing what they stand for and the motivating and credible part they play in people's lives. And brands must be able to both understand and leverage the way in which people make choices.

**BRANDS THAT GROW
ARE BRANDS THAT
ARE CHOSEN BY**



WHAT DO WE KNOW ABOUT HOW PEOPLE MAKE CHOICES?

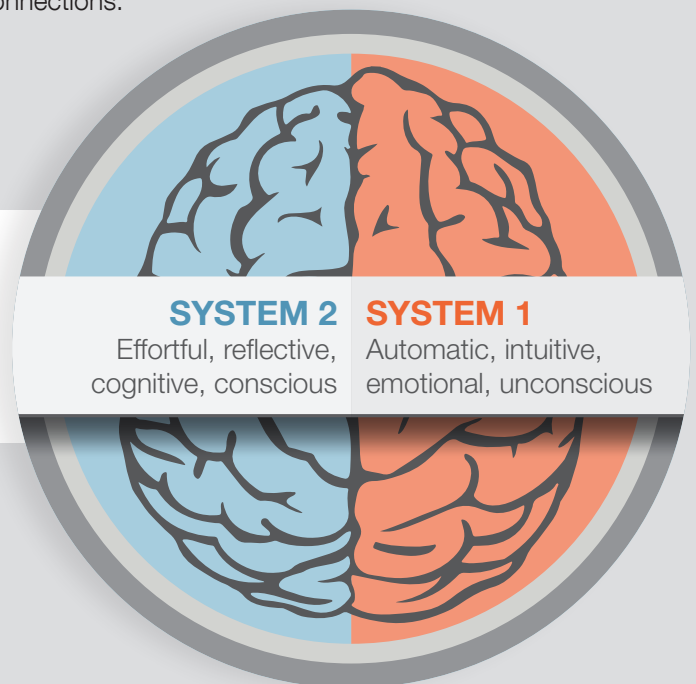
People have more choices than ever, but this complexity, abundance and continual bombardment have consequences; attention deficit being one. Our brains have to find ways to deal with the overload.

To cope we make full use of our dual processing capabilities – a combination of emotional or automatic and cognitive or reflective processing (often referred to as **System 1** and **System 2**).

Our limbic system helps us decide our initial response to stimuli and to assess what is worth cognitive effort. Heuristics help us to process large amounts of information, influenced by who we are and our past experiences, memories and biases. We save the effort needed for cognitive thinking for when we perceive there to be sufficient benefit. We are “meta-rational”, or rational about our ability to be rational.

The actions brands take to influence choices can leverage either or both processes, depending on the brand’s objective: for instance, to disrupt the status quo or to reinforce emotional connections.

HOW PEOPLE MAKE DECISIONS



HOW DO PEOPLE THINK ABOUT BRANDS?

Brands exist in people's minds as a network of thoughts, feelings, images, stories, associations, colours, sounds, symbols and memories. It is a unique associative memory structure that is formed based on all the interactions someone has with a brand.

When making a decision, **branding acts as a heuristic (a kind of mental short cut) – helping people make decisions without too much conscious thought.**

If brands want to create or reinforce these mental networks, then the greater the quality and quantity of prominent mental cues, the greater the likelihood that a consumer will build associative memory structures around the brand so that they will notice, recognise or think of a brand when making choices. Think of how well Apple has created a coherent, rich and dense mental network where products, look and feel, user experience and the positive memories of Apple retained in people's minds all work together to form a strong and synergistic whole.

HOW PEOPLE THINK ABOUT BRANDS



HOW DO WE CHOOSE A BRAND?

A brand must come positively to mind at the moment of choice. At these moments, brands are retrieved based on the strength of the brand's mental network, combined with any stimulus that catches attention at the point of choice.

Then, based on underlying needs and motivations at the time, some options will be rejected and other, salient brands will be considered as options. Those options will then be evaluated against each other and the 'best' option selected. This is a deterministic process, even if entirely unconscious.

This will be the preferred brand, or, all else being equal, the one requiring the least effort. Even from a repertoire of brands, only one brand will usually be chosen on a single purchase occasion. Think about going out for a beer. A friend is buying. What to choose? The craft beer over at the bar? Too expensive. The premium beer that might make you seem more attractive? Too early. The default that will get the evening started? Yes. All done in nanoseconds and much of it unconscious, but a process and a choice none the less.

Following choice, mental networks may be reinforced or challenged based on the user experience and cues or stimuli at any touchpoint with the brand e.g. communications, conversations etc.

Salience is vital...

At all points in the process, people are influenced by memory and attention salience. **Memory salience** consists of all the aspects of the brand's mental network that have been developed in the past and **attention salience** consists of all the cues or stimuli that capture our attention in the moment. This could be in the form of context, communications, a comment, an offer at the point of sale, a new pack etc.

Brands need to act at both levels, reinforcing positive memory structures with simple stories and messages or capturing attention through more dissonant or disruptive approaches designed to challenge people and force them towards a more cognitive level of processing.

In summary, successful brands are chosen by more people, more often and more easily:

HOW PEOPLE ARE INFLUENCED



Memory salience: all the existing aspects of the brand's mental network
Attention salience: the cues and stimuli that capture our attention at any touchpoint

- Salient brands come readily to mind in the moments that matter. They have strong brand networks or associative memory structures, so they are naturally retrieved in a fast-processing, automatic decision environment.
- Brands must fulfil the key motivational criteria for selection, which include meeting functional and emotional needs and creating connections.
- And they must have the highest perceived value at the moment of choice, compared with alternatives.
- This includes being perceived as the choice of least effort. One of the basic shortcuts (or heuristics) people use in choosing brands is the availability heuristic. The more easily people perceive that they can obtain one option vs. another similar option, the more likely it is to be selected.

SO WHAT DOES A BRAND NEED TO DO IN ORDER TO BE FIRST AT THE MOMENT OF CHOICE?

- 1 BUILD SALIENCY**
Identify and enhance prominent memory and attention cues so that your brand is implicitly retrieved in the moments of choice
- 2 FORM RELATIONSHIPS**
Meet functional and emotional needs across multiple occasions to create memories that link the brand and things that matter
- 3 RANK FIRST**
Achieve highest perceived value at the moment of choice
- 4 MAKE IT EASY TO CHOOSE**
Manage the factor that make it easy to choose the brand we desire or push us towards alternatives

Together, these elements create **BRAND DESIRE** which reflects the extent to which people want to buy your brand

This is about managing **MARKET FORCES**: enabling your brand to be chosen easily at the moment of choice

THE IPSOS APPROACH TO MEASURING BRAND EQUITY INCORPORATES THESE KEY PRINCIPLES

Brand Desire is about building strong mental networks for the brand and measures the core aspects of choice: **brand saliency** and **brand relationships** that ensure the **brand ranks first** in as many choice situations as possible. This applies even within a repertoire on any single purchase occasion.

It is important for brands to be perceived to be easy to choose. **Market Forces** are the actions taken by a company that result in increasing or decreasing the likelihood of being perceived as the choice with the least effort and that includes least outlay financially.

Measuring Brand Desire

To grow, a brand must first be *considered*.

People seldom make deliberative choices amongst an infinite set of options. They consider a shortlist of salient brands that are instinctively retrieved as relevant. The group of brands that pass this threshold for any given choice are the consideration set.

We measure how many and which brands come to mind for consideration. We do this for the category overall but can also apply the measure to different occasions, needs or situations. We can also measure the reasons why other

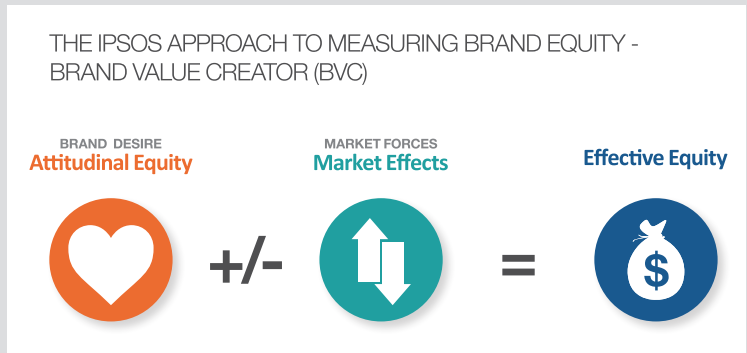
brands do not enter the consideration set, be that because they are not distinctive and don't capture attention or because they are rejected, and the reasons for this.

The brand relationship consists of two measures, meeting needs (performance) and closeness. These consciously summarise the typical, often unconscious criteria on which brands are chosen and represent the comparative measures against which people determine their preference or highest ranked choice. We do not ask rank but infer it from the ratings of each of these measures for each brand in the consideration set. This reflects the context in which choices are made between brands. It also neutralises any cultural bias that exists due to how different cultures score or rate brands – a major benefit when conducting multi-country studies.

The Ipsos measure for Brand Desire is called Attitudinal Equity.

Linking this with Brand Outcomes

When we combine the number of brands considered and their ranking, *we can show a direct relationship with overall market share.*



This demonstrates the importance of influencing brand choice through increasing levels of consideration, strengthening the functional and emotional elements of brand relationships and being the most preferred or ranked first in the moments that matter.

Taking into account Market Forces, or the ease of getting hold of a desired brand, the link with market share becomes even stronger. The Ipsos measure for Market Forces is called Market Effects.

These measures form our brand equity solution, Brand Value Creator (BVC). Our brand expertise, combined with a powerful measurement framework, enables our clients to focus attention on proven and sensitive metrics that provide the information to build stronger brands.

In summary

- Our approach incorporates all the latest thinking in neuroscience and behavioural psychology with a validated market approach and clear actions that lead to brand growth.
- The metrics we deliver provide the information you need to take the right actions for brand growth. We diagnose in detail how well brands perform on each of the key aspects of Brand Desire and Market Effects. These can be analysed against the market average or wave-on-wave in order to understand which actions would have the greatest brand impact.

Dave Hannay is Global Chief Research Officer for Brand Equity research across the Ipsos business.

With over 35 years of industry experience, Dave has spent the last 10 specialising in the Brand Equity arena with a particular emphasis on how we can guide our clients to make sound commercial business decisions from research data using latest industry thinking.

He has spoken at numerous client events, written white papers, contributed to books and articles related to Brand Equity research and is a recognised expert in this field.

Gailynn Nicks is Chief Research Officer for Ipsos Connect, the media and brand expression specialists.

Gailynn is responsible for thought leadership, innovation and product development in brand and communications for Ipsos. She has recently led the group developing our views on how to build stronger brands and to implement the right metrics to deliver this for clients.

The *Ipsos Views* white papers are produced by the **Ipsos Knowledge Centre.**

www.ipsos.com
@_Ipsos

GAME CHANGERS

<< *Game Changers* >> is the **Ipsos** signature. At **Ipsos** we are passionately curious about people, markets, brands and society. We make our changing world easier and faster to navigate and inspire clients to make smarter decisions. We deliver with security, simplicity, speed and substance. We are Game Changers.

GAME CHANGERS

