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Sales And Marketing

The Right Way to Build Your Brand

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Summary. More than a century ago the merchant John Wanamaker wryly complained, "Half the money I spend on advertising is wasted. The trouble is, I don't know which half." In this article the authors present a solution to Wanamaker's famous quandary. Drawing on a large... **more**

More than a century ago the merchant John Wanamaker wryly complained, "Half the money I spend on advertising is wasted. The trouble is, I don't know which half." Because the proponents of advertising have always struggled to prove that the money is well spent, that indictment has long helped financial executives justify cutting ad budgets. As no less an authority than Jim Stengel, a former chief marketing officer at Procter & Gamble, has noted, the struggle continues, although huge resources go toward testing advertising copy and measuring effectiveness.

The battle has become tougher with the advent of online advertising and "performance marketing"—that is, spending to capture and convert potential demand that has already arrived (for whatever reason) at the top of a brand's sales funnel. In other words, the advertiser pays for clicks. However, in what is now called "brand advertising"—designed to help establish awareness for a brand, a product, or a service to strengthen identity and increase customer loyalty—the link between advertising spending and positive financial outcomes is more tenuous. The result is that would-be brand builders face the dual challenge of Wanamaker's long-standing critique and the rise of performance marketing as a perceived legitimate alternative. The CEO of an iconic fashion clothing brand told one of us recently, "I am finding it impossible in my own organization, which notionally I control, to protect brand advertising against performance advertising spending."

We finally have an answer for Wanamaker—and a coherent rationale for investment in brand building. We drew on a large database supplied by the World Advertising Research Centre (WARC) to empirically identify what types of brand advertising are most effective both for attracting new customers and for converting them into loyal repeaters. As we'll explain, the key to successful brand building is a clear and specific promise to the customer that can be demonstrably fulfilled. Advertising that makes such a promise almost always results in better performance than advertising that does not—even if the latter creates greater name awareness. And a well-designed customer promise not only leads directly to sales but also provides an effective framework on which to organize a company's activities.

Let's begin by explaining what we mean by a "promise to the customer."

Promises, Promises...

When one person makes a promise to another, it creates a relationship between the two. If the pledge is fulfilled, it builds trust, resulting in a valuable connection. Research shows conclusively that making a promise and then delivering on it has a greater positive impact on the recipient than simply doing a favor or a service for that person.

Consider these three promises from competitors in the same industry: Allstate's "You're in good hands," "Nationwide is on your side," and Geico's "15 minutes could save you 15%." Only Geico's is direct and verifiable. It promises that just 15 minutes of your time can save you 15% over your current insurance. That creates a connection. And if you take the 15 minutes and save 15% (or more), the company has built trust. Allstate and Nationwide imply promises—but essentially about themselves rather than the customer: Our hands are good hands, and we are on your side. Their promises aren't verifiable. What does "good" mean in practice? And how does "on your side" play out?

Those differences made us wonder: Could the success of a brand building campaign be related to the type of promise it made? Would customers respond more favorably to a brand that made and then clearly delivered on a specific promise? To answer those questions, we turned to WARC (a sibling of Cannes Lions, which organizes the International Festival of Creativity). WARC's database includes more than 24,000 case studies, drawn from ad competitions all around the world. The competitions require entrants to explain how their marketing communications have worked—including soft performance metrics, such as impact on brand perception, and hard measures, such as gain in market share.

> **Creating and executing on a customer promise is an act of strategy making. It defines where the company will play and how it will win.**

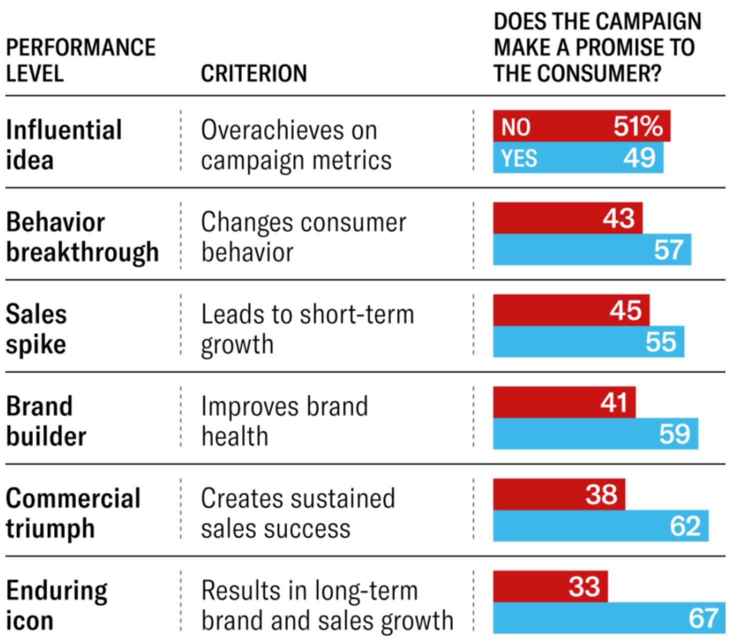
We studied the data for more than 2,000 campaigns that had entered competitions from 2018 to 2022. Before looking at any of the performance metrics, we classified the campaigns according to whether they had made an explicit and verifiable promise to customers. About 60% (1,213 of 2,021) included no such promise, while the remainder (808) did.

We then compared the two groups on a variety of metrics. Customer promise (CP) campaigns outperformed other campaigns across most measures. For example, on measures of brand perception, brand preference, and purchase intent, 56% of CP campaigns—versus 38% of others—reported improvement. Market penetration increased in 45% of CP campaigns versus 38% of other campaigns, and market share increased in 27% of CP campaigns versus 17% of others. That is not to say that other campaigns didn't perform well on some measures. They beat CP campaigns soundly (55% to 43%) on generation of social media buzz, for example.

But CP campaigns win on the important metrics. WARC ranks campaigns in a hierarchy of six ascending levels of performance. Unsuccessful campaigns don't make it into the hierarchy. Non-CP campaigns outperform CP campaigns slightly (51% to 49%) on the lowest level: "influential idea." But as the categories become more important, the advantage of CP over non-CP campaigns grows, with 62% over 38% in "commercial triumph" and 67% over 33% in "enduring icon."

The Power of a Customer Promise

Ad campaigns rooted in making and fulfilling a customer promise may not always generate the most buzz, but they deliver on the dimensions that count. The World Advertising Research Centre uses six levels of performance to rate campaigns, shown here from least to most commercially successful. We studied WARC's data for more than 2,000 campaigns to compare their results.



Source: World Advertising Research Centre

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What Does a Customer Promise Involve?

We began by looking at the kinds of promises made in our dataset of 808 CP campaigns. The majority of promises fell into three types, and 89% of campaigns made at least one type. Some made more than one.

Emotional. Perhaps surprisingly, this was the biggest category, with 35% of the campaigns having made it their primary kind. It involves the emotional benefits a customer will receive from using a product or service. A classic example is the Mastercard "priceless" campaign: "There are some things money can't buy. For everything else, there's Mastercard." The promise is that Mastercard will take care of everything involving money, allowing you to focus on your treasured experiences. Another classic is "Have a Coke and a smile," which focused customers on the pleasure associated with drinking a Coke with someone else. And De Beers's famous "A diamond is forever" has since 1947 promised that the endurance of a diamond confers permanence on the emotions attached to it. More recently Lysol's "Protect Like a Mother" makes the emotional promise that using the product will make you as protective as fierce mothers in the animal kingdom.

Functional. In 32% of our sample the primary promise was functional. For instance, Snickers's "You're not you when you're hungry" promises that customers will be able to operate at full capacity after consuming one of its candy bars. FedEx launched its "When it absolutely, positively has to be there overnight" campaign in 1978, and the promise was so powerful that it resulted in the creation of a new verb: to FedEx. Part of the campaign's success is that it conveys an emotional promise as well: You don't have to worry, because it's FedEx.

Enjoyable to buy. A surprisingly large number of companies (22%) adopted as their primary promise the idea that customers would enjoy the process of purchasing. A good example is provided by the paint maker Sherwin-Williams, which won the 2022 B2B Grand Prix at Cannes for its campaign based on an artificial intelligence tool that allows customers to create and choose a paint color by using voice to describe it ("a turquoise like the sea in the Maldives," for example). Designers and architects loved it. The promise that Uber is "the smartest way to get around," which focuses heavily on the ease of ordering and paying, is another example.

The remaining campaigns fell into three minor categories: *value for money* (5%), such as Geico's "15 minutes could save you 15%"; *sustainability* (4%), including Tide's "Turn to Cold" campaign, which promises that its new product is as effective in cold water as regular Tide is in hot; and *making amends* for prior failures (2%), with Wells Fargo's "Earning back your trust" campaign in the wake of its fraudulent account-opening scandal being a prime example.

Having determined what kinds of promises companies make, we turned to look at what makes the promises attractive to customers. We found that successful campaigns share three features. They are:

Memorable. In most cases they run counter to expectations. Germany-based SIXT has quickly become the fourth-largest rental car company in Europe and is the fastest growing in the U.S. market. Its slogan is "Don't Rent a Car, Rent *the* Car." Its promise is that SIXT won't disappoint you by foisting the only available vehicle on you when you arrive for pickup, as often happens to customers at other companies. You'll be given the car you originally chose.

Valuable. Customers must want what the promise offers. That's more likely if it diverges from a status quo they don't like. SIXT executives realized that customers willing to hire an expensive car actually cared about the make and model. That was less of an issue for bargain hunters—but they weren't SIXT's target market. Of course, other rental companies also offer premium cars, but in order to save costs, they don't always guarantee a specific car, giving SIXT an opportunity to differentiate itself with premium buyers.

Deliverable. Part of the value of any customer promise is precisely that it is a guarantee, which requires that the customer be able to determine that the promise was fulfilled. Making a promise involves risks. SIXT must deliver *the* car. Mastercard actually needs to take care of "everything else." Coke has to be enjoyable (which is why its reputation suffered so much when people didn't like the taste of New Coke); Lysol must protect; Snickers must boost energy, and so on. Our assumption is that most of the 808 CP campaigns generally fulfilled their companies' promises; otherwise they wouldn't have had disproportionally positive effects. But because customer promise has not been an explicit factor in previous surveys, the WARC dataset includes no information about whether the companies making such promises actually fulfilled them. Our hypothesis is that had we been able to create a subsample of campaigns that definitively made good on their promises, we would have found that they scored even higher on the performance metrics. Of course, how a customer determines whether the promise has been kept may not be obvious, especially in emotional-value campaigns. But it clearly makes sense for companies to figure out exactly how to deliver on their promises.

The designer and photographer Ben Geier is inspired by the aesthetic of rural America from the 1950s to the 1980s. He travels to document examples of classic Americana architecture and signs before they disappear.

Marketers always claim that their goal is to make campaign promises memorable, valuable, and deliverable. But as we've seen, their promises aren't always about the customer. The premier advertising event of the year is the Super Bowl, when many viewers pay more attention to the ads than to the game, and the 2023 Super Bowl was no exception. Most of the ads were feats of creative storytelling packed into a precious few seconds of very expensive airtime. They were memorable and often featured celebrities: The Hellman's mayonnaise ad depicted *Brie* Larson and Jon *Hamm* about to be eaten in a sandwich by Pete Davidson.

But our appraisal of the 51 commercials for the 2023 Super Bowl reveals that fewer than a third of them attempted to convey a specific promise of value to be delivered to the customer—a finding close to our results when we broke down the WARC campaigns. What most of those ads were aiming at was to enter the cultural conversation—advertising's equivalent of trying to be the most popular kid at the party. Only a handful actually made their tagline a memorable, valuable, and deliverable promise to the customer. Farmer's Dog, which promised "Real Food. Made Fresh. Delivered," was one.

We don't have the data to assert that its Super Bowl ad boosted sales for Farmer's Dog more than the other ads did for their companies. But feedback we got on our research suggests that it's very likely. When we showed our results to one major advertiser, for example, its executives decided to review the copy of three successive ad campaigns: a successful one followed by a disappointing one followed by a successful one. Everyone in the room agreed that the company had made an explicit promise in the first and the third, but its executives had been so excited about a new version of the product featured in the second that they had focused the ad on how great it was and neglected to make a promise.

The insight that effective brand building is anchored in a promise to the customer can do more for a company than just help it invest wisely in advertising. The promise can serve as a strategic framework for mobilizing everything a company does.

Your Promise Is Your Strategy

Today's companies face big challenges stemming from the fragmentation of functions including product, marketing, sales, customer experience and loyalty, and HR and talent. They all tend to operate in silos, often at significant cross-purposes.

A well-conceived customer promise can provide a common objective. That's because creating and executing on a CP is, in essence, an act of strategy making—defining where the company will play (for SIXT, among affluent people who care about cars) and how it will win (by guaranteeing they get the car they chose). This provides information for investors (how the company will beat its competitors), customers (the value the company will bring them), employees (the value they are striving to create), the marketing and sales function (how the company positions itself), the production function (what the operational objective is), and finance (what it should be measuring).

We think of taking a CP to the market as a cycle with five steps. The first step is to *understand* customers well enough to know what constitutes memorability and value for them. SIXT understood its customers well enough to know that they were frustrated by being given a rental car they hadn't chosen and didn't like. It used that understanding to *design* a CP, settling on a very simple but compelling and memorable statement: "Don't Rent a Car, Rent *the* Car." The first half of the tagline is counterintuitive—*No, I need a rental car!*—but the second half makes a specific and deliverable promise: *SIXT said I would be given the car I booked—and I was.* Once a company has designed its CP, it can *issue* it publicly and in doing so, commit to it, which SIXT does relentlessly. Then it must *project* that promise to the target audience: If it isn't received, it can't be effective. Finally, it needs to *fulfill* the CP, or the promise will be largely worthless. SIXT unfailingly does so.

This cycle provides guidance about the resources the company must dedicate to the various aspects of brand building. How much should it dedicate to understanding customers? How much to designing and issuing a CP? How much to projecting it? And how much to ensuring that the key aspects of the CP are delivered? As the company repeats the cycle, it learns more about its strategic challenges and how to account for customer and competitor shifts.

The ultimate goal of a marketing campaign should be to go through the CP cycle often enough that your customers stop wondering whether you'll make good on your promises. Once they assume that you will, they purchase out of habit rather than choice. Tide customers don't question whether the detergent will get their clothes whiter and brighter. They just dump it in the shopping cart. This unthinking habit means that they give Tide's competitors no opportunity to prove their own CPs, widening Tide's lead over the competition. The result is an enduring and valuable brand.

So when a CMO comes to the excomm meeting to propose allocating capital to a new campaign, the CEO and the CFO should ask four simple questions: (1) Is the campaign based on a clear and unambiguous customer promise? (2) Were customer insights used to identify a promise that customers value? (3) Is the promise framed in a way that is truly memorable? (4) Were product, marketing, sales, and customer experience involved to ensure that it will be consistently fulfilled?

If any of the answers are negative, the CMO needs to go back to the drawing board. But if they're all positive, the company should absolutely invest in the campaign, because those questions capture the secret to brand building.

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