



The Characteristics of Effective Brands



By Martin Roll , Business and Brand Strategist, Founder of Martin Roll Company (INSEAD MBA '99D)

Winning brands thrive because they're aligned with strategic objectives and adapt over time.

When one thinks of Volvo, “safety” almost always comes to mind. The instant recall Volvo has achieved is down to its obsession with safety in its products, but also in its strategy and brand positioning.

Strategic brand building is becoming increasingly common but is also a critical way to ensure success in today’s complex and turbulent marketplaces. In branding, owning a word or a sharp phrase can anchor a company’s message and position, but building a brand as timeless as Volvo takes evolutionary strategic thinking too.

Brand building is a long-term process and consequently requires a boardroom mindset and attitude that aspires to think big and strategically.

Strategic thinking for brand building requires an in-depth understanding of the customer, category and competition. This in turn requires being close to the customer pulse, evolution of the category and competitor activities.

Strong brands that have long-term viability and can guarantee healthy revenues and profits for the organisation are built from the bottom up. Ultimately, strategic thinking forms the foundation for effective brand building and it starts with differentiation.

Deep impact

To put a brand on the map, a strategic positioning will be forward looking, will play to the needs of the consumer, will create seamless association and will aim to address gaps, especially those left by competitors. This sounds complicated, but thinking hard about narrowing your brand down to one word or phrase is a good place to start to build ownership.

The second stage is how you position your brand at launch. To have a head start and gain instant traction, the brand needs to have visibility and availability at all possible consumer touchpoints. Visibility should be maximised through focused marketing and communication campaigns and availability should be ensured through an effective distribution strategy. Strategic thinking at this stage ensures alignment of the brand's communication, marketing and distribution goals. Nike is a great example of a brand which keeps its customers (and stakeholders) highly engaged across multiple channels through an intelligent, aspirational brand promise to "Just Do It". The brand inspires everyone to play and engage in sports, and to seek achievements regardless of their professional levels.

Post-launch, the brand's development and existence is determined not only by factors that an organisation can control but also by external factors beyond its control. Application of strategic thinking during early or late stage brand growth takes into account internal and external factors that impact the brand's viability.

Strategise responsively

Strategic brands should positively influence their companies' growth strategies. At different stages of the brand's life cycle, there could be multiple avenues for brand growth. Some of these can be:

- Capturing market share from competitors

- Growing the category
- Increasing the width and depth of consumption

Strategic thinking has an important role to play in any of these growth strategies. Pitching directly against competitors requires a superior positioning, a wider availability, price advantage, higher price-to-value equation and a superior product performance to succeed. The brand strategy must then be formulated encompassing these key aspects.

The second avenue of growing the category requires understanding the gaps in consumer needs and preferences, and targeting them for growth. In many instances, needs can be created, which lead to the expansion of the category or the creation of a new category altogether (e.g. Starbucks creating the outdoor coffee drinking market in the US). The third avenue of deepening and widening consumption is generally a mid or late-stage brand growth strategy, growing the category within the realms of existing needs.

In addition to identifying growth opportunities, brands have a constant need to stay relevant, competitive and strongly differentiated. Strategic brand building creates a roadmap that outlines areas of opportunity, threats, strengths and weaknesses for the brand. This roadmap can be used to navigate around competitive threats, category evolution and fragmentation, shifting consumer needs and preferences and external economic, regulatory and political factors.

Define what your brand is NOT

A strategic brand building mindset and its application is critical for a brand's survival and growth. There are several defining features of this mindset, which involve treating brands as value drivers and equity builders for the organisation. Much like strategy, the brand should evolve with the intent of providing a unique product that caters to an important need. A brand also has revenue and profit potential which should be carefully balanced with its consumer positioning and its contribution to corporate social responsibility.

Equally important is to lay out the brands guardrails. These are as important as the brand promise. Payments company Visa puts a lot of effort into making people understand what it is not: "Visa does not issue cards or extend credit". It is careful to position itself as a technology company providing a payments network, not a "credit card company". Such guardrails create consistency for the brand across multiple touch points and insulate it

from emulating or reacting to competitor activity. In this regard, brands have the ability to chart the course towards “**blue oceans**” of uncontested market space and away from red oceans where their competitors fight it out.

The underlying aspects of strategic brand building are driven by the need to carve out a unique, competitive and sustainable space for a brand in the category(ies) or market(s) in which it operates. It is important to note that strategic brand building does not operate in isolation or in conflict with tactical brand building efforts. Both are important but the overall direction of the brand needs to be more strategic than tactical by definition.

With the turbulent nature of today’s markets, strategic thinking is becoming a critical part of brand building right from the birth of a brand and also at a local/single market level. Criteria that define the success of a brand at a local level can then be scaled up to drive the brand’s success at a regional or global level.

Consistency

Overall, strategic brand building and the associated thinking are the key platforms for achieving success in markets. The driving principles of these forms of thinking are recognition of a brand as a commercial and value building asset; an in-depth understanding of the brand’s consumers; and a market level strategy that is aligned with the brand’s core promise and is consistent across all forms of customer touch points.

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