CHAPTER 2

Traces in a Cloud Chamber

About a hundred years ago, it was accepted wisdom that spirits exist.

The Society for Psychical Research, founded by scientists in the late 1800s, sent observers to séances and fact-checked instances of communion with departed souls. They compiled detailed notes describing revelations from the dead, such as learned secrets that had never before been shared, and remote transmission of conversations.

The accounts were sprinkled with the occasional snare drum or trumpet suspended in midair, even a spectral appearance now and then. Many of the reported events delivered a sense of reality and meaning that defied explanation, as well as moved stoic disbelievers to tears.

Well, defied any explanation except for telepathy. *Mindreading*.

The society was convinced that some family members had skewed the results by sharing thoughts with the mediums. They'd already documented hundreds of such cases. Telepathy was taken for granted: the remaining questions were simply to determine its qualities and limits, and how it colored conversations with spirits.

Imagine those scientists, dressed in their tweeds, hair parted down the middle and glued to their scalps, pencil nubs and worn notebooks in their hands, sitting ardently straight-faced as their subjects swooned and babbled in tongues. They *wanted* to prove their suspicions, but in the end their presumptions were based on too many beliefs that themselves required some good old-fashioned debunking. People had believed in spirits for centuries, so the researchers very well may have seen what they expected to see.

But they were good enough scientists to admit, however begrudgingly, that it wasn't enough. They failed in their quest to objectively measure what was going on in people's minds, or what (or who) was communicating between them.

Measuring branding is in a similar predicament.

We certainly talk about brands like there's an *it* to talk about. Daily references in the news describe brands that can influence people and events at a distance, though brands also have characteristics that exist independently of both. Brands are a supernatural force, speaking through specially trained gurus who translate them for us in terms of perceptions, spirit, even soul.

When researchers find proof, it's usually via modern-day séances, or *focus groups*. They expectantly ask subjects what they know about brands. The experts call this *aided awareness*. Videotaping is today's divining rod.

Brands are ghosts that everyone senses, but nobody sees

To be sure, people don't need much prompting to recollect memories about brand names. You've likely bought a branded product or service since you started reading this book. Of course, brand influenced your decision: you were more familiar with one name versus another; your favorite brand offered a better value; perhaps a friend told you that it was a good deal, or maybe you can't really explain it entirely.

A brand is like a Platonic ideal, separate and apart from the who, what, where, when, and how of behavior. Brands just are.

But what is that influence, exactly? How did your knowledge of a brand affect your last purchase decision? How did it influence your subsequent purchase, or reflect your experience during the last? How did it come to be separate from what you learned and experienced for real, firsthand? Is there branding separate from behaviors?

There's no measure for any of this, other than lots of qualitative opinion and colorful analogy. You cannot effectively determine what influenced your decisions, and people are not reliable sources for assessing marketing's impact on themselves. In fact, brand marketers aren't good sources for clearly defined or reliable explanations, either.

It's stunningly odd that something so common in our language, and accepted in our reasoning, is so completely left outside of all the other definitions and measures businesses rely upon. Most companies know a great deal about impacts on profits and expenses. There are equations meant to calculate, and lines on balance sheets reserved to present, even the most infinitesimally small figures. Accounting is founded upon detail, and auditors earn their living making sure that every expenditure is represented and understood.

Every expenditure, that is, except branding, for which there is no consensus standard. Not even close. All we know for sure is that getting people to recognize a logo is usually a very expensive proposition.

Much progress has been made on analyzing return on investment, or ROI, for marketing activities, which we'll get to later in this chapter. But remember that marketing activities are distinct from branding:

Marketing is intended to deliver actions, during a set period of time, with a cost and expected return that can be expressed on a spreadsheet.

Branding is conceived as a far more subtle, intangible contributor to business performance. So, like stories scribbled during séances, it's instead perceived by any number of anecdotal measures.

Marvelous obfuscation

To illustrate the predicament of measuring brand, let's look again at Coke, which is an easy target because it spends billions of dollars on its branding. Interbrand, one of the leading brand consultancies, declared that the Coke brand alone accounted for 51 percent of the stock valuation of the Coca-Cola Company in 2002. A few years later, a journalist explained the influence of Coke's brand had somehow transferred to the sensation of Coke's taste. Similar descriptions of brand importance and influence are quotable on any big company that spends large amounts of money on it.

Interbrand possesses a detailed methodology to substantiate its observations, however. In a selfless act of branding education, it partners with *BusinessWeek* every year to publish "The Top 100 Brands," touting an approach that "evaluates brands much the way analysts value other assets."

Let's deconstruct it, and compile our own notes as the spirits materialize. The bold, bulleted points are steps in Interbrand's methodology:

The projected profits are discounted to a present value, taking into account the likelihood that those earnings will actually materialize.

This starting point for the analysis is squishy, as the ability to assess the likelihood of any future event is inherently subjective. So the methodology will yield a *prediction* for the brand's *likelihood* of *contributing* to future earnings *potential*. The ranking is an estimate based on an estimate, two steps removed from objective measurement. We've already assigned a qualitative starting value estimate for what will include brand. And the calculating hasn't even started.

The first step is figuring out what percentage of a company's revenues can be credited to a brand (the brand may be almost the entire company, as with McDonald's Corp., or just a portion, as it is for Marlboro).

Wait a minute. Isn't this the entire purpose of the assessment? And consider the examples: Wouldn't you have guessed that McDonald's makes money from selling Happy Meals and that, if you could ignore nicotine's influence as a driver of consumption, Marlboro's revenues might conceivably come more from brand than the company? What's the difference between *brand* and *company*, anyway? Maybe the details of the methodology will clarify things.

Based on reports from analysts at J.P. Morgan Chase, Citigroup, and Morgan Stanley, Interbrand projects five years of earnings and sales for the brand.

Okay, more confusion. First off, financial houses have no standard analysis tool for assessing the value of brands. Most of them categorize brand as an *intangible*, and often don't dissect corporate marketing budgets with any distinction between brand versus marketing expense (machinations of *above* and *below* the line notwithstanding).

When financial people use the word “intangible,” it’s code for “may or may not have any value.” *Everything they care about is tangible*, and it all gets revealed on a spreadsheet. So Interbrand is taking financial firms’ qualitative estimate of future performance, and building on top of it some guesstimate of branding’s role? There’s no real math here whatsoever.

It then deducts operating costs, taxes, and a charge for the capital employed to arrive at the intangible earnings.

Oops, maybe there is math after all. But what does it mean? The last step yielded earnings, which you get to only after deducting operating expenses and so on, but maybe they were talking about the business instead of the brand in the last step? And what is the expense for intangibles? Are expenditures for brand (exclusively) a cost item, or perhaps somehow considered an investment (brand equity) that’s depreciated over time? The usage of capital is a fuzzy thing to estimate, at best.

The company strips out intangibles such as patents and management strength to assess what portion of those earnings can be attributed to the brand.

Stripping out lesser intangibles from the über-intangible of brand is a good thing, I guess, but it seems sort of random. How does Interbrand assign a number to *management strength* so then it can deduct it? Patents can actually be estimated, if only on the basis of the value of the legal rights themselves (let alone any market development), but how is it done here? Lots of qualitative opinion is getting passed off as quantitative measurement.

Finally, the brand’s strength is assessed to determine the risk profile of those earnings forecasts. Considerations include market leadership, stability, and global reach (or the ability to cross both geographic and cultural borders). That generates a discount rate, which is applied to brand earnings to get a net present value. *BusinessWeek* and Interbrand believe this figure comes closest to representing a brand’s true economic worth.

Gesundheit! Just revel in all that broad, ill-defined doublespeak: *risk profile*, *considerations*, *market leadership*, *stability*, *global reach*, *ability to cross cultural borders*. All these assessment and rates are qualitative estimates. This isn’t math, it is religious scripture, created to reaffirm belief to the flock while ginning up enough obfuscation to dissuade nonbelievers.

Imagine if somebody else in your company tried to explain expenditures with the language of branding

How about if the HR people talked that loosely about what they’re doing? Or IT told the board that investments would yield *sorta-kinda-maybe-if-you-look-at-it-with-one-eye-closed* results?

They'd get laughed at or fired, or both. The funny thing is that the Interbrand methodology for brands is one of the better ones.
Consulting companies in every major market in the world happily spend client money on other methodologies to research brand among various stakeholder groups, and then portray it as a map, architecture, tree, or strand of DNA.

Just for giggles, ask someone who does branding for you to explain the process. If you do branding for your company or for clients, spend a few minutes analyzing how you go about validating your claims. Make note of every term or phrase that doesn't have a clear definition, and put an asterisk after every entry that represents a qualitative statement or judgment. Highlight entries that are declarative statements, such as "people will think this," or "be aware of that." Write an actual sales number at the bottom of the page.

Then, when you're done talking with your expert (or being an expert yourself), take a breath, throw caution to the wind, and try to blow holes in the process. Take nothing for granted. When you hit the first term or step that doesn't have a clear purpose or connection to that sales number on the bottom of your page, look at the clock. My guesstimate is that it will take you under a minute to get there.

I can just imagine the collective *harrumph* I just got from any brand experts reading this book.

Actually, you can go to my website, baskinbrand.com, and post your opinions or complaints about this point (and any other in this book). I can predict that most of the posts on measurement will be numbers or ratios that have to do with awareness, impressions, or other intangibles. I considered hosting an X Prize–like competition to reward the first proof that brands exist, but too many people already believe they've proven it.

Branding serves primarily to perpetuate the belief in branding and thereby preserve branding budgets. I would be happy to be convinced that my thesis is invalid, but branding metrics today are circumstantial variables that yield fuzzy conclusions. Just like telepathy influenced studies of spiritual communication, marketers' beliefs in brands cloud their judgment on *what* and *how* branding might influence corporate performance. Maybe brand experts are the wrong people to ask about measuring brands?

A visit to the doctor

Magnetic resonance imaging research showed in early 2007 that neurons fire up more easily and happily at the mention of familiar brand names. Regions of the brain associated with more active cognitive work and negative connotations flame for weaker ones, which means people don't like having to work harder to recognize things.

These findings were like discovering wood chips from Noah's ark. The branding blogosphere went crazy with the wonderful news. The *Wall Street Journal* celebrated the breakthrough. Experts were celebrated and quoted as having the salvation for brand marketing.

The coverage was more subdued in its mention of two less thrilling findings: first, the research found *no connection whatsoever* between awareness and any subsequent action, and second, that there was no neural activity differentiation *between brands*. If the name was familiar, VU meters spun, whether for insurance or cars.

The research found proof of *awareness*, which is something anyone could have told them before they plugged the first test subject into a gizmo. Human beings have thoughts and feelings, and our brains are the places where ideas sizzle, crackle, and pop.

The issue that remains unanswered for brand research is whether commercials, colors, and celebrity endorsements add up to something coherent, which then has a causal connection to subsequent purchase decisions.

There are connections between *thought* and *behavior*, of course. We don't operate on instinct alone, and our neural pathways aren't wholly predetermined by biology and chemistry. But trying to claim control of the former in order to influence the latter is the imprecise religion of branding. The connections aren't clear, dependable, or wholly real.

And, so far, they're certainly not measurable.

Some scientific research offers very tantalizing and frustratingly incomplete hints of defining those connections, though. In late 2004, researchers at Baylor College of Medicine found that test subjects preferred Pepsi in a *blind* taste test, but overwhelmingly chose Coke when the two cups were identified (their a priori expectations to choose Coke were determinant).

The folks who selected Coke registered more activity in the area of the brain called the medial prefrontal cortex, which is associated with higher-level thinking. So their expectations about brand were preexisting, and served to overrule the feedback from their taste buds.

Another experiment reported by Boston College and Wharton evidenced proof of *conversational implicature* when consumers reacted more favorably to crazy, ill-defined names for crayons — razzmatazz, tropical rain forest — than they did to more descriptive labels.

It's as if our minds have parallel functions for predetermining reality, and actively construct it as we go along.

But these results are still a long way from measuring the true impact of brands. There's no causal measure for *what*, *how*, *when*, or *why* any preconceived notions about a brand got into the test subjects' brains, so it's unclear what, if any, impact branding activities had on those perceptions. Was NASCAR sponsorship important and, if so, more or less so than the memories of happy times in grade school drinking Coke with friends? How did the shape of the logo rank against the fact that one vending machine brand was consistently colder than the other? Did people like the color red over blue, or was it that Coke is reliably served at a favorite fast food restaurant? Was price promotion at the local grocery a factor, and was it greater or lesser than the impact of a celebrity pop star endorsement?

Again, we don't need proof that people think things, or that our thoughts help shape our intended actions. The Greeks wrote plays about that.

If we're going to attribute the totality of all human existence to our theories about brands, well then, we're really in the realm of religious belief, not business or science. And we can endlessly study the physiology of brains and the influences thereupon, but it's a far cry from identifying which input triggers what output. Does branding prompt purchase? Does it support it, or make it more likely to repeat? What we really need answered is the thorny challenge of measuring the existence and relevance of brands: *where's all the detail between awareness and eventual purchase behavior?*

We need fewer VU meters spinning, and more behavioral connections established between consumers and their choices

There's a lot of science looking at how we make choices.

Researchers in Germany and the United Kingdom have used functional magnetic imaging to look at flashes in that medial prefrontal cortex I mentioned earlier, and found a correlation between activity and subsequent action. They were able to predict with 70 percent accuracy if test subjects were going to do something they'd been asked to do.

Conversely, studies from Carnegie Mellon, Stanford, and MIT have illustrated that the immediacy of a purchase decision actually *deactivates* the medial prefrontal cortex, and suggests that emotions surrounding the perception of immediate benefits/trade-offs are what prompt decisions.

So, in other words, science confirms that we human beings are just bad decision-makers. And branding doesn't make us any better at it.

I'm all for the discovery of a pill or an electric shock that will transform disinterested bystanders into engaged consumers, but it seems that we're seeing that the reality of consumer purchase behavior is constructed of two broad components: *context* and *experience*.

Yet the Creative Media Industrial Complex goes on perpetuating the belief that companies should spend time and money not trying to influence what people *do*, but what they should *think*. It's an alluring Freudian fantasy to believe that we carry embedded in us all of these subtle sensations about brands, but the science just isn't encouraging.

If you've ever bought an ad, or tried to find the benefit in publicity exposure, you've come across the "three times rule" that says, in various versions, people need to see something at least three times in order to remember it. This is often part of the argument for a minimum branding expenditure, which is usually more than what you want to spend.

It's also basically untrue: There's lots of research that says repetition not only doesn't increase retention, *but actually lessens it*. One study suggests that the first time something is repeated, there's a 42 percent decrease in mental activity. You've experienced this phenomenon when your brain tunes out that regular, repeating drip from the kitchen sink, or when you see someone so often that you stop paying attention to what they're wearing. You do the same to commercials on TV. Brand communications can work *less* effectively through repetition.

Some studies suggest that recognition will degrade less quickly if the initial message was meaningful or relevant to the recipient, or if it varies slightly each time it's presented. So repetition works for actors and others who are doing something that they're already interested in remembering. But there's no concrete evidence that repetition improves anything for consumers past minimal name recall. It's just as likely to confuse.

Who cares if brain waves flutter but nobody buys?

There's some promising work under way to link awareness with behavioral action.

One research track claims to understand the sources for brand, and then allow for predictions of alternative brand-building strategies. It models name/service awareness, attribute perceptions (like functions), and nonattribute perceptions (people's likes). When applied to a real-life case of digital cell phone competitors a few years ago, the model accurately mapped to real performance, allocating $127 million to a company as earnings from brand equity versus product and/or service value alone.

There remain nagging loopholes in the approach, however.

Brand-building is a vague category of expenditures that focuses on communications, not business activities, such as changes in customer service or improvements in packaging. By categorizing its model as tracking *equity*, it lacks a dynamic link to situation and real-time circumstance, so its snapshots of what is or isn't brand may or may not be objectively valid. And there's no set period of time over which branding spending is tracked, so the model can't specify whether the return outweighs its cost.

Perhaps most troubling is the fact that the strongest link is also the most broad and unactionable: the model proves that awareness has a generic benefit to sales. We already knew that.

It is every businessperson's dream to have customers arrive at the doorstep ready to buy. Better yet, people should arrive ready to be satisfied with their purchase. Branding promises to deliver this dream, and it's why any number of expenditures are tolerated.

If brands could deliver familiarity, positive feelings, confidence, automatic credibility, the payoff would be huge. But it seems that the only thing branding delivers is *awareness*.

Marketers are talking to themselves when they qualify or parse what constitutes that awareness. Branding can help people recognize a name or logo; there's no disputing that fact, and you can imagine the simple equation that greater awareness means a larger pool of potential consumers, which in turn should translate into greater sales.

But awareness isn't set in stone, *it's a moment in time.* There's no way to ensure that things are attached to it, whether you hope they're perceptions, nonattribute associations, or colors of the rainbow.

There's no *it* that exists independent of each individual experience, nor separate from any moment in which *it* is pondered or reported. And that dream about customers arriving at your doorstep already pre-sold on buying from you? It's just a dream, and you know it.

We carry with us beliefs and expectations that affect our choices, and influence our experiences of them.

Our beliefs and expectations are a list that is constantly updated, both consciously and unconsciously. We reorder it based on mood, circumstance, and opportunity. It's a wholly subjective and fluid feedback loop. It's also a filter. Our past experiences affect what we choose to contemplate, how we consider it, and our conclusions derived thereupon. Nothing is concrete or unchanging. Our brains are marvelous machines that quite literally re-create reality moment to moment.

Awareness is but the start of a long process, full of variables, influences, and decisions through which your customers must travel. Very little of what happens along the way has anything to do with branding as currently practiced. So if researchers discover the seat of brand in the human soul in the next few years, it'll certainly have implications far beyond marketing strategy. But we can leave that to the purview of other publishers and pulpits.

Let's talk about how we plan brands based on what we know about the reality of behavior.

A very long corridor

People who sell for a living see a *leaky sales funnel*, or a winnowing process that starts with lots of potential at one end, and ends up with only a portion of that opportunity realized at the other. The visualization is usually shown vertically, to suggest some natural movement from the top down. I've used a version of the funnel to visualize behaviors with my clients, only flipped it on its side, so the movement is *across* the page.

Broadly speaking, the funnel metaphor organizes the steps — each a collection of moments that have rational and emotional dimensions — that will move a consumer from awareness, to purchase, and then to repeat purchase. Our funnel divides into five major categories:

1. **Problem recognition** — Perceiving a need
2. **Information search** — Seeking value
3. **Evaluation of alternatives** — Assessing value
4. **Purchase decision** — Buying value
5. **Post-purchase behavior** — Value in consumption or use

There is an order to the steps, a *Chronology of Purchase Intent*, with little latitude of movement between steps. A message to trigger purchase decision (4) falls on deaf ears if someone is simply searching for information (2). Conversely, providing general background information (2) is useless to someone who is ready to decide (4), or is already consuming the product or service (5). Each step is dependent on all that go before. It is a continuum, or a continuous endless succession of hallways through which your customers must walk. And those hallways evolve in shape, texture, and content as consumers travel through them.

So imagine that you're not happy with your toaster. It toasts unevenly, or you can't fit bagels in it, or whatever. Maybe you do some homework on toasters, whether online via search or standing at the store shelf and reading display signs. Perhaps you ask a friend. Or maybe your toaster no longer works and you just need a replacement. Perhaps you want a certain color, size, timer, and so on. These are discrete steps in a journey you take — from old toaster to new toaster — and this journey is driven by your needs, your desires, your timetable, and whatever else you choose to care about.

Now, think of how traditional branding applies to this (your) Chronology of Purchase Intent. How many times have you seen an ad, or had a store person tell you something, and had absolutely no idea what it meant? Or why it was relevant? Forget all the jokes or oddity that marketers use to try to catch our attention. I'm talking about examples where branding was just nonsense. How about learning something about a brand that prompted more questions you couldn't get answered? Consider the proliferation of icons and logos that appear on every product, staying true to the brand but explaining nothing to you. Ever see a special price on something, but you weren't able to figure out if it's a good deal or not? I know I have.

In a world where we're constantly faced with new, nearly ubiquitous access to information — and marketers have nearly equal access to us, via the various new gizmos we enjoy — the sales funnel/hallway starts to look like a crazy, mixed-up hall of mirrors, instead of a thoughtful pathway.

That's because traditional branding treats those points in the funnel as *mind states*. Awareness is an absolute, and branding is decided on what consumers should know and feel. Branding is created to try and manipulate what you think about brands, not how brands (or the underlying products and services) relate to you. It's left up to the consumer to find relevance in brands, instead of the other way around.

So addressing the steps in the actual Chronology of Purchase Intent usually defaults to the salespeople to make it work, usually with price (since that's all they have to work with). The steps in the eyes of brand folks mostly default to fate and chance. Brands are propagated into the universe and, hopefully, something will trigger their applicability to your life.

Maybe you're doing it right now: running marketing that purports to expose your consumers to your brand, with the vague expectation that it'll do something, somehow, some time later on. But take awareness off the table for a minute. How does any of the branding you produce apply to steps in the chronology of your consumers' journey to, and through, purchase?

Chances are that your consumers' journey is left to chance

This is why we might want to reconsider the parameters of the measurement challenge itself. What if: Brand were defined as *what your consumers do*, and Branding defined the *who*, *where*, *when*, *why,* and *how* that delivers it?

Awareness could be a *factor* in that equation, but only the start. We'll explore this approach in detail through the book, but now is a good time to start toying with it. Here's a hypothetical example:

Travelers, which in 2007 bought its trademark red umbrella from Citi, then rolled out a branding campaign based primarily on awareness and recognition of that icon. Its ads effectively announced, "Think of us, because we've just invested a lot of money in buying this logo." It was really an extension of its recent esoteric branding TV campaign, which featured a giant ball rolling downhill and destroying everything.

Back then, the punch line was "When you have insurance that stays in sync, you can roll with anything." Ad industry sages gave it glowing, five-star reviews, noting its deft expression of the human comedy. It was clearly a brilliant effort to get recognition, while declaring associative benefits for the Travelers brand.

Got it. If I were paying exclusive attention when this aired, and at that very moment contemplating insurance, I just might have given Travelers a shot, although not necessarily. I could have otherwise ignored or forgotten it. Or simply not understood its art. Like seeing a corporate logo on a billboard at a baseball game, there was no strategy to attach the branding to my behavior.

What might a behavior-based, chronologically sensitive funnel have looked like for them?

Problem recognition. Most of us don't think about insurance unless a crisis occurs, which is obviously too late. So why not identify moments when crises *are about to occur*, or could happen? Wouldn't ads on the Weather Channel make sense? How about sponsoring storm coverage? If Travelers targeted events rather than user demographics, it might yield an entirely different media buy. Start feeding the funnel here.

Information search. Again, most of us are either under-or overinsured, but we have no methodology for knowing or resolving it. Could Travelers register people for free, or provide immediate assessments of coverage, much like the rate referrers already do online? Why not create a knowledge program that locks people in years before they need or change insurance, and use that time to educate them while giving them some beneficial uses for that knowledge? Don't tell me about the brand, because at this point I don't know what I don't know.

Evaluation of alternatives. Isn't all insurance generic in the end? If not, there must be actions that differentiate Travelers products and services. A snowball is certainly not one of them, nor is any appearance of the red umbrella icon. Couldn't there be events built around these points of difference? A better risk assessment tool, perhaps? How about campaigns to help people assess competitive policies they may already possess?

Purchase decision. There must be ways Travelers could make a purchase decision easier, or a more compelling value. Software and Popsicle companies alike use *sampling* as such a tool. So does Apple in all of its retail stores. How about some entry-level coverage deals? Or how about linking the cost of transferring a policy to an impending crisis, like offering a discount on tornado coverage on websites when a funnel cloud is so many miles away?

Post-purchase behavior. I have to imagine that customer service is the toughest part of providing insurance, in that it's in Travelers' best interests to minimize payouts (just like health care). So could Travelers invent events for post-purchase support that are a true value-add? How about pre-crisis coverage alerts, or post-event co-selling linkups to service providers that help fix roofs? Help reduce the need for payouts and strengthen consumer loyalty at the same time.

These aren't intended to be actual recommendations, but to illustrate a point: The big idea about the brand would *not* be a giant snowball rolling through an effects-laden TV commercial.

It wouldn't necessarily come from marketing at all. Instead, the branding campaign could focus on the equation consumers go through to examine, purchase, and keep insurance policies. It could offer any number of points at which would-be consumers could start a direct dialogue with the company.

Behaviors along the Chronology of Purchase Intent become the brand

Now, the gurus really don't care about understanding such an equation, because its variables of time and space are beneath the more profound domains of consumer thought and feeling. Branding presumes that it can create and adjust ideas. There's a vast array of mumbo-jumbo words and terms to substantiate such claims of influence.

But imagine each element of your branding prompting a behavior, then leading to a follow-on event that you also can hope to help prompt and build upon. Some dependencies emerge quite naturally from this sort of approach. It would be obvious that before someone could do *B*, they had to know and do *A*. Or that it's pointless to tell them *X* when they're doing *Y*, no matter how funny the agency makes it. Others points would require a lot of creativity. The result would be mappable and measurable, and the opportunity would be to formalize those events into a behavioral map that goes far beyond the Travelers example. You could strategically define your branding, or relationship planning, with your targets in terms of behaviors:

- **Who** your targets are
- **What** you want them to do
- **Where** you expect them to do things
- **When** you think things happen
- **Why** the current step will lead to the next one
- **How** the steps will link into an expression of brand

Conversely, most companies approach branding like infantry troops in a trench faced machine guns during World War I: *Heads up, boys, we're going over the top again!* It's almost the definition of clinical insanity when you expect a different outcome from doing the same thing over and over again. It doesn't help that any variety of self-anointed expert is happy to prescribe a treatment for the problems facing branding, or that different corporate departments are suffering from the lack of a common definition and solution.

So as every day passes, the system chugs on, spending money, describing its actions in glowing slide presentations, and having vague, if any, positive impact on your business. You can probably name a nonsense branding activity that's in your company's plan sometime soon.

Chances are it's going to fail. Worse, there'll be no good way to know if it succeeds. I'd put money on the only dependable result being that you'll be advised to do *more* of it.

Hey, that's the ghost of my cow!

The news on the measurement front is not terribly exciting if you want to find hints of the existence and relevance of brands. It's no different than staring at a mirror in a darkened room and realizing that the gauzy spirit staring back at you is really your own reflection:

Marketers have no reliable measure for brands, because we choose to define them in ways that are simply unmeasurable.

Science doesn't either, whether trying to prove the presence of brand information, or find any connection to subsequent behavior.

Thus, all we can say for sure is that **branding might help create awareness,** and that awareness is generally better than nonawareness.

Awareness is the first step in any sales equation, whether viewed as a funnel, long corridor, or row of spinning plates on sticks. By any measure, it's still a step that arguably has no inherent value alone, although branding gurus would want you to believe otherwise. Some companies have methodologies (or egos) that argue for awareness as some absolute. They leave it to the rest of the business, or to chance, to figure out how to measure its connection to marketing.

My curiosity about this conundrum took me to Seattle, to attend a training session on marketing return on investment (ROI) hosted by Jim Lenskold, a former AT&T exec and author of the definitive book on the subject, *Marketing ROI: The Path to Campaign, Customer, and Corporate Profitability*.

Jim maintains that approaches to brand don't suffer a measurement issue, but rather one of strategy, in that many marketers lack clarity on what outcomes they expect, at what time, and how that ultimately influences short-term or long-term contribution to sales.

Those companies that have a vision for how their brand marketing will influence purchase decisions usually can put reliable measurements in place, and deliver on objectives.

In this sense, *he treats branding as part of marketing*, which means it involves behaviors and is measurable. When the brand goal is longer term, it simply requires building connections between perceptual impacts and future behaviors. There's a lot more to measuring marketing than tracking responses to an ad, and I think Jim is very wise on the subject. I asked him to elaborate on the challenge of measurement.

“There are three ways that brand marketing can contribute to achieving business growth, in addition to the impact on stock price and price premiums,” he replied. “First, it can increase early stages of the customer buying cycle, such as awareness; second, it can influence customers in all stages of the buying cycle, generating incremental sales by increasing overall effectiveness; and third, it can help shift long-term competitive positioning by reinforcing key functional and emotional attributes, thereby impacting future sales.

“With the right measurement methodologies in place, we can answer questions, such as, ‘What does our brand marketing add to the overall marketing mix?’ and ‘What is the incremental contribution?’” he continued. “As we effectively shift our competitive position, or engage customers, or build the belief that there is a personal fit with our brand, we can detect the impact on behaviors, and the value that contributes.

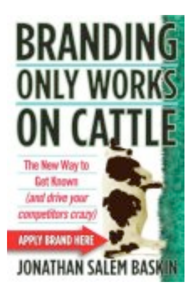
“One of the key drivers of ROI is the customer value, which is very often more dependent on the repeat purchases than the initial purchase. So the brand marketing can bring a customer in the door, but the brand experience has much greater weight in the financial returns from that marketing.”

So think about it, I say, maybe next time you’re faced with the opportunity to choose between running an ad somewhere with your company logo on it, and putting the same amount of money into improved customer support for a few days. Maybe it’s not worth it to try to “find” brands anymore at all, but instead to focus on what you do, what your customers do, and how it integrates into experience pre-, during, and post-sale. Think behavior instead of awareness, and you’ll find a lot more to measure.

In doing so, you might rediscover your brand after all.

Jim added a thought: “The discipline of running ROI analyses to quantify the assumptions of the expected impact from our marketing investments forces marketers to think about the touchpoints that follow, and the stages necessary to convert impressions to sales. With even basic steps to improve measurements of the return of specific marketing activities, you’ll start making better, more effective and efficient decisions.”

Wait! In the cloudy mist . . . *I can see it!*



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