

## The Brand-Value Connection



The image that your target audience has of your brand will have a significant influence over your sales and marketing effectiveness. Investments specifically to establish brand image can have a variety of objectives including brand awareness, emotional bonding, differentiation, and preference. In some industries brand marketing can serve as a lead driver of sales while in others its role is primarily to support salesforce initiatives.

As with all marketing investments, it is essential to understand and plan where the financial return from increased sales is expected for each investment. Are there certain target segments or regions that should experience increased sales? What is the timing for the impact in terms of short-term and long-term sales? Long-term brand equity is critical but it is dangerous to avoid an ROI analysis of brand investments based on the assumption that some small impact is occurring over a long period of time. The goal is to establish a framework where insight into the value of branding investments can guide the type and level of brand marketing.

Making the connection between branding initiatives and the incremental profits generated requires effective identification of the underlying drivers where the brand can influence customer behavior. The correlation between these key brand attributes and the value created is done through a combination of market research and modeling.

Modeling is a significant initiative that requires quality historical data. Companies with existing data should determine how modeling and marketing analytics can better guide brand investment decisions. Companies that lack historical data or the support to begin a modeling initiative at this time may want to at least lay the groundwork by preparing for future analysis. Put the processes and systems in place to capture detailed information on branding expenses, customer behavior objectives, target audience reach, contact timing, media channels, media mix and integration, pre and post marketing sales data, and attribute measures (if collected). You can gain additional benefits by also setting aside a control group that receives no contact, if that is feasible.

Even where detailed measurements and analysis are not possible, there is significant benefit that is gained by projecting the impact of branding activities on customer behavior completely through the sales cycle. This can eliminate gaps such as awareness advertising that lacks a subsequent call to action contact or brand differentiating marketing that reaches the wrong target audience or brand investments that far exceed the potential returns that might be generated. The marketing ROI process provides financial intelligence that can and should be used to shape strategic and tactical marketing decisions.

