How Brands Grow: What Marketers Don’t Know
by Byron Sharp

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How Brands Build is an evidence-based advertising roadmap that develops brands driven on what happens in scientific practice rather than what would succeed in marketing theory. In addition to detailing 7 evidence-based guidelines for unblocking development by brand marketing, the book busts a variety of dangerous and wasteful marketing misconceptions that are sometimes still paddled today; "Concepts like: segmentation, differentiation and how buyers perceive brands (e.g., brand personality)."

Marketers have made their lives unnecessarily tricky, with unfounded marketing ideas based on anecdotes and weak images that handicap them. For example, little data is indicating that customers desire "relationships" with brands, or that marketers are seeking to create "value" in the lives of buyers. Bryon Sharp advocated various simple strategies for brand growth.

**Be imaginative instead of adopting traditional beliefs:**

The assumption is that brands usually work on long-held, traditional values rather than up-to-date empirical evidence. Researchers imply that advertisers should not just adopt advertising principles blindly because they are traditional or because they may have played out in the past at some stage. Alternatively, they can consider the empirical evidence of marketing science and do what has already been proven to work, as this will increase their chances. Marketers should use evidence provided by marketing science, not conventional views, to step ahead.

One of the traditional beliefs is that brands are required to have equal amount of true loyal and switchers. For example: Colgate and Crest are two toothpaste brands in oral care sector. Colgate customer comprises of 21 per cent true loyal and 68 per cent switchers while Crest customer base includes 38 per cent true loyal and 46 per cent switchers. These facts shouldn’t trouble Colgate as it is merely due to empirically proven concept of marketing science known as “Double Jeopardy Law”. As per this law smaller market share companies have fewer customers and moreover those customers are less loyal than those of bigger brands. This reveals that difference in loyal customers of Colgate and Crest is due to market size rather than advertisement gimmick.

**Real Challenge: Availability in mind and store**

*The real simplicity in branding is to make the brand easy to buy by increasing its physically availability and creating an attractive and unique brand assets i.e. sensory*
and semantic cues such as colours, packaging, design, taglines and celebrity endorsements that make the brand easy to memorize and recall. Concepts like target segments and market segmentation on the basis of lifestyle, category usage or brand loyalty is futile and only complicate life of marketers. Positioning of brands according to target customers is unnecessary as brand positioning by creating a differentiated brand ‘personality’. Successful brands do have universal appeal and marketed with a single is the most effective way to increase turnover.

Marketers should provide consistent and identifiable labelling, which is quick to recognize ("distinctive memory structures") and identify through sensory and semantic cues (colours, logo, design...). Marketing's main problem is more about availability – in mind and the store.

Mental availability is about likelihood a customer will think of a particular brand when they are purchasing from a particular product category. This implies that the larger the market share a brand has, the higher the probability that a certain brand will come to mind when a potential customer is thinking about making a purchase. The second part of product availability is to make the products accessible to potential customers physically. Only getting it so that consumers think of product while trying to make a purchasing decision — the item must also be available to buy whenever a consumer wants it. Otherwise, it is impossible to make a profit.

**Market to the Masses:**

Why growth brands show that successful brands are those ones which have a universal appeal and the most significant customer base. This means that when marketing for a brand is offered to everyone is more valuable than restricting messages to a limited, segmented audience.

**Grow Customer Base: Obtain more new Customers**

The noteworthy point from “how brand grows” is that marketers should focus on getting new clients to increase the customer base, not on preventing existing customers from quitting. If marketers have ever considered how brands are growing, probably come to the right conclusion that it all depends on how many customers brand have. A customer base can be increased in typically in two ways: acquiring new customers and maintaining existing ones. As shown by Sharp; attracting new consumers to the product will be far more cost-effective than competing in existing customers in buying frequency.
The defection rate of a product's consumers is closely related to the company's size—which means it is hard to control. Market share has a great deal to do with consumer brand loyalty, so obviously, the market leader would have the lowest defection rate, while the smallest company would have the maximum. Research that acts as an excellent example of this has centred on Australian banks' level of defection rate, showed that CBA—the largest bank in Australia, with a market share of 32 percent—had a level of just 3.4 percent. In comparison, Australia's smallest banks included in the report—Adelaide Bank, with its market share of 0.8 percent—had a much higher defection level of 8 percent.

Therefore, since companies have little influence over the number of customers they hold, instead, they should focus their efforts on getting new consumers.

*Loyalty versus Penetration:*

Customer loyalty is mostly a myth (customers are at most' promiscuous loyal – switching amongst competing competitor products based on availability – 72% of coke consumers still consume Pepsi (UK)). Likewise, with product involvement – people buy brands out of habit, not commitment. The road to success based on evidence is simple; market penetration by attracting more and more new users of the product in habitual purchases.

Advertisements are designed to increase the buying intensity; however, this approach does not work effectively for marketers. Then concentrate on the small and light consumers that compensate for much of the revenue and growth (the average UK Coca-Cola customer consumes Pepsi only once a month).

In other terms, well, over half of the profits of a product come from among its consumers' who are heavy buyers of the product, while moderate consumers are liable for the remaining sales. But those light buyers account for up to 50% of revenue, and advertisers would do well to take this into account.

*Be Noticeable rather than being different from competitor*

Necessarily, this distinction implies that the firms trying to sell the goods are supposed to be exclusive. So many companies are competing to get our attention out
there, so being exclusive makes them stand out. For example, McDonald's, Pizza Hut, and KFC sell each one of a particular product: burgers, pizza, or fried chicken.

Because these goods are distinct from each other, they should not clash with each other but are meant to attract different buyers.

However, companies are not all that distinct from each other within a particular market sector: while McDonald's, Pizza Hut, and KFC are marketing different food items, they all operate as fast food brands. Therefore, instead of trying to differentiate a product, they can try to make a brand more recognizable on the marketplace, and this is made possible by making the distinctive brand features.

Of reality, selling unique products does not differentiate a company in the industry, and marketers can try to distinguish themselves by other ways, such as using visible and identifiable icons and colours such as the red background of Coca-Cola or the golden arch of McDonald.

**Price Promotions**

Finally, marketers should be careful while deploying a price promotions strategy. We all have seen "ON SALE!" signs in store windows throughout our lives. Price Promotions has a direct effect on sales as it results in a short-term increase in sales due to purchase by non-frequent buyers. These buyers generally shift between brands and may prefer the cheapest brand. Hence, price promotion has only a short term impact on sales, after promotion sales return to the usual level. More sales, however, do not necessarily lead to higher profits. As the price of a product is lowered, the margin is also reduced.

**Seven Rules for Brand Growth**

How Brand grows busted many traditional and outdated marketing practices and provided 7 distinctive and scientific rules for brand growth:

i. Reach all buyers of the category (communication and distribution) – avoid targeting

ii. Ensure easy availability of brand (communicate how the brand fits with the users’ life)

iii. Make brand noticeable (seize attention and publicize brand salience)

iv. Keep on Refreshing and building consumers memory structures
v. Creating and managing a unique set of brand assets (use sensory cues to get noticed and stay top of mind)
vi. Remain consistent (in the context of keeping brand fresh and alive, avoid any such changes)
vii. Be competitive (Avoid Segmentation of market)

Implications for Managers

First Implication for How brand grows solution to marketers is simple, once a market opportunity is spotted and a product solution is achieved, innovation should be continued with a collection of distinctive brand assets and other sensory cues like appealing colours, attractive packaging and design, catchy logos and tag line which will facilitate in memory recall. The major take away is that innovation can be achieved through brand distinctiveness with sensory cues.

The second implication for managers is that companies should equally focus on improving its logistics system and product innovation. Brand innovation is about availability in mind and physically, comprehensive distribution channels rather than spending time on segmentation and targeting and creating brand personality.

The Brand Genetics Take

"How Brands Grow: What Marketers Don't know" by Byron Sharp is a vital book for product marketers. Although we won't drink the revolutionary empiricist Kool-Aid it advocates (we're firmly convinced that there is nothing as pragmatic as a good theory – encourages, guides and motivates good theory), The analytical rigor of Sharp slices a lethal swathe through a lot of nonsense in marketing. Realizing that customers perceive an inferior difference between rival brands is a reality check and purchase due to habits and physical availability instead of brand commitment and loyalty. Successful branding i.e., innovation, must focus on creating distinctive brand assets (sensory cues). Another noteworthy point is that brand innovation is not just about product innovation but also includes distribution innovation.

Innovation and not only the management of mental and physical space is the ultimate response to how brands grow. Innovation has a downside on brands as well as margins do not come easily, and it requires time and investment. However, brands live in dynamic and evolving markets where opportunities change radically. So, innovation is the only thing that is constant in this ever-changing environment. Marketers should shift their focus from advertising to creating new products that meet...
new needs. Innovation has the potential to energize and inspire a product, unlike traditional supply management.