



How Brands Grow



A summary.

Introduction

Upon hearing 'How Brands Grow' referenced & adhered to by several of my clients, I decided to pull together this summary on Byron Sharp's ground-breaking and controversial book. The thoughts presented on the following slides are his – I have my own thoughts and interpretations which I will share separately.

What I will say is this. It is hard to disagree with science but it is easy to over-simplify something as complex as human behaviour. What Byron Sharp may not have accounted for and what science cannot yet study is a fundamental change, driven by technology, in how people are consuming media & shopping for / purchasing products.

Who is Byron Sharp?



Byron Sharp is a professor of Marketing Sciences. A lot of what he challenges in his ground-breaking book suggests that much of what is learned in 'traditional' marketing degrees is just *theory*. Mr Sharp however applies rigorous scientific methodology across a number of categories and verticals (including but not limited to FMCG, finance / banking, airlines & loyalty programs) and simplifies marketing principles down to 7 simple rules & 3 new marketing laws.

Mr. Sharp simplifies the real challenge of growing a brand down to one thing: **AVAILABILITY**.



MENTAL AVAILABILITY

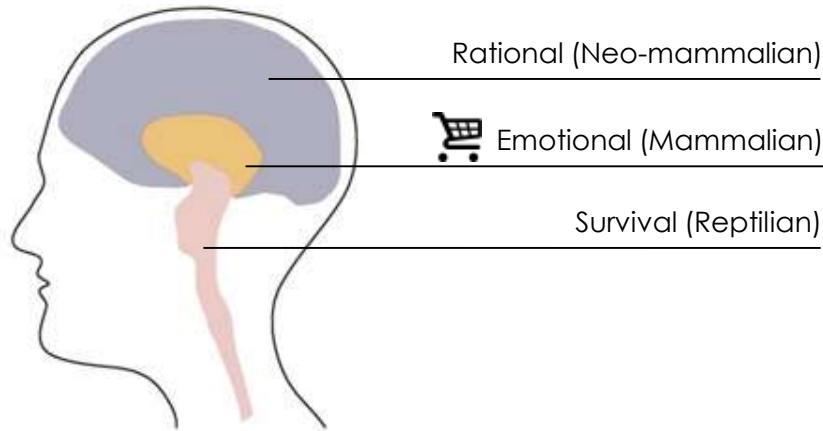


PHYSICAL AVAILABILITY



‘How Brands Grow’ suggests that brand consideration is not so much ‘considered’ as it is emotional which means that being mentally available when a consumer is shopping your vertical is key but perhaps not as complex as some marketers have thought it in the past.

PSYCHOLOGY OF SHOPPING



As marketers we like to think that people put more thought into the purchasing of a product than they actually do. Byron Sharp suggests that exercises in segmentation, brand differentiation and personality are mostly wasted effort. Because most purchase decisions are made with the emotional brain, Mr. Sharp believes a marketer's focus should be on simple & consistent brand assets that are easy to remember & when seen, trigger instinctual responses.

No need for DIFFERENTIATION

Positioning determines the place a brand should occupy in the consumer's mind compared to the competition & "which functional benefit in a given category is most valued by consumers & least dominated by other brands"*.

The issue is, potentially because most consumers favour their emotional brains in purchase decisions, most buyers don't perceive brands as having a difference OR that the difference actually matters when buying them.

So what instead?



BE DISTINCT

Instead of focusing on differentiation and creating 'meaning' in their consumers lives, Mr. Sharp believes the key to success is creating consistent & constantly used, easy-to-remember brand assets which will over time create distinctive memory structures which bring the brand front-of-mind when a consumer is shopping that category (mental availability).

Distinctive brand assets are ones that are memorable & attractive and provide sensory & semantic cues. Examples include: logo, tagline, jingle, colour & packaging.

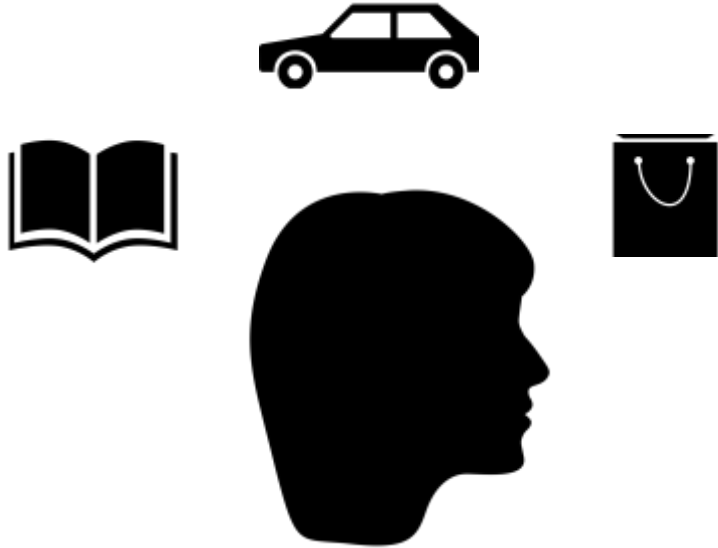
DISTINCTIVE BRAND ASSETS



JUST DO IT.



WHO BUYS YOUR BRAND?



It stands to reason that if brand differentiation assumes customers are more considered in their purchase choices than they actually are, that the same may apply to segmentation. Sharp confirms that in spite of their best efforts to segment and target different audiences to their competitors, brands more often than not, end up sharing customer bases.

MARKET TO THE MASSES



How Brands Grow demonstrates that **successful growth brands (ones with the highest market share) are the ones with universal appeal and the biggest customer base.** This suggests that it makes more sense to advertise to everyone in the market for a product you sell rather than limiting your communications to a small, segmented audience.

LOYALTY VS PENETRATION?

True or False? **20% of your customers represent 80% of your sales.** Byron Sharp says **FALSE!** After studying brand after brand, category after category, the number never got higher than 50/20.

He also studied loyalty programs and determined that while they may work 'a little', that they have minimal impact on overall loyalty. For example – a person who chooses a credit card based on the QANTAS Frequent Flyer Points they can earn may only choose to fly QANTAS when they've accumulated enough points to get an upgrade or a free flight but not choose to fly with them over other airlines on a regular basis.

72% of Coke drinkers also buy Pepsi



Which means unless you have unlimited budget (and if you do, please get in touch!), topping up your leaky bucket and attracting new customers to your brand will be far more cost effective than investing into purchase frequency with existing customers.

PENETRATION

NO PRICE PROMOTIONS



It goes without saying, a price promotion will often lead to an immediate peak in sales. BUT promotions have little impact on long term sales & brand growth. In fact, the sales increase during promotions is often driven by brand loyalists and does little to improve penetration.

Brands must recognise that choosing to invest their budgets into price promotions is more often than not an investment into the relationship with the retailer and not into their own long term brand growth.

BE ALWAYS ON

Like price promotions, Bryon Sharp demonstrates how a big but short-term burst of advertising will sometimes drive a short lived increase in sales immediately afterwards but that in the long-term this approach does not drive brand growth.

Instead, he recommends continuously reaching all buyers within a brand's category continuously. This 'always-on' strategy builds brand salience and ensures the brand is always front of mind, especially when it comes time to purchase.

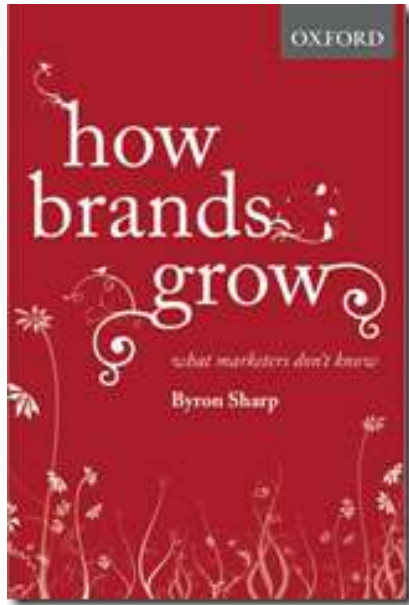


BE WHERE THEY BUY



Of course, none of this means anything unless your brand is physically available to buy when your consumers are ready to buy it! Not only does this mean distribution through retail outlets but considering alternative channels and accessibility options. In one of his blogs Sharp notes that Sainsbury's experienced amazing growth over the 2010 Christmas period. One strategy they applied during this time was to buy 12,000 tonnes of salt to put on their car parks to ensure snow did not act as a deterrent for customers!

Byron Sharp's 7 Rules for Brand Growth



1. **Continuously reach all buyers of the category** (communication + distribution) – don't ever be silent.
2. **Ensure the brand is easy to buy** (communicate how it fits with the user's life).
3. **Get noticed** (grab attention & focus on brand salience to prime the user's mind).
4. **Refresh & rebuild memory structures** (respect existing associations that make the brand easy to notice & easy to buy)
5. **Create & use distinctive brand assets** (sensory cues that get noticed & stay top of mind).
6. **Be consistent** (avoid unnecessary changes, whilst keeping brand fresh & interesting).
7. **Stay Competitive** (keep the brand easy to buy & avoid giving excuses not to buy).

Some Thought-Starters

- How have modern brands such as Amazon, Apple & eBay achieved brand growth?
- Can mass marketing be achieved in alternative / non-TV channels?
- Should loyalists be altogether discounted... or do they have a role to play in advocacy?
- Does digital only play a role in mental availability or can it play a role in physical as well?

Stay tuned for my follow-up thoughts on the role digital has to play in How Brands Grow!

THANK YOU!



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CREDITS

Sharp, Byron (2010). [How Brands Grow](#). Oxford University Press
Cameron, Douglas (2010). [Cultural Strategy](#). Oxford University Press

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