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Brand-Centric Transformation

Balancing Art and Data

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AT A GLANCE

Brand transformation can anchor a growth or turnaround strategy, driving customer loyalty, profit, and shareholder returns. However, the strategic investment decisions required to shape and strengthen the brand must be tackled with rigor and discipline: debated by senior management, grounded in data-driven insights, and embedded throughout the organization.

Grounded in Insight
A robust approach to branding synthesizes a variety of consumer insight sources—including qualitative interviews, quantitative market research, internal financial information, and competitive landscaping—in a systematic process.

A Four-Step Solution
On the basis of our work in brand transformation with leading companies worldwide, we recommend a four-step methodology that quantitatively links the brand benefit ladder to brand strategy and then translates strategy into reality.

Making it Real
Each relevant business function needs an action plan for internal execution, converging to create an integrated brand ecosystem for the customer to experience.

GOOGLE, APPLE, NIKE, LOUIS VUITTON…just a few of the names on any list of top global brands. These companies demonstrate without question that a *brand* can drive tangible financial impact and increase value for employees, customers, and shareholders. Of course, the inverse is also true: poorly crafted brand-building efforts can waste precious dollars from marketing budgets already stretched thin.

With so much at stake, brand-building cannot be left to chance—or to creative advertising alone. The critical strategic-investment decisions required to shape and strengthen the brand must be tackled as such: debated by the most senior executives, grounded in data-driven insights, and embedded throughout the organization. Too often, however, brand transformation efforts falter because they lack the rigor and discipline that are applied to other business initiatives.

On the basis of our experience with companies in a variety of consumer-facing industries, we recommend a different approach to brand-building. Our approach starts with in-depth consumer insight and then continues through implementation and performance measurement. Along the way, company executives must combine sophisticated market research with economics-based thinking and business strategy. They must rigorously quantify every tradeoff and decision in terms of value to the business. In the end, of course, no brand proposition is "real" until it is reflected in everything the customer experiences: from the five senses to the emotions; from expectations to the affirmation of the brand promise.

In developing their branding strategy, companies must move beyond qualitative research, such as consumer interviews and focus groups. These techniques can provide rich insight and emotional depth, but they are not conclusive. A more robust approach synthesizes a variety of insight sources—including quantitative market research, internal financial information, and competitive landscaping—in a more holistic process.

Rules to Remember

Building a strong brand is not an end in itself but rather a means to an end—a means by which a company is able to drive customer loyalty, sales, profit, and shareholder returns. Executives looking for new avenues of growth or a turnaround in financial performance are often wise to consider a brand transformation as one component of their strategy. (See the sidebar "Hilton: A Brand Transformation in Travel.")

HILTON: A BRAND TRANSFORMATION IN TRAVEL

In recent years, midsegment, full-service hotel brands have faced a daunting competitive threat. A so-called focused-service segment has presented a new value proposition: excelling in the execution of the basics while offering complimentary core services (such as Internet connections and breakfast), all at a 25 to 50 percent lower price.

All full-service brands have sought to stem the loss of guest nights to this disruptive segment. Most have approached the problem operationally, tackling one or two areas to better attract guests. One hotel brand updated its lobbies to serve as a social gathering place, while another brand focused on its restaurants and another installed public Internet stations. Despite their high costs, these efforts served mainly as one-off guest *hooks*—not holistic reinventions of the value proposition.

One brand, Hilton Hotels & Resorts, asked a more fundamental question: *In this changing environment, what should we promise our guests and what do we need to do to deliver on that promise?*

Hilton is one of the oldest and best-known hotel chains in the world. At many companies, such a strong brand heritage could become a roadblock to innovation, but Hilton's management set a vision of stepping boldly beyond that heritage. They launched the biggest global-research program in the company's history to support a robust brand-reinvention effort.

Hilton's insights helped the brand do the following:

- Face tough realities: the brand no longer stood for luxury and glamour

But how to ensure that your brand-transformation effort will succeed? We suggest keeping a few key rules in mind.

The brand can't live on emotions alone. While emotional resonance is a prerequisite for brand value, it will never be the only critical element. Marketers cannot focus solely on "the creative" (such as advertising) to forge an emotional connection on the part of the consumer. Instead, they must firmly link the emotional connection to the underlying product or service attributes and to the customer experience.

The brand can't be everything to everyone. Any brand-building effort involves significant investment decisions targeted specifically to capture high-priority consumer segments. Managers must make the tough tradeoffs required to keep the brand on target, and reject anything that isn't "on brand." As an illustration, if an edgy lingerie company could easily make and sell thermal underwear but the size of the opportunity is relatively small and the connection to the brand's core emotional values is weak, then choosing not to pursue that opportunity is an appropriate decision.

- Understand the emotional expectations of a hotel experience
- Determine which emotional expectations the Hilton brand could and should try to own
- Determine which product and service elements the brand needed to deliver to meet these emotional expectations
- Develop a plan to execute the new elements around the world, balancing consistency with individual country needs
- Mobilize the organization, with a strong call to action and data to support the changes

Today, Hilton has a new global brand positioning and a coherent brand-transformation plan. A central program-management office is governing the transformation, which includes some 25 initiatives across all customer touch points. Management has presented the plan to its franchisees around the world, gaining strong buy-in.

Culture-building efforts have been critical to helping align everyone at Hilton around delivering the brand promise. They take advantage of the power of social networks to get the word out internally—for example, via an online community where employees share service stories, ideas, and best practices and participate in surveys. "Culture cabinets" drive brand values all the way down to the local level, now in 76 countries and 540 properties.

In two or three years, Hilton expects that it will stand not for "once upon a time" but for "relevant" and "the future."

The brand is not a separate entity. The "brand" cannot be owned solely by the marketing organization and its advertising agency partners but must instead be embedded in the line business. To ensure buy-in and successful execution, brand-related decisions need to be sold to the entire organization—including the sales force, field operations, and franchisees—through systematic and consistent internal brand-building. Brand managers are left with a tricky dilemma: how to balance the needs of the many various constituents across the company, over both the short and long term, without compromising the immutable tenets of the brand.

The brand is a moving target. Because technology, consumer needs, and business models evolve at a rapid pace, any brand must continuously adapt its current positioning in order to remain relevant. While consumers' emotional needs may stay constant, the product attributes underlying them probably will not. Consider a brand in the food category seeking to help mothers feel virtuous about feeding their children. The product attributes required for the brand to deliver on that emotional need might shift from "low fat" to "all natural" to "organic" as consumer trends evolve.

The brand balances art and data. Making the right tradeoffs about where to invest and where not to invest requires data from well-designed quantitative market research and economic analysis to answer the following questions: How large and valuable are the different market spaces that the brand might occupy? How many consumers will respond to a particular cluster of emotional needs? What exactly is the relative consumer preference for each specific product attribute or experience? What is the likely profit impact of various potential brand-investment options?

Understanding the Brand Benefit Ladder

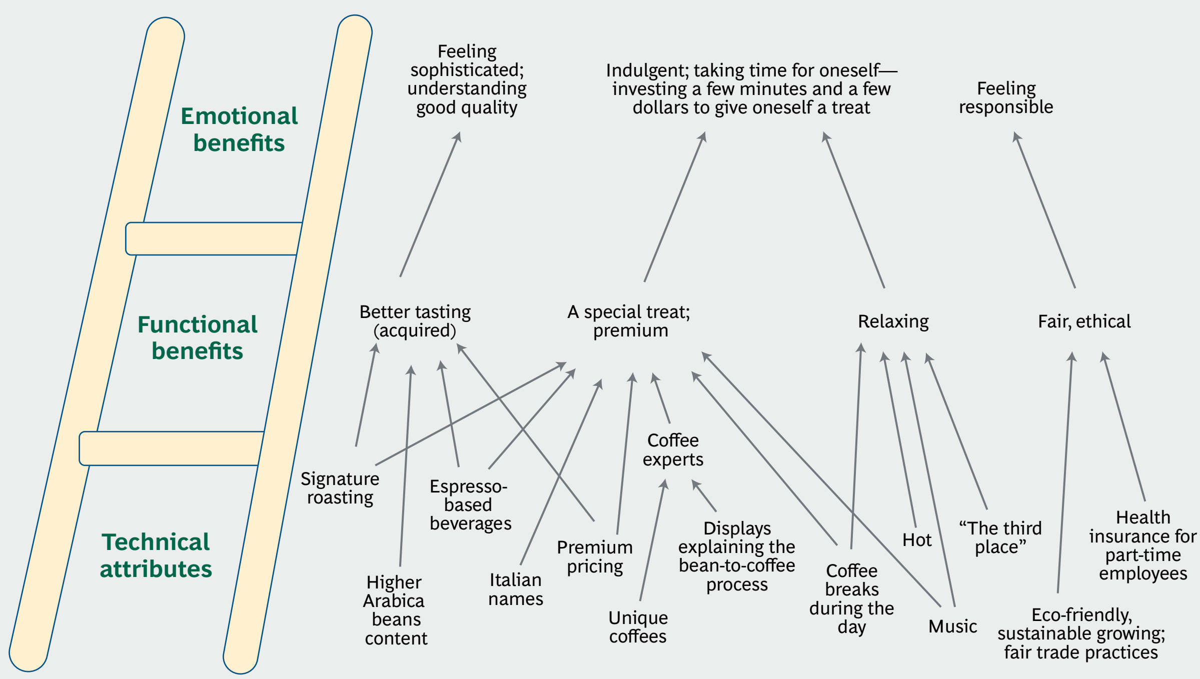
A data-driven approach to brand transformation requires that executives first understand what drives consumer choice in the product category and then translate that understanding into the core elements of the brand. To accomplish this, we rely on the "brand benefit ladder," a tool commonly used by marketers to describe how specific product benefits layer to support one another in delivering a brand experience to the consumer. (See Exhibit 1.)

Our basic brand benefit ladder includes the following elements:

- *Technical attributes* include physical characteristics of a product or service, such as the ingredients, quality level, or aesthetics.

Exhibit 1 | The Brand Benefit Ladder Rises from Technical to Functional to Emotional Benefits

Illustrative example: Starbucks coffee



Source: Illustrative example (not based on case experience); BCG analysis.

- *Functional benefits* describe differences in how the product or service features are experienced and used by the consumer.

- *Emotional benefits* capture the feelings inspired by the product or service.

While technical attributes and functional benefits can vary between brands, they are not sufficient on their own to provide sustainable brand differentiation; ultimately, emotional benefits are the key to creating customer loyalty, preference, and willingness to pay.

Some brand-ladder definitions will also incorporate a range of related "layers"—such as social or self-expressive benefits—that add greater depth to the emotional benefits near the top of the ladder. Social benefits, which convey the relationship between the brand and the individual, the community, and the social context, are increasingly important in today's interconnected world. (See the sidebar "Social Brand Benefits.")

SOCIAL BRAND BENEFITS

Have you noticed, at gatherings of top-level company executives, a new accessory displayed on the hotel conference table atop the ubiquitous notepad and pencil? Often, it is Apple's iPad, a product that exemplifies the concept of "social" brand benefits.

Emotional benefits—how it makes you feel—are at the core of the brand. But within and around the emotional layer are many other layers to explore, including benefits from self-expression (who I am and who I aspire to be) to values (what I stand for and what matters most in my life) to social (what group I am a part of and how I relate to society and to others).

The social layer becomes particularly relevant in today's interconnected world of digital media, online communities, and user-generated content. The iPad is a membership card to an exclusive club of early adopters—"first users" of the latest technology and trends. Similarly, your Whole Foods tote bag shows off your eco-conscious credentials. Your pair of Manolos signals that you shop with the best of the fashionistas.

Social brand benefits affect not just how you feel inside but also how others perceive you, and with whom you can connect. Are they on your brand's benefit ladder?

Every successful brand has a brand benefit ladder that is relevant, differentiated, and fully experienced by the consumer. For example, travelers on Southwest Airlines feel thrifty and savvy because of rock-bottom ticket prices and no-frills service offerings delivered by high-energy employees. BMW owners feel proud to drive a superior performance vehicle grounded in German engineering. Starbucks customers feel indulgent when they consume the company's high-end Arabica coffee beans.

But simply using the brand ladder as a tool in brand strategy efforts doesn't prevent suboptimal branding decisions. Unfortunately, marketers tend to stop at the emotional layer of the brand ladder and do not apply the necessary rigor in quantifying and fully understanding the links between the technical, functional, and emotional layers. In many cases, they also fail to use hard data to measure the value of potential brand investments and to prioritize tradeoffs. Finally, they struggle to implement the resulting brand-ladder elements and hold the organization accountable.

Why is the implementation of a new brand strategy so difficult? In many cases, one part of the organization owns the emotional benefits while other parts manage the functional benefits and technical attributes. These groups may not interact very frequently, and their key performance indicators (KPIs) are typically misaligned. Often, each group is evaluated and compensated on the basis of technical attributes that are irrelevant to, or even negatively correlated with, the emotional benefits that they are meant to support.

The optimal approach to brand transformation is both creative and disciplined. It shapes what the company is (and is not) permitted to do.

Emotional benefits are typically owned by the marketing organization and external advertising agencies—passionate brand gurus who may envision their role more as an art than a science. They may focus mainly on developing catchy messaging and gloss over the fundamentals of the product and customer experience. What's more, they may fail to incorporate business metrics or opportunity sizing into their recommendations.

Meanwhile, technical attributes and functional benefits are often controlled by an entirely different set of company departments. Product development, pricing, merchandising, field operations, and real estate, for example, may each oversee different aspects of the product or service features. These departments often make day-to-day decisions and tradeoffs independently, without considering the brand promise. Ultimately, coordination across these teams on any holistic brand-transformation effort becomes a massive undertaking.

A Four-Step Solution

The optimal approach to brand transformation ties together the drivers of brand choice, the brand benefit ladder, and the company strategy—and is grounded in deep consumer insight, including both qualitative *and* quantitative analysis. It conveys the product's technical, functional, and emotional benefits in a globally meaningful way. It ensures a consistently delivered experience using "brand drivers" across all the marketing "P's"—such as placement, promotion, and people. It touches all parts of the organization to ensure buy-in and commitment. It is both creative and disciplined. It shapes what the company is (and is not) permitted to do, and can be measured and tracked over time.

Based on our work in brand transformation with leading companies worldwide, we recommend a four-step methodology that quantitatively links the brand ladder to brand strategy and then enables the organization to translate strategy into reality.

Step One: Identify the Drivers of Brand Choice

The first stage of the process explores how consumers might choose between different brands within a product category. Choice drivers are never entirely rational. While practical matters such as price or ingredients matter, the final purchase decision more often than not also reflects *emotional positioning clusters:* essentially, collections of feelings that consumers might have when experiencing the category. For example, the emotional positioning clusters for a particular type of retail store might include a “relaxing escape” untroubled by the busy world outside, or a “sensible” feeling of having made good use of one’s time and money, or a “hip and in the know” sense of access to new trends that most people don’t have, or a “hassle-free” confidence in always being able to find a desired item.

Choice drivers will naturally differ by occasion, location, or life stage: business travel versus leisure travel, restaurant meals versus eating at home, clothing for young children versus teen apparel. The category landscape is divided into a large number of “market spaces” created by the intersection of emotional positioning clusters with occasions, locations, and life stages. (See Exhibit 2.)

Because the consumer sits at the heart of brand-centric transformation, so does exhaustive consumer research. Qualitative consumer research leads the way to identifying the different drivers of choice in the product category as well as the

EXHIBIT 2 | Create the Map of Emotions and Market Spaces

Emotional positioning by occasion		Life stage								
	Gender	Male	Male	Male	Male	Female	Female	Female	Female	
	Age	24–44	24–44	45+	45+	24–44	24–44	45+	45+	
	Income	<$100K	>$100K	<$100K	>$100K	<$100K	>$100K	<$100K	>$100K	**Total** (%)
Out of home	At peace									**15**
	Sharp and focused									**5**
	Comfortable									**10**
	Sense of pride									**10**
	Splurging on me									**5**
	Hip and in the know									**5**
	Personally connected									**10**
	Family friendly									**3**
In home	At peace									**10**
	Sharp and focused									**0**
	Comfortable									**0**
	Sense of pride									**5**
	Splurging on me									**7**
	Hip and in the know									**5**
	Personally connected									**2**
	Family friendly									**8**
	Total (%)	**20**	**10**	**15**	**20**	**10**	**5**	**10**	**10**	**100**

Share of total spending on product category (%): >1.5 | 1.0–1.5 | 0.5–1.0 | <0.5

Sources: Illustrative example; BCG consumer research; BCG analysis.
Note: Numbers in shaded boxes are percentages of respondents classified on the basis of their top two emotional benefits (using MaxDiff analysis).

entire universe of emotional positioning clusters—both current and potential. Combining this research with other data sources, such as a detailed assessment of the competitive landscape, executives can build a comprehensive view of all the possible market spaces and potential brand benefits for the category. The result is a holistic perspective of the company's competitive brand positioning.

While the qualitative research can help define the universe, its role is primarily as an input to inform hypotheses. The ultimate goal is to develop a very focused, specific, and efficient large-scale quantitative survey of consumers to prove or disprove those hypotheses. This quantitative research should then leverage multiple analytical techniques to identify emotional positioning clusters overall and by market space. (See the sidebar "Data-Driven Insight: BCG's MindDiscovery and More.")

The specific methodology should be adapted to a particular company's unique situation, but it will typically include analytical research techniques that make it

DATA-DRIVEN INSIGHT
BCG's MindDiscovery and More

Our consumer-research program begins with a qualitative phase, seeking a comprehensive list of positioning options and market spaces that are owned, or could be owned, by a particular brand. Depending on category dynamics, this phase may incorporate in-context interviews, in-depth one-on-one interviews, or focus groups.

It could also incorporate MindDiscovery, a proprietary approach developed by BCG's Center for Consumer Insight featuring consumer workshops that make extensive use of psychologically derived projective techniques. The diversity of stimuli and forms of expression helps alleviate many shortcomings of traditional focus groups. MindDiscovery avoids the limits of verbal expression, lowers social barriers, maintains a spectrum of views, and fosters creativity. It is particularly powerful for research on emotional aspirations. However, by combining creative stimuli with rational exercises, it can also build hypotheses about how functional and technical elements can deliver on an emotional promise.

The initial qualitative exploration arms us with a comprehensive set of emotional, functional, and technical dimensions in addition to market spaces. We can then evaluate these using large-scale surveys (with sample sizes of at least 1,500). Respondent specifications and sampling methods vary by product category.

Our surveys typically include at least three core sections: sizing, prioritization, and brand health.

- *Sizing.* Questions that size potential emotional-positioning clusters and market spaces can be anchored on consumer segments, usage occasions, or any key dimension of value in the market (such as the percentage of meals consumed or the number of cars possible to prioritize individual attributes, highlight key relationships among attributes and benefits, and cluster similar drivers of brand choice.

Step Two: Select the Market Space and Emotional Positioning Clusters to Target

With a full understanding of the universe established, the next step involves selecting the market spaces that are most attractive and feasible for the brand to target and own. The goal is to identify specific opportunities that are financially attractive and also available to capture. Ideally, these are "white spaces" (not already owned by any existing brand) or are adjacent to where the company's brand currently plays. (See Exhibit 3.)

To achieve this goal, the company must know how consumers of its existing brand—and of the product category more broadly—are arrayed relative to the market spaces and how the spaces compare in size. In describing the spaces, there may be many relevant considerations: who the specific customers are, where they

purchased in the past year). We then calibrate the results to external market data in order to evaluate the financial value of the spaces for the brand.

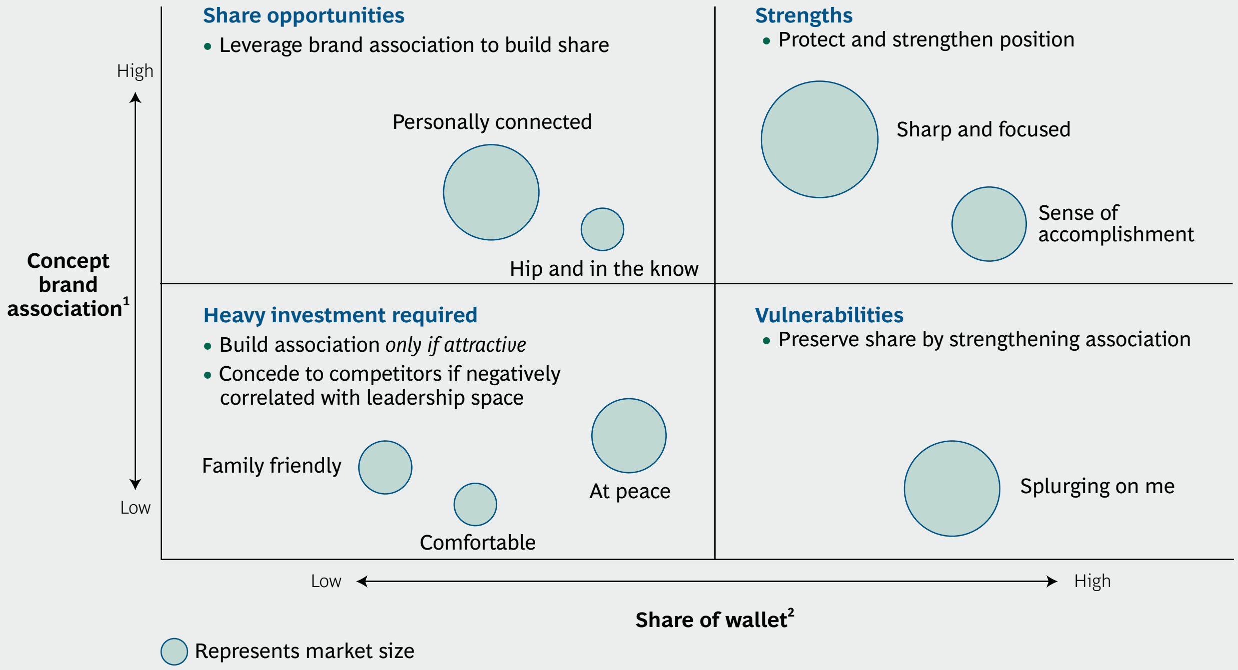
- *Prioritization.* The heart of the survey, this lengthy section explores consumer expectations across the brand ladder. We find maximum difference scaling (MaxDiff) to be the optimal tool for prioritizing emotional and functional benefits. It allows for paired comparisons between all attributes tested and thus uncovers critical tradeoffs. For example, auto buyers may trade off "being worry free" against having the newest trendy car. Additional techniques (such as Kano modeling, traditional Likert scales, or concept testing) can complement the analysis of technical attributes.

- *Brand Health.* This section of the survey is designed to compare the current state of a company's brand to other brands in the product category by examining category-wide brand associations with each element of the brand ladder. We can see how well (or poorly) positioned a brand is for a particular emotional-positioning cluster or market space, and identify open-space opportunities or areas of vulnerability to competitive threats.

Post-survey analysis leverages a series of statistical tools. For example, finding emotional-positioning clusters requires hierarchical Bayes analysis for MaxDiff scores, reduced by factor analysis. Brand association is explored through a modified chi-square test. Establishing links between emotional, functional, and technical statements may involve correlation analysis, t-tests, and regressions, or it may require more "black box" methods such as structural equation modeling and driver analysis.

EXHIBIT 3 | Evaluate Investment Decisions and Actions from the Brand's Starting Point

Map of brand association (consumer perception), indexed share of wallet (consumer behavior), and market size



Source: Illustrative example; BCG analysis.

[1]The extent to which consumers report that they associate your brand with a potential positioning concept (based on market research).

[2]Indexed share of consumer wallet (purchases, visits, spending) relative to the competition.

live, and what their usage occasions are. Market sizing is critical, in terms of not only the customer base but also dollars. For example, an emotional positioning cluster centered on "smart and practical" might appeal to a large number of customers who spend sparingly, while "local community" might appeal to a smaller number of customers who spend liberally. Once again, this step is heavily driven by analytics. Large-scale quantitative survey results determine the size of each market space and then identify which spaces enhance one another and which do not.

Size is not the only factor in selecting the right market space; it is also important to know where your brand has a competitive advantage. Researchers can ask consumers to assess which brands and companies are currently winning in each market space and to pinpoint spaces in which the company's brand is strongest today. This can be more complex than it sounds, especially if various divisions of your company—or markets in which you operate—have different starting points.

For example, while crafting a new "umbrella" brand positioning, senior managers at a global airline alliance realized that in their particular case they needed to develop functional, emotional, and social brand benefits that were not just relevant but also realistic. They had to mirror the capabilities of all the partnering airlines, so that any shared brand promise could be implemented across the entire alliance—while at the same time fully building on the uniqueness of the individual airlines. The decision by the airline alliance to consider the delivery constraints early in the brand transformation process also proved to be critically important to successful execution over time.

Step Three: Identify the Brand Ladder Requirements to Win

Now it's time to build the brand benefit ladder, starting with the market space and the critical emotional benefits and then centering every other element of the ladder on that starting point. To effectively target the chosen emotional benefits, executives must link each one to the corresponding functional benefits or technical attributes that will make it real for the consumer. Research and analytics can help establish these links with quantitative precision rather than instinct and guesswork.

This round of analysis quantifies the importance of each functional benefit to delivering the emotional benefits, and identifies the role of each technical attribute in driving the functional benefits. Links across the ladder match each benefit precisely.

Armed with a prioritized list of technical attributes and functional benefits, along with key tradeoffs, executives can compare the list to their current product or service offering—and will likely find critical gaps. A competitive view is also a critical factor in building the full brand ladder, because efforts to address these gaps may run straight up against a competitor's superior offering and capabilities. In Europe, for example, Audi's Quattro four-wheel drive system so thoroughly defines that space that there is little room for other carmakers to claim similar territory.

Next, executives must make final brand-investment decisions. On the basis of the detailed analytics undertaken in the previous stages, executives can demonstrate the financial value of delivering each layer of the brand ladder. (See Exhibit 4.) As a result, guidelines on how much to spend on brand reinvention, and when to stop spending, are much clearer.

Step Four: Develop the Brand Execution Strategy and Playbook

This final step of the program centers on aligning the organization (as it is configured today) around the new brand. Senior executives must translate the brand positioning into something that can be communicated, digested, understood, and acted on by all employees at all times. Each relevant function of the organization needs an action plan for internal execution, converging to create the integrated brand ecosystem for the customer to experience.

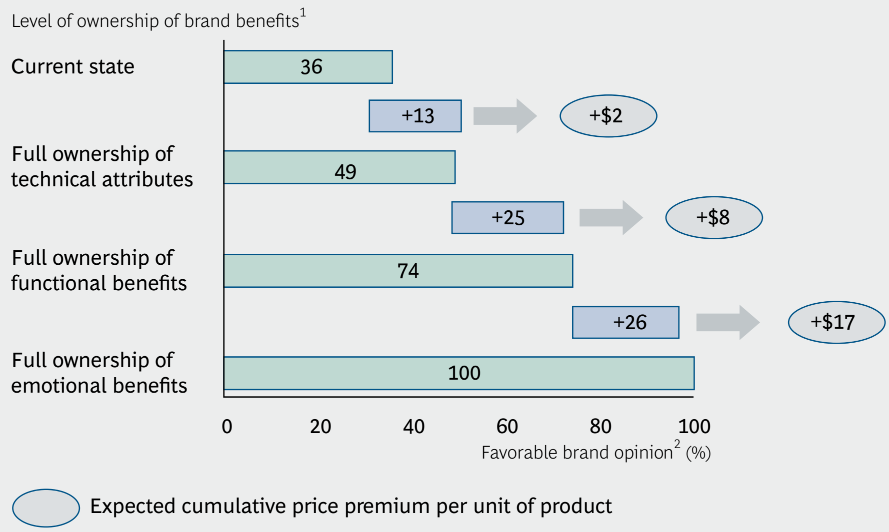
Each relevant function of the organization needs an action plan for internal execution, converging to create the integrated brand ecosystem for the customer to experience.

With a detailed definition of the target market space and brand ladder elements in hand, company executives may now develop an adaptive framework to manage and align the entire business, connecting the brand ladder to the overall strategy. They must define everything from *brand essence* (the heart and soul of the brand) to *brand pillars* (themes that group the key attributes of the brand ladder) to *brand drivers* (individual technical attributes required to execute the brand through the day-to-day operations of the business).

The output of this stage is a detailed implementation plan across the whole organization—from marketing to operations. (See the sidebar "Brand Drivers in the

EXHIBIT 4 | Owning the Entire Brand Benefit Ladder Delivers Greater Financial Upside

Expected improvement in brand opinion and price premium



Sources: Illustrative example; BCG analysis.
[1]Proportion of consumers who associate the brand with the specific benefit, such as quality, convenience, or affordability.
[2]Proportion of consumers who say that this is their preferred brand.

Driver's Seat.") The operational plans ensure that each and every customer-facing decision is aligned with the new brand positioning. Best practice here is to apply the brand framework to each of the "P's," going well beyond the narrowly defined four P's of marketing—product (design and innovation), price, placement (distribution), and promotion (advertising, discount strategy, and public relations)—to the extended marketing-mix P's, which include people (from store associates to call-center staff) and processes (such as sales and service approaches).

In conjunction with advertising and public-relations agencies, marketing executives should develop communication plans that align consumer advertising programs with the new emotional benefits and brand positioning. Talented creative agencies add tremendous value in bringing alive the insights of the brand ladder with carefully selected words and imagery. Importantly, the creative-development efforts should take place near the end, rather than at the beginning, of the brand transformation effort.

Equally important, external communication alone is not sufficient to drive brand transformation. Executives must also convey a thorough understanding of the new positioning *within* the company, so that the brand essence can help align all internal and frontline functions around a unified vision of the brand. When a company has established effective "brand mirroring," each employee experiences and describes the brand in exactly the same way that the customer does.

How to do this? One travel company created a community website for its internal staff, where the global brand head could communicate his perspective on the

BRAND DRIVERS IN THE DRIVER'S SEAT

A European carmaker was proud of its history of success and its brand heritage, but the company had begun underperforming in the market. Brand equity metrics—such as the percent of consumers "considering" purchase—showed some deterioration in consumer perception of the brand. Determined to improve, the company embarked on a journey to recapture the brand's emotional appeal and increase market share.

The initial stages of the journey were aimed at defining a new brand-value proposition. Managers undertook a detailed audit of the brand's current positioning, gathered qualitative insights, and quantitatively validated the positioning options before selecting and refining a winning concept.

At this point, the team had defined an emotionally relevant brand identity and carved out the client's differentiation against core competitors. The customer-driven and fact-based approach convinced senior managers (some of whom had previously viewed branding as a "soft" topic) to support a new strategy.

Reaching the final destination depended on the next phase: translating the new brand-value proposition into specific execution steps. The management team analyzed all brand drivers and customer touch points in the context of internal data and external best practices. They identified the key drivers of a unique customer experience, which were then executed not just in marketing communications but also across the various functions of the company.

To align the organization around the new brand, one critical element was the development of a *brand book*. This book explained all the elements of the new brand personality, such as the brand promise and the core attributes at each step of the brand ladder. It defined the strategic brand objectives and described the influence of the new brand on communication.

Today, the company has successfully implemented its brand repositioning and is enjoying the results: an improvement in brand consideration of approximately 5 percentage points and an increase in market share of more than 1 percentage point.

brand and employees could share their own brand stories. The site design took its cues from the world of social media—part Facebook and Twitter, part YouTube, and part e-learning. At each of the company's locations around the world, senior management nominated one person to be the steward for culture (and to facilitate and oversee use of the website). The website has achieved impressive participation rates, boosting employee engagement and facilitating change management.

In this final stage, executives should also develop an organizational plan that aligns brand standards around the brand pillars, which are then strictly enforced across every function. Training programs and compensation schemes may need to be overhauled accordingly. For example, one specialty retailer sought to shift its brand to a more sophisticated, upscale positioning. Changes in the products, packaging, and signage in the stores were a good start—but real change required that the company also educate the store associates to become advisors and product specialists with a much more technical knowledge of the category.

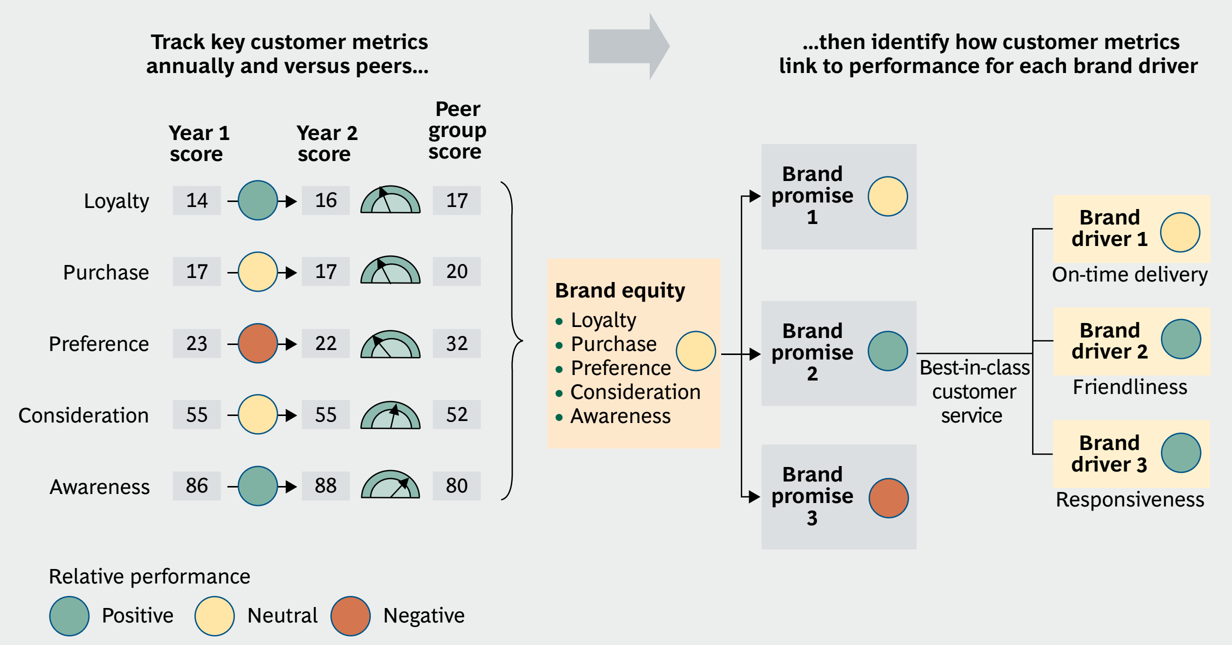
A brand-centric transformation program can improve all aspects of *brand delivery*—from strategy, repositioning, and execution to organization and capabilities. In BCG's holistic approach to brand value creation, companies must also track *brand impact*—measuring brand equity, valuing the brand, and building brand reporting systems. Such systems should capture and track internal and external KPIs that enable executives to show how brand metrics are directly tied to the financial performance of the company and to demonstrate the brand's relationship to company valuation. We recommend designing a highly targeted set of metrics and KPIs aligned with the brand essence and pillars. Management can then review a focused brand scorecard to manage performance along those KPIs and not become overwhelmed by a laundry list of issues. (See Exhibit 5.)

It goes without saying that to accomplish all of the above, the branding organization must have senior-level leadership and commitment, as well as the underlying capabilities to successfully execute any ambitious transformation program.

Brand-Centric Transformation at Work

We have seen our approach successfully applied in a range of consumer-facing businesses, from travel to automotive to retail to consumer packaged goods. Compa-

EXHIBIT 5 | A Brand Scorecard Helps Track Progress over Time



Sources: Illustrative example; BCG analysis.
Note: Brand equity scores are derived from annual brand awareness and usage surveys tracking consumer responses to brands and competition; brand promise and driver performance would be derived from internal company sources.

nies with poor brand performance, companies facing disruptive transformation in their industry, and companies forced to make tradeoffs because of high capital-investment requirements can all benefit from our model of brand transformation. (See the sidebar "Does Your Organization Need Brand-Centric Transformation?")

The approach is flexible and can be tailored across industry sectors to a particular company's situation and needs, subject to a few core principles that must remain constant:

- Balance the creative and the analytical by aligning and sequencing qualitative and quantitative research.

DOES YOUR ORGANIZATION NEED BRAND-CENTRIC TRANSFORMATION?

If your company's situation matches any of the scenarios below,...	...a brand-centric transformation effort may be effective for you.
1. If your industry is experiencing a disruptive transformation, such as new technologies, high levels of competition, or significant innovation,...	...this approach may help your company identify unique "white space" (unoccupied) positions for your brand that are protected from turbulence and attack.
2. If your brand is in a mature category (or a new category analogous to a mature category),...	...this approach is likely to be very applicable, because consumers are inclined to build emotional connections in familiar categories.
3. If your brand is performing poorly with consumers and in need of a turnaround,...	...this approach can provide differentiated positioning and guide tighter messaging.
4. If you provide a complex product or service, with multiple customer touch points and offerings,...	...this approach can help prioritize product attributes at each touch point to ensure a consistent delivery of the brand experience.
5. If your business is capital intensive, with high spending requirements,...	...this approach will provide specific tradeoffs and priorities to guide more accurate investment decisions.
6. If your senior management makes decisions on the basis of rigorous analysis and is committed and open to change,...	....this approach is more likely to work well because it relies on heavy quantitative analysis (although it may conflict with marketers' anecdotal data or "gut feel").
7. If your company has attempted to reposition the brand before with little success,...	...this approach may address some of the shortcomings that hampered previous efforts.

- Focus on the entire brand ladder—technical, functional, and emotional benefits, and social benefits as applicable.
- Use robust data and rigorous analysis to make tradeoffs among technical product attributes on the basis of the selected market space.
- Link the quantitative brand ladder directly to the development of the brand strategy and execution plan.
- Develop consumer-facing, emotional imagery and messaging at the right time—after the facts have been laid out and the strategy has been developed.
- Touch all parts of the organization, in both strategy development and the implementation phase.

Many of the concepts described here—from the brand benefit ladder to the marketing P's—are already well known to brand managers. When taken as a whole, however, our approach addresses common shortcomings in traditional brand-transformation efforts. Fundamentally, it is anchored in the emotional elements that can drive price premiums and competitive advantage. But rather than stopping at the emotional layer of the brand ladder, our approach ensures tight and quantified links between every layer. Rather than relying on gut feel, it rigorously establishes the financial value of every investment tradeoff. And rather than consigning the brand to a marketing silo, it weaves the brand into the very fabric of the organization, thereby bringing the brand to life.

In today's marketing landscape, the basics of brand management may seem obsolete compared with the latest digital tools and trends. But some things never go out of style. Company executives must reject complacency, rethink old ways of tackling brand issues, and apply a new, more disciplined approach. The result will be a brand-centric transformation that goes well beyond messaging and "the creative" to strengthen every aspect of the business.

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