What P&G taught me about Brands

In over 40 years of experience in Business, the lessons I learned at P&G have continued to be a source of much of my success. While they have been modified and informed by changing technologies and economics, the fundamentals remain essentially true. With a few annotations and comments, the core of them is outlined below:

- Any brand must have a clear focus. It cannot be applied across multiple products with differing benefits. The Tide brand, which is about strength, cannot be applied to products which are mild and gentle, such as typical Ivory branded products.
- The main claimed benefit must be consistent with the product, i.e. the product must deliver. Tide products must be strong, and Ivory products must be gentle.
- Products are developed to meet consumer needs, even if the consumer has difficulty verbalizing them. The Swiffer is a good example of this. Outside P&G, the iPod is another. A brand alone is not enough to justify a product.
- The constraint of cost which calls for one brand to be used across multiple products (to allow more effective use of advertising budgets), must be balanced against the fact that the narrower the positioning focus, the more effective the advertising. By incorporating the White Cloud product under Charmin, P&G sacrificed some focus, but felt that the gain in efficiency justified it.
- Simplicity of benefit is a strength. Resist the temptation to create a long list of benefits or it will confuse the consumer. Many products will have a number of areas in which they are superior to a competitor, but the challenge is to select the one which is most relevant and meaningful to the consumer. Tide is primarily about whiteness and stain removal, while Cheer is about bright colors, even though Cheer does get stains out.
- Do not launch a new product unless it beats the competition in an objective (blind) product test. Advertising and positioning alone is an insecure foundation on which to build a strong brand. As the saying goes, "good advertising is the best way to kill a bad product."

- As Coca-Cola discovered with New Coke, a blind test win may not always justify the re-launch of an existing product. The brand was too strong to allow change at all.
- "Superiority" is defined by the end-user, not the marketer. Do not let anyone in the company think that they know what the brand or product is better than the consumer once it has been established.
- Packaging, pricing and distribution channels must be consistent with and support the brand positioning. A discount price or discount channel of distribution will hurt a brand which is positioned as a premium brand, unless very carefully managed. Some ways of offering price reductions will have less impact on image than others, e.g. a "buy one get one free," is superior to a half price offer, and a rebate (even if "instant") is better than a reduced price.
- P&G would probably support the thoughts of Ted Levitt ("the 4 P's"), and Trout and Ries (Positioning), which were widely read inside P&G when they came out, and are now very much part of general Marketing thinking.
- Support the brand strongly. If you under-spend by 5% you have wasted all your budget, whereas if you overspend by 5% you have only wasted that 5%. This does not mean that you do not strive for efficiency, but simply never skimp to the point of failure.
- Continually improve the product, even if you do not flag the improvement to the consumer. Consumers can get weary of re-launches, but never let the product fall behind.
- Don't miss an opportunity to use sound – whether music or a pneumonic to reinforce brand memorability and personality.
- Be objective and data-driven about a brand. Marketing should be as minimally subjective as possible. Strive for objectivity in all you do.
- While many brands can be managed to remain relevant, if one is not, be prepared to kill or milk it.

There are some principles of branding which have been more strongly followed by other companies than P&G even though P&G started them. One of those is global branding. Where possible, be consistent in branding across countries. P&G has not been consistent in this, and it is less convinced on this than it used to be, probably because of the failure of some less than well thought out actions in the past. There is still some confusion between the roles of Tide and Ariel, Crest and Blend-a-med,

and there are several other examples. Some other companies are clearer on this and have shown that it can be hugely effective when well executed, e.g. Colgate-Palmolive and Mars, Inc (Uncle Ben's rice is sold in over 100 countries, with a fairly consistent positioning and design elements) in the CPG world as well as many companies in consumer durables and services. P&G uses two Heavy Duty brands (Tide and Ariel), which even co-exist in a few markets, and has different brands across countries, which does not enable the company to use advertising and distribution efficiencies. One of the keys to global harmonization is to not impose absolute uniformity from above, but to incorporate thinking from all countries to achieve a core harmony while allowing some variations to meet local situations. I was fortunate to lead such efforts within Mars and also, later, as a consultant, for other companies such as Wrigley, while having been a participant in an over-rigid P&G effort to impose it from above for Crest toothpaste, when we launched in the UK. This taught me that global harmonization is both difficult and worthwhile.

Another issue to be aware of is that re-branding is often driven by ego more than sense. In some situations, where the product is dramatically different, it is useful, such as when we changed from Houston Industries to Reliant Energy, but in others, such as the change from Cingular to AT&T, it was counterproductive as the company moved from a relevant, updated brand to an outmoded brand, which it then had to spend $Billions to try to make relevant.

A brand is about so much more than just a name, a logo, and a design. A brand is established at each and every point of contact, and most companies do not really follow through on that consistently. So while much effort goes into building a brand by one part of the company, another may be undermining those efforts. Frequently, it is an area where the CEO has little involvement, particularly in ensuring both strategy and execution. The executives who are responsible for a brand often have no authority, or even involvement, in what the company does to establish, maintain and build the brand. Heavy advertising expenditure can be completely negated by crass customer service.

