

Customer first thinking.



Brand Health

An Interview with Jenni Romaniuk, Research Professor and Associate Director at the Ehrenberg-Bass Institute

Jenni Romaniuk:

Jenni Romaniuk is a lead researcher at the world-famous Ehrenberg-Bass Institute and the author of "Better Brand Health".



Why do people make the buying choices they do?

That simple question has preoccupied marketing researchers for more than half a century now. They've sought to understand what goes on in people's minds as they make purchase decisions. Using scientific methods of discovery, they've probed people's attitudes, values, habits, beliefs, social mores, motivations, personality quirks, cultural influences and more, looking for common patterns of behaviour that will predict how customers can be expected to respond in given buying situations.

The first breakthrough behavioural model to emerge was published in 1969 by John Howard and Jagdish Sheth in a book called "The Theory of Buyer Behavior". It was, according to the authors, "an attempt to explain the brand choice behavior of the buyer." Their model assumed that people are rational decision makers who move deliberately through progressive stages of the purchase process, guided by their past propensities, brand perceptions, and preferences. Their groundbreaking work laid the foundation for the elevation of consumer research into a recognized field of marketing study.

Today consumer behaviour research is an applied social science, incorporating theories of behavioural economics, social psychology and cultural anthropology. It has expanded our understanding of the complex interplay of factors that underly consumer buying decisions. And yet most marketers are almost completely oblivious to this body of scholarly research. They might be vaguely familiar with Maslow's Hierarchy of Needs from their school days but that's about the extent of their knowledge. Their world is tightly bound by the exigencies of campaign planning, product promotion and brand advertising. Research only ever enters their line of sight when they need a snapshot of brand health or some fresh insight into consumer trends.

So how is it that one of the most popular marketing books in recent history was penned by a market researcher? In 2010 Bryon Sharp, who heads up the Ehrenberg-Institute for Marketing Science at the University of South Australia, published a book called "How Brands Grow" which caught the attention of brand marketers everywhere. He introduced them in everyday lingo to a set of empirical generalizations (what he termed "Scientific Laws") that completely upended many of their long-held assumptions about consumer behaviour. He urged marketers to focus on attracting light category buyers; showed them that greater loyalty amongst heavy users doesn't necessarily translate into market success; claimed (controversially) that distinctiveness trumps differentiation – and, even more provocatively, that behaviour drives perception, not the other way around. In short he challenged much of conventional marketing wisdom.

The book succeeded in making a convincing, fact-based argument for applying these "scientific laws" to brand building in today's world of "polygamist consumers". And now one of his longtime research associates, Jenni Romaniuk has come up with a book of her own, called "Better Brand Health", explaining how to apply the Laws of

Growth to brand health tracking. Tracking studies have always been a standard research tool for marketers keen to know what consumers think about their brand. The problem, according to Jenni Romaniuk, is that a typical tracking study doesn't tell marketers what they really need to know about their brand: Is their brand consistently top-of-mind for buyers in all relevant buying situations? Is it readily available? Does it appeal to the widest market possible? In her book she lays out a formula for making brand health studies more useful—or as she prefers to call them, “category buyer memory” tracking.

I began by asking Jenni to explain the difference between market research, marketing research and marketing science.

SS

Stephen Shaw (SS): Do you consider yourself a market researcher, a marketing researcher, or a marketing scientist? And what are the differences, if any?

JR

Jenni Romaniuk (JR): Okay, that's a good question. I actually am all of the above, I would say, at different points in time. So the way I would separate them out is a market researcher is someone who is solving a specific problem at a specific point in time for a company or, for whatever reason. So, for example, we do specific projects for companies measuring, say, their distinctive asset strength, or identifying category entry points for them that is feeding into their specific brand strategy and is a record of a point in time: This is what's happening. So that's where I'm acting as a market researcher in that I'm commissioned to do this for a specific company to solve, to answer, a specific question. The marketing researcher and marketing scientist are two of an ilk. So marketing researcher is what I would consider fundamentally researching the phenomena of marketing. So that's the academic research, the fundamental R&D. Coincidentally enough, the difference between market research and marketing research was the question that I was asked during my interview to become a member of what was then the Marketing Science Center back in the early 90s, shall we say. So that was actually the audition question that you had to present on what is the difference between market research and marketing research?

Now, we use the term marketing scientist. We actually use that for, that's our sort of entry level researcher position, to represent the fact that we believe marketing can be investigated through the scientific process of discovery, through empirical observation, understanding the world

around you, then seeking to explain it and change it. So that's a process by which you understand marketing. It's not the only one. There are people who do it through other research paradigms, but the sort of classic science approach, and empirical approach to that, is how we investigate marketing science, and marketing, as a phenomenon. And so the marketing research and the marketing scientists sort of come together in what I explore at a deeper, fundamental level and how I would approach that. So my answer is D, All of the Above.

SS

Right. But marketing science is an evolving discipline, too, right? I mean, your institute has been around a long time, but still, it's traditionally operated in the academic community and not infiltrated the practitioner world very much. And Ehrenberg-Bass, I think, is making its reputation based on the fact that it is carrying the flag for marketing science, is it not?

JR

Yeah, I mean, it's weird, because in the academic world, there is a stream of marketing science. There's even a journal called Marketing Science, but it's actually more about statistics and more about things like different forms of econometric modelling and things like that. So it's actually more about the statistical approaches rather than the classic science of replication and extension. So empirical observation, determining a phenomena, seeing if it happens over and over again, testing for boundary conditions, quantifying it, then trying to manipulate it by controlling for the environment, and working out changes. Those sort of fundamental factors of how you go about doing science.

Science is a process, it's not a destination. So it's how you apply the scientific method to a phenomena that determines whether it's marketing science or not. So the word has been kind of co-opted in a whole heap of ways that are actually unhelpful to determining the process. Because econometric modelling is not classic marketing, classic science, but it is used in marketing to understand the relationship between variables. So it's an approach to marketing research and market research, but it's not necessarily scientific research.

SS

And marketing does borrow from other social sciences. In effect, what you seem to be doing at the Ehrenberg-Bass Institute is creating something that's very particular to marketing. That is, your focus on the science of marketing and consumer behaviour, are you not?

JR

Yeah. And that's what I think is one of the strengths of what we do. I mean, marketing, I mean, the thing to remember is, as a discipline, we're very young. We've only really been going for, we're less than, less than a century old as a discipline. And you consider that with a lot of the other sort of other areas, like physics and biology and math. So they've been going for millennia, you know, so understandably, being young, we borrowed from other areas. And you can see that in our terminology, when we talk about brand equity, we borrowed that from economics. When we talk about things like brand love, brand personality, attitude, we borrowed that from psychology. Now, these are worthy investigations to see if they fit. But sometimes I think we've kind of fitted a square peg into a round hole just for convenience sake. I remember Richard Dawkins talking about how, you know, his model of the selfish gene, how he kept having people coming up to him going, I've applied your model to this particular area, and look, it fits and sort of stuff. And he just said, he just said so many people coming to stuff because they felt like, oh, this was an interesting idea: See if I can apply it to where I work. And, you know, sometimes it does, sometimes you're just stretching the analogy so far that it actually doesn't make sense.

So if you look at the different areas of marketing knowledge development, you can kind of see where they've actually borrowed from. And some of that idea has been good and some of it has been sort of stretching the metaphor, shall we say. And now we're kind of growing up a bit and going, well, why don't we develop a marketing theory that comes from facts about how people buy and how brands compete. Actually marketing phenomena. So not about psychological phenomena, not about economic phenomena, but actually about buying phenomena, which is what we're often studying loosely, behaviour, because it does also encompass things like non profits and media consumption, which is a form of usage, but not actually buying, but you know, in that broader sense of when we, how we choose from situations where we have multiple options, you know, that's, that's the domain of marketing.

SS

And that's the strength of your book. And we're going to dive deeply into some of the statements in your book a little later on. I do just want to touch briefly on one other thing here about your own career path. I think you've said

elsewhere that research has always been your passion, but I think you fell into it almost accidentally at university. What drew you to the profession?

JR

I had no grad plan. I actually started studying occupational therapy. Well, I really wanted to be a physiotherapist because that was a really hot career when I was finishing year twelve. But I didn't get enough points for physiotherapy. It was actually harder to get into physiotherapy than medicine in my year because they only had a restricted number of how many it was, restricted availability. So that meant there was a lot of competition to get a physiotherapist spot at university and I didn't score enough points. So I got into occupational therapy, which sounded like physiotherapy, did a lot of similar courses and I thought I could get good enough grades and transfer. The weakness in that plan is I was just not very good at it and I worked out that either something was not going right because I was staying in a boarding college, and the girl next to me was also doing occupational therapy and she was sailing through, getting fantastic grades on everything. And I just looked her and said, you know, if I was meant to be here, I'd be her, I wouldn't be me, struggling, barely getting through.

So I started to reevaluate and go, what else can I do? And I met somebody, I'd always liked economics. That was my strongest subject, Junior Twelve. And I liked it because even though it was a soft social site, it was a hard, was the hardest of the soft sciences. I didn't know what to do with my class of science stuff, so I did physics, chemistry, maths one, maths two. No idea what I'd do with those. No one ever told me. I think it was because I was a girl and so they didn't think that, you know, something like an engineer or something I would do, because I had no idea what they did. And so, yeah, so I met someone who was doing business degree, and I went, oh, that sounds interesting, that sounds practical. Okay, yeah, I might do that.

So I changed a business degree. No idea that you had to choose a major until I was enrolling, and I had like two people in front of me in line where they were. I heard someone say, what's your Major? And I'm like, oh my god, I didn't read that. Need to do paperwork more often. And then it just popped into my brain that, oh, marketing, yeah, I'll do marketing, just you know, basically said, what? They said, what's your Major? And I said, I hear they do marketing

good here. Do that. And that's how I fell into marketing. And how I fell into marketing research is I finished my degree. No idea what I wanted to do. So I went travelling, as you do as an Australian, backpacking around the world for about 18 months to two years. Came back, needed a job, had no money, as you usually return. And they advertised for someone to come and do their masters by research.

SS Ehrenberg-Bass did?

JR No, it was actually, it was, it was a marketing science center at that time. This is before the institute was formed. And so I went in, did my audition presentation on the difference between market research and marketing research. And, yeah, they kind of went, okay, yeah, when do you want to start? So, yeah, that's, that's how it started. But even then, I had no plans to do a PhD. I finished my Masters. I was going to apply to do volunteers abroad, but I wanted to go to Central America. And that was the time when they finally, the year I applied was going to apply, was the year they canceled the opportunities to go to Central America. And so I stayed and did my PhD instead.

SS Right. And you made a terrific career out of it. You're the second, probably most recognizable face on Ehrenberg-Bass Institute. Let me ask you about this. And you were instrumental, obviously, in helping to write the second edition of *How Brands Grow*. When that was first ... the first edition was published in what, 2010? It certainly caught the attention of marketers everywhere. Why do you think his book resonated so strongly with marketers at the time?

JR Well, it actually didn't catch fire immediately. It was kind of like a slow burn before it sort of took off. So but it, you know, it did, it gradually got more and more popular as more and more people read it. And I think it, it's partly because it is so grounded in fact, and it's not, so it's not an opinion. It's like, here are the numbers, here's how the numbers are numbers that people could see in their own businesses, sort of stuff, and understand, and here's how you can interpret them in a way that makes sense, which was kind of anti how we get a lot of data in our professional lives. You know, often people get reports that have numbers that have been massaged, obscured, just kind of turned into something that doesn't resemble what they really are.

And I think the beauty of Byron's book was it laid the numbers out simple, clear and bare for you to see, to look at things like, you know, the relationship between penetration

and loyalty. Looking at the variation between penetration and loyalty, once you look at that, you can't unsee it, it's kind of like those magic eye pictures, and you go, oh, of course, yeah, there's way more variation in penetration of brands than there is in the loyalty of those brands. So why is my plan saying I'm going to double the loyalty? It doesn't look realistic when you just look at the numbers. And so I just think there's a great power in the simple presentation of numbers, which is something that really we inherited from Andrew Ehrenberg, because that was one of his great superpowers, was clear communication of numbers. To tell a story, to draw conclusions, to then be able to act upon.

SS That is the great strength of both editions, obviously, but certainly that ability to wrap an intelligible narrative that can be read by the average practitioner and understood, it's not, you know, it's easy to access, and certainly the conclusions are often, you know, extremely logical. So let me just ask you about this. To set the stage for some of the conversation to follow around your book, one of the anchor insights, clearly, is this idea of, of mental availability. So, for the person who hasn't been exposed to what that really is, can you explain what it means? And why it's so important.

JR Okay, so as we go through our lives as consumers, we engage with different categories during the day. Yeah, we don't, we kind of go in and out of them. Coffee is an example I've used. I'm a coffee drinker. I will engage with that at different points during the day. And how I engage with it varies according to what's going on in my life. So we're coming in and out of engaging with categories. If we take an overall analogy of going to the Olympics and trying to win a gold medal, right? So we're all going to Paris, we want to win a gold medal. Mental availability is our ticket to Paris. It's the thing that allows us to compete. Then it's sort of companion piece is physical availability, which is our performance on the day. So mental availability is about being easily thought of in buying situations. So that your brand is one of the options that someone, when they come into that market during the day goes, your brain just naturally puts it in as an option that works at that point in time. That's the key thing that gets you started and gets you permission to compete, at that moment.

And then physical availability determines whether or not, you know, you're the best option at that time. And I use best in the very loose sense - sometimes best is, you're just over

there versus I have to walk 50 meters to get to the other one. So I'll just get the one from here because it's right just over there. That's as simple as physical availability can be, but it can be powerful in the moment because I just can't be bothered walking 50 meters when there's something here in front of me that will do the job just as well. So that's why mental availability is, it's the big reason why the vast majority of brands don't get bought on any buying situation is they were not mentally available at the time. And a few of those brands weren't good enough in the moment. So there's a few that lose at the second stage. But the vast majority of brands, when they don't get bought, is because they were not mentally available in the first place. So that's why we cast it as like the really big challenge that marketers are facing. That's what gets you the ticket to Paris to be able to compete.

SS

So is it sort of a binary thing, I'm mentally available or I'm not? There's no sort of gradation, no continuum around that, from low mental availability to high. If you are, you're in the game, if you're not, you're not in the game.

JR

Yes and no. In the short term propensity, it is a binary. You're retrieved or not. But over the long term, it's a propensity because it's a function of your connections too. So when people come into a category, our brains do work for us, our memories do our work for us, and don't just give us a list of every possible option. So if you're thinking about lunch today and you're, you know, say you decide you're going to go out to lunch today, your brain doesn't give you every single possible lunch option you could have because it would be way too much information. You don't need that. What your brain does is will shortcut that to a couple that are going to be most suited, it thinks are so most suitable for you. And that's going to be based on what we call category entry points or some criteria around where you are today. And that might be how much time you've got, what you feel like eating, what the weather's like outside, are you dining alone or with someone else? You know, do you have a lot of money or are you feeling a bit cash strapped today? All of those things will intertwine to come up with the short list of what's relevant today.

So for today, it's a binary, are you in there or not? Now, that doesn't mean that if you initially get that suggestions and you're going now, I don't like any of those. Your brain won't go deeper, or you go on your phone and look up options, you can do that, but you'll always go to our brains first because

it's the easiest search engine we've got, essentially. But over time, each time you're buying lunch, different combinations of those category entry points will come into play. So tomorrow's lunch will be different, next week's lunch will be different, next month's lunch will be different.

So over time, it's about the probability that if I've got a restaurant in your area and I want you to come to lunch, that I come up. And the more times for them, the more different situations for as many people as possible I come up for, the greater my chance of being bought more often. So in the long run, it's a propensity because it's made up of all of these context driven situations. And as a brand, what I'm trying to do is to attach myself to as many category entry points for as many people as possible to up the probability that no matter what situation you're in, my brand is one of the ones that is your brain shortcuts to be suitable at the time.

SS

That is one of the great strengths of the book, I found, because I wasn't really that acquainted with the concept of category entry points, retrieval cues. I'm actually going to come back to that a little later on as part of the conversation around your book. I do want to touch on one other thing about Ehrenberg-Bass, though, and that you guys are famous for, as we talked about earlier, sort of puncturing popular marketing myths and pseudoscience. What's the biggest fallacy, myth, misbelief, however you want to phrase it, that you still encounter today, notwithstanding the book's been around 14 years, the initial version, anyway. What do you still run into today that you get arguments around or that tends to be contentious for Ehrenberg-Bass in terms of its sort of belief system.

JR

It's a toss up between two. I mean, the reality is, the old things that were published and refuted in *How Brands Grow* still exist today. Sometimes they get rebadged as different names. I mean, they say science advances one death at a time. You know, it's hard for people to let go of ideas. It's actually really, I think, a sign of courage for someone, particularly who's been in the discipline for a while, to be able to go, you know, I've learned something new, but it becomes more challenging, and particularly if you're invested in it, and particularly given our academic systems are invested in this. If you've been teaching students for up ten years of particular, that, loyalty is important, to suddenly turn around this semester, guess what? Loyalty is not important. That takes a lot of courage to do, and not many

people are willing to do it. So a lot of them still linger in different forms that we're constantly playing whack a mole, knocking them down.

I think the biggest one that is sort of leading people astray is this idea still of differentiation being essential for brand growth. There's never been any evidence to support it. There's lots of evidence to refute it, but yet there seems to, and this is what I don't understand, I don't understand how people are so wedded to an idea that they have no evidence to support, but yet there seems to be. It seems to be a bit more of a faith based argument rather than an evidence based argument. And I don't argue religion because that's a silly place to. It's a great way to lose friends.

But, yeah, it's just, it's one of those things that it, and it's not the belief in differentiation that is the problem, it's the actions you do to support that belief that become the problem. It leads you to do things that are ineffectual and potentially damaging for the brand in the long run, as well as the opportunity cost of the things you don't do that would be good for growth. So that to me is one of the biggest, persistent areas of marketing faith that seems to ... people just don't seem to be willing to let go of. It's just interesting to me that people are so wedded to this dogma without ever questioning themselves of why they believe this.

SS

Well, I've certainly paid attention to some of the tennis match that goes on between Byron Sharp and Mark Ritson on this subject. It's interesting that you called that one out because I had it written down here to say that was certainly one example that I could think of. I guess in part because so much of marketing planning is wrapped around this concept of unique value proposition and you know, we have to be able to say something different. And it's a world of commoditized products, let's face it. So it's hard to tell the difference often between one product and the other. So you, you don't have something to unique to say, why should a customer buy my products? So I can get why marketers are resistant to giving up the idea. It's a tough, that's a tough battle to win, for sure, as logical as you guys are about it.

I'm going to shift gears a little bit because I do want to get into the crux of the book, but I want to precede that conversation again, helping the audience here actually understand this notion of buying choice and what's going through the mind of a consumer when they're sitting in front of the shopping

shelves. So let's say, just as an example, thought experiment here, you're a shopper in your local pharmacy, you're standing in front of the toothpaste shelves. And I'm using this example because I often stand there immobilized by choice, deciding which product to buy. What's going through your mind as a shopper, as a buyer, as a consumer, as you're considering your options there in front of you, how do you arrive at a buying decision? What's that process?

JR

Okay, well, first thing is, the thing to remember is, when I'm walking through doing my shopping, whether it be a pharmacy, supermarket, hypermarket, whatever, I'm very rarely just thinking about shopping. I'm thinking about all these other things that are going on in my day and I don't, oh, that's right, yeah, I do need toothpaste. And then I might think of something that's happened. Oh, my gums were bleeding a bit. I better get something to kind of help that. Or it might be that, oh, teeth are looking a bit crappy lately. Maybe I'll get something that's a bit whiter or, oh, I remember, that's right, Colgate had this new thing. I wonder what that was, wonderful see if I can find that here.

There's a whole heap of little random thoughts that go through your brain at different points in time that then lead you to pick one of the options on the shelf. Or occasionally, as you might find that, you just go, I can't decide, I'm just going to move on and deal with that next week, assuming you've still got a bit left. Yeah, yeah. So, you know, it's the choices we make in store are a combination of stuff in our heads that's been accumulated from our own experiences, advertising, in some cases, observation of others, word of mouth. These all become, given sufficient attention, processed in our brains and then we draw it out at different occasions to help us act in some way, shape or form. But then of course you're in an environment and it might be that you're going, oh yeah, oh, you'll get that Colgate whitening. You know, I just, I just saw an ad this morning for a Crest with whitening and enamel toughening thing. Great. And I might think that's, yeah, I'll get that. And then I see that actually Colgate Optic White is on sale this week and has a promotion and I'm like, I'll just get that instead. And I make that last minute decision while I'm there. And that does happen. Although those decisions tend to be within the repertoire, they don't tend to be outside of the repertoire. So I would only do that if Colgate Optic White was something

I had bought before and that's what screens in, the fact that I noticed it's on promotion. We've done wide body research showing that price promotions don't bring in new customers, so they tend to just get people to repertoire shuffle. So all of those things happen at that moment. And so a lot of marketing's job is to get the brain ready, get the memory ready, so that when people go into a buying situation, our brand is advantaged.

So, you know, so I know that Colgate or Crest or whatever brand helps me no matter what sort of situation is going on in my mouth right now. And those sorts of things, yeah, happen all the time for us in different sorts of situations. The thing about these category entry points that get us the brands we select is we know them, but we don't think a lot about them because they're inordinately helpful. They just shortlist for us, and we know that we use them, but we don't mentally go through ... I don't sit there and think, oh, what do I need toothpaste for this week? Oh, that's right, my gums are bleeding, I should get something that helps me with gum disease. What toothpaste do I know have that. I don't go through that conscious thought. My brain just automatically goes, oh, you want this one, this one or this one? And I go, yeah, that will not do. It might be the first one I saw. It might be a whole heap of other reasons within there.

SS

So people are generally cognitive misers. I think I've heard the expression, the less you can reduce, the more you can reduce the cognitive load on them in a buying situation, the better. Now, your book...

JR

Can I just correct something there?

SS

Yes.

JR

It's not that the people are cognitive misers. I mean, they are in that they don't want to think a lot, but they still want to make good choices. So the thing is, what our brain often does, is it just gives us what it feels like are good choices there, and they're usually good enough so we don't have to think. Now, sometimes we do agonize over a particular decision because it's important to us for whatever reason. Sometimes that can seem trivial to others. We all have these different categories where we spend a lot of time in, we all have situations where we might spend a bit of extra time in that. So we will do that when necessary, but we just, if it's not needed, if our brain can kind of shortcut it for us but still give us a good outcome, we're happy to take that option.

SS

That's my shopping mantra. Good enough!

JR

Yeah. I think the term cognitive miser makes it seem like we deliberately, I don't want to think, I don't want to think - no, we just, we just, if there's an easier way to do it, we will take it.

SS

Absolutely. So now let's dive into the crux of the book, which is really about brand health tracking, although you're not particularly fussy about the word, words "brand health" - I'm going to, I'm going to bring that up in a second - I think you prefer category memory tracking, I think you prefer to call it, and it's been a staple of marketing measurement for a long time. Did you write the book because you felt you needed to set the record straight as to how to design a proper study? Were you observing a lot of studies that simply go wrong? Is it that the science of brand tracking hasn't kept up, hasn't kept pace with current thinking? What was your purpose in writing the book?

JR

It was a multifaceted thing, if anything. This was, ironically, the book I should have written first, but it took me two other books to write before I could, because it was a hard one to write. When we first started as the Marketing Science Center to get our funding, a lot of our funding came from basically company's market research budgets, because that's how they would fund the single studies that we could then accumulate into multiple category studies for the use in R&D purposes. And one of the biggest areas of that budget was brand health tracking. And so I actually have managed brand health trackers. And in the process of doing that, while I was doing a Masters and a PhD in the area of brand management and how the stuff in people's heads helps people make choices. I became quite uncomfortable about the fact that I didn't know what was going on half the time with these measures. You know, they're always given these inherited measures because often you inherit a tracker from someone, and they don't want to change at all. They're happy to do a few changes, but you have to have continuity. So there's a lot of measures I inherited that I went, we were putting on this, I have no idea what makes this change. So you make up stories and everyone makes up stories. You talk to the client, they go, oh, I think it's because we did this and that, in third quarter. Okay, all right, yep, that'll do, whatever.

Secondly, I would talk to people about their brand health tracking more generally. So after we stopped doing that and

yeah, there was a general discomfort about it, the huge debts, nothing changes, but not being able to give it up because it was just one of those expected things as part of the marketing budget. The third thing was knowing how brands grow and realizing a lot of these trackers were just not built for the knowledge of how brands grow. They hadn't kept up and even now you'll hear tracking, they'll say we track mental availability, but if you actually look at what they do, they don't track mental availability. They've just rebadged one of their old measures as mental availability, you know, just to keep it up.

And this is what happens a lot in the brand health tracking sphere, which is the fourth element, which is the lack of innovation, because the innovation that has come historically has not been the real fundamental R&D. It's being the creation of new metrics so that there are new trendy things for people to follow without doing the actual work to go, "Are these new metrics useful?". Or if the work is done, it's quite shoddily done. And when I realized that in the academic world no one was paying attention to this, no one had been doing R&D on this at all. The divorce between the practical world and the academic world I think is most starkly seen when you look at what brand management, academic researchers look and what brand managers actually track in the real world, there's just this giant gulf between them. And so there was no one doing any R&D on this stuff. So, when I, because I don't like answered questions coming out of doing brand health trackers, I then set about a decade of different research projects that tackle different parts of the brand health tracker.

So we have people coming in doing Masters by research and PhDs and I got them, each got a series of two different parts of it. They became my jigsaw puzzle that come together, which is why, you know, the book, I wrote the book, but the underlying research came from a whole stream of institute researchers, some of whom are in academia, some of whom are out there in industry now, who've all contributed parts of it in helping me pull this whole puzzle together. So it was a lot of discomfort on a lot of sides of seeing managers unhappy, my own experiences, seeing that no one else in academia was solving the problem. And the big players who are making a lot of money out of brand health trackers were not solving the problem either. They were going off and creating their own measures because that's what they felt

helped them get bought as a supplier. They were trying to differentiate themselves and in the act of doing that created indices and labels for things that just really didn't make sense.

SS

Well the book is excellent in explaining it to the practitioner as opposed to the professional market researcher. At the same time, it can be a little technical in places as you expect. One of the quotes in the book is, "memories always matter" and memory is a big thing here. And I know it's an area of specialization for you. You were referring earlier about category entry points and retrieval cues. I just want to come back to that. You also refer in the book to this concept of mental market share. These seem to me the foundational concepts. Category entry points, if I understand it correctly, is a trigger in the mind of a person that would suggest a need of some kind that they would then obviously associate with a specific brand. I think one of the figures in the book, as I recall, is like a brand is successful if it has something like a 60% association with the common category entry points, that sort of thing. Can you just expand a little bit again for, for the neophyte audience out there - just go back over this idea of association between category entry points, the retrieval cues, and ultimately this mental market share that you talk about.

JR

Yeah. So category entry points, I don't like to think of them as sometimes they can be their own retrieval cue, but more often than not, they contribute to a situation specific context. So I give an example in the book of a winter's night, I'm not feeling great. My niece is over for dinner. So there's three different category entry points that have come together in that moment that we are deciding on dinner that's determining. So, you know, if I had to overthink it, I'd go, well, that rules out sushi because, A, it's winter and B, my niece doesn't really like sushi, so count those two out. It leads into things like burgers and fries because that's what she likes. And I don't mind them, but I don't have them very often. So it's a bit of a treat if she's there. But then we wanted something that would get delivered because we're at home and we weren't going to go out because it was cold and wet or something.

And so that's normally more often how category entry points are used. It's often a mistake where people think it's, oh, so it's one category point, one influence, one situation. It's actually they come together but we can't measure all of those different permutations because, you know - I don't

know if you've got a niece or I know you would experience winter and I'm sure you've probably been unwell at different points in time - but the universe of people who are in winter when they're unwell and their niece is coming to dinner is probably pretty small, so we don't need to go to that sort of granular level. All we can understand is that, well, yeah, a lot of people have winter, and this is the things that are linked to a winter. A lot of people feel unwell on occasion. And a lot of people maybe have younger children or family members that come over that may influence their choices. And you can quantify the influence of each of those and know that if you've got that broad sense, you get a sense of how commonly they occur out in the world and that allows you to identify what is more common and what is less common. So if we were ranking that, I'd probably say winter's going to be more common, then being unwell second, and probably a younger child, teenager sharing your meal with you is probably third in there. So that's really how they work together, and they combine together to then do that shortcut of all the food options that are out there. That leads us to a couple of different options, which then, you know, we toss out and we decide between us from there.

So that's how memory retrieval works. It takes both internal and external factors that are useful for shaping the moment and factors, and then determines the likely options that are going to be most suitable for you at that time. Now, the important thing here is influential. Now, I could have mentioned the fact we were at my home, but that had no bearing on that choice in that situation, other than the fact we were getting delivery in. So there are contextual factors that don't shape our memories, and there are contextual factors that do shape our memories. And category entry points identifies the things that do shape our memories and determine what retrieval that we have.

SS

But the key ultimately is that a brand needs to be thought of in those moments, those specific category entry points. That's, I think the main point here is it not?

JR

Yes, and they naturally will. So there's something of a propensity because they're a member of the category. And if you're known as a member of the category, that is, you serve food, then you have some chance of being retrieved and it's about maximizing that chance as much as possible. So that's the role of marketing is essentially to try and up

that chance for you. Because category entry points are about buyers, they're not about brands, but they get attached, the brands get attached to them, which is what gives the brand some chance, greater chance of being thought of when they're relevant to people in buying situations. So category entry points would exist even if brands didn't. So if any one brand went away, the category entry point would still be there. They would just be something else filling its gap. In a lot of cases, even if subcategory went away, the category entry points would be there, other subcategories would fill that gap.

SS

But the key is that the marketer needs to take this into account to be certain that in the various possible contexts that they have the best chances of being recalled as an option in those situations. That's a linear connection.

JR

Yeah. And it's also about the fact that a lot of our activities are out there, are about building memories. Now you can argue what sort of form, whether that's about the knowledge of them or how people feel about brands or whatever, but it's about building memory. So the question is, what memories are most useful to build given we've only got a short amount of time that we can do that? Because we only have a limited marketing budget, there's only so much effectiveness of what we do. The buyer only has so much time that they're going to give to us even for the best of our efforts. So how do you not waste that effort? How do you get the most out of it? And so I would argue that promoting something that is about getting you in the race for as many people as possible, I don't know, other than the branding memories that underpin distinctive assets, I don't know what other memory is more important than that.

SS

Yeah, well, I guess people today might argue brand experience also factors in increasingly today as well.

JR

But you have to think of the brand to experience it.

SS

Right. So there's buying a brand to replenish out of stock as a consumer. The other, I guess, contentious conversation that goes on is the whole concept of brand loyalty. And this again I found a fascinating part of your book and of course Byron Sharp's work, is this relationship between loyalty and market share. And you were talking about this at the top of this conversation, can you just expand upon that? In fact, I'm just going to stress this a little bit, that there's no such thing as brand loyalty, that everybody's loyal to something, and

that you see very little difference in loyalty as it correlates to brand market share. Can you just build upon that a little bit, or have I sort of botched that interpretation? And the other, just corollary question is your perspective on NPS as a KPI?

JR

Okay, so the first thing is, yes, there is brand loyalty out there, but I'm going to be very specific here, which is I like concrete terms, I like understanding what I'm talking about and explaining it to others. And so we're all on the same page here. So what am I talking about when I mean loyalty? Well loyalty comes under a guise

of a number of different sorts of behaviours and it's, loyalty is about how you act in a repeated way towards a brand. And that can be displayed in different ways depending on the category and how you're looking. So loyalty can be displayed in repeat purchase. So buying the same thing again after you've already bought it, that's a display of loyalty. It can be displayed in length of time of purchase, of remaining a customer for a long period of time. That's an example of tenure loyalty. It can be explained by, it can be defined by share loyalty. So I might buy the category three times, I buy this brand three times. That's a display of loyalty to that brand because I'm buying it more. If I buy it twice and one others I'm still loyal. I'm twice as loyal to that brand as I am to the other one. It can be attitude to behaving loyalty. I really want to continue to buy this brand. Now you might stop me by not stocking it anymore, but the fact that I want to do it is a form of loyalty. So all of those are different ways in which loyalty can be exhibited and observed. The latter is observed usually through verbal behaviour. I ask you how you feel about behaving loyalty towards a brand. You tell me is this something you want to do?

That's a verbal behaviour, even though it's, whereas the others can be observed by how people act. And so when we look at all of those, what we find is they are evident, they're evident to different extents, for people. So the idea of the traditional sort of relationship loyalty, of let's get married until death do us part, that rarely exists in marketing. So, therefore it's not a great metaphor for the sorts of behaviours that we want to encourage in buyers. Most people when given the opportunity will buy multiple brands. The more times you buy from a category, the bigger your brand repertoire is, a very well-established empirical generalization. And so it's something that loyalty doesn't

exist. It's just, it's not something you can maximize to your own benefit. And efforts to try to do so will lead you doing, making suboptimal choices and suboptimal use of resources.

SS

I.E., investing in loyalty programs.

JR

Yeah. And I mean, Byron actually did one of the world's first sort of very properly done empirical study into the effectiveness of loyalty programs - it was actually his PhD. And what he showed there is that loyalty programs don't engender loyalty, but they did provide a slight defensive mechanism to competitor activity...

SS

Barrier to exit effectively.

JR

...yeah, yeah, a little bit. A little bit. Was it worth the justification of setting up the loyalty program? That's a totally different conversation. Loyalty programs are a very expensive sort of thing. But to say that loyalty programs engender loyalty, that's where there's scant evidence to do that. And a lot of the early evidence on this was just done naively going, oh, people in the loyalty program are more loyal than people who aren't - without thinking about selection effects of the people more likely to join the loyalty program are people who are already heavy buyers.

SS

And I think you mentioned in the book that in terms of NPS that you view it more as a customer satisfaction metric than anything.

JR

It's not my view, it's actually the empirical evidence. And when compared to customer satisfaction measures, very highly correlated. There's a paper that myself, it was actually led by Professor Robert East, who's done so much work in word of mouth, and NPS has sort of cast itself as a word of mouth measure. It's actually not a word of mouth measure, it's actually a satisfaction measure dressed up. Another one of my colleagues, Professor John Dawes, has done a lot of work showing that it's not a very robust measure. It's too volatile to actually be useful. And he's done ... so a number of my colleagues, but not just my colleagues, a whole heap of other researchers out there, have done research on NPS and shown it's basically, you know, the emperor has no clothes, for want of a better analogy...

SS

Great merchandising though, I have to say.

JR

...oh, the one measure you need to know. Yeah, I mean, I'll give them ten points for sales. I give the audience zero points first for scrutiny. Because if you actually look at the very

first picture in the article that shows the relationship between NPS and growth, go back and have a look at the dates on the axis. And that gives you a big clue if you look at the dates on the axis.

SS

So sticking with this subject a little bit, you also talk about “Share of Heart” being viewed by most marketers as the hallmark of success, is I think how you put it. And yet you say that attitudes tend to follow behaviour - so again, another provocative point of view, but backed by facts - rather than drive it. So this is completely contrary to what most marketers believe. They hang their hats on creative campaigns that drive emotion. Can you explain the thinking behind that, that attitudes tend to follow behaviour, not proceed it or drive it?

JR

Yeah. Well, the first thing to remember is, first of all, attitudes and emotions are different things. Attitudes are an overall evaluation of some things. So it's how ... do I like coffee? And how I feel about coffee. Now, the thing about it is our evaluations typically happen post experience, because if we haven't experienced something, how do we evaluate it? We can do based on extrinsic cues, and we do so every so often. We've done a lot of work in private labels, and particularly early private labels, because of the way they were packaged, sent out extrinsic cues to someone to be able to evaluate them as cheap because their packaging looked cheap and so people would go, oh, that's obviously a cheap product because it comes in cheap packaging and compared to the others. So we can do that sometimes, we just don't do that often. And so we tend to give an opinion, have an attitude to something, after we've experienced it.

Secondly, emotions are the feelings that something generates from us. And there is actually evidence that emotions can be quite valuable for us, but they can become valuable for us as like putting a turbo engine into a car. They help us process other information more deeply, such that it's easier to retrieve at a later point in time. So when you make someone laugh but tell them something useful, if they process the useful information as well as the laugh, which is a little bit of a challenge, because often we process the laugh but not the useful information - but if you can get them both together, then next time someone's in a situation whereby whatever that useful information was, it's just more likely to be retrieved because of that emotional enrichment during

processing. And there's evidence from the memory literature that covers that where they tested the difference between how long you spent processing something and the depth of processing, which is not just about emotional response, it can be about things like elaboration.

So if you make someone think more and elaborate more on something, that's a depth of processing as well, they lead to enhanced retrieval, whereas how long you spent processing something doesn't affect the amount of retrieval chances from there. So emotions and attitudes have different roles to play. Attitudes are post hot. They come after we've evaluated something. The only time I can see that attitudes are particularly useful is if they stop you from doing something. If, for some reason, you develop a strong enough antipathy to something that it prevents you from acting upon it, even if it's mentally available. But that rarely happens. So, most of the time it's not about that sort of antipathy acting out. Rejection tends to be low and pretty consistent across brands.

SS

Now you can have brand fans who love the product, if I can put it that way. So for those folks, there is this attachment emotionally to a specific brand. But for the most part, you're saying that doesn't, that doesn't really drive behaviour. It's a, it's a...

JR

Yeah.

SS

...post purchase condition.

JR

Yeah. No, don't get me wrong, I'm sure every brand would love to have the devotion of Taylor Swift fans, but they don't. And that's the stark reality is, I mean, when we looked at even like, one of my colleagues, John Dawes, again looked at, whether brands that were considered love marks actually had any difference in the behaviour, loyalty, anything of the behaviour of their buyers than brands that were not considered love marks. And the answer was no, they did not. Every brand has a few people that love it, a few people that hate it, and most people think it's just good enough to buy on occasion, and that's fine, that's all people need to be able to buy it. We don't need deep emotions to buy brands.

So it's not, if you think about it, it's actually quite reassuring. It's a battle we don't need to fight. Imagine if we did have to fight for the depths of someone's soul in order for them to buy a brand. God, that'd be pretty brutal out there and I don't know about you, but as a consumer, no, I want my

soul, you can't have it. Yeah, I mean, I just think you've got to think about things to the, you know, the logical conclusion if they were true. And the whole idea of brand love and all of that sort of stuff just, it just doesn't make sense. Even if you think, if you think about it with any, any sort of semblance of reality.

SS

Well that sort of spills over into the whole brand purpose conversation. We won't get there today. The other key point, and we're closing in on our time here, but the other key point I wanted to ask about is that brand growth isn't so much about finding an optimal target market, but it's about - really, it's at the heart of your overall ethos - it's about getting category light buyers to buy more, if I understand that correctly. Forget about worrying about your target segment out there. Just go after as many light buyers as you possibly can and get them to buy more. And that's really the path to brand growth. Am I oversimplifying that?

JR

A little bit. So it's about expanding your customer base by a number of people that buy your brand at any time period. Now the consequence, and there's the actions that underpin the consequence. So what you're hit on there is this idea of category light buyer, light category buyers, as being important. And the reason that light category buyers are important is because they're the hard ones. So if your advertising reaches out and is noticed by light category buyers, chances are everyone else has noticed it too. So you're achieving the hard ... they're an indicator that you've done a really good job with your creative cutting through your reach, your media plan, reaching people. So it's not necessarily that the light category buyers are essential to growth. It's they're an indicator you've done everything you need to do to grow. Similarly, we look at things like, you know, if you get out and your advertising is raised by people who don't buy you and correctly branded by people who don't buy you, you get those people, but you also get the people who do buy you as well, because they're the easy targets, because they're more likely to notice your advertising, more likely to go, oh, that's the brand.

So, you know, so by focusing on the hard targets, it's not that it makes the easy targets irrelevant, it just means you've got them already. So the actual aim to grow your brand is to get more people buying in any time period. And if you

focus on that and the things that underpin that, you will as a consequence get more of your own buyers buying you more too because they will have been affected by the marketing activity that you do. And you will get the light category buyers, hopefully some of those coming in or some of those, because some of those like category buyers are new category buyers that you want to attract. That's helping you get that. So it's all to the service of expanding the size of your customer base because that's the key path to growth and expanding the size of your customer base in a time period. Because remember, things like penetration are not, there's not one penetration figure for a brand, there's penetration within a time period. And so that's what we're looking to maximize there.

SS

And that's what ultimately your Brand Health Tracking Survey should ultimately point the marketer in the direction of, am I achieving that or am I not?

JR

Am I achieving that? But also, are there any barriers, either from what we're doing or what competitors are doing, that are in the way of us achieving that. So it's setting up identifying opportunities, identifying threats, knowing that you're in a competitive market so you're not operating in isolation. So sometimes we go back, we do wrong because we screw up. Sometimes we do everything right, but someone just does better than us and it's really important to be able to tell the difference because if we're doing everything right and someone's better than us and we want to still keep doing what we're doing because they might not keep doing that forever. And you know, it's not that we're doing wrong, we just need to get better versus if it's actually genuinely us that screwed up, then we want to stop doing that. , so being able to distinguish that is really important part of keeping the actions that are working and improving on those and getting rid of the things that are not working.

SS

Now you've got a roadshow you're preparing in various locations, locales. You're coming to North America and Boston, I think, in September. And it's titled "How Brands Grow for Executives". You're trying to use this roadshow to sort of penetrate the consciousness of senior executives who sometimes get a little mystified by brand jargon and metrics?

JR

Yeah. We have a corporate sponsorship program where companies subscribe and as part of that, their executives

get access to our knowledge. But we often get approached by individuals within companies who either feel like the company's not big enough to warrant being a corporate sponsor or just don't have the full internal support, but they personally want to learn more. So this is our first actual product for individuals to be able to come and say, here in me and my role as an executive, I want to learn more about how to grow brands and do more for my own personal development to flow back into my effectiveness within a company without having to sort of sign the whole company up. Yeah. So this is our first opportunity to give that to the market out there, which as you said, it should be a lot of fun. We're really looking forward to it.

SS

Right. Well, Jenni, I really want to appreciate your time. I thoroughly enjoyed the book. Highly recommend it. I certainly learned a lot reading it as well. And hopefully I can get to this event in Boston. I'd love to be there, hear you speak. And meet Byron Sharp, too, of course. That would be awesome. So thank you so much for your time today. I really appreciate it.

JR

Beautiful. Thank you. Lovely talking to you.

That concludes my interview with Jenni Romaniuk. As we learned, the key to brand growth is mental availability – being top-of-mind for category buyers in as many buying situations as possible (known as category entry points). Marketing's job is to make it as easy as possible for buyers to remember the brand at those key moments of truth. They need to develop what she calls Distinctive Assets that serve as a memory retrieval cue, associating the brand with multiple category entry points. And never mind how loyal customers are - because it is actually more important to maximize your share of all category buyers at any point in time, no matter how much or how often they buy. Light buyers might not be everyday customers, but they often account for 40% of total sales in any given time period.



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