

# Bridging Branding and Strategic Planning – A Practical Toolkit

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# Overview

A plan can help to organize many pieces of information and/or people and guide thought processes. While there are often changes in direction as a plan is executed, a good plan contains most information that identifies the strategic direction an organization will take.

Our toolkit is intended to guide mid-level managers when developing strategic planning capabilities. It will ask a number of questions and through the process of answering them, should provide the content upon which to build a strategic plan. The toolkit will serve to clarify the differences between objectives, strategies and tactics. A conceptual example is provided at the conclusion as a way to demonstrate how your plan can be brought to life.

It should be noted that not every organization needs to revise its strategic direction as a result of strategic planning. The completion of the situation assessment contained in this toolkit will provide some guidance as to whether a new direction would be beneficial.

# Why Strategic Planning for Brand Management?

There are two key reasons why strategic planning is critical for brand management:

1. Strategic planning is a sound business practice - it's the foundation for effective brand building that creates an agreed-upon framework to guide everyday decisions on a brand, and clarifies/communicates a brand's role within an organization. It helps mitigate risk by forcing some rigour in assessing both internal and external environments relative to the brand.
2. With the increasing pace of change in the external environment, strategic planning encourages focus and enables assumptions to be made and communicated. These assumptions can be tracked and/or benchmarked and adjustments to the brand's strategy can be made with good rationale. A brand strategy with a clear measurement component is key to ensure growth of the brand in line with company objectives.

# Organization and Brand Objectives

## Questions for Consideration

- What is your organization's mission and vision? This may have varying degrees of relevance for your organization.
- What are your organization's goals, objectives and key strategies?
- What are your brand objectives - for 1,3 and 5 years out (as relevant)?

*\*Note: This planning toolkit may be used for corporate and/or product brand planning.*

# Elements of Strategic Planning Toolkit



# Current Situation Assessment

## Current Situation Assessment

- This will set the stage for where you are vs. where you want to be. It focuses on current business performance and provides context-setting in order to help identify gaps from which to focus the strategic planning process.

## SWOT & Implications

- What are your brand's strengths and weaknesses and what does that mean for your business?
- What are your biggest threats and opportunities relative to the external environment?
  - How real are these threats? Are you able to capitalize on the opportunities?

# Current Situation Assessment

## Industry or Product Category and Competitive Dynamics

- Is your industry or product category defined appropriately (could you go broader/narrower and get different opportunities/answers)?
- What macro trends are relevant to your brand, to the industry? Is the industry or product category growing, shrinking, flat and what does this do for your brand's potential? What is the maturity of your category? What are the trends in differentiation?
- What changes have you seen in the industry or product category lately? Who is innovating? Who is winning and why? Who are your top 3-5 competitors?
- What do recent competitive analyses tell you? Can you plot category competitive measures (e.g. value, key category driver (level of service, technology innovation, etc.) and what does that tell you?

# Current Situation Assessment

## Industry or Product Category and Competitive Dynamics (continued)

- What is your in-market position across a number of variables and how is it relative to competitors:
  - Performance
  - Positioning
  - Market share
  - Number of innovations
- Is differentiation important to the industry, and are you differentiated from competitors? Does this impact loyalty or the ability to gain loyalty? Are there barriers to use or switch within the industry category that impact your brand's potential? Is your brand's intellectual property up to date and how sustainable is it (trademark wares & services definition, patents etc.)?
- Are there any observations relevant to your brand from other functions in your organization (sales, finance, legal)?

# Current Situation Assessment

## End User (consumer, customer, distribution)

- Define end user within degrees of influence of the brand. For example, the consumer, customer (B2B), retailer, key suppliers etc.
- What do you know about brand loyalty? Is there available tracking research to understand how your brand is trending?
- Do you have brand satisfaction information and what does it tell you? Do you know what your brand or category dis-satisfiers are?
- Are there any barriers to usage/increased usage or usage and attitude studies and what do they tell you?
- When is the last time you reviewed your end-users POV on the brand given your business objectives?

# Current Situation Assessment

## Bridging Branding and Strategic Planning

- How is your brand linked to your business/organization's strategy? Is it aligned? How does it fit into corporate objectives and goals? (*This may or may not fit into your planning, but you should know the answer to this question.*)
- Does your organization's portfolio strategy/focus area impact how you manage this brand?
- What is the role of the product versus corporate brand (*if one exists*) - does this inform your strategy?
- Are you meeting revenue, growth, profit, market share, objectives? (You might want to rethink your category definition if you are far over/under exceeding expectations.)
- Are there other brands within the portfolio that impact your strategy (e.g. are you competing with other brands internally)?
- Is employee engagement impacting your brand meeting goals and objectives? (*Optional, relevant to service-related industries.*)

# Current Situation Assessment

## Bridging Branding and Strategic Planning (continued)

- Is your internal brand impacting your business strategy?
- Is your brand in-line with your corporate social responsibility strategy (*may or may not be relevant*)?

## Identifying Drivers of Brand Equity

- Within your category, and specific to your brand, what are the key drivers of brand equity for your target consumers/customers?
  - Identify the attributes and perceptions behind your brand and the ones valued most by your brand's target consumers/customers.
  - Both tangible (e.g., distribution/availability, price) and attitudinal (e.g., impression of quality, healthy, convenient) measures are important to consider.
- These brand equity measures will be key when you begin to track progress against your strategic plan.

# Strategic Goals & Objectives

## Key Considerations

- Revisit current brand objectives (if applicable).
- Define revenue, profit, market share goals.
  - Where do you want to go, how much do you want to grow?
  - Is it in line with the organization's/business goals?
- What is the link to where you sit today (from previous section)?
- Are your business objectives in line with the company vision?

# Build the Plan

## Defining Key Strategies

- Solid strategies should hold over many years. Your current situation assessment is key to whether you need to update strategies or continue to focus.
- If you do not have an existing strategic plan, then a gap analysis will help define where you need to focus your efforts. This should have been identified during the current situation assessment.

### Gap Analysis

- Where are the biggest gaps between current situation assessment learning and your objectives?
  - This should focus you on where to develop strategies for your brand – what problems do you need to solve?
- What gaps exist between the organization's objectives and brand objectives?
  - E.g., do you have a high revenue growth business objective but you are in a stagnant category.
  - If gaps exist, it is time to reframe your brand's strategy.
- Are gaps based on long term trends or are they reactive?

# Build the Plan

## Strategies vs. Tactics

- Often teams require clarification in strategic planning with the definition of strategies vs. tactics.
- Strategies are the 'road maps' developed in strategic planning - they are the guide or the road map to achieve your objectives.
- Strategies are distinct from tactics in that strategies are the '**what**' and tactics are the '**how**'.
- The tactics (action plans) are the details that address how to make progress along each identified 'road map' toward the destination of your accompanying 'objective'.
- The tactics provide input to the measurement framework.

# Build the Plan

## Identify Action Plans Linked to Key Strategies

- If there aren't any key gaps that come from the situation assessment:
  - Review your business strategies for alignment with organization.
  - Are you missing opportunities (defining too narrowly)?
- Distill and prioritize key issues/opportunities from current situation assessment.
- Develop plan to address issues / take advantage of opportunities.
  - Identify timelines, milestones, and action owners.
  - E.g. distribution is an area of opportunity and will now be tracked (refer to Measures of Success section of this toolkit for recommended timing).
  - E.g. brand is now perceived as....

# Measurement Framework

Beyond the traditional key metrics for your industry category, a robust framework will identify both the rational and emotional drivers in the category that help connect the brand to consumer.

## Rational factors fall into two broad segments:

- *Functional properties* of the brand such as usage benefits, price, packaging, ease of use, convenience, taste/texture.
- *Brand image properties* are those that represent what the brand stands for, such as environmental awareness, knowledgeable, trustworthy, traditional, prestigious.

## Emotional elements also fall into two segments:

- *Emotional needs* that capture how the brand makes the consumer feel, such as comforted, excited, welcomed, energized, in charge.
- *Personality attributes* that address the brand character, and represent what the brand says about the consumer; for example, smart, friendly, cheerful, successful.

# Measurement Framework

- Using these elements as a starting point, a modeling system can be utilized to determine key drivers of equity in the category, and those that are specific to your brand.
- An ongoing review of all brand marketing materials at all customer touch points (media, in-store, on-line) will help ensure that they align with overall strategic goals for the brand and the key drivers identified.
- Once key drivers are identified for your brand, they become the key metrics for future measurement *along with traditional key metrics for the category*. Typical tangible key metrics might be awareness, distribution and sales, while key brand equity drivers are less tangible as they are measured through attitudes. Key brand drivers might include: refreshing, knowledgeable, trustworthy, etc.
- Measurement should always be within the context of your competitive set to determine your ongoing position in the marketplace. You need to keep tracking given the rapid pace of change in most industries, as well as the fact your consumers evaluate you in the context of the competition when choosing your brand over another.

# Measurement Framework

## Frequency of Measure

Measure of Success	Frequency of Measure
<u>Business Performance Measures:</u> Market Share Revenue Margin/Profit Employee Engagement Awareness Distribution	Monthly/Quarterly/Annually Monthly/Quarterly/Annually Quarterly/Annually Annually Monthly/Quarterly/Annually Monthly/Quarterly/Annually
<u>Brand Equity Measures:</u> Functional Brand Image Emotional needs Personality Loyalty Pricing	Quarterly/Annually Annually Annually Annually Quarterly/Annually Monthly/Quarterly/Annually

# Practical Application (Example)

Here's a short hypothetical scenario where strategic planning was used to address a particular issue:

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Following a completed current situation assessment, an organization identifies 'brand awareness versus competition' as an issue it needs to address. In reviewing strategic goals and objectives, it's clear that brand awareness is also an organizational objective. If brand awareness is identified as an organizational objective and current gap, a plan can be developed to address it.

The plan could include increasing advertising with a new media strategy, with more media building on current messaging. It would involve reviewing the brand's advertising media plan and evaluating opportunities with validation of target audiences. Advertising creative & messaging should be tested as on-strategy with the current brand creative.

The resulting measure of success would be reflected in improved business performance measures through increased revenue and market share, in addition to improved brand awareness.

# Reference Material

The following books, articles, blogs and videos were useful in the development of this toolkit:

Richard Rumelt's Good Strategy/Bad Strategy: The Difference and Why it Matters. - An insightful book on business strategy and differentiation.

<http://goodbadstrategy.com/>

Bradley, C, Hirt, M & Smit, S. (2011) Have you tested your strategy lately. *McKinsey Quarterly*.

[https://www.mckinseyquarterly.com/Strategy/Strategic\\_Thinking/Have\\_you\\_tested\\_your\\_strategy\\_lately\\_2711](https://www.mckinseyquarterly.com/Strategy/Strategic_Thinking/Have_you_tested_your_strategy_lately_2711)

Safian, R. (January, 2009). This Is Generation Flux: Meet The Pioneers Of The New (And Chaotic) Frontier Of Business. *Fast Company*. Retrieved from <http://www.fastcompany.com/magazine/162/generation-flux-future-of-business>

# Reference Material

## **Blogs on Strategy**

Porter, M. (Jan, 2008). The Five Competitive Forces that Shape Strategy, *Harvard Business Review*.

<http://hbr.org/2008/01/the-five-competitive-forces-that-shape-strategy/ar/1>

David Aaker, Prophet - On Branding & Brand Analytics:

<http://www.prophet.com/expertise/brand>

<http://www.prophet.com/expertise/analytics>

# Reference Material

## Videos on Strategy

Good Strategy, Bad Strategy. Interview with the author Prof Rumelt.

<http://www.youtube.com/watch?feature=endscreen&v=7i30hMOjz3w&NR=1>

Explaining Good Strategy. Clip from Harvard Professor Michael.

<http://www.youtube.com/watch?v=ibrxIP0H84M>

Interview with Michael Porter at Harvard explaining his competitive forces and how they're the basis for much of modern business strategy.

[http://www.youtube.com/watch?v=mYF2\\_FBCvXw](http://www.youtube.com/watch?v=mYF2_FBCvXw)