Watch Your Step

How a brand behaves determines how consumers view its value.

Conversations around accountability in marketing have always struck me as somewhat bi-polar. The dominant conversation is one between the CFO and CMO, as the former asks the latter to justify marketing's contribution to the bottom-line of the business. With customer touchpoints multiplying, media fragmenting, and marketing opportunities escalating, this has become ever more urgent.

Yet with every passing day, customers are also holding brands ever more accountable for what they do. Just look at the pushback last year against the Bank of America debit-card fee, or against Apple's below-par map app, or the customer reaction to gay marriage remarks by the CEO of Chick-fil-A.

Which way is a marketer to turn?

Fortunately, growing up in retailing, the idea of accountability always seemed very straightforward. Every day, customers voted with their feet. Every day, they held you accountable for what you delivered. Given that without them, you had no brand, therefore your most important accountability as a marketer had to be to your customer. It wasn't a choice, it was an imperative.

Today, with the amount of choice customers now have available, this is surely true for every marketer. But today, carrying out that accountability has become a lot more challenging.

The start point is still the same: to create something that customers find useful in their lives. This can be achieved in different ways. Saving a customer time or money perhaps, or opening up a new or better experience. Apple of course is a great example of this, creating products and services that are simple and intuitive to use, and just very useful. In a different way, so too is Starbucks. As well as a cup of coffee, how many times have you used their "third place"? Of course, it also has to be affordable.

While traditionally this has been seen as achieving the right balance of quality and price, it's more a question of whether it's useful enough to be worth spending hard-earned cash on. And it's pretty much a given that any brand has to be reliable. It's of little use to a busy life if it can't be depended on, day-in, day-out.

But it doesn't stop with just providing something of real value to customers. That accountability also extends to the way the brand behaves. This used to be quite straightforward. You just created an external image for the brand, through engaging advertising, which was likeable, and perhaps trustworthy. Meanwhile, the real behaviors of the company sitting behind it were invisible. However, in today's connected world, with the frequency and variety of interactions multiplying for every brand, those behaviors are now exposed for all to see.

Again, growing up in retail, this was always the case, thanks to the frequent interaction with customers in the

stores. I remember some research I was doing in the US into retail and service brands. I was trying to understand why customers were so clear which ones gave them good service, and which did not. The answer turned out to be blindingly simple. As one respondent put it: “In these stores, the employees enjoy working there, in those, they don’t.”

But it goes much deeper than that. A shopping trip is a multi-dimensional entity that touches all the senses. Customers read its body language. And that body language is driven far more by the behaviors of the business than by what the brand offers.

This really struck me when I was talking to customers about supermarket price perceptions in the UK, more than a decade ago. Tesco had invested heavily in reducing prices over a number of years, to match Asda (now Walmart), the price leader. Yet the gap between them in how customers perceived their prices hadn’t changed at all. It turned out that customers did indeed recognize that Tesco had reduced prices. However, they felt that Tesco was really interested in persuading them to spend more, rather than in helping them to save money.

What had communicated that? The behaviors they observed during the shopping trip. End caps, for example, dominated by multibuy promotions, which required higher levels of spend to access the savings. Premium products positioned at eye-level on the shelves, while cheaper products were “tucked away.” And recurring out-of-stocks on the cheapest products, which in their eyes hadn’t been given enough selling space. From such examples and more, they sensed that Tesco was more interested in selling than in helping them, despite the price cuts it had made.

So how can a marketer make sure that the behaviors are aligned with what the brand has to offer? It’s simply not possible to control behaviors, in the way that you can at least control the offer. Those behaviors are a reflection of the company’s culture.

The answer lies in three deceptively simple steps:

- Establishing a core purpose for the brand, that is grounded in improving people’s lives in some way. This ensures that it’s focused on customers, rather than the company’s agenda.

- Embedding it in the culture of the business, so that everybody understands it, and lives and breathes the brand every day.

- Flowing it through the fabric of the brand, through every element of the shopping trip, as well as all the other touchpoints.

This was how Tesco solved their issue with price perception. First, they connected pricing directly to “every little helps,” their customer-first philosophy, by articulating their pricing objective as “helping you spend less.” Next, they set out to explain what this meant to every employee, as well as symbolically changing the manifestations of the previous behavior: e.g., switching the end caps over to price cuts. Finally, they flowed “helping you spend less” through the fabric of the shopping trip, and through their external media.

The effect was almost immediate. After many years of trying without success, within six months the gap in customers’ price perception almost closed. By bringing together the behaviors and fabric of the brand around a price philosophy at the core of the business, their body language had changed.

While effective, such an approach also raises the bar of accountability still further. By articulating clearly what the brand stands for, customers (and employees) watch your actions, and hold you to account if you fall short. This is what fueled the outcry over Apple’s below-par map app. It’s also the risk Facebook runs as it seeks to monetize its network. But in today’s connected world, customers can increasingly read your body language anyway. And if it’s not clear what you stand for, they’ll make their own assumptions from the behaviors they observe.

Those behaviors no longer stop at the shopping trip, or the immediate experience of using the brand. Customers hold a brand accountable for everything that it touches. Again, as a retailer, this is not particularly new. Customers have always been concerned about their store's impact on their local neighborhood. That's why so many retailers have programs that raise money for local schools, or work closely with local food banks. And when issues have been exposed, as famously happened to Nike over the integrity of its suppliers, customers have reacted. But today much more light is being shed on all aspects of a brand's operation, and customers expect to see similar behavior throughout.

So where does fulfilling the accountability to customers leave the marketer? Focused as much inside the business, as outside it. Ensuring that the core purpose and culture of the business is aligned with what the brand offers to customers. Just contrast Chipotle's belief in "food with integrity," which is central to its sourcing policies, with BP's "beyond petroleum" eco-friendly platform, which was shown to be completely divorced from its culture.

Does all this absolve the CMO from having to justify what marketing spends its money on? Of course not. After all, it's good business practice to ensure that money is spent wisely. However, it's essential that this reflect the bigger conversation about the brand's accountability to customers, by examining how the expenditure supports this accountability, and then exploring the efficiency of the mechanisms chosen.

If it remains a separate conversation, narrowly focused around return-on-investment, it runs the risk of driving short-term actions that are at odds with the expected behavior of the brand. If that happens, customers are likely to notice, and vote with their feet ... in the direction of the exit. ■

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