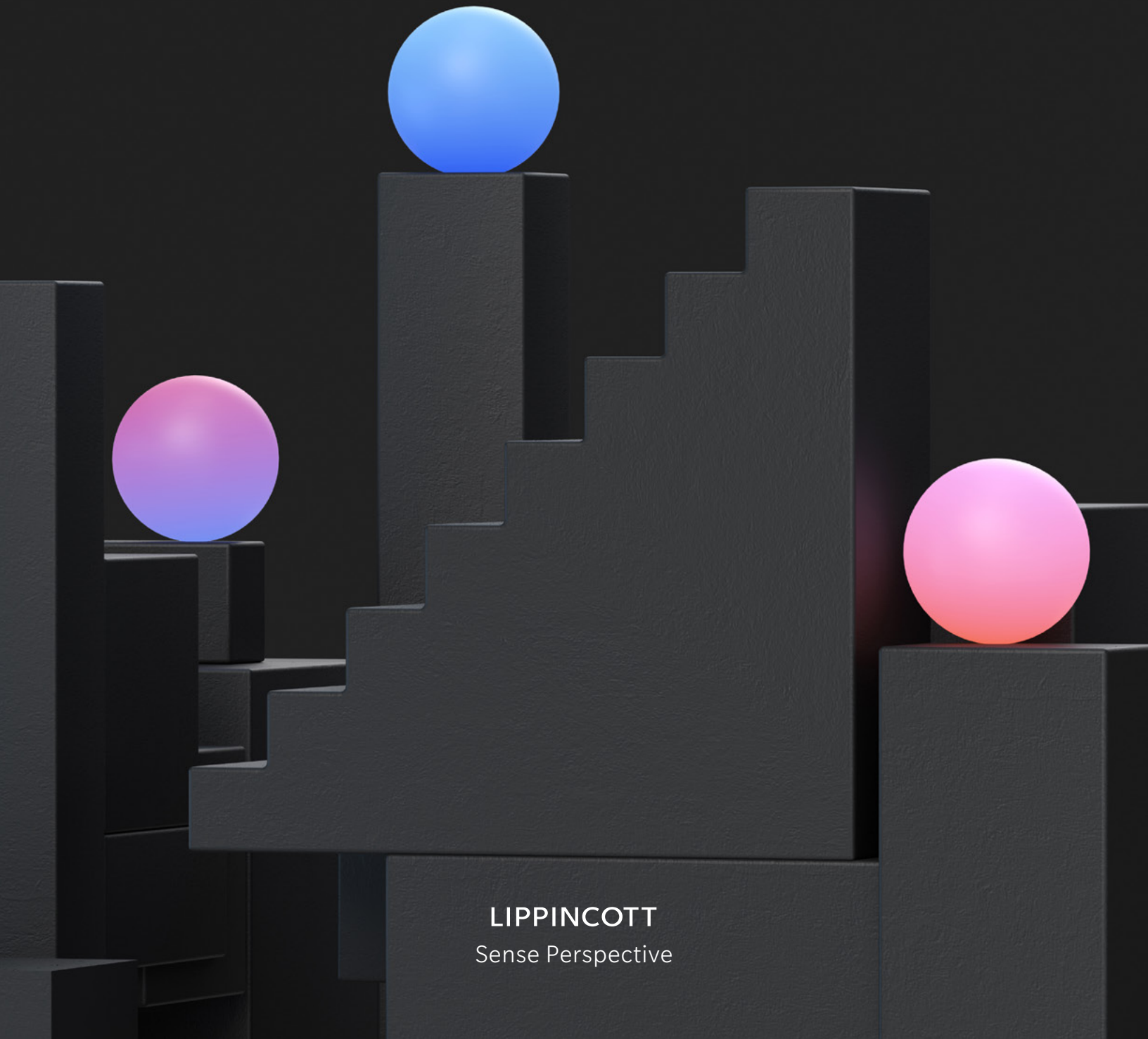# Building Go-to Brands

Driving business growth and resilience
by creating meaning for customers

LIPPINCOTT

Sense Perspective

Are you a Go-to Brand?

Creating brands these days is easy and cheap. Reaching your target audience is not the challenge that it once was. Good customer reviews can catapult a little-known brand to the top of your browser. But creating a winning brand is a different story.

In a world where 80% of product searches start on Amazon or Google, even successful brands with satisfied customers are being intermediated; they have to pay to get their customers' attention on the big platforms. We have found that only a few brands are sufficiently front of mind — or front of phone — to be sought out directly. And it means big rewards for those that are.

Tougher world, bigger prize

Shifts in markets, technology and society are making it tougher than ever to build a winning brand — but also make the prize more worth while.

It's tougher, because:

- **Competition is broadening**. Boundaries are blurring, as new platforms with new economics set new expectations. Consumers are asking: To whom do I go to save money on energy: my energy company, a price comparison website or my bank? To whom do I go when I want to find something to watch: my cable company, a broadcast network, a content platform like Netflix or an intelligent agent like Alexa? To whom do I go to pay in a supermarket: my smartphone, credit card, a payment fintech or my bank? I may still use Mastercard if I choose to pay by ApplePay, but I am probably not aware of that. To whom do I go when I need something? Who am I choosing to take the lead, and who slots in behind? Brands are competing with players that are entirely different from themselves. There's little real estate for this competition on a mobile device and even less on Alexa.
- **Barriers to entry are falling**. Unknown brands can win on the strength of a star rating. Consumers think: I don't need to choose an LED lightbulb from Philips or GE; I can buy one from a brand I have never heard of if it gets good reviews.
- **Customer relationships have never been easier to lose**. The world of digital experiences demands relentless innovation and renewal in order to maintain customer attention and loyalty.
- **Our tech-led economy can get in the way of human connection**. Big data brings an unprecedented opportunity to get close to customers — at least to have a close knowledge of them. But having customers feel close to *you* is different. The closer you get analytically, the further away they may hold you emotionally — unless you show human values that cause them to let you in. Trust in big business has been low

for a generation, and is lowest with some of the tech players that are working hardest to get close.
- **The relationship between customer and company has fundamentally switched**. For many customers today, brand is not about me admiring you; it's about you showing how you understand and respect me. I no longer come to your store and explore your environment on your terms; you come to my phone, where you fit in on my terms. It's no coincidence that 20 years ago, the most common word used in song lyrics was "you;" today, it's "I."[1]

But that's not to say everything is reduced to the functional. That "I" is about identity, and identity means belonging. Being all about "I" goes together with a social craving to belong.

In a crowded marketplace, where customers are craving belonging, the appetite for brand connection has never been so strong. The more the world becomes algorithmic, the more we want to connect as people. Identity is becoming more salient, and people are turning to brands as part of how they define and project their identity.

We have always needed to believe in something bigger and more important than what's right in front of us. Now, though, identity has increasingly become a matter of personal choice and expression beyond what we were born into. We are ready to adopt brands that represent who we are and who we want to be.

And the prize has never been bigger. Brands that break through, that reach their customers and understand their needs, get broad permission to assemble solutions across traditional category boundaries.

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[1]

Source: Research conducted by Mastercard for the BRIT Awards 2018; 73,000 words from 200 songs were analyzed, contrasting popular songs from 1998 to 2017.

The result: fewer, deeper relationships. We interact with a myriad of brands every day. But for each of us, a few brands have real meaning. They're the ones that we seek out, care about, consult with, open up to and are happy to be seen with. Brands we love for how they relate to us. Brands that help us do what we previously couldn't. Not institutions that push their way into our world, but agents we decide to pull in.

We call them
Go-to Brands

What makes a Go-to Brand?

The brands that win this high-stakes game are the ones that create meaning for their customers. That meaning sets a foundation for the deeper relationships that people commit to with those brands. And that meaning comes from two kinds of sources — the kind that drives personal value (connection) and the kind that drives action (progress).[2]

2

Derived from Arndt, et al, in The Psychology of Meaning, American Psychological Association, 2013

Connection

People find meaning when they feel a personal connection with something that champions their worldview, based on a shared set of beliefs and interests. We measure a brand's connection score by asking how much its customers agree with the statement, "I love this brand"; or in B2B, "I enjoy doing business with this brand."

As humans, we are tribal at our core. Connection taps into our sense of identity and helps us find meaning in being part of something bigger. Connection is a form of self-expression that tells the world who we are and who we want to be. Connection always matters, but it's especially important as we look for ways to identify and belong.

How can you foster connection? Two drivers of brand connection show a strong correlation to how much customers say they love the brand. These two drivers are: "Be true to me" and "Show you care."
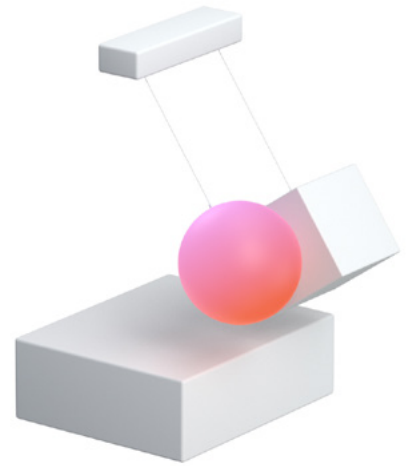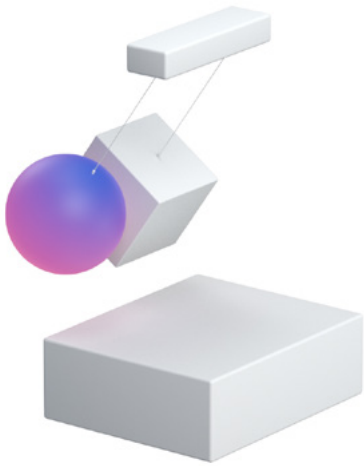
The rewards of connection are measurable; for example, Southwest, a much-loved airline and a Go-to Brand for many of its customers, receives 6x fewer customer complaints for the same operational performance (lost bags or delayed flights) than some of its biggest competitors.[3]
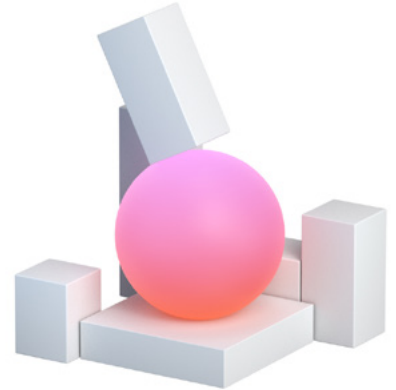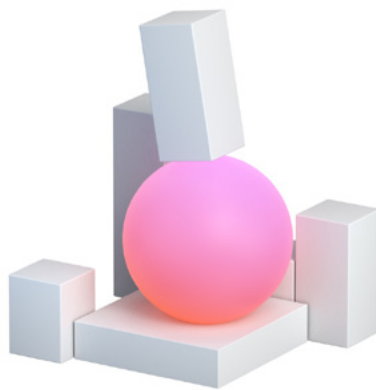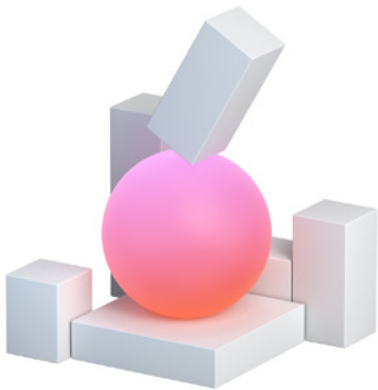
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[3]

Calculated from U.S. Department of Transportation performance statistics

Be true to me

Know who I (as a target customer) really am. Share my values and reflect both the reality of my life or work and my aspirations.

Show you care

Focus instinctively on creating value for me rather than extracting value from me, always having my interests at heart.

Progress

People find meaning when they make progress with what they're stuggling to achieve, whether that's a larger societal problem or the day-to-day issues of life or business. We measure a brand's progress score by asking how much its customers agree with the statement: "This brand helps me do things I could never do before."

Progress always matters, but particularly in a world of fast change, where boundaries between categories are breaking down, and innovations in one category set expectations for others. This is where brands have to be real — judged on what they do, not just what they say. Brands need to live up to their emotional promise in the fundamentals of what they help people do.

How can you ensure that customers feel progress? There are two drivers of progress that strongly correlate with how much customers say a brand helps them do things that they couldn't do before. Those two drivers are: "Work like magic" and "Advance my world."

M:

Marcus by Goldman Sachs, a young business that quickly established itself as a Go-to Brand for its customers, accumulated $50 billion in deposits in its first three years by helping its customers achieve progress in their savings and their debts — designing its service model, fee-free pricing, and transparent, simple conditions to support rather than undermine the customer's financial objectives.
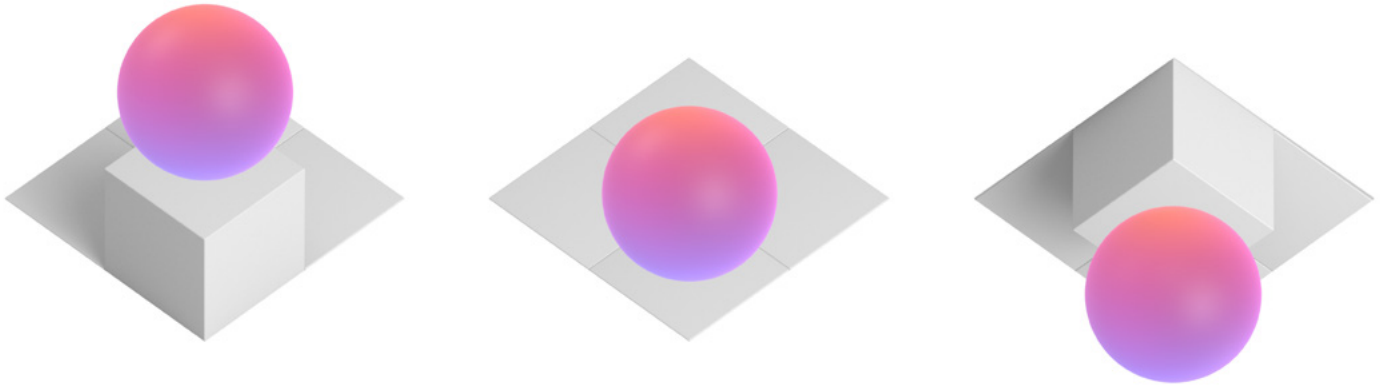
Work like magic

Reset my expectations (as a target customer) for how things should work and put me effortlessly in control. It's about the experience of using the brand, combining both purpose and pleasure. It's about designing elegant solutions to achieve the most effective outcome with the minimum effort.
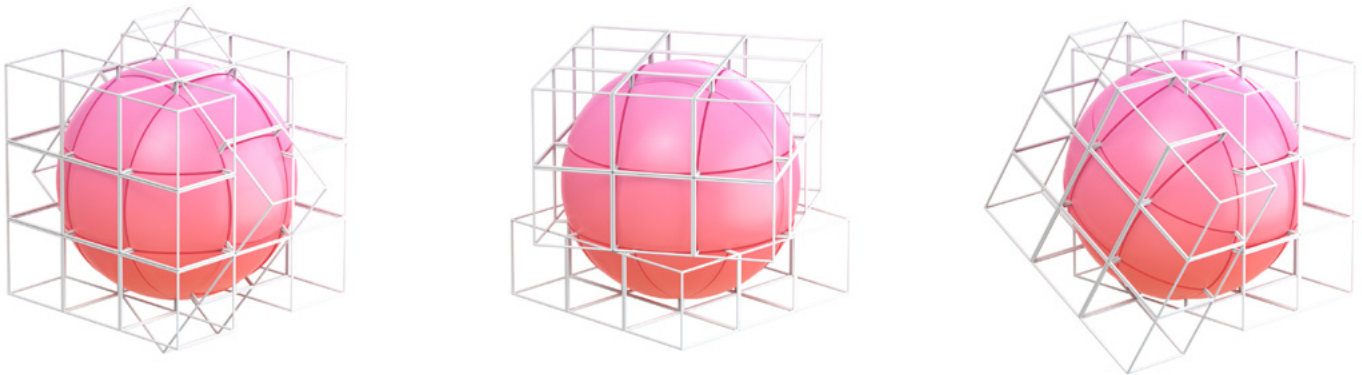
Advance my world

Solve the big problems that I care about and also the little ones that I haven't yet noticed. Connect me meaningfully to others who have the same quest. Don't limit my feeling of progress to the product interaction.

Connection

☐ **Do customers feel a connection with your brand?**

☐ **Do they see that you are true to them — to their values, daily needs and future aspirations?**

☐ **Do you have their interests at heart and instinctively focus on creating value *for* them rather than extracting value *from* them?**

Progress

- ☐ **Do you help customers do things that they couldn't do before?**

- ☐ **Day to day, do they find your solutions easy, effortless and a joy to engage with?**

- ☐ **More broadly, do they see you as advancing their world?**

Driving revenue growth and business resilience

Go-to Brands are rewarded for their outperformance in connection and progress. The **average revenue growth for Go-to Brands in the United States is 11%**, more than five times the revenue growth for brands that are low on connection and progress. [4] When customers feel an emotional connection with your brand, they're more likely to seek you out, driving preference and share of wallet. Customers are more likely to trust and forgive you, driving loyalty and referral. When customers feel that you are helping them make progress, they're likely to keep buying and to pay what it takes to achieve their goals. And since this progress often relates to how you do things differently, not what you do, customers are likely to follow you into adjacent offerings and markets.

CONNECTION AND PROGRESS SCORES

- ● Harley Davidson
- ● Amazon
- ● Southwest
- ● Samsung
- ● Spotify
- ● Marcus by Goldman Sachs

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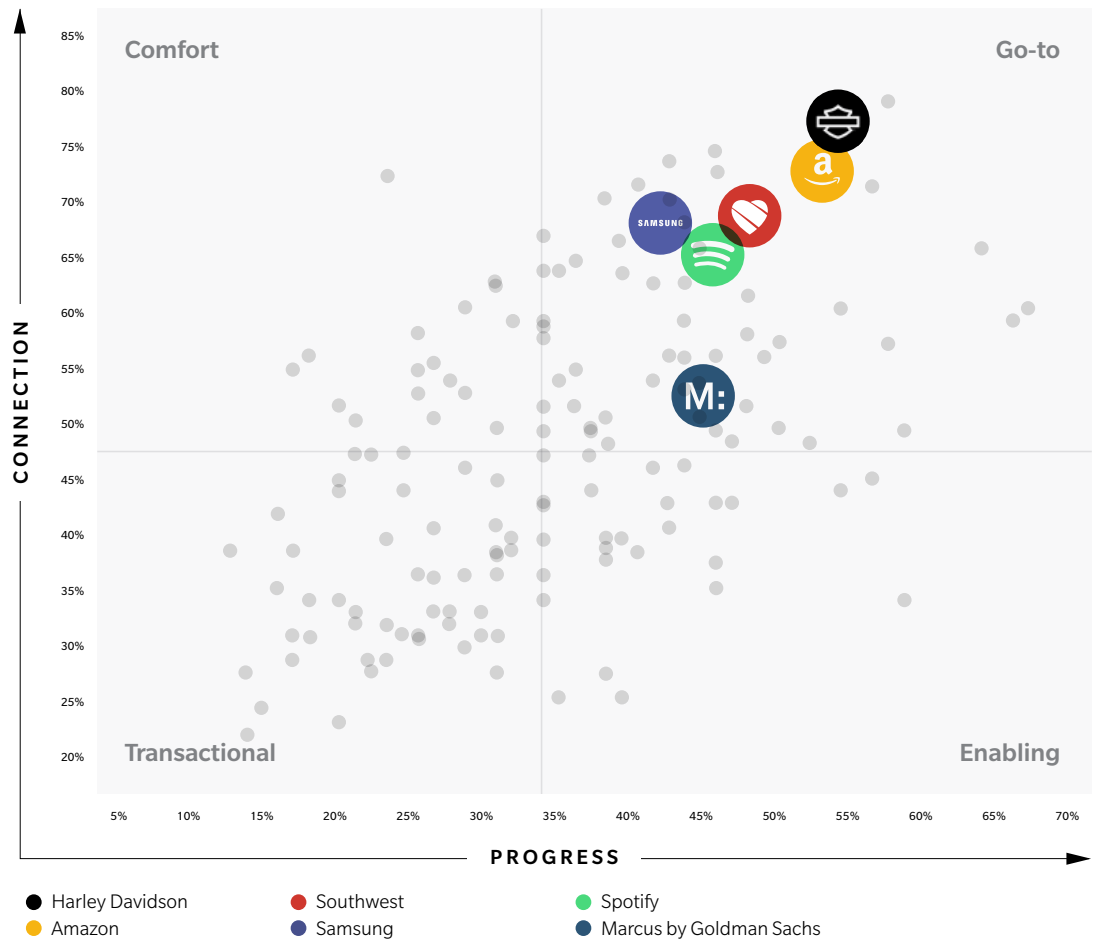
[4]

Brands assigned to quadrants, based on whether they are above or below the median score on each of the connection and progress dimensions, from a sample of 91 brands with publicly available financial data. Analysis excludes Internet service brands due to revenue volatility. U.S. revenue numbers were used to match U.S. consumer survey.

For **Go-to Brands**, connection and progress reinforce each other, making the business resilient. Our research identified brands that do this not just for small groups of people but also for big parts of the market. In the United States these include******:

• Amazon
• Harley Davidson
• Marcus
• Samsung
• Spotify
• Southwest

Brands that connect, but that don't help us progress, gain our affection but are exposed to disruption. Those are **Comfort Brands**. We value them and feel attached to them, but they don't help us do things that we otherwise couldn't. That can be fine, particularly in sectors like food and entertainment, but only until someone else offers progress to us in addition.
Our research identified (U.S. examples):

• Chick-fil-A
• Coca-Cola
• Netflix
• Patagonia

Brands that help us progress, but that don't connect with us, set new expectations and meet new needs yet fail to earn our loyalty. Those are **Enabling Brands**. We appreciate that they help

us do new things, but we often don't love them. This is the vulnerable position that many tech brands are in: rewarded — for now — for the unique value propositions that they provide but without the secure relationships that will be sure to remain if competitors match the functionality. Our research identified (U.S. examples):
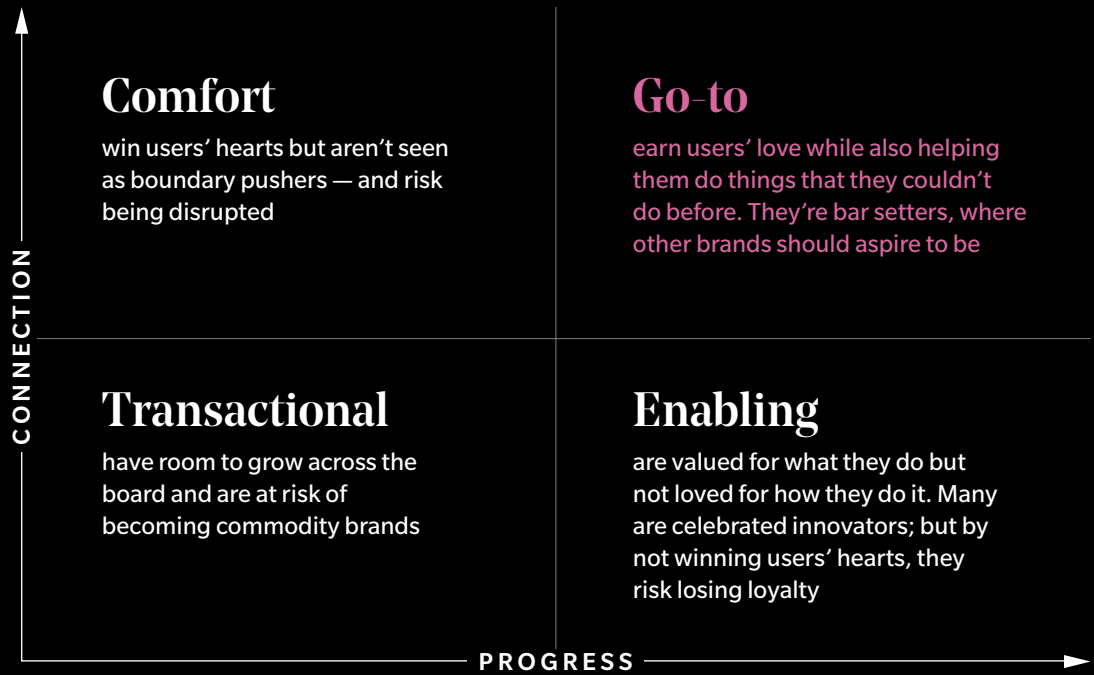
• Facebook
• Huawei
• Uber
• YouTube

Brands that underperform the market on both connection and progress are **Transactional Brands**. We use them — they include some big names — but we are not thrilled about using them. At least, that is true for us collectively. Many of these are Go-to Brands for particular target customers, but not for the bulk of customers who use them. U.S. examples in our research include most of the big utilities, banks and insurance companies, TV networks, and traditional car rental brands.

But industry is not destiny. In the U.S. telecom sector, for example, our research identified AT&T as a Transactional brand, but Sprint and Verizon as Enabling brands and T-Mobile as a Go-to Brand.

**
See these visualized in the "Connection and Progress Scores" on the previous page, and learn more about Lippincott's Brand Aperture™ on page 34.

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BRAND CLASSIFICATION BY QUADRANT

CONNECTION

Comfort

win users' hearts but aren't seen
as boundary pushers — and risk
being disrupted

Go-to

earn users' love while also helping
them do things that they couldn't
do before. They're bar setters, where
other brands should aspire to be

Transactional

have room to grow across the
board and are at risk of
becoming commodity brands

Enabling

are valued for what they do but
not loved for how they do it. Many
are celebrated innovators; but by
not winning users' hearts, they
risk losing loyalty

PROGRESS

AVERAGE ANNUAL REVENUE GROWTH FOR BRANDS IN EACH QUADRANT

CONNECTION

11%

5x

2%

PROGRESS
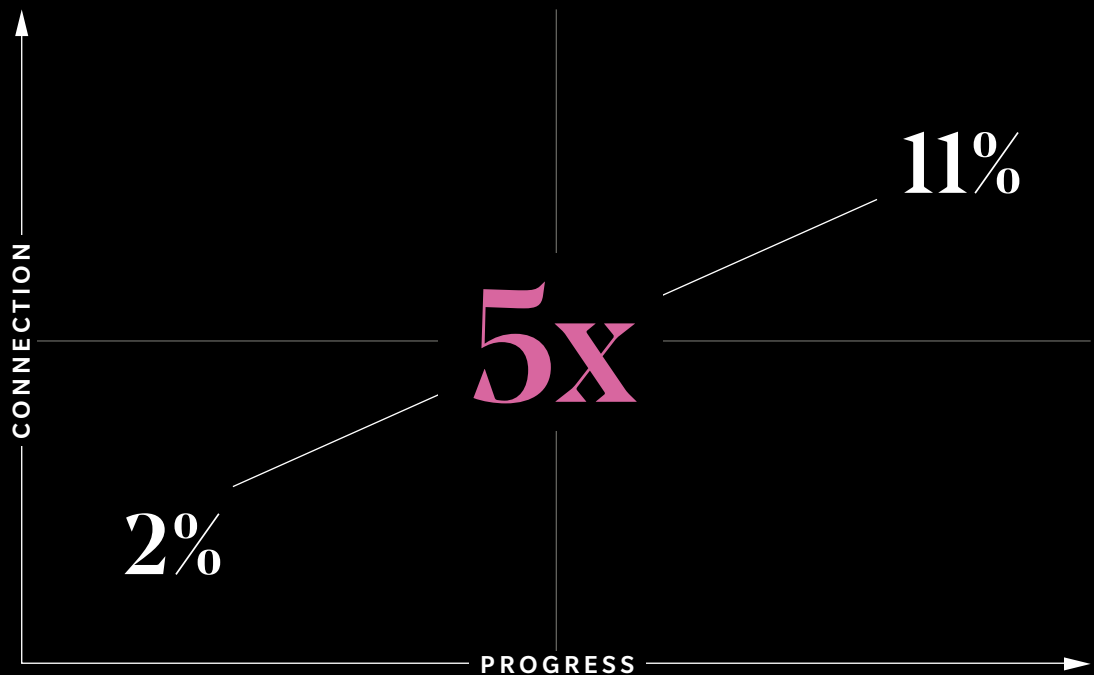
How to build a Go-to Brand

Brands that work differently need to be created and managed differently. As traditional category boundaries blur, the authority of a Go-to Brand comes less from what it does and more from how it does it. This focus on *how* is pervasive, working from a deep insight into the progress that customers are struggling to achieve to a purposeful and distinctive way to respond. And that requires the brand to be managed pervasively within the organization, not just from a marketing perspective.

Challenge your focus

The shifts required in both mindset and practicality are fundamental:

From what you do to how you do everything
Some of the strongest Go-to Brands are the most versatile, a trend set by big tech. What attracts you to Amazon isn't its authority in books, music or more; instead, it's how Amazon constantly challenges itself in its quest "to be Earth's most customer-centric company." That creates propositions and experiences that go beyond what Amazon does and are defined by how it does it. The same is true for Google and Apple, which is why they can glide everywhere from payments to entertainment.

And it's true of any deep relationship, whether with a brand, an advisor, a colleague or a friend: Once you've earned your place as a go-to person, you'll be relied on for a variety of situations beyond your original expertise. The extensibility of Go-to Brands feeds their "winner takes all" character, increasing the available prize and rewarding the investment in the go-to relationship.

———————————

ASK YOURSELF:

Do your customers come to you for what you do (constrained) or for how you do it (extensible)?

———————————

From innovating products to innovating customers' "Jobs to be done"
Helping customers make progress — to do things that they couldn't do before — requires relentless innovation. But it's not about churning out new product features. Focusing on progress means focusing on your customers and their life or business struggles. Solving those struggles is the key to building connection and progress; the two are distinct but tightly linked.

There's both a science and an art to identifying real customer opportunities — the ones that help people make progress in something meaningful that they were struggling to achieve. Those opportunities are easy to miss. Customer expectations are conditioned by today's options, so some real needs are never expressed.

On the other hand, it's easy for companies to invent needs that aren't real customer struggles — investing in solutions with which customers won't ultimately engage because the "problem" was never a problem. While innovators will sometimes say that there is no shortage of ideas, that misses the point. There's a shortage of well-defined ideas grounded in verified and meaningful human struggles. Go-to Brands focus their innovation efforts on revealing those struggles and establishing customers' unstated "Jobs to be done" in their lives and businesses.

Go-to Brands take a customer view, not a product view, to see how people are managing with the products and services they have today, and to look for the non-consumption and the "hacks" that provide clues to needs that are badly met.

_____

ASK YOURSELF:

Is "insight" in your organization a fancy word for customer research, or is it a process for truly discovering the "white space" in people's lives?

_____

From customer-led to purpose-led, resetting customer expectations

Back when organizations were obsessed by their own operations and production, a customer-led culture was a breath of fresh air that turned the business around and allowed it to respond to the sharp end of the value chain. That was a vital shift, but it's not enough. A customer-led organization is a reactive one. Go-to Brands are customer-centric, but they lead their customers — not the other way around. Go-to Brands show customers new ways to do things that reset their expectations. Go-to Brands are led by their purpose and a vision of what can be (think Google, Tesla, IKEA, Disney — all Go-to Brands in our research).

_____

ASK YOURSELF:

Are you proud to be customer-led, or do you have the purpose and vision to lead your customers?

_____

From brand identity to shared identity

Connection is two-sided. It's a bond created through a sense of shared identity. Progress is about what the customer can do, not what the brand can do. Go-to Brands recognize that it's not all about themselves. They don't puff themselves up or put themselves on a pedestal. Brands with power and stature show impressive humility. They understand that their strength comes from the relationship with their customers; and the relationship that people want is one of warm, level, human connection — not a distant, admiring respect. This change is partly due to the shift to digital: Having a space on a customer's phone is a different power relationship than having the customer come into your store. But this change also reflects a social shift toward the more assertive relationship that we each have with the world.

ASK YOURSELF:

Do you manage your brand identity as a protected, institutional asset or as a more open environment that your customers can feel belongs to them?

From permitted to embraced

In our previous study of the "customer of the future," we explored how intimate customers and their favored brands will become to get the most benefit from what's becoming possible. [5] In a world where, if you let them, brands can increasingly second-guess and anticipate your needs, keeping brands at a distance means giving up a lot of value and utility. That's why Dawn, our prototypical customer of the future, chooses to live a transparent existence. She's not open with just anyone but will value an intimate relationship with her Go-to Brands.

Go-to Brands recognize what they're asking of their customers: That shared value doesn't come when the customer grudgingly gives permission to be monitored (as in a transactional trade) but, rather, when the customer embraces the brand and invites it into his or her life or business operations. The standard that we measure and for which design isn't just "I am happy to share personal information with this brand"; rather, it's "I am comfortable letting this brand observe everything that I do" and "This is one of the brands that I am happy to let into my life."

Unlocking that level of access and intimacy means understanding the emotional response that customers have to your brand — and working to influence it. When we measure which emotions people most associate with different brands, we find that some entertainment and hospitality brands make people feel anxious and some insurance brands make people feel stupid. But we also find that financial brands make people feel relaxed and travel brands make people feel smart. These are the considerations that matter if you want to be invited into people's lives.

ASK YOURSELF:

Do you buy your customers' data permission with deals that they can't refuse, or do you get invited to share in their lives and businesses?

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[5]

Meet Dawn: Get to know the customer of the future, Lippincott Sense Perspective, available at lippincott.com/customer-of-the-future

From rules to principles

The job of managing a Go-to Brand — or working to become one — goes beyond the duties of a traditional Chief Marketing Officer. The job can't be done by writing a set of rules or guidelines and demanding brand compliance.

One response is to broaden the duties of the person and function leading the brand. No wonder *Ad Age* observed that the CMO position is under threat, with companies "consolidating marketing duties with executives who have broader mandates that often include sales and commercial functions such as product development, retail oversight and more." [6]

Regardless, the reality is that the work required to create or maintain a Go-to Brand permeates all operations of the business and inevitably goes beyond the mandate of any one executive. The job of shaping the brand and its experience is more important than ever, whatever the breadth and title of the role. The job just can't be done alone. It takes a more empowering approach that gives people principles to interpret in what they do, rather than rules to follow, and builds organizational skills and responsibilities inclusively to unlock, yet align, creativity across the organization.

ASK YOURSELF:

Is brand governance in your organization about design compliance or creative direction?

[6]
https://adage.com/article/cmo-strategy/why-more-brands-are-ditching-cmo-position/2183166

Set the direction

In addition to the universal shifts for building Go-to Brands, we have used our Brand Aperture™ research and brand-building experience to propose guidance specific to each quadrant on the progress and connection matrix.

Moving from an Enabling brand to a Go-to Brand

Progress without connection risks defection. Enabling brands are valued for what they help me do but aren't loved for how they do it. Without the loyalty to see them through times a product doesn't perform, Enabling brands are only as strong as their latest feature.

Enabling brands are often viewed as company-first rather than customer-first. To become Go-to Brands, those companies must focus on building a customer connection: understanding, empathy, happiness and values. That doesn't mean lowering the bar for magical innovations but, rather, ensuring that those innovations feel true and meaningful to individual customers and ensuring that customers feel that the company is empathetic and compassionate toward their interests.

Lessons for an enduring customer connection can come from brands whose contemporary innovations are viewed as "true to me" and authentically "caring." Spotify, for example, a digital Go-to Brand, works magically and connects users to a digital community much like its Enabling platform peers. But Spotify's innovations also score high on connection, capturing and using customer data in a way that customers embrace. *Your Daily Mixes* introduce customers to new music based on their listening preferences, enabling discovery within personalization. *Your Year in Review* makes customers smile, nostalgic about their favorite songs. Both features, which get better and smarter the more a user listens, subtly encourage users to consolidate their listening activity to Spotify — and do it in a way that customers relish rather than resent.
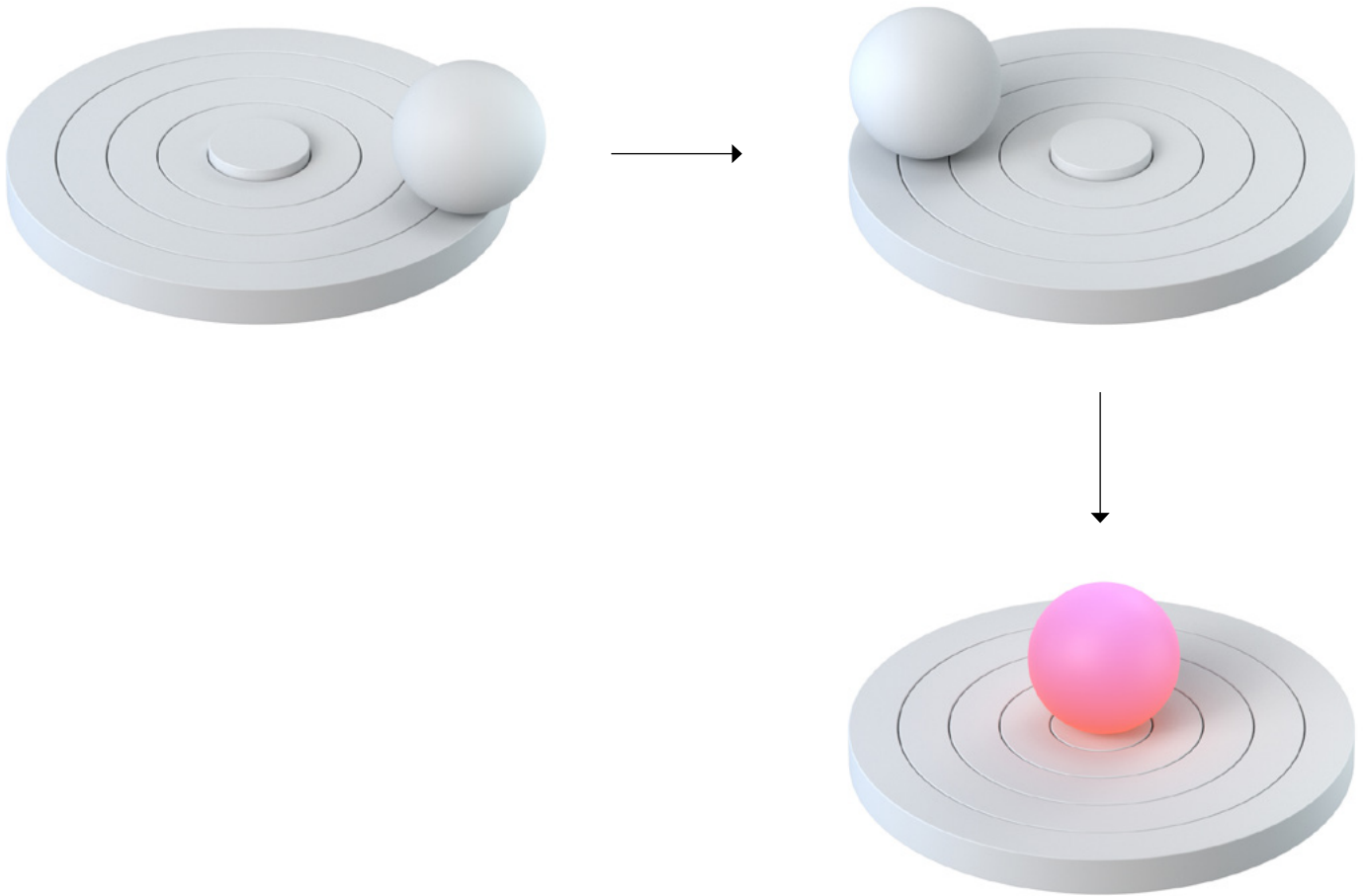
KEY STEPS TO CONSIDER FOR MOVING FROM AN ENABLING BRAND TO A GO-TO BRAND:

Become true to me

- Define a clear brand target customer and immerse yourself with that customer.
- Lay out a vision for a personal brand relationship with the target customer.
- Celebrate the brand's distinct personality and figure out how it fits seamlessly into the customer's life.

Show you care

- Develop a purpose-driven brand platform and live it through tangible commitments.
- Link your vision for a personal brand relationship to operations and economics in order to make it real; understand and commit to the business implications.
- Design an expression and voice that are authentic to your shared identity with the target, and that resonate with the target customer's journey and experience with your business.

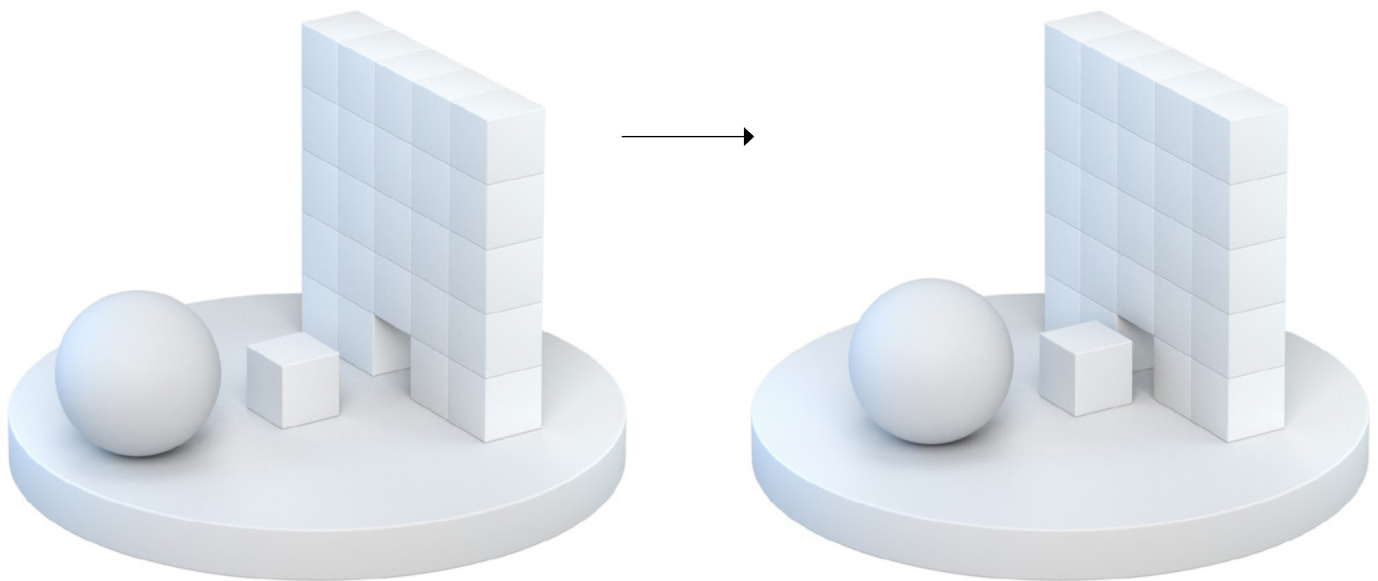**Moving from a Comfort brand to a Go-to Brand**
Connection without progress risks disruption. Comfort brands are loved but are not seen as pushing the boundaries. Comfort brands risk losing customers the moment a more innovative alternative comes along.

Many beloved brands, like Coca-Cola, Colgate, Chick-fil-A, fall into the Comfort quadrant. Their enduring emotional connections still feel authentic and caring; however, they risk coming up short on innovation and on helping customers advance in their lives.

We're seeing evidence that "progress" is easy to lose. The pace of change in the modern economy means that customers expect constant innovation. Even a category leader like Netflix, with an undoubted track record of helping customers do things they previously couldn't, now finds itself becoming a comfort brand in the United States — likely because its once revolutionary business model, on-demand

entertainment, is now a crowded streaming market. Netflix now faces competition from (among others) Disney and Amazon, two Go-to Brands whose broad innovation portfolios extend far beyond streaming media.

The opportunity for a Comfort brand is to pair its strong customer connection with a forward-thinking mindset. Lessons for enabling progress come from brands that push out a constant cycle of newsworthy innovations while maintaining deep customer connections. Disney, for example, drives innovation in everything from special effects (from its Burbank StudioLab) to digital distribution (with Disney+). Its "Magic Band" ensures that every step in the travel journey "works magically," eliminating countless customer frustrations ranging from long lines to cumbersome payment. Disney never loses sight of the customer connections that drive love while constantly enhancing the brand experience.

**KEY STEPS TO CONSIDER TO MOVE FROM A COMFORT BRAND TO A GO-TO BRAND:**

Make things work like magic

- Set the standard for how products or services should work; create a signature innovation that's a manifestation of your brand purpose.
- Disrupt yourself by adapting methods of rapid testing, scaled adoption, learning and failing forward; recognize that the security of your strong customer connection can be a liability — because it may slow your innovation efforts — as well as an asset.
- Diversify your innovation portfolio to feed a constant sense of new and now; make resetting expectations a way of life, not a one-off.

Advance your customer's world

- Activate the connection that you have with your target customers to help them feel part of something bigger than themselves.
- Partner with other brands that have ambitious missions and active collectives.
- Demonstrate and involve customers in new ways of doing good for society.
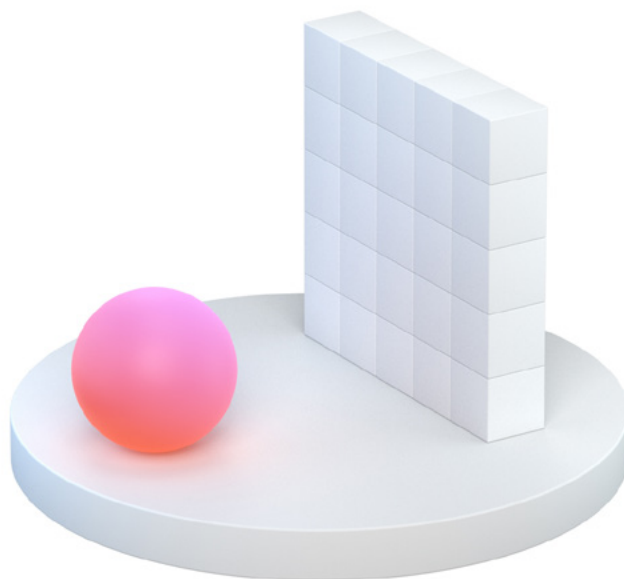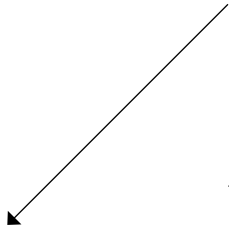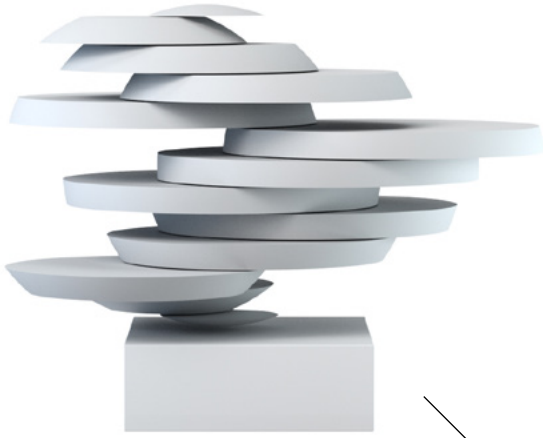
Moving from a Transactional brand to a Go-to Brand

While we've presented connection and progress as two different ideas, the power of Go-to Brands is that the two elements reinforce each other. Going from a Transactional brand to a Go-to Brand doesn't mean that you first pick either connection or progress; rather, use both to climb along the diagonal of the chart. Advancing a bit in progress creates goodwill that you can transform into a stronger connection. That connection gives you the access to deliver a bit more progress, and so on. That's how we've worked with banks, airlines, utilities and others to create ever-more meaning for their customers in a self-reinforcing path.

The opportunities for building connection and progress are the same as we mentioned before.

IN ADDITION, SOME SPECIFIC BOOSTERS CAN ALSO BE HELPFUL FOR TRANSACTIONAL BRANDS:

- **Target a tribe.** Many Transactional brands lack the clearly defined target that's essential to create a deep connection and that can help unlock meaningful progress. Delta Air Lines' focus on business travelers is one example of successful brand targeting.
- **Launch a sub-brand.** When moving your brand isn't practical, creating a new brand may be the lateral solution. When Goldman Sachs wanted to get into relatively mass consumer saving and borrowing, it knew its brand couldn't be a Go-to Brand for that market. Even though it's a strong brand (and one of the very few Enabling banking brands), its brand is strongly associated with its core business and client base, as it wants to be. We helped the company launch Marcus by Goldman Sachs, which has quickly established itself as a Go-to Brand.
- **Partner with others**. If the journey is tough alone, think about how others can help you get there. Why does the Visa brand make people feel adventurous, according to our resesarch, while one of its closest competitors makes feel people anxious? In a business with very similar customer experiences, the answer may lie in the associations that each has with other brands. Visa is not only the Olympic sponsor in its category, but it is also the brand on the highest-rated cards from the top U.S. issuers.

Sustaining a Go-to Brand

Go-to Brands are strongly placed and have revenue growth and business resilience that's superior to others. But Go-to Brands aren't invincible. Connection and progress are delicate and need to be perpetually renewed. Plenty of today's Comfort brands can probably claim a Go-to Brand past and still deliver what made them so strong, but they're delivering on expectations that they once established, instead of continuing to set new ones. And plenty of Enabling brands can probably also claim a Go-to Brand past, but they didn't build the warmth and dedication into the relationships that was needed once their offer wasn't as new or functionally differentiated.

Beyond the need to keep running to stay ahead is a central challenge: Today's customer expectations are not what customers will look for tomorrow. The power of innovation is to change customer expectations, and we're in a time where a lot of that is happening.

Using our previous exploration of the "customer of the future," we researched how well-prepared different brands are for the shifts that we've projected, as seen by their customers today. And we found that the brands trusted for the future are often not the same as the ones winning today.

TO SUSTAIN YOUR GO-TO BRAND FOR THE FUTURE, CONSIDER:

- **Do customers trust you to make good decisions on their behalf?** Amazon, Google and Apple are all strong Go-to Brands today. Customers trust Amazon and Google to make good decisions for them, but less so for Apple.
- **Will customers welcome you into their lives?** If you ask whether customers are willing to share personal information, then Apple, Google and Netflix rate very similarly (all are actually a bit above the average). But if you ask if each is one of the brands people are happy to let into their lives, Google jumps ahead of the other two.

Do only what your customers are ready to pay for

One last, but critical, consideration: If you create all of this value and meaning, will customers pay for it? Some Go-to Brands are the premium, high-specialty brands of their sectors, but many aren't. Many are Go-to Brands precisely because of how much they give customers, at a price they can afford and below those set by others. Think IKEA, Marcus, Southwest and T-Mobile, as well as the "free" tech services such as Google, Spotify and WhatsApp.

To understand this dimension of Go-to Brands, it's interesting to compare their combined connection and progress score with how expensive customers perceive the brand to be, relative to similar brands. The ratio of the two suggests how customers see the value for money that they get from the brand.

Some brands, like Apple, Dyson and Whole Foods, are Go-to Brands despite scoring relatively poorly on the value/cost ratio in our research. Their customers know that they're paying more, and are happy to do so in order to benefit from the value — the connection and progress — that those brands deliver.

Other brands, such as Southwest, Charles Schwab and PayPal, are Go-to Brands, at least in part, because they score so strongly on the value/cost ratio. Customers value the connection and progress that those brands provide, which they see in the context of extraordinary value for money.

Go-to Brands appear at all value/cost ratios, from the highest to the lowest. It's not all about premium performance. **There's no point in providing the perfect solution for your customers in theory if they can't afford to pay for it in practice.**

The discussion on previous pages is about Go-to Brands at a market level that score above average on both connection and progress when measured across all of their customers. This group of brands is winning disproportionate rewards in today's markets.

Depending on where you are today as a brand, that status may or may not feel attainable. But it's certainly relevant, because those are the brands with which you increasingly compete, and these are the dynamics shaping customer behavior. If being in that set is not an immediate goal, then don't become timid. Be focused. Start by finding the people for whom you are, or can be, a Go-to Brand.

Some Go-to Brands are broad. Some are niche. All have strong commercial advantages over the other brands in their ecosystem, earning — and creating value from — customer attention, permission, loyalty and forgiveness. Brands have long talked about relationships. For many, it's at best an aspiration and at worst a delusion; but for some, it's increasingly real.

If you're a Go-to Brand for your target customers, the opportunities are richer than ever before. You have their permission to create and capture more and more value. If you aren't one of their Go-to-Brands, then competition is tougher than ever — not just from traditional competitors but also from digital disruptors and others in your emerging ecosystems. Winning customers' appreciation has never mattered so much.

Brand Aperture™

A new way to measure performance

If Go-to Brands work differently and are created and managed differently, then we've got to change how we measure them, too. That's why we created Brand Aperture™ — a suite of intuitive tools specifically tailored to the task of building Go-to Brands — to measure and manage brand performance.

At the core of Brand Aperture™ is Diagnose, the Go-to Brand diagnostic. **Brand Aperture™ Diagnose** measures brand performance on the key metrics that we've highlighted in this Sense Perspective and provides guidance for brand-building. We've used that diagnostic to create an initial knowledge base covering 500 brands collectively rated by 30,000 customers from four countries.

500+
brands

30,000
customers

4
countries

Through our work with clients, we're able to constantly add to this base through incremental research, using the same frameworks and metrics, in both consumer and business markets.

In Brand Aperture™, we didn't develop another index. We developed a diagnostic approach to provide creative leaders with the critical insight to build more meaningful relationships with their customers.

Brand Aperture™ Diagnose delivers a collection of prescriptive views of brand performance based on the factors we know drive revenue growth and business resilience:

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1. **Brand Profile** measures brand performance today and what it takes to improve, using the primary metrics of connection and progress that are at the core of what makes a Go-to Brand. This view triple analyzes both metrics to find their current performance strength, areas for growth, and the value/cost ratio, which helps contextualize customer price perceptions.

2. **Emotional Depth** reveals how people feel when interacting with a brand, recording the emotions associated with it and the intensity of those emotions (via the reaction speed). We also collect verbatim comments from brand promoters and rejectors; when paired with the quantitative data, we get an insightful picture of how people feel.

3. **Future Readiness** focuses on the brand's momentum ("Are its best days ahead of or behind it?") and its fitness to serve the customer of the future, based on the future trends that we can anticipate.

Together, those three views deliver a set of quantitative evaluations and insights that are actionable, directive and future-focused in order to inform what to express and how to innovate, highlighting practical ways to drive immediate and far-reaching impact.

This rigorous approach rests on several foundations:
- A robust research design and field exercise on a large scale, the latest in a series of brand-performance exercises dating back nearly 10 years;
- Hypothesis-led analytical frameworks, based on decades of brand-building experience and academic research, and then validated by evaluating the relative business performance of the Go-to Brands as defined by the fieldwork results;

- Individual metrics selected for their statistical correlation with the core outcome metrics of connection and progress; and,
- A balance of outcome metrics and driver metrics to inform both performance tracking and direction-setting.

Brand Aperture™ Diagnose is available as a single interactive tool, allowing you to compare your brand against any others within the knowledge base and on any or all of the dimensions above. The diagnostic works seamlessly across categories (just as many Go-to Brands do), so you can compare bank brands, tech brands, retail brands, and many more.

In addition to this core diagnostic, we're extending Brand Aperture™ to provide a comprehensive set of measurement tools tuned specifically to the dynamics of building Go-to Brands:
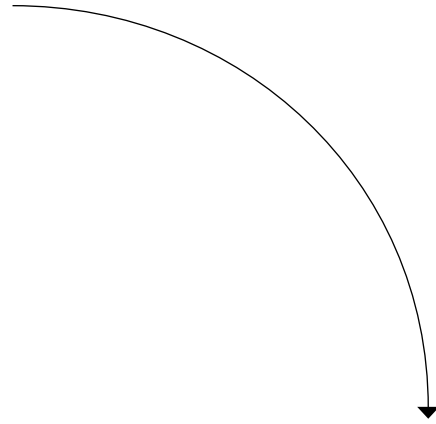
Value

Our approach delivers a **clear evaluation of a brand's current and potential value** — not based on financial statements but grounded in the reality of how the brand works in the marketplace. Our approach is a direct measure of the brand's power to shift customer demand, providing not just a valuation but also direction. It gives a sense of where the brand should invest, based on the strongest drivers in the market, in order to maximize value over time.

Target

A deep understanding of your target group is critical to building the connection of a Go-to Brand and to delivering progress against the specific struggles that this group faces. Our segmentation approach **defines distinct groups of people based on the dimensions that are most directive of connection and progress**, focusing on insight about people that will shape the brand strategy, and on how to influence people's behaviors to activate it.

Engage

The ideas and frameworks for Go-to Brands apply to colleagues, as well as to customers. Colleagues want to feel a connection, a shared identity, with the place where they work. And they want to make progress in their lives and careers, both for themselves and in terms of their impact on customers and the broader world. So we bring the same frameworks into the organization to **help you become a Go-to Brand for your colleagues**, as well.

Track

Too often, all of these insights and approaches work against the grain, unrelated to the traditional metrics used in the brand trackers and KPIs. We use Brand Aperture™ to provide a **comprehensive brand management and measurement system**, so what you track and reward is aligned with what will create impact for your business.

What about B2B?

While some of the examples given (and the language about love) sound specific to consumer brands, the logic and dynamics of Go-to Brands apply to — and are at least as strong in — the business world.

Brand matters even more

It's easy to assume that "emotional" consumers are strongly influenced by brands, while "rational" business buyers evaluate product features and prices undistracted by brand stories. But it doesn't work that way.

To paint a picture of brand significance in B2B, we can look at tablets — a product chosen by both business and consumer customers. While working with one of the world's largest PC makers, we asked survey respondents to choose the device they'd be most likely buy from a series of simulated choices, offering tablets with different features, prices and brands.

Our statistical analysis of those simulated choices showed the relative impact of individual features, prices and brands on purchase decisions. Consumer choices were driven 34% by features, 39% by price and 27% by brand; for the business buyer, the impact of brand (39%) and price (27%) were exactly reversed.

Consumer choices

39%
price

27%
brand

Business buyer choices

27%
price

39%
brand
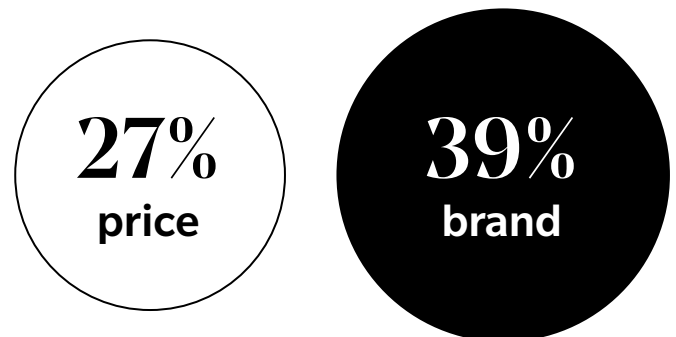
The strong influence of brand in B2B is quite rational. For a business, choosing a product goes beyond only considering features and price. Consumers can afford to be fickle, and pay little penalty for choosing a different brand of toothpaste or tablet the next time they buy. For business customers, the cost of switching brands is often higher. It could mean training employees on a different supplier's equipment or adapting operations to a different supplier's performance.

A B2B purchase choice is rarely a one-off. Businesses are essentially committing to buy future products and services, including offerings that don't exist yet, and to depend on ongoing support. Those considerations make the company behind the product even more important. B2B buyers are concerned with the vitality and longevity of the brands behind the products they buy.

Will you be my partner?
Increasingly, B2B relationships go far beyond purchase choices. We see a pattern in our work with B2B clients. Most are looking to move up the value chain, going from product vendor to solution provider and, ultimately, trusted business partner. And whether it's chemicals, construction, oilfield services or 5G communications networks, the numbers are remarkably consistent: Operating businesses can typically achieve savings of up to one-third the total cost of ownership if they work strategically in partnership with their technology providers, engineering end-to-end solutions together rather than buying the individual parts through competitive tenders. The optimization of individual procurement activities sub-optimizes the whole.

To realize the potential of the end-to-end solution, though, B2B customers must first feel a strong connection to the provider. They don't have to love them, but B2B customers have to enjoy doing business with the provider, and be confident that they are well understood and will always be well cared for. B2B customers must know that the trust in the relationship will be rewarded by mutual commitment, not exploited one-sidedly. Second, B2B customers must feel that the provider can

help them make progress, to achieve what they are seeking to do — not just now, with the current product line-up, but in the future, with new generations of technology, competition and leadership.

In a partner relationship, you can't just be as good as your last product. Your customers need to feel that your next product will work magically, too, because that's the way you do things. And that your researchers and developers are focused on the right issues to advance the customer's world. In other words, to achieve the strategic goal of moving up the value chain — from a vendor responding to bids to a trusted, strategic partner — you need to be a Go-to Brand for your target customers.

Go-to Brands will win in the Fourth Industrial Revolution
The trends we've outlined will be amplified in the Fourth Industrial Revolution. Advances in robotics and in the capacity, immediacy and intelligence of 5G networks, as well as in the Internet of Things, are creating the opportunity for huge productivity gains as whole production ecosystems become smart and self-optimizing. Realizing those gains will require companies to become more interconnected than they are today, not just commercially but in terms of operations and information.

Who are the companies to whom you'll open up in these new ecosystems? When your operations are all smart and connected, whom will you allow to reach deep into your organization and interact directly with the sensory networks that control everything? It's not likely to be the lowest-cost responder to the latest bid but, instead, an elite tier of businesses that you rate highly on connection and progress. They'll be your Go-to Brands. And they — and you — will be well rewarded for it.

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