HOW TO CONDUCT A BRAND AUDIT

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CONTENTS

- What is a Brand Audit?
- Helpful Frameworks
- How to Apply the Frameworks
- Examples
WHAT IS A BRAND AUDIT?

- A Brand Audit describes and evaluates the current state of a brand and its effectiveness in achieving a company’s business objectives.
- This assessment is the first step in brand strategy development.

Note: While we refer to company throughout, the process works equally well for other types of organizations and brands.
WHY CONDUCT A BRAND AUDIT?

- A Brand Audit reveals a brand’s true position and meaning to its stakeholders.

“A brand audit requires understanding the sources of brand equity from the perspective of both the firm and the consumer. From the perspective of the firm, what products and services are currently being offered to consumers and how are they being marketed and branded? From the perspective of the consumer, what deeply held perceptions and beliefs create the true meaning of brands and products?”

- Kevin Keller, *Strategic Brand Management*
HOW AUDITS ARE USED

USED FOR:

- Diagnosing brand strengths and identifying potential vulnerabilities or shortcomings.
- Developing value proposition, identity and positioning.

NOT USED FOR:

- Competitive benchmarking
- Brand tracking
- Brand health assessment

Brand Audits…

- Assess how well the brand delivers against company objectives
- Identify customer wants, needs, and trends at the category level
- Inventory and categorize brand portfolio elements and assets (trademarks, sub-brands, logos, taglines)
- Evaluate the brand’s current image (how it is perceived by customers and other key stakeholders)
- Identify potential sources of differentiation, tablestakes, vulnerabilities
BRAND AUDITS ORGANIZE INFORMATION

- As with a SWOT analysis or financial audit, a brand audit organizes and distills critical company information to make it easier to digest and recognize strategic implications.

- Brand audits take many forms – there is no single magic format.

- Regardless of the form your audit takes, the perspective is always that of the company and how the brand supports its overall objectives.

- To complete a brand audit, you will need to first identify your best information sources.
## Types of Information Required

- Information for a brand audit often exists outside of marketing, so be sure to ask your colleagues.

### Corporate Information
- Company mission, vision and values statements
- Financial performance and trends (e.g., revenue, profits, margins)
- Customer service records
- Patents and other intellectual property

### Industry Information
- Third party research about the competitors in your industry (e.g., financial analysts, syndicated market research, government agencies, industry associations)
- Your company’s own research studies (e.g., tracking research, focus groups)

### Marketing Information
- Current and past advertising and promotional collateral for your brand and competitors (within and beyond your specific category)
- Social media reports and conversation analyses
GETTING STARTED

- Once you have identified the best information sources, the next step is to organize the most relevant information into four categories.

- Next, describe and evaluate the current state of the brand by identifying within each of the four information categories:
  - The assets that can be leveraged
  - Any liabilities or issues that need to be addressed or mitigated
IN OUTLINE FORM, YOUR AUDIT MIGHT LOOK LIKE THIS...

YOU MIGHT WANT TO USE THE TEMPLATE THAT FollowS TO PRESENT IT

Sample Brand Audit Outline

1. Company or business unit’s strategic direction
   a. Company / BU growth objectives
   b. Business model, e.g. direct to consumer, channel partners
   c. Key alliances / co-branding partners
   d. Strategic initiatives and implications for brand
   e. Core competencies and personality

2. Consumer wants and needs
   a. Target market (category and brand-specific):
      i. Category purchase or usage behavior
      ii. Demographic and psychographic characteristics
      iii. Geographic concentration
   b. Audience size and segmentation
      i. How is market typically segmented? e.g., by product type, quality tiering, etc.
      ii. How big are these segments, where is the volume?
   c. Target wants and needs relative to the category

3. Market definition and attractiveness
   a. Define the industry or category your brand is in
   b. Show industry or category size (revenues), growth over the past 3 years, and projected growth over the next 3 years
   c. Assess Industry/category competitiveness, e.g. industry concentration, number of competitors
   d. Identify and profile the relevant competitive set, e.g.,
      i. Most current market share and recent trend
      ii. Salient brand attributes or descriptors
      iii. Perceived strengths and weaknesses
      iv. Implied positioning and brand imagery

4. Current brand image
   a. What is the brand known for?
   b. What brand elements are associated with the brand, e.g., trademarks, sub-brands, logos, taglines
   c. Brand attributes / customer associations
   d. Points of parity / points of differentiation vs. competition
   e. Current positioning - taglines, brand visuals/symbols, current ad campaigns
COMPANY ASSESSMENT

- The company assessment focuses on the capabilities and competencies required to deliver what customers need and how you measure up. What do you do well? Where do you need to improve?

- This assessment highlights your strengths and liabilities as an organization, not as a brand.

How well does the brand support the long-term growth strategy of the business? How effectively does it leverage the organization’s competencies?
The most important information at this stage is understanding what drives customer choice at the category and brand levels.

Aim to understand what customers are trying to accomplish in their lives. Look beyond the obvious functional benefits to how they want to feel or be seen as a result of their choices.
MARKET ASSESSMENT

- The competitive frame of reference may not be obvious. Think like a customer, what do they think are their alternatives?

- The competitive set may be direct, like other providers of the same product or service, or indirect, like a different category or doing nothing at all!
This assessment focuses on how your brand is perceived by your customers, employees and other important stakeholder groups.

If you don’t have recent research or insights to inform this assessment, it’s a good idea to get them rather than assume you know.
3-CIRCLE BRAND ASSESSMENT FRAMEWORK

- All of this information is summarized in the 3-Circle Assessment. This framework helps distinguish what is distinctive about your brand from what is shared.

- It is a deceptively simple and powerful way to organize a lot of disparate information and make brand strategy implications apparent.
AT THIS POINT YOUR AUDIT MIGHT LOOK LIKE THIS....

Potential Brand Differences

Brand Strengths

Potential Differentiators

Tablestakes

Our Vulnerabilities

Competitor Strengths

Consumer Needs

Consumer Wants & Needs

Points of Parity (Category Benefits)

Competitive Brand Differences
The final step is to inventory the intellectual, verbal and visual assets of the brand. What are your strengths? What new assets should be developed?

<table>
<thead>
<tr>
<th>Brand Asset Inventory</th>
<th>Asset Description</th>
<th>Assessment (Memorability, Relevance, Uniqueness)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logo/Trademarks, Patents &amp; Protected Innovations or Features</td>
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<td></td>
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<tr>
<td>Core Competencies &amp; Industry Distinctions</td>
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<tr>
<td>Brand Perceptions/Associations</td>
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<td>Ongoing campaigns or campaign elements</td>
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<td>Testimonials/Cases</td>
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<tr>
<td>Sponsorships/Partnerships/Endorsements</td>
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<td></td>
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<tr>
<td>Characters, Slogans, Tagline</td>
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KEY TAKEAWAYS

- A brand audit organizes key information to make strategic implications about target segment needs, frame of reference, potential differentiators, vulnerabilities and points of parity clear.

- Brand audits reflect the perspective of the company and its stakeholders.

- Several frameworks are helpful in conducting a brand audit
  - Customer Assessment
  - Brand Asset Inventory
  - 3-Circle Assessment
HOW WE CAN HELP

✓ Audit your brand to identify gaps and opportunities
✓ Generate ideas for closing the gaps
✓ Develop a compelling, energizing brand identity and audience-specific positionings that align with the identity
✓ Measure and track your brand’s health over time

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