





# Get On With It! Build Your Brands

**Martin Roll**, a brand strategist for Fortune 500 companies, discusses how Sri Lankan firms can build great global brands in an uncertain world

**D**omestic—and global—policy uncertainty is probably at a peak in 2017, but for brand strategist Martin Roll nothing holds back Sri Lankan companies from investing in global brand building.

“Companies have to look beyond politics and not use this as a convenient excuse not to build and manage brands,” says Roll, who visited Sri Lanka in 2016 as keynote speaker at the CA Sri Lanka Strategy Summit. He is the founder and CEO of Martin Roll Company, with more than 25 years of C-suite management experience. Roll is a Senior Advisor to McKinsey & Company and the author of global bestseller ‘Asian Brand Strategy’ and co-author of ‘The Future of Branding’.

In this interview with Abacus, Roll explains how family owned, closely held companies in Sri Lanka enjoy an advantage that can be exploited to build global brands, and suggests 10 steps to follow to build a successful branding strategy and manage its implementation. Excerpts from the interview are as follows:

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THE QUESTION ABOUT BRAND BUILDING IS NOT ABOUT CAPITAL, BUT ABOUT THE RIGHT MINDSET AMONG THE OWNERS AND CEOs, SAYS MARTIN ROLL

**Can companies build global brands, especially in Sri Lanka where policymaking is inconsistent and veering towards protectionism? Do you have examples of smaller companies in challenging economies achieving great things?**

**A:** Companies have to look beyond politics and not use this as a convenient excuse not to build and manage brands. Today, businesses and consumers are placing increasing importance on brands. Brands give consumers a sense of identity, stimulate their senses and enrich their life experiences. People need to affiliate and surround themselves with things they know well, trust and aspire to be. From a customer viewpoint, a brand is a signal of quality and creates a bond of trust with the manufacturer behind it.

Two examples: Starting as a ladies footwear store in Singapore in 1996, brothers Charles and Keith Wong observed that, while selling wholesale shoes provided a cost advantage, the lack of uniqueness meant limited growth. This made them realise the potential of creating a brand that consumers could identify with - leading to the creation

of the Charles & Keith brand. Today, it is well known among fashion-conscious shoppers for their distinctive designs and quick in-season turnaround that offers 20-30 new designs in stores every week. Charles & Keith has expanded its product range to include bags, belts, shades, tech accessories and bracelets, evolving from a footwear brand to a lifestyle brand. The company has expanded in Asia and is branching into global markets.

The TWG Tea Company was founded by Moroccan-born Taha Bouqdib in Singapore in 2007. The 1837 date on its logo marks the beginning of when the island became a trading post for tea, spices and fine epicurean products. The brand is present in 14 countries including Japan, Korea, Hong Kong, China and the UK. In Australia, TWG Tea works with retailers like David Jones, and in the US, the brand has tea counters at Dean & DeLuca.

In my perspective, these two brands could easily have originated in Sri Lanka – you are a tea nation! It is all about the right mindset.

**Sri Lanka is on the cusp of an economic take-off, but most companies are playing it safe and boardrooms are mostly risk averse. Why is it important to be a purpose-driven company, and how should boardrooms lead the transformation?**

**A:** Basically I seek to always inspire my clients to be the “most admired” - they must be in a class by themselves, rather than being the largest. It involves a number of parameters that are rarely put into use because of the usual short-term, one-sided focus on increased volumes. This is where I normally challenge my clients. One of my key questions is: What’s your purpose? I challenge my clients to think about what they deeply believe they are best at, what values they stand for and what they actually provide their customers, and more broadly, what they provide to the world around them. They need to define their purpose. If you are driven by a strong purpose and actually meet expectations all the time, then you have a strong chance to become an “admired” company. But it is not a position that comes easily. It requires full attention and hard work over a long period of time and attention to every detail. LEGO’s turnaround is a good example.

Many companies from emerging economies traditionally focused on asset-intensive industries. But it has been demonstrated that

the most profitable emerging market companies focus on intangibles like human capital, exploiting network effects and creating synergies based on brands or reputation, rather than investing in tangible assets.

Asian boardrooms have traditionally been the playing fields for technology and finance professionals, and most directors either have technology, operations or finance backgrounds. Going ahead, these capabilities alone will not be sufficient for sustained growth and enhanced shareholder value. With branding taking the centre stage, it is extremely crucial that the boardroom represents the brand's capabilities and experiences to ensure that brand guardianship is practiced at the highest level.

First, education and training of boardroom directors can bring them up to a common understanding of the discipline, its opportunities and challenges. Second, the company can elevate people with strong marketing and branding backgrounds to the board. Asian brands can indeed challenge global players, but it requires a new mindset, resources and capabilities.

**In South Asia, intra-regional trade is beset by bureaucratic hurdles and non-tariff barriers. Must companies wait for policymakers to make trade freer to progress to the next level?**

**A:** There is no need to wait. Companies need to drive ahead, as policies in the end are to be overcome. Think of some of the leading global brands from the West. Some of them also come from regions with hurdles and tariff barriers. It's about working beyond that - not against it.

**Policymakers in the US and Europe are more and more vocal on making their economies less open. Should Asia be worried?**

**A:** The coming era will be challenging for all nations, as borders seem to get more protected. Globalisation has had a tremendous impact on many societies, lifted millions out of poverty, empowered women, enabled healthcare to broader segments and brought education to children, to name a few. Nothing is a game changer more than education. Policymakers need to assess what their best choices are as there are always trade opportunities regardless of which region one focuses

on. The role of policymakers in the coming era is to stay agile, adaptable and vigilant to leverage the opportunities that always present themselves.

**Typical for its economic size, Sri Lanka has many family owned or closely held listed companies. Can these companies build global brands, especially when raising capital is a challenge?**

**A:** Sri Lanka has huge opportunities for building brands, and taking them regional and global. The question about brand building is not about capital, but about the right mindset among the owners and CEOs. Only then will the true potential be unleashed. Being family owned or closely held is actually a great advantage as the business can take a more long-term approach to value creation and make sure the brand is built by the play-book instead of doing something superficial without a significant impact. It is important for Sri Lankan family enterprises to step up to this challenge and move up the value curve to prepare themselves for the future.

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**What are the typical challenges to building a global brand, and how can they be overcome?**

**A:** The starting point for branding must be the boardroom, which also serves as the most important checkpoint during the project. The CEO must be personally involved in the brand's strategy work, and he/she must be passionate and fully buy into the idea of branding. To ensure success, despite the daily and stressful routine, the CEO must be backed by a strong brand management team of senior contributors who can facilitate continuous development and the integration of a new strategy. As Peter Drucker said, the only two functions of any organisation are innovation and marketing. Irrespective of how innovative a company is, how committed employees are and how competent the top

management is, unless the company connects with the customer, success will be elusive. The top management should constantly evaluate their strategic decisions in the context of customer feedback – what do customers' value and how can they help the company co-create value.

There is a distinct difference between companies, products and services, as customers are aware of real brands with strong brand equity. Therefore, strong brands are more than just trademarks, logos and trade names. Before delving deep into an analysis of branding, it is important to get the branding terminology right. Branding is a widely misused and misunderstood term that is almost clustered onto everything vaguely related to strategy, marketing and communication.

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Branding is an investment that must be perceived as such and is required to deliver return-on-investment (ROI) and shareholder value like any other feasible business activity. It must appear on the left side of the balance sheet as an intangible asset, and its value is subject to change upwards and potentially downwards.

**Can you take us through the steps companies need to take to build a global brand and how performance can be measured?**

**A:** There are 10 crucial steps to follow in building a successful branding strategy and managing its implementation. The steps enable the boardroom to focus on the required areas and serve as checkpoints, which can be tailored to the individual company's specific needs and requirements.

First, the CEO needs to lead the brand strategy work, as I already discussed. Brands are not only, if sometimes at all, built from traditional advertising and promotions, but rather by using a comprehensive range of corporate-wide activities delivered by people

throughout the organisation. Therefore, the crucial balance between brand promise and brand delivery has implications for all company functions, and it becomes a managerial responsibility reaching far beyond the marketing and communications departments. Therefore, branding can no longer be delegated to the mid-level marketing function of a typical Asian organisation. Instead, boardrooms and the CEO must take charge of the brand strategy, lead brand development, manage its implementation, and be fully involved in performance tracking and benchmarking.

The branding process cannot reach its logical conclusion unless the chairman and the CEO buy into it and back it up with the required resources. But merely having branding knowledge will not suffice. Leaders need to have a holistic vision and an in-depth understanding of the discipline. One also has to be an excellent business leader and brand marketer with a truly international edge.

Second, build your own model, as not every model suits all. All companies have their own specific requirements, own sets of business values and a unique way of doing things. Therefore, even the best and most comprehensive branding models have to be tailored to these needs and requirements. Often, only a few but important adjustments are needed to align them with other similar business models and strategies in the company to create a simplified toolbox. Remember that branding is the face of a business strategy, so these two areas must go hand in hand.

Third, involve your stakeholders, including customers. Who knows more about your company than the customers, employees and other stakeholders? This is common sense, but many companies forget these simple and easily accessible sources of valuable information when formulating the branding strategy. A simple rule is to use 5% of the marketing budget for research and at least obtain a fair picture of the current business landscape including the current brand image among stakeholders, brand positioning and any critical paths ahead. Simply, do not forget the valuable voice of your customers in this process.

The fourth step is advancing the corporate vision. The branding strategy is an excellent channel for advancing the corporate vision throughout the company. It allows manage-

ment to involve, educate and align everyone with the corporate's objectives, values and future pathway. It provides a guiding star and leads everyone in the same direction. The internal efforts are at least 50% of making a branding strategy successful.

The next step is exploiting new technology. Modern technology should play a significant part in a successful branding strategy. Technology helps to gain effectiveness and improve the corporation's competitive edge. A well-designed and fully updated Intranet is a must in today's working environment, which has become increasingly virtual, with employees working from home, other locations and travelling across the globe. An Extranet can facilitate a much more seamless integration with strategic partners, suppliers and customers; and avoid time-consuming paperwork and manual handling of many issues. A company website is not only a must, but rather a crucial channel for any modern corporation regardless of its size. If the corporation is not accessible on the Internet, it does not exist!

Empowering people to become brand ambassadors is the sixth step. The most important asset in a corporation is its people. They interact every day with colleagues, customers, suppliers, competitors and industry experts. But they also interact with an impressive number of people totally disconnected to the corporation in the form of family members, friends, former colleagues and many others. Hence, they serve as the corporation's most important brand ambassadors, as word-of-mouth can be extremely valuable and have a great impact on the brand's overall image. The most effective way to turn employees into brand ambassadors is to train everyone adequately in the brand strategy (vision, values and personality) and make sure they fully understand - and believe! - what exactly the corporation aims at being in the minds of its customers and stakeholders. Nike is a brand known for its efforts to educate and empower every employee of the company to be strong brand ambassadors.

The seventh step is creating the right delivery system. The brand is the face of the business strategy - it basically promises what all stakeholders expect from the corporation. Therefore, the delivery of the right products and services with all the implications this entails should be carefully scrutinised and eval-

uated on performance. Think of the cradle-to-grave concept of a lifelong customer and the value he/she will provide in such a time span. Make sure he/she is handled with outstanding care according to internal specifications and outside expectations. The moment of truth is when the brand promise is delivered well, and it does not hurt if the corporation exceeds customer expectations. Singapore Airlines runs a very rigid, detailed and in-depth description of any customer touchpoints with the corporation, and several resources are

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spent on making sure it actually does happen every time to every customer. All employees of Singapore Airlines, regardless of title or rank, spend a significant amount of workdays being trained every year.

This brings us to step number eight: Communicate. Bring the brand to life through a range of well-planned, well-executed marketing activities, and make sure the overall messages are consistent, clear and relevant to the target audiences. Make sure the messages are concise and easy to comprehend. Do not try to communicate every single point from the branding strategy. Instead, a selective approach will make a bigger impact using the same resources.

Nine, measure the brand's performance. A brand must be accountable. How much value does it provide to the corporation and how instrumental is the brand in securing competitiveness? These are some of the questions that need to be answered, which the CEO will automatically seek as part of his/her commitment to run the strategy successfully. Brand equity comprises various individually tailor-made key performance indicators (including the financial brand value) and needs to be tracked regularly. A brand score card can help facilitate an overview of the brand equity and progression as the strategy is implemented.

The tenth step is about relentlessly raising your own bar, all the time. The business landscape is changing almost every day in every industry. Hence, the corporation needs to evaluate and possibly adjust the branding strategy on a regular basis. Obviously, a brand should stay relevant, differentiated and consistent throughout time, so it is a crucial balance. The basic parts of the branding strategy like vision, identity, personality and values are not to be changed often, as they are the basic components. The changes are rather small, and involve the thousands of daily actions and interpersonal behaviours that corporations employ as part of brand marketing efforts. But make sure complacency does not take root in the organisation and affect goal setting. The strong brands are the ones that are driven forward by owners who never get tired of raising their own bars. They become their own change agents and brand champions for great brands.

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**Tell us about your book, *Asian Brand Strategy*. What made you write it and what was its impact?**

**A:** Towards 2020, a rapidly changing landscape will emerge in Asia where opportunities for Asian companies to benefit from international branding efforts will be larger than ever before. The growing emphasis on shareholder value and brand strategy to drive value will move up the boardroom agenda and become one of the most prominent drivers of value in the Asia-Pacific region. Today, there are only a few global Asian brands, but over the coming years, many Asian corporations will change their focus from being backend suppliers to becoming brands themselves.

*Asian Brand Strategy* offers insights, knowledge and perspectives on Asian brands and branding as a strategic tool; and provides a comprehensive framework for understanding Asian branding strategies and Asian brands, including success stories, challenges for fu-

ture growth and strengths. The book includes theoretical frameworks and models, and up-to-date case studies on Asian brands; it's a must-read for Asian and Western business leaders, as well as anyone interested in the most exciting region in the world.

The book presents the Asian Brand Leadership model, illustrating the paradigm shift Asian brands need to undertake to unleash their potential. There are five changes needed in the Asian boardroom: First is mindsets and practices. The book invites a complete shift in the way Asian boardrooms view branding: from a tactical view to a long-term, strategic perspective, from fragmented marketing activities to totally aligned branding activities, from a vision of branding as the sole responsibility of marketing managers to branding as the most essential function of a firm, and led by the boardroom.

Second, this new perspective must be steeped into a more acute perspective on consumer behavioural patterns. Asia is not a homogenous entity. Even more importantly, Asian countries are more and more traversed by cultural flows permeating the region: Cinema, music and fashion trends that are present extend beyond national borders to capture the imagination of millions. Branding and brands do not operate in a vacuum, but are closely linked to developments in society, people and cultures. Third, managers wanting to succeed in Asia need to abandon the idea of an oriental Asia of the past. Asian consumers are all vying for an Asian type of modernity that has nothing to do with colonial imagery. Fourth, to create iconic brands, Asian managers will have to become trendsetters. The perspective developed in this book is that, in order to be successful, Asian brands need to capture the spirit of the region, but they also need to lead the way by creating that spirit.

Finally, this shift can be achieved only if everybody in the company is convinced by the power of branding, and if all strategies and actions are aligned around the brand. This must be led by the Asian boardroom.

The impact of the book has been quite profound, as it has inspired many business leaders from the East and the West to think differently about their approach to branding. The book is used by many Asian CEOs and business families when they discuss and assess the future direction of the businesses. ■