### **Belief Branding:**

# Hi, performance.

A six part, six pillar series on impactful marketing from your Friends & Neighbors.

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### **Part 2:**

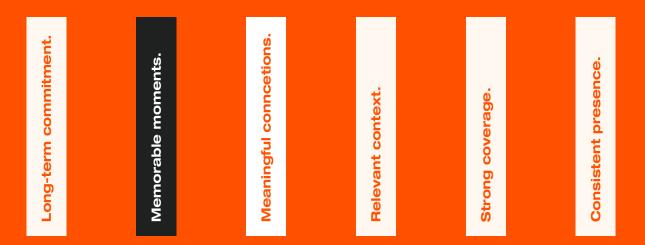
### The Power of Salience

How creating memories for brands is a winning proposition.



# Introduction

The topic of performance in marketing has become associated with efforts that result in immediate, measurable impact. But is this truly the best way to assess success? As good Friends & Neighbors, we're committed to providing the best intelligence on effective marketing programs to our community. Our new series – Hi, Performance – will explore six pillars of impactful marketing programs to help our clients and collaborators better understand how to design, implement, and measure efforts.



#### **Six Pillars of Performance**

**Long-term commitment.** There's no question short-term sales activations can be effective, but long-term branding cannot be ignored. This pillar will explore how to think about, plan, and measure long-term branding efforts.

**Memorable moments.** As we learn more about how advertising works, we more deeply understand that its primary role is to create future buyers by making brands and products memorable. This one is all about how a memorable message contributes to the future success of brands.

**Meaningful connections.** The power of creativity in branding is well understood to be a critical driver of effectiveness. This pillar will explore the latest research and insights related to creating meaningful, memorable connections with people.

**Relevant context.** A meaningful message is only as impactful as the space it appears. This pillar covers an essential ingredient in the marketing mix: media and activation.

**Strong coverage.** Growing a brand means going big, getting your message in front of an increasingly broader audience. This pillar explores the impact of reach in marketing efforts.

**Consistent presence.** Turbulent markets make it tempting to scale back on costs, and marketing is no exception – yet pulling back on investment comes with a cost of its own. This pillar focuses on the importance of consistent messaging over time.

Every quarter, our team will produce a thought leadership piece that more deeply explores one of these six pillars. We're excited to share our neighborly wisdom with you.

**Pillar Two: Memorable Moments** 

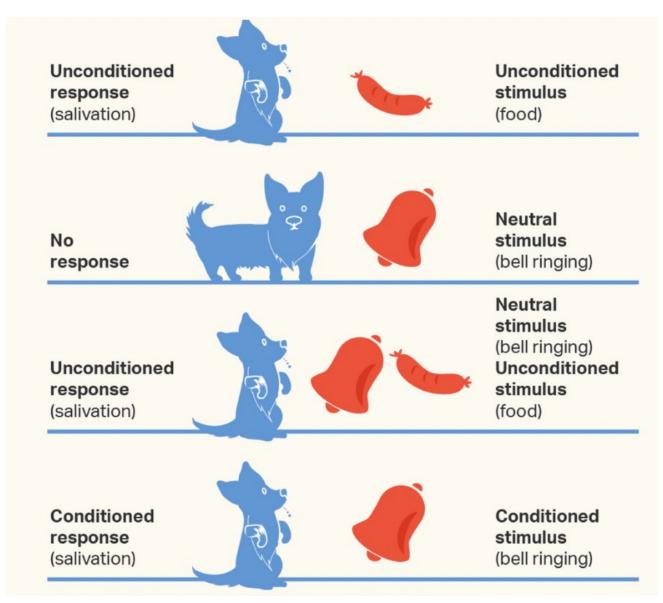
# The Power of Salience

How creating memories for brands is a winning proposition.

# Memorable Moments is one of our six pillars of performance.

Building on the data from Hi Performance, volume one, that showed brand advertising as a key tool in demand creation vs. just demand capture, a growing body of research confirms that advertising's primary role is to create future buyers by making brands and products memorable. In short, memorable messages are essential to creating strong brands. Marketers measure memorability through brand salience, defined as "prominence in the consumers' mind ... the presence and richness of memories that result in a brand coming to mind in relevant choice situations."<sup>1</sup>

Dust off an old Introduction to Psychology textbook. Remember Pavlov and his salivating dogs? This experiment revealed the power of a stimulus to condition behavior over time.



Source: Salehi.S, Classical conditioning diagram, Wikimedia Commons

Sources: 1: WARC What We Know about Differentiation and Salience 2: WARC from Home: Distinctive brand assets - what they are and why they matter 3: What is the role of distinctive brand assets? WARC, 2022 4: Global Banking and Finance Review, 2018

While we love dogs at Friends & Neighbors, we aren't interested in making them salivate more - and we certainly aren't interested in making humans (literally) salivate! However, there is a lot to learn from this classic research about how to make an overwhelming number of choices easier for consumers to manage. This phenomenon has been thoroughly studied in the marketing world. Plenty of evidence exists connecting memorable brand elements to business growth. Byron Sharp explains how conditioning connects to marketing by highlighting distinctive assets in his 2010 book, How Brands Grow. Distinctive brand assets, by definition, are non-brand-name triggers for a brand.<sup>2</sup>

Distinctive brand assets are designed to anchor brands firmly in memory and trigger the faster, more emotional, System 1 decision-making part of the human brain. These assets include verbal, visual, auditory, and haptic cues, engaging our senses and driving attention – including when we're not consciously attending to or even looking at brand communication.

Think about the shape of a Coca-Cola bottle or McDonald's iconic golden arches. These are just two examples of well-established, powerful, distinctive assets.

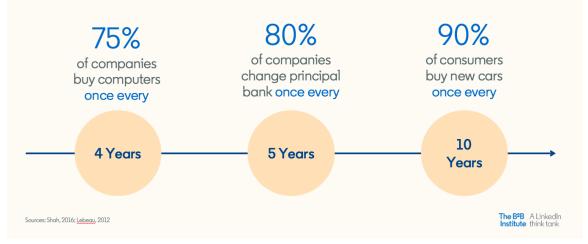
Sharp goes on to explain how distinctive brand assets work to drive purchase behavior:

"Distinctive assets are not inherent; they need to be learned by consumers. Until the links between distinctive elements and the brand are learned, they cannot function as a substitute for the brand."<sup>3</sup>

There are three important reasons brands should invest in building these memory structures with consumers to condition their "learning" of a brand:

### Reason 1: Most buyers are not in the market for a product at the exact moment a brand message reaches them.

The 95-5 rule is a research-backed concept that reminds us that 95% of potential buyers aren't ready to buy today. This idea is supported by research on both B2B and B2C markets. This data supports the notion that most advertising does not drive immediate response but works to create memory structures that make a brand top of mind among future buyers.



Source: The 95-5 rule, LinkedIn and Ehrenberg-Bass Institute

Sources: 1: WARC What We Know about Differentiation and Salience 2: WARC from Home: Distinctive brand assets - what they are and why they matter 3: What is the role of distinctive brand assets? WARC, 2022 4: Global Banking and Finance Review, 2018

# Reason 2: People are more likely to buy a brand or product that is easy to remember.

Buyers acknowledge that familiar brands are important to them. A study of UK consumers from Onbuy.com found that 71% of consumers say it's somewhat or very important that they recognize a brand before making a purchase.<sup>4</sup> This importance is also demonstrated in studies that connect awareness with brand growth metrics.

In June 2023, research was published connecting brand awareness with Amazon sales. The results support a connection between higher awareness and stronger brand performance.



Source: Strong brand awareness tracks with higher "growth efficiency" on Amazon, WARC, 2023

### Reason 3: Familiar brands enjoy stronger pricing power.

The latest research on pricing strategies supports the connection between memorable brand moments and pricing power. According to WARC, "consistently airing quality advertising and investing in the brand create associations that diminish price elasticity because they make a brand easy to buy – even if a consumer checks the price. Conversely, willingness to pay is eroded by too many promotions and not enough brand investment. This shows that willingness to pay a high price is something marketers can affect." The case studies on this topic reveal that memorable brand associations are more potent than pricing promotions intended to drive near-term sales.

Sources: 1: WARC What We Know about Differentiation and Salience 2: WARC from Home: Distinctive brand assets - what they are and why they matter 3: What is the role of distinctive brand assets? WARC, 2022 4: Global Banking and Finance Review, 2018

Brands with ambitious growth plans will benefit from investing in creating memorable brand moments and measuring their impact.

# Conclusion

There is something to be said for consistency in a brand. Reinforcing memory structures over time among future buyers is a proven avenue to achieving brand growth. Brands that understand their distinctive assets and actively market efforts to help consumers continuously "learn" about them are almost certain to see a positive impact on their bottom line. Marketers can measure the impact of their distinctive brand assets by including questions about memory structures and recognition of these assets in their brand research efforts. Marketing leaders should track growth in recognition, brand salience, and overall awareness to understand whether and how these memory structures are being reinforced over time.

To build upon these findings of the importance of memory structures and distinctive assets, our next installment of Hi, Performance will cover the importance of creativity in creating memorable moments for brands.

