Editors’ Choice Article

The Brand Pyramid

Building Customer Loyalty
(Also known as The BrandDynamics™ Pyramid. "BrandDynamics" is a trademark of Millward Brown.)

When you shop in your local grocery store, there may be some brands that you don't feel any connection with.

On the other hand, you might be really passionate about other brands. For example, perhaps you drink only a certain brand of coffee, cook with a particular brand of olive oil, or use a certain type of cell phone because, perhaps subconsciously, these products help to define "who you are."

To be really successful with a product or service, it's usually essential that your brand speaks to your customers on an emotional level. When someone feels a strong positive emotional tie with a product, that emotion creates brand loyalty, and this inspires repeat purchase.

Build loyalty, and revenue, by climbing the pyramid. © iStockphoto/TimArbaev

We can use the metaphor of a journey to describe how customers move from just knowing about your brand to feeling loyal to it. So, how do you know where your customers are on this journey, and how do you encourage them along it? Do most of your customers just recognize your brand and drop it as soon as competitors put similar products on sale? Or, does your brand create a sense of personal identity and loyalty with your customers?

The "Brand Pyramid" is a useful tool that can help you think about where your customers are on this journey to loyalty. In this article, we'll explore how you can use it to increase people's loyalty to your brand, product, or organization.

Note:
According to marketing expert, Seth Godin, a brand is a “set of expectations, memories, stories, and relationships that, taken together, account for a consumer’s decision to choose one product or service over another.”

Brands can distinguish products, services, and even entire organizations.

Overview

There are several different versions of the Brand Pyramid, but most are based on the model originally created by Millward Brown, a global marketing research and consulting firm, in the mid-1990s.

The firm spent 30 years tracking brand-health studies from thousands of organizations. It then used this research to create its original model.

The pyramid, as shown in figure 1, illustrates the five key stages that customers go through with a brand, starting with basic awareness and finishing with complete loyalty.
Clearly, your goal is to get as many of your customers as possible to the higher levels of the pyramid. After all, the higher people are up the pyramid, the more money they’re likely to spend with your brand. (This is why the pyramid is inverted.)

Let's look at each level in more detail:

**Level 1: Presence**

At this level, customers are aware of your brand, but little else. They may have tried your products and services before, but they have no emotional attachment to them.

**Level 2: Relevance**

At this level, customers start to think about whether the brand meets their wants and needs. It's here that they begin comparing the cost of your products with respect to the value they provide.

Customers begin asking questions like:

- "Does this brand fit my needs?"
- "Is it in the right price bracket for me?"
- "Is it worth it?"

**Level 3: Performance**

Here, customers begin comparing the brand with competing brands, to see if it delivers on its potential.

They're also starting to associate the brand with a specific identity, and they're beginning to recognize it and associate with it.
By now, the brand is on the customer's "short list" of brands to choose from.

Level 4: Advantage

At this level, customers have determined that there is a distinct advantage to using the brand, compared with others. They're also beginning to associate the brand with their emotions and with their sense of self.

Level 5: Bonding

Here, customers have established a bond with the brand. They've determined that cost, advantage, and performance are all at levels that they like.

They've also formed a strong emotional attachment to the brand; the brand has become an integral part of their self-image, and helps represent who they are. This, in turn, encourages them to exclude other brands in favor of this one.

Customers at this level are also likely to be vocal advocates of the brand, which helps to build further awareness of it within their family, social, and professional circles.

Note: It's often best to assume that customers move through each stage in sequence, from Presence to Bonding.

Applying the Tool

You can use the Brand Pyramid when you're thinking about the composition and design of your product or service, and you can use it when you're developing a marketing strategy for it. When you understand the five stages that people go through while they build loyalty to your brand, you can focus your marketing efforts on leading target customers through them.

Remember, however, that there is some crossover between each of the levels, and it may be difficult or impractical to focus on just one stage at a time.

Here are some strategies and tools that you can use when applying the Brand Pyramid to your own situation:

Presence and Relevance (Levels 1 and 2)

You're likely to have different groups of customers, with different wants and needs for your product, and with different potential levels of profitability. This is where you need to start understanding your customers' preferences in detail. It helps to use Market Segmentation here, so that you can focus on delivering offerings targeted at the distinct groups of people most likely to engage with your business profitably.

Your customers will also want to know how your brand fits with their wants and needs. Price is important here: if the price is too high, customers won't buy your product. If the price is too low, they might assume that quality matches the low price. This is where it helps to start thinking about the Marketing Mix, and the 4 Ps.

It can also be helpful to use Conjoint Analysis to measure buyer preferences. This can help you identify what your customers truly want in terms of the composition of your product or service; in turn, this information can help you fine-tune your product design to address these issues. (Kano Model Analysis can also be useful here.)

Remember, there is still little or no emotional attachment to your brand at this stage; customers are comparing price and value. As such, make sure that your marketing strategy addresses these key concerns.
Tip:
Different types of customer will be at different levels of the pyramid at different times. The Product Diffusion Curve helps you think about how you can target different customers at different stages of a product’s lifecycle.

Performance (Level 3)
To reach this stage, you need to show that your product or service is better than those of your competitors.

Ensure that your marketing materials give customers the information they need to compare your product with competing products. Depending on your audience, show your customers how much better your product is by communicating its benefits as well as its features (different customers may be interested in different things - some may focus on specifications, while others may be attracted by less tangible benefits).

If you haven’t already done so, conduct a USP Analysis, which will help you identify your brand’s uniquely valuable features. Enhance and reinforce these, and make sure that you communicate them strongly to your customers!

Advantage and Bonding (Levels 4 and 5)
To reach these final stages, you need to communicate the perceived further advantages of your product.

It might be lower in price or superior in quality to your competitors. However, “softer” influences may also be relevant here. Customers might begin to identify your brand with emotions such as fun, excitement, or approval from peers. In your marketing strategy, you need to address and enhance these emotions.

Once your customers have a strong emotional tie with your brand, they’re more likely to advocate its benefits to friends, family, and professional circles.

Here your brand likely has a culture surrounding it. Provide reinforcing rewards and incentives (whether explicit or implicit) to your most vocal advocates, host events that are important to your key customer base, and do whatever you can to reach out to your customers, on a personal level.

Key Points
The Brand Pyramid illustrates the five key stages that customers go through as they build loyalty to a brand, product, or organization. The five stages are:

- Presence.
- Relevance.
- Performance.
- Advantage.
- Bonding.

You can use the Brand Pyramid as part of the process of developing your product and your marketing strategy. Your aim is to get as many customers as possible to the higher levels of the pyramid.