



BRAND PORTFOLIO OPTIMIZATION

Objectives

A leading energy sector client asked members of the Millward Brown Optimor team for help in optimizing its brand portfolio.

Background

As a result of a merger, the client found itself with a brand portfolio of six retail brands which made no economic sense and was incompatible with the corporate goal of creating a strong presence in the United States. However, it was essential to keep several brands, in order to satisfy the needs of wholesaler customers, many of whom own more than one retail station in close geographic proximity. This was an emotional decision. The wholesalers were prepared to walk to competitors if they did not like the branding solution offered.

Analysis

Key members of the Millward Brown Optimor team conducted a full brand positioning and architecture assessment for the six different brands. This included qualitative research into brand perceptions among consumers in 11 regions, wholesaler and management interviews, and a quantitative assessment of the strength and performance of each brand, against the other brands in the portfolio and against competitors.

Recommendations

A demand driver model, based on analyzing and supplementing existing research, was used to link brand performance to retail financials. This model enabled us to measure the financial impacts of different brand architecture and positioning options. As well as the effects of varying strengths of brand equity, the model quantified the impact of different levels of marketing budget, and of tangible operational factors, such as different design and merchandising options for the gas stations and C-stores.

Action

The analysis resulted in a streamlined brand portfolio, which is being implemented throughout the United States. The brand architecture solution includes three brands with a differentiated positioning for each.

Results

Despite the retention of three brands, significant operational synergies have been realized, including a reduction of marketing spend by 20%, and common sourcing of products and materials for the different retail gas stations' brands.