



# The State of Brand Management in Lebanon

A Survey among Marketing Professionals in Lebanon.

August 2010

## Lebanese Brand Management Status

- **Brandcell** has conducted a first of its kind Health Check into the state of Lebanese brands to assess the current status of branding and to highlight opportunities in order to upgrade branding and brand management practices . The Health check will be also used to have a future benchmark Vs practices in other countries.
- The survey was done among 50 Marketing professionals belonging to various activity sectors in Lebanon. Nearly half of those companies have between 50 and 250 employees, nearly ¼ have above 250 employees and the remaining ¼ have below 50 employees.

**So, how do Lebanese Marketers view and develop their brands? Is Branding in Lebanon Healthy ?**

## Executive Summary

### The study revealed that :

- On the surface, Branding in Lebanon looks healthy according to Lebanese Marketers . Companies are engaged, there is a supportive management and a clear understanding of the brand core idea among customers.
- Although Lebanese Marketers believe in the importance of branding and its influence on customers' choice, they lack the full knowledge related to brand's economic value creation and to brand's relation to business strategy.
- Lebanese Marketers behavior is not always in line with their perceptions and attitudes or claims. Some of them are acting with over confidence which can jeopardize their brands.

## Executive Summary

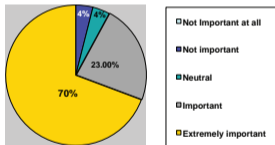
For Lebanese brands what counts the most is customer's understanding of core brand idea. The emphasis is put mainly on Marketing/Selling a core brand idea to customers rather than on real brand building.

The Practice of Strategic Branding in Lebanon can be improved further. Lebanese Marketers seem to be following the right path but they still need to devote more branding efforts especially to engage employees, have a more supportive management and have brands aligned with business strategy and operations.

# Lebanese Marketers Perception of Brands Importance

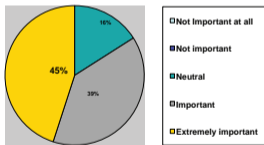
Lebanese Marketers believe their brand is extremely important for their business growth but it seems less important to their executive board. This fact reflects clearly that few CEO's and Owners have grasped and embraced brand building practices.

**" My brand is extremely important for my business growth"**



How important is the brand (s) to the future of your business?

**" Branding is extremely important to my executive board"**

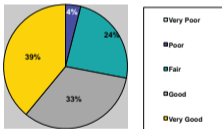


In your opinion , how important is branding to the management of your company ?

# Lebanese Marketers Perception of Strategic Branding

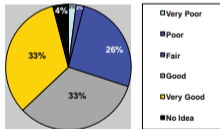
Only part of Lebanese Marketers have a complete understanding of how brands create economic value and how brand strategy is related to business strategy. There could be a confusion between direct return on investment and long term economic value creation.

**" Almost 40% of Lebanese Marketers have a very good understanding of how brands create economic value to the organization"**



Within your organization, how much understanding is there of how brand (s) can created economic value to the organization ?

**" My brand strategy is very well related to my business strategy"**

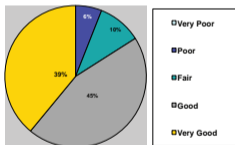


How closely related are the brand strategy and business strategy of your company ?

# Understanding of Core Brand Idea

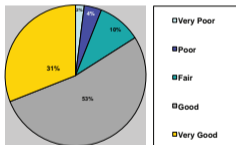
A relatively low number of Lebanese Marketers, have rated the understanding of the core brand idea as "very good" among customers and employees . This could be due to the low level of marketing investment and the lack of clear brand strategy formulation.

**" My Core brand idea is clear to my customers"**



In your opinion, how can you evaluate the understanding of your core brand idea to your customers?

**"...and well understood by my employees..."**



In Your opinion how well understood is the core brand idea within your company ?

## Understanding of Core Brand Idea

A closer look shows that a high percentage believe in the importance of brands' role in influencing customer's choice. But not all are using the market surveys required to steer their brands.

92% of all Marketers say their brands influence customer choice



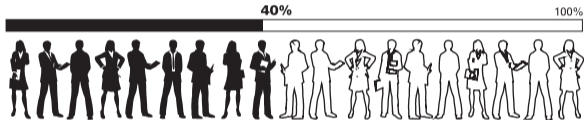
71% of all Marketers claim to survey their customers about brands.





## A Closer Examination

Only 40% say they know very well how brands can create economic value for their organizations.



Out of those, nearly 80% claim to measure Brands' Financial Value and Return on Brand and Marketing Investment.



## A Closer Examination

There is a low level of core brand understanding within companies. Branding is an inside out practice and has to start first with employees.

Only part of those companies is measuring the brand understanding among their employees. This contradicts the previous claims that most employees understand the brand core idea.

**Only 31%** of Marketers think there is a very good understanding of the core brand idea within their company.



Out of those only **31%** survey their employees about this brand understanding.



## A Closer Examination/Branding Basics

To understand if Lebanese brands are well managed, we need to look first if Lebanese Marketers are doing the basics .

- We have 3 basic building blocks of strong brands:
  - 1- Defining a core brand Idea
  - 2- Setting brand standards
  - 3- Surveying customers on brand issues

# A Closer Examination/Branding Basics

## 1- Defining a core brand idea :

Winning brands have a clear reason for being : A credible, relevant and distinct proposition. The proposition should reflect what the organization can do as well as its aspiration. It must meet customers where they are today but also stretch to seize future competitive opportunities. Strong brands have articulated this idea and use it to guide decision making.

## 2- Setting brand standards:

With a core idea defined, strong brands bring the idea to life in everything they do. Core brand values are communicated internally and externally, and are delivered at every customer touch point. Bringing the brand to life is executed in part by a company's development and adherence to brand standards, as these standards ensure that the holistic activities of the company serve to represent the brand in the Marketplace.

## 3- Surveying customers on brand issues:

Nearly every strong brand is obsessed with customers.

These brands know their customers intimately, how /why they purchase and make decisions, what they want from the brand, what they think of the brand , why they attach and why they sometimes reject. These companies spend time with customers , surveying them on issues related to the brand.

## A Closer Examination/Branding Basics

Most of the sample claim doing the basics required for building strong brands.  
Although **92%** said brands influence customers' choice :



Nearly **1/3** of those managers , are not managing their brands with the basic tools i.e. following brand standards and surveying customers.



## A Closer Examination: The Comparison

Comparing to a study done globally by Interbrand in 2007, and despite the global recession that happened ever since the comparison is still instructive, we found that Global Marketers identify Consistency as a top priority while for Lebanese Marketers Customer Understanding of Core Brand Idea is the priority.

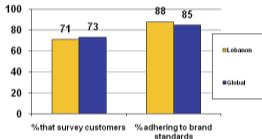
We also know from surveys' findings related to Global brands that Consistency and Authenticity are both hallmarks of strong brands.

Extremely important Aspects of branding according to Brand Managers	
Lebanon	Global
1- Customer understanding of core brand idea	1- Consistency
2- Communication/ Marketing	2- Understanding of customers
3-Clarity / Transparency	3- Message communication
3-Consistency	4- Creative / Design / Brand ID
4-Authenticity / Quality	5- Relevance
5- Awareness	

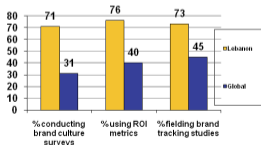
## A Closer Examination: The truth is revealed

- Similarly to Global Marketers, Lebanese Marketers declare they adhere to basics such as applying brand standards and surveying customers. They go beyond the basics and conduct brand culture surveys, ROI and tracking studies.
- Global Marketers are not over claiming. Could it be because they know how much more is possible ?

### Branding Basics



### Beyond the Basics



# The Brand Strength Payoff

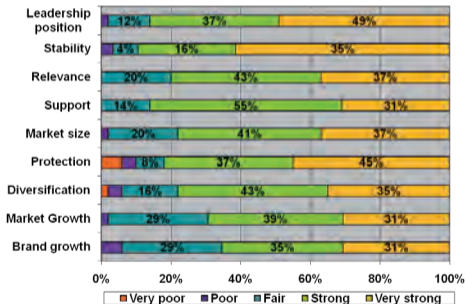
Brand strength is more than a concept, it's a quantitative metric. We have measured Brand Strength in Lebanon across the following dimensions:

Brand strength dimensions:	
<b>Stability</b>	Strength of relationship with customers , usually measured in satisfaction, loyalty and recommendation scores.
<b>Diversification</b>	Diversification of the business, usually indicated by geographic spread and international potential.
<b>Support</b>	Consistent investment and focused, high-quality support of the brand.
<b>Leadership</b>	Market leadership, usually indicated through high awareness, dominant market share and strong influence on the market.
<b>Relevance</b>	Strong ability to deliver against customer needs, often measured in consideration and first choice.
<b>Trend</b>	The overall trajectory of the brand, usually indicated by growth trends and growth sustainability vs. competitors.
<b>Market</b>	The dynamics of the market in which the brand operates , usually indicated by overall market size, stability, barriers to entry, and growth dynamics.
<b>Protection</b>	Legal protection of the brand.



# The Brand Strength Payoff

Lebanese Marketers have self-assessed their brands strengths and are fairly confident.



# The Brand Strength Payoff

- The objective of assessing brand strength is to see if brands managed using the basic tools are stronger.
- Strong brands have proved to create economic value at a lower risk and to outperform competitors.\*
- Within our sample some managers are applying the basics and are going beyond the basics too. This group is serious about brand management. We have selected 3 brands that are doing it all and we have conducted a more in-depth interview for a further understanding of branding practices and their incidence on the business.

\* ( source : Best global brands versus MSCI world index and S&P 500 index ).

# The Healthy Brands Examples: Aishti

*Interview with Bouchra Boustany- Marketing Manager*

Q 1. What role does your brand play in influencing the decisions made at your organization?

Our brand plays a vital role in influencing the decisions made at the organization as a whole.

Q2. Can you tell us what factors contribute to building a successful brand?

Strong positioning, sustainable competitive advantage, effectiveness, efficiency, clear strategy, building brand equity, successful branding and customer service

Q3. It is one thing trying to start doing lots of activities and it's another thing to build a system where all the parts and pieces work together. What have you learned about how to turn your brand management system on?

Protect your brand in terms of trademarks, logo etc., honor stakeholders, treat brand as investment, exploit financial potential of your brand, understand marketing functions + corporate communications.

## The Healthy Brands Examples: Aishti

**Q4. It appears that one of the things that defines strong brand are insights. What role does data and insights have in how you build your brand?**

Research based brand equity evaluations are extremely important in building our brand as are comparables, market segmentation, financial analysis, demand analysis, competitive benchmarking + brand value calculation.

**Q5. What role are your employee playing in reinforcing your brand value proposition?**

Provide superior customer service, reinforcing branding, CRM, building great customer experiences, create a customer lead culture.

**Q6. What would be missing if your Brand wasn't there?**

There would be a lack in the high-end luxury retail market.

**Q7. What is in your opinion the state of branding in Lebanon? What is unique about the practice of Branding in Lebanon compared to other markets?**

The state of branding in Lebanon is gradually becoming better with time as people are learning more and expanding their professional horizons.

# The Healthy Brands Examples: Crepaway

*Interview with Albert Thoumy Head of Communication, Strategy and Development*

*"Believe in your brands and everything is possible"*

Q 1- What role does your brand play in influencing the decisions made at your organization?

- The brand is leading the decision process for the main marketing activities and for the main decisions like expansion, communication, Investments...
- The driver influencing brand decisions is people's expectations. All decisions take into account what the brand stands for and are influenced by what people expect from the brand.

## The Healthy Brands Examples: Crepaway

### Q2. Can you tell us what factors contribute to building a successful brand?

- The most important factor is consistency. This is the most basic recipe for success.
- Crepaway is a casual restaurant conveying a young spirit. It offers good food and good mood. It offers good value for money. This is what the brand is about and will continue to stand for. In addition to this factor we adhere to high quality standards. We apply rigorous quality controls. We also abide by food safety and sanitation policies. The third factor is relevance to the Lebanese consumer. Crepaway is not a fast food restaurant. The food we offer suits the Lebanese consumer taste. The fourth factor is Innovation. We apply innovation at every stage of our expansion. Crepaway has created food concepts that are now widely used and have become great successes, such as the local Mexican beer concept, the Submarine sandwich and the SpielMozarella hamburger to name a few. The fifth factor is training. We train our staff continuously. We do some of the trainings internally and we also hire professional companies. We always refresh our knowledge of new techniques and continuously develop our soft skills.

## The Healthy Brands Examples: Crepaway

Q3. It is one thing trying to start doing lots of activities and it's another thing to build a system where all the parts and pieces work together. What have you learned about how to turn your brand management system on?

- At the beginning not everything was planned, but there was a certain "clairvoyance", a vision leading us in the right direction. This vision led us to a system that is driven by creating value for guests. We have a guidelines Book that we follow with certain flexibility.
- We always evaluate marketing activities before and after their implementation. This evaluation is based on the operation's feedback, the marketing objectives and how it serves the brand and creates value for guests. We keep archives related to previous activities in order to learn from these activities and improve on it in the future. This is why we always encourage young local talents. We encourage artistic and cultural activities. We sponsor audio-visual movie projects for graduating students. We sponsor photo contests and exhibit the photos in our restaurants. We like people to express themselves freely and we play a positive role in arts, movies and music. This is why our slogan "Come as you are" has become now more of a motto rather than a communication slogan. We like people to feel free.

## The Healthy Brands Examples: Crepaway

Q4. It appears that one of the things that defines strong brand are insights. What role does data and insights have in how you build your brand?

- Insights are very important to us. In addition to the continuous feedback we receive from our guests in the form of comment cards to evaluate customer satisfaction (15 000/month), we also run weekly Mystery shopper surveys in our various outlets. We receive insights form the market through market surveys. We run tasting research and focus groups. We continuously check trends in food and beverages. We use all the insights to develop adequate communication with our communication agencies. We also use the insights for Research and Development to come up with innovative products. Our menu is updated accordingly every year and a half and is completely modified every three years.



## The Healthy Brands Examples: Crepaway

### Q5. What role are your employees playing in reinforcing your brand value proposition?

- Brand image plays an important role in recruiting good talents in the first place. We receive a high number of interested applicants sending their CV to be part of our team. When we recruit employees we give them induction trainings and we introduce them to what the brand stands for. We also offer trainings on various skills. In addition, there is also a direct communication between the marketing department and the employees in the various restaurants. The marketing department conducts at least a weekly meeting with the staff to get their feedback and hear about their ideas. We listen to our staff and we act accordingly.

### Q6. What would be missing if your Brand wasn't there?

- A challenging force.
- Crepaway is an original casual restaurant: it offers a taste that is difficult to imitate, a unique mood created through the design of its restaurants and its advertising campaigns. There are always copies, but they are different because they lack authenticity.

## The Healthy Brands Examples: Crepaway

Q7. What is in your opinion the state of branding in Lebanon? What is unique about the practice of Branding in Lebanon compared to other markets?

- “Lebanese people are very good in creating concepts and ideas but they don’t sustain them properly”. Our main problem is consistency. We have good brands and good communication skills but we do not question ourselves enough to do something different, to apply high quality standards and to innovate. We need to sustain our brands especially because we are surrounded by markets that are interested in getting our franchise.

# The Healthy Brands Examples: Wild Discovery

*Interview held with Johnny Modawar, Marketing Manager.*

Q1. What role does your brand play in influencing the decisions made at your organization?

- Since its establishment WD brought a lot to the market by being the trendsetter in the travel industry introducing new destinations and wild journeys.
- The Reputation was born: "Who can do the hardest journeys can do the easy ones".
- Brand Positioning is at the core of WD strategic decisions. No matter what our decision is such as ventures, sponsorship, innovation, we take into account our core brand positioning as a "One Stop Shop".

## The Healthy Brands Examples: Wild Discovery

### Q2. Can you tell us what factors contribute to building a successful brand?

- Reliability is very important. The customer has to trust the brand . We know that we are perceived as reliable because our customers keep on coming back . We have tight quality controls and our team travels themselves to the various destination s and they check all details to make sure every trip is well organized. Our team provides all the necessary trip details . Our clients are addressed by professional and well trained people who offer a tailor-made service and respond to each clients 'specific requests. Our team is young, dynamic, modern and always available. We have managed this way to build a better brand image and to differentiate ourselves. We are available with a hotline service during 24 hours. We also innovate in the destinations we offer.
- So the factors are: reliability, trust and good service.
- We use marketing tools as well to build our brand image through good communication and through branding. WD was the first in the category to give importance to Image and Packaging and to Advertise.

## The Healthy Brands Examples: Wild Discovery

Q3. It is one thing trying to start doing lots of activities and it's another thing to build a system where all the parts and pieces work together. What have you learned about how to turn your brand management system on?

- WD has Brand Guidelines and Standards that are followed along with a communication strategy. All joint activities done with other brands are selected as per the Brand guidelines.
- For example we select partners whose image is in line with ours (such as Librairie Antoine, Virgin Megastore, Light FM). The brands need to be perceived as young and addressing a well educated clientele. Our network contributes also to increase our Brand exposure. We do window animation and our team wears the colours of the country /destination that is being promoted thanks to the alliances with tourism offices in many countries .
- Currently our agency teams are wearing the colours of Jordan for ex.

## The Healthy Brands Examples: Wild Discovery

Q4. It appears that one of the things that defines strong brand are insights. What role does data and insights have in how you build your brand?

Data and Insights are important to us. We provide our clients with a satisfaction questionnaire inserted in each tickets leaflet. We have a customer care unit as well to collect client's feedback. We receive a feedback on our website too and we send a newsletter (around 12000 copies) to our clients. In addition to this we undertake *Mystery* calls once a month and we do after sale contacts with clients to measure satisfaction.

Q5. What role are your employee playing in reinforcing your brand value proposition?

Employees carry the Brand on their forehead as WD is in the service business where expert advice is key. We select the best people to work with us as this is crucial. WD does a lot of training with the tourism offices and has an In House training Academy for new graduates in tourism.

## The Healthy Brands Examples: Wild Discovery

Q6. What would be missing if your Brand wasn't there?

- The only real Brand of the travel industry in Lebanon.
- Our brand is the only brand who stands on its own and who has an identity by itself within the travel industry. Most agencies are mainly linked to a person. If Wild Discover was not there, the reliable brand and the high quality service would be missing.

Q7. What is in your opinion the state of branding in Lebanon? What is unique about the practice of Branding in Lebanon compared to other markets?

We have quite a few Landmarks in Lebanon. Some of them are being franchised which is a good sign. For ex: Aishti the brand has a lot more value than its assets. (WD has been approached for franchise but we are still not ready).

# Summing it Up: A Business Opportunity

## So, where do Lebanese Brands go from here ?

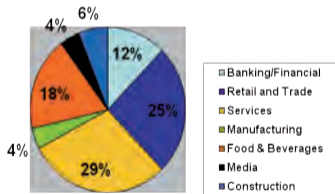
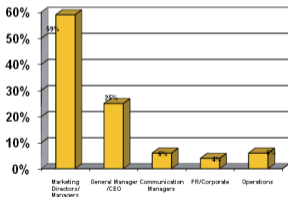
- Brands needs to be managed like a strategic asset. The main tools need to be used.
- A simple 3-step approach can help to build brands :
  - Conduct a brand audit & opportunity assessment to diagnose gaps and to identify opportunities for immediate impact.
  - Build a brand roadmap that aligns activities and practical initiatives that build brand strengths and business results.
  - Implement Brand Engagement workshops among employees
- Today we know brands are a company's most valuable intangible assets. The state of Lebanese brands currently holds lots of potential and presents a great economic opportunity.



## Background: Who provided input for this survey

In Lebanon 50 respondents participated in the survey. They are Marketing Directors and Managers, General Managers/CEOs, Communication Managers, PR and Corporate Managers.

Respondents belong to 27 different activity sectors that can be regrouped as follows:



## Background: What we asked

- The study covered the following topics:
  - Influence of brands on customer decisions
  - Importance of brands and brand's management
  - Level of internal and external understanding of core brand ideas and how brands create economic value.
- Current branding practices, including :
  - Positioning definition
  - Brand and business strategy connections
  - The role of brand within various areas of the company
  - Budgeting and resources
  - Use of customer research and other brand measures
  - Adherence to brand standards.
- Brand strength as perceived by the company across a range of dimensions including stability, diversification, support, leadership, relevance, trend, market and protection.