

Brand building vs ROI - what should your marketing agency focus on?

 By [Daryn Smith](#)

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When I was studying marketing, my lecturer said that one of the best ways to spread brand awareness is through your customers.

This is because satisfied customers tend to tell their friends how great your brand is, essentially doing your brand building for you.

The more customers you have, the more brand building you're doing

This is a key point that a lot of marketers miss. Instead, they focus on other methods of brand building, spending the vast majority of their marketing budgets on expensive advertising, flashy events, top athlete sponsorship and so on.

These marketers conduct regular research to gauge the effects of their efforts. This research might show that more people now know about your brand. It might also show that people are getting the image of the brand that you hoped to project. The assumption is that so long as the research results show that brand awareness is spreading, you'll get more customers.

Unfortunately, this isn't always the case. To complicate matters further, this type of research is also notoriously easy to manipulate or misinterpret.



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There's too much of a focus on brand building and not enough on acquiring new customers

As a result of this bias towards brand building activities, marketing budgets continue to shrink as CEOs complain that they're not seeing any concrete return on investment. Of course, we're not saying that brand building isn't extremely important; it is. It's vital to know how you differentiate your product. Just look at brands like Apple, who are absolute wizards when it comes to brand building. They know how to create a brand that consumers fall in

love with, and it's a strategy that works incredibly well for them.

What we are saying is that your marketing agency should spend closer to 50% of their efforts on brand building and 50% on marketing activities aimed at acquiring new customers and generating ROI.

Brand building and customer acquisition aren't necessarily separate activities

You can find new customers in a way that simultaneously spreads brand awareness. For instance, brand building can be done through the creation and distribution of quality content. Strategically creating and sharing quality content will result in more and more potential customers ending up on your website and seeing your value proposition.

This constitutes brand building, because you're positioning yourself as a thought leader, putting your opinion and ethos out there and showing potential customers why your brand is different.

At the same time, however, these activities are also bringing in new leads and converting them into customers. This is an excellent example of how both brand building and customer acquisition can be achieved by one coherent set of marketing activities.

Non-retail and B2B brands can afford to run marketing campaigns that are 100% ROI-focused

In the B2B sphere, marketing programmes that are 100% ROI-focused work really well. This is mainly because the longer sales cycles, lengthy approval processes and in-depth research involved in B2B purchases mean that buyers turn to the internet - making them easy to target through ROI-driven digital marketing.

When it comes to FMCGs (fast moving consumer goods), however, brand building becomes much more important. Again, you just have to think of mega-brands like Apple to understand the payoff associated with having a formidable brand identity.

That said, it is still possible to compete with giants like Apple using ROI-focused marketing. A small competitor that can't afford multi-million dollar ad campaigns can employ an ROI-focused marketing programme and succeed in slowly taking market share away from Apple.

While this will be a slow process, the small competitor will be able to track the return on each marketing activity, ensuring that they remain within their budget while still pulling in as many potential customers as possible.

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