

Analytics for the Digital Defence of Brands



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Warren Buffett recommends that consumer firms “put a moat around their brands”. But the arrival of digital-first competitors, means they might need something more up to date. Consumer firms’ strategic positioning rests on the power of brands – so everything depends on a firm’s ability to defend its brands. We discussed recently [how strategic dashboards can monitor and drive performance of brands](#), but to defend a brand against digital first competitors, needs something more.

The Digital Defence of Brands

Let’s look at a modern military analogy. The military look to detect threats as early as possible and invest in monitoring and early warning systems. Scenarios are prepared for and responses are planned and rehearsed.

Often in commercial settings incursions by digital first competitors will only be recognised once brand performance is suffering. By this time, much of the damage is already done, market share will be affected, and more time will be lost while a response is formulated and implemented. To effectively defend a brand against digital attacks, firms need something more.

The good news is competition from new digital first brands is distinctive, and elements are predictable. Therefore, scenarios can be planned for, early warning systems set up and defensive responses rehearsed in advance. For example, a competitor launches a new offering which is a better fit for our consumer’s preferences and uses digital channels to target that segment at low costs. Our priority is to detect this competition from the start, not when the competitor starts to take share. What we need is a response time that can be shortened to match the problem.

So how can this be achieved? The answering is in designing analytics differently.

Designing Analytics for Digital Defence of Brands

Analytics for brand defence should be designed for specific scenarios. For each scenario we use analytics to;

- Develop scenarios
- Prepare a response
- Provide early warnings

Developing Scenarios

A variety of possible scenarios are developed during the design process. Subject matter experts should be consulted to identify scenarios. They share their experiences of damaging events and situations in which competitors exploited weaknesses. They are asked how they would attack our brands if they were a competitor. They are asked how they would identify an opportunity to take share from a competitor. Analytics supports this exploration, with techniques such as segmentation analysis, used to identify any mismatches between evolving needs and offerings. Analytics can also quantify the brand vulnerabilities as well as the overall likely impact of the scenarios.

Preparing a Response

Analytics also supports the subject matter teams in preparing a response to the scenarios. Hypotheses can be generated and tested and plans evaluated. Actions that could be considered and evaluated could be; releasing budget reserves, actioning digital marketing teams to engage the target segment with counter messages and counteroffers, paying special attention to early adopters, or tasking product development with creating spoiler offers. The costs and impacts of each of these actions can be modelled in advance and selected.

Providing Early Warnings

Once the scenarios that need to be detected are understood, monitoring of web and social traffic to detect the new competitor can be established. Listening out for digital conversations that are related to the characteristics of your scenario, will provide an early warning system and help you assess if it's time to put the responses into action.

Digitally Empowered Fast Responses

Fast responses to events have value in many settings. Analytics is used, for example, in electronic trading rooms to spot arbitrage opportunities, in process industries where process parameters are continually adjusted to optimise yield, in demand side advertising platforms where ad buying opportunities are seen and taken in milliseconds.

In these situations, analytics can identify a pre-defined issue or opportunity, classify it and select a pre-programmed automated response. While brand defence is more complex and defining the scenarios and preparing the responses is more challenging, the principle is the same. We just need to apply it.



Analytics designed for digital defence make your brand defences stronger, and your responses to any threat faster and more effective. The vision is to reduce the vulnerability of your brands and make your defences so fast and intense that you will deter any attack. Perhaps that would constitute Warren Buffett's moat after all.

