

## Brand Sacrifice: Recipe For Success In Millennial Market?

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by Dr Jones Mathew

“Brand sacrifice” is the giving up of a current or prospective revenue source for the greater good of the environment, society or consumers, without any legal compulsions to do so. It comes from what Edward Freeman termed “stakeholder model of CSR”. Brand sacrifice flows from a company's CSR response to the needs of stakeholders, customers, employees and communities. The voluntary nature of brand sacrifice is likely to have a positive influence on brand attitude (attitude of consumers toward a brand). Brand sacrifice has the ability to change brand attitudes for the better. Or if they are already positive, then it could help in reinforcing them. However, it must first be determined how the sacrificed “thing” is perceived to be important by the target segment or not. Brand sacrifice is painful. It leads to giving up revenue as a result of the sacrifice. In a highly competitive market place to “give up” a lucrative revenue stream for objectives and goals not looked upon by investors as conducive to their short term ROI aspirations is tough. For decades, many brands have operated unethically. The \$333 million awards against Pacific Gas & Electric Company (PG&E) was made famous in the 2000 movie “Erin Brockovich”. Cigarette and tobacco product companies the world over have caused billions of dollars' worth of health-related issues. The same applies to carbonated beverage companies and fast food chains that have similarly created obesity and diabetes problems across the world. Pharmaceutical companies are no strangers to driving sales of revenue-generating drugs which have harmful side effects. The list is long. The question is: can businesses escape for long the dubious distinction

of being not much concerned about their polluting, harmful, short-sighted perspective on acquiring profits? In a global survey of 30,000 respondents across many countries, 72 per cent of the respondents stated they felt businesses were failing to take care of the planet and society as a whole. On the other hand, the same report mentions that industry leaders in sustainability are not being rewarded enough by the market. So why sacrifice if the consumer does not see the value and buy more of these brands?

As in the case of CSR, brand sacrifice needs a long term vision. The vision though does not have to be achieved only by big, expensive moves. TESCO in the UK achieved brand sacrifice by removing candy from its check-out counters - a small but effective testament to its commitment to customers' health. NDTV, the English news channel in India, gave up all advertising revenue coming via fairness creams (a market predicted to be Rs 5000 crore by 2023). Pullela Gopichand, the All England Badminton Champion of 2001, at the height of his fame refused a Coca Cola endorsement in that year. **Amitabh Bachchan** refused a Pepsi contract around 2010. These were sacrifices that cut out a lot of revenues from the short shelf lives of such celebrities.

It is, however, important to differentiate the above from what some other companies have done: **ITC** moved its focus away from its tobacco business, McDonald's shifted focus to healthier meals; Pepsi moved into health-related drinks and all of them committed to giving up lucrative revenue streams in anticipation of a shift in customer concern. These are not brand sacrifice examples in the true sense because none of them has entirely given up their core unhealthy and harmful products yet.

Among the advantages that companies can leverage from brand sacrifice, one is that it can build relationships with a community of customers. The knowledge that "my brand (Body Shop for instance) has done away with animal testing" will surely give animal-loving cosmetic users a reason to bond and cheer, or Intel would have given some principled tech geeks a high when in 2014 it announced it would no longer use any materials from conflict zones. The brand rises in the community's perception. Relationships thus created would be stronger than if the brand were merely a luxe cosmetic name or the most widely used computer chip. Brand sacrifice can affect consumer behaviour, decision making, and overall sales. Millennials are searching for "Purpose" beyond just a product. Millennials, as per a study by Initiative, prefer Trustworthiness and Authenticity as two of the five most important attributes in a brand. Other important attributes they look for in brands today are that "brands should actively participate to improve causes, and brands should use their power and potential for the good of society". They are willing to offer their loyalty to "brands which help improve societal or ecological issues".

Brand sacrifice could help a brand find customer love and loyalty in this new world of aware and caring customers. Consumers today expect brands to "walk the talk". They are jaded by just the talk which brands do all over traditional and digital channels. They want brands to kill verbal chatter and build the action factor. The profit motive alone

does not cut ice anymore. Yet a survey among millennials in a higher educational institution in India among postgraduate management students (2019) found that most did not know of brands that “sacrificed” anything. With assisted recall, a few managed to faintly recollect something they had read in the news “a long time ago.” Focus group discussions brought forth the view that “just because a brand has sacrificed something does not mean it will be purchased unless the quality and the price are right”. This brings to the fore two important insights: awareness about brand sacrifice is minimal and brand sacrifice will only work when quality and price are acceptable.

Suggested steps for marketers thinking of giving up a lucrative revenue source based on a moral stance:

Step 1: In line with corporate/brand vision, identify one or a few “sacrifices” that can be made

Step 2: Check through market research if those sacrifices are greatly valued by the target audience

Step 3: Factor in and plan for the revenue loss into profitability forecasts

Step 4: Devise a suite of specific communication messages and platforms

Step 5: Measure brand perception and intention to buy the brand before the sacrifice and its communication to the target audience

Step 6: Sacrifice and communicate effectively and iteratively to build a positive brand attitude

Step 7: Measure post communication brand perception and brand attitude and course correct if needed

Would communicating a sacrifice be considered by consumers as pompous self-praise? Not if done with the right message and in the right manner. Communication is a must. Else, a good deed would be lost on both the brand’s employees and its customers.



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The article can be read online [here](#).