



Our Guide to CBD Brand Analysis



BRIGHTFIELD GROUP



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Introduction

The American Marketing Association defines a brand as “A name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name.”

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Every company needs to undergo brand analysis work at some point. Whether that is creating a new brand strategy, measuring brand health, or understanding consumer perception, brand analysis is an invaluable part of the strategic and tactical work that needs to be done on an ongoing basis to ensure your business is aligned. In CBD, consumers are still exploring which brands fit best with their needs and lifestyles, so it is up to each company to think about their brand and the unique attributes and values they can offer consumers.

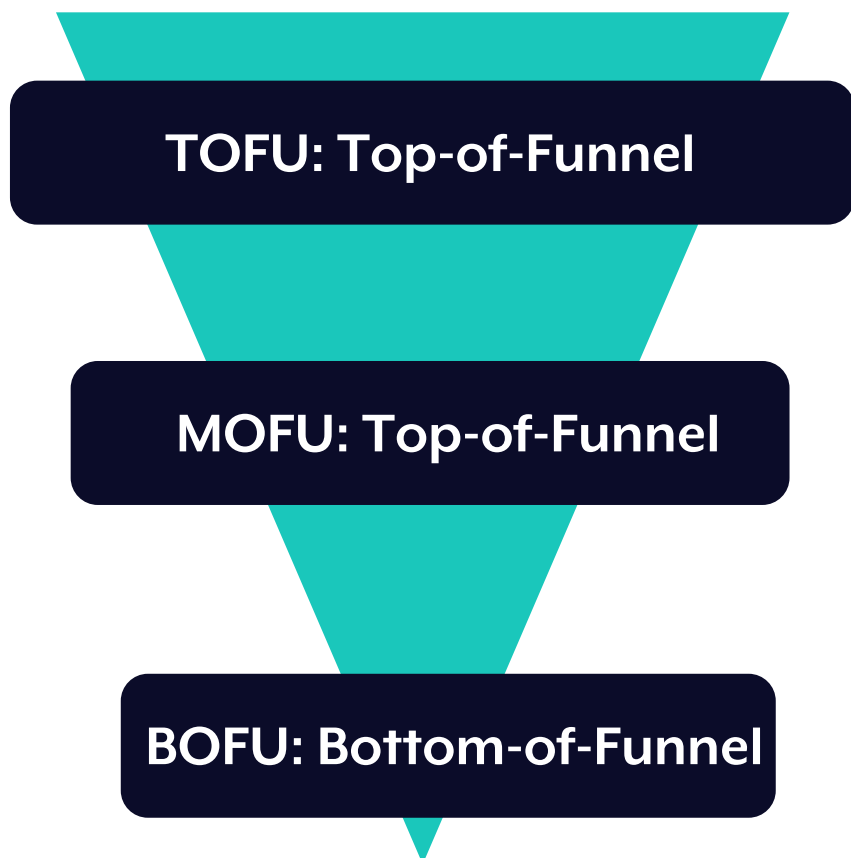
Funnel Stages

You have likely heard of the sales or purchase funnel. For B2B or B2C companies, this funnel represents each stage in the customer’s journey, and can be broken down like this:

- **Awareness** – Consumers that have heard of your brand (TOFU)
- **Consideration** – Consumers that would consider your brand when purchasing products you sell (MOFU)
- **Purchase** – Consumers that purchase from you (BOFU)
- **Loyalty** – Consumers that purchase from you more than once and are likely to recommend you to others. These are often called “advocates.” (BOFU)



TOFU? MOFU? BOFU? What's that? These are ways of categorizing different stages of the funnel which often require different marketing activities, sales engagements, and calls to action:



The way you approach TOFU is extremely important, because this could be a breaking point for the consumer. If you get off on the wrong foot with a segment of your potential customers, this might cost you a lot later on. Identifying the right marketing mix for the consumers you want to target is vital at this stage.

Middle of the funnel is the moment you have to “grab” them. This is when a user is about to become your customer, but they’re not ready yet and might easily slip away.

Each of these stages can be broken down further, especially as you get towards the bottom. Tracking stages like Purchase and Loyalty is crucial to drive additional sales from existing customers. One stage that is often included towards the bottom is Advocacy which is essential for attracting like-minded new customers that are highly likely to purchase again and recommend your brand.

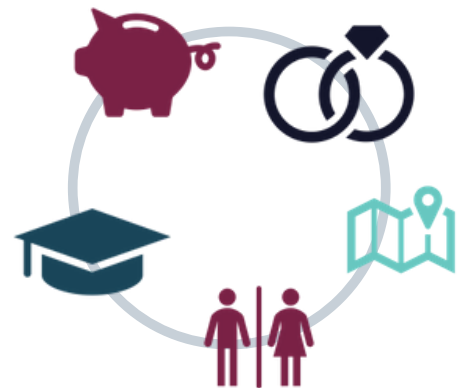
CBD companies are especially conscious on how they can transform consumers into customers – that is, moving them through the funnel and ideally becoming loyal advocates of the brand. Consumers of all kinds will have different expectations in each stage of the funnel. Brands need to ensure they are offering the right messaging, offering, and experience for consumers as they become more engaged with a brand.





Consumer Demographics Across the Funnel

As mentioned, consumers can expect different things from a brand depending on where they are in the funnel and which brands they choose to engage with. On top of this, consumer demographics like age, income, gender, and education play a large role in how brands engage with consumers. Building out profiles of your consumers in each stage of the funnel is essential to identifying gaps and creating opportunities for increased conversions.



Let's look at a scenario:

A CBD brand is evaluating its brand health, one of the many brand analysis efforts all companies should conduct. They notice that middle-class, Millennial women under 30 are aware of and would consider their brand when buying CBD oil but there is a massive drop off when they analyze the purchase stage.

Why are these consumers not buying from the brand?

The CBD brand will want to take a look at their mid-funnel marketing and sales activity to ensure they are properly nurturing those consumers into the purchase stage.

Additionally, the brand notices that white Gen-X men are the primary consumers that purchase their products and are even loyal to the brand.

A key priority of the brand's marketing team will be to discover insights about that consumer segment so they can further attract them to the brand. By increasing the percentage of those consumers that are aware, they are bringing in a specific consumer segment that is already more likely to purchase.





Persona Penetration

In addition to demographics, purchasing patterns, and social media interests, entire consumer personas exist in CBD. These personas encompass demographic, purchasing, psychological, and social media patterns. Each persona navigates CBD in different ways and for different reasons. Thus, they each engage with brands in unique ways as well.



Just like our scenario above, these behaviors happen at the persona level. Brands should be able to identify which personas they have, or have not, successfully engaged as well as understand what the persona penetration is across the brand landscape. This helps them gauge how well they are winning across entire consumer segments that are only growing larger as CBD enters the mainstream.

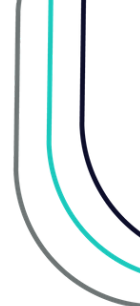
Brand Loyalty, Perception, and the Net Promoter Score

Have you ever felt particularly passionate towards a brand? Was it because of their product quality? Their brand voice? Packaging? Customer service?

Whether we consciously think about it or not, these are all things that determine preference towards brands and influence our purchasing decisions. Companies want to understand from consumers across each stage of the funnel what it is about their company that brings them in, as well as – and more importantly – what turns them away. The attributes that attract consumers may not always be aligned with what the company thinks are their strengths, so it's important to get consistent feedback loops with consumers to drive new product initiatives, communications strategies, and much more.

Brand Loyalty is what all companies hope to achieve for their customers. What is it about your brand that makes customers loyal? How do you convert interested or one-time purchasers to be long-time buyers? It could be anything from how you price your products to what your company does for the environment, and consumers will tell you what it is in the right circumstances.

If nothing else, companies should prioritize increasing their Net Promoter Score when working on their brand health. The Net Promoter Score (NPS) is a benchmark used to measure customer satisfaction and how likely customers are to recommend your company. If that number is decreasing, customers may not be satisfied for a number of reasons (which requires further investigation).



Consumer Engagement with Brands on Social Media

Brands post on social media. Consumers post about brands on social media. Pretty obvious, right? The insights pulled from those consumers' social posts may not be as obvious to brands looking to understand how their consumers talk about them on social media. This can range from the products of specific brands, the sentiment they feel about that brand, as well as the context in which they talk about the brand.

Companies want to understand who is talking about their brand on social and why. There are many ways to do this and the most popular is to use social listening tools. For many, however, these social listening tools are only targeting the people that actually post on social media – and they are often the loudest, further skewing the data. Getting real social data from real consumers is not only more accurate, it fuels more impactful decisions.



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