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# Getting R&D and Brand Marketing In Sync

R&D builds the foundation for brand development, allowing companies to position their brand as a market leader and leverage that investment to optimize customer and consumer perceived value.

*by Steve Hanson*

# Getting R&D and Brand Marketing In Sync

The importance of synergy in developing and establishing markets

*by Steve Hanson*

**W**ith the global regulatory climate becoming more stringent, ingredient suppliers and finished product manufacturers require more scientific validation. Whereas 10 years ago, ingredients and supplements may have been introduced on anecdotal evidence or a traditional use, that is not the case in the current market environment. Today, most products are introduced with the benefit of safety and clinical studies.

The greater need for scientific validation and its role in supporting claims has resulted in research and development (R&D) and marketing working more closely together from the onset of product development through commercialization. If your R&D and marketing departments are still functioning as independent entities with no cross-interaction or common plan, it is likely your company is struggling to keep pace versus companies that have an integrated strategy. The R&D and marketing plans must be in sync to achieve any significant level of success.

## How R&D Builds the Foundation for Brand Development

For products in the nutrition industry, R&D is a primary driver contributing to brand growth. R&D can discover a breakthrough new product or provide product attributes that allow a company to differentiate its offerings from competitors. Although it may be an overused buzzword, true “innovation” drives this industry and should be an emphasis for both R&D and marketing initiatives.

My definition of “innovation” means accomplishing something uniquely new and different. This requires setting a leadership agenda and working to establish a company’s expertise. Unfortunately, a common mistake in the nutrition industry is for a company to set its R&D/marketing agenda as a response to the competition. Such a company will find it very difficult to establish transcendent, innovative products. One truly never gets ahead by following someone else.

Given this understanding, it’s important to identify areas where R&D can impact brand development and growth. These include:

- **Discovery of Novel Technology:** Development of an innovative product or technology that allows a company to secure patents, thereby offering a competitive advantage.
- **Recognizing Functional Benefits:** Understanding the attributes of a product that are tangible or physical. What is the product? What does it do? How does it function?
- **Substantiation of Claims:** Providing acceptable study design and proper execution to support product claims.
- **Application Research:** How the product works in various applications, formulations, etc.

Ingredient suppliers are increasingly facing demands from manufacturers requiring at least one human clinical study prior to even considering an ingredient for a finished product. Some companies feel more comfortable with several studies. From a marketer's perspective, one must take the R&D information and utilize it in the most compelling way. Excellent and meaningful information helps marketing in developing a brand positioning statement that articulates a product's unique vision to the target audience.

## **R&D's Role in Establishing a Brand Position**

A brand position is an important part of communications that seeks to own an idea in the mind of your target audience that's relevant, differentiated and believable. Brand positioning is important for establishing focus and delivering a consistent message over time and throughout everything you do.

R&D plays an important role in a brand's position. For a new discovery, it may result in the creation of an entirely new marketing category. Other times, R&D initiatives can realize an outcome, such as improved absorption and bioavailability, allowing one to differentiate a product from its competitors. Maybe most important is that R&D provides the validation for supporting claims so people believe what you say is true.

## **The Importance of Brand Positioning**

Establishment of a brand positioning statement and working to generate its awareness among your target audiences is a critical part of marketing communications and business success. Effective positioning establishes focus and drives action toward its realization both internally and among your target audiences. In developing a positioning statement, the following questions must be considered:

- What makes your product relevant to your target audience?
- What is the most significant benefit your product offers?
- What unique place can you occupy in your prospect's mind that will make your product different from the competition?
- How can the message be as simple as possible yet still be meaningful?
- Can the position be meaningful for the duration of the product's life?

As with any planning initiative, whether it relates to R&D or marketing, one must begin with the end in mind, set goals and measure performance along the way. Even though it may take several years to realize the end result, having a well thought out business strategy drives a company toward success.

## **Creating Context: A Brand Positioning Model**

Many times it may seem that R&D and marketing may not be completely on the same page. The science team never quite understands the marketing's team's agenda or vice versa. To this end, it's important to create a context everyone can buy into and understand. A good model can help provide this framework.

Effective positioning can help create organizational clarity and synergy. An effective positioning model can be delineated into five elements:

- 1) **Target Audience:** To whom you intend on marketing your product.
- 2) **Brand Name:** The name of your product. Great names can make the right impression and reinforce a brand's position.
- 3) **Frame of Reference:** This establishes meaning for your target audience. Often, this is referred to as a category, which is a grouping of products that perform the same essential function. For the nutrition industry, categories are often grouped by ingredient type as "vitamin C supplements" or by health condition as "weight management supplements." The category establishes context for where the product is competing. The establishment of the category is called the frame of reference.
- 4) **Differentiating Benefit:** The single most important factor for product success is the establishment of an appropriate differentiating benefit or value proposition. The differentiating benefit and value proposition must be unique to the product and/or company. R&D initiatives should strive to strongly differentiate a product from what's currently available in the market.
- 5) **Reasons to Believe:** The factors that allow your target audience to believe that your differentiating benefit/value proposition is true. If your brand has a strong differentiating benefit, you'd better be prepared to back it up. That's where R&D offers credibility by providing fact-based support for claims.

These five elements can be combined into the following model to write a positioning statement.

### Positioning Statement Model

*For (target audience), (brand name) is the (frame of reference/category) that provides (differentiating benefit/value proposition) because of (reasons to believe).*

Even though the model is straightforward and uncomplicated, it can still take a significant amount of time to complete. One always has to consider how nuances in language will resonate with your target audiences along with getting everyone within the organization to agree.

## First-Class Research Generates Brand Confidence

Companies that invest in research demonstrate commitment to growing the market. As the trade and consumers associate a brand with solid research, it creates confidence and trust in those products and people will feel more comfortable in purchasing them.

Companies introducing new ingredients often become the driving research force supporting an ingredient category. These manufacturers invest in the development of the product along with the safety and clinical studies necessary to introduce the ingredient. Time and time again, finished supplement manufacturers will utilize research conducted by ingredient suppliers in support of their brands.

Many of the ingredients supported by research are branded. A brand is an effective tool in generating acceptance and trust. Marketing studies demonstrate people are likely to pick a brand or "the best brand" over a non-branded option. Given this fact, it's important to have a brand strategy and create the appropriate meaning for your brand. Brands such as MEG-3®, FloraGLO® and Ester-C® have worked hard in generating confidence from significant planning and investment that went into developing, clinically testing and marketing these brands. That's why highlighting branded ingredients such as these can be an effective marketing tool.

## Case Study: Meriva® Bioavailable Curcumin



**Supplier:** Indena

**Source material:** Turmeric

**Benefit:** Inflammatory Response, Joint Health

**Marketing strategy:** The category for joint health was large and established. Other ingredients in the category were maturing with less differentiation among supplements. The goal was to differentiate Meriva as a unique formulation of curcumin and soy phospholipids improving absorption and efficacy.

**What made the brand:** Having a strong and compelling point of difference and supporting it with safety and clinical data. Meriva was introduced in 2010 and that year three clinical studies supporting its benefit for the natural inflammatory response process were published. In 2011, Indena published a study showing that Meriva was more readily absorbed than a standard curcumin extract. The scientific support made an impact in the market.

## Leveraging R&D to Make it a One-Horse Race

The best way to win a race is to ensure the competition never gets close. That might seem like an impossible task in today's crowded nutrition market, but there are some ways to make it happen.

First, assume thought leadership for your category. If you act like a leader, people will follow you. This philosophy needs to be inherent within the company and the R&D department. Your research needs to be the type that gets published in reputable peer-reviewed journals and is referenced as the industry standard. This may mean breaking conventions and doing what your competition isn't.

Next, fanatically differentiate your brand. It's hard to get noticed if your product is the same as everyone else. Establish your point of difference and focus on differentiating it through your R&D plan.

Then, secure intellectual property (IP) and protect it. IP has become the hottest commodity in business today, and smart companies are ensuring their ideas are safe and protected. Effective IP plans include both patents and trademarks on a global scale. Just securing it isn't enough, a company must also be willing to vehemently defend its IP, even through legal action. Protecting your product from knock-offs and their claims can keep you on high ground.

Finally, remember that in the nutrition industry, science counts. The more scientific information you can provide to your customers, the better. Proving your product does what it claims provides a competitive advantage. Continuing to invest in science for your products will ensure long-term success.

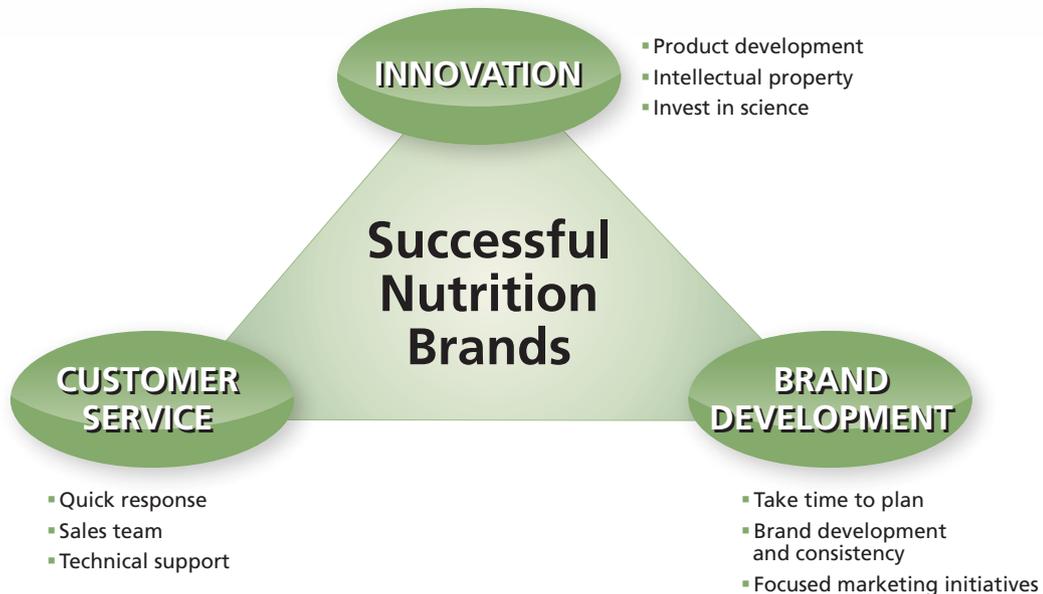
## Organizing Your Company for Success

When evaluating extremely successful brands in the nutrition industry, three common aspects emerge. These are:

**Innovation:** Successful nutrition brands are always innovating. These companies are always developing new products or making existing portfolios better. They invest in science and are passionate about the effectiveness of their products.

**Brand Development:** Winning nutrition brands believe in the value and power of the brand. These companies take time to plan out a strategy and implement it.

**Customer Service:** Thriving brands focus on being responsive with their customers. In today's information-based world, providing the right information quicker than a competitor is an advantage. Organizations focused on customer service also support customers through the appropriate sales and technical teams.



## The Future of R&D's Role in Adding Brand Value

There's no questioning the value of R&D for supporting a brand. R&D offers the support in differentiating a product along with supporting the claims to make that product believable. In a world where everyone expects openness and transparency, it's clear R&D's involvement will only become more significant. Consumers are looking for the honest truth and will go to great lengths to find it. Therefore, it is imperative companies invest in research to support their products and claims. When you combine the need for greater transparency with increased regulatory scrutiny, cutting corners is no longer an option.

Understanding the vital need for R&D is important in continuing to grow this dynamic and vital market. Never has there been such a time where consumers have felt so empowered to take over the health decisions in their lives. These decisions are incorporating healthier and alternative options such as supplements. What an exciting time to prove how our brands contribute to better health. □

*Steve Hanson is the CEO and owner of GRIP IDEAS, a company focused on providing market development strategies to build global businesses in the nutrition industry. He has worked with a number of leading international nutrition brands and is considered a worldwide expert in ingredient branding through his involvement with FloraGLO® lutein, Ester-C® vitamin C, MEG-3® omega-3 and Meriva® bioavailable curcumin. Hanson has shared his unique marketing perspectives at industry conferences and through writing articles for a number of trade publications and websites.*

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