



CASE STUDY



BROWN-FORMAN

CASE STUDY: BUILDING MARKET DOMINANCE THROUGH INNOVATIVE MARKETING CONCEPTS

How a global liquor giant pushed outside its thinking comfort zones to stake its claim in a highly competitive market



OBJECTIVE:

To sell more products in a highly competitive market by continually pushing the envelope in developing cost-effective, “killer” marketing initiatives.

Brown-Forman is the Australian arm of global liquor giant Brown-Forman Beverages Worldwide, a division of Brown-Forman Corporation, one of the largest American-owned wine and spirits companies. Through Brown-Forman Beverages Worldwide, Brown-Forman produces and markets many of the most well-known and best-loved wines and spirits in the world.

In Australia, Brown-Forman markets five principle spirits and liqueurs, the best known of which is Jack Daniels Tennessee Whiskey. Brown-Forman also markets a super-premium small batch bourbon, called Woodford Reserve, manufactured in Versailles, Kentucky.

The three other main brands that make up Brown-Forman’s Australian offering are Southern Comfort (the company’s second biggest seller, locally), Finlandia vodka, and Tuaca liqueur.

The General Manager of Brown-Forman in Australia, with responsibilities for the Asia Pacific region, is Michael McShane.



CHALLENGE:

To develop new and better ways to come up with and implement “killer” marketing and promotional ideas.

Brown-Forman has enjoyed considerable marketing successes with its major brands in Australia and New Zealand, but the company continues to search for new and better ways to identify and develop more cost-effective marketing communication strategies.

What Michael McShane and his predecessor, Carmen D’Ascendis, wanted from the Brown-Forman team—with all its knowledge of and experience in a highly competitive market—was to come up with not just good ideas but “killer ideas.”

The company was already using a process called ideation to generate new marketing ideas. This hybrid of “ideas” and “creation” had been employed successfully by team members to identify and develop new ways to sell more product.

Both in the US and globally, Brown-Forman boasts a long history and a strong tradition of premium liquor development and marketing. Outwardly, it is a conservative company. However, in Australia at least, Brown-Forman takes a highly creative, albeit somewhat radical, approach to brand marketing, positioning and promotion.

Brown-Forman does not follow the traditional approach to agency briefing (“This is what we’ve got to sell. This is what we want to achieve. Please come back with your ideas on how to help us make that happen.”). Rather, the company prefers to generate and test its brand positioning, promotional concepts and marketing strategies in house before commissioning agencies to implement its chosen strategies. Brown-Forman employs ideation to unearth these concepts and strategies.

Once a year all members of the Brown-Forman team—brand managers, sales reps, senior managers, distributor account managers, agency team members and even market researchers—get together to identify and develop their own marketing and promotion ideas.

According to McShane, the process starts with an in-depth review of how the company and its brands have performed over the previous 12 months. This review is coupled with an analysis of the overall economic climate as well as current and past consumer behaviors towards its brands.

They then ask themselves, “What strategies could we adopt to address the challenges emerging from our environmental analysis?”

“This,” according to McShane, “gives us a framework for our ideation phase, where we settle on the big ideas for each brand—which may or may not necessarily reflect the strategies we started out with—and ideate ways to execute those strategies.

In mid 2004, D’Ascendis had figured that, while Brown-Forman was on the right track, “...we could really benefit if we could get ourselves not just thinking outside the square but thinking way outside our comfort zones.” While team members were coming up with good ideas, they were not “killer” ideas.”

Brown-Forman commissioned Herrmann International Asia and its CEO and founder, Michael Morgan, to help the marketing team unlock new ideas to penetrate and further develop its markets in Australia and New Zealand. The direction to the Herrmann team: help the Brown-Forman team break their continuum of thinking and move “at least” two or three steps beyond their current comfort zones so they could develop those killer marketing ideas.



SOLUTION

Using “whole brain” ideation to stretch outside the team’s thinking comfort zones.

Brown-Forman’s relationship with Herrmann International Asia had begun in early 2004, when D’Ascendis brought the company in to help Brown-Forman team members learn about their thinking preferences as a foundation for driving tighter team integration, introducing greater team balance and promoting increased creativity. The team members completed the Herrmann International’s Herrmann Brain Dominance Instrument® (HBDI®) assessment and learned about their thinking preferences and how they affect the way they behave, interact, approach problems and make decisions.

On Morgan’s suggestion, the company held a follow-up workshop at the next scheduled brand strategy meeting to stimulate the company’s “creative juice flow!” This workshop began the process of pushing the team outside its thinking comfort zones.

Uncovering Thinking Preferences

Since 1996, Herrmann International Asia has built its reputation on developing and teaching Herrmann International’s pioneering Whole Brain® Thinking approach, which is based around the highly validated HBDI® thinking preferences assessment and Whole Brain® Model.

The first step in engaging with Brown-Forman was administering the HBDI®.

Morgan was not surprised to learn that the thinking preferences of the perpetually effervescent D’Ascendis were highly creative, explorative and challenging—the yellow/D quadrant, as depicted in the Whole Brain® Model.

McShane, who had previously been the company’s Asia-Pacific financial controller and accountant, proved to be more than just a numerophile. His profile showed a balance of A (blue)-B (green) characteristics (logical, analytical, procedural, organized) as well as C (red)-D (yellow) thinking preferences (people-oriented, creative, visionary).

The rest of the team represented a relatively broad spectrum of profiles. However, there was, on average, an overall bias towards the creative/yellow and interpersonal/red thinking preferences.

Another standout feature of the Brown-Forman team was (and still is) its energy. “Highly energized people can be a bit of a handful to manage at times. But they are also a lot more fun to work with,” says Morgan.

Facilitating the Ideation Process

Herrmann International Asia’s approach to ideation facilitation goes well beyond what many companies refer to as “brainstorming.”

“Ninety percent of the ideas that come out of our ideation are wacky—out of left field. But among those wacky ideas, some genuine nuggets and a few real gems have appeared for us,” McShane says.

Over the course of a day or so, each brand is put through the ideation hoops in a series of carefully developed and closely managed steps.

The steps, according to Morgan, are an extension of the Whole Brain® approach, which helps people understand their own and others' thinking preferences and apply their thinking in such a way that they can work together more productively and creatively.

“For Brown-Forman, we had to address some very very clear needs and generate ideas around some very specific business issues,” Morgan says. “We had to help them define and, if necessary, redefine their objectives in more creative ways and then take them through a process of idea generation, verification and prioritization.”

For each brand, the team came up with scores of ideas out of which they had to agree on five, selected for the impact they would have on the company and the resources and effort required to implement them.

After team members are mentally and physically warmed up, they are taken through ideas and concepts with which they are familiar and comfortable, before being encouraged to turn these ideas on their heads. The key is encouraging people to stretch outside their comfort zones while giving them the support and tools to do it.

“Importantly, Michael lets them know it is OK to challenge, be challenged and also to be wacky,” McShane says. “And he shows us it’s OK and safe to be outside the box. In fact, he helps us get outside it, and when we are hanging out there, he helps us trust ourselves and trust each other.”

Four Stages

The ideal ideation session runs through four phases: Initiating, Exploring, Defining, Acting. Depending on what team members have previously been exposed to and the current dynamics of the group, Morgan selects from an array of techniques to stimulate thinking and creativity.

Morgan’s basic philosophy, which he applies to the development of each program is, “The human brain is absolutely useless in coming up with ideas, but is brilliant at making connections. If someone has you sitting in a blank room and says, ‘Give me 20 ideas on how to decorate a birthday cake,’ most would struggle to come up with five, and none would be very breakthrough,” he says. “However, if I said, ‘Come up with 20 ideas on how to decorate a birthday cake, and here is a book of Ripley’s Believe It Or Not stories that I want you to look through to get some ideas,’ we would end up with the most amazing cake with all sorts of things jumping out of it. It is the same as saying to a group of people, as happens far too often in corporate life, ‘Go away and brainstorm for 20 minutes and come up with ideas on how to solve this problem.’ Most people will attempt to obey the instruction. But, generally, they won’t come up with stunning ideas.”

The Herrmann idea generation techniques are designed to stimulate people to find different ways to define issues and challenges and then to come up with ideas by making connections.

“I’ve found that people are often not very creative because they rush into idea generation and end up solving the wrong problem,” Morgan adds. “An example I use is, ‘Oh dear, the light bulb has gone out. But I can’t reach the light.’ However, if we looked at it another way (‘The light is too far away’), we are more likely to come up with ideas about how to make the light closer—for instance having it attached to an extendable chord like a Venetian blind so we can pull it down when we need to. In other words, by redefining the problem and then making connections we can become far more creative. In a business context, the challenge, ‘How can we increase sales?’ may well become, ‘How can we help customers buy more?’”

As a means of helping the Brown-Forman team come up with more creative definitions of the problem, after the Initiating and Exploring stages, Morgan employs a technique he calls, “Who? Do? What?”

Morgan says that, particularly for those who prefer more logical, rational and sequential thinking, it can be difficult to come up with wacky ideas. If they have a wacky thought, they’ll tend to edit it out.

“If you want people to have wacky ideas, you must give them a process,” he says. “And the process has to appear logical to get them out there. Our ‘Who? Do? What?’ is a very logical process which can help people generate hundreds of ideas.”

Using the example, “How can we increase sales?” the “Who” is “we,” the “Do” is “increase” and the “What” is “sales.”

“If we just say, ‘Come up with lots of ideas on increasing sales,’ the results will often be boring. However, if we use a butcher’s paper table headed up by ‘Who? Do? What?’ we can generate lateral thinking by getting the group to come up with all types of ‘whos’—we, customers, suppliers, teenagers, policemen, Bugs Bunny ...whoever comes to mind.”

Next, participants complete the “Do” column in the same way, followed by the “Whats.”

“By getting them to randomly connect the items in the three columns, we get them to make a whole heap of wacky connections,” Morgan says. “And out of those connections, ideas start to spring.”

During the defining phase of its Jack Daniels ideation, Morgan got the group to identify all the things about the product it knew to be true. Then he challenged them to think about and articulate what would happen, and what could be done “...if all those things were untrue?” By getting them to question the things they would never question, he was able to stretch their thinking even further.

A Gem Emerges

“Herrmann International Asia’s approach to idea generation works because it takes us out of ourselves and our comfort zones and away from how we normally see our brands.” – Michael McShane, Brown-Forman

Team energy was very much to the fore during Morgan’s first ideation session in July, 2004, at Herrmann International Asia’s “Thinking Room” at Pymble, north of Sydney. The focus of that one-and-a-half-day session was Brown-Forman’s flagship product in Australia, Jack Daniels.

“After a day and a half, they had scribbled on hundreds of Post-it notes, reams of butcher’s paper, and produced more ideas than we thought they would ever know what to do with,” Morgan says.

“Buried in there, amongst it all, was a gem.”

No had realized it at the time, but over the next few weeks, that gem, polished and honed, would become the “Jack Daniels Experience.”

“None of us who were there will forget what happened,” McShane says. “After Michael had warmed us up physically and mentally, we started into our environmental analysis—the challenges we face with the brand.”

McShane says this led to discussion around a finding from one of their consumer insights, which showed that:

- ◆ much of their consumer base lives outside metropolitan areas, i.e., in the bush
- ◆ these people don’t know about or understand the brand’s heritage—where or what Jack Daniels’ “premiumness” comes from
- ◆ they don’t travel all that widely

“With Michael pushing us forward, we figured we needed strategies to help us get in touch with our consumers who live outside the metropolitan areas. This was the seed we planted at the start of the ideation. So then we turned around and started playing with the techniques he taught us and saying, ‘OK, how do we do that?’ And then, out it all came: If we can’t get them all to Lynchburg, why not bring Lynchburg to them?”

From this, the team created the Jack Daniels Experience, a traveling road show and self-contained, interactive, walk-through/see/hear/touch/feel display depicting Jack Daniels’ history and how the product is made, all housed within a massive B-double semi-trailer.

“Our display is not just unique as a promotional concept. It really delivers a highly personal experience, with a focus on the people who make and who are our product,” McShane said. “Indeed, it is the touching and the feeling which most help people gain an understanding of our product and the history behind it. Our ideas would not have exploded to this point without Herrmann International lighting our fuses.”

In April 2005 Morgan got another call from the liquor giant.

“D’Ascendis called to ask us to facilitate their ideation for all their major brands, not just Jack Daniels. He also told us that, on the basis of what we had done for them and helped them achieve nine months earlier, they had committed a massive budget to the Jack Daniels Experience. We were quite blown away by the response and mightily impressed by their progress. They had been busy putting into practice what had all started in our office.”

So why did Brown-Forman decide to take an even bigger step this time around?

“Simply because the Herrmann International Asia approach to idea generation works,” says McShane. “It works because it takes us out of ourselves and our comfort zones and away from how we normally see our brands.”

As an example, McShane shares that with Jack Daniels, the team began questioning, “Are we competing just in the whisky (bourbon) market, which is relatively small, or are we competing in the dark spirits market, which includes products like rums, brandies and scotch whiskies? Or are we competing in the drinks market?”

“That really opens it up, but it can become scary if people don’t get the right encouragement and support,” he says. “With our ideation, we want to get our people out of their default safe boxes and get them and their ideas out there. Mike has that special knack of getting people outside their boxes and beyond their boundaries to come up with the goods.”

Revving Up Exposure: V8 Motor Sport

Encouraged by the results of Morgan’s work with the team, McShane next challenged the group to take the same philosophy with motor sport as it had done with music and the Jack Daniels Experience.

“What we found was that V8 motor sport obviously fit very well,” he says. “Of course, during our ideation, we played around with a lot of other ideas. But, in the end, we figured it would be far more effective if we actually owned our own team, owned the name and, that way, owned a piece of our consumers’ lives.”

In early 2006, a deal was done with a racing team headed up by ace Holden driver, Steven Richards, and his partner, Paul Dumbrell.

By mid May, the Jack Daniels V8 Supercar team was running second in the national competition. Richards was running fourth in the drivers championship and Paul Dumbrell was on seventh position. June saw more wins under their belts and further progress up the ladders of achievement.

After buying the team, the next challenge was to integrate the V8 Supercar involvement with the Jack Daniels Experience, which, as it turns out, was relatively easy. From round one, the Jack Daniels Experience has been appearing at each of the V8 Supercar rounds, neatly positioned next to the team's merchandise sales area.

Rebranding An Old Brand

Southern Comfort is not just mature; it's an old brand. Coming up with ideas about how to not just maintain its status but improve its performance seemed a daunting task for the Brown-Forman team—until Morgan helped them stretch their thinking.

The outcome of the Southern Comfort ideation was, essentially, to rebrand the product and give it a whole new persona. At first, with such a tradition behind it, rebranding SC seemed heretical. But that is what the Morgan inspired ideation often is. Suddenly, there was no comfort sitting around SC.

“Early in the session, we realized we needed to stop trying to be like any of the other brands or to try and reclaim the old Southern Comfort glory days,” McShane says. “With Michael’s support, we ended up drawing a line in the sand and reinventing ourselves with a new brand, which we called ‘SoCo.’”

The SoCo name itself was not entirely new. In the same way as many Australians abbreviate their own names or the names of products, Southern Comfort was shortened to SoCo quite early in the piece.

What was new was Brown-Forman’s backing and exploitation of the new name and opportunistic exploitation of the Aussie persona.

The rebranding of Southern Comfort into its new persona took almost a year to evolve from its initial ideation. But the time was well spent. To support the new brand, Brown-Forman developed a promotional concept that typified the new image and added another dimension: surprise, excitement and, above all, a new experience.

“One of the things we say about Southern Comfort, or any brand for that matter, is the need to tap into consumers’ need for self discovery. Brand allegiance cannot be forced on people. They need to learn and find out, discover and experiment, for themselves,” McShane says.

So Brown-Forman came up with an experiment: the SoCo Cargo Experiment, based around vacant spaces contained within a simple 12-meter long shipping container. Under the program, the container all of a sudden appears in places and areas where there are likely to be significant numbers of young adults.

The cargo container opens up to reveal any one of a number of “experiences,” from a flashy looking bar (selling SoCo, of course) to an art gallery to a music venue, complete with live bands.

RESULTS

With the Jack Daniels business producing double-digit growth, McShane says, “There is no doubt our investment in improving our ideation has paid off handsomely.”

Marrying the V8 motor sport concept with the Jack Daniels Experience has been a real breakthrough for the brand.

“During the first round, in Adelaide, we had over 10,000 people go through the Jack Daniels Experience. And at a subsequent meeting in New Zealand, we had nearly 7,000 people go through—nearly 10% of the crowd,” McShane says.”

As of June 2006, Brown-Forman was the number one merchandise seller at V8

Supercar meetings, outperforming the Holden Racing Team and Ford Performance Racing in merchandise sales.

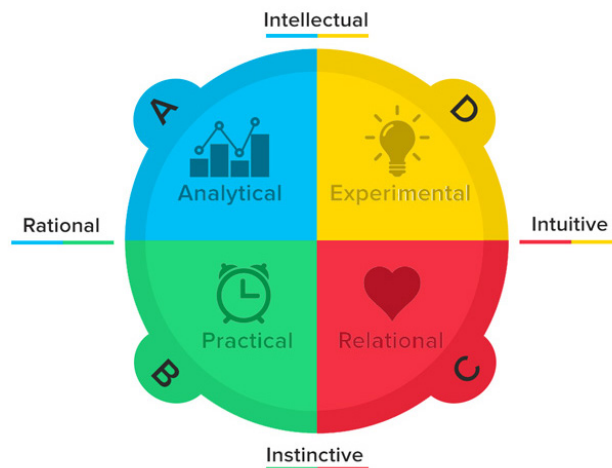
“With the whole V8 thing and the Experience, our whole Jack Daniels business is really solid, producing double-digit growth,” he says. “There is no doubt our investment in improving our ideation has paid off handsomely.”

Excitement about the SoCo Experiment within Brown-Forman has been very high, as it provides the brand with an opportunity to have a well-defined, highly intriguing personality for a whole new group of consumers.

“The SoCo Cargo Experiment may appear on the side of a road or near a circus or other outdoor event venue or whatever. And no one will know what it is,” McShane says. “But over time, people will be saying, what’s this SoCo thing? It’s all so very unexpected, which is part of the conditioning.”

Ultimately, he says, he is quite sure that without the support and input of Herrmann International Asia and Michael Morgan, the chances of coming up with such a gem, a killer idea, on their own, would have been remote.

What he believes soon will be remote are the days of languishing or at best, static, sales in a crowded, competitive market.



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