

DISPATCHES™

Insights On Brand Development From The Marketing Front

Sunday, September 21, 2008

LOOKING FOR AN *ADD-VANTAGE*? TAKE A GOOD LOOK AROUND

An article in a *Brandweek* issue from a couple of years ago headlined with the question, “Do You Know Who Your Competitors Are?” For most marketers, this would seem to be a dumb question—in any given category of products and services or class of drugs, who **doesn’t** know who the key competitors are? Aren’t the first things we learn when assigned to a new category the leading brands and their relative market shares? Come to think of it, the entire basis for the way our research suppliers measure our shares forces us to think in terms of direct competition, similar brands. There’s no denying that keeping up with our direct competitors’ moves and results is an essential; but the way we typically look **only** at these competitors is also a real limit to our thinking...and might just keep us from finding an advantage.

Some years back, after decades of managing the business based upon salty snack category shares, Frito-Lay had a eureka moment: it actually makes more sense to measure Frito-Lay brand shares within “macro-snacks” (comprised of salty snacks, crackers, and cookies). Up until this time, the Company had never really considered companies like Nabisco, with brands like Premium Saltines, Ritz, and Oreos, as a competitor. But then the wake-up call happened. In some leading grocery chains, Nabisco began placing secondary permanent displays at check-out counters. These displays were actually patterned after Frito’s own “aisle-closer” mini-racks, which were loaded with single-serve versions of the popular Frito-Lay brands that could be rolled into a check-out aisle when it was unmanned. Even though, for years it had been understood that teens shopping in a 7-11 store would sometimes choose cookies over chips to go with their Pepsi, it took a direct “inventory hit” at retail for everyone at Frito-Lay to finally appreciate the need to monitor competitors like Nabisco even more than traditional competition. You might be thinking, “Well, sure, Nabisco makes sense as a competitor for Frito-Lay to watch and assess; after all, they are also in a related snack business.” Looking at just “related” but not direct competition, however, is still far from enough. In the article mentioned at the start, the writer cites how a European candy manufacturer suddenly realized that they were losing more and more purchases to—not other snacks—but some mobile phone service providers. Teens in Europe, limited by weekly euros in their pockets, were more and more using a share of those euros to pay for text messaging instead of paying for candy and other convenience store items. Honestly, can you imagine measuring your share in an expanded competitive set such as this?

Actually, measuring a brand’s market share against a more realistic and expansive competitive set is merely one step forward for a brand seeking ways to get ahead, to ultimately gain or sustain an advantage. Another way forward is to consciously select some product categories that regularly face issues such as yours or that typically employ marketing weapons similar to yours. Whenever we undertake a consulting assignment with a client we ask them what other categories they think behave like theirs, what other brands - outside of their own turf - they admire or even

model against. For example, not too long ago one of our clients in the lawn and garden business said they often look at what's going on in analgesics. Sounds a bit strange at first, but as the client explained, successful pain reliever brands rely heavily on safe chemical compounds and careful dosing to deliver functional benefits that are not all that dissimilar.

Just this week, working with a client in the infant formula business, we came to appreciate once again just how critical new ingredients can be in constantly-upgrading nutrition, brain, bone, immune, and digestive system development in infants and children. Brands that discover such an ingredient and then translate it into a meaningful benefit for moms can gain a real advantage—at least for a period of time. And this got us to asking them, “What other categories are like yours, you know, where constant ingredient upgrades usually lead to a brand advantage?” Skincare came to mind right away. Of course, skincare for teens and aging adults is pretty far-removed from nutrition for infants and kids. But the point **isn't** to study the actual ingredients in skincare; rather, it's to see how skincare marketers use the ingredients in their strategic moves (like brand positioning) and in their executional ones as well (how do they typically “name” their ingredients, for example?) With a cross-look like this, the infant formula marketers just might find a new approach for their category.

One other thing that also happened with this same client—we shared some advertising with them from the Johnson's Baby brand. Just as was the case with Frito-Lay and Nabisco being in related, but not direct competitor, categories, you would naturally expect any company in the formula business to look at other brands in the broad “baby care” business. But once again, how often does this really happen? The ad we shared illustrated a *differentiated emotional benefit* for Johnson's Baby Oil users in India—differentiated versus other baby care brands in general and also not used by infant formula brands. Our client was impressed with the unique way Johnson's had linked a compelling emotional benefit to an, effectively, parity-performance functional benefit—with the net effect of making Johnson's seem to be clearly the better choice. You know, we marketers need to see more and with broader perspectives than those our “share categories” force upon us. There are so many strategies and ideas we can borrow and add from categories and brands facing similar issues and opportunities like ours.

Have you ever heard the expression, “So much depends upon your vantage point?” Well, we would like to take that expression a little further. When marketers consciously study a broader range of categories they increase their chances of *adding* something new. So here's the new expression: “What's your *add-vantage* point?”

BOATS & HELICOPTERS:

1. Starting tomorrow, and with you brand-building team, identify at least 2-3 other categories with some similarities to your brand's. See if you can articulate the most significant ways they are similar. Figure out how you can access some of their marketing/brand positioning implementation materials to learn from.
2. With your senior management, take another hard look at the competitive set against which you measure your business success (specifically your market share). What are some overlooked or “hidden” competitors you also ought to be tracking? How might you construct a new, more eye-opening and realistic market to calculate your share within?

(By the way, you can still track your traditional category share; you're just building a second way to measure "true share.")

3. Think about ways you can steal a strategy or compelling executional move from an unlikely competitor: ways to have an *add-vantage point*.

Richard Czerniawski & Mike Maloney

Richard Czerniawski

.....
430 Abbotsford Road
Kenilworth, Illinois 60043
tel 847.256.8820
fax 847.256.8847
.....

Mike Maloney

.....
1506 West 13th Street, #17
Austin, Texas 78703
tel 512.236.0971
fax 512.236.0972
.....

Reply to Richard:
rdczerniawski@cs.com or
richardcz@bdn-intl.com

reply to Mike:
mikewmaloney@cs.com or
mikemaloney@bdn-intl.com



© 2003 Brand Development Network (BDN) International. All rights reserved.