

GROWING

THE CORE

by David Taylor



SHOULDERS
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PREFACE

Innovation with a capital 'I', where brands stretch into new markets, seems to be the road to growth that grabs all the headlines. And it's a subject with no shortage of books - a search on Amazon.com comes back with 237 000 results! In contrast, growing the core brand, by selling more of the stuff that made you famous, gets a lot less attention. The eBook you are now reading is the first one I am aware of on the subject.

I believe that growing the core is going to become increasingly important. Certainly in my consulting work with the brandgym, more and more people are calling to discuss projects in this area. Many of these companies have realised that they have in fact become victims of 'innovation addiction'. They have become reliant for growth on a never-ending stream of new products or services. However, in many cases these new introductions are adding little in the way of extra sales. What they are adding in large quantities is complexity for retail partners, consumers and the company itself. The risk with this road to growth is dilution of both brand equity and profitability.

The alternative road to growth, the road less travelled if you like, is to grow the core business. It's a road that more and more companies are seeing as a better way to grow, as shown by Howard Shultz's return to Starbucks to re-focus the business on the core and go back to what made them famous. It's also happening in the media world, with 2008 seeing the launch of **a revitalised and revamped Famous Five series** of books with an accompanying TV series, 66 years after the first book was written. brandgymblog.com/disney-revive

But growing the core presents its own challenges. In some ways, it requires even more creativity than breakthrough innovation as you have to find ways to refresh and revitalise an existing product without the help of big changes to the product.

The first part of this eBook will look at why a strong core is **the Heart of a Healthy Brand**. It will then look at the two roads to growth in more detail: **Brand Stretch or Brand Breakage** looks at the rewards and risks of brand stretch and **The Road Less Travelled** introduces the approach of growing the core.

Part 2 then looks at two fundamental principles of growing the core brand: how to **Remember and Refresh** what made your brand famous, balancing the needs for change and consistency, then the need to create and launch **Renovation Waves** of activity on the core brand to keep it growing.

The final part has more detail on the different ways of growing the core: **Promoting the Core, Upgrading the Core, The Power of Packaging** and **Core Range Extension**.

As with the previous four books in the brandgym series, *Grow the Core* is meant to be a practical business building toolkit. The emphasis is on tips, tools and tricks that have been road-tested on real-life projects with my consultancy, the brandgym. Every key point is illustrated with at least one brand example to bring it to life. And, if you want more detail, such as examples of advertising and packaging, you can click on the links that take you to brandgymblog.com.

PART 1 STRONG FROM THE CORE

CHAPTER 1.

THE HEART OF A HEALTHY BRAND

The beating heart of most healthy brands is a strong core *product*. Often this is the original product with which the brand was born. For example, Johnson's now has a broad range of products, yet most US consumers still think of the baby shampoo when asked about the brand. Other examples of core products are Levi's jeans, the Timberland boot, Apple's Macintosh PC and Hellmann's mayonnaise.

On some brands, identifying the core product is simple, as the brand has remained a mono-product proposition (Coke is still in the business of selling cola). However, for other brands the core product or service may be harder to pinpoint. We can define the core using two key criteria: source of profit and source of authority.

SOURCE OF PROFIT

At a most fundamental level, the core product or service is a big, often the biggest, bit of business. For example, Hellmann's has stretched into many new areas such as dips and sauces but the original mayonnaise still makes up over half the sales.

In addition, core products are often more profitable. The core business is one that the company masters thanks to many years of experience. The size of the business means there are often important economies of scale. Furthermore, as the brand is well known and trusted in its core area it may appear to need less marketing support compared to products where the brand is entering a new market.

SOURCE OF AUTHORITY

The core product is also a source of authority. The brand's key attributes, benefits and associations are encapsulated by it. Andy Fennell, Smirnoff's president of global marketing, sees this working for the Smirnoff Ice pre-mixed drink, 'As with any innovation and parent brand, Smirnoff Red vodka brings stature and credibility to its extension.' This is an important difference versus new brands such as Reef that have no spirit heritage. Smirnoff Ice might be the fastest growing part of the brand but the company still invests heavily in the core vodka. Failure to so could lead to the erosion of the foundation on which the extension was built.

Anchoring the core

In many cases, within the core product range there is an 'anchor' version: the simplest, purest version of the brand. These anchor versions are often called "Classic" or "Original". For Magnum, Unilever's ice cream, chocolate is the anchor version of its ice cream bars. Flavour extensions such as white chocolate or almonds can be positioned against this original version. They can focus on emphasising specific attributes and benefits, rather than communicating the whole product concept.

Even though the anchor version often declines as new extensions are launched, smart companies continue to support them. They recognize that these versions are an important source of credibility on which the newer versions rely. Anchor versions can be the 'star product' when a brand wants to communicate a brand message, rather than a product-specific one. This is why the traditional red and white of Classic Coke is featured in the brand's advertising and soccer World Cup sponsorship.

Some brands don't have an anchor version. This is the case when brands are built on the idea of offering variety and choice. They are brands *of* versions, rather than brands *with* versions. An example of this would be the Clairol Herbal Essences shampoo range that has different versions for different hair types.

The first road: brand stretch

The first way to grow a business, one that is increasingly popular, is 'brand stretch'. This is where a brand moves beyond its core business into a new market. Examples of stretching would be Dove; from cleansing bars to shampoo Levi's, from jeans to suits; Smirnoff, from vodka to pre-mixed drinks and Timberland from boots to clothing.

This form of innovation requires more stretch than core range extension so it is much harder to succeed. Firstly, there is the stretch in terms of consumer perception. Winning trust in a new market means persuading people that brand can deliver in new markets where its competence is unproven. For example, we know from experience that Timberland's boots are rugged and comfortable. But can we be sure that the clothes will deliver in the same way, or will they just be run-of-the mill clothes from a Chinese factory, with the brand logo slapped on?

Neuroscientists have shown that brand associations are actually 'hard-wired' into our brains. We only need to see the visual symbol of a contoured bottle and we think of a cool, refreshing Coke. Other brands are linked to smell or sound or colour. The advantage of these associations is that consumers trust brands to deliver certain benefits on specific occasions, allowing them to sell more and/or charge a premium. But it does mean that trying to break these associations is difficult. Stretching a brand into a new market requires 're-wiring'. Anyone who has done work on repairing a house knows how expensive this is. Well, the same goes for brands.

Many companies underestimate this challenge and fail to put enough sustained investment behind brand extensions. Senior managers are impatient for results; if a new launch does not take off like a rocket the risk is that they pull the plug. Talking to the team behind the launch of Bacardi Breezer, they explained that being a privately owned company was critical to success. The Bacardi family were prepared to put up with several years of slow sales, eventually followed by rapid growth.

Secondly, and just as important, there is stretch in terms of company competence. Can we make this new product and at what cost? Often, entering new markets may involve building new factories, hiring different types of people or finding partner companies. For example, one of the key challenges in Bacardi's entry into pre-mixed drinks with Bacardi Breezer was hiring a totally new sales force with experience of selling into fashionable nightclubs.

The second road: core brand growth

The second, simpler way to grow a business is to sell more of the stuff you already sell. This is core brand growth, which can include adding new versions of the same core product to target new users or new occasions. Examples of this approach are Timberland's Earthkeepers boots made from recycled materials and Coke Light. But there are many other ways of growing the core that don't involve product changes, which will be discussed in detail later in this eBook.

The Figure 1.1 has a visual summary of the concepts introduced in this chapter: core product, with anchor version, core range extensions and brand stretch.



figure 1.1

KEY TAKEOUTS

1. Most strong brands have at their heart a strong core product.
2. The core product or service is defined on the source of profit and the source of authority.
3. The two main ways to grow a business are growing the core business or of stretching beyond the core into new markets.

CHAPTER 2. BRAND STRETCH, OR BRAND BREAKAGE?

Brand stretch is hot

Most brands started out being famous for *something*: they had a strong core product or service, as we have seen in the previous chapter. However, over time, many brands have ended up selling lots of things. Dove is no longer just a cleansing bar. It sells a whole host of personal care products, including deodorant, shampoo and shower gel. And just look at Apple. Once upon a time, it was in the PC business. Now it sells a fantastic phone, a range of music players and was recently named the USA's best retailer.

And when it works, boy does brand stretch boost the bottom line. Dove has quadrupled sales and is on its way to be a \$2billion brand. Apple's sales have also rocketed, along with its share price, which trebled in only two years!

On paper, the advantages of stretching brands into new markets seem compelling. Using an existing, strong brand to promote a new product or service means there is less need to create awareness and imagery. A survey by my consultancy, the brandgym, showed that 58% of UK consumers would be more likely to try a new product from a brand they knew versus just 3% for a new brand.

WHY THE SUCCESS RATE SUCKS

Despite the attractions of brand stretching, in reality the odds still suck. Less than 50% survive

after three years. In other words, you'd be better off betting your brand stretch budget at the roulette table on black. Or red. The chances are your new product or service will end up in the over-crowded brand stretch graveyard alongside the likes of Cosmopolitan Yoghurt, [Virgin Vodka](#) and Levi's Suits. brandgymblog.com/virgin

The key reason for this poor performance is '**brand ego tripping**': being too big for your brand boots and under-estimating the challenges of successfully stretching into a new market. As Al Ries aptly put it, 'Companies fall in love with themselves and constantly look for ways to take advantage of their presumably all-powerful brand names'. Brand ego-tripping leads companies to make three critical mistakes: failing to add value, under-funding and not respecting the competition.

ALL SIZZLE, NO SAUSAGE

The phrase "don't sell the steak – sell the sizzle" (or in this case, sausage), coined by American copywriter Elmer Wheeler in the 1930s advises to push the implied benefits and emotional pull of a product, rather than the product itself. But, however wonderful the sizzle, you still need to deliver the great sausage you have promised.

The most important reason for failed brand stretching is simply that the new products or services fail to add any value for consumers compared to what is already on offer. The lack of added value in many brand stretching attempts has been encouraged by the rise of emotional branding. Many companies have been seduced by agencies and consultancies urging them to forget about the importance of the product, or 'sausage', and to focus instead on emotional 'sizzle'. This is well summed up by Greet Sterenberg of Research International:

Marketers have turned to emotional branding to give their products a distinctive identity. At times product performance has almost been ignored - left off the guest list at the branding party.

The belief that emotional sizzle is enough to compete in new markets gives freedom to stretch into all sorts of categories, as reflected in this quote from Interbrand heard at a branding conference:

When you've established a strong brand, you've moved beyond the functional product into a realm of values. *It makes sense to try to deliver the same emotional benefits in another market.*

The fatal flaw with sizzle-based stretch is that it leads to products with no real added value compared to the products that already exist. This is shown by easyGroup's string of unsuccessful

new services. These services lack the functional attributes and benefits that made them famous in their core business: the [easyJet low cost airline](http://brandgymblog.com/easygroups) (a European copy of Southwest Airlines) brandgymblog.com/easygroups. This recipe for initial success was summarised by founder Stelios Haji-Ionnou as follows:

1. **Cutting frills:** removing non-essential items, such as food and drinks and using some of these savings to lower prices.
2. **Consumer outsourcing:** getting consumers to do the work, such as online booking of flights and fighting for seats rather than having them pre-assigned, cuts costs even more, allowing even lower prices.
3. **Entering a price elastic market:** the lower prices from steps 1 and 2 made a big difference in air travel as the market was 'price-elastic': these price cuts meant millions of new consumers entered the market.
4. **Putting more bums on seats:** smart pricing models, managed profitably, fill up the planes. Book early and pay less, book at the last minute and pay more. This further boosted profits.

Now, you can see how the easyCar hire business has a good fit with these competences: there is plenty of sausage. There are frills to remove, such as the wide choice of cars. Consumer outsourcing includes getting you to wash your own car (or pay £10 extra). And hire cars are price elastic: lower prices have brought in new customers, with 77% of easyCar customers not having considered another hire car firm. However, easyPizza, easyWatch and easy4men cosmetics feel much more like brand ego trips. They fail to leverage what made the easy brand famous. No surprise that they are all small businesses, stealing attention and resources away from the core business. As one article said, 'The new chicks have yet to fly the nest and remain reliant on their parent - for money as well as management.'

POOR EXECUTION

The second problem with many brand stretching attempts is under-estimating the importance of excellent execution. It's one thing to come with an *idea* about how you can add value in a new market, but delivering it is another thing altogether. For example, Axe (Lynx in the UK) body spray was famous for great fragrances that gave boys the confidence to get the girl. However, in the late 1990's brand owner Unilever attempted stretch Axe into shaving and also opened a barbershop with video games and sexy girls to cut your hair. However, a couple of years and many millions of dollars later, the shavers had been axed and the barber's shops were burger bars.

Axe lacked the expertise to execute in these new markets. Axe shavers were launched with one of the brand's best performing adverts of all time. But the company lacked the technical credibility to compete effectively with Gillette, who spend hundreds of millions of dollars on R&D and marketing support. Unilever also realized that running a retail operation was a totally different business, with a good concept merely the visible tip of the iceberg.

LACK OF STAMINA

The final failure factor is lack of stamina to battle it out when attacking the core business of another company. Brand ego trippers don't give enough respect to the competition. They underestimate how much investment will be needed to compete for share. Launching Axe shavers against Gillette, or Virgin Vodka against Absolut is one thing. Being ready to slug it out in years two, three and beyond is something else.

Smart companies pick their fights carefully, and think through the long-term implications. For example, Pampers has the brand and technology to stretch into baby shampoo. However, the brand has decided to stick to its area of expertise in babies' bottoms, with a key factor being the strength of Johnson & Johnson, for whom baby cleaning products is their core business. Taking on J&J would not be impossible, but for now P&G believe the investment will deliver a better return in the core diaper business.

Snow White and the 17 Dwarves

Failed extensions are bad for business. But even bigger threats for the core business are the small brand extensions that manage to survive. If the big, beautiful core business is 'Snow White', then these tiny new products are like the 'seven dwarves'; only in most cases there are more like seventeen of them. Marketing budgets for these new products are often 'stolen' from the core brand's budget, leaving it exposed to competition. Just as important as the lost budget is the loss in management time and attention. Leaders and talented team members are distracted by the 'new toys' created by brand stretching.

When building plans to stretch into new markets, companies are often overly-optimistic about the predicted sales for the neglected core business. Many business plans feature a nice straight line for these sales. However, a more likely scenario is a slow, steady but sure decline (Figure 2.1). As sales decline, budgets and investment are cut, leading to further decline. Companies may cut quality over time to reduce costs, kidding themselves that little changes won't be noticed. Each small downgrade might not be noticed in blind testing, but over time the cumulative effect will be. This is nicely illustrated in the cartoon by Tom Fishburne in Figure 2.2 and well commented on by David Thomas, Chairman of MMR,

'I wonder how many marketing dinosaurs still believe that "A great brand need only be supported by a mediocre product?" What arrogance! Little wonder so many FMCG brands were found out, leading to consumers refusing to pay the premium.'

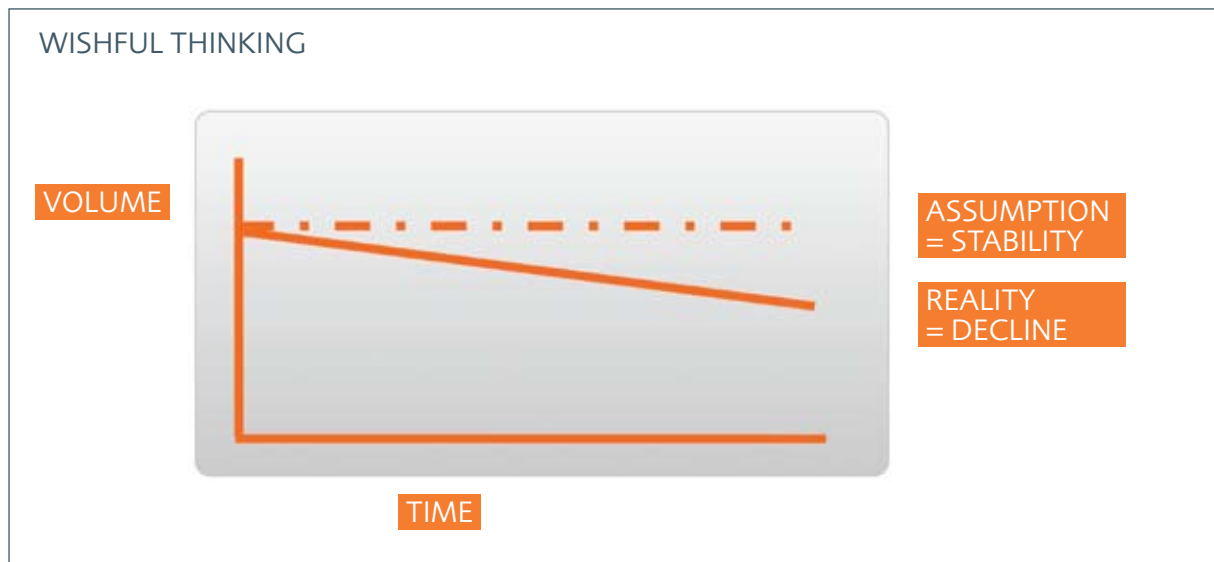


figure 2.1

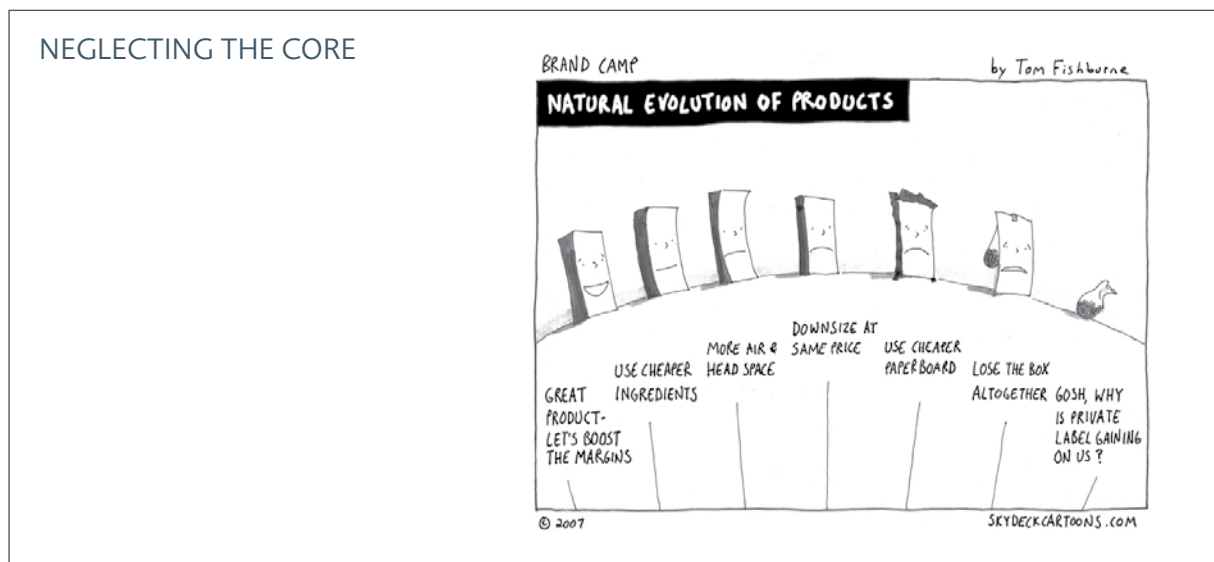


figure 2.2

This neglect of product quality leaves brands vulnerable to attack, as happened in the UK yoghurt market. Ski had been for many years the brand leader but had gradually reduced product quality over time to reduce costs. This left the door open for Müller Corner to enter the market with a super-creamy and indulgent product that has gone on to build a market-leading position.

Starbucks is an example of a brand that seems to have woken up to the risks of neglecting the core and is starting to address this issue. During the period 2000 - 2007 it stretched into pre-mixed drinks sold in supermarkets, branded merchandise and music CDs and expanded dramatically the number of outlets. At the same time, the competition hotted up, including the move of fast food outlets like McDonalds into freshly ground coffee. The problems with the core

business led **Founder Howard Shultz to re-take the reigns of the Starbucks** in early 2008. A voice-mail to partners left no doubt to where he saw the issues, and what was needed:

‘We will be re-focusing our entire organisation on the Starbucks experience by going back to our heritage and what made us successful in the first place.’

brandgymblog.com/shultz-re-takes

Fewer, bigger, better

The purpose of this eBook is not to turn you off the idea of brand stretch altogether. In fact, I've even written another book on it: *Brand stretch: why 1 in 2 extensions fail, and how to beat the odds*. However, the strong recommendation is to focus on fewer, bigger and better brand stretching initiatives. This comes by highlighting the real opportunity areas with a match between a real consumer need and a brand strength that can help deliver a solution. In the most successful examples of brand stretching there is a clearly identifiable 'red thread' between the new innovation and the core business. You can easily identify the iPod and **iPhone** as Apple products, even without the little Apple symbol, thanks to the unique design of the objects and the user interface. That's why Apple is one of the few makers of mobile phones who can afford to put its logo on the back of the phone, not the front, and not even have the brand name present at all.

brandgymblog.com/iphone

The time, energy and money saved from cutting back on brand stretch attempts, where no value is being added, can be re-focused on taking the road less travelled: growing the core.

KEY TAKEOUTS

1. The success rate of brand stretching sucks at less than 50%.
2. Most brand stretching fails because of brand ego tripping: failing to add value versus the existing brands on the market, poor execution and underestimating the competition.
3. Brand stretching also risks diverting attention away from the core business.

CHAPTER 3. THE ROAD LESS TRAVELLED: GROW THE CORE

Innovation with a capital 'I' that stretches brands into new markets might appear to be the sexiest and most exciting road to growth. It's certainly the one that seems to get all the headlines and is clearly a potentially powerful way for a business to grow. However, it's not the only way. There is another road to growth. This road is growing the core. And it has some important advantages that are often overlooked.

Let's take a real example to illustrate these two ways of driving growth. It happened on a brandgym project with one of Asia's biggest food companies that sells dairy products. In a workshop, the team were presenting plans for re-launching their low fat yoghurt. They were struggling to compete with the dominant market leader, Danone, for whom yoghurt is a core business. The team were enthusiastic about the opportunity for growth. With a lot of effort, time and money, they felt they could deliver 50% growth, taking the business from \$2million to \$3million in sales. It was then that a brave and bright brand manager suggested an alternative way to deliver \$1million of growth: grow the core milk business by 1%, from \$100 million to \$101 million.

Both of these roads to growth could have delivered \$1million (Figure 3.1). But the 'quality' of growth was quite different. Growing the core business by 1% had several advantages. Firstly, the milk business was more profitable than yoghurt, especially in terms of net profit. Competing head-to-head with Danone required very deep pockets. Secondly, growing the core business would make something strong even stronger, both in terms of business, and brand equity.

Finally, the growth would be created with no extra logistics or changes at the factory. It keeps things nice and simple. In contrast, the yoghurt plans required the building of new production lines and the development of new packaging.

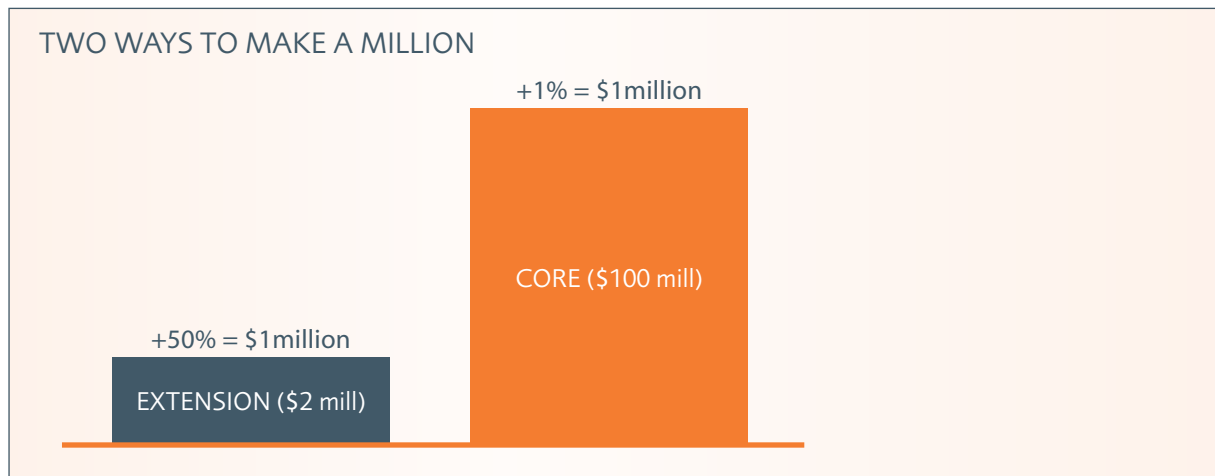


figure 3.1

The stunning success of Dove over the last few years also has a lot to do with growing the core. The brand's growth is most often credited to their acclaimed "Campaign for Real Beauty" and stretching into multiple categories such as shampoo and deodorant. However, what is less well known is that the engine of this growth is in fact the growth of the good old Dove bar. This core product was launched over 50 years ago, back in 1955. But parent company Unilever still 'Love the bar', to quote the company's Chief Marketing Officer, Simon Clift. It is supported with ongoing advertising, database marketing to Dove bar fans and core range extensions, such as the launch of a Refreshing Green version. This has enabled the brand to grow its share of the US soap bar market from 20% to 30%, an increase of 50% (Figure 3.2).



figure 3.2

But if growing the core is so good for the brand and business, why aren't more companies doing it? Why is it the road less travelled?

The challenges of growing the core

From research with marketing directors by my consultancy, the brandgym, there are several challenges for people who want to grow the core (Figure 3.3):

- **Less sexy** It seems, at least at first sight, that growing the core is less sexy than brand stretching. After all, with brand stretching people get to use all the toys in the marketing toy box such as product development, packaging design and new communication. In contrast, growing the core might involve no changes to the product and pack at all.
- **Less well rewarded** There is also some feeling amongst marketing folk that launching an exciting new product or service is a better way to get promoted. This is made worse by the rapid turnover of marketing people, which allows them to 'launch and run'. Get the new product to market with a nice big launch budget and bask in the glory. Then move onto a bigger job, leaving the poor person who takes your place to fight it out in years two and three.
- **Harder to do** last and perhaps most importantly, growing the core, in some ways, requires *more* creativity, not less. Think about it. Launching a new product has a well defined road everyone knows. Develop and screen concepts, work with R&D on a product, brief in pack design and advertising, finalise the mix, present to retailers etc. Of course, the road is far from easy, and getting successfully to the end is hard. But the road itself is clear. In contrast, if you have been asked to grow the core business by 5% with no changes to product and packaging, there is less help at hand. As mentioned in the preface, there are more than 200,000 innovation books on Amazon.com, but none that I know of specifically on core brand growth.



figure 3.3

There is little we can do here to help with growing the core being seen as less sexy and less well rewarded. One can hope that businesses that are well-run and focused on growth will reward people who deliver results, however they are produced. Where this eBook will try to help is by providing creative inspiration to help you take this road less travelled to core brand growth.

3 steps to core brand growth

The rest of this eBook will focus on how to drive core brand growth (Figure 3.4):

- **Remember and refresh** understand what made you famous, and find ways of keeping this fresh and relevant.
- **Renovation waves** the next principle is creating a series of 'waves' of activity on the core business.
- **Make more of the core** use multiple sources of innovation on the core, not just new products, such as better promoting the core, upgrading the core, and targeting new usage occasions.

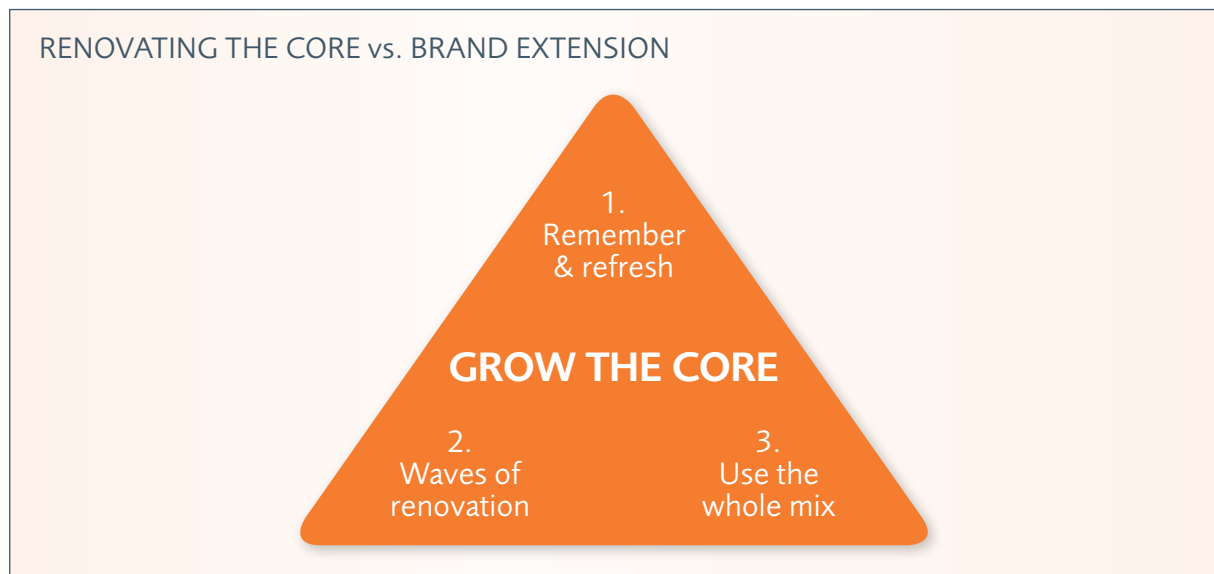


figure 3.4

KEY TAKEOUTS

1. Growing the core has the benefit of making what is strong even stronger.
2. Growing the core is challenging, requiring as much or even more creativity than launching innovation into new markets.

PART 2

CORE GROWTH PRINCIPLES

CHAPTER 4. REMEMBER AND REFRESH

The brand balancing act

Growing the core requires a delicate balancing act (Figure 4.1). On the one side, there is a need to look forward at new trends and refresh the brand to stay relevant. Most companies seem to spend a lot of time and money doing this. However, where many companies miss a trick is in looking back at what made them famous.

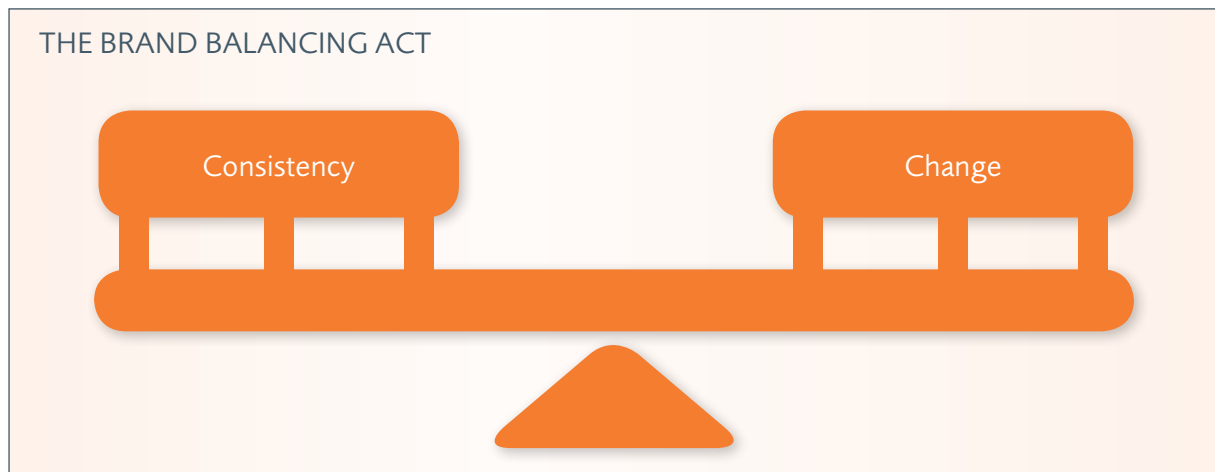


figure 4.1

On Grow the Core projects, a simple request that leaves many brand teams flummoxed is a 15-20 year reel of advertising. Often, the response is 'I've worked here for 2 years and can go back that far. Before that, I'm not sure.' And even when a commercial reel is produced, watching it is often

like seeing four or five different brands. Campaigns zig and zag all over the place, and you can often link these changes to the all-too-frequent arrival of a new marketing director. This sort of inconsistency can confuse rather than convince consumers. What the brand stands for becomes diluted. The other risk is heading off into areas where the brand lacks added value. As we saw in earlier, this is one of the key reasons why so many attempts at brand stretching fail.

One brand that has done a great job of remembering and refreshing what made it famous is Bond, **James Bond**. The 21st Bond movie, *Casino Royale*, smashed all box office records for the Bond franchise. The opening UK weekend take of £13 million was up 40% on the previous high for *Die Another Day*. 44 years after the first Bond movie came out, the brand is still going strong. Looking at the enduring success of the Bond brand, we can see at least four things that the producers have taken into account (Figure 4.2):

- **Looking back** at what made Bond famous
- **Looking forward** at how the world is changing
- **Direct competition** which other film franchises could steal attention from Bond?
- **Indirect competition** which new forms of competition are there?

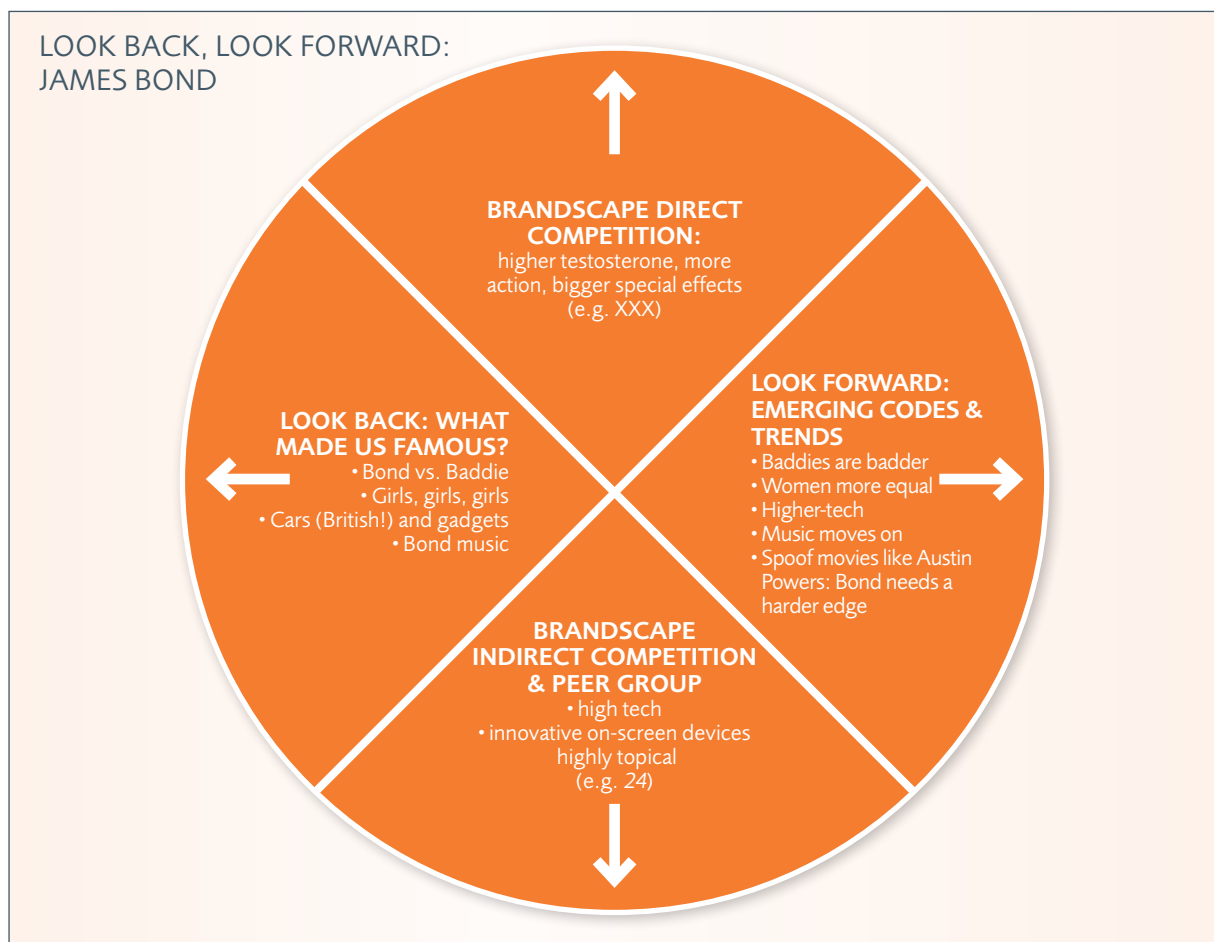


figure 4.2

brandgymblog.com/casino_royale

Brand it like Bond

LOOK BACK

Looking back at what made you famous is a bit like 'brand archaeology'. You dig into your past marketing mix and look for hidden treasure. When was the brand 'hot', growing share and sales and when it was 'cold'? And what was the brand doing at these times? Here, you are looking for two things. Firstly, you are looking at 'the message': the content of the brand promise the brand was making. Secondly, you are looking at executional elements such as endlines, creative ideas and visual devices that were responsible for creating strong brand associations.

We can use this approach and look at the history of the James Bond brand. There are a number of elements that have been constant over time. First, there is the fundamental 'brand idea' which could be summarized as 'Bond beats the baddie to save the world'. In terms of executional devices, the list goes on and on and includes:

- **The gorgeous girls**, at least one of whom is actually up to no good
- **The car that goes fast** but also has loads of gadgets
- **The music** dang dang-a-lang-lang... dang dang dang dang dang-a-lang-lang... dang dang dang dang da da, da da da etc.
- **The catchphrases** 'Bond; James Bond. 'Martini, shaken not stirred.'
- **The characters** Q, M, Miss Moneypenny

LOOK FORWARD

At the same time as rewinding to look at what made your brand famous in the past and what built its strong brand associations, there is also a need to look to the future and how the world is changing. For James Bond relevant trends might include the rise of global terrorism, with baddies getting badder and the changing role of women.

COMPETITION

Bond's direct competition is getting tougher, with the emergence of other action hero movies such as XXX and the Bourne Supremacy. It's also important to consider 'indirect' competition: brands operating in different markets, which can potentially steal business from you. This is often where new competition, such as Kodak losing out to Samsung and Sony as the photography market moved from film to digital, can catch out long established brands. In the case of James Bond, indirect competition could include TV programmes like 24, with its high-tech feel and imperfect hard-edged hero Jack Bauer.

STRIKING THE RIGHT BALANCE

After looking back, forward and at competition, the next task is to decide on which elements

need keeping, updating, losing and adding (Figure 4.3). Getting clarity on this can be of great help in guiding future brand development and keeping the brand on track. In the case of James Bond we can see the following by looking at the latest movie, Casino Royale:

LOSE, KEEP, ADD: JAMES BOND			
KEEP	UPDATE	LOSE	ADD
<ul style="list-style-type: none"> • Central idea of "Bond vs. Baddie to save the world" • Core elements of the character: cars, girls, gadgets, clothes • Catchphrases • Theme tune and 007 id 	<ul style="list-style-type: none"> • Core elements such as cars and gadgets need to be higher-tech • Baddies need to be badder • Update music and id 	<ul style="list-style-type: none"> • Foreign influences: e.g. cars should be British! 	<ul style="list-style-type: none"> • References to current affairs and events

figure 4.3

KEPT

- **The gadgets:** still plenty of these
- **Clothes:** smart Saville Row suits and stunning dresses
- **Cars:** the latest Aston Martin DBS
- **The exotic locations:** Madagascar, Venice, Barbados
- **The theme tune**

ADDED

- **Harder edge, brutality:** Daniel Craig's Bond is a rough, tough killing machine. The violence is a lot more real, we even see Bond being bruised and beaten.

UPDATED

- **The brand idea** "Bond beats The Baddie" is still there. However, Bond is not directly "saving the world" as in other films, but rather battling terrorists or an evil banker.
- **Girls:** they are there, but Vesper Lynd is smarter and stronger than the original Bond girls. And Bond's relationship with her is much deeper than the normal one-night stand.
- **The catchphrases:** still here, but used in a creative way. After a near-death experience, Bond is asked if he wants his Martini shaken, not stirred and replies 'Do I look like I give a s**t'. And 'Bond, James Bond' is there, but as the last line in the movie.

LOST

- **Q:** this character was nowhere to be seen, nor the laboratory full of far-fetched gizmos.
- **No more Mr Nice Guy:** gone is the suave sophistication. Craig is much nastier.

GPS for growing the core

Highlighting what to keep, lose, add and update in your brand is a great start for defining the vision for your brand. Clearly, if you want to grow the core brand, you need to have a damn good idea about what the brand is and, more importantly, what you want in to stand for in the future. Many or most examples of unsuccessful brand development can be traced back to a lack of clear and compelling brand vision that the whole business has bought into. When you have a clear vision, this plays the role of keeping the whole team on track to the desired destination, in the same way a GPS system works in a car (Figure 4.4).

This vision should capture both the product benefits and truths, or "sausage", and the brand personality or "sizzle". In great brands these two elements work together and reinforce one another. (Figure 4.5)

The process and tools for creating a brand vision are discussed in detail in an earlier brandgym book, *brand vision: How to energize your team to drive business growth*. Here, I will just do a quick review of the two key components of a brand vision: the 'recipe' and the 'cake'

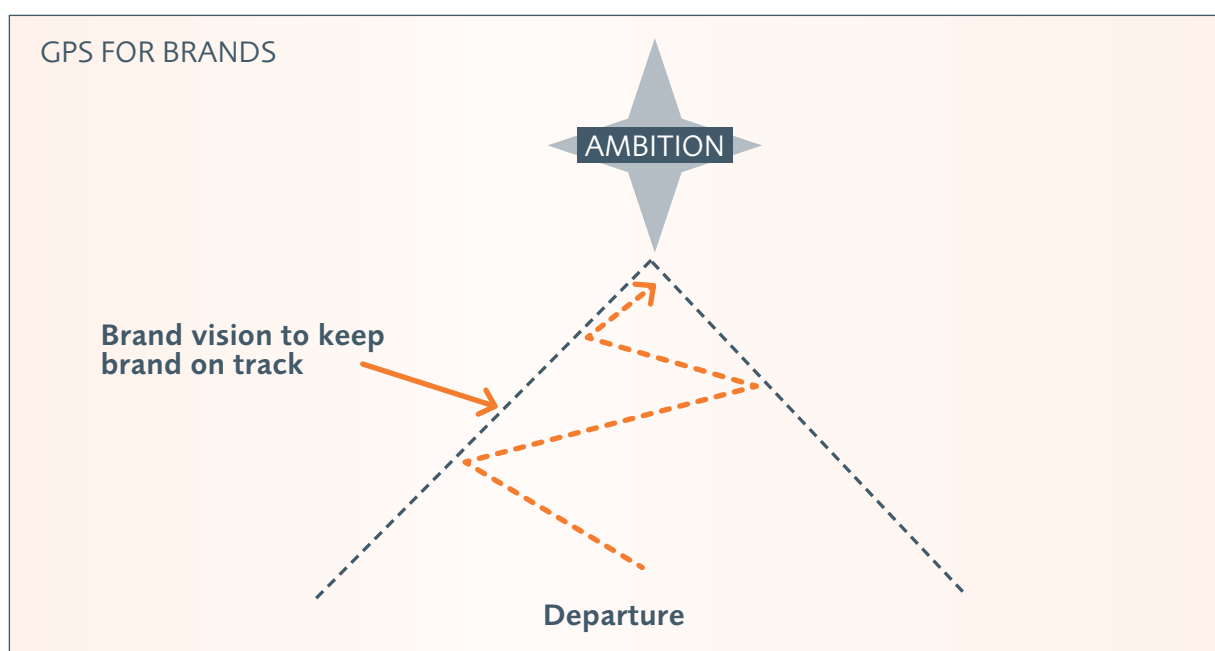


figure 4.4

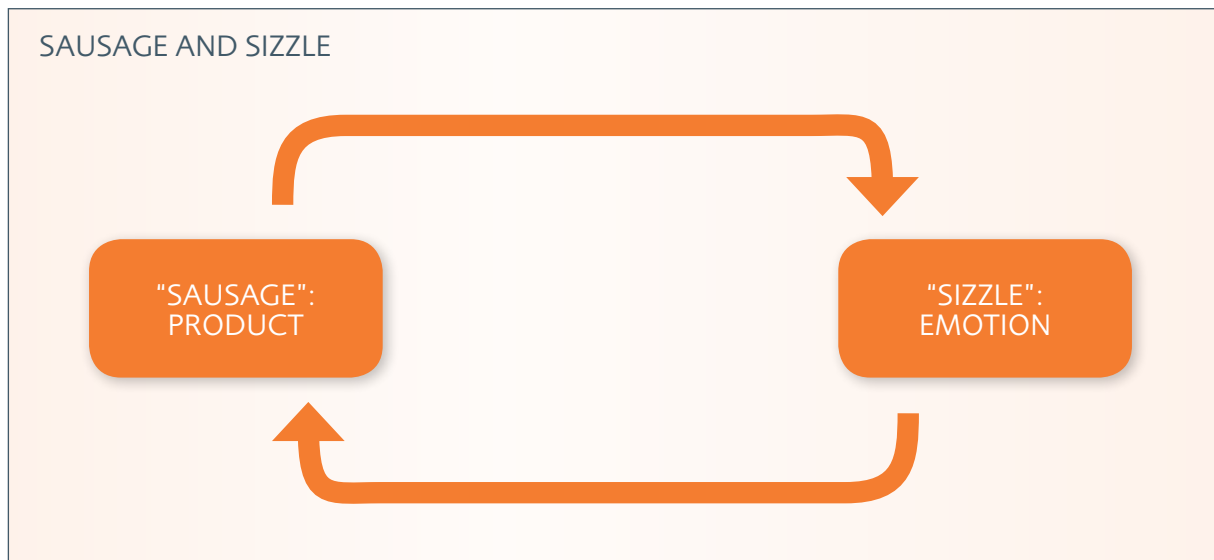


figure 4.5

RECIPE: BRAND POSITIONING TOOL

The detailed recipe for your brand vision can be captured in a brand positioning tool. These come in many different shapes and sizes. But, you know what? When you strip away the sales talk promoting the latest fancy tool, they're all basically the same. The most important bit is asking and answering the right strategic *questions*. The form you then choose to use is up to you. A couple of things that a tool should have are: i) not too many boxes and ii) a design that helps you tell a 'story' about the brand idea. The tool we normally use on brandgym projects is shown in Figure 4.6, along with an example for **the Pampers brand** in Figure 4.7. This captures the re-positioning of the brand that happened around 2001, from a very rational and problem focused brand, into one which was more of a supportive ally for parents. The story you can tell using this tool might work as a conversation like this:



figure 4.6

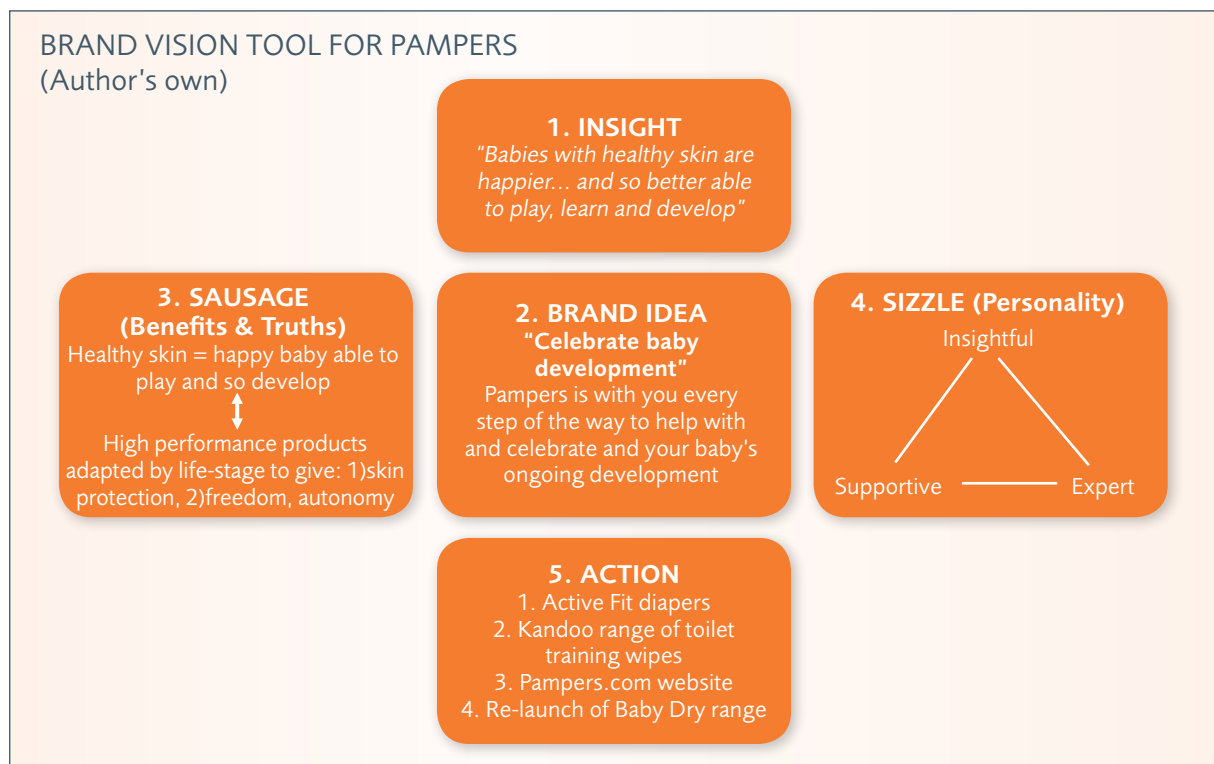


figure 4.7

Question 'What are we basing this new vision on?'

Answer 'Working with baby experts, we've found that "babies with healthy skin are happier and so better able to play, learn and develop"' (insight)

Question 'Interesting. But what can we do about that, how can we help?'

Answer 'Its all about helping people "Celebrate baby development"' (shorthand brand idea)

Question 'Baby development?'

Answer 'Yes, our idea is that "Pampers is with you every step of the way to help with and celebrate your baby's ongoing development"' (longer brand idea)

Question 'And how will we do that?'

Answer 'By making sure that the baby has "healthy skin as this means a happy baby able to play and develop"' (benefit)

Question 'And why should the mum believe this?'

Answer 'We'll develop and launch "high performance products adapted by life-stage to give skin protection, such as Baby Dry, and freedom, such as Active Fit"' (truth)

This new vision for Pampers inspired and guided growth on the core diaper business. Firstly, there was some new 'sausage', or product news. 'New Baby' diapers were specially developed for (ugh!) runny poo that comes from a liquid diet. 'Active Fit' has extra stretchy sides to provide a perfect fit when the baby is older and on the move. These new core brand versions clearly dramatised the

brand's understanding of baby development. And in the 18 months following the 2001 re-launch, market share grew strongly from 47% to 55%, driven by the premium priced new extensions.

The vision also drove new communication. For many years brand communication showcased 'expert mothers' such as creche supervisors and paediatricians authoritatively telling mum that Pampers knew best. The new vision led to a more collaborative relationship between Pampers and the parent, celebrating the joy of the mum and baby relationship, at each stage of the baby's life. Direct marketing was re-designed to coincide with key stages in the baby's development with useful booklets written by child experts and coupons for the most appropriate product in the range. The Pampers.com website was re-launched to be less of a product catalogue and more a source of helpful advice around the clock. Over 400,000 mums now visit the site every month.

SELL THE CAKE NOT THE RECIPE

Once you have the detailed brand positioning, you then also need to bring it to life. After all, standing up and showing people your brand pyramid or onion is a bit like Gordon Ramsey coming to the dinner table and presenting his guests with a detailed recipe of the cake they are about to eat. However, all you care about is what the cake looks like and how it tastes. The same thing goes for brands: you need to 'sell the cake, not the recipe'. In this case, the cake is the brand mix, so you need to bring to life the brand story in a visual way. For example, the global brand team on Hellmann's created a food magazine to communicate their new vision about making casual eating more pleasurable by adding exciting tastes and textures. This was much more effective than a traditional, big fat brand book in a binder. The Hellmann's brand vision was written as a 'story' using everyday language, not jargon. For example, the 'core consumer profile' was told using a diary of a week in the life of a typical consumer called Katherine. Instead of talking about 'benefits' and 'reasons to believe' the presentation asked 'How can we help Katherine?' and 'Why should she believe us?' Most important of all, there was a page on 'The story so far' that showed examples of product, packs and events that were closest to the desired vision.

Increasingly, brand teams are looking to use more sophisticated visual aids to bring to life their visions, especially video. For example, Shell Retail produced a TV soap opera to show the contrasting fortunes of one store managed in line with the brand vision and another that was stuck in the past.

KEY TAKEOUTS

1. Growing the core requires a balancing act between remembering what made you famous, and refreshing the brand to keep it relevant.
2. You also need to take a close look at the competition, both direct and indirect.
3. To guide core brand growth it helps to identify which elements to keep, update, add and lose.

CHAPTER 5. RENOVATION WAVES

We saw earlier that the risk for a core business is slow but steady decline. With the company focused on innovation to stretch into new areas, the core business is left unloved. And when it does finally get some attention, it is likely to be punctual. '*This year we're re-launching the core.*' (Then we'll get back to the real innovation).

Growing the core requires a change in marketing mind-set. Rather than core brand growth being a one-off activity, it becomes a way of working. It involves an ongoing process of idea development and implementation to keep the core business growing. This is a bit like the ongoing 'renovation' work you need to do on a house to keep it in good health. If you like, stretching into new markets is like building an extension to your house. However, a nice new wing for your property is not much use if the main residence is falling down!

The real trick is to have 'waves' of renovation activity on the core business to keep it moving forward (Figure 5.1). Before the core business can plateau and start to decline the next wave of activity hits the market. This wave of activity has been under development whilst the core business was still growing. In other words, you don't wait for the core business to start declining; you keep it healthy and growing. To coin the phrase used by the French rugby coach Bernard Laporte, 'To stay number one, you have to train like you're number two'.

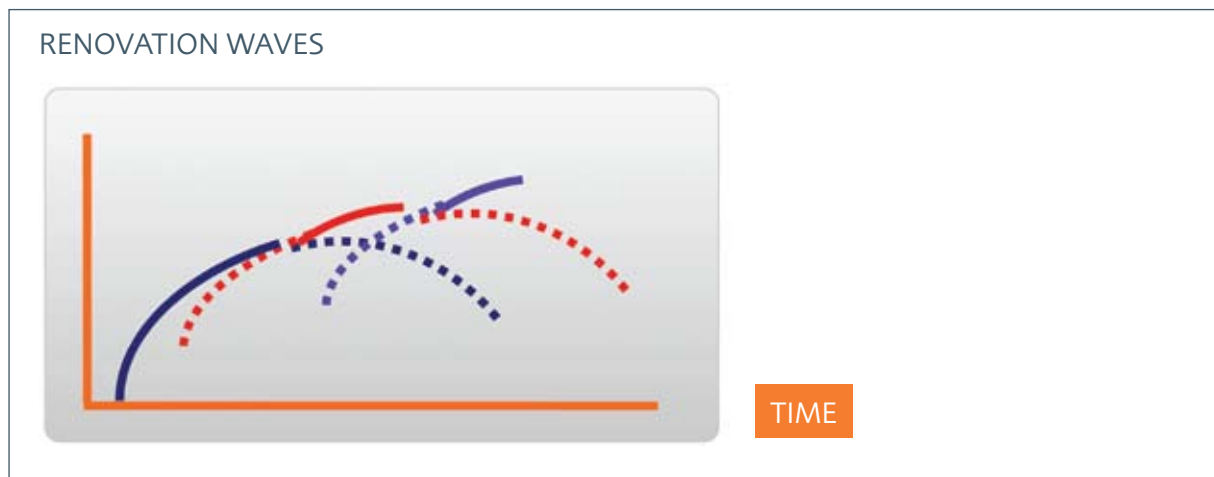


figure 5.1

These waves of renovation play several important roles. First, they keep current users interested in the brand. They give you 'Excuses for a conversation', something new and interesting to talk about. Second, renovation waves are an opportunity to target new users groups or new occasions to keep the core brand growing. Finally, renovation waves are a chance to respond to emerging trends and competition, keeping the brand relevant for today's consumers.

The Axe brand of body spray is a grand master at the art of renovation. In a way, they are forced to be good at this, as they constantly need to re-new their user base of teenage boys. The Axe approach is to introduce a new fragrance 'concept' each year. Rather than just creating a one-dimensional fragrance, such as 'Refreshing Green', Axe produces a more complete idea that taps into trends. For example, when the Berlin Wall fell they launched 'Phoenix' as a symbol of optimism and re-birth.

They're still growing the core body spray business and not stretching into new markets. But they're giving it a new twist. The Axe team use the analogy of a pop star with longevity like Madonna who launches a new album most years. New Madonna fans buy the latest album and for them that is *their* Madonna.

What is really impressive about Axe's approach is the way that they work in advance to have future renovation waves ready to launch. So, a typical Axe plan might look like this:

CONCEPT	YEAR 1 = 2007	YEAR 2 = 2008	YEAR 3 = 2009
Pulse	Launch		
Chocolate	Develop launch mix	Launch	
Catwalk	Trend work	Develop launch mix	Launch
	(to focus idea)		

The other smart thing about the Axe renovation waves is the way they rotate their product line-up to avoid the problem of an ever-increasing range. The new launch tends to replace the weakest member of the Axe family. As long as the new launch is a success, the total brand can still grow.

Innovation. But not as we know it

Many businesses have become addicted to new product and service introduction to drive growth. 'Innovation' has come to mean new product development and new product development only. However, new product development is only *one* form of innovation. Growing the core involves several other types of innovation (Figure 5.2). These are summarized below, and then developed in detail in subsequent chapters. The sequence of the different 'angles' for growing the core is intentional. We start with ideas that need no change to current product or pack, and so are most cost effective. Only then do we move on to ideas that require more investment.



figure 5.1

1. **Promote the core** this is the most powerful way of growing the core, as it requires no investment in changing the product or packaging. It is simply about selling more of the core product through smart marketing and new distribution channels (e.g. Hellmann's mayonnaise extended usage for cooking).
2. **Upgrade the core** this step keeps the core strong by improving the delivery of core benefits, but by making the existing products and packaging better, not by adding new products (e.g. innocent smoothies, 'now with more strawberries').

3. **New formats** still selling more of existing products, but in new formats to target new occasions and/or user groups (e.g. Pringles mini packs).
4. **Core range extension** last and perhaps least important, we look at new core products that extend the range (e.g. Dove Bar Refreshing Green). These are explained in the next and final section.

KEY TAKEOUTS

1. Growing the core is about creating and launching waves of renovation activity, with each one arriving before the core can start to decline.
2. Core brand renovation is not a one-off activity, but rather a new marketing mind-set and way of working on an ongoing basis.
3. Innovation is not just about launching new products and services, it can also be focused on better promoting and upgrading the core business.

PART 3

CREATING CORE BRAND GROWTH

CHAPTER 6.

PROMOTE THE CORE

The best place to start when growing the core is to apply all your creativity on trying to sell more of your existing products. That's right! No new products. No new packaging. Just better promoting what you have in your current range. One idea to help stimulate your creativity is to cut your budget. Try cutting it to zero even. Why? Because big budgets can make you lazy. In contrast, when you're an entrepreneur starting a business you have no money and the only way to grow is by making the most of what you have and being creative in how you promote your product or service. The ways to do this include breaking market codes, brand activation (delivering on promises), using every bit of your brand and driving extended usage.

Be brave and break codes

When you have a limited budget, the only way to grow is to 'punch above your weight' and get more bang for your branding buck. This requires a marketing mix, that is more impactful and memorable than the established brands, that comes from a marketing team brave enough to break the 'codes' of the market they operate in.

A good example of a brand that grew its core business in this way is the UK catfood brand, Felix. In just five years the brand boosted its share from 6% to 26%, taking leadership from Mars's global brand Whiskas, whose share dropped from 30% to 24%. This success was achieved with a marketing spend one-third the size of Whiskas. The star of this success was a mischievous animated cat called Felix, featured on pack and in communication with the endline 'Cats like Felix like Felix'.

Felix was disruptive in its communication, breaking many of the codes that had been created by Whiskas (Table 6.1). Felix was a loveable character that owners identified with, in contrast to the too-perfect cats of the Whiskas world. However, what was just as important was the way Felix's media-planning agency OMD broke from convention in its media channel planning:

- **Tight targeting** Targeting a small group of potential users to create high frequency. Part of the rationale for this was to give these cat owners the impression that Felix was a 'big' and successful brand, and so give them the confidence to buy.
- **Channel dominance** Felix started by concentrating its limited investment on two newspapers. When moving to TV the same principle was followed, with the brand buying one peak spot in the centre break or in one of the cat owners' favourite TV shows.
- **Alternative media** A range of alternative and free media included a Felix advent calendar to tie in with a seasonal 'Turkey and Stuffing' flavour, and one of the most popular screensavers of all time.

BREAKING CODES IN CATFOOD COMMUNICATION		
	CONVENTIONAL CODES	FELIX
Cat	Perfect, preened real-life	Animated naughty street cat
Voice-over	To communicate meatiness and goodness	None
Production	High quality filming	Animated cartoon
Product story	Overt: '9 out of 10 owners said their cates preferred it'	'Smuggled in more softly'

figure 6.1

Beyond promotion to brand activation

Scan the shelves of your local supermarket and you are unlikely to see much in the way of creativity. It's probably full of 'Buy one get one free' and '25% off' promotions. This presents an opportunity if you want to grow the core: being more innovative in the way you promote your brand to make it stand out from the crowd. The challenge is to go from promotion to 'brand activation' that boosts sales but also works harder at communicating the brand idea.

The Innocent brand of smoothies has used brand activation, along with outstanding packaging design and a great product, to grow from nothing to a brand with £100 million in sales in just 10 years. Here are a couple of examples of what they have done. brandgymblog.com/innocent

"BUY ONE, GET ONE TREE"

A clever play on words used in the bog standard BOGOF (Buy one get one free), this promotion invited people to buy a 1litre carton of innocent, and in return the brand planted a tree for you in Africa. You were able to visit a virtual forest on the innocent website where you could enter your name and see the tree you had helped fund. This idea not only grabbed attention on the shelf, it helped communicate the innocent brand's charitable work. The event was part of an approach it calls 'FMSG': Fast Moving Sustainable Goods.

THE BIG KNIT

The Big Knit is perhaps the most famous of innocent's many creative brand activation ideas. What makes it so strong is the way in which it actively involves consumers. Each year innocent asks for help in knitting little woolly hats, which are then put on the little bottles of smoothies sold during wintertime. Each special bottle is sold for 50p more than normal, with the extra money going to Help the Aged to protect old people from cold. In the most recent event 400 000 woolly hats were sent in, raising £200 000 for charity. Progress towards the target was tracked via a 'Hatometer' on the innocent website. Again, this brand activation created excellent on-shelf impact, with each bottle having its own personalised little hat. It also helped communicate the brand's support for good causes.

Use every bit of your brand

Another way to better promote the core is to look at the entire end-to-end brand experience and make each part work harder at communicating your brand idea. Founder and 'Chief Inspector' of PC repair firm **The Geek Squad**, Robert Stephens, has a provocative point of view on this: 'Advertising is a tax for having an unremarkable product.' His point is that if you make every bit of your brand experience amazing, then you have less need for conventional advertising. The product is the advertising. This approach certainly worked for the Geek Squad, that has grown with limited advertising from nothing in 1994 to now employing 15,000 'agents'!

brandgymblog.com/geeksquad

Here are some of the ways in which the Geek Squad has maximized the brand building power of each bit of the customer experience:

- **Standout staff:** Instead of 'technicians' or 'service representatives' The Geek Squad has 'agents' dressed like 1960's TV show police cops. Their uniform includes a white short sleeve shirt, black shoes, clip-on tie (to avoid being strangled by the tie getting caught in a printer!) and, of course, an official Geek Squad badge. You notice, remember, and maybe talk about these guys when they come to help you out.

- **Tone of voice:** every bit of copy is crafted to get across a message in a distinctive Geek Squad way. Stephenson talks for example of writing such mundane and forgotten bits of brand experience such as warranties in an "on-brand way". Check out how the company asks for new hires on the job section of their website:

'Recruits wanted to eliminate all evil computer behaviour. Faint of heart need not apply. Geek Squad candidates undergo a gruelling screening process — not unlike that of the FBI. If you've got drive, strong customer relations skills, and a mildly odd affinity for government-chic attire, you may be Geek Squad material.'

- **Do the basics really well:** Geek Squad Agents are trained not just to arrive on time but *5 minutes early*. They wipe their feet. And they are polite. Sounds simple, but when was the last time a repairman acted like that?
- **Geekmobiles:** rather than turning up in anonymous white vans, the Geek Squad turned up in highly distinctive cars. The first vehicle was a vintage 1958 Simca. As the company got bigger and needed more cars, they went for VW beetles but designed in black and white colours to mimic police cars.

But my favourite story is related to something even more mundane: the agents' shoes. With 15,000 agents, Stephenson was offered Geek Squad branded shoes with a nice logo on the side. Instead, he asked for the logo to be reversed out *on the sole of the shoe*. Why? Because this meant that everywhere they walked, Geek Squad Agents left branded footprints! Think about it for a second. 15,000 Agents = 30 000 shoes. With just one set of footprints a day, that's 150 000 free GRPs (*Gross Rating Point* or actual advertising impressions) a working week, or 75 million a year!

Extended usage

The ideas discussed so far are focused on increasing penetration of the core brand by getting more people to try you. The other growth opportunity is then in getting existing users to use more: extended use. This can be a valuable source of growth for a brand, as again it requires limited or no investment in new products or packaging. All it needs is clever marketing based on good consumer insight.

The Hellmann's brand of mayonnaise used this approach to good effect in its core US market. The brand team came up with the idea of '1 cup more' as an internal rallying call. They worked out that by getting existing users to use just one more a cup of mayonnaise a year would add millions of dollars of extra sales. The brand developed a campaign focused on encouraging

Hellmann's users to discover new ways of using the product in recipes. This was executed in press advertising, but also on the brand's website.

New routes to market

For many years, Cup-a-Soup was a dormant brand in The Netherlands. Sales of this dehydrated packet soup were static. The brand felt out-dated in a world where the most exciting innovation was happening in chilled food, and certainly not dehydrated convenience products. A change in strategy was the catalyst for a period of sustained growth. Same product. Same pack. No radical innovation. The core business was grown by finding and activating a completely new route to market: in offices.

Like many cases of effective marketing, the Cup-a-Soup success started with consumer insight. In this case, the insight was that people in offices experienced an afternoon 'dip' in energy - after a day of coffee and tea, they wanted a different sort of hot 'pick-me-up'. This was a need that Cup-a-Soup was well positioned to capitalise on. It was nourishing, warm and consumers of the product talked of how it had a reviving effect. Unilever Netherlands then did a fantastic job of acting on this insight to create core brand growth:

1. **In-office distribution** The first task was clearly to get the brand into offices. What was neat about the Cup-a-Soup solution was the cost-effective and quick way it was achieved. Rather than relying on complex vending machines, simple dispensing devices were created, that delivered a portion of Cup-a-Soup that people could pour into their own cups and add boiling water.
2. **The four o'clock break** Cup-a-Soup cleverly created and sought to own a specific moment of the day – "the four o'clock break". This was much more memorable and impactful than just saying 'Drink Cup-a-Soup at work'.
3. **Great communication** the final piece of the puzzle was using communication to activate the break idea. A tongue in cheek campaign featuring the funny, fictional character John the Office Manager was created and ran for several years.

KEY TAKEOUTS

1. Promoting the core is a great way to drive growth, as it involves little or no extra costs for new products or packaging.
2. A good way to stimulate your creativity in promoting the core is to cut your budget almost to zero, forcing you to think like an entrepreneurial start-up brand.
3. The many ways to promote the core include breaking market codes, using every bit of your brand and driving extended usage.

CHAPTER 7.

UPGRADE THE CORE

Upgrading the core is about making the best even better. This sounds simple, and it is. Hence the short chapter! However, its an approach to growing the core that is often overlooked, as the temptation is often to put innovation efforts behind adding new products to the core range (that we will come back to later), rather than improving the existing products. Upgrading the core can pay off though, in two main ways. First, it can keep your loyal users loyal, and even get them to buy you more often. Second, if the news is exciting enough it can attract new users into the brand.

More of what you want

The first way to upgrade the core is to offer more of what people want. Being an ex-P&G man, this is a subject close to my heart! After all, if you cut a P&G person, they bleed product. The company has a relentless drive to improve the performance of its core products, never accepting that the ceiling has been reached. New products are systematically "blind-tested" against the current version and competition and need to deliver statistically significant improvement in order to progress.

Upgrading the core also works in service businesses, not just product ones. The impressive turnaround of McDonald's is the result of upgrading the whole of the customer experience. After a crisis in 2005, when global profits fell dramatically, UK customer numbers climbed 12% and 2007 was the best ever year of sales..

Some of the many changes to upgrade the core brand included:

- Revamp of stores: 140 UK stores upgrade in 2007, with 200 more planned for 2008
- Free wi-fi in all branches
- Competitively priced fresh ground coffee
- Newer, healthier options: fruit bags, organic milk, deli sandwiches
- Reducing salt levels in French fries and McNuggets

Less of what you don't want

Interestingly, in food and drinks the last few years has seen innovation focus move away from adding new stuff to taking out the bad stuff. In reaction to increasing consumer concerns about the negative effects of artificial colours, flavours and preservatives companies have invested heavily in taking out these nasty ingredients. Indeed, 'no nasties' is fast becoming a 'table-stake' for food and drink brands: important, but not differentiating. Now even your Technicolor Smarties chocolates from Nestlé are free from artificial colours and flavours.

The other type of nasty ingredients companies are working on taking out is stuff that makes us fat. Pepsico's brand of potato chips, Walkers, is a good example of a brand that has invested heavily in this area. This is partly to differentiate the brand, but also perhaps a way of trying to pro-actively 'put its house in order' and head off punitive measures from regulatory bodies. Over a period of several years Walkers cut the saturated fat content in its product, with each change a gradual one so that people got used to the taste by degrees. Eventually the change was announced, with a 33% reduction in saturated fat being claimed. This patient approach had the benefit of creating more impact and news value than announcing each small change. Dramatic adverts were able to make the claim that a normal bag of Walkers only had the same saturated fat as half a chocolate biscuit.

KEY TAKEOUTS

1. Upgrading the core is all about making what you currently sell even better.
2. This can help keep current users loyal and attract new users if the news is big enough.
3. The two main ways of upgrading the core are offering more of what people want, or less of what they don't want.

CHAPTER 8. THE POWER OF PACKAGING

Packaging is one of the most fertile sources of ideas for growing the core. Without needing to add extra products, harnessing the power of packaging can help you grow your business and do a better job of building brand equity. We will look at five of the many ways packaging can grow the core: on-shelf standout, functional benefits, 'packvertising', re-positioning and targeting new occasions.

Be the 1 in 1,000

A distinctive and ownable 'brand identity' is essential to stand out on today's over-crowded supermarket shelves – or any other part of a crowded marketplace. This identity is a combination of the brand's name, logo and other ownable visual devices such as colours (e.g. Marlboro's red), symbols (e.g. the Nike swoosh), and typefaces (Coca-Cola's script). Leading design agency JKR shared some killer data with me to illustrate just how important it is to have a distinctive brand identity:

- Average number of items in a supermarket = 30,000
- Average number of items in shopping basket = 30
- Therefore, the number of things you DO buy = 1 in 1,000
- Number of things you DON'T buy = 999 out of 1,000

That's 30 shopping decisions where you have to be one of the '1 in 1,000' products that gets picked. And the same challenge is presented in services, especially in terms of the need to stand out from the clutter of the online environment.

The challenge with brand identity is to select the one or two visual devices that are key to helping your brand stand out and then amplifying them, cutting out the other clutter. Andy Knowles of JKR calls this process of selecting and amplifying your visual essence giving it 'brand charisma'. He recommends avoiding falling into the trap of filling your pack with nice shots of the product, as these are all too easily copied. An example is JKR's work in the food area is for **John West Salmon**. A new 'wave' device cues ideas of freshness and authenticity, and has added dynamism and modernity. This creates much more differentiation versus own label than the old pack – which was a classic example of putting your product on the pack along with the brand name. The design was a key factor in the brand's return to double-digit growth.

brandgymblog.com/johnwest

In addition to visual identity, the structural or '3D' part of packaging is also a big opportunity for a brand to improve differentiation and stand out. Examples include Coke's famous 'contour' bottle, Evian packs that mimic the mountains where the water comes from and the iconic Absolut vodka bottle, star of over 1400 press adverts.

Re-position

Beyond just helping the brand stand out, pack design can help you re-position a brand to build the business. One way pack design can achieve this is to better sell the benefit of a brand. A good example of this was the work done by Scholl, the foot care specialists, with their 'gel inserts' for women's high-heeled shoes. The pack was highly functional and the name of the product focused on what it was, not what it did. A much more feminine pack design was created to better explain the benefit: allowing you to go out dancing or clubbing in your fanciest (but not always comfortable) shoes and not get sore feet. The product was re-launched as **Scholl Party Feet**. The re-launch transformed the product's performance, multiplying sales by several times, and helping drive growth of 18% in 2005 for parent company SSL. brandgymblog.com/scholl

Another way pack design can help grow the core is to broaden the appeal and distribution of a brand. The re-design of **Green & Blacks** helped transform it from a niche ethical chocolate to a premium indulgence brand. The brand's organic credentials and bittersweet taste from its high 70% cocoa content earned it instant niche appeal, but market share stuck at only 1%. It was sold mainly in specialist stores and when it was in supermarkets, it was stuck in the organic section. At the end of the 1990s new pack designs helped to re-position the brand from worthy organic to luxury premium chocolate, leading on indulgence and with organic credentials

becoming a reason-to-believe. Sales rose from £4.5m to £50 million and the brand was bought by Cadbury's in 2006. brandgymblog.com/green&blacks

Packvertising

Packaging is also a much under-used and underestimated communication medium. The brands that make the most of packaging tend to be small ones that can't afford expensive advertising. So instead they use their pack to advertise: 'packvertising' if you like.

One of the best examples of a brand using packaging to communicate is innocent smoothies. Each bottle or carton is more like a mini-magazine than a conventional pack. The pack copy has been the main communication channel to get across the brand's innocent, light-hearted and friendly personality. What is especially clever is the way this pack copy changes every few months, creating consumer interest and involvement. Here are some examples:

- Caps that say 'Enjoy by', rather than 'Use by'
- Ingredient lists that say things like '25 blueberries, 10 raspberries and two fat nuns'
- Tips on how to get fit and stay lazy (e.g. knee-bends when sat on the toilet)
- Hidden in the fold of a carton top, 'Email us at iamnosey.innocent.co.uk'
- Product claim 'We use no artificial colours, flavours, or preservatives. And if we do you can tell our mums'
- Separation may occur (but mummy still loves daddy)

Many brands have tried and failed to copy the innocent approach. Talking to the brand's creative genius, Dan Germain, I got some insights on why this is the case. Dan has an in-house creative team of about 15 people working on the brand. These people live and breathe the brand better than any external agency ever could, putting a huge amount of resource behind the packaging, writing on average one new set of pack caps a day!

Packvertising can also take a more tactical form, using it to encourage new ways of using the brand. The **Kit-Kat** chocolate bar put fun tips on how to use the brand on the back of the wrapper. One says "The Scoop" and suggests using a Kit-Kat finger to scoop ice cream. Another is called "Kool Break" and suggests putting your Kit-Kat in the fridge. The great thing about this type of activity is that it is a practically free source of thousands or even millions of brand impressions for your brand. Even if only a small percentage of people notice, it can have a positive effect on the business. brandgymblog.com/kit-kat

Functionality

So far, we have looked at the way packaging can help differentiate a brand and make it stand out. However, the packaging also has the power to add real value to the usage experience and product functionality, as shown by the story of **Molton Brown's gift sets**. This brand of fancy toiletries is distributed in upmarket hotels and posh shops such as Harrods or Saks. The Christmas gift sets used to be pretty standard sets of different products (shampoo, shower gel etc.) sold in boring boxes or see-through bags. However, Molton Brown found out through talking both to the end user (mainly women) and the main buyer (men) that these Christmas packs were a bit of a second-class gift. A 'distress' purchase when short of ideas. The brand was good, as were the individual products. But the presentation let them down. The other key insight was that most men are really lazy when buying gifts. brandgymblog.com/moltonbrown

Building on these insights, the team transformed the special gift packs by designing a beautiful range of boxes that any man would be proud to offer. But wait, here's the real flash of brilliance. Not only did the buyer of this new pack not need to box up the individual products. By removing the external branding and adding a fancy ribbon, he didn't even need to wrap it up. Genius!

The business benefits of this move were huge. First, they sold several times more. Second, they were able to charge a much bigger premium price. Third, stores loved the packs and so built huge displays of them, boosting both brand visibility and sales.

Molton Brown made more of extra packaging. The other way to use packaging to grow the core is to go in almost the opposite direction, and make packaging more sustainable. However, having a sustainable approach to packaging is fast becoming a 'table stake': something important, but that is expected for a leading brand. Examples include US water brand Poland 'Eco-Shape' bottle which has a series of innovations including a 30% smaller label, 100% recyclable bottle and 30% less plastic.

New occasions and users

Last but definitely not least is the power of packaging to grow the core by targeting new user groups or occasions. This is a great way of breathing life into an established brand and introducing it to a whole new user base.

Take **Ferrero Rocher**. For years, the gold wrapped balls of chocolate wafer enwrapped hazelnuts have been part of the Christmas routine, or perhaps taken to dinner parties as a gift. The product was only available with a large number of units, typically 30 or 48. The brand's (in)

famous 'Ambassador's party' advertising reinforced the idea of the brand being for sharing at special occasions. brandgymblog.com/ferrero-rochers

However, the brand has broken free of the straightjacket of special occasion usage with a new 4-pack suitable for individual consumption. This is sold in newsagent's shops and at the checkouts of supermarkets. The brand is now also an indulgent everyday treat, widening the usage of the brand and updating it. Furthermore, the 4-pack has 'premiumised' the brand, with the convenience of the format supporting a premium per chocolate compared to a normal gift pack.

Perhaps the grand master of pack formats is Coca-Cola. A trip round my local supermarket revealed that I could buy the same core product in various different formats, with a differing price per ml across the range.

KEY TAKEOUTS

1. Packaging is a very powerful way of growing the core.
2. Brand identity can help the brand stand out in a crowded market, and even help re-position the brand or communicate the brand's idea.
3. Packaging can also deliver new functional benefits and help a brand target new occasions and or users.

CHAPTER 9. CORE RANGE EXTENSION

Having worked through the different ways of growing the core using existing products in the range, the final step is to turn to core range extensions. This involves adding extra products or services to the core business. This is very different from brand stretch, which sees the company moving into totally new markets, such as Dove launching deodorants. With core range extension, we are still 100% focused on the core business, but working on offering new versions of it, such as Dove bar introducing a Refreshing Green version. If you like, we are telling new episodes of the same core brand story. There are several ways that core range extensions can help grow the core, e.g. delivering new benefits and occasions, premiumisation and delivering new news) that we will now look at.

Covering the market map

The first way range extensions can grow the core is by better covering the 'market map' of different benefits, occasions and target audiences (Figure 9.1). A good place to start is to ensure you have such a market map, based on qualitative and quantitative research. You can then highlight areas where your brand 'under-indexes' and has less than its fair share of certain user groups or occasions.

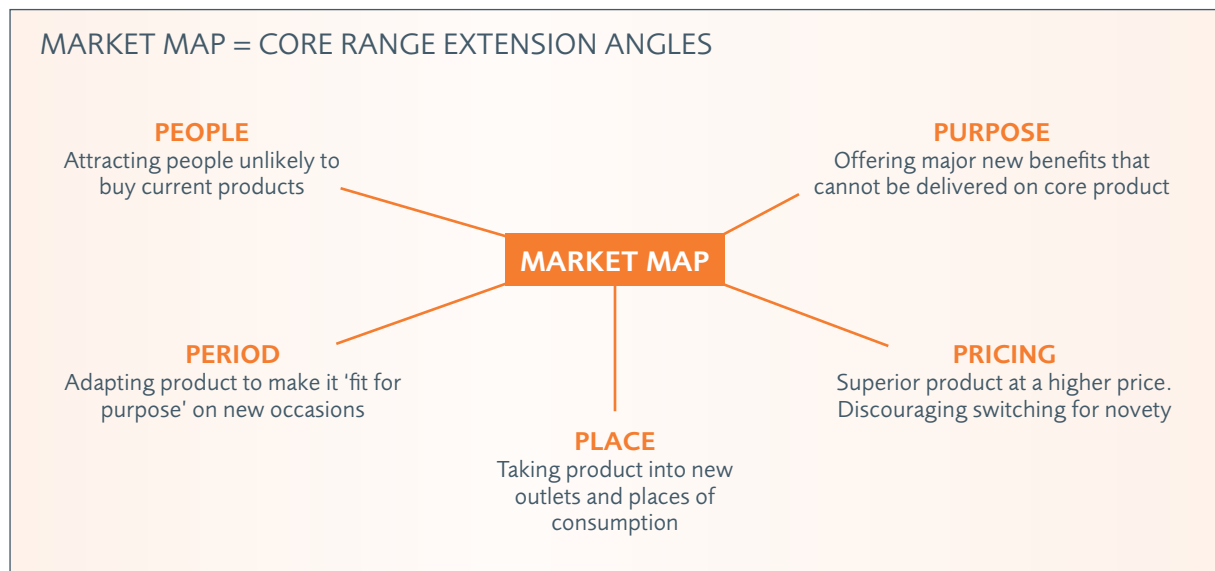


figure 9.1

For example, the challenge might be recruiting new users into the brand by tailoring the brand benefits to better meet their needs. An obvious example of this is the explosive growth in 'Light' products in response to increasing concerns about health. Coke Light/Diet Coke is now a bigger piece of business than Classic Coke in some markets. In beer, Bud Light has driven growth of the total Budweiser beer business, even if it has stolen some sales from the classic Bud product. This approach can also work well in services, such as "More>Than" in the UK creating a specific insurance offer for drivers aged 18-25 called Drivetime. This offers 40% cheaper insurance for these drivers if they stay off the road between 11pm and 6am - when most accidents involving young people happen. The driving is tracked by a GPS system fitted free of charge to the car.

Smart innovation on the core range is a great way of expanding the appeal of long established, even mundane, products. Look at the humble tea bag. Tetley have expanded their brand's appeal through the launch of Organic and Decaf versions and a range of more specialist teas such as Herbal Infusions. The latest version is Redbush tea, which is naturally caffeine free (as opposed to decaffeinated), as hydrating as water and packed with healthy antioxidants.

WATCH OUT FOR CANNIBALS

The key watch-out here is to ensure that the new version is genuinely delivering something relevant and different, and so adding incremental business. If not, the risk is 'cannibalisation' of the existing products, as happened with Crest toothpaste in the USA. The brand spent decades launching new versions such as tartar control, gum protection and whitening. However, share halved from 50% with one product, to 25% with 50 products. Each introduction competed for the same usage occasion and introduced novelty value but not enough added value to create incremental growth. What most people wanted was an 'all-in-one' version, successfully launched by Colgate as 'Colgate Total'.

Another useful check is that there is a 'trade-off' involved to justify adding a new product: modifying the existing product adds some benefits but risks undermining others. When Head & Shoulders wanted to respond to the trend for more regular hair washing, a frequent use version was developed with a lower amount of active ingredient and a milder cleaning system. If this had been used to replace the original version, existing users may have been disappointed with the lower efficacy and left the brand. The new product was launched as a range extension and succeeded in building sales by about 10% and attracting new users into the brand.

In contrast, when the product change can improve performance with no trade-off, upgrading the core product may be a better route. This is how mainstream car makers like Ford responded to the increased demand for safety features such as ABS brakes and air bags pioneered by Volvo. Rather than creating their new safer car alternatives, they integrated these features into existing models. These were first offered as optional extras, creating incremental revenues but eventually became expected in a car and were offered as standard.

Premiumisation

This is a specific way of delivering new benefits, where the primary objective is to increase price per unit, or 'premiumise' the offer and so boost the overall brand profitability. This is in fact a good test of whether a core range extension is delivering any added value. If it is, then in theory you should be able to charge more than the products you currently sell. If you can't charge a premium, then why are you launching it at all?

Gillette has been un-relenting in their drive to develop better and better razor systems, each one priced at a premium and supported by superior benefits. So, we have gone from Sensor (two blades) to Mach 3 (three blades) and now Fusion (five blades). And next year Gillette plans to launch a razor with a built in iPod (on April 1st that is!). The growth in the core shaving business (in the UK) over this time is impressive; even more so given the heavyweight attack from Wilkinson Sword in 2004 with the launch of their Quattro razor.

Gillette's achievements in growing their core business include:

- Razor and blade business up from £128 million in 2002 to £180 million in 2006
- Value share over the same period grew from 60.1% to 67.9%
- Annual growth rate of 14%

brandgymblog.com/gillette

New news

This last way of using core range extension is to add 'new news' to the brand to keep it fresh and interesting. This is important in markets that have a fashion element to them: where people want the 'latest cool thing' (e.g. Axe body spray for teenage boys). It can also work well in food markets that are variety driven: where people want to try new tastes.

Applying some creativity can make these versions more interesting than the run-of-the-mill 'New Citrus Flavour', or 'Now with extra cheese'. The other problem is that these versions can be copied before they have even hit the shelf by your friendly 'retail partner'. You can get much more impact from 'added value versioning'. **Calve** is a Dutch brand of sauces that I worked on a few years ago who did this with their barbeque sauces. One summer, they did a couple of limited edition flavours called 'BBQ Beast' (curry flavour) and 'BBQ Beauty' (pineapple). The concept of Beauty and the Beast was brought to life on the packaging with the BBQ Beast jar dressed up in leopard skin and the BBQ Beauty all pink and flowery. Boy, did this stand out on shelf better than your average new product. This launch delivered good business results, and did a much better job of promoting the brand and creating awareness. brandgymblog.com/calve

Less is more

Focusing your core range extension efforts requires assessing how good each one is at building the vision and building the business (Figure 9.2). It helps to do this exercise as if you were the owner of the business who was 'following the money'. By plotting potential, or existing, core range extensions against these two criteria, you can highlight the following types:

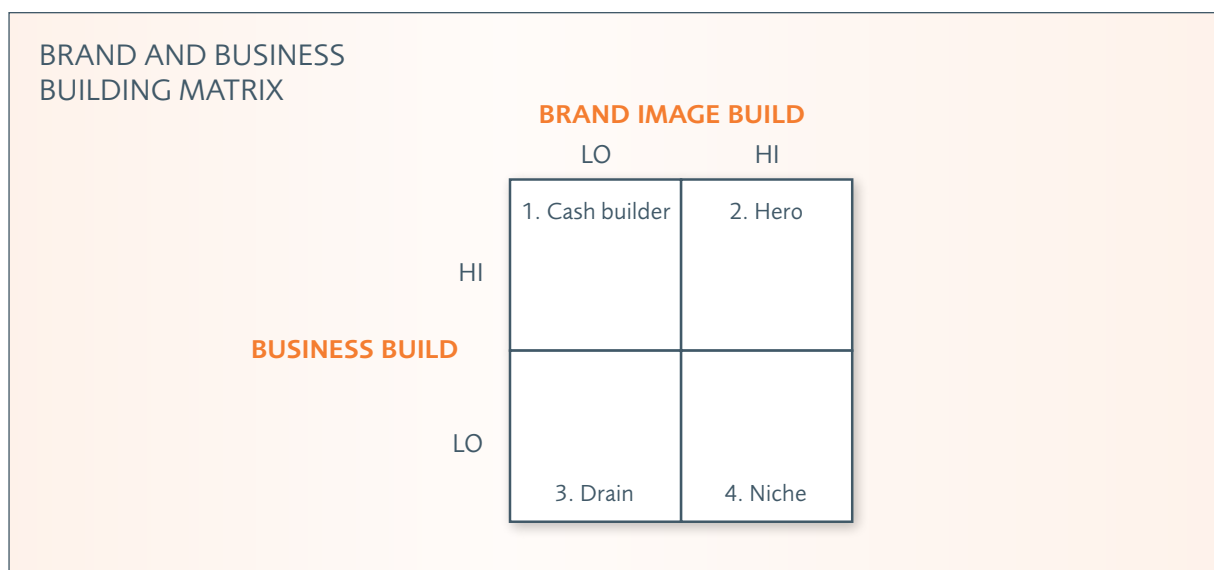


figure 9.2

1. **'Cash builders'**: account for a good chunk of profit but don't do much for the brand image, perhaps having been superseded by newer generation products (e.g. Gillette's Sensor Excel). The temptation may be to try to tweak and modify these projects or products to get them 'on strategy', but a better option is to just let them 'tick along' and make money so you can focus resources on hero products.
2. **'Herors'**: products that *dramatise* the brand positioning while generating profitable and significant business growth. These should be the focus for core range extension efforts (e.g. Gillette's Fusion).
3. **'Drains'**: eat up resources and have a limited impact on either brand image or business growth. Ideally, these should never hit the market and if they do, they are candidates for removal or at least cutting budgets. For example, as we saw earlier in this eBook, each annual new Axe launch replaces the weakest version in the range in a 'One in, one out' approach.
4. **'Image builders'** are small in terms of incremental profit, yet do something positive for the brand. The Seasonal or Limited Edition examples from Calve and New Covent Garden Soup could fall into this category. However, these are the most risky type of extension in many ways, as they often eat up resources without delivering the expected image building effects.

On projects with my consultancy the brandgym, we try to make the assessment of potential core range extensions more interactive and interesting by using a process called 'virtual venture capital'. This involves running a workshop more like the TV programme 'The Dragon's Den' than a conventional meeting, with project owners presenting ideas as if they were pitching to a panel of venture capitalists. The 'Growthprint' tool (**Figure 9.3?**) is used to force people to present the idea in a 2-page format rather than the normal PowerPoint extravaganza.

KEY TAKEOUTS

1. Core range extensions are a way of growing the core by adding new versions of the core product or service.
2. The best place to start is with a Market Map that can highlight opportunities to deliver new benefits or meet the needs of new occasions and user groups.
3. Less is more: focus core range extensions on those ideas with the best potential to grow the business and dramatise the brand vision.



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http://wheresthesausage.typepad.com/my_weblog/grow_the_core/