

Why Monk Bought the Ferrari?

*How successful brands create consumer
relevant differentiation*

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Nitish Rai Gupta



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To

Students from my lectures across B-Schools in India

*Their inquisitive minds and questions during the talks
helped me test some of the concepts presented in this book
and subsequently improve them*

Contents

<i>Preface</i>	<i>ix</i>
<i>Acknowledgements</i>	<i>xi</i>
Chapter 1 Buying the Ferrari (<i>Importance of Creating Consumer Relevant Differentiation</i>)	1
Chapter 2 Introducing the Monk to the World of Ferrari (<i>Capturing Consumer White Space</i>)	16
Chapter 3 Telling the Monk Why Ferrari is Right for Him (<i>Innovative Proposition</i>)	25
Chapter 4 Tailoring the Ferrari Variant with Added Features to Suit the Monk's Needs (<i>Re-engineered Solution</i>)	33
Chapter 5 The Right Ferrari Look and Colour to Suit the Monk's Desired Image (<i>Equity Enhancing Packaging</i>)	42
Chapter 6 Emphasising Italian Origin and Heritage to Help the Monk Make a Decision (<i>Supply Source Linked Differentiation</i>)	51
Chapter 7 Leveraging New and Pre-owned Ferrari Pricing and EMIs to Address the Monk's Purchase Barriers (<i>Pricing to Bust Purchase Barrier & Sizing to Suit Consumption Occasion</i>)	59

Chapter 8	Communicating Ferrari Benefits Through the Monk's Trusted Influencers at His Most Receptive Frame of Mind (<i>Buzz Creating Communication & Unique Media Consumption</i>)	70
Chapter 9	Leveraging Ferrari Dealership Network Locations and Added Incentives to Close the Deal with the Monk (<i>Shopper Relevant Availability & Trial Linked Promotions</i>)	80
Chapter 10	Postscript – Why Monk Bought the Ferrari?	89
	<i>References</i>	93

Preface

Over a decade ago, when I graduated with a management degree in hand, specialising in marketing, the real world of marketing was still a nebulous cloud to me. I was always intrigued as to how big brands are able to get consumers to buy their offering consistently. Was it some kind of a rocket science to influence consumer behaviour or was it an art within the domain of creative agencies?

Now with the benefit of having spent almost 10 years learning marketing with organisations like Procter and Gamble, Heinz and Coca Cola, one thing that I saw clearly standing out across brands that these companies have was their ability to differentiate their brands in the market in a manner extremely relevant to the consumers. This is what became the genesis of this book *Why Monk Bought the Ferrari – How successful brands create consumer relevant differentiation*. The idea was to understand how successful global brands are able to identify their target consumers and get them to prefer their brand over others in the market. The act of creating consumer relevant differentiation is what convinces the target consumers to buy the Ferrari or any other brand as appropriate. Across the 3 organisations I have worked for, it was apparent that the act of creating differentiation for the brands in a manner relevant to the consumers requires the whole organisation and different functions to come together. It's not just about creating a new marketing campaign or launching a new product. Consumer

relevant differentiation can be created from any of the levers that ultimately impact brand experience for the consumers – be it the distribution strategy or pricing tiers or even supply source. In this book, we will look at all the possible levers that could be used for creating consumer relevant differentiation for your brands. The levers as you will see are mutually exclusive and cumulatively exhaustive for creating consumer relevant differentiation.

The book has insights relevant for working professionals, students and entrepreneurs who are keen to market a product/service by differentiating it in the marketplace in a manner relevant to their target consumers. The book uses copious examples and case studies from India and across the globe to explain practical application of the concepts.

I sincerely hope that you find this not only intellectually stimulating but also a ready-reckoner with power questions in the beginning and application chart at the end of each chapter to help you apply the principles learned in your real-life marketing efforts.

NITISH RAI GUPTA

Acknowledgements

There are a whole host of individuals and institutions that I wish to thank and acknowledge for this modest effort in writing the book on creating consumer relevant differentiation.

I would like to thank the 3 organisations that I had the fortune of being associated with – Procter and Gamble, Heinz and Coca Cola. These institutions have pioneered in creating unique marketing concepts that are being taught across the world. I would like to acknowledge the teams and individuals (a lot of them!) I had the opportunity to interact with during my stint there which enabled my understanding of marketing and how one can go about creating consumer relevant differentiation.

Heartfelt thanks to Charmaine Wong, Dr. Sushil Mohan and Sandeep Grover – professionals in marketing, for their time and inputs on the manuscript.

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The acknowledgements wouldn't be complete without thanks to my family (my parents, wife Aditi and children Tisha and Krnav) for making every day an enjoyable one.

NITISH RAI GUPTA



Buying the Ferrari

(Importance of Creating Consumer
Relevant Differentiation)

Why does a brand like Ferrari ensure that it appeals to people of various demographics and socioeconomic segments by taking to market a variety of offerings like the motor sport, the cars on road, the toys and the Ferrari branded apparel? Why would a tech 'monk' like me end up buying two Kindles, an iPad, an iPod, an iPhone as well as a Mac? Why would some women pay up to a thousand rupees for a 100g bottle of a face cream that likely contains 95% water? How come a brand like Louis Vuitton is able to extend beyond suitcases to bags, apparel and household ware? These type of questions will inevitably prop up in any marketer's life. The answer lies in the fact that strong brands anywhere in the world are able

to create consumer relevant differentiation for their respective consumers.

What is it All About?

The thought of creating consumer relevant differentiation goes beyond identifying a new unique product and taking it to market or NPDs (new product development) as it is typically known in many companies. It is actually about a change in the thought process or an approach to branding exercise that helps create a stronger brand in the minds of its consumers. This source of consumer relevant differentiation could come from anywhere – the product, the process, the idea, the technology – just about any of the levers that are instrumental in brand creation.

Put simply, consumer relevant differentiation means having the brand stand for something in its target consumer's minds that is relevant to them as well as differentiated enough in the category (with respect to competition). For example, the brand Dove (in the skin and haircare segment) stands for softness and the fact that it contains moisturising milk – something which is very relevant to consumers of shampoos and creams as well as something which differentiates the brand from competition (i.e. is uniquely associated with Dove). Thus, softness and moisturising milk proposition provides Dove with consumer relevant differentiation, and hence plays a part in the success that the brand has in the market place.

Majority of my working life has been devoted to creating consumer relevant differentiation for a variety of brands, across different industries (personal care, foods and beverages) and across a whole range of geographies (ASEAN, Australia, India, the African Continent, Middle-East and

South-West Asia). This has exposed me to numerous experiences wherein such differentiation has resulted in creating star brands beyond regular new product introduction. In this book, thus I will try and leverage these experiences and bring them to life for you in a tangible, easy-to-read and easy-to-understand format, substantiated by a variety of live industry examples.

Before we begin, let me give you a feel of the type of work I have done and how these experiences were instrumental in helping me develop an understanding as to 'why the monk bought Ferrari in the first place', that is, how to go about creating consumer relevant differentiation for the brands one is working on, which would result in capturing the target consumers' heart.

Pittsburgh Keystone

In 2008, I was in Pittsburgh at the innovation centre for the global foods brand I was working for. There, as part of my consumer immersion exercise, I met some local American women, who were frequent users of the pasta sauces brand that the company had. The brand was more than half a billion dollar in size and hence had to constantly look at consumer innovations to fuel growth. The key reason behind the success of this brand in the United States (as articulated by this lady I met) was that it was made as they (highly involved women who like to re-create authentic recipes at home) would make them, that is, handcrafted in authentic Italian way. This was a proposition that was relevant for the consumers and well differentiated in the pasta sauces category, thereby creating consumer relevant differentiation for the brand in US market. However, in other parts of the world, the same proposition was not necessarily applicable as is because its relevance

would vary depending on the sociocultural context of the country.

Dubai Sandstorm

Thus, when I moved to Dubai and tested the same proposition (handcrafted Italian pasta sauce) with the local target group, socioeconomic segment A women there, the idea just did not connect with them. The biggest reason for this was that the local women in Dubai in all likelihood had full time domestic help to do all the cooking-related work and our target consumers saw themselves more as the 'home managers' and not necessarily as the 'home makers'. Thus, their motivations were not really around creating handcrafted authentic Italian recipes at home. Instead, they were keen on entertaining guests and showcasing their house as the best in their circle of friends and relatives. This led to a different proposition for Dubai and we positioned the global pasta sauces brand around the idea of 'creating 5 star hotel Italian dining experience for their guests at home'. This proposition now was extremely relevant to the local women in Dubai and well differentiated in the local pasta sauces and tomato paste category, thereby creating consumer relevant differentiation for this brand in Dubai. The brand was launched under this campaign and coupled with innovative sampling (wherein an Italian kitchen was re-created in-store across various modern retail outlets and the product was sampled to the target consumers through this 'kitchen') was a mega success – volumes doubled continuously every month for the first 3 months of the launch. Thus leveraging the positioning idea, helped us launch and create a strong brand that was relevant as well as differentiated in the region with absolutely no change done to the basic product itself.

African Behemoth

As part of my work with a global foods giant, I also got the opportunity to manage a big mayonnaise brand in Nigeria. Contrary to general perceptions, we found that FMCG companies there had understood the consumers well to create meaningful differentiation, thereby enabling their brands to charge price premiums in an underdeveloped region. This pricing strategy innovation was not because consumers had high per capita income. Instead it stemmed from the fact that the consumers there had to rely on branded packaged goods for basic amenities and nutrition requirements because of poor infrastructure and lack of nutritious food availability. Also, the socioeconomic sentiment of the place did not encourage saving money because of the prevalent security issues in the country. Anecdotally, it seemed that if they saved money and kept it in their homes, there was high likelihood of it getting robbed. Alternatively, if they kept their money for safekeeping in a bank, that too was apparently not safe enough. There were high incidences of banks declaring bankruptcy. (Seems that in some year, many private banks had declared bankruptcy and shut shop.) While this is anecdotal, it does give you an idea of consumer sentiments and how brands could play a meaningful role there by providing assurance of good quality nutritious products and consequently be able to charge right price for bringing that service to the consumers in a sustainable way.

A common form of greeting in Nigeria was not 'how are you?', instead it was 'how body?' and the standard reply to this greeting was not a simple 'it's good' but was 'body still in clothes'. This is indicative of the security situation then in Nigeria. As part of my in-home visits there, I met

this lady who shared with me that they had family/friends get together parties almost every month and in their group it was an accepted practice that everyone would buy and wear a new dress for the monthly parties. Her wardrobe (which was huge in size) was full of new looking dresses. Such sociocultural issues have enabled many players to create meaningful differentiation and hence build strong brands in that market. Milk food drinks (MFD) category is one such example that understood the nutrition needs for Nigerians and that coupled with the fact that availability of quality nutritious milk was scarce led various players like Nestle (Milo), Cadburys (Bournvita) and Heinz (Complan) to come up with relevant and differentiated positioning to capture the Nigerian market. The key to success for this category was the fact that mothers could now add these milk food drinks to plain water and were happy that their kid's nutrition needs were taken care of even if quality milk was not available. Thus, a very relevant proposition of nutrition in the face of lack of quality milk-based nutrition talked by the key players in a differentiated manner has enabled these brands to successfully grow in a relatively underdeveloped market.

Singapore Sling

Almost a decade ago, when I was in Singapore building growth plans for a haircare brand, I came across an interesting observation. The local women, in Singapore were more participative in the economy and focused on building a strong career trajectory as compared to rest of the South-East Asian region. Apart from the fact that it was a developed country while the rest of the region was still developing, another big factor that encouraged women in

the workforce was the fact that all Singaporean men had to enroll for compulsory 2-year military training for the nation. This inevitably would give the women a great opportunity to further their career thus impacting the local consumption market growth as the consumer behaviour here was distinctly different from the rest of the region. A key attraction for anyone who has visited or stayed in Singapore is the prevalence of 'hawker centers' serving value for money, delicious food cooked hygienically (when compared to street-side vendors). True to Singapore's culture as a melting pot of Asia, these hawker centers offer a wide range of food cuisines – Malay, Thai, Chinese, Indian, Vietnamese etc. Some of the dishes, uniquely Singaporean (Chicken Rice, Chili Crab, Laksa) have become a must taste for tourists. One of the popular 'hawker centers' there called the Newton Food Court has built on this relevant local heritage and food delicacies to position itself as a destination of choice for locals as well as visitors to Singapore – bringing consumer relevant differentiation to life for the tourists and locals alike, resulting in high customer traffic there.

Saudi Arabian Royalty

From Singapore let me take you to a very contrast culture when we (the marketing team) were working on building and turning around a famous Ketchup brand in the Kingdom of Saudi Arabia. It had its fair share of learnings for us in terms of how consumer relevant differentiation can be created. It was critical for us to understand what the trial barriers were for the brand (because of which it had low single digit share in the market). As any diligent marketer would do, the first step for us as well was, to understand the consumers. This came with a lot of challenges. Saudi Arabia being an Islamic

country, had a very strong moral policing culture and it was extremely difficult for us (group comprising non-local males) to talk to local women directly. (Anecdotaly, I believe it was a punishable offense for unrelated man and woman to travel in the same taxi if the girl did not have a male relative in the same cab.) The research agency came to our rescue with an innovative solution to enable us to do in-depth interviews and focus groups. Using a Lebanese moderator and translator (both women), they organised interviews where the respondents were in their veils (we could not see them speak – translator would do the necessary translations though) and the venue for the same was inside American expat ‘compounds’. With this solution, we ended up talking to more than 80 Saudi women from different socioeconomic backgrounds. The upshot of these interviews was that in Saudi Arabia, for Ketchups as a category, top of mind brand awareness had direct correlation to the brand purchased. Also, for the Ketchups category the biggest driver of purchase was that ketchup makes food tastier and hence it makes it easy for mothers to feed their kids. Secondly, the mothers needed some sort of assurance around the quality of product to build trust around the brand they were likely to purchase. This insight led to our leverage of the claim ‘every 100g of ketchup is made from 106g tomatoes’ to build trust with our target consumers around product quality and taste. Further for the first time, we leveraged TV as mass medium to support the brand on air. This relevant media selection coupled with in-store and point of sale marketing step changed the brand’s ketchup business. The brand shares almost doubled on the strength of the team’s ability to create meaningful differentiation in the eyes of its consumers.

Vietnam Diligence

Let's take another pit stop, this time in Vietnam where I worked on launching a new hair conditioners brand. The women there were very active and well integrated into the workforce. A visit to Vietnam and you could see them commuting to and fro work in mopeds (the preferred mode of transport). At traffic junctions, one would be surrounded with women wearing protective gloves covering their arms while driving their mopeds. The background is that many of the women had migrated from provincial rural regions of Vietnam and moved to the financial hub 'Ho Chi Minh City' for meaningful employment. Many of them would actually be supporting their family back in the provinces where they had come from. Thus, moving to city was a big change in their life and they could do with all the support that they could get to help them make this transition a comfortable one. The local marketing team in Vietnam leveraged this understanding to come up with an innovative engagement programme to help these women with the biggest change point in their lives. The brand not only gave them the confidence that they will look good (because with this new conditioner they will get smooth straight hair) and hence they could make a good impression on others, it went a step ahead and partnered with various local organisations to make these women more employable by training them in different job and interview skills. This consumer engagement campaign was as obvious, extremely relevant to the target consumers, especially in terms of impact to life it had, and it was the first time that a haircare brand in the country was doing such an initiative thus making it differentiated in the category as well. This entrenched the brand in the market where it had strong market leading share and the conditioners launch hit almost 20% market share within 6 months.

India Incredible

Let me share one last story before we move on to understanding 'consumer relevant differentiation' in details. This is for the India market where I was handling the largest sparkling beverages brand in the country. The brand, more than 30-years old had a very loyal young adult consumer base and with the onslaught of heavy competitive spends (in the form of Pepsi, Mountain Dew), was faced with the imperative of retaining its core user base. The cola brand was positioned on the core functional need of 'Energy and Stimulation' which gelled with the fact that it was a strong cola. The emotional connect that the brand had with the consumers was as a masculine drink, the idea bought to life in different communications as 'I will do anything to get my favorite cola'.

Thus, the basic TV campaign showed the protagonist going through exhilarating experiences to get the bottle of his cola. Coming back to the problem that the brand was facing, the idea was to go beyond the traditional TV campaign and engage the consumers in a way that bought the relevant message (masculinity, I will do anything for my favourite cola brand) to life in a differentiated manner. The team worked a media innovation solution where the brand sponsored the TV reality show (Fear Factor – Khatron Ke Khiladi). The team went beyond just title sponsorship and in fact had the brand integrated into the core idea of the programme itself, wherein the contestants had to undergo dare devil stunts to get a bottle of the cola brand. The final winner of the show was awarded with the chance to feature in the next TV ad campaign for the brand in question. Thus, the leverage of this media innovation helped the brand continue to build consumer relevant differentiation in a market which had competing beverage

players outspending the brand 2–3 times and strengthened its market leadership.

Hope these stories have given you an understanding of how consumer relevant differentiation can be created beyond just a new product or an ad campaign ultimately leading to the monk buying his Ferrari. The relevant differentiators, depending upon the brand's life stage and what competitive brands are doing, can vary from purely conceptual to purely execution focused. I have been able to synthesise my learning into a few basic principles that business builders across the globe have been using successfully to build iconic brands via creating consumer relevant differentiation – consciously or inadvertently. These principles bring to light, how getting the monk to buy a Ferrari, that is, creating consumer relevant differentiation is not just about developing new formulations with the R&D team but is a holistic thought process in brand creation and marketing.

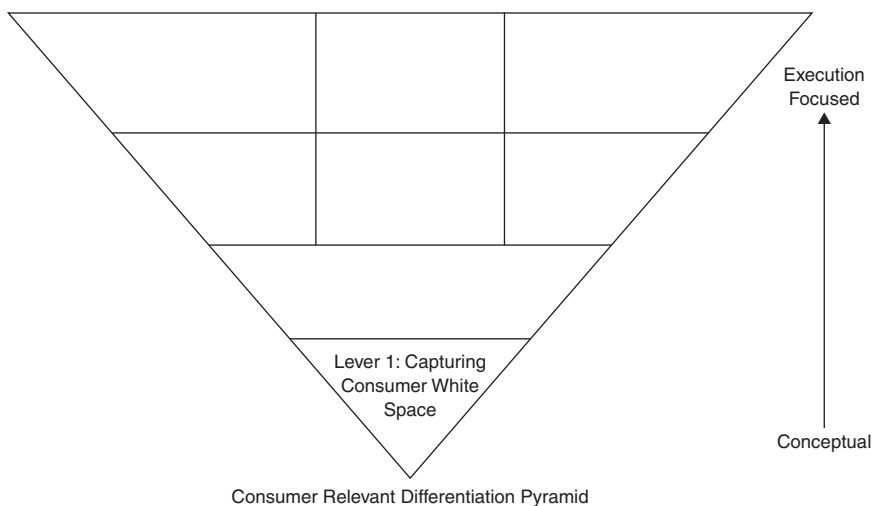
In the rest of this book, I will try and take you through these fundamental principles and substantiate them with industry examples to help you understand the context and how they are relevant and comprehensive for brand creation.

Principles Overview

Let's take a quick look at the principles before getting into details of each. As you will see, they are not only exhaustive in covering the various aspects that contribute towards brand creation, but they are also mutually exclusive thus giving you the opportunity to create incremental value with each successive lever. These levers evolve from more conceptual differentiators at one end to purely execution focused ones at the other. In the process of understanding these levers, we will be able to build a complete relevant differentiation pyramid.

Lever 1

The first lever for creating consumer relevant differentiation builds off the fact that any brand creation act has to build on a solid understanding of the target consumers. This first lever (capturing consumer white space) thus comes at the base of our pyramid forming the foundation at a most conceptual level. It is about identifying untapped consumer space and using that as a differentiator. The consumer white space might not necessarily be a new geography or territory but could actually come from new consumption occasions or other such innovations.

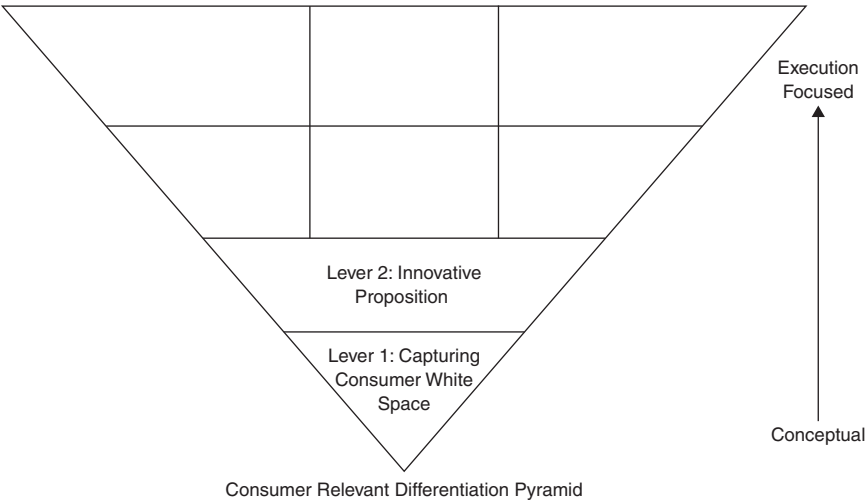


Lever 2

The second lever is about creating relevant differentiation around the brand idea itself (innovative proposition) wherein without altering any of the brand hardware you conceptually try and create differentiation for the brand. It comes as the second layer of our inverted pyramid.

Building on top of the two core conceptual layers, comes the third layer of our inverted pyramid. This layer is mid-way

between conceptual and execution focused differentiation. It primarily comprises of three levers around the tangible offering that the brand is bringing to its consumers.



Lever 3

The third lever (in our overall count) is about the core product/service itself (re-engineered solution) referring to the fact that you might want to innovate on you core product/ service offering to make it optimal for your target consumers to create relevant differentiation.

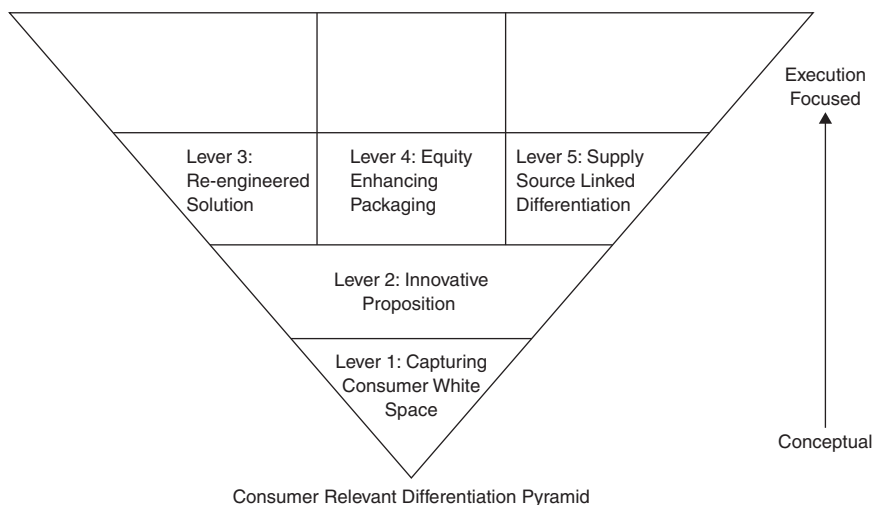
Lever 4

The fourth lever comes from packaging (equity enhancing packaging) that is critical for your brand to win at the point of purchase by creating relevant differentiation on shelf.

Lever 5

The fifth lever drives the use of sourcing site/origin of the offering (supply source linked differentiation) to create meaningful differentiation for consumers.

The final layer in our consumer relevant differentiation pyramid (inverted) is the most execution focused one. This also comprises three levers which have a direct impact on how the marketing plan is executed.



Lever 6

The sixth lever is around the pricing and sizing of the offering. It utilises the brand's pricing (pricing to bust purchase barriers) to correct value for the target consumers and hence drive consumption in a relevant and differentiated manner. It further builds on the pack size/dosage (sizing to suit consumption) that can fundamentally help you understand how the consumers want to consume the brand offering and make it more convenient for them to do so.

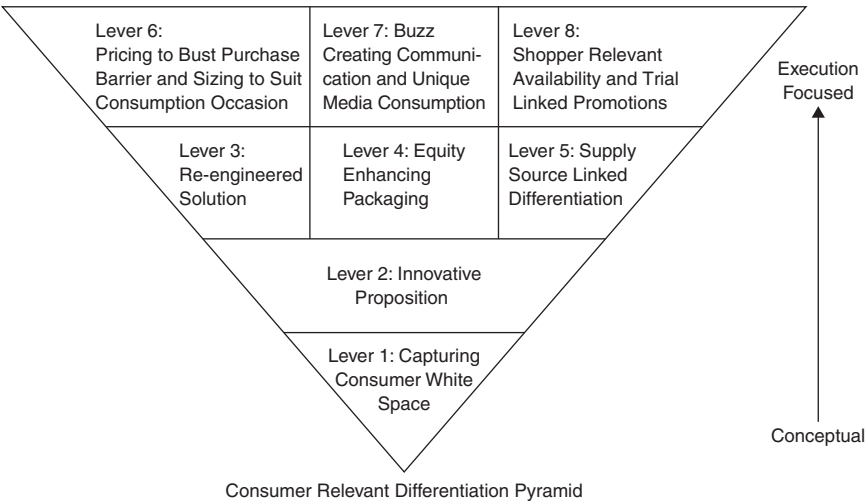
Lever 7

The seventh lever is about communication and communicating. It builds on the actual communication from the brand (buzz creating communication) which can drive word of mouth for the brand's core message thus increasing the return

on investment made on brand building by creating relevant differentiation. This lends it to leveraging actual media purchase (unique media consumption) and relies on the innovative use of media to break clutter and to get the communication message noticed in a relevant manner.

Lever 8

The eighth lever is around actual distribution and shelving of the product (shopper relevant availability) wherein the endeavour is to make the brand’s offering available to the target consumers at the moment when the biggest need for the same is felt. It further builds on incentivising the shoppers to choose your brand’s offering over competition (trial-linked promotions) in-store or on the shelf once it has been made available in a sea of competitive products.

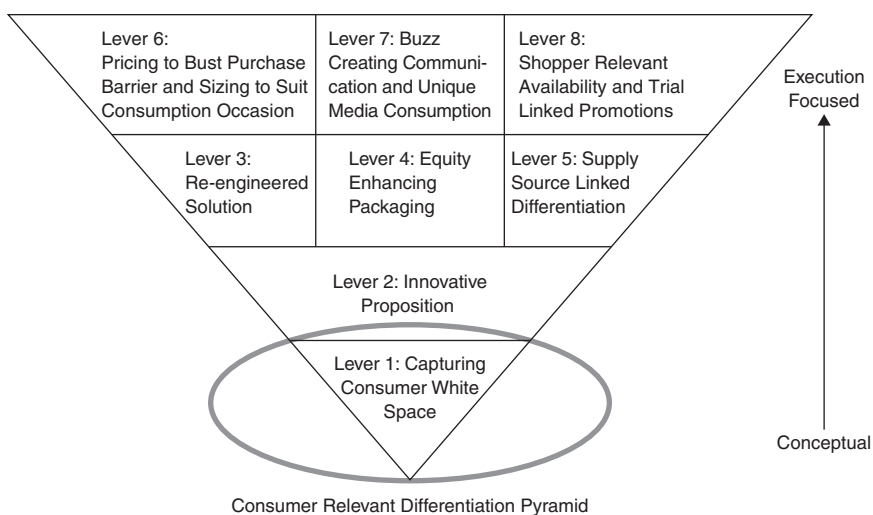


Thus, you will notice that these eight levers in our pyramid can enable any brand to create meaningful differentiation in the marketplace ranging from conceptual at the bottom to execution focused at the top. Let’s now look at each of these in detail.



Introducing the Monk to the World of Ferrari

(Capturing Consumer White Space)



*From the famous TV series Smallville (of Superman fame)
[after finding Clark].*

Jonathan: Kids just don't fall out of the sky, Martha.

Martha: Then where did he come from?

Jonathan: I don't know. But he must have parents.

[They both find the space ship.]

Martha: Well, if he does, they're definitely not from Kansas.

Jonathan: Sweetheart, we can't keep him. What are we gonna tell people? We found him out in a field?

Martha: We didn't find him ... he found us.

Introducing the Monk to the World of Ferrari (Capturing Consumer White Space) – Power Questions

For Ferrari, targeting the Monk as a potential customer/consumer of the brand would mean that Ferrari is actually talking to someone who probably has no idea about what the brand is all about, and is what we would define as a 'white space consumer'. Similarly, for the category/brand you are working on, you can think through the following power questions to identify opportunities around capturing consumer white space for building consumer relevant differentiation:

1. What are the functional and emotional needs that the category you play in, meets for its consumers?
2. Of the above identified needs, which needs (functional/emotional) does your brand play in?
3. How big is the identified need in the category and is it sufficient for your brand's growth aspirations?



4. What are the key occasions when the category needs are most relevant?
5. Which occasions are being currently tapped and not tapped by your brand?

Please note down your thoughts to the power questions above, in the space below:

Consumer white space refers to consumer/consumption segments not currently tapped by your brand. This can be a critical source of creating relevant differentiation for the brand. Many times, you will see that first mover's advantage is usually created when something relevant and differentiated is made available to consumers for the first time. Whether it was the launch of 'Hoover' vacuum cleaners or the first time commercialisation of diapers as a category by Pampers – the brands created their first mover's advantage by being able to come up with a proposition that was relevant to the consumers and differentiated in the sense that they were the first brands to offer so, meaningfully. This is precisely what the first lever of capturing consumer white space builds off.

Two types of consumer white spaces exist that you can exploit for creating meaningful differentiation whether yours is an existing company or a new brand being launched.

Incremental Trial White Space

This refers to getting new consumers to consume your brand. It would mean going beyond entering new geographies/territories and tapping into new consumer segments within your current geography of operation – basically getting non-consumers of your brand to start consuming the same.

Tide Detergent

For instance, the laundry brand 'Tide' effectively created consumer relevant differentiation in India with the launch of Tide Naturals, playing within the incremental trial white space. Tide positioned on superior cleaning (with its trademark swipe) in India had built a substantial consumer base with market share in single digits. To step change that and strengthen consumer base, the brand decided to drive trial by

talking to more value conscious consumers. This basic white space capture strategy led to development of Tide Naturals which was a formulation that optimised the key drivers from laundry category for the mid-low income consumers.

Higher quantity of suds/foam and fragrance were bigger signals of effective cleaning to these value-conscious consumers. Hence for Tide Naturals, these very chemicals were increased in the product while the other chemicals were optimised enabling the brand to reduce its cost of production and hence the consumer price. Also for these consumers there was an inherent need of safe chemicals in their detergent that don't irritate the skin (unlike local cheaper options) which was met by Tide Naturals. This drove trial among the value-conscious consumer group in a meaningfully differentiated way resulting in significant gains in market share for the brand.

Coca Cola

Another great example of this is from the packaged beverage industry. Globally the number 1 sparkling beverage brand Coca Cola has leveraged incremental trial white space successfully to create consumer relevant differentiation and thereby established itself as a leader by far in the category. During the early years of its launch, Coca Cola was considered a beverage for warm weather leading to high seasonality in sales. Consumer off-take would decline during the winter season. This is when Coke drove incremental trial during the winter season by creating a consumer relevant yet differentiated campaign. The winter campaign with the slogan 'Thirst Knows No Season' built on the Christmas winter season by connecting it with the icon 'Santa Claus'.

The attempt at creating a relevant and differentiated campaign to generate incremental trial was so successful

that not only did the brand gain volumes and off-take during winters but also Santa Claus became popular as we know it today (a wholesome man in red robes) because this is the way Coke depicted him.

Incremental Consumption White Space

This refers to creating consumer relevant differentiation by getting current consumers of your brand to consume more offerings from the brand. This could include innovation ideas around new consumption occasions, new consumption frequencies and quantities and even new products under the current brand/brands.

Kettle Chips

For instance, let's look at what Kettle Chips, UK, did to build consumer relevant differentiation by capturing incremental consumption white space. The brand growth strategy relied on the fact that their chips, a snacking product, could tap into a new occasion to give consumers another reason to buy Kettle Chips. This they did by targeting a before untapped occasion – associating with a popular snacking time – while watching DVDs at home.

Thus, Kettle Chips partnered with the popular UK DVD rental company called lovefilm, and launched Kettle movie matchmaker online (<http://www.lovefilm.com/micro/kettlechips/index.html>). The promotion was targeted to reach millions of consumers who were encouraged to choose films using the movie matchmaker.

As part of this campaign, the participants also stood a chance to win fabulous awards like free subscription to lovefilm.com, free supply of Kettle Chips, etc. Kettle branded lovefilm envelopes were also sent to consumers encouraging

them to go to the website and use the movie matchmaker. Thus, helping consumers choose better DVDs for viewing pleasure at home created meaningful differentiation for the brand 'Kettle Chips' thereby helping them tap into the new usage occasion successfully.

The core idea for the brand was to let the consumers know that chips are a great snack to enjoy while watching movies on DVD at home, thus successfully tapping into the incremental consumption space.

Dove Personal Care

Another example of a brand creating meaningful differentiation via capturing incremental consumption white space is the brand Dove. A true mega brand playing in the beauty care segment has ensured that the brand continues to build on consumer relevant differentiation by extending into multiple categories thereby tapping into incremental consumption white space. From soaps, creams, shampoos, conditioners, styling products to even deodorants the brand has extended successfully by building on its core promise of 'softness' and by leveraging the ingredient story of the products containing moisturising milk.

So disciplined has been Dove's approach to capturing incremental consumption white space that the brand across all the extensions looks and feels the same, building meaningful differentiation. For instance, Dove deodorants are pitched on the differentiating benefit of leaving under arms feeling soft and smooth.

Virgin

Another example of a brand milking consumer white space to create relevant differentiation for it is the mega brand

‘Virgin’. While the brand was launched as Virgin records in the 1960s, under the leadership of Richard Branson, it has extended into multitude of categories like the Virgin Atlantic Airlines, Virgin Radio, Virgin Mobile Phones, Virgin Vodka, Virgin Brides (bridal wear) and even Virgin Cola. While some of the attempts to capture consumer white space have not been successful (like Virgin Cola and Virgin Brides), the brand however has been extremely elastic in many other extensions to create consumer relevant differentiation.

The key to brand Virgin being able to milk consumer white space by extending into seemingly unrelated categories is the fact that the brand has not been positioned on a specific product attribute. Instead, the brand has established itself on emotional attributes associated with ‘rule breaking’ and dynamism. This proposition thus enabled Virgin to enter market territories leveraging any consumer dissatisfaction with its intended ‘rule breaking’ proposition. Another critical element that has led Virgin to own this space and extend itself is the very credible reason to believe provided by the leadership of Richard Branson who exemplifies the very values the brand stands for. For the launch of the short-lived Virgin Brides range of bridal wear, Richard Branson not only shaved his famous beard but also dressed himself in a \$10,000 bridal dress. Of course, his most famous stunt was for the Virgin Atlantic airlines wherein he made hot air balloon flight from Morocco to Hawaii. These irreverent acts are actually in sync with what brand Virgin is all about. Clearly visible leader driving PR for the brand has given it a focus to remain consistent across all the variety of extensions it goes through thereby creating consumer relevant differentiation.

Application Chart: Capturing Consumer White Space

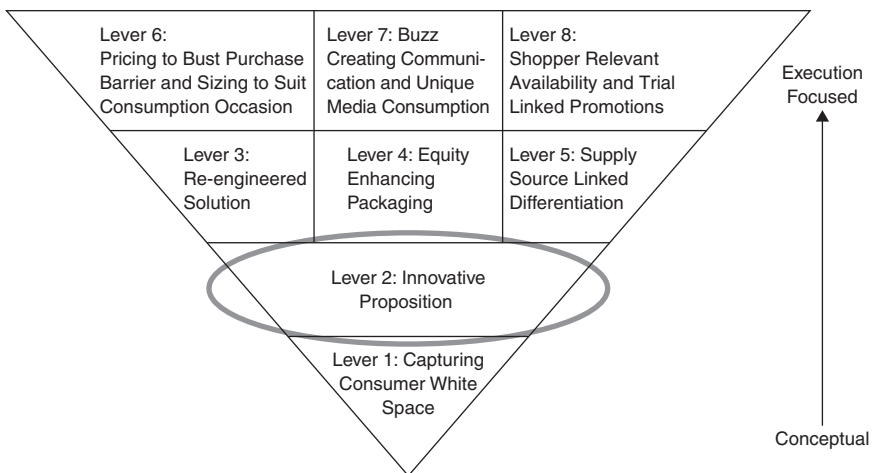
Take some time and in the table below, in the section under the 'Inputs' head, indicate your responses for the task indicated in the first column.

	Task	Inputs for your brand
1.	<p>Define the category that your brand plays in. Choose how broad or narrow the category should be.</p> <p>For instance, Coke went beyond defining the category as sparkling packaged beverages to all beverages (share of throat) to step change growth for the brand.</p>	
2.	<p>Segment the category defined in step 1, basis differences in category needs, preferences or purchase behaviour. These could be functional or emotional.</p> <p>For instance, if the category is haircare, then segment it on needs like smoothness, fragrance, scalpcare, etc.</p>	
3.	<p>Of the segments identified above, select the collection of segments your brand will target. The basis of selection should be around size (i.e. sufficiency from growth objectives) and right to win (for the brand with the identified segments).</p> <p>For instance, in the haircare category, we have players like Pantene targeting the damaged hair segment while Clear and H&S target anti-dandruff segment.</p>	
4.	<p>Now, think through the identified target segments as to the potential white spaces (current vs. new consumers) and how that can be a source of creating consumer relevant differentiation.</p>	



Telling the Monk Why Ferrari is Right for Him

(Innovative Proposition)



Consumer Relevant Differentiation Pyramid

From the famous TV series Smallville (of Superman fame):

Clark: *I knew you had talents, but I didn't think burglary was one of them.*

Lucy: *I swear I was gonna pay it all back. I'm not some criminal.*

Clark: *You do a pretty good job of impersonating one. Look, Lucy, I just don't get it. I mean, why?*

Lucy: *Do you have any idea what it's like to be different from everyone else? To be a total outsider?*

Clark: *I might have an idea.*

Telling the Monk Why Ferrari is Right for Him (Innovative Proposition) – Power Questions

A critical part of getting the Monk to buy a Ferrari would require the brand to tell him why it's the right thing for him. Similarly, as you look at re-positioning or innovating around the basic brand's proposition to build consumer relevant differentiation, here are a few power questions which can help you think through the same and identify the right proposition to strengthen the brand in the minds of its consumers:

1. What consumer needs (functional or emotional) is your core brand benefit designed around?
2. Are those needs sufficient in size for your brand's growth aspirations?
3. Do you need a new benefit itself or can you still work with the same basic benefit but refine the proposition?
4. As you re-phrase the brand's proposition, have you tied it into a relevant insight/consumer belief?
5. Have you given the right credibility support to the benefit for making it believable for the target consumers?

Please note down your thoughts to the power questions above, in the space below:

Consumer proposition refers to the positioning for the brand you want to create in the minds of its consumers. This is what typically elevates the brand beyond the actual offering (the product/service) and builds connect with the target consumers by ensuring that the brand builds its point of difference in the marketplace. Innovation at proposition stage is a great conceptual tool to create consumer relevant differentiation, without necessarily making any change to the actual offering. So, brand Coca-Cola being about 'Happiness' helps differentiate it in a meaningful way for its consumers from other brands available in market. Similarly, Pantene's proposition about hair fall control and healthy hair helps create meaningful differentiation for the shampoo brand from other players in the market (e.g. Garnier Fructis – Strong hair, Clear – Dandruff control and scalp care).

While looking at innovative proposition as a tool to create consumer relevant differentiation, there are some fundamentals that need to be kept in mind. Your understanding of competition and consumers will help lend differentiation to the proposition you are trying to innovate on. There are three vectors that need to be kept in mind while developing and defining conceptual differentiation ideas:

- **Consumer belief:** Identify the consumer barrier towards trying the brand or identify a life insight that will 'wow' them by addressing the frictions in their life and meeting their un-articulated desires.
- **Role of the offering:** Develop the benefit idea (functional or emotional) that busts the trial barriers and leverages the insight leading to consumer acceptance of the offering from the brand.
- **Credibility support:** Give a credible reason 'why' the consumers should believe that proposition will be delivered by the brand.

Axe (Lynx)

Let's look at an example to understand this. The proposition for deodorants brand Axe (Lynx) could be defined as follows:

- **Consumer belief:** For young males, the girl you go out with has a critical impact in your peer group social standing. It's important for you to feel, look and smell good to get confidence.
- **Role of the offering:** Axe (Lynx) helps you get the girl.
- **Credibility support:** It has irresistible smell.

Starbucks

Similarly, for Starbucks, the proposition would look as follows:

- **Consumer belief:** Urban working adults in their hectic life need a place away from work where they can get a breather, feel at home with people like them.
- **Role of the offering:** Starbucks brings to them a third space where others like them come.
- **Credibility support:** Coffee expertise, relaxed contemporary environment.

Globally all good brands leverage innovative propositions to create consumer relevant differentiation and thereby win in marketplace.

Walmart

For instance, in response to the US economic downturn, Walmart re-positioned its private label brand 'Great Value' to tap into the popular sentiment. The re-launch proposition had single-minded focus of driving home the point that this brand saves you money while giving a great product comparable to expensive brands. This proposition was extremely relevant to the American households and well differentiated coming from the

biggest retailer own brand (great value). This intent was brought to life through no frills packaging simple white label with a blue logo – indicating value and the fact that the money saved on packaging has been passed on to consumers without compromising the core product. Also featured on the pack was a visual and name of the product – Idea being no frills value product.

This made the range stand-out in the shelves as a value for money good product suitable for the tough times where you need to save what you can. They also included nutrition table as part of the label and introduced a whole variety of product lines (ice creams, pizzas, etc.), benchmarked to be at least parity to national brands in terms of usage experience.

Thus with the re-launch, Walmart tapped into the popular economic sentiment of the recessionary time and played into the insight of consumers wanting to save every possible dollar and drive maximum value. This not only ensured that the brand built consumer relevant differentiation vs. other national brands, but also helped Walmart Great Value increase market share. Currently, it is estimated to be a brand in excess of \$9 billion sales.

Head and Shoulders

Another example of a brand leveraging innovative proposition to create consumer relevant differentiation is Head and Shoulders in India. The brand revolutionised the hair/scalpcare category in India when the brand launched sometime in the second half of the 1990s with the proposition of effective dandruff removal. The brand successfully leveraged the credibility support of the formulation containing ZPT (Zinc Pyrithine) that enabled superior anti-dandruff efficacy endorsed by white coat wearing testing lab researchers.

As the brand grew in stature and gained leadership in the scalpcare/dandruff removal category, the next step change in

its growth story came from innovative proposition that the brand leveraged to continue to build on its consumer relevant proposition. In the mid-2000s, thus the brand evolved the proposition to the other haircare benefits (specifically around soft smooth hair) with variants like smooth and silky and the use of leading Bollywood stars as endorsers. Thus, the brand moved from just superior anti-dandruff proposition to superior anti-dandruff AND smooth hair which fuelled further growth for the brand.

Hard Rock Cafe

Hard Rock Cafe is another example of a brand leveraging innovative proposition to create consumer relevant differentiation. The best part about this brand is not just the clarity of the proposition but also a strong reason to believe (credibility support) that has enabled it to extend across geographies from the West to East.

Unlike conventional eat out brands, Hard Rock Cafe proposition is not about a particular type of food or cuisine. Instead, the brand is positioned on a unique dining experience – the theme of rock n’ roll. This proposition is brought to life across all customer touchpoints through the use of elements like the in-store music, the menu design, the collectibles/memorabilia available in-store – all bringing the rock ‘n’ roll heritage to life. Apart from all of this, the brand has a very strong credibility support in the form of display of authentic rock ‘n’ roll historic items (owned by Hard Rock Cafe) like original rock artist guitars, posters, lyrics sheets, discs, etc. across different stores globally. Apparently, the company actually owns Jimi Hendrix’s guitar! This live museum of rock ‘n’ roll lends strong credibility to the brand around its theme which it has successfully transported to multiple markets across the globe.

Application Chart: Innovative Proposition

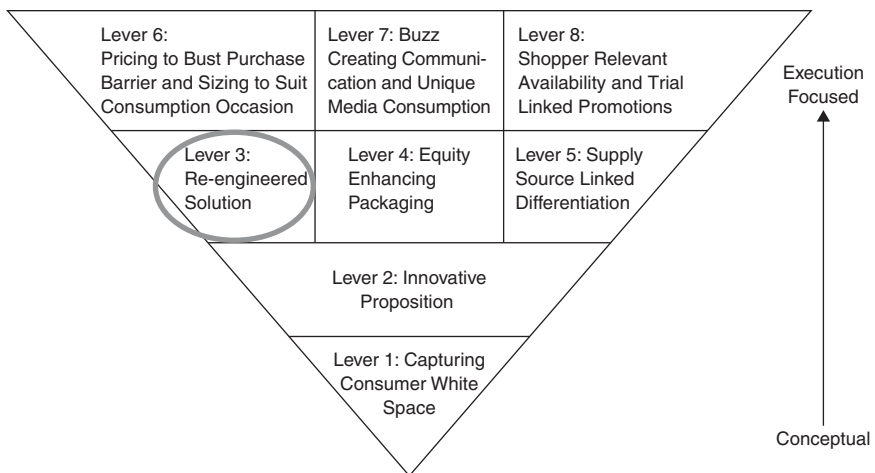
Take some time and in the table below, in the section under the 'Inputs' head, indicate your responses for the task indicated in the first column.

	Task	Inputs for your brand
1.	<p>Basis your brand's identified target segment list the key insights that resonate with them.</p> <p>These could be Product Insights (consumer's relationship with product/ brand: e.g. remove dandruff and prevent it from coming back) or Occasion Insights (consumer's relationship with the category, e.g. smooth hair even after disruption by wind when outside) or Human Insights (consumer's life in general: e.g. real beauty comes from within).</p>	
2.	<p>With the insight identified in step 1, now articulate the core brand proposition that leverages the insight.</p> <p>For instance, Dove leveraged the human insight of real beauty comes from within in their 'Campaign for Real Beauty'.</p>	
3.	<p>Evaluate whether the proposition you have articulated above, is relevant to the target consumer segments and is there any competing brand that already owns the proposition.</p>	
4.	<p>Now, think through the identified proposition as a source of creating consumer relevant differentiation and how you can bring it to life for the consumers in the market executions.</p>	



Tailoring the Ferrari Variant with Added Features to Suit the Monk's Needs

(Re-engineered Solution)



Consumer Relevant Differentiation Pyramid

From the famous TV series Smallville (of Superman fame):

Jonathan: You know what they say: lightning never strikes twice in the same place. Look, my guess is that your powers aren't coming back.

Clark: Maybe being normal won't be so bad; I mean it works for you and Mom.

Martha: Oh, thanks.

Clark: You don't feel any differently about me now do you?

Martha: Clark, you're our son whether you can bench-press the tractor or not.

Clark: What do I do now?

Jonathan: Well, life isn't easy for anybody, whether you're normal or super. But you're still Clark Kent. You were raised a certain way and that's never gonna change. Sure, your abilities were part of you, but they didn't define you.

Tailoring the Ferrari Variant with Added Features to Suit the Monk's Needs (Re-engineered Solution) – Power Questions

The Monk buying a Ferrari would require some sort of retro-fitting and features to be added that meet his needs. Similarly, consumer relevant differentiation can be created via fundamental product changes. Re-engineering your solution – the product or service, can be a resource intensive exercise involving all the multi-functional partners and can take several months before the solution hits the marketplace. The following power questions can help guide you in re-engineering the solution to ensure that it continues to build consumer relevant differentiation:

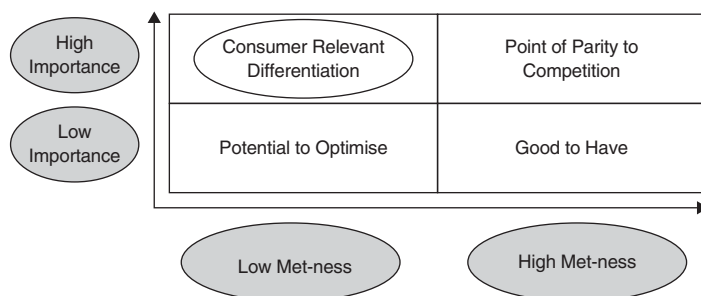
1. What are the core category drivers for the product/service you are offering?
2. Which are the high importance drivers of the list identified above?
3. Are all the important drivers being met by your competitive brands?
4. Is there opportunity for you to build on your strengths and tap into some important category drivers to create a point of difference?
5. Have you tested your offering with consumers to understand whether your solution is perceptibly (in consumer's experience and not necessarily technically in the lab) delivering the identified important drivers or not?

Please note down your thoughts to the power questions above, in the space below:

We now move on to the third layer of our consumer relevant differentiation pyramid. This layer is mid-way between purely conceptual and execution focused spectrum of the pyramid. This layer has 3 elements and the first of those is around re-engineered solution. This refers to the typical new product/new service development led innovation leading to creation of consumer relevant differentiation for the brand. For any brand or company, time and resources spent on product development R&D can be substantial and hence it is critical to define certain parameters around which you can gauge the ability of the product/service innovation to create consumer relevant differentiation.

To make product/service re-engineering a consumer relevant and impactful innovation, there are 3 steps that you need to keep in mind as the development progresses:

- Identify the **top category drivers** for the product/service you are offering, that is, the top benefits (functional or emotional) that consumers seek when buying the category your brand plays in.
- Understand the **importance vs. metness**, that is, satisfaction for those category drivers and focus on identifying the drivers that are in the high consumer importance but low current metness zone.
- Enhance the product/service ingredients **relevant to those identified drivers** while optimising the others.



The benefits sought from a particular category that have low importance to the consumers but are being met by competitive product would be good to have in your offering but will not really create a significant point of difference. For example, a shampoo brand positioning itself on the fact that it has a thick product with creamy colour is a low importance driver for trial but probably is already met by the existing players in market whether its Sunsilk, Dove or Pantene.

The benefit needs which are of high importance to the consumers and are also being met by competitive products are a must have in your brand's offering but will at best be creating a point of parity for your brand. For example, launching a new diapers brand with the core benefit of superior absorption will at best create a point of parity given the fact that there are players like Pampers, Huggies, Mamy Poko already in market and their products are good on absorption already.

The category benefits that are low on importance and also not met by competition should be optimised for other more relevant benefits in your product design. Finally, the benefit needs that have high importance in the category and are not being met by any competitive products or brands are the ones that can create consumer relevant differentiation for your brand as you design the product/service.

Act II Popcorns

For instance, ACT II popcorns entered the Indian market in the late 1990s/early 2000s and started selling through the vending format in malls. They also introduced microwaveable popcorns with the intent of capturing the at-home snacking occasion. However, given the low microwave penetration in Indian households at that time, the brand remained restricted

to upper SEC households and couldn't establish a strong presence in India.

This led to a re-think in the brand's strategy and in order to create consumer relevant differentiation for the brand, the core idea came around re-engineering the product itself and making it relevant for the Indian consumers. Hence ACT II popcorns re-engineered the product for Indian consumers and developed a variant that could be prepared using a frying pan or a pressure cooker, that is, not needing a microwave. The product now was relevant to a lot more households than the microwave only version.

Post 2005, brand re-launched microwaveable popcorns given that microwave penetration in India had increased significantly by that time. Going beyond this, the brand understood the specific snacking flavour needs for the Indian palate and also developed Indian taste flavours like Classic Salted, Chilli Surprise, etc. which strengthened its consumer relevant differentiation in the market.

All this product re-engineering coupled with 'easy to prepare' communication talking about how 'even papa can prepare it in 3 minutes' led to rapid growth for the brand. It has experienced double-digit back-to-back growth for few years and enjoys sales in excess of \$10 million – a good job for a nascent underdeveloped category.

Lifebuoy

Another example of re-engineered solution creating consumer relevant differentiation is the brand Lifebuoy in India.

The Unilever brand of toilet soaps – Lifebuoy – had established itself as a value for money carbolic soap in the lower price tier segment (as compared to other premium glycerine

soaps like Pears, Lux International; and mid-tier soaps like Hamam, Lux beauty bar and Cinthol) around the positioning of health and value. The brand targeted males showcasing footballers and athletes with the promise of 'Lifebuoy takes care of health'. The product itself was a red brick with carbolic ingredients and unique chryselic perfume smell – distinctly different from other beauty soaps.

However, global vegetable oil prices dropping in the early 2000s resulted in beauty soaps dropping price and eating into Lifebuoy market share. Thus, the brand Lifebuoy's product offering was no longer relevant in the evolved consumer market wherein a lot more brands and products were now accessible to the value-conscious consumers. The consumers were no longer happy with a value for money cleansing soap. Perfume and beauty became a significant category driver.

Thus, based on the new category drivers the brand went about re-engineering the solution itself to ensure that it continues to build consumer relevant differentiation. The focus was on developing a new perfume as well as to go beyond the red carbolic brick shape to look and feel more like a beauty brand. Finally, post-consumer testing the winning formulation was selected and launched with families as core target (vs. males earlier) and positioned as 'health protection for family and me' – making the core brand benefit of 'health' relevant for other members of the family as well. One of the campaigns showcased a girl being teased for having pimples and then after using Lifebuoy she would retort 'I don't care'.

Thus, we see an iconic brand ensured that it maintained its consumer relevant differentiation by re-engineering its product as was the need with the evolved consumer segments.

Rolex

Another example of a brand having created consumer relevant differentiation via re-engineered solution is the luxury watches brand Rolex. Established in the early 1900s, the brand's claim to fame came from its accuracy and was awarded the first timing certificate for a wristwatch by a Swiss observatory. This was followed with relevant re-engineering leading to the development of the perpetual winding mechanism wherein the manual winder on the side of the watch was not needed anymore – a great way to capture an unmet need in the category. This was patented by Rolex.

The brand further enhanced its consumer relevant differentiation by becoming the first watch to have a date window. These product innovations kept coming one after the other (dual time zone watches, diving watches, etc). While the product solution was core to the brand, a great part in building the brand was also played by its luxury positioning and status symbol through carefully selected distribution outlets, premium pricing strategy and innovative product endorsements and marketing. Thus though it did not invent the wrist watches category but the brand managed to create significant consumer relevant differentiation on the strength of re-engineered solution and innovative marketing.

Application Chart: Re-engineered Solution

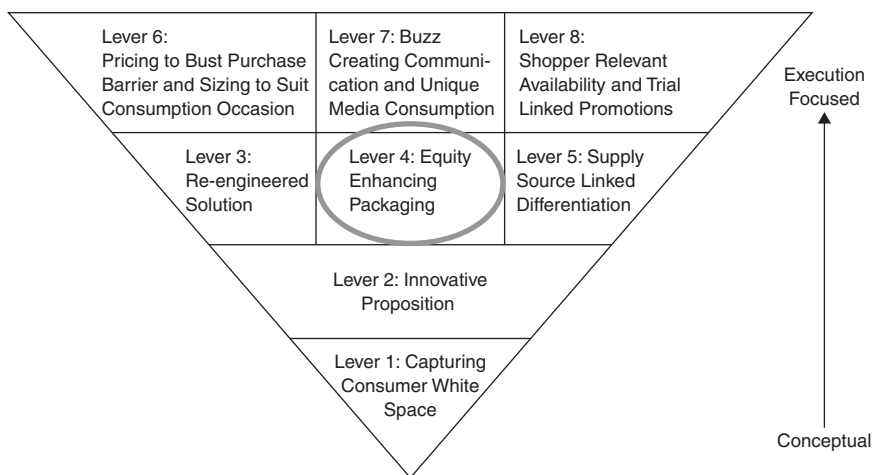
Take some time and in the table below, in the section under the ‘Inputs’ head, indicate your responses for the task indicated in the first column.

	<i>Task</i>	<i>Inputs for your brand</i>
1.	Building on the target consumer segment and the defined proposition for your brand, what is your desired adoption rate for the offering? That is, of the total consumers who will try your product or service, what percent will become the typical 2nd, 3rd repeaters?	
2.	What is the average weight of purchase, i.e. average amount of product/service that the consumers who have adopted your offering will buy?	
3.	What are the core features that will help your product/service deliver the desired repeat rates?	
4.	In your product/service design, have the core features identified in point 3 been maximised? Think through how at the time of use this will strengthen consumer relevant differentiation for your brand.	



The Right Ferrari Look and Colour to Suit the Monk's Desired Image

(Equity Enhancing Packaging)



Consumer Relevant Differentiation Pyramid

From the famous TV series Smallville (of Superman fame):

Pete: Sure, Chloe. I saw a spaceship. I even met an alien.

Chloe: Really? Would you like to describe it?

Pete: Actually he looks a lot like Clark.

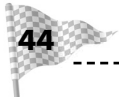
Chloe: I thought aliens were little and green.

Pete: I guess things aren't always what you think they are.

The Right Ferrari Look and Colour to Suit the Monk's Desired Image (Equity Enhancing Packaging) – Power Questions

Of course, red probably is the most popular Ferrari colour, but as the Monk looks to buy one, the right model and colour will play a critical role from his desired image perspective. Similarly, packaging plays a critical role at the first moment of truth in-store when a potential customer is evaluating your offering in an environment where there are many other brands vying for his/her attention. The following power questions can help you develop packaging that is equity enhancing and builds consumer relevant differentiation for your brand:

1. Does the packaging convey the following in order of priority: The brand, the product/category and the benefit that the brand intends to communicate?
2. Does the packaging stand out on shelf, where there potentially will be many other brands visible?
3. Will the packaging design/shape have elements that can be uniquely associated with your brand?
4. Will the packaging intrigue the shopper to explore what is the packaging and brand offering?



5. Is the core message (through design or shape) communicated effectively that will close the deal with the shopper and make them buy your brand?

Please note down your thoughts to the power questions above, in the space below:

The next lever in this layer is about packaging which plays a significant role in delivering brand experience to its intended target consumers and hence gives the opportunity to create consumer relevant differentiation. Packaging design (pack shape, size, graphics, etc.) can fundamentally alter how the brand talks to its consumers influencing their purchase behaviour.

Any packaging innovation needs to build consumer relevant differentiation and if you look at any good brand equity building pack design, you will notice that it focuses on ensuring that it communicates the following 3 core packaging fundamentals to the consumers:

- What brand/variant is the pack representing?
- What product/category is packaged?
- What is the benefit and how does this fulfil consumer needs?

Amul

Let's understand the packaging of Amul, the leading brand in butters category in India.

The brand's packaging distinctly communicates the mother brand 'Amul' in bold red fonts. The product category 'butter' features next in priority of communication and is noticed easily on pack. Lastly, the benefit 'utterly butterly delicious' with the signature girl holding buttered bread comes across distinctly. Thus, the packaging design successfully communicates the objectives expected of any good packaging design.

The above 3 communication objectives are the basics that help create consumer relevant differentiation by improving the following on shelf where the actual purchase happens:

- **Notice-ability:** Packaging that gets the shoppers/consumers to notice the product/brand on the shelf where a variety of other brands are available.
- **Own-ability:** Ensuring that the packaging differentiates the offering as unique to the brand and consequently starts getting associated with the brand.
- **Driver of choice:** Packaging design that gives a strong reason to purchase and hence closes the deal with the shoppers.

Hence, these 3 parameters will typically ensure that you are leveraging the packaging real estate to create consumer relevant differentiation. Coming back to our Amul butter packaging example, the use of bold yellow basic colour stands out on shelf and is associated with butters as a category and hence will drive noticeability for the brand Amul.

Secondly, the use of brand signature icons (the girl with buttered toast, the logo type) makes the packaging uniquely ownable by the brand Amul thus protecting it from competitive products.

Finally, the iconic selling line on the packaging along with the other relevant details like the size and price would help shoppers make a decision to purchase thus making the packaging a good driver of choice for the consumers/shoppers.

Hence, packaging plays a critical role in helping a brand establish consumer relevant differentiation in the market.

Coors Light

For instance, the beer brand 'Coors Light' (www.coorslight.com) is one of the best examples of a brand leveraging packaging innovations to strengthen brand equity and build the business via establishing consumer relevant differentiation.

The brand is positioned on the 'refresh' platform and hence has innovated in packaging to uniquely own the 'cold beer' space, so much so that no competition has been able to replicate it meaningfully. This has ensured that the brand has continued to build its consumer relevant differentiation.

The insight of consumers wanting cold beer and there being no way of knowing when it is cold enough has led to a series of packaging innovations (also quoted on their website) strengthening the brand's equity in their minds:

- **Cold activated bottle/can:** It uses thermochromatic ink on the picture of mountains on the label. This turns blue from white when the beer has achieved optimal cold temperature for refreshing consumption.
- **Plastic bottle cooler box:** This is a go anywhere, one-time use case of beer which has a plastic liner that allows the consumers to store ice and hence keep the beer chilled for consumption.
- **Vented wide mouth can:** True to its refreshing positioning, this pack innovation uses a can with a wider opening than usual and has a vent that directs air flow in. Thus, the consumer enjoys a smooth refreshing pour with less of 'glugging'.
- **Stay cold glass:** This is a typical glass for drinking beer which maintains a layer of air between the beer and the consumer's hands. Thus, the beer stays cold longer for a more refreshing drinking experience.

All these innovations around equity enhancing packaging have consistently built the brand equity and resulted in increased market shares via strengthening the brand's consumer relevant differentiation.

Heinz Ketchup

Another example of a brand leveraging equity enhancing packaging to strengthen its consumer relevant differentiation is the ketchups brand Heinz. In the US market, the brand has leveraged its strong consumer understanding to come up with equity enhancing packaging innovations that have ensured that the brand continues to build on its consumer relevant differentiation despite significant competitive onslaught.

Having achieved iconic brand status, the Heinz brand team in their effort to grow the brand further, through consumer understanding was able to identify some key barriers/issues they faced with current Ketchup brands. Most of the critical barriers were around the packaging and the fact that dried gummy ketchup would get accumulated on top of the ketchup bottle cap. Another big issue was around light watery deposit as top layer of the ketchup which when used would be a bad experience. Lastly, the mothers had issue of controlling ketchup dosage when their kids were pouring it out of the squeeze bottle. Inevitably they would end up pouring more than what was ideally needed. With these 3 barriers thus defined, the team leveraged packaging to fundamentally alter the ketchup landscape and address the issues/barriers.

The outcome was the top down bottle format wherein the bottle would be stored on its cap (a wider cap to enable the same) thus ensuring that the light watery layer does not come out when consumers start using it. Then the team introduced a silicon valve in the cap itself which would ensure that the Ketchup would not 'dirty' the cap preventing issues of dried gummy ketchup accumulating on the cap. Lastly because of the valve, the pouring experience was significantly improved because of dosage control it offered. While all these changes were done, the fundamental brand logo and other equity elements were retained.

This ensured that the new packaging enhanced brand equity to build on its consumer relevant differentiation via:

- **Notice-ability:** The top down format itself ensured that the pack would stand out on shelf and get noticed by the shopper.
- **Own-ability:** Use of Heinz logo and design elements ensured that the brand would uniquely own this as well.
- **Driver of choice:** The pack graphics in fact highlighted the silicon valve and the perceived benefits of the top down format improved purchase intent for Heinz thus making it a driver of choice.

Hence through the use of equity enhancing packaging, an iconic and well-established brand like Heinz Ketchup was able to ensure that it continues to innovate on strengthening its consumer relevance via a differentiated offering.

Apple

A phenomenal brand leveraging equity enhancing packaging to build consumer relevant differentiation is Apple. For the iPad, the packaging itself brings the brand's equity to life explicitly. The packaging has a life size image of the iPad, an apple logo, the product name and specs (16 gb, 32 gb, etc.). This is the only bit of communication happening through the packaging – simple and focused.

The packaging is definitely noticeable for the simplicity and the fact that it contains iPad is obviously communicated. The use of simple design elements, the colour scheme, logo, etc. makes it very ownable by Apple. By letting the consumers know the key information to make the choice, that is, the iPad and its configuration it actually helps close the deal with the shopper thus building on the consumer relevant differentiation that brand Apple is creating with its products.

Application Chart: Equity Enhancing Packaging

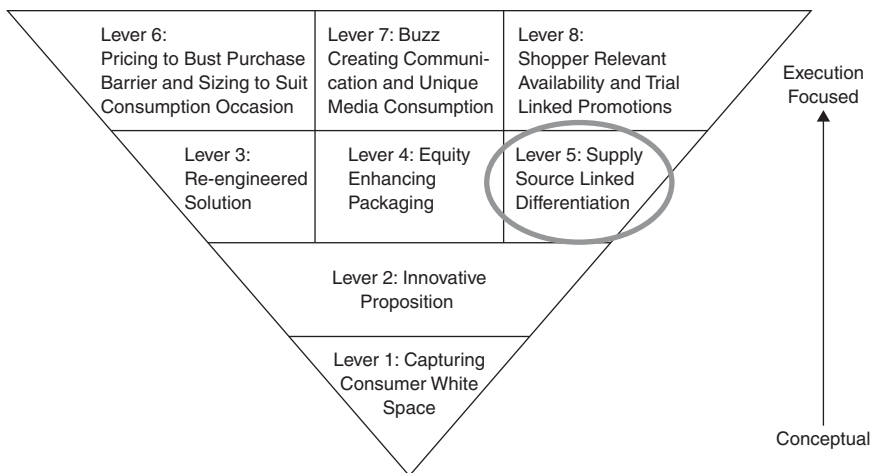
Take some time and in the table below, in the section under the 'Inputs' head, indicate your responses for the task indicated in the first column.

	Task	Inputs for your brand
1.	What are the key brand equity elements that your packaging design should bring out? Think in terms of brand character/personality, the heritage, the fundamental product/offering attributes, the logo, trademarks and the core brand proposition/benefit.	
2.	Will the packaging stand out in-store and be seen by the shoppers? What will ensure that it is instantly recognisable?	
3.	What element of the packaging establishes differentiation and is ownable by your brand? It potentially is a source of competitive advantage.	
4.	Is your packaging design simple enough for the shopper to choose the format/size/variant quickly and easily? Think through how all of this will together help you create consumer relevant differentiation.	



Emphasising Italian Origin and Heritage to Help the Monk Make a Decision

(Supply Source Linked Differentiation)



Consumer Relevant Differentiation Pyramid

From the famous TV series Smallville (of Superman fame):

Clark: We see each other every day.

Chloe: It was 45 minutes when my car happened to break down outside the Talon and you gave me a ride home. I practically had to tear you away from Lana.

Clark: Don't you think you're being just a little unfair?

Chloe: No. Whenever Lex and Lana are around, it's like the rest of us don't exist.

Clark: Wait, Chloe, why are you being so hypersensitive?

Chloe: You know, most men are from Mars, Clark, but you're from some distant galaxy that I've never even heard of.

Emphasising Italian Origin and Heritage to Help the Monk Make a Decision (Supply Source Linked Differentiation) – Power Questions

A big part of Ferrari's appeal for the Monk would come from its heritage, the Italian origin and design associations with it. Similarly, supply source acts as a lever for creating consumer relevant differentiation and it can be impacted either from the cost or from the revenue side. It offers both conceptual as well as execution-focused opportunities and hence is in the middle layer of the consumer relevant differentiation pyramid. The following power questions will help you evaluate how to use supply source linked differentiation to create consumer value:

1. Does the supply source drive economies of scale for your brand to bring down manufacturing costs?
2. Is there an origin/source story that increases appeal of your offering?

3. Are there obvious freight/logistics optimisations that can be impacted for cost side?
4. Are there any manufacturing process led certifications that can be leveraged to increase the brand's concept appeal?
5. Can your brand drive a 'green'/'sustainability' campaign because of the supply source?

Please note down your thoughts to the power questions above, in the space below:

Coming to the last lever of the middle layer in our consumer relevant differentiation pyramid – midway between conceptual and execution focused differentiation possible. Here we'll explore how supply source can help your brand establish relevant differentiation via conceptual story of the source and also via creating competitive advantage by providing the relevant raw material needed to create the desired consumer preference.

The 5th lever in our consumer relevant differentiation pyramid leverages supply source as a source of impact on brand health through the following 2 fundamental parameters:

Cost Side

This refers to the fact that supply source linked differentiation can be created by optimising product and freight costs without impacting product delivery. This would have a direct impact on the brand P&L. It ensures that the brand is able to deliver a consistent product experience no matter where/ which channel the actual consumption takes place through, leading to creation of consumer relevant differentiation for the brand.

Revenue Side

Here, the brand is able to create consumer relevant differentiation by fundamentally altering revenue side for the positive by increase in sales or the price one is able to charge. Supply source linked differentiation on the revenue side is created when the source of supply/origin can provide distinctive usage experience not possible from any other source or when it can create a conceptual appeal that resonates with the target consumers.

Toys R Us

For instance, the brand 'Toys R Us' has created consumer relevant differentiation by being the first toys brand to effectively leverage supply source linked differentiation on the cost side. The brand was started by Charles Lazarus as a baby furniture store to cater to post-war baby boom era in the US. This evolved into 'Children's Super mart' where he was also keeping toys for kids.

Eventually, Charles Lazarus realised that request for toys was growing exponentially in the market and hence there was opportunity to meet the same effectively. Thus, the 'Children's Super mart' was evolved to 'Toys R Us' – selling toys to customers who for the first time could now pick the product from the shelf, examine it and pay for it at the check-out counter – effectively, tapping into the 'modern trade' retail format.

This is what led to creation of consumer relevant differentiation and hence exponential growth for the brand 'Toys R Us' because with a specialised format store for toys, it could now drive economies of scale through its supply chain.

Thus, innovating with its toy manufacturers and creating supply source linked differentiation on the supply side, 'Toys R Us' was able to negotiate costing better as compared to smaller players. This enabled the brand to provide its consumers newer toy innovations at a great value for money. Thus, by concentrating on one kind of product and leveraging that to drive sourcing advantage has made it a brand worth \$15 billion and a worldwide store count approaching 2000.

Costa Coffee

Another example where a brand has leveraged supply source linked differentiation on the revenue side is Costa Coffee.

Costa Coffee chain started in the UK and today has a global presence. The brand has been trying to differentiate itself from other coffee chains on the strength of a superior coffee experience led by staff that has knowledge about coffee and the quality of the product itself, the brand tag-line being 'We make it better'.

This coupled with the high environmental concern that consumers have in today's world is leading the brand to evolve and leverage its source of product supply as a key lever to build consumer relevant differentiation.

The brand for UK market is currently sourcing 100% of its Mocha Italia blend coffee from sustainably grown beans sourced from Rainforest Alliance certified farms. According to their website, no other UK coffee shop chain can claim this. (http://www.costa.co.uk/coffee/rainforest_alliance.aspx)

Rainforest alliance certification seal requires the farms to ensure that the people and land used for cultivation are carefully supported and sustained.

Thus, for the UK consumers who are conscious of environmental sustainability concerns, this source of origin for Costa Coffee beans is enhancing the brand equity with the positioning that 'only good beans make it into our coffee' – both literally and figuratively – leading to consumer relevant differentiation for the brand.

Evian

A global brand leveraging the supply source/origin as a key differentiator to create a consumer relevant and differentiated premium brand for a product category that is freely available (water) is Evian. Despite having the freely available tap water as key competition, the brand has created pull for itself basis its 'purity' origin and positioning.

The benefit of 'pure' water that the brand is marketing, builds on the fact that the water in Evian bottles is sourced at the Alpine mountains where it actually takes 15 years to slowly filter through a protected aquifer deep within the mountains. This supply source is leveraged in defining what the brand is all about. 'Untouched by Man. Perfected by Nature' is the brand selling line and the brand has stayed true to it no matter what. Despite short-term potential in launching flavoured or fizzy versions, the brand has chosen not to do so enabling it to continue to leverage the supply source of origin to create consumer relevant differentiation.

Application Chart: Supply Source Linked Differentiation

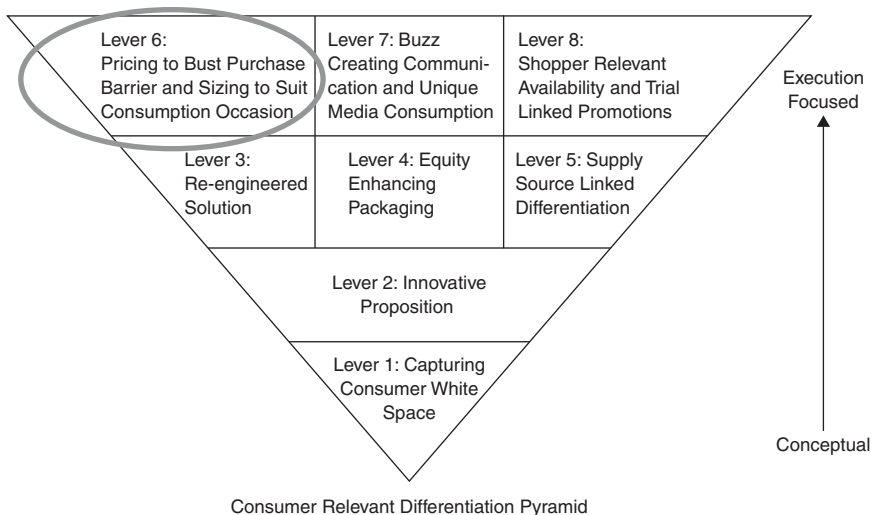
Take some time and in the table below, in the section under the 'Inputs' head, indicate your responses for the task indicated in the first column.

	Task	Inputs for your brand
1.	What are the different supply sources available for your brand that can deliver the offering with the profile desired?	
2.	For the sources identified at step 1 above, after factoring in logistics, freight, taxation, which source has the least landed cost?	
3.	Apart from scale economies, what unique claims can the source of origin let you make on the offering?	
4.	As you think through how supply source can help you create consumer relevant differentiation, keep in mind that often the source of origin can help provide a 'conceptual spin' to your proposition in creating consumer relevant differentiation as seen in the case of many alcohol brands.	



Leveraging New and Pre-owned Ferrari Pricing and EMIs to Address the Monk's Purchase Barriers

(Pricing to Bust Purchase Barrier and Sizing to Suit Consumption Occasion)



From the famous TV series Smallville (of Superman fame):

Clark: *Jor-El wants me to kill the person who will be the vessel. Zod will possess a human form, destroy Earth just as he did Krypton. But I can't kill anyone. You of all people should know that.*

Lionel: *Clark, the real test of a hero is knowing when the greater good will be served by an evil act. To save the Earth, the cost of one life is the price that must be paid.*

Clark: *Even if that price is life of your son?*

Leveraging New and Pre-owned Ferrari Pricing and EMI's to Address the Monk's Purchase Barriers (Pricing to Bust Purchase Barrier and Sizing to Suit Consumption Occasion) – Power Questions

As the Monk makes up his mind to buy the Ferrari, helping him manage his finances and outlay right via easy monthly installments can be important in helping him make his decision. Thus, pricing and sizing are the two explicit execution elements that the consumer faces at the first moment of truth in-store when the actual purchase takes place. Both pricing strategy and the sizing strategy are linked and form an integral part of a brand's execution plan to create consumer relevant differentiation. The power questions below can help you unleash value from pricing and sizing related execution:

1. Is the relative volume share of your brand (i.e. brand's volume share divided by the biggest competition's share) greater than the relative pricing for the brand (price per unit for the brand divided by that for the biggest competition)?

2. Do you need to correct pricing or build a stronger communication plan to correct the ratio identified in question 1?
3. Are there obvious psychological price points (5s, 9s, etc.) that the brand can hit?
4. Do you have a SKU identified for each consumption occasion where the need for the brand is felt?
5. Have you ensured that any consumer who buys the brand is assured the optimum quantity (actual product or service) for optimum brand experience?

Please note down your thoughts to the power questions above, in the space below:

This brings us to the last layer of the consumer relevant differentiation pyramid. It consists of the last 3 levers which are all focused on the actual execution, which potential consumers get to experience. We will look at the 6th lever (Pricing to bust purchase barrier and sizing to suit consumption occasion) in two parts to understand their impact in creating consumer relevant differentiation:

Pricing to Bust Purchase Barrier

This refers to the fact that a brand can leverage its pricing strategy to create consumer relevant differentiation by busting the different selling price related consumer/shopper barriers. Usually, pricing led innovations on a brand will follow the following 2 principles that help bust shopper-purchase barriers:

Improving Value Perception of the Brand

The idea here is to ensure that the shoppers and consumers get more value from consuming the brand when compared to the total cost and effort they need to expend to get that experience.

In a simple mathematical equation, Value Perception of a Brand = (Perceived Benefits from the Brand)/(Cost of Purchasing or Experiencing the Brand).

Thus, pricing innovations should enable us keep this value perception >1 by either offering more perceived benefits or by reducing the cost of experiencing the brand. This will ultimately result in creating consumer relevant differentiation by having reduced shopper barrier to buy the brand in-store.

This has a bearing on how different brands behave in the market. For instance, in the mobile handsets category, when Micromax entered the Indian market, the brand relied on

deep price discounts to ensure that the net perceived value for the brand was greater than 1 as it was a new entrant. Premium iPhones, on the other hand, rely on increasing perceived benefits at high price premiums to ensure that the net consumer value is again greater than 1. This ensures that these brands are able to maintain consumer relevant differentiation and consequently grow market share. Some players like Motorola, Philips, etc. who have not had meaningful innovations to increase perceived value and have not corrected pricing as well tend to run the risk of having perceived consumer value less than 1 and consequently lose market share.

Address Affordability/Outlay

This refers to the fact that some consumers of the brand are constrained by cash outlay that is required to consume the brand even if at that price it is offering value in their eyes. This is usually driven by their earning patterns and overall household incomes which does not allow sufficient disposable income to enable them to purchase certain brands even though there is an inherent need for the same. Thus, developing suitable cash outlay SKUs (like sachets in Shampoos, EMI-linked housing loan finance, lower priced car variants, etc.) helps address this barrier by helping the relevant households experience the brand even if they are constrained from immediate disposable income standpoint. This is what makes the brand accessible to more consumers thereby strengthening its consumer relevant differentiation.

Mc Donald's

A great example of a brand leveraging pricing to bust purchase barriers and thereby building consumer relevant differentiation is the quick serve restaurant chain McDonalds.

It has consistently ensured that the brand not only increases its perceived consumer value but has adroitly used cash outlay price points to bust any pricing-linked purchase barriers.

Upsize, Value Meal, Combo Meal and Extra Value Meal – These are some of the terms one associates with McDonald's outlet anywhere in the world. This is a live example where a brand has strived to provide better value to its consumers, hit a pricing sweet spot and consequently strengthened consumer relevant differentiation in the marketplace.

Brand McDonald's started driving 'value' as a strategy likely in the 1970s in the US when the economy was stagnating and consumer sentiment in general was to save every dollar possible. They were buying limited items from the menu, especially the ones like a burger that had low profit margins. This is when McDonalds tested the idea of offering supersize portions to consumers at a better value for money but overall better absolute profits for the brand (even if the percentage margins were lower).

Thus, big size fries and super size packs were introduced which were readily accepted by the consumers, in turn driving overall brand appeal and profits.

In India, McDonald's launched Extra Value Meals in the second half of 2009. During the tough economic scenario, it proved to be a great business booster. A full meal combo (veggie burger, fries and coke) was available for as low as ₹85 now thus providing an affordable, quick good meal to the consumers. A similar combo with McChicken burger was priced at ₹99. Thus apart from offering overall value, they stayed below the ₹100 psychological price point. This adroit pricing and value strategy has been one of the critical success factors for McDonald's in India. Thus as done globally, in India too McDonalds leveraged pricing to bust purchase

barriers thereby building consumer relevant differentiation for the brand in the minds of its consumers.

Sizing to Suit Consumption Occasion

This refers to the fact that pack sizing offers a great venue to leverage consumption insights and develop the right-sized offerings for the brand. This helps brand deliver the right usage experience and also opens up new consumption occasions where the brand can now be consumed, resulting in stronger consumer relevant differentiation. Thus, the 2 parameters for developing innovations around sizing to suit consumption occasion are as follows:

Right Size for the Relevant Consumption Occasion

This refers to the fact that your offering could potentially be consumed under a variety of occasions. It is critical to understand those specific occasions and how your brand plays a role in the same and consequently plan the pack sizing. So whether it's a professor tailoring his course content for a graduate class or for a workshop for working executives, right sizing offers ample innovation opportunities for a brand.

For instance, the packaged beverage industry brands in India have developed the category precisely by understanding consumption need occasions and right sizing their offering for the same. Whether it's the party pack large PET bottles targeted at home parties and group consumption at homes or the 200ml glass bottle for consumption out of home on the premise of the shop where it is sold or 500ml PET bottles for consumption on the go, the sparkling beverage brands like Coke, Thums Up, Pepsi, Sprite, etc. have understood the consumption needs and consequently developed right pack

size offering leading to developing the habit in a relatively underdeveloped category in India.

Minimum Dosage for Optimal User Experience

This refers to the fact that there would be a certain minimum dosage for your product use that will give the best usage experience to the end consumers which is critical in building consumer relevant differentiation for the brand. Hence when designing pack sizes for different occasions, the brand needs to ensure that the minimum usage dosage is factored in its calculations to ensure optimal brand experience.

For instance, in the sparkling packaged beverages industry, technically consumers get the best refreshment experience if they consume at least about 182–185ml of the beverage. Hence, the smallest pack size for sparkling packaged beverage brands should not be less than that. Similarly, in the shampoo category if the ideal quantity for usage per wash technically is around 7.5ml, for established brands the sachet sizes should not be below that size (unless of course there are other consumer reasons like converting them from soap to shampoos where even lesser ml usage might offer a better experience than using soap).

Thus, ensuring that you drive right usage behaviour with the consumers through right sizing enhances the brand experience and builds the consumer relevant differentiation you are trying to create for the brand.

Harvard Business School

Let's look at a brand which has leveraged sizing to suit consumption occasion to build global iconic status and to impact a lot more consumers than was possible had it not looked at right sizing. The brand in question is HBS (Harvard Business School) which offers a good opportunity to learn

how to leverage consumer relevant 'sizing' to maximise brand appeal. The brand was launched with the first MBA program in 1908. Subsequently with the launch of its doctoral programme and Harvard Business Review publication, it established itself as the best in management education.

The next step change in growth for the brand came when it leveraged its product 'size' and introduced short-term executive education courses starting in 1945.

This was essentially leveraging the management education content created for their MBA class, and tailoring it in a smaller serve size (module) targeted towards working executives addressing their specific needs (unique consumption requirement) vs. complete MBA programme. This provided a big impetus to growth. These smaller-sized modules charge anything in excess of \$1000 per person. In 2008, the MBA class had 1796 registrations, the doctoral programme had 105 registrations and not surprisingly, the executive education programme over the year had 9345 registrations. The short-term programmes would range from 2 days to 9 weeks while an MBA would be a typical 2-year course.

Thus, using optimal 'dosage' based module sizing helped expand the HBS brand and enabled it to touch lives of students almost 5 times of what it could have done with the conventional courses. Here we see how sizing to suit consumption occasion has enabled the brand HBS to strengthen its differentiation in a manner relevant to its consumers and consequently strengthen its iconic status globally.

Tiffany & Co

A premium luxury brand leveraging combination of sizing and pricing to strengthen its consumer relevant differentiation is Tiffany & Co.

While the brand started out in the 1830s leveraging the distinctive blue colour as its brand hallmark signifying luxury, through a series of launches and marketing innovations it established itself as one of the best luxury goods brand. Getting featured in the movie 'Breakfast at Tiffany's', having the celebrity Audrey Hepburn endorsing the stores, acquiring one of the world's largest yellow diamond, building expertise in silver and design are some of the elements that led to the success that the brand saw.

A large part of this success also comes from the brand's astute sizing and pricing strategy which without diluting the luxury brand image has enabled a whole host of consumers to come and try the brand. The brand has promoted inclusivity by ensuring that consumers who can afford lower price points also have something that can give them the Tiffany experience. The cheaper/value products have the same design and quality rigour coming in the similar blue box packaging with the trademark ribbon. Thus, a consumer buying a small piece of silver earrings even if understated still gives the buyer the happiness and experience of Tiffany's. Hence, this lever of pricing and sizing used by a luxury brand continues to create consumer relevant differentiation across the world even today.

**Application Chart: Pricing to Bust Purchase Barrier
and Sizing to Suit Consumption Occasion**

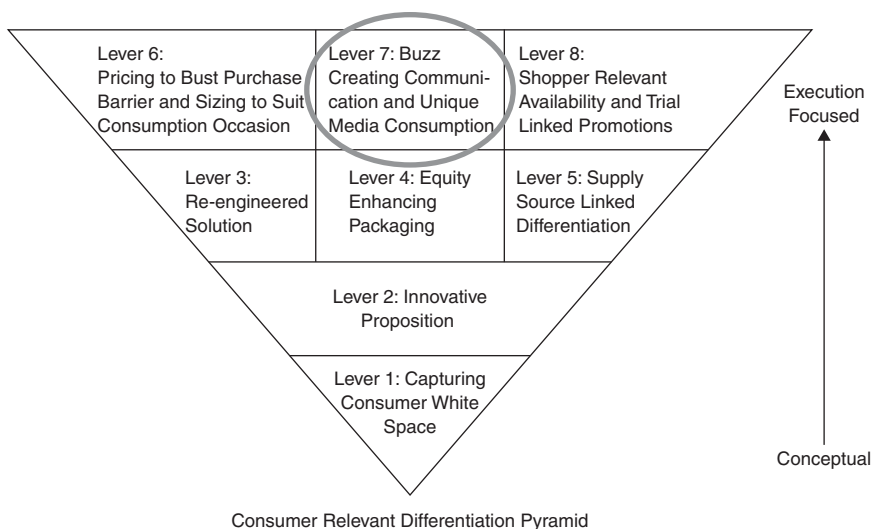
Take some time and in the table below, in the section under the ‘Inputs’ head, indicate your responses for the task indicated in the first column.

	<i>Task</i>	<i>Inputs for your brand</i>
1.	What are the pricing benchmarks for your offering in the market? Look at the pricing for similar sized products that are direct as well as indirect competition to your brand.	
2.	For the price you are charging, is your brand offering greater consumer value? That is, is the sum total of perceived benefits (quality, packaging, shopping experience, equity for the brand, performance) greater than the total consumer cost for getting that experience (price of the product, any reframing)	
3.	Have you identified unique size for the product that not only offers the minimum viable experience but also helps you price at the minimum possible consumer outlay?	
4.	Are there unique SKUs/sizes that can be leveraged for specific consumption occasions to help you create consumer relevant differentiation?	



Communicating Ferrari Benefits Through the Monk's Trusted Influencers at His Most Receptive Frame of Mind

(Buzz Creating Communication
and Unique Media Consumption)



From the famous TV series Smallville (of Superman fame)

Jonathan: We already talked about that.

Martha: I talked, you grunted.

Jonathan: I thought that I was rather articulate.

Martha: My son is in jail. And your wife put him there.

Lex: Maybe these fires were a cry for help.

Martha: Is that you talking, or is Mrs. Luthor talking through you?

Communicating Ferrari Benefits Through the Monk's Trusted Influencers at His Most Receptive Frame of Mind (Buzz Creating Communication and Unique Media Consumption) – Power Questions

Introducing the Monk to a brand like Ferrari would require some credible word of mouth publicity, from someone the Monk trusts and who the Monk can comfortably question. Similarly, communication and media are the two execution elements that actually make dialogue possible with the brand's target consumers. The core idea here is to leverage your communication and media plan (which is bound to be effort and resource intensive) to drive maximum return on investment while creating consumer relevant differentiation. The power questions below will help you think through the same:

1. Is the communication idea centred on the core brand benefit you want to communicate?
2. Is the communication itself 'talk-able', that is, will it entice consumers to talk about it to others? (refer the basics of creating talkable communication later in the chapter)

3. Do you understand the relevant 'contact points' in your consumer's life where they will be most receptive to your message?
4. Have you developed unique communication executions (centred on the same core benefit) for each of the relevant contact points?
5. Have you identified some non-obvious media touch-points, ones not traditionally used for marketing in your category?

Please note down your thoughts to the power questions above, in the space below:

The next lever in the last execution focused layer of the consumer relevant differentiation pyramid is around going beyond traditional mass communication to creating buzz and identifying unique media spaces where the target consumer would be most receptive to your brand's message. We'll now try and understand this 7th lever by decoding it in two parts – Buzz creating communication and unique media consumption – to gauge their impact in helping brands create consumer relevant differentiation.

Buzz Creating Communication

The key idea here is to go beyond the traditional approach to communication wherein the brand's message is communicated to individuals with the use of mass media. It's like a one-way monologue where traditional TV and other mass media GRPs are purchased with the intent of reaching, say 70% of the target audience for three or more times. This makes it very expensive and resource-intensive for the brand. Thus if we have our communication developed such that it gets people talking about the brand, then it drives buzz and saves all the media money to reach the optimum percent of target audience and yet creates consumer relevant differentiation.

The basics of creating word of mouth/buzz for your brand stems from an understanding of what gets people talking. This then can be used to develop buzz creating communication which will thus help build consumer relevant differentiation for your brand. The basic buzz creating communication ideas that have 'talkability' about them would typically be one of the following:

- Have a larger than life sense to it: For instance, the flash mob phenomenon which hit India as well, specifically in a Mumbai local train station, became a big talking point

since during a busy day time the flash mob managed to gather hundreds of dancers to dance at the local train station during a working day, creating a sense of big-ness to it.

- Tickle the sense of humour: For instance, one of the biggest buzz phenomenon in India was brand Rajnikant (the mega star) where Rajnikant jokes stormed the web and mobile space creating huge amount of buzz simply because they tickled our sense of humour.
- About themes not openly discussed: Something forbidden or mystery or a secret: For instance, many reality shows in India like Big Boss, Fear Factor Khatron Ke Khiladi, etc. have generated massive word of mouth publicity for the show via stories around their famous celebrity hosts being replaced by someone else, wherein the secrecy element gets consumers talking about it.

Calvin Klein

Let's look at an example where a global mega brand has successfully leveraged buzz creating communication to get its target consumers talking and consequently built high consumer relevant differentiation. The brand in question is Calvin Klein. The brand has managed to leverage buzz worthy communication to create campaigns for all its variety of products – clothes, boxer shorts, perfumes, after-shave, etc.

Consciously, Calvin Klein has tried to leverage an element of 'sensuality' in its marketing campaigns that creates enormous word of mouth GRPs for the brand. This is definitely about something not openly discussed in society and hence has got people talking about it! The brand uses provocative images and hence generates a lot of PR which has also given it a distinctive positioning in the minds of its consumers.

For Calvin Klein jeans, the brand used 15-year old Brooke Shields for its ad where she asks 'Do you want to know what comes between my CK and me? – Nothing!'

CK One perfumes were launched as one of the first unisex perfumes. The marketing campaign leveraged provocative images to advertise. They went a step ahead and displayed email addresses in their print campaigns and asked the consumers (teens) to email there. Those who emailed were then placed on a group mailing list. Through this, the teens would receive details about the model's lives – these were fake details sent out to give the teens a feel that they are having a direct peek into the models' life. Thus, the CK One campaign created buzz that helped the brand drive mileage among the intended target audience by creating consumer relevant differentiation via buzz creating communication.

Unique Media Consumption

For any brand, creating consumer relevant differentiation would depend to a large extent on its ability to talk to its target consumers at the right contact points. This is where identifying media white spaces for the target consumers, that is, unique media consumption habits for your brand's category would be a big driver.

The first step in innovating around the media that you use to build your brand is to understand the variety of 'contact points' that your target consumers can be talked to.

The key here is to go beyond the conventional media associated with your category and identify the 'media white spaces' for your category where the consumers will be most receptive to your message amidst the clutter they are exposed to.

These white spaces could also be the media where other categories advertise and are not really leveraged by your

category or it could be spaces not traditionally viewed as media.

3M Security Glass

For example, the brand 3M for its security glass offering used an extremely effective medium to communicate the superiority of its product. At bus stops they created holding chamber with the 3M security glass and put bundles of currency notes inside.

The objective for the 3M Company (previously known as the Minnesota Mining and Manufacturing Company) was to drive home the benefit that they have good quality security glass for use in commercial or even residential requirements. 3M as a brand has been known for its product innovations across a wide spectrum of categories. The company has produced more than 50,000 products like abrasives, adhesives, dental products, medical products, car care products, electronic circuits, optical films etc. Some of their popular brands include Scotch-Brite, Scotch Tape, and Post-it notes.

Their innovation mindset was visible in the use of outdoor media (the bus shelters) for their 3M security glass. As mentioned before, at the bus stops, the side walls which are normally used for display advertisements were in this case used for putting up a transparent container created with 3M security glass. Inside these chambers were currency notes.

Their challenge was that if you can break the 3M security glass then you can take the money inside. Though the currency bundles had \$500 notes only on the top of the fake notes, in case someone did manage to break it they were free to take the \$500 bills. Of course the rule was that they had to use only their body (hands and legs) to break it.

This is a very innovative use of white space media to drive home the product benefit in a clutter-free manner that

engages the consumers and hence builds consumer relevant differentiation.

There are many such examples wherein brands have identified unique media routes to communicate their message effectively. Here are some examples of these – Stickers advising parents to watch their kids around water, innovative mouse pads as a media for ironing services company, music school using electricity cables as a medium, and iPod Nano using popcorn holders as a communication medium – all creating consumer relevant differentiation for the respective brands with the use of unique media consumption for their target consumers.

To explain these examples better, 'Watch around Water', an Australian organisation used innovative 3D stickers pasted at the bottom floor of community swimming pools on the shallow side. These stickers from outside looked as if a child is actually lying on the swimming pool floor, with the message of 'watch around water' under it, thus communicating the message in an impactful way. Similarly, the ironing services company used mouse pads with the picture of a partially ironed shirt on it – so, as the user scrolled the mouse over this mouse pad, it drove home the ironing services benefit of the company in an engaging way. The music school mentioned before, innovatively had big music notes symbols (♪) tagged onto electricity transmission cables visible on road ending onto a lamp post with a billboard talking about the music school. This unique outdoor media drives home the point in a consumer relevant differentiated manner – again unique media consumption building the brand. Last example mentioned above was for iPod Nano with its benefit of 'Music in your pocket'. Here, they leveraged popcorn containers used in cinemas and created tiny pocket size popcorn box samples with some popcorn inside. These small popcorn boxes were branded with iPod – driving home the point of

its 'compactness' through this unique media in an engaging manner.

Benetton

An apparels brand creating consumer relevant differentiation via buzz creating communication is Benetton. The brand has thrived on controversial marketing (with substance) which lends itself to a lot of talkability consequently creating buzz for Benetton. The brand has used controversial images, something one would normally see as part of a photo journalism essay. One of the campaigns done by photographer Oliviero Toscani had images like a dying AIDS patient or a child soldier as the United Colors of Benetton campaign. This created public backlash with many complaints against the campaign – net, it got people talking.

The images had strong sociopolitical context to them, consequently creating buzz for the brand. The campaign though not overtly related to clothes, it built the broader brand in the context of taking a stance in the world for certain global political issues. Some other campaigns though less news worthy but were in line with the brand positioning showcased black and white children holding hands or a black baby held by a white kid. One of their recent campaigns titled 'unhate' with the intent of standing for a cause to combat the culture of hate that exists in the world. The images showcased a series of kisses exchanged between global political and religious leaders (Barack Obama kissing Chinese leader Hu Jianto or Palestinian president Mahmoud Abbas kissing the Israeli prime minister Benjamin Netanyahu) – symbolic of reconciliation between them. As obvious this campaign got noticed and became a topic of many conversations thus not only creating consumer relevant differentiation for Benetton but also selling a lot of their products.

Application Chart: Buzz Creating Communication and Unique Media Consumption

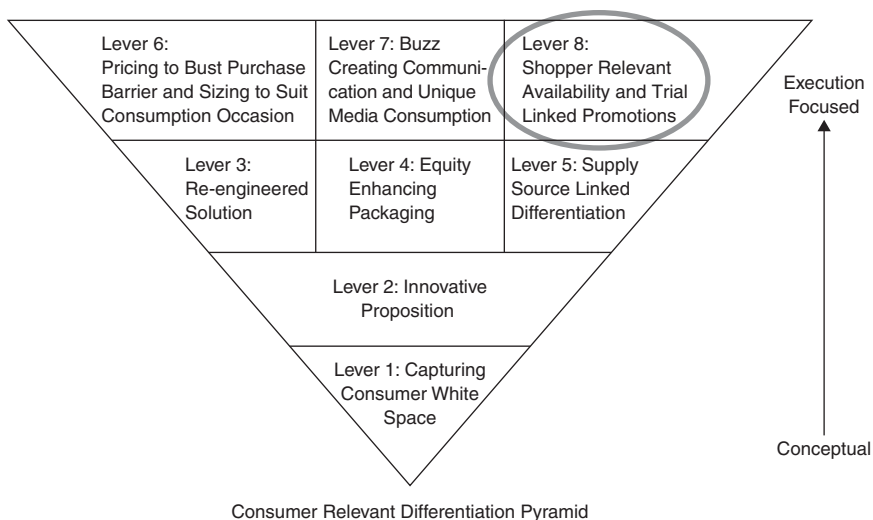
Take some time and in the table below, in the section under the ‘Inputs’ head, indicate your responses for the task indicated in the first column.

	<i>Task</i>	<i>Inputs for your brand</i>
1.	<p>Is the creative communication idea centred on the benefit you want to communicate and is it appealing at gut level?</p> <p>For instance, for the deodorants brand Axe, the benefit of great smell is transformed into the creative communication idea of ‘helps you get the girl’ which is centred on the benefit and is appealing at gut level.</p>	
2.	<p>Is the idea talkable? That is, will it get people to talk about it thus driving word of mouth publicity for the brand? (refer the principles for making an idea talk worthy in the chapter)</p> <p>In the previous Axe example, the various executions, showcasing male fantasies is very talkable and hence creates word of mouth publicity for the brand.</p>	
3.	<p>What are the ‘contact points’ for your target consumers when they would be most receptive to your message?</p> <p>For instance, detergents brand in the US leveraging afternoon radio spots to talk to mothers picking up their kids from school or beverage brand leveraging outdoor advertising on the side of roads leading from office areas to residential areas for talking to tired executives in the evening needing refreshment.</p>	
4.	<p>As you plan media for the brand, have you ensured that you have spent critical minimum on one medium (to ensure noticeability) before moving on to other media?</p>	



Leveraging Ferrari Dealership Network Locations and Added Incentives to Close the Deal with the Monk

(Shopper Relevant Availability and Trial
Linked Promotions)



From the famous TV series Smallville (of Superman fame):

Lex: You've always had an eye for beauty. It's a Latin name, formositas falsus. 'Beauty that belies a dark nature'.

Clark: So, even your plants have hidden agendas.

Lex: Well, I guess it all comes down to survival of the fittest. Doesn't it?

Clark: A strange vine has cropped up over the ridge at Lone Pine. It's attacking people.

Lex: And naturally you came to my little shop of horrors to foil my ingenious plot to repopulate the planet with vegetation. Sorry, Clark. I'm all out of evil.

Leveraging Ferrari Dealership Network Locations and Added Incentives to Close the Deal with the Monk (Shopper Relevant Availability and Trial-linked Promotions) – Power Questions

Convenient dealer and service centre locations and purchase incentives (like free insurance cover, etc.) can enable a favourable decision for buying a Ferrari from the Monk. Thus, the intent here is that we need to look at 'distribution' and 'promotions' beyond something which is a sales tool and leverage them for creating consumer relevant differentiation. The key was to look at distribution as 'shopper relevant availability' and to evolve regular freebies to 'trial-linked promotions'. The power questions below will help you assess your brand's readiness in creating consumer relevant differentiation by leveraging shopper relevant availability and trial-linked promotions:



1. Have you understood how shopping behaviour for the brand is different from consumer behaviour?
2. Have you identified shopper barriers to the brand?
3. Does your distribution and shelving plan make it easier for the shoppers to buy your product/service?
4. Is the promotion plan designed to bring the brand benefit experience to life for the shoppers?
5. Are the promotions integrally linked to driving brand trial vs. just engaging the consumers?

Please note down your thoughts to the power questions above, in the space below:

Coming to the last leg of our consumer relevant differentiation pyramid in the execution focused layer, we have the 8th lever of ensuring that not only the offering is made available at the right channels but also that the brand is going the last mile with promotions that lead to brand trial. To understand its impact on creating consumer relevant differentiation, we will dig deeper into the 2 parts of this lever – Shopper relevant availability and trial-linked promotions.

Shopper Relevant Availability

From a standpoint of creating consumer relevant differentiation, the key point to underline here is that the shopper for your brand could be different from the actual consumer of the brand. Thus, innovations around shopper-relevant availability leverage channels that can make the brand available to her at the most receptive frame of mind and makes the brand available in a way the shopper thinks and shops (which could be different from how the consumer thinks and consumes the brand).

Pampers

For instance, the diapers brand Pampers understood this very well that the actual consumer of the product, the baby (and by extension the mother) could be very different from the shopper (in this case the dad). So while the brand's message to consumers was around superior absorption and how the brand helps babies grow better, for shopper in-store, the availability of the brand was done as per the shopper thinking process to address shopper barriers.

The brand understood the basics of shopping for diapers wherein it was difficult for the shopper to gauge which size would fit their baby. Simply labelling the diapers as small,

medium, large was not enough. Instead, the brand went a step ahead and re-categorised the segment on basis of age – 1-year old, 2-year old and so on. Thus, it became convenient for shoppers to now get to the aisle where the diapers (and subsequently other baby care products) were kept for the relevant age group. This process of shopper relevant availability, that is, making the brand available to shoppers in a relevant and meaningful way that makes it easy for them to shop, has contributed significantly in creating consumer relevant differentiation.

This could mean identifying new channels to make the brand available or leveraging the current channels and making the brand available there in an eye catching differentiated manner.

Also important to note is that the relevance of different packs and price points for different channels can be an asset to be maximised.

Amazon.com

Let's look at how a big global brand was created on the strength of shopper relevant availability. The brand in question is Amazon.com which was launched and built massive scale on the strength of what was then innovative – affiliate marketing, that is, shopper relevant availability leading to creation of consumer relevant differentiation.

While Amazon.com started as small online portal selling books, today it's one of the top most brands in the world. The key to building any great brand is to have mass availability.

This is exactly what was done for Amazon.com as well, through its then revolutionary and one of its kind idea of affiliate marketing model; where other websites could sell Amazon.com products on a commission basis by having a

link on their portal to the relevant products they want to sell from amazon.com.

This enabled amazon.com make itself available to potential consumers in millions of affiliate portals. The best part was that this availability of the brand was highly relevant to the visitors of almost all the partner websites. Thus, women's health portals could sell women health books, kid's portals could sell books relevant to kids, corporate consulting sites could sell business books, etc. all through the right amazon.com link on their web page.

Thus, amazon.com became a big brand on the strength of making itself visible and available in the most relevant manner to its shoppers building consumer relevant differentiation and hence establishing a new e-commerce business model.

Trial-linked Promotions

Many a times you will observe brands running promotions which end up engaging and entertaining the consumers without actually giving them a reason to buy the product and are equity damaging in the long run. Thus, the intent here is to look at promotions as a tool to build consumer relevant differentiation by ensuring that they have high trial potential.

Promotions have typically been defined as giving a price discount or giving some other product free with your brand. From a consumer relevant differentiation prism, that would mean looking at promotions from a broader objective of driving the shopper to purchase your brand in the long run as well.

Price discounts would then become one of the executions of that objective. It would then include shopper engagement to bring the core brand benefit alive for her, ultimately convincing the shopper to buy your brand over others.

Burger King

For example, good understanding of its target consumers led Burger King to come up with a trial-linked social media promotion. The promotion asked Facebook users to delete 10 Facebook friends using the Burger King Sacrifice application and in return they would get a coupon for a free Whopper burger. The idea was to show how much you love your Burger King Whopper.

This is an outstanding example of a promotion that not only gets user interest but is also actively linked to product trial. Unlike traditional freebies or regular Facebook applications that you can 'like', this engages the consumers and gets them to participate to win a free burger.

The promotion was such a hit that after more than 230,000 friends had been sacrificed, Facebook had to intervene and get the application to close, citing privacy issues (since this application announced on the thread that so and so friend had been sacrificed). In any case, the purpose was served for Burger King and a great promotion helped the brand strengthen itself in the minds of its consumers.

Gucci

If we look at the history of brand Gucci, it is very telling as to how relevant availability can play a key role in creating consumer relevant differentiation for the brand.

The brand came into existence sometime in the early 1920s and established itself in the prestige category through its handbags and apparel. As the brand grew, by the late 1980s, it had extended to thousands of categories and consequently spread itself too thin. I had started declining and losing relevance as a prestige brand. In the 1990s the brand

re-launched itself with renewed focus. Apart from the fact that with this re-launch the brand took on a modern designer sexier form, the big driver for growth came from the fact that the brand was more focused now. The brand re-established its exclusivity by actually reducing the number of outlets where the brand was available. By limiting its distribution to select upmarket high end fashion stores focused on core leather products created superior consumer relevant differentiation for the brand. Thus, shopper relevant (exclusive) availability enabled brand Gucci to regain its prestige heritage and consequently increased sales.

Application Chart: Shopper Relevant Availability and Trial-linked Promotions

Take some time and in the table below, in the section under the 'Inputs' head, indicate your responses for the task indicated in the first column.

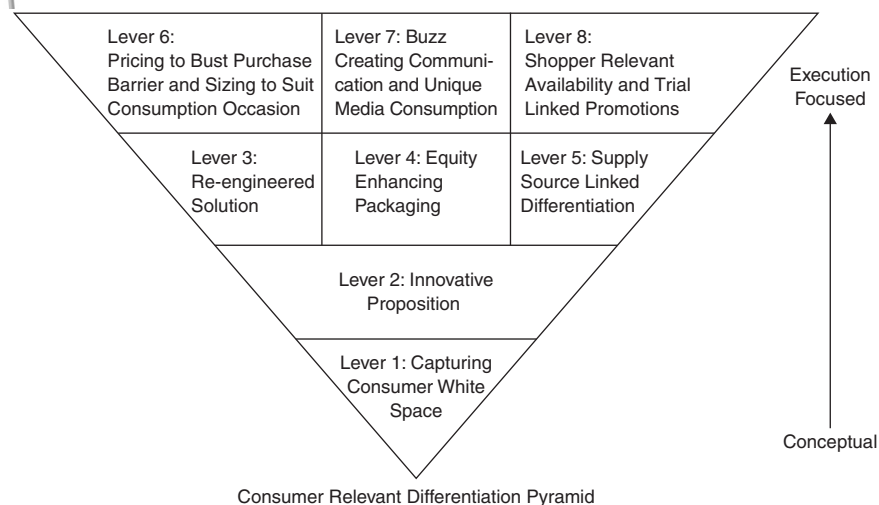
	Task	Inputs for your brand
1.	<p>What is your by channel trade plan? That is, for all respective channels have you developed separate incentive plans to ensure adequate 'push' for the brand is created?</p> <p>For instance, a shampoo brand may need to push sachets in traditional trade via per sachet incentive to the small retailers while for bigger size bottles in modern retail it might need to give tailored consumer promotions instead.</p>	
2.	<p>What is the customer value added story for your brand SKUs? That is, what is the concept sell and business building approach for trade and retail partners that will get them excited about stocking your brand? (category growth potential, higher profitability, higher foot-falls, etc.)</p>	
3.	<p>What is the merchandising and shopper marketing idea? What is the shopper barrier that your brand (different from consumer barrier) will address at the point of sale?</p>	
4.	<p>Are your trial/promotion plans building off the creative idea that is being used for developing other communication? Think through the importance of consistent messaging even in incentives and sampling to create consumer relevant differentiation.</p>	



Postscript – Why Monk Bought the Ferrari?

This brings us to the end of the book and the consumer relevant differentiation pyramid. The intent here was to showcase how by creating meaningful difference in its consumer's lives, brands have actually got the monks to buy the Ferrari.

As you have seen, it's not about flashy gimmicky marketing but more about fundamentals and leveraging all assets at brand's disposal to create meaningful difference in the lives of its consumers. As long as the brand focuses on this, the selling and buying process will inevitably happen in the brand's favour.



Hope you have found the principles outlined in the consumer relevant differentiation pyramid good food for thought. As you look around and study other brands, you will find that they are invariably applying one or more of these consumer relevant differentiation levers ultimately reaping great benefit for the brand!

Let me close this chapter by sharing a short story with you. This was when I was visiting Disney Land with my wife and 3-year old daughter. We were staying at the Disney Land hotel inside the theme park. Of course, Disney Land is a great global brand that appeals to kids and adults alike and we had a fabulous time there exploring the different rides together, meeting different characters live whom we had previously seen on TV only, the souvenirs, the restaurants and the food, etc. All of this came thanks to the staff members at Disney Land who were at their courteous and helpful best.

I'd like to point out an anecdote there which actually differentiated the brand Disney for me compared to any other hospitality brand in an extremely relevant manner. This was when we were taking a walk at the lush green Disney gardens

during our stay there and then instead of our earlier plan to come back to the hotel, we decided to go to the theme park for a few rides. As we were trying to figure our way out with the map and the direction signage on the different roads, looking slightly confused, a friendly looking young man walked over towards us from a bus parked at a distance, asking 'Do you need any help?' He was the conductor for the Disney hotel bus transporting tourists to and fro the hotel. He not only helped us out with the correct route but went a step ahead – rushed and got us a hotel pram to help us take our daughter (without our asking him) and wished us a happy and pleasant stay at Disney Land. As you can see, firstly he had absolutely no need to walk all the way to help us and then not just help, he went way beyond his duty to ensure that we had a pleasant experience on our way to the theme park. The fact is the employees at Disney actually are trained and incentivised to live the spirit and purpose which the brand is all about – creating magical memories!

This act of that one individual made Disney stand out like a brand no other for us – true consumer relevant differentiation. Taking this thought further; imagine different organisations/brands leveraging this to create consumer relevant differentiation. How would a shopper at a modern retail account feel if the in-store promoter for a particular brand went beyond just selling the specific brand and understood her needs and recommended a portfolio of products (not necessarily all from that brand) that fulfilled her need? This act would not just wow the shopper; it would in fact help the brand stand out in the clutter of others available brands.

The idea here was to show that today all brand and business building can ultimately be boiled down to the 3 words 'consumer relevant differentiation'. The book is an attempt to bring some structure in helping brands create that

very consumer relevant differentiation. As evident from the various examples, it ultimately boils down to the will of the brand owners and executing to the right lever that will help strengthen and sustain the brand in the minds of its consumers. The power questions in the beginning of each chapter and the application chart at the end of each chapter would have given you a basic framework that can help you in real-life creation of consumer relevant differentiation.

Wish you all the success in your brand's endeavours to make a difference in the lives of its consumers!

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About the Author

Nitish Rai Gupta, MBA – IIM Calcutta, has worked for close to 10 years with various MNCs like Procter and Gamble, Heinz and Coca-Cola. He has been involved in building global brands and innovations in more than 20 countries across Asia, India, the Middle-East and Africa. He has worked in different industry sectors – from beautycare (FMCG) at one end, to food and beverages at the other, and is currently leading brand innovations for an American brand in India. He has also authored a book *The 7 Principles of Brand Management* published by Tata McGraw-Hill and is regularly invited to take lectures on marketing and brand management by various Business Schools across India.



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