



Category Creation Now the Center of Effective Brand Strategy

MEXICAN BEER? WHAT BRAND IS FIRST INTO YOUR HEAD?

For many it would be Corona, the leading Mexican import and share captain of the entire US import beer category. People organize their product preferences by categories first and then slip the top-of-mind brands into those mental brackets. Energy drink: it's Red Bull. Heavy motorcycles: it's Harley. European style coffee drinks: it's Starbucks. And so on. In a recent AdAge column marketing guru Al Ries cited Nintendo's runaway success with Wii as a rock star example of category creation in brand and business strategy. Wii isn't a better or more powerful video-game console, rather a completely different idea that represents birth of a new category in the digital gaming game.

The driving force behind uniqueness can be best expressed as the search for different. The outcome of that search most certainly can be the launch of a new category where a brand rightfully claims its innovation and leadership mantle. As Ries opines: "Marketing is a battle of categories..."

Creating a category and then branding that category in such a way that your brand is perceived as the innovator and leader is the essence of marketing today.... The brand is only a marker for the category itself."

So often the conversation in branding circles is about being better. Who is going to argue with continuous improvement, right? But the battleground has changed with product proliferation (too many products chasing too few consumers) and commoditization forces working to turn brands into bland. The first order of business these days is no longer just differentiation – it's radical differentiation. And the end game is the development of new categories that a brand can be number one in.

This is the ultimate re-definition of thinking outside the box – by creating new boxes that in turn become the mental shorthand for consumer brand selection and preference.

"There is no best auto company, there is no best car. You're really competing now to be unique. One can still be a large company by meeting a very well chosen set of needs. Whole Foods is not trying to be a great food retailer. It is trying to meet the needs of a certain set of customers. Those customers view the 183-store chain's eco-friendly ethos as representative of a healthy, socially responsible lifestyle they want to identify with."

— Michael Porter,
Harvard Business School.