



Head for the Top, Get Squeezed in the Middle, or Fall to the Bottom, You Decide

A SCARY SYMBOL FOR SOME OF AMERICA'S ICONIC BRANDS

Can it be? Might the simple and benign hourglass figure be a modern day form of skull and crossbones symbolism? Yes indeed, time may be running out for Dorothy brands everywhere before the wicked witch of market polarization gains traction.

This symbol supplies a compelling metaphor to showcase the increasing pressure for change that works to elevate true market innovators above those who can't seem to get beyond treading water with marginal improvements to status quo products. In their seminal treatment on the 'Hourglass Economy,' Chicago Tribune reporters Susan Chandler and John Schmeltzer highlighted Kraft, Ford and Sears as examples of brands caught in the middle of markets that are starting to separate the extraordinary from the merely adequate.

Perhaps there's no trouble at the moment for brave brand standouts which have trail-blazed new categories (Viking appliances) or sufficiently reinvented themselves (Whirlpool) to create truly unique product ideas and solutions. But some of the nation's best known and in some cases largest brands may find themselves in an increasingly tight squeeze as the world turns ever more quickly to shake down the steady stalwarts and reward authentic market challengers. The David and Goliath story couldn't be more relevant and true today – small, creative, fearless can beat big, slow and risk averse.

Line extensions may not be enough...

Market polarization is on the move in America and gaining momentum. Brands that don't inspire and thereby earn consumer involvement are increasingly headed south to the land where price is king -- where cost-cutting business models reign supreme as the singular route to unsustainable profitability. Highly differentiated, or as business visionary Seth Godin might call them, Purple Cow brands (Red Bull, Dyson, Apple, Starbucks) that engage and emotionally satisfy consumers are headed further north to the domain of increased margins and growth. In between is a veritable no-man's land of large (perhaps even stable for the time being) middle-of-the-road brands that float slightly above the commodity club but can't quite meet the requirements of striking, can't-miss-it valuable-ness – a condition that permeates the layers of brands consumers truly care about and therefore, will pay more for and talk up among their friends.

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Line extensions won't do the trick. Modest taste and engineering improvements or tweaks to the packaging are seen for what they really are. There's no gloss, no marketing paint to be applied that can make the sow's ear of humdrum resonate any differently. David Ogilvy's generation transcending and powerful if somewhat quaint remark that "the consumer is not a moron, she is your wife" could not be more true. Consumers are smart, perceptive and in control. The Internet has laced the marketing landscape with truth serum and openness that cannot be stopped or pushed aside. It allows ideas to migrate in minutes. Insider information is now in the hands of the masses – transparency is unavoidable. Imperfections are visible. Brands are in effect naked inside a glass house. Market barriers to entry are coming down everywhere. No one is safe no matter where you reside in the Fortune 500.

Honest ingredients to win

Authentic. Real. Legitimate. True. Genuine. These are the watchwords at the foundation now of long-term business success. No one can be fooled for very long anymore. Brands must offer tangible leaps ahead to the state of the art in their respective categories. By doing so these businesses can't help but disrupt existing perceptions of the standards in quality. They cleverly deliver richer and more engaging experiences and therefore have a legitimate shot at leadership and growth. By virtue of their terrific-ness, extraordinary products and services exude romance and a sense of discovery that grabs consumer attention and interest – they become unavoidably buy-able because the consumer is actually listening and wanting.

Staging a brand intervention: the route to victory begins with a bit of introspection and honesty about what you're marketing. The big new ad campaign won't save a boring idea for long -- only siphon off assets from the marketing toolbox more quickly. Are the PR experts scratching their heads because the publicity dog won't hunt due to lack of any real news? Do price promotions start to look attractive as volume getters because bribes constitute the only maneuver that seems to push the revenue needle? The road to recovery begins with candid assessment and knowing that reinvention is often a necessary and sometimes painful step to literally force consumer reappraisal of what your brand franchise stands for. How far are you willing to go?

Consumer engagement

Care is a deeply emotional thing. Getting consumers to think and care about your brand should be the ultimate goal of all forms of communication and two-way conversation (you must do this) a brand conducts. Brands that help, that listen, that facilitate learning, that offer memorable encounters, that are unselfish in the relationship they have with consumers can build emotional rewards to attract and retain fans. The entire marketing paradigm has for decades been based on push and control. The consumer

is now in charge. A dialogue is required. Honesty imperative. Loyalty only exists as long as the relationship remains rooted in authentic investment in reinvention and improvement that leaps ahead. As Scott Bedbury once said of the epiphany he had while head of marketing at Starbucks about the core of their brand's success – "everything matters." Every touch point the consumer might have with the brand matters. Both those the company creates and those created by consumers themselves. The circle of influence is no longer just an ad or direct mail piece. It consists of credible forms of communication including editorial media, the voices of influencers and experts in various product categories, and most of all, respected friends who can verify or deny whatever notion that marketers attempt to convey through their own outreach efforts.

When multiple parts of the circle of influence agree, the consumer is convinced. Getting the circle in proper working order must be the job of savvy marketers everywhere.

One thing, however, precedes the ability to be measurably influential in any form: the brand must be able to engage its consumer and the only route to engagement begins with being genuinely remarkable. To do otherwise is to tempt an inevitable fall to the lower half of the Hourglass.