

Product matters

In a world where brand is considered king, a powerful wealth creator and vehicle of value, Chris Christou wonders where this leaves product

Research indicates that there are an increasing number of consumers who are making purchasing decisions based on product attributes and innovation over brand loyalty. Today's consumers are smarter about their choices - they are brand literate, well informed and less swayed by abstract brand messages. After all, they see thousands of them everyday. Brand awareness appears to have reached saturation levels and, rather than simpli-

fying choice, the sheer over-supply of brand messages is confusing it even more. The effect of aspirational marketing has begun to inflate brands to such an extent that the promise far outstrips the experience. In fact, brands have become invisible by virtue of their ubiquity.

Brand owners are now beginning to realise the importance of delivery in brand building and are going back to some basic principles. It's not what you say but how you go about doing it. Delivering good quality products and services will win consumers' time, attention or money.

So, are branding and advertising as we know it dead? Well, not quite. It's still big business, however the landscape is changing and making it an even more difficult place to navigate and get noticed. Over recent years we have witnessed product life cycles shorten dramatically and markets have reached saturation levels with product choice overload all competing for attention. Our media channels have also become infinitely more rich and complex. This has led to consumers becoming increasingly discerning and demanding.

The whole notion of mass marketing as we know it has turned upside down. We are moving into a different world where the consumer, who holds more of the cards,

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makes choices based on word-of-mouth and through social media channels such as chat rooms and blogging sites, all of which add an extra layer of credibility. In this over crowded and much more transparent space it's no longer enough to just focus on intangibles in the hope that creating an abstract 'feel-good' brand halo will get you noticed. This would simply paint over the cracks if there is no real substance behind it. Savvy consumers pay more attention to tangibles than to intangibles. This approach is becoming less effective and many brands have faltered because of this: Coca-Cola, Kodak, Ford and Levi to mention just a few.

Brand owners need to be careful that they don't immerse themselves into too much brand centric thinking - brand awareness and perception at the expense of product design and performance. Today's consumers are less loyal to brands and are constantly trading up and down, choosing whatever best fits the moment. Brand stories

alone are no longer good enough - it's product news that drives interest.

This means that would be brand owners today need to focus less on the 'soft' aspects of brand building - identity, personality and awareness - and focus more on addressing product performance.

The pace of change today requires a rethink in the way we operate. So what are the popular brands such as Nintendo Wii and Apple doing differently compared to what companies did in the heyday of the mass-market revolution? Shrewd brand managers have adapted, creating a new paradigm in which innovation is king and marketing is more dispersed and personal. All of which can create interest, buzz and ultimately sales.

The stunning success of the Nintendo Wii games console, which has sold over 30 million units around the world, has provided an unexpected boost to the video games industry gaining a 45 per cent share of the market. The innovation here is in the Wii's motion-

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sensor game play technology coupled with the family-oriented positioning, which has managed to attract gamers from outside the traditional market. It has carved a new market segment outside of the 'recluse gamers', even attracting 'granny gamers' who are now having a ball with Wii Bowling.

As for the secret of Apple's success - it cannot be attributed to sophisticated marketing campaigns and advertising alone. As put by BusinessWeek "Apple, which was late to market with its digital music player, the iPod, took the lead nevertheless with a combination of great product design and marketing brains." It has become a consumer electronics brand that thinks broadly with the permission to deviate and challenge in a way that goes beyond our expectations.

It's a shame to still find so many UK manufacturing companies following the overcrowded 'me too' bandwagon, kidding themselves that their brand image is strong enough to carry them through. The 'me too' approach will ultimately contribute to the downfall of discerning UK manufacturing, since manufactured products will all become commodities. The winners in this field will be the producers that embrace the challenge and are committed to genuinely creative consumer focused new product development.

It is time for manufacturers to rise to the challenge of innovating rather than hovering around their comfort zones. ■

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