

The Simple Question at The Heart of Brand Differentiation...

(...and why too few marketers are asking it)

One Simple Question lies at the heart of marketing strategy and communications. In fact, you can't really optimise brand differentiation without knowing the answer...

How do we deliver the right balance between similarity and difference?

As marketers our job is nearly all about resolving this tension. But the Simple Question simply isn't asked often enough. Let's talk it over...

People need similarity. Brand 'anchors' signal to consumers what they're buying *without having to think about it*. That's why premium rums use gold/black colours and reference a founding father-figure. But we all crave difference and pay a premium for it. Which is why new rum brand Bumbu - with its heavy, corked, bottle and designer-grog position - is selling out in the US.

Ideas that failed due to over-difference include off-set mortgages, smokeless cigarettes and non-refrigerated fresh ready meals. As ever, all these ideas have clear functional benefits. And no doubt focus-groups – with their heavy bias towards logical reasoning – backed up their launch. But, *psychologically*, they were too far from consumers' framing of what a bank account, cigarette or ready meal should be. Lacking anchoring, they drifted away and got lost in the mists.

But even more money is wasted on brands and campaigns that are over-similar. Over-similarity leads to generic offerings that bore consumers and make new entrants more attractive. It puts margins under pressure, gives us yawn-inducing campaigns and, ultimately, the premature deaths of hundreds of brands that could have prospered.

The paradox is that if you go too similar you lose people; but go too different and you confuse them.



Most brands are wasting 1/3 of their spend over-selling similarity

At Linguabrand we've analysed many hundreds of brands across over 40 categories. And, on average, most brands are spending 2/3 of their money selling similarity and only 1/3 on their differences. *But growing brands, like Under Armour, are doing the reverse: 2/3 goes on their difference and only 1/3 on anchoring in similarity.* That means most brands are wasting a third of their spend over-selling market generics. This benefits the market leader. So challenger brands are spending resources selling the leader they're trying to challenge! We came across this working on Adidas.

Nike had framed the sports market as *Sport is War*. Every time challenger brands repeated this binary 'winning is for winners, losing is for losers' message Nike gained. Our work helped Adidas reframe their message around Adidas fans' framing – *Sport is Social*. You can see immediately how this changes communications. Adidas margins went over 50% for only the second time in their history. But then something went badly wrong...

...Adidas Group profits nosedived two years later. Why? Reebok. Owned by Adidas, Reebok was once a serious sports brand. Our analytics had shown its messaging was too heavy on generics and too light on persuasive difference. But nothing was changed and Reebok sales plunged by 40%. It hasn't been able to get back on the sports pitch since. It's now stuck on the side-lines as a training brand. What a waste of sales.

Given its importance, why aren't enough marketers asking the Simple Question?

There are two main reasons:

1. **Rivals aren't taken seriously enough in strategy development.** There's a complacent idea that rivals don't matter. And where they're referenced it's usually with crude 'pin-the-logo on the matrix' randomness rather than bottom-up analytics.
2. **Marketers aren't listening deeply enough to consumers.** Language is a rich resource. If you listen to its psychological content, consumers are telling you how they want you to sell to them. Deep listening can be done from distance and often you don't even need to ask any questions at all. Focus groups miss nearly all of this, but many marketers remain wedded to them.

The Adidas/Reebok case shows you how the Simple Question is answered:

- Similarity is rooted in how your market rivals are communicating
- Relevant difference is found in consumers' psychological needs

So the next time you hear people talking about 'brand differentiation' ask yourself, "Different from what?"

And when you hear 'focus group' ask yourself, 'Shall we keep on *talking* to consumers? Or is it time to start listening...?'