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Brand-up: How to Give Your Goods an Upscale Appeal

Can you turn Wal-Mart into Nordstrom, or Waffle House into Morton's of Chicago? Things like that don't happen overnight. But if you want to move your brand up-market, you better delight the customer. Chief Marketer spoke with Carol Davies, a partner with New York based marketing consultancy Fletcher Knight, about how to "brand-up" consumer goods to give them an upscale appeal.

CHIEF MARKETER: We all want a luxury product/service experience at whatever price we can afford, whether it's ice-cream or private jets. Please define the essentials for a brand that wants to move up-market?

DAVIES: Fundamentally, when a consumer is buying an up market brand, she's buying a gift for herself. Because of that, an up market brand truly needs to delight the consumer and provide elements of surprise and reward. Bottom line, "up market" brands need to make the consumer feel good about treating herself – whether she's treating her body to healthier food or treating her psyche to a more indulgent aromatherapy shower gel.

Delivering that all-important delight requires, first and foremost, delivering on true quality – providing premium value, not just premium price. Second, the brand must provide discernable proof of premium. It's not sufficient to claim quality. This quality must be proven with tangible cues that the consumer can see, feel, hear and smell whether it's in the product, package or retail experience.

J. Crew is attempting to play in the designer big leagues by launching J. Crew Collection, a sub-brand with prices in the thousands of dollars. While J. Crew is delivering proof of quality in terms of fine fabrics and handiwork – and will be housing the collection in a completely new New York City store – it remains to be seen how successful they will be without what has traditionally been the ultimate "proof of premium" in luxury apparel – a designer name.

CM: Moving up-market appears to be an effective marketing strategy for a number of traditional consumer packaged goods (CPC) categories, from skin care to beverages, even produce. Please discuss the essentials/strategies required to achieve a premium positioning in CPC categories?

DAVIES: What's critical is understanding how consumers define quality in specific categories, both from a functional level and emotional level, and which brands or experiences consumers consider benchmarks for quality. Once a company fully understands the consumer definition and reference points of quality, the path is cleared for developing an effective positioning and approach for

“branding up.”

Looking at food, Publix launched Greenwise Market as a new, self-standing retail concept focusing on natural and organic food. Presumably this new retail approach will allow them to deliver one of the key signs of quality in food – expertise, information and education, all of which competitor Whole Foods offers in abundance. Sometimes the food itself just does not provide enough tangible signs of quality. Organic food can come off looking especially underwhelming to an organic-newcomer audience.

In skin care, Olay has done a masterful job of branding up, stretching mass skin care pricing to \$20 and \$30 price points with Total Effects, Regenerist and Definity. With prestige skin care as a reference point, Olay has clearly delivered premium value with skin care technology that rivals department store brands.

In addition, they’ve provided proof of premium by delivering a prestige-like experience. They’ve put the product in more upscale bottles, showcased those bottles in clear, pedestal-like outer packaging and advertised the brand with the sophistication of the best luxury skin care products. Olay may still be sold in the drugstore, but consumers clearly know that it is no longer a mass-market pink beauty fluid.

CM: In your opinion, is it more effective to attempt to enhance the status of an existing name brand or should the manufacturer create a new, premium brand?

DAVIES When branding up, it’s critical to objectively assess both the benefits and baggage of the brand to determine whether to use an existing brand name or create a completely new brand. In the case of a brand like Gerber Organics, it makes sense to give Gerber a big role in the branding because the brand has so much heritage and credibility in baby nutrition. The Gerber name brings a feel-good reassurance that only helps in “branding up.”

At the other extreme, looking at Lexus, the all-time classic branding up example, Toyota chose to steer away from using the Toyota name in its bid to go upscale. This branding strategy, along with using a completely separate network of dealerships, helped to distance the brand from Toyota’s value-based equity and successfully lodge Lexus in the luxury segment.

CM: Is a branding up strategy best used to leverage a strong brand or to revive a weak brand?

DAVIES: Just as it’s far better to line-extend from a strong brand than a weak one, it’s best to brand up from a position of strength. With momentum in the brand’s favor, this makes the strategy of swimming upstream far easier.

Men’s grooming rivals Axe and Old Spice both branded up in 2006 with prestige-like AxeLab and OS Signature fragrances, which took both brands from single digit pricing to the \$20 to \$30 range. Riding a wave of brand growth that has been unstoppable since the brand was launched in the US five years ago, AxeLab is building on brand momentum and strength. Although Old Spice has done an impressive job rejuvenating its image with High Endurance and Red Zone, it is still carrying some heavy “grandfather brand” baggage. Whether OS Signature can help the brand shed some of this baggage remains to be seen, and can only be read in the enthusiasm of the consumer – and in the brand tracking data.

CM: Retail seems schizophrenic, with stores like Saks editing for the affluent customer while fast fashion attracts designers who want to reach a larger, more democratic market. Can trading down be a way to trade up?

DAVIES: Retail is an extremely dynamic category where branding up is actually encouraging consumers to trade down. This trend has been fueled by the cheap chic trend with retailers like Zara and H&M offering ultra-current fashion at reasonable prices. When H&M offers limited edition Stella McCartney, Karl Lagerfeld and Viktor & Rolf collections, they are “branding up”, but they are encouraging consumers who otherwise might shop at higher end stores to consider this lower-priced segment of the market. H&M has done a terrific job of delighting the consumer – so much so that these designer collections have blown out of the store within hours. Who wouldn’t feel special scoring a limited edition Stella McCartney for under \$100?

CM: What role will private label play as brands enhance their benefits – and prices?


DAVIES: Branding up certainly provides an opening for private label, provided they deliver fully on quality. Private label organics provide a great example where branding up has created a gap between conventional branded foods and organic branded foods. Retailers like Safeway and Wegman’s are pricing their private label organics within that gap. Essentially, this strategy allows consumers to be able to buy organic without paying a premium. The net result of this development is that it puts pressure on the organic brands and retailers to push through to a higher level of quality, whether it be in locally sourced products or more unique and exotic goods.

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