# The Raphel Report

Observations on marketing, advertising, sales and promotions
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## The Face Is Familiar . . .

Do you remember Coca-Cola clothes?

They were made by Murjani and failed the next year.

Do you remember Bic perfume? Bic after shave? Life Savers gum?

Failed. Failed. Failed.

Levis decided since they were selling jeans, they could branch out and sell men's suits. But the customer wondered if the suits were made out of denim. It failed.

Pepsi-Cola introduced clear, see-through Crystal Pepsi and the consumer wondered how it could be "clear" if it was "cola." "Clear" was 7-Up. So what did 7-Up do? They introduced a cola-colored product they called 7-Up Gold. And the consumer asked how could it be 7-Up if it was cola-colored? Wasn't this the same company that gained market share saying they were the UNcola? They lost $70 million on that one plus the lost sales of traditional 7-Up.

There are more than 60,000 products sitting on shelves in a museum in Naples, New York that are testimony to the word "failure." There are thousands of new products introduced to the supermarket industry every year and more than 90 percent fail!

Does this mean the big guys are not always right? That they make mistakes? That you do not hear about the mistakes but only their successes?

Yes. Yes. And yes. But what does that tell us? This: When you vary from what you are, consumers become confused, undecided and switch to the more familiar because they understand what it is and what it does.

Famed motivator Napoleon Hill said, "If you want to become successful, find a niche and fill it." Too many would-be niche fillers walk away from that special space to seek greener pastures only to discover they have stumbled into a desert.

Most smaller businesses think there is something sacrosanct and exclusive that resides only in the minds of those that sit in the chairs at the major boardrooms. In "Fiddler on the Roof," Tevye says, "When you're rich, they think you really know." But to carry the analogy one more musical step, it was the Gershwins who said, "It Ain't Necessarily So . . ."

The average consumer does not hear of the failures of large companies because corporate executives practice a strict rule of say no evil, hear no evil, see no evil. The myth that big business rarely makes mistakes is believed. The facts tell us a different story.

Another guaranteed to fail (well, most of the time) technique is a company taking their product's name, nurtured and identified through the year and using this name for another, often unrelated product.

"Who would do such a crazy thing?" asks the doubtful reader.

Kodak, for one. In 1932 they had 75 percent of the world market in photographic equipment. The competition kept on eroding Kodak's share. Their answer: "Let's create a lower priced product and call it (would you believe?) Kodak!"

The customer was confused. They were accustomed to paying the Kodak price for the Kodak quality. But look, there on the shelves, was a lower priced product with the same name. After all, it if it walks like a package of film in a yellow box and it talks like a package of film in a yellow box, then it must be . . .

One time we were in Finland buying clothing for our shops. We found high quality winter ski jackets manufactured by Lhuta, worn by Finnish ski patrols and Olympic winners. Top of the line.

As wages increased in Finland the company thought they might be pricing themselves out of the market. They went to lower-waged Portugal to make the jackets for a lower price. The name they put on these jackets: Lhuta.

"Wait!" we cried, "How do we tell the customer the difference between your higher quality jackets made in Finland against the lower price styles made in Portugal if they both are named Lhuta?" Their answer: A shrug of the shoulders.

If we were confused, how about our customers? They too were confused and sought another label instead. Sales fell dramatically.

Advertising guru Brian Courtenay says businesses should consider their brand like a trusted friend they invite into their homes. Our customers slammed the door when Lhuta came to visit because they no longer knew who they were.

Professor Susan Fornier, assistant professor of business administration at Harvard Business School said, "The consumer needs to build a relationship with the product and the product needs to have an identity. When you weaken a brand, you weaken brand loyalty."

Let's start with our definition of a "brand." Here it is: "Something that exists in the minds and actions of customers. A relationship between a customer and a product or firm."

Marketing guru Tom Peters said it well, "Branding is more - not less- important than ever if you want to stand out in the crowded marketplace."

Howard Draft, chairman CEO Draft Worldwide agrees, saying, "The object of marketing is to build a relationship with the consumer."

Here are four characteristics of a successful brand:

1. Building image (Your business is part of your community)
2. Market segmentation (Emphasizing merchandise or services where you excel)
3. Innovative merchandising (Working with manufacturers for in-store displays, contests, etc.)
4. Creative advertising (Using your logo for instant identification)

Here are points to remember:

Remember the big guys are not always right. They are often wrong. They DO have the luxury (read "big bucks") to afford mistakes waiting for the one sure-fire, can't-miss finally profitable product that comes along and wipes out the losses.

Remember that success happens gradually. Through evolution, not revolution.

Remember what made you successful when you first opened your store. Always emphasize, market, promote, advertise your special relationship not only with your customer but also the community where you live and work.

As Andrea Mayer, a colleague of Tom Peters, said, "I figured out why the little businesses work. They've got to."