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Top of Mind

Perspectives and Commentary

Green Ketchup Works, But Not on Blue Fries

THE ink was barely dry on the H.J. Heinz Co.'s news release announcing the discontinuation (and related hit on earnings) of its Ore Ida line of chocolate, cinnamon, sour cream—and blue—frozen French fries before the armchair quarterbacks were tossing their

judgments into the field of public opinion: Not only did the line rank high in the annals of consumer product bloopers, but, as the old saying goes, "If it ain't broke, why fix it?"

While it's easy—and somewhat entertaining—to wander through the grand historical ledger of brand extension flops and fiascos, there's a deeper learning to be gleaned by managers from Heinz's grand, if ill-fated, experiment. It's rooted less in the economic failure of the flavored fries and more in the strategic intent of the launch to begin with.

The real challenge to management is to understand how and when their brands should evolve, and how and when they should stand pat. This requires the recognition that brands, at their core, serve as a proxy for the relationship that exists between a target group of customers and a product or service offering (or set of them). As such, brands serve to represent an inherently dynamic system and must themselves constantly evolve if they are to stay relevant to customers over time.

Well-known brands have built up equity that serves as a double-edged sword. On one side, it's a valuable asset that can be leveraged, easing acceptance by customers of new or add-on products. But on the other side, existing equi-



By Kevin O'Donnell

Brand equity can be a double-edged sword—a valuable asset that if not managed carefully can become a liability.

ties, if not managed appropriately, can become liabilities. So Reebok found in the 1990s, when it discovered the long-term equity it had established in the women's aerobics market was not strong enough to gain a foothold in the broader athletic footwear market.

Its turnaround required a difficult, long-term strategy to first align its brand with stronger, more 21st century women's athletics (tapping into tennis great Venus Williams to start), and then leverage an association with female hip-hop/rap singers to create additional street credibility. Eventually, it moved to more traditional male-oriented athletes, tying in with professional basketball's Allen Iverson.

Ensuring that existing brand equities don't become liabilities requires a keen awareness of a brand's limits, and continuously monitoring them over time. Perhaps one of the greatest contributions a brand manager can make is in understanding the brand's perceptual boundaries—where it can and can't stretch—and using them as guideposts for decisions on how and when reshaping is appropriate.

Sometimes these efforts fail miserably, despite an organization's resident capabilities to deliver a successful product. Bausch & Lomb's ill-fated venture into B&L-branded

mouthwash is such an example. In short, the company misjudged the brand's ability to migrate from eye-based solutions to a product consumers would put in their mouths.

Other times, those limits must be viewed from a different perspective to successfully redirect efforts to expand the brand into new territories. Clorox initially was unsuccessful in its attempts to leverage its equity in the bleach category into an "own the laundry room" strategy. Consumers had too many negative associations with the core functional component of the brand—bleach was seen as powerful but caustic and potentially harmful to fabrics. However, those equities became great points of leverage, creating such successful products as Clorox Wipes and Ready Mop when a different spin was put on the strategy of "owning cleaning across the household."

Finally, sometimes an essential requirement to achieving growth for a brand requires a long-term commitment—difficult as it may be—to breaking through the perceptual boundaries. This is the challenge facing Allstate Insurance as it seeks to become the diversified financial service company of choice for consumers, offering everything from IRAs to mortgages to checking accounts. Its difficult task is in reshaping the perceptions that come with being associated with the insurance industry, which may take years but is critical for its long-term survival.

Heinz learned that blue fries don't fly, even if doused with its popular green ketchup. Why one didn't work and the other did is probably less important than the fact that Heinz is aggressively looking to leverage its existing equities in the fun, informal food category to make meals more entertaining. This is a good thing.

Note to Heinz: Don't let this failed attempt stifle innovation. Continue to leverage the brand into new areas to help drive long-term success.

Kevin O'Donnell is a partner at Prophet (www.prophet.com), a brand management consultancy with offices in Chicago, London, New York, San Francisco and Tokyo. Reach him at kodonnell@prophet.com.