

Dick Maggiore: Marketing is battle of perceptions, not tomatoes

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Brand can't stand for two disparate ideas or dominate two categories.

By Dick Maggiore Special to The Canton Repository

The decision not to allow your brand to stand for more than one cohesive idea is difficult, but not as difficult as actually sticking with the decision.

Brands are tempted to try to stand for more than one idea, but that almost never works out well. Just ask the big guys.

Over the years, in addition to making tomato soup, Campbell's has made tomato ketchup and tomato sauce. Heinz, in addition to tomato ketchup, has made tomato soup and tomato sauce. Hunt's, in addition to making tomato sauce, has made tomato soup and tomato ketchup.

They all tried to make each other's products. For the most part, we consumers said, "No. Campbell's is soup, Heinz is ketchup and Hunt's is sauce."

We understand why all three companies want to make all three products. They're all made from tomatoes. All three products are sold to the same customers. Seems you'd just have to make a few recipe changes and machine adjustments and with built-in efficiencies, margins and profits would skyrocket.

For the most part, however, their tomato tinkering didn't work.

The foundation for a brand's position is that it can only stand for one thing, but there are gray areas. For example, does the Heinz brand stand for the idea of "condiments?" If so, they can extend their line from ketchup to mustard, and even mayonnaise.

Did you cringe? Heinz mayonnaise might be a stretch. But mustard? Maybe.

There was a time when Heinz stood for pickles. In fact, Heinz was No. 1 in pickles. They still sell pickles, but when they began making and promoting ketchup, they began losing market share in the pickle category.

Vlassic was watching. Vlassic was almost nowhere in pickles until Heinz began focusing on ketchup. As Heinz lost market share in the pickle category, Vlassic gained. Today, Vlassic is No. 1 in pickles, a focused specialist.

Another positioning principle: The brand idea that gets into the mind first usually wins. In Great Britain, Heinz is No. 1 in soup. Campbell's is not. Why? Heinz got into Brits' minds first. It is not just a battle of products, but also a battle of perceptions.

Do you remember Campbell's ketchup? It didn't fly, even though in blind taste tests, Campbell's ketchup won.

Consumers in a few test markets said in follow-up research that the ketchup seemed orangish and runny. It wasn't orange and runny. The consumers' perceptions were due to the Campbell's brand name on its packaging. Consumers conflated Campbell's tomato soup with its new ketchup. It was too much of a stretch. It failed.

A similar thing happened when Campbell's introduced its tomato sauce. It failed. They made one change, then made history. They came up with a new name, Prego, an Italian name that sounds thick. When Prego was introduced, Ragu was No. 1. Today, Prego is No. 1. Notice, Campbell's does not put its name up front on Prego. It's small, at the bottom on the back of the jar.

Campbell's, meanwhile, isn't fairing as well today in soups as formerly. Progresso has reached about the same market share in the ready-to-serve soup sub-category.

If the Campbell's brand stands for soup, what does Progresso stand for? Please forgive us Campbell's, but the brand stands for mediocre canned soup. Progresso stands for premium canned soup. Consumers want better and healthier ingredients.

Health-conscious consumers perceive that Progresso's is more naturally aligned.

We believe that Campbell's introduction of Chunky and Healthy Request lines are responses both to consumer trends and to Progresso's attack. Because Campbell's brand perception does not align as well as Progresso's with the changing consumer trends, we see Progresso winning this race.

Remember, Campbell's remains No. 1 in the condensed soup category. That is a strength, but it also contributes to the inherent weakness of being associated with mediocre canned soup.

Campbell's is introducing a new healthy soup called, Well Yes! They are going all out - the Grammy's, "The Bachelor" and "Modern Family." They also are doing heavy in-store promotion with sampling, displays and couponing.

The new soup has no artificial flavors, colors or preservatives, no high-fructose corn syrup. It scores 100 percent on health and wellness measures. But we notice Campbell's put its brand name just above the Well Yes! brand.

We believe Well Yes would have a higher likelihood of success if it would not have the Campbell's brand name on the label. Since a brand can't stand for two disparate ideas, the Campbell's brand will have trouble competing in the premium segment of the soup category.

It's not just a battle of the products. It's a battle of perceptions in the mind.

Dick Maggiore is president and CEO of _____, founded in Canton in 1974 and today the nation's leading positioning ad agency, building strong brands for companies in competitive markets here and across the country.

