

# VODW Marketing

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### See results with cool brands

Cool? What is cool? iPod is cool. Everyone agrees on that. Although some no longer think it's cool. So what are tomorrow's cool brands? Have you heard of Progressive? Or iKi?

**Progressive is cool** Progressive is a US based company that operates in what must be one of the least exciting industries imaginable: insurances. The "conventional industry wisdom" is that insurances can count on extremely low consumer involvement. This makes it very difficult indeed to introduce new products in the market and accelerate growth. Not so for Progressive. In the late 1990s Progressive gained a consumer insight that completely contradicted the "conventional industry wisdom": that there are moments when involvement to insurances couldn't be higher – at the time of an accident.



That's the moment of truth according to Progressive. This is why immediate, excellent service in case of damage is the core of Progressive's strategy. Right now, there are several thousand Progressive SUVs driving around the United States. As soon as a client has an accident, Progressive arrives on the scene. Often even before the police

arrives. The Progressive representative immediately takes over from the client so that he can recover from the shock. They totally pamper the client, and even offer him a freshly brewed cappuccino. The Progressive representative not only fills out the claims form, but also assesses the damage. Thanks to mobile technology, Progressive can also often make sure that the claims payment is transferred to the clients' account in a matter of hours. All this while the other party is still struggling with his forms. Thankfully the Progressive representative is willing to help them as well. The result is obvious: the other party is often keen to find out how to sign up for this service and with the help of a laptop, the Progressive representative can effortlessly sign them up with the company. This has become the most important sales channel for Progressive. The immediate, excellent service strategy has made Progressive by far the most successful insurer in the States. The figures say it all: in 1998 Progressive was ranked 20th, by 2005 it was number 4 and number 1 terms of profitability.

**iKi is cool** For years now the beer market has been shrinking. To make beer interesting you need more than just another themed campaign; you need real innovation. iKi for example. Beer with a base of green tea. Green tea is healthy. The Japanese have known this for years. The West only recently discovered the benefits of green tea and it has become increasingly popular. iKi means "life" in Japanese. It was developed by people who share two passions: Japan and beer. And the insight that consumers increasingly value a healthy and conscious lifestyle, but that the large brewers have not yet tapped into this. iKi's key ingredients are water, barley malt, hops and yeast. Nothing special for beer. But iKi also contains special ingredients: sencha green tea and the Japanese citrus



**iki**  
BEER

fruit, yuzu, with a flavour of grapefruit, tangerine and lemon. This gives it a fresh taste. iKi is not a beer that you down in one, but a drink that you can savour like a glass of wine and that is at the same time a great thirst quencher. iKi beer is only available in trendy restaurants and clubs, such as Jimmy Woo and Vuong in Amsterdam. Other beer brewers and drinks' manufacturers would give a lot to deliver to these places with such ease. In fact, they do give a lot. But iKi manages to get in just on its brands' strength.

Progressive and iKi are cool because they do what every brand should do in a very unique way: they have incorporated "involving consumers", "fresh thinking" and "creating value" in their DNA.

**Involving consumers** Cool brands have innovative ways of involving consumers. You can't create a cool brand. The consumer does. Of course as a marketer you have to do research into the real, deep "consumer

insights", but to develop groundbreaking new propositions you have to involve your target group in every stage of the development process. Co-creation. With passionate consumers, or with large, ambitious business clients. Thus iKi doesn't need to hire an advertising agency, because its target audience is creative enough to develop its own campaign and post it on internet. On internet it has been happening for years: consumers supply the content, ideas for new products. Or ideas for new advertising. It's called open source marketing. The consumers themselves fill in the brand.

So co-creation isn't new. It just hasn't seeped into the genes of the average marketing manager yet. But time is short. The fragmentation of mass media, the increasing number of channels and magazines and the freedom to zap make consumers ever more difficult to reach. Who still watches TV commercials?

**Fresh thinking** A brand is a business model translated into relevant consumer benefits, values and personality. It never stands on its own. What is Dell without direct distribution? What is Amazon without the personal customer experience? Cool brands are unconventional business models – based on the identification of new needs, innovative distribution or products and services – that appeal to consumers in unconventional ways. Progressive turns a traumatic event into a pleasant experience. iKi has unusual ingredients, which fit into a more (self)conscious lifestyle. Cool brands are by definition always more than just a nice communications idea. FCUK was a good idea, but not without trendy clothing that really substantiates this lifestyle statement. Cool brands never promise what they can't deliver, because today we want real and credible brands.

**Creating value** Credible brands really add value. With cool brands this means more than just price-quality relations or functional advantages. It's got to do with the emotional values that these brands offer us. Cool brands are quicker in picking up on today's emotions and values. They reflect this in their image or in the way in which they associate their products or services to these emotions or values in a meaningful way. Recent research by BBDO shows that teenage kids care more about freedom, honesty, equality, learning, environmental awareness and creativity than teenagers did 10 years ago. The brands that they see as cool, are the brands that correspond to these values. Offering consumers real added value also creates a lasting base on which to generate value for the company. Revenues. Profits. If it's good for your clients, it's good for the company.

**Reconnecting brands to business** Companies that have really incorporated "involving consumers", "fresh thinking" and "creating value" in their DNA, perform without exception better than competitors who pay less attention to this. According to VODW Marketing, a brand is nothing more and nothing less than an instrument that leads to higher revenues and higher returns. A brand is never a goal in itself. It's about seeing results. Brands should lead to business. The same is true for cool brands. Cool is only really cool if it delivers profitable growth.

**About VODW Marketing** With 140 professionals on its staff, VODW Marketing is the largest marketing consultancy in the Netherlands. VODW Marketing is the secret behind the marketing success of renowned multinationals both in the Netherlands and abroad. Blue chips such as ABN AMRO, ING Group, Ford, KPN, Philips, Royal Wessanen and Zurich Financial Services are among the established long-term clients. "See results" lies at the core of VODW Marketing's approach. Realise growth. Higher revenues, a larger market share, higher returns. From strategy to implementation. Think and act. It is with this philosophy that VODW Marketing resolves complex branding issues. Whether it is the development of a new brand, the survival of loyal sub-brands or reconnecting brand strategy and brand architecture to business strategy. Often in cooperation with Jean-Noël Kapferer, professor at HEC in Paris and author of the highly acclaimed best-sellers 'Strategic Brand Management' and '[Re]inventing the brand'.



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