

## Branding

### NEW CATEGORIES: A PARADISE WITHOUT COMPETITORS

Following his best seller “Built to Last” Jim Collins undertook research on a group of companies that after decades of presence in the market were able to foster for a consecutive period of 15 years, a growth with a cumulative return three times bigger than the industry average, which catapulted them from good... to great.

The research was published in “Good to Great”, where the author revealed the factors that made it possible: the leader, the people, high determination, being the best in the world, outstanding technological support and discipline as a culture.

These elements certainly need to be considered, but as often happens when trying to explain success, Collins lost sight of the essential nature of the problem -The Innovative Idea- which made it possible in each case to create a before and an after.

### NEW IDEAS FOR GROWTH

“Great ideas,” said Albert Camus, “come into the world as gently as doves. Perhaps then, if we listen attentively, we shall hear amid the uproar of empires and nations a faint flutter of wings, the gentle stirring of life and hope.”

That’s why very few of us perceive them; they are not very -Loud- at the beginning. Rather, they flutter softly as a mere opinion, a new angle, a point of view. Did Americans run to buy McDonald's franchises when they cost only \$950 in 1955? Who would have bet on a business that sold burgers for only 15 cents? Very few.

In fact, it’s not about searching ideas that are gimmicky, sophisticated, or highly ingenious. Instead, it’s about simple ideas involving -A New Benefit- able to mobilize the market. An innovative benefit never offered to the customers. But that is not enough; this benefit must be perceived as a -New Category-.

### THINK IN TERMS OF NEW CATEGORIES

Do you perceive tap water the same as Dasani water? Surely not. Do you perceive Dasani water the same as Evian? Definitely not. One is a nationally bottle water and the other an imported French water. Although it is almost impossible to find any tangible chemical differences, customers perceive them different because they stand for different benefits. Holy water is a perfect example.

The decisive factor that made it possible for those companies to transition from good to great, which was overlooked in the investigation of Collins, was precisely that **-The creation of new categories-**. Therefore, in the case of launching a new bottle water brand to the market, you must invent an entirely new category, similarly to what sparkling mineral water was at the beginning. Do you need to possess any special talent or gift for coming up with such ideas? Definitely not!

Have you heard about alkaline water or ionized water? Do you perceive that -soft flutter-? Do they sound like new and innovative categories?

#### A PARADISE WITHOUT COMPETITORS

Launching a new category to the market provides a strategic advantage that few would even imagine. Enjoying the first years on a stage without any competitors because you are literally the only one, as it happened at the beginning when tonic water was introduced to the market. Did it compete against sparkling mineral water, bottled water, or imported water? Definitely not, because it actually was a different kind of water.

That initial period without competitors must be quickly exploited to play for high stakes, growing and establishing in the shortest possible time a dominating position before the arrival of the first competitors. Companies like CNN, FEDEX, HOME DEPOT, CIRQUE DU SOLEIL, SOUTHWEST AIRLINES, were alone for more than 15 years before facing any serious competition. Gatorade was launched in 1967 and All Sport (PepsiCo) and PowerAde (Coca Cola) weren't launched until 1994. "Twenty seven years of Solitude"!

We just verified these assertions when we launched to the Ecuadorian market a new category: the first prepaid internet card similar to T-Mobile but for internet service, under the ONNET brand. We were alone for more than four years before contending with INTERACTIVE and other competitors that came then. Those four years gave us enough time to establish the national leadership.

#### LAPTOP SCREENS CLEANER

Years ago, when the glass screens of conventional monitors (CRT) began to be replaced by liquid crystal displays (LCD), I realized that our traditional aerosol foam cleaner for CRT screens could not be used on delicate laptop screens because it damaged them. The same happened with the other cleaners available on the market. The knowledge about damage to these screens was spreading, so I identified a business opportunity from this.

When the first sample of the product arrived from the United States, I realized that it also safely cleaned TV LCD screens, lenses, scanners, plastic, and glass. So, in other words, it was an excellent multipurpose cleaner. The natural approach would have been to introduce it as a multipurpose cleaner. The more cleaning alternatives, the more sales opportunities-. Although it seems to make sense in practice such approach does not provide greater rewards.

#### COMMUNICATE JUST ONE IDEA TO MARKET

Focusing on one product or service was the key to success for companies like INTEL (micro-processors), McDonald's (Burgers), Dell (direct sales of PC's), Xerox (photographic film), Kodak (copiers), etc. Less is more in communication and brand positioning, so I made the decision to focus and communicate a single idea -Laptop Screen Cleaner- in other words, the new category. To specialize it further, I decided to omit on the label any mention about other uses.

The results? Thousands of units sold without any investment in marketing and advertising. The new laptop screen cleaner is available in national retail stores. All we did was put it on the shelves along with other products for cleaning computers. This is the power of new categories! You don't have to be a genius to come up with them.

We are currently leading in our country with a new category focused on the construction industry. A sort of anti-corrosion "vaccine" to be injected into concrete to protect steel rebar against corrosion and salinity attack in order to add decades of durability for buildings, especially those built in the coastal areas, where salinity attacks metal more aggressively. The new category? Corrosion inhibitor.

The reason for reporting our corporate pride is that this special protection was used in the construction of the new gas terminal Monteverde located on the sea shore, as well as other important strategic projects and currently in houses and buildings along the coast. Have you wondered how long the house or apartment of your dreams on the beach that you plan to purchase will last?

#### CREATE OR ADD VALUE?

As you have realized, the opportunities for growing are not scarce, however, why do 90% of new ventures fail? Because instead of targeting new categories, most of the time entrepreneurs introduce to the market "apparently innovative" products, but developed under the -adding value- premise, in other words, marginal improvements to existing or traditional products. The result? Just more of the same. Nothing to do with new categories!

Do not confuse. One thing is adding value... quite another is creating new value for customers, as in the instance of internet prepaid cards, the safe cleaning of the laptop screens and adding decades of durability to the construction industry.

Bet decisively, without any fear, by introducing new categories of products or services. This is the challenge to all those who know they can make that leap from -good to great- Cheers and successes!