

# LAUNCHING A PREMIUM PRODUCT INTO A COMMODITY CATEGORY

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The consumer needs a reason to pay more when you introduce a premium product into a crowded category.

## The consumer needs a reason to pay more

It happens in every category sooner or later. Brands in the category become muddled or undifferentiated in the consumer's mind. The consumer, sensing little difference, becomes habituated to picking up whatever is on sale.

Yet, you may want to increase margin. You may be considering a premium strategy. If you go that route, the consumer will need a compelling reason to re-connect with your brand.

The question is: how do you get consumers to convert up?



You have to give your consumer a reason to change, and information to support her decision.

## It takes a commitment to consumer education

You have to change what they're used to buying and used to doing. You have to change people's behavior.

It is important for brand effectiveness to connect your new product to something with which consumers are involved, such as their health, well-being, values, and leisure interests.

Communications channels such as online must be available and ready to help consumers make the connection for consumers.

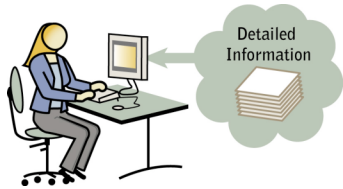


On-line media should reinforce your off-line messages. On-line media should provide deeper information on the themes developed in your traditional offline media.

## On-line marketing should support offline messages

The message you put out there in your online presence must be consistent with your traditional media. "Online provides a low-pressure environment that is not slave to the space and time limitations of traditional media," said Katie O'Dell, vice president brand marketing for the interactive firm infūz. "It's the ideal place for consumers who want more information served up at their own pace."

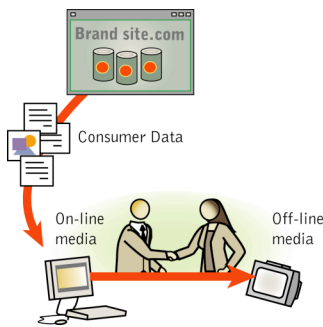
### Information seekers expect to find a strong story online



Information-seeking consumers want more information than you can find on the product package.

Information-seeking consumers are looking online for information about your new product. What is your compelling benefit for consumers? Why should they change their behavior? Information-seeking consumers come with an open mind, ready to listen. Are you meeting the needs of the information-seeking consumer? Or is no one home?

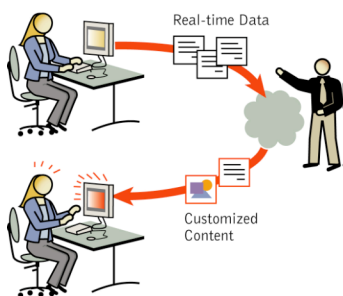
### Online is a great testing ground for your marketing message



Knowledge gained through consumer measurement in the online world can lead to better media and messages in the offline world.

When online is done right, it provides a quick, easy and cost-effective testing ground for your marketing approach. Companies like Colgate and Procter & Gamble have used their websites as a sort of bellwether where they continuously tweak and test their messages.

While many brand marketers study in-store results and consumer impressions, that work is typically done long after the promotion or marketing program has run its course. That historical perspective may help future marketing programs, but it is too late to impact the program while it is ongoing.



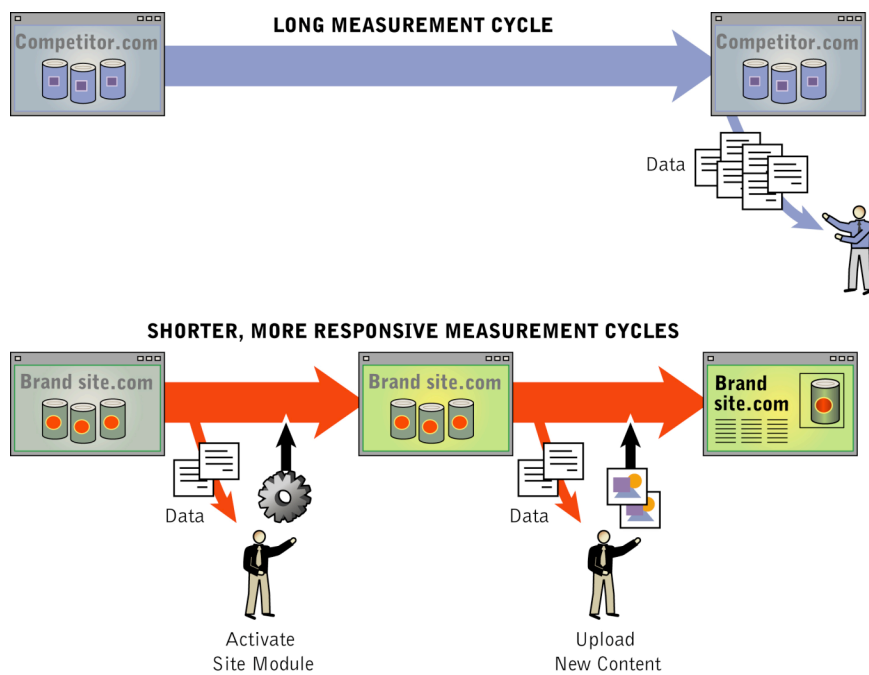
When measurement is built into every online marketing program, it affords the marketer near-real-time insights guiding program changes as consumers' wants, needs and behaviors change.

Marketers at infūz take a different approach. Because measurement is built into every marketing program that infūz does, results can be measured and reported right away. You can see the impact of your marketing program as it happens, and make changes to improve performance if needed. "It's like comparing the insights and impact of a battlefield commander to those of a historian," said infūz founder and CEO Jason Fiehler.

### You need fast & efficient means to make changes

With real-time measurement capability comes the need for real-time site changes. Your online agency should provide a means for you to make quick, low-cost changes to your site, enabling you to test messages and adjust the content while the program is ongoing. To do this, infūz has invested in modular site functions that can be added or swapped out as quickly as consumer wants, needs and behaviors change.

“Because few brands take advantage of fast change and measurement cycles available in the online world, they don’t see the benefits of online, and therefore miss an opportunity to attain their sales and brand equity goals.”



"Within the span of a day, our clients can discern meaningful changes in consumer behavior, and then act on what they learn," Fiehler said. Frequent cycles of measurement, interpretation and action lead to an online presence that is more in tune with consumers. And this has a valuable spill-over effect in the offline world. "Velocity is a valuable attribute of online marketing that few companies are using," Fiehler said. "In that way, online can be a test bed for concepts that you will launch in the offline world."