

TOPIC

The Case for Category Marketing



Brands dominate most markets and are of incredible value, both on the business to consumer and B to B fronts. However, there are times when analyzing, supporting and growing *the category* may generate a very strong ROI. This is particularly true for highly mature categories and for brands that command 50% or greater share of market. The most widely known examples are for milk (GOT MILK?), beef (It's What's for Dinner), eggs (The Incredible Edible Egg), and other agricultural products.

However, in recent years a number of non-food products have seen the value in category marketing, including the recreational vehicle and wood industries. In fact, one could make the case that most destination marketing (for cities, states and even countries) is category marketing. Below are some thoughts as to why category marketing may have even broader application in the years ahead.

- ✧ **Category marketing works.** It can lead to breakthrough consumer research, powerful strategic insights, brilliant communications, extensive positive publicity, and ultimately change consumer behavior. This has been well documented on a range of categories, from “Pork. The other white meat.” to “Got Milk?” Also important, category marketing transcends food and includes industries like cotton, wood products, and RVs.
- ✧ **The obstacles to growth may be intrinsic to the category.** If changing consumer attitudes are at the core of your industry's problems, these issues are not easily or effectively addressed by individual brand strategies. Category marketing can help.
- ✧ **If the problem is serious, industry-wide and not likely to evaporate—.** If your industry is in serious trouble, effective brand management will only give you a bigger plank to cling to amid the floating wreckage. Category marketing can help right the sinking ship.

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Jeff Manning

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✧ **Category marketing can unite an industry and enhance branded marketing.**

Once an industry accepts that problems exist, companies are able to “take off their brand hats” and work collaboratively. The goal, to stabilize/grow the category, becomes that important. Critically, by improving consumer attitudes and behavior, category marketing can lay the foundation for more effective brand marketing.

✧ **Category marketing can deliver a very high ROI.**

In the case of milk, both independent sources and sophisticated econometric models indicate that generic milk marketing delivers up to a 10-to-1 return to the industry. In California, we estimate “Got Milk?” results in approximately \$240 million in incremental, annual sales. The industry spends \$21 million, in line with national ROI.

✧ **Category marketing is a highly testable, it’s a low-to-no-risk proposition with limited, upfront costs and a fast turnaround.** Phase I of a campaign might include analysis of existing data, consumer focus groups, and quantitative concept testing. This phase would net the industry valuable insights and the basis for further plans. Costs would be minimal and results could be presented quickly.

If your industry is at a crossroads, you can deny a problem exists and hope it goes away; or, you can take the first, small step toward charting your own marketing destiny. Jeff Manning proposes the latter.