

THE SHARE THIEF

A DIGEST OF IDEAS TO STEAL MARKET SHARE

WWW.STEALINGSHARE.COM

VOLUME 97 NUMBER 6 SPRING

Be a brand that is about more than simply innovation or the value of new

Innovation is the most overused buzz word in tech. It's also what you must have to compete in that market.

From the perspective of the target audience, all tech companies use innovation in their marketing. All tech companies have the goal of creating innovative products.

So how are those companies able to create lasting preference when the single most important value is a table stake? Innovation can be a part of both a tech company's success or its downfall. Not keeping up can be very damaging.

However, the simple fact is that the definition of being a tech company is that you constantly innovate.

There rests the dilemma, whether you create business software or are an app that makes our lives simpler.

There's always someone else out there ready to take your place. We live in a world that now expects more innovation than ever and quicker than ever.

We live in the technology age where even newer versions of an Apple product are criticized for not being innovative enough.

However, Apple continues to have loyal customers because it is about more than innovation. It is about thinking differently.

New technology is no guarantee Let's dig deeper. What happened to those tech companies who lost market share and became irrelevant? There are many examples, from Netscape to MySpace to Kodak. Each in their own way failed because they did not innovate and did not create a brand that captured the attention of target audiences.

They simply did not mean anything that prevented the lost market share. (And, eventually, irrelevancy.)

PalmPilot

The PalmPilot is an interesting case study. The PDA (Personal Digital Assistant, for those who remember) promised a revolution, bringing a personal computer to your hand. Using a stylus, you could access your information, such as your schedule, and the web, which was still in its comparatively rudimentary phase.

It was new, exciting and promised a

technology that would eventually lead to the iPhone a decade later. The problem was that Palm became known only for that innovation. It didn't tap into what that innovation would mean to potential customers emotionally.

Why should audiences embrace this new technology? Just because it was new? What happens when it is no longer new? Palm entered the common trap for tech brands. It festooned its meaning to innovation so that it taught audiences to buy strictly on that value.

When someone comes along that out-innovates you, then audiences switch because they believe your technology is out of date

“New technology is no guarantee Let's dig deeper. What happened to those tech companies who lost market share and became irrelevant? .”

and useless. In fact, in the absence of any brand message, audiences will fill in the blanks.

That value then just becomes a category benefit.

All tech companies innovate

The dilemma is not that different from a retailer battling on price. When you base your brand on low prices, audiences are then trained to buy based on that value. That's the reason why Walmart is such the retail giant. Its competitors also promote low prices, but Walmart owns that value.

When you copy the market leader, that leader becomes the default choice. The oth-

er retailers have nobody but themselves to blame. Innovation in tech is an even more dangerous animal. Apple completely blew Palm and BlackBerry out of the stratosphere because the iPhone's technology was so superior.

More importantly, Apple has kept that leadership even though others have matched its technology. The reason? It has a brand (Think Different) and a value (simplicity) that is emotional and answers the question of why that innovation is important.

This approach has created a powerful preference that Apple's competitors are still trying to unlock – without much success.

Mean more than innovation

Think about this. Even if Palm somehow matched Apple's technology, or even exceeded it, it would still not be preferred unless its meaning was about more than simply innovation. Palm's brand would still be known as old fashioned because it failed to have brand meaning in the first place.

There are other examples of tech companies believing that its innovative technology would carry the day. More dangerously, many believe that being first to market means customers will stay.

There are advantages to being first, but it guarantees nothing. AOL was first to market, in its way, and now is basically a joke. Atari's fall was even more drastic.

As you know, business moves fast. Faster than some think. Tech companies must constantly innovate to take advantage of market changes.

However, lasting in a category that is so driven by change means having a brand that is about more than simply innovation or the value of new. If you are not a reflection of your target audience emotionally, then you are doomed to go the way of the Palm Pilot. Think different.

StealingShare
B E Y O N D T H E O R Y

“If they are choosing solely on price. We find out WHY they value it so highly..”

“It might surprise you to know that the strongest motivator in B2B rebranding is always an emotional IDEA.”
