

What Great (Challenger) Brands Do

By Helen Redstone, 30/04/2014

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We talk to author and brand-building expert Denise Lee Yohn about her book 'What Great Brands Do' and she shared some of her favorite Challenger brands with us.



Tell us a little bit about yourself and about the book you've just written. Why did you write it and who is it for?

Early on in my career I discovered the tremendous power that brands have on my decision making in terms of products and brands that I buy. Through almost 25 years plus of experience, working with some of the world's greatest brands as well as studying many of them and reading many resources, including Eating The Big Fish, I came to these seven principles about brands and how they become strong that I outline in my new book, What Great Brands Do.

Do you think that these are principles that are timeless or is this a book for today?

In my book I look at a range of brands. Some are very new, some have been around for hundreds of years, and they all seem to practice the same principles. So to me that indicates that there is a timeless quality of these principles.

I do think that, in this era of information available to consumers, the way that you build a brand has changed but that these principles have become even more important.

Can you give us an example of something you think that has changed over the last ten years?

I will point to the first chapter in the book, which is *Great Brands Start Inside*, that great brands start brand building by fostering a strong internal corporate culture.

This contrasts from the way that companies operated in the past, where brand building was much more of an external activity – you built up a brand name and an image and a message that you needed to communicate and express to your target audience. What I'm seeing now is that the need to externally promote your image is predicated on your ability internally to really embrace and nurture and deliver what you are saying about yourself first so that the priority of brand building changes. You need to be much more focused on culturally, internally – do our people understand our brand? Do they understand how we are different and better than our competitors? Do they understand their role in interpreting and reinforcing the brand?

Let's talk about Challenger Brands. You say in the book that following trends is more dangerous than challenging them – can you explain what you mean?

What I've observed is that, because things change so quickly now and information spreads so quickly, that trends develop and come into the mainstream much more quickly than they used to. It's a lot harder to get on the leading edge of a trend and so usually what happens is that you end up following a trend.

Great brands are not in the business of following. – they are in the business of leading – leading change, developing their own ideas, advancing their own platforms and values, and they invite other people to join along with them.

One of the examples I talk about in my book is Chipotle Mexican Grill, a chain that was started by Steve Ells, the founder and CEO, to challenge the fast food industry. At the time of launch in the 90s all of the other fast-food restaurant chains were lowering prices and really emphasising quantity over quality of food – Taco Bell had introduced their 59, 79, 99-cent menu for example.



Steve Ells decided to do things different. He decided that he wanted to have a higher quality food and experience and built his concept around that. In launching Chipotle Mexican Grill he really ushered in a whole

new segment in the restaurant category of fast casual. He challenged the trend and did something different, but in doing so he introduced a new trend all of its own.

Let's go back to your thought about internal culture and how that affects both large brands and challengers. Who are the Challenger Brands in the US that you admire at the moment?

Well, another brand that I've been keeping my eye on is Chobani, the Greek yoghurt brand. They became the bestselling yoghurt brand in the US in three short years, taking down Danone and other huge players, and really have transformed the yoghurt category.

I've done some research about the CEO and founder, Hamdi Ulukaya, and the way that he operates his business is very much about culture. He had a small, very tight team for a long time that was just all about the quality products, making every detail of the product and the product experience just so wonderful and really believing that the way that they made their product, the actual manufacturing and source of ingredients was still critical to the outcome of the customer experience when you're eating the product.



I think he really fostered this internal culture of passion around what they were doing and they believed in it so strongly that they were able to get into distribution and start getting awareness for their brand despite not really advertising. Only in the last few months have they really done a lot of advertising. It shows that when you have a committed group of folks who strongly believe in what they're doing they can become a pretty strong brand in a fairly short period of time.

You have chosen Trader Joe's as an example of a Great Brand. Can you tell us what makes Trader Joe's special and how they have challenged the notion of what's possible in retail?

I do think that they are a great example of a challenger brand because they do things that are counterintuitive – you almost think 'I'm not sure that any normal businessperson would think about those things'.

Firstly, they tend to be very narrow in the selection that they offer. For example most grocery stores have, maybe, over 50 SKUs of peanut butter and Trader Joe's have three. What they've done is they've created this culture of discovery and finding unique flavours and products and ingredients in a very highly edited selection. So you rely on Trader Joe's to suggest things to you – as a consumer you go in thinking, I'm going to buy some frozen vegetables, and they end up having this wonderful blend of kale and eggplant, and you think – wow, I never would have thought about that.

There is definitely a kind of editing and curation of their product selection that makes them really different

from most other grocery stores, which are all about providing as many SKUs because they don't want to miss out on any single sale.

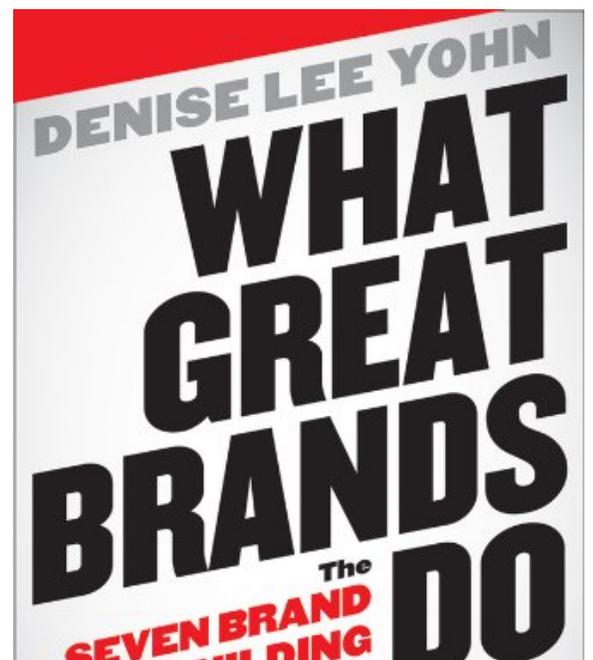
Secondly, the stores themselves provide a totally different experience. They have a folksy feel to them – there's a lot of wood, lots of wooden crates, hand-painted chalkboard signs, the employees wear tee-shirts or Hawaiian-style shirts. Again challenging the very modern, clean, fresh, progressive (and sometimes bleak) way most grocery stores try to present themselves.



Thirdly, in terms of value – most of their products are private label and so they don't have the traditional mark-up that branded goods meaning their prices are very reasonable, and sometimes remarkably low. In fact several years ago now they became famous for these bottles of wine that they would sell for \$2 from a wine maker called Charles Shaw – the nickname for the brand became 'Two-buck Chuck' because you could buy a decent bottle of wine for two bucks. And wow – that was pretty revolutionary.

They are really great example of a challenger brand in the sense that they have decided; we're not going to try to appeal to everyone, we're not going to try to offer every product out there, we're going to make deliberate choices about what we do and who we do it for and we're going to attract folks to us. And believe me, when you go at five o'clock on a weeknight – forget about getting in and out of there because it's so popular.

WHAT GREAT BRANDS DO: The Seven Brand-Building Principles that Separate the Best from the Rest – read more and get your copy [here](#).



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