

# IN THE MOOD FOR COFFEE?



If market researchers invented a Rorschach test for brand effectiveness, it might look like an interstate highway sign.



Six logos appear in a flash before you must act on your Pavlovian response: Get off the freeway — or not — before the exit zips past.

At 70 mph, a subconscious burst of bias pulls you to one brand over the others. A logo is not a brand, but a logo activates a reservoir of feelings and associations which taken together is a Brand Story®.



Let's dig into the stories behind these brands:

**Starbucks** — In 1982, Howard Schultz made a business trip to Milan, Italy, where he noticed how the local coffee bars served as public spaces to hang out — all 200,000 of them. From this experience, Schultz focused the Starbucks concept on comfort, aesthetics, and a place to meet — wholly different from the greasy diner/coffee shop scene in the States. Today, Starbucks is still more about the place than the product — or as one snarky customer pointed out on Twitter:

*“Gas station coffee beats Starbucks. The only thing that keeps Starbucks in business is indoor seating and free WiFi.”*

That's because Starbucks is selling ambiance, which takes us to Dunkin:

**Dunkin Donuts** — In 2008, Dunkin sponsored a blind taste test against Starbucks. With eyes closed, tasters preferred Dunkin 54% to 39%. As a result, Dunkin shifted its focus from donuts to coffee.

Today, the company has taken the next logical next step, dropping “Donuts” from the name altogether.

**DUNKIN'**



IHOP proudly ignores every coffee trend.



**IHOP** — *Dunkin* may have dropped Donuts, but *International House of Pancakes* will have set the precedent. In 1973, the acronym became the brand: *IHOP*.

As a coffee destination, *IHOP* proudly ignores every coffee trend by listing a total of two brews on its menu: Reg and Decaf. Your waitress is central to the *IHOP* brand experience, refilling your never-ending cup while she calls you “hun.”



In 2008, IHOP took their acronym to the next level with a faux name change to “*IHOB*.” The *B for Burger* campaign generated 20,000 stories and 36 billion earned media impressions. Burger sales rose (briefly), but as Brand Story people know, you can’t transform *IHOP* into *Five Guys* or *In-N-Out* by swapping a letter.

**Biscuitville** — This North Carolina chain prepares home-style biscuits, sweet tea, and coffee the way God intended. *Biscuitville* makes its biscuits in realtime behind a glass partition. Their “biscuit lab” is a fabulous concept – so much so, I wish they would leverage it as the “big idea” for a cool brand. Despite a recent rebrand, their aspirations remain small and un-cool, which is okay with me given my transplanted love of Southern culture.



*Biscuitville* sources its coffee from a family-owned roaster in Concord, NC – proof that life doesn’t need to be complicated.



**McDonald's** — How do you pair a Big Mac® with a Machiatto? If you're *McDonald's*, nearly everything on the menu is a force fit. My guess is that they aimed their marketing analytics ray gun at the fastest-growing restaurant category (coffee) and determined that espresso fits fine with a Happy Meal®. *McDonald's* research likely identified two types of coffee drinkers: one in need of cheap coffee and the other looking for a cafe experience. It's not clear which crowd *McCafé* is targeting.

Yes, *McDonald's* beat the taste of *Starbucks* in a Consumer Reports test (everybody seems to), but did they expect coffee snobs to savor their Arabica with the aroma of fryer fat? Why not? Everything fits at *McDonald's*.<sup>1</sup>

**Chick-fil-A** — This never-on-Sunday chain built a passionate following for its chicken sandwiches — along with a sad reputation for blah coffee. I was part of their coffee-turnaround when we developed *Chick-fil-A's* new coffee brand: *Thrive Farmer's*. *Chick-fil-A* now serves great coffee that supports indigenous farmers, but unlike *McDonald's*, *Chick-fil-A* did little to position itself as a coffee destination except change the brew.

## Take the 70 mph Rorschach test

Sense your feelings associated with each brand.  
Which one pulls you off the highway, and why?



<sup>1</sup> "McDonald's coffee beats Starbucks, says Consumer Reports," The Seattle Times, 2-2-2007.





**Everything is a commodity** — This is a depressing thought if you are starting a business, but sorry, it's unlikely your great idea is unique. With commodity products (breakfast cereal, gasoline, cleaning products, fast food, etc.), the brand establishes the difference – not what's in the box. In most cases, the brand *is* the difference. In other words, we're all six years old and prefer our 99-cent commodity burger with a clown.

"Pardon me,  
would you  
have any  
Grey  
Poupon?"



**Moutarde gets fussy** — Remember the boring yellow commodity from our hot dog youth, and how *Grey Poupon*, in its famous TV ads, reinvented mustard by serving it to a fussy aristocrat? *Grey Poupon* removed the yellow turmeric (healthful!), added a splash of white wine, and poured it into an iconic glass jar. *Voila*,

*moutarde* that commands twice the price!

**Brands 'R' Us** — Upscale mustard, craft beers, sensual shampoos — the truth is, we feel good by the brands we keep — even if they are commodity products. Consider yogurt — a new idea back in Mesopotamia, 5000 BC



When I was in college, we made our yogurt like the Mesopotamians: Heat some milk, whisk in some yogurt, and let it sit. The live-cultured *probiotics* that foodies crave today came basic with the homemade stuff, but without a brand position.

**Cottage cheese gets a facelift** — With yogurt spawning endless varieties (there are now more than 300 different types of yogurt at the average grocery store), cottage cheese wasn't getting the love.<sup>2</sup> A cheeky BuzzFeed article expressed this

We feel good  
by the brands  
we keep.

300  
Varieties



<sup>2</sup> "Yogurt Sales Sour as Options Proliferate," Wall Street Journal, April 9, 2019

sentiment. Titled, “Cottage Cheese Is Fucking Disgusting” the article blurted:

*“Cottage cheese is not good. It looks like white diarrhea and tastes like absolutely nothing. Please eat some yogurt instead. No more of this cheese pretending to be cheese. Banish it forever.”<sup>3</sup>*

As a cottage cheese lover, I took offense, but it’s true – the brand experience for cottage cheese remained untouched for decades.

Enter two entrepreneurs looking for a niche: Jesse Merrill and Anders Eisner (son of Disney CEO, Michael Eisner). They realized that cottage cheese was the last product in the store to forgo a trendy brand position. Even salt now comes in a

*“We decided we wanted to be the Greek yogurt of cottage cheese.”*



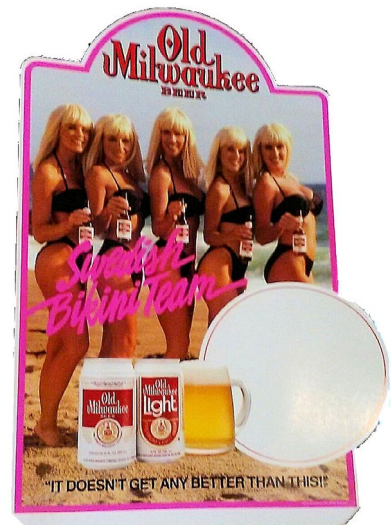
pink hue from the Himalayas. Merrill and Eisner roamed the aisles looking for an un-gentrified grocery niche:

“We decided we wanted to be the Greek yogurt of cottage cheese,” says Merrill.<sup>4</sup>

The result: *Good Culture Organic Cottage Cheese* with pineapple, strawberry chia, blueberry acai, mango, and Kalamata olive flavors. Like with *Grey Poupon*, *Good Culture* effectively doubled the price of conventional cottage cheese. And just like that, cottage cheese was feeling the love.

<sup>3</sup> <https://www.buzzfeed.com/laraparker/listen-we-all-need-to-accept-that-cottage-cheese-is-fucking>. October 26, 2016

<sup>4</sup> Raphael, Rina. “Can Cottage Cheese Become The Next Greek Yogurt?” *Fast Company* 6-21-17







The bikini team planted a deep association in your lizard brain...



**Engaging customer desire** — In 1991, advertising legend, Patrick Scullin conceived the “Swedish Bikini Team” to sell an admittedly bland lager, *Old Milwaukee Beer*.

“It was fully intended to be satire,” Scullin confessed, “a tongue-in-cheek send-up of typical beer commercials.” Despite feminists protesting *Old Milwaukee’s* over-the-top sexual objectification, according to Adweek, the campaign “helped make Old Milwaukee great again.”<sup>5</sup>

Whatever you think of bikinis selling beer, Scullin ignited the propulsive force behind all selling: *Desire*. Desire doesn’t require bikinis, but the bikini team planted a deep association in your lizard brain: beaches, blonds, bikinis, and beer — *Old Milwaukee beer*.

**Even probate lawyers engage desire** — Consider these headlines for *probate lawyers* and the feelings they elicit during a sensitive time:

- “*In difficult times, work with someone you trust.*”
- “*Don’t face probate alone.*”
- “*You can’t pick your family, but you can pick your attorneys.*”
- “*Prevent the death of a loved one from becoming the death of a family.*”

**You versus your competitors** — To make a sale, a customer must *desire* your product or service. That’s obvious, but the customer must also desire your product over a competitive product — a challenge if your competitor has more money than your shoestring brand. And the greatest challenge? Since most products and services are commodities, *features and benefits* won’t win the day. All that’s left is brand.

In the beer market, mass-market lagers like *Old Milwaukee* represent the ultimate commodity — undifferentiated by taste, price, fizz, or color. Cultivating brand loyalty for commodity products is difficult, but also crucial.

---

<sup>5</sup> Coffee, Patrick. “Chief Creative Officer Patrick Scullin Talks Selling His Agency,” Ad-Week, 4-17-18.

**Consider Coors Beer** — In the 1970s, *Coors* was a regional beer limited to eleven Western states. Since the beer was unpasteurized, contained no preservatives, and had to be kept cold, distant shipping wasn't a possibility. For people outside those eleven states (I lived in Illinois), the beer's cult status prompted long-distance beer runs and even bootlegging.

The 1977 hit film, *Smokey and the Bandit* celebrated a bootleg shipment of *Coors* from Texas to Georgia. Even Paul Newman's contract stipulated *Coors* on ice to be available on all his movie sets. In 1970s California, this cult following gave *Coors* an astonishing 43 percent of the market. By comparison today, *Anheuser-Busch Inbev* commands 40 percent of the global market – but divvied among 500+ brands!

*Coors* understood that the *mystique*, not its light taste, fueled the *desire* for its beer, so the company

fueled that desire by keeping a tight rein on distribution.

Eventually, the Federal Trade Commission found *Coors* to be guilty of restraint of trade, a beer case that went to the Supreme Court — no Kavanaugh jokes, please.

**Successful brands tell compelling stories (until they don't)** – In 2005, *Coors* merged into a multinational entity and lost whatever shreds remained of its origin story.







The most  
successful  
brands grow  
from their  
founders'  
personal  
stories:

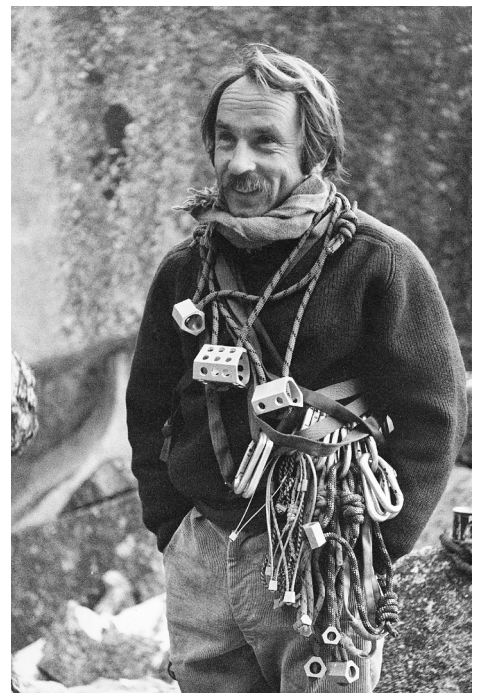
Compare that to Samuel Adams, possibly the first independent craft beer in the United States. I interviewed founder Jim Koch early in his career, not long after he quit his job at *Boston Consulting Group* to turn his grandfather's beer recipe into a business. Koch went from bar to bar, offering samples from his consultant briefcase while his former secretary, Rhonda Kallman, placed *Samuel Adams* cards on the tables. Koch and Kallman risked it all to launch today's craft beer revolution – an achievement today's beer snobs often overlook.

The *Samuel Adams* brand story still gets mileage from Koch's entrepreneurial dream 35 years ago. The company's "*Brewing the American Dream*" program mentors young entrepreneurs and celebrates the brand's origin story.



*Samuel Adams* demonstrates how the most successful brands grow from their founders' personal stories:

**Patagonia** — In the 1960s, Founder and outdoor climbing enthusiast, Yvon Chouinard, championed environmentally-friendly methods of climbing which also pioneered a new breed of outdoor wear. Today, *Patagonia* supports grassroots activists working to find solutions to the environmental crisis.



**TOMS** — In 2006, Blake Mycoskie was traveling in Argentina, playing polo and drinking wine, when he met a woman who was collecting shoes for the poor. She made such a strong impression that Mycoskie launched *Toms Shoes*, a company with a unique business model: *One for One*®. The company matches every pair of shoes customers purchase with a new pair for a child in need. The company has given out more than 50 million pairs of shoes this way. Fueling Blake's philanthropy is a brand story that builds affinity with customers who share his values.

*Toms Shoes* has become **TOMS**®. Enshrined on Blake's memoir, and on a wall of the company headquarters, is his brand motto:  
*Start Something That Matters.*

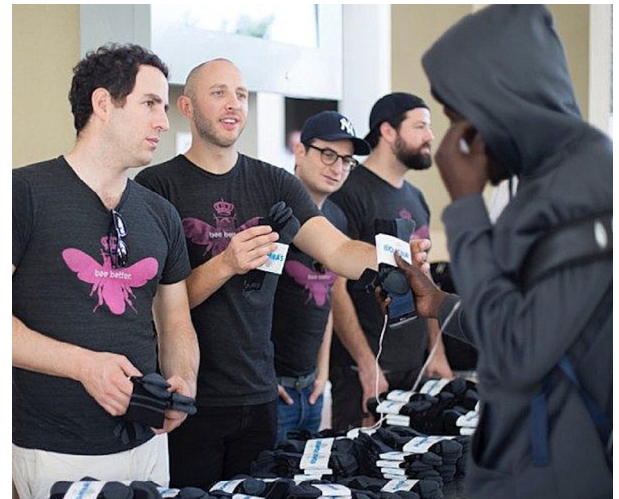


**Bombas** — Following a similar path as *TOMS*, in 2013, Randy Goldberg and David Heath saw a Facebook post that mentioned the need for socks at homeless shelters. They solicited \$145,000 through the crowd-source site Indiegogo. Next, they raised \$1 million in angel investment, and a year later, they appeared on *Shark Tank*.



Their brand concept, *One Pair Purchased = One Pair Donated*, was built from their story. *Bombas*, derived from

the Latin word for bumblebee, boasts \$50 million in annual sales and gives customers a reason to believe, having donated more than 20 million items.



*One Pair Purchased =  
One Pair Donated*





**KANE**

*The original  
panty hose is  
enshrined as an  
acknowledgement  
of the power of  
Sara's brand story.*

**Kane11** - Since we're talking about socks, Pete Hunsinger sought to capitalize on the stylish-socks-for-men craze with a completely different brand concept: *"You'll never go back to multi-size socks again."* Hunsinger and his partner asked hundreds of men, "What size do you wear?" If they knew at all, most men agreed their socks didn't fit well, so Hunsinger created a precise-size system from 7 to 17 displaying the sock size as a big woven brand statement.

I don't mind my cheap multi-size *Adidas* socks (fits 6-12!), so *Kane11* isn't solving my top-of-mind problem. But, Kane11 shows how to create a new category that "solves" a problem and commands that brand position.

**Spanx** — Possibly, the most celebrated startup tale of all time belongs to a one-time fax machine salesperson, Sara Blakely, who wanted a smooth, sleek look in her white pants. "I cut the feet out of a pair of pantyhose and substituted them for my underwear," she recounted. "The moment I saw how good my butt looked, I was like, 'Thank you, God, this is my opportunity!'"

Nieman Marcus placed her first order and today, Sara is a billionaire. The original snipped pantyhose is enshrined at company headquarters – a celebration of the power of Sara's brand story.



**SPANX**<sup>®</sup>  
BY SARA BLAKELY<sup>®</sup>



**Jacob the Pressure Washer** — Now, for some shoestring nitty-gritty. Each of these big, successful brands have compelling origin stories, but what about your startup? You may want to *walk dogs*, *tutor high school students*, or *offer Brazilian waxes* and feel you don't need a brand story. Sorry, you do. Here's proof:

When my son, Jacob, was in high school, he needed money, so I suggested pressure washing. We found a used Honda pressure washer on Craigslist, printed some cards, then launched a profoundly simple marketing plan by way of a compelling "brand story" (below).

Sounds straightforward, but after we posted to Decatur Metro, our community blog, a rush of dads responded with an immediate felt connection. They remembered the sinking teen feeling when their first four-wheel junker needed an infusion of cash.

#### Two Guys and a Pressure Washer



- Driveways
- Sidewalks
- Decks and more

Great work & low prices from two Decatur High School students

Jacob Miller  
404 555-1212



"16-year-old Jacob purchased a 1990 BMW that suddenly needs parts — and they're expensive. Jacob will gladly pressure wash your walkway, porch, or exterior to get his wheels rolling again."



# Jacob's brand story illustrates a principle: A story is the smallest unit of emotional transformation.



Whether it's a novel, a sit-com, or a joke, all stories work the same way.  
At it's most basic, a story has a:

1. Set-up,
2. Complications, and a
3. Resolution. Yeah, just like a Seinfeld episode.

Brand stories *emotionally transform* prospects to become customers.

## Brand Stories are real stories:

### *Jacob the Pressure Washer*

Jacob's old BMW, broke down and needs expensive parts. Will kindly pressure wash to get rolling again.

### *Tom's Shoes*

Tom traveled to Argentina, saw kids without shoes, so, created a way to share the wealth. Kids now have shoes again.

### *Spanx*

Sara needed a quick fix to make her butt look good. After a quick snip of her pantyhose – *presto* – a \$1 billion enterprise.

Later, when you build your Brand Positioning Statement, you'll see how a brand position works like a story:

1. Set-up: *Identify Your Target Customer,*
2. Complications: *What is their Problem or Need?*
3. Resolution: *Your Unique Solution, and*
4. Proof that it Works: *Bombas donated 23 million pairs of socks!*



**23,725,494**  
ITEMS DONATED



## Every brand offers a solution to a problem:

### *Starbucks*

"I want a pumpkin latte, a relaxing atmosphere, and free WiFi."

### *Dunkin Donuts*

"I don't need a freakin' couch, just good-tasting coffee... fast!"

### *Biscuitville*

"I'm looking for Southern comfort food and fresh home-made biscuits."

### *Chick-fil-A*

"Farmer-direct coffee combined with great customer service aligns with my values."

### *IHOP*

"A cozy booth, all-American fare, and a waitress who calls me *hun* – that's my kind of comfort."

### *McDonald's*

"I'm not looking to change my routine. I want fast, easy, predictable, and clean."

## What is a brand position?

When you respond to a highway sign or any brand proposition, you are seeking a solution to a problem: *I need coffee now.* Pretty simple.

Each of these brands may be high or low in terms of price, quality, and experience compared to the other brands. In this way, the brand holds a *position* in the marketplace — and a position in the customer's mind.



*A brand holds a position in the marketplace — and a position in the customer's mind.*



## Let's take another brand Rorschach test:



Toyota Avalon



MSRP: From \$35,650

Lexus ES 350



MSRP: From \$39,750

### What's your preference? Toyota Avalon or Lexus ES 350?



They share the same chassis, engine, drivetrain, and suspension. Except for the badge, they are practically the same car. Their brand positions, though, are miles apart. In some configurations, the *Toyota* is more luxurious than the *Lexus* (who knew?), but for the status-seeker, the extra \$4,000 for the *Lexus* badge buys a lot of self-esteem.

**Remember peak GM?** For Baby Boomers, the brand differentiation between *Chevy*, *Olds*, *Buick*, and *Pontiac* boiled down to: “*Our family always drove a \_\_.*”



Creative Zen Touch

**iPod versus Zen** — Consider the original *Apple iPod* versus the *Creative Zen* mp3 player. In 2005, the *Zen Touch* offered twice the storage, a more durable case, and dramatically more battery life for less money than an *iPod*. But, in the minds of consumers, it was a “faux-Pod.” It could not unseat *Apple's* commanding position in the hearts of consumers.

The iPod was pricier than the Zen, so cost was not the deciding factor.

Consumers coveted the *Apple* brand for its cool factor, quality, ergonomics, and integration with the *Apple* ecosystem.

For the *Zen* to compete, it needed to carve out its own compelling argument. Here's an idea:

*"Dude! If you had purchased a Zen, there would be money left over for actual music!"*



Apple iPod Classic

Let's turn that Zen argument into a brand position:

*"For digital music lovers with a limited budget, only the Creative Zen gives you a full-featured player and a music library for the price of an empty iPod."*

With this brand position, the *Zen* wouldn't try to compete on features, specs, quality, or cool factor.

Here's my mock ad that states the obvious: *An mp3 player without music is useless.*

Unfortunately for the *Zen*, they tried to compete on features and failed.

Mock advertisement

# Got Music?



**For the price of an empty iPod**

**Get a full-featured Zen Touch plus a library of music!**

\*Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.

**CREATIVE**

*For the Zen to compete, it needed to carve out its own compelling argument.*



*Your job is to identify your brand position and plant it like a seed so it will always sprout top-of-mind.*

When you think about a brand, it's a safe bet that its position is the first thought or feeling that comes into your mind. Most products are commodities, so this top-of-mind feeling results from money the creative types invested into the brands. As the brand strategist for your startup, your job is to identify your brand position and plant it like a seed so it will always sprout top-of-mind.

**The Zen Touch illustrates a common positioning challenge:**

If it was your product, what would be your preferred position:

- 1) superior features, 2) better price, 3) save your money for music, or 4) like the Un-Cola of mp3 – the *un-Pod* alternative?

Alas. You can't be all things to all people. Your brand position needs to be unique and boldly expressed as a big idea – like this gasoline offer you can't resist.



Your customers have no incentive to choose your business unless you spell it out. Here are some examples:

**Panera Bread** has long pushed its “100% clean ingredients” brand position (no artificial preservatives, sweeteners, flavors, and no colors from artificial sources). It's a clever bit of positioning because to the uninformed, 100% clean implies that *Panera's* menu is organic (free from pesticides, synthetic fertilizers,



**Food as it should be.**

GMOs, etc.) — *which it is not*. Despite this fuzzy distinction, Panera has successfully associated its brand with wholesomeness, hence its tag line: *Food as it should be™*.

**Jimmy John's** built its sandwich brand on “*Freaky Fast*” delivery with an implied promise that Jimmy will deliver your sub in under 20 minutes during non-peak hours.





It worked. The young designers in our agency clicked their lunch orders at noon and scarfed bicycle-delivered sandwiches 20 minutes later. *Jimmy John's* wasn't about *Boar's Head* meat, wasabi mayo, or artisan bread — just fast-delivery. So why is *Jimmy John's* moving its brand position to “*Freaky Fresh*?” Do they expect to knock *Panera* from its commanding position for wholesomeness?



**Volvo** is another distinctive brand that evolved from a commanding brand position. In our workshops, we would take an instant poll, “*When you think of Volvo, what is the first word that comes to mind?*” Invariably, people would respond, “*Safety*.” *Volvo's* association with safety was so deep and long-standing that the brand has long been synonymous with crash-test dummies and soccer moms transporting their kids to activities.



*Volvo's* brand position began to change after the company sold the division to *Ford* in 1999. In 2010, *Volvo* was sold again, this time to the Chinese company, *Geely*. For a while, if you went to the *Volvo* home page, you couldn't find the word, “*safety*” — not even in small print. After the 2008 recession, *Volvo* moved up-market (pretending to be a Swedish BMW?) Or perhaps Volvo realized that middle-class soccer moms couldn't justify hauling kids with cleats in a \$50,000 SUV. Today, the brand is evolving again as it moves toward an all-electric brand position.



**Shoes.com** demonstrated how a compelling brand position will ultimately make or break a company. This dot-com company launched in 1996 during the great Internet “land rush” — a time when companies were launching ill-fated brands like *Pets.com*, *Webvan*, *eToys*, and *Kozmo.com*.





*"We let our customers do the marketing for us through word of mouth."*



**Enter Zappos.** Three years later, in 1999, a competitor entered the e-shoes market: *ShoeSite.com*. Almost immediately, the new company changed its name to *Zappos* after "*zapatos*," the Spanish word for "shoes." *Zappos* was snappier than *Shoes.com*, but that's not why *Shoes.com* went bankrupt in 2017, while *Zappos* was raking in over \$1 billion in revenue.

The *Zappos* magic began in 2001 when Tony Hsieh came on board. He realized that *Zappos* wasn't selling shoes; it was selling a brand experience: *Powered by Service.*<sup>6</sup>

Hsieh explained:

*"The number one driver of our growth at Zappos has been repeat customers and word of mouth. Our philosophy has been to take most of the money we would have spent on paid advertising and invest it into customer service and the customer*



*experience instead, letting our customers do the marketing for us through word of mouth."*<sup>6</sup>

**Customer service is the brand.** On one level, perks like free delivery and free returns built the foundation for *Zappos*' legendary customer service. If you don't like the shoes, you can box them up and send them back for no charge. *Zappos* might even ship them to you overnight if you have an important job interview. But that's not their secret sauce. The core of the *Zappos* brand is the emotional connection its people make with their customers. Their reps radiate high energy and personality.

---

6 "Delivering Happiness: A Path to Profits, Passion, and Purpose". Book by Tony Hsieh, 2010.

### How do you find folks to evangelize a brand?

After a week of training, *Zappos* makes “The Offer.” The infamous pitch goes like this: “If you quit today, we will pay you for the time you’ve worked, plus a \$1,000 bonus.” That’s right, a bribe to quit!

By **weeding out** folks who don’t share the excitement and commitment (for what’s frankly a phone job in a cubicle), *Zappos* maintains its high-energy culture. In this way, *Zappos* follows the first rule of brand positioning: Align your brand to the needs of your target customer. The *Zappos* customer is not “someone who needs shoes,” but “someone who wants a fantastic customer experience.” In this way, *Zappos* is not an online shoe store, but rather, a *customer service platform* that happens to sell shoes.

Could you work in a gung-ho workplace like *Zappos* with its silly stunts and whoop-it-up culture? Maybe not?

**What about your business?** Do you have the *chutzpah* to become the ambassador for your brand? Can you embody your brand so that people take notice? What if you’re a quiet type who wants the quality of your work to do the talking? In that case, “quiet-type” is your brand. Own it, live it, and identify the customer who is looking for you.

Do you have the *chutzpah* to become your own brand ambassador?

Align your brand to the needs of your target customer.

