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The Rise of the Insurgent Brand

Maybe you remember the recurring scene in the classic Western, *Butch Cassidy and the Sundance Kid*, as Paul Newman and Robert Redford are tracked relentlessly by posse, Newman's Butch Cassidy character keeps looking back: "Who *are* those guys?!"

Today, this is the scene in the biggest global companies' executive suites. Suddenly, they are facing a kind of competition they never faced before. "Who *are* those guys?!"

It used to be that big market leaders competed only with other big market leaders. It was incumbents versus incumbents. In mass marketing's hey-day, two or at most three brands dominated virtually every product category -- information was forced through the pipeline of just three television networks. There was little choice and little change.

But those days are over. And the information revolution has opened up a new age of increased choice and constant change. Today, the big guys have new competitors....thousands of them....and they seem to appear from nowhere: "Who *are* those guys?!"

Today's incumbent market leaders continue to rely on traditional mass marketing approaches, and even out-dated, "by-the-numbers" marketing: Ubiquitous distribution, production optimization, prime in-store placement, regular price promotion, heavy broadcast advertising, major league sponsorships....the whole enchilada.



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But now, these market leaders are facing competitors who do not play by the rules of mass marketing. As with incumbents in politics, long-term leadership seems to lull many market leaders to sleep. They barely notice the insurgent brands rising up around them.

Suddenly, today, upstart or underdog brands are appearing on the radar. And they are shaking up the market and rattling the supply chain with street-level, street-fighting marketing strategies. “Who are those guys?!”

Indeed, you might be surprised by these insurgents: not all of them are start-ups or small upstarts. We have seen, for example, that brands as big as McDonald’s, Google or Southwest Airlines are all but unstoppable when they play by insurgent rules. And it’s worth studying the insurgent strategy secrets these companies have learned.

In many CPG and B2B categories, insurgent brands are leading the development of new segments. And the cost to incumbents of following these insurgent brands -- and following consumers who are looking constantly for choice and change -- is immense. For example:

- Consider the soft drink industry: It isn’t the dominant market leaders who have pioneered the development of bottled water, energy drinks and shooters, premium bottled coffees and teas, functional juices and soft drinks and natural ingredient-based drinks. Rather, dozens of brands like Arizona Iced Tea and Red Bull have grown meteorically to lead their segments -- and they are still not playing by the incumbents’ rules or with the attendant traditional costs of distribution or marketing.



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In fact, at present, this is true in every industry and virtually every product and service category. It is a new world out there; and it is not a very friendly world for incumbents. There is guerilla warfare in every market, as the traditional mass marketing leaders have to fight off these new and very tough competitors. It is the age of the insurgent.

This is why we wrote The Underdog Advantage, exhorting companies of every size and shape to learn to think, plan and act like insurgents. Now, we are writing about the rise of insurgent branding. This represents the most remarkable change to markets and marketing since the beginning of mass marketing 75 years ago.

Suddenly, the Goliaths of marketing are facing new armies of Davids. As never before, the top brands must fight for their lives against the smallest brands. But how did this happen? And more importantly, whether you are a Goliath or a David, how can you win in this environment?

Today, as our economy claws its way out of the Great Recession, marketing must drive growth in companies large and small. In fact, the mass marketing model is very obviously broken and must be fixed; it is at once unproductive and inefficient. And the remedy is an insurgent model that teaches marketers a radically new way to achieve maximum return on investment....as long as they are willing to learn.



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What's Happening?

How did the incumbent brands lose their incredible market advantages of size, scope and (theoretical) marketing efficiencies? The simple answer is that it happened because consumers changed....but marketing didn't.

This is part of a larger dynamic. Mass marketing was the natural extension of manufacturing efficiency and optimization -- using the minimum technology on the maximum audience; and applying the philosophy of “one size fits all” to a mass audience. So “mass” came to mean “middling” -- the lack of choice in most markets meant consumers simply had to settle for a narrow range of quality and product differences that appealed to the largest group with the most efficiency of development and manufacture. Mass marketing was established on a confidence that consumers could be pushed toward brands by dominating the market dialogue with advertising and promotion; and held to those brands through their generally low prices and ubiquity.

But the advent of new choices in cable television, satellite radio and the Internet made consumers aware of an avalanche of new choices in almost all categories. Through the communications of these new choices, consumers became more aware of several things: Negative information about the former incumbents; lower quality and less natural ingredients; and the compromises of trying to create “one size fits all” in every category. For a long time, consumers had been complacent about these compromises -- but no longer.

The explosion of information caused by the widespread adoption of the Internet changed everything...politics, science, art, entertainment, sports, warfare, sex, business and marketing. And web search taught consumers that they could look for “one size that fits just *me*.” So they began to demand more and better choices.



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And these constantly increasing choices began to ensure that “pull marketing” would replace “push marketing” in all markets. Brands pulled by consumer choice were much less costly to market and could carry higher margins.

Soon, consumers began discovering these new brands at retail and on the Net. Indeed, new retailers emerged as insurgents in their categories to meet this consumer demand for new and different offerings -- for example, Whole Foods, Amazon, Starbucks, Gilt Group...or even the store around the corner.

At the same time, however, retailers, even mass retailers, began responding to consumer demand for more choices by lowering the barriers to market entry for these new brands. Of course, these new and different insurgent brands did not get premium placement on shelves. But they began fighting their way into mainstream stores without the slotting and marketing allowances charged to incumbent brands.

Suddenly, the battle was being waged on incumbent turf, but by insurgent rules of engagement -- indeed, the incumbents’ size and heritage of success was often being used against them. As in modern guerilla warfare, mobility and speed began beating size and sophistication. An example:

- A couple of years ago, we began studying and meeting with one of America’s oldest incumbent brands, Clorox. The company’s strategy was evident to any observer -- emphasize the Clorox brand heritage to consumers to remain top-of-mind when they go to shop; dominate the end-position of the cleaning products’ aisle; maintain packaging consistency (the same traditional design and look for several decades) to complete the synapse of preference to purchase.



- This strategy was considered foolproof for a trusted brand in what is essentially a very boring category. Most category-leading brands shared very similar strategies. So we did “flash” research at our own cost of Clorox’s customers ... as the typical constituents of a market incumbent. And what we found was remarkable -- if unsurprising, given today’s insurgent-friendly shopping and decision ecosystem.
- We found most consumers did indeed enter the store with high preference for Clorox. But we could literally see this preference fade as they neared the cleaning products aisle.

In fact, once they turned their carts in this direction, though they registered the wall of Clorox’s incumbent brand identity, they tended to walk past it toward the many shiny new product forms, packages and claims arrayed on the same aisle.

- Most of these brands had very little heritage; most were not even supported with advertising, although a few did come from big consumer products companies. And they certainly did not have high awareness -- in fact, many were private-label “store” brands. Some were products of infomercials, using demand created in direct marketing to drive distribution and sales at retail. Of course, a few of these new products simply tried to follow the leader -- and look, act and quack like Clorox (a very bad strategy as we’ll say again and again). They had a very short shelf-life.

Interestingly, what most of these new products had in common was that they provided the consumer a break from the traditional boredom of the category with new ideas and differences. What might seem like inconsequential differences made a big difference to these consumers. So the cleaning



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products aisle was a theater of differentiation for shoppers.
Notch another one up for the insurgents!

The oriental art of *jiu-jitsu* is designed to use the power and momentum of a bigger aggressor against them. Similarly, mass marketing, itself, has become a force to drive consumers away from mainstream brands -- in search of new, different and better options. As we said, Web search taught consumers to believe a better, more customized solution to their needs was just around the corner or a click away. Lack of sophisticated marketing has become an advantage of the insurgent brands. And just imagine the ROI advantage for the insurgents over the incumbents!



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The Principles of Insurgent Brands

For years, we've heard about "challenger brands." And quite often, this has described a tactical approach of the number two or number three brand in any market taking on the leader with comparative advertising. To be sure, driving relevant differentiation is a good thing for any brand of any size. But simply challenging the leader does not define a truly insurgent brand. Most often, these kinds of leadership challenges are played out by the incumbent's rules and on the battleground of their choice.

Insurgent brand-building, by contrast, means adopting a **new** set of rules of engagement.

Of course, in politics, business or warfare, most insurgent forces operate without a playbook. Desperation is the CMO of insurgent businesses. But we've studied the successes of these insurgent brands, the market underdogs, and have found commonality in terms of strategic and tactical approaches. And we use these basic principles as the core discipline of our work -- whether in brand development, innovation, internal or external communications, crisis avoidance and resolution or organizational strategies. Today, this is about the best way of getting a win in *any* situation.

So we developed our insurgent strategic approach as a new way to win in business and marketing for any kind of company or organization, big or small, new or old. And we were led to this approach by our first corporate client, the classic insurgent, Steven Jobs of Apple. Since then, we've had the opportunity to work with many insurgent brands, business revolutionaries and political candidates globally. All that time, we've known the rise of the insurgent brand has been inevitable -- even if it almost always depends on incumbent brands continuing to play by the traditional incumbent rules.



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Let's look below at the way the principles of the insurgent strategy apply to brand building.

1. Do the Doable

Many insurgents start with nothing. The cardinal rule of insurgent strategy is to marshal resources carefully. Never waste resources on impossible goals. Set achievable goals -- instead of going for the "Hail Mary," get some first downs and gain momentum while creating a culture of success. And focus and align everything you do and say. That creates optimal efficiency.

Yes, this is the way successful start-ups operate out of necessity. Increasingly, though, it's the way successful insurgent companies operate out of choice. For example, all of us have heard many marketing experts marvel at the way Zappos has become extremely successful without marketing. But we see the situation as exactly the opposite: everything Zappos does -- from product to customer service -- is marketing. Everything they do follows the dictionary definition of marketing to add value to transactions. All of the tiny details of interaction with Zappos align to one unified and highly satisfying product experience.

The same is true for Gilt Group and their trunk show philosophy. The focus is on the product quality, character, value and scarcity. The Gilt Group projects the "treasure hunt" shopping experience that has become increasingly important to consumers in this recession; these consumers must seek value, but keep hoping for a few pleasant surprises. Indeed, this is part of the formula for the big box insurgent, Costco. While the cardinal sin at Wal-Mart is to run out of inventory, Costco uses limited availability of products to increase usage of their stores: because, "You never know." That's why Costco has become the largest purveyor in the world of Dom Perignon champagne "Surprise! Look at the price of this bubbly!"



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Most big companies think of design and development, manufacture, distribution, sales, marketing and customer relationship management/service as separate functions, very often operating from separate silos. Insurgent brands, by contrast, create greater value by aligning every aspect of the brand experience -- all of it based on the product's essence and its unique user experience. What does it feel like to use this product? This is the question they answer; and this answer goes beyond the product characteristics to the total experience that begins with discovery and begins again with the decision to re-purchase.

- There is an obvious lesson here: Alignment is far more efficient than traditional silo-ed marketing communications. It is inconsistency that chips-away at your brand's power and credibility.

Though this point may be obvious, it is often forgotten by mainstream brands, because of the departmentalization and compartmentalization of development, manufacture, distribution, marketing and customer service. And this insurgent mindset and strategic approach, driven by consistency throughout the brand experience, can be used by any company of any size from any position in the market.

In this sense, the insurgent brand is defined primarily by the characteristics, quality and values of the product or service and the relationship that brand develops with its users. In very rare cases, this experience is captured in an advertising tag line. But never does the tag line create the experience. It is this context of authenticity and transparency that incumbent brands find difficulty competing with.

Interestingly, most of the genuine upstart brands are run by founder-entrepreneurs. They are vision-driven, while most incumbent brands are heritage-driven -- building strategy based on



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approaches that have worked in the past. Insurgent brands, then, are established because of the founder-entrepreneur's sense of frustration or opportunity. And this frustration or sense of opportunity drives every aspect of the brand's creation and communication. Put simply: "Me, too" marketing is over. And the product's functionality, form, relevant benefits and differentiation define its value. Some key points:

- You might ask whether a brand manager in a big CPG company can develop and be motivated by a similar sense of frustration and opportunity. Our answer: "Why not?" Too often, though, motivation is developed through consensus building or simply playing an internal political game. Are authenticity and transparency encouraged by the drawn-out and harrowing brand-planning process in your company?
- Since the product's character and values are in the forefront, the authenticity of the brand is paramount. A shiny new object on the shelf may attract a look or even trial -- but if it doesn't live up to its imagery or claim, it will be dropped like a bad habit. Simplicity and transparency are important because they have been missing in incumbent brands over the years. Today, for example, the longer the list of ingredients, the less attractive the CPG product is to consumers. Natural ingredients imply transparency -- and natural is far more important than "organic" to the insurgent brands ("natural" is simpler to understand and deal with than "organic").
- Market leaders in B2B categories have often used complexity of product bundling or service to hide margin. Insurgent brands, by contrast, bring these costs out of hiding. In an open information environment, you don't fool purchasers twice (in fact, with a true insurgent brand, you don't try to). Honesty in dialogue with your constituents is a must, particularly when problems arise; break that trust at your own risk.



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Defining Success: “Do the doable” is therefore about efficiency and putting the wood behind the most effective and efficient strategies. And nothing is more inefficient than ill-defined goals or objectives for any project, team or company.

It’s the same for a brand. And so creators of successful insurgent brands must be crystal-clear about what a win will mean: If the brand’s development -- its positioning and value proposition -- is executed perfectly, what will success be like in two or three years? What will be the metrics of success? What’s the “Election Day” by which these results must be achieved? And how will all internal and external constituents (most importantly, your consumers) of your brand think, feel and act differently as a result of this success?

No brand today can afford to buy its way to success -- so insurgent strategy emphasizes using just the right resources against just the right objectives to achieve efficiency and effectiveness.

Setting Momentum Goals: A new or repositioned brand must build momentum. So we recommend creating objectives for your brand that are arranged in order of difficulty. These objectives (product distinction in development, distribution, trial, re-purchase, preference/performance/profitability, etc.) ramp-up toward your ultimate definition of success for the brand...attaining each one also gives a sense of momentum to customers and stakeholders; and momentum helps with every aspect of a company’s operations and communications.

Distribution and Discovery: The top priority for marketing of an insurgent brand is to establish the right distribution to allow for discovery by the Early Adopters in your marketplace.



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What's the "right" distribution? This must be defined by the Early Adopters themselves. These are the most self-confident of all consumers. They are constantly on the lookout for new ideas in your category. And they take pride in being there first -- gaining social currency by recommending new and better options to their peers. So these early adopters are at the leading edge of broad market acceptance -- and they can kill that acceptance if they are turned off. Moreover, these early adopters want to find the product and discover its appeal for themselves. So they will tell you where they would expect to find a great new idea (and where they *wouldn't* expect to find it).

The importance of discovery to Early Adopters means they don't want to be pushed to the brand or have the brand pushed at them. For example, the simple facts of life for most craft brewed beers are that they become successful without traditional advertising; and when they begin traditional advertising, they fail (the only exception is our long-time client, Boston Beer's Samuel Adams). This puts enormous weight on distribution, placement (rubbing elbows with the right kinds of products and brands) and packaging. So insurgent brands must use the above elements and shape the product experience to answer the fundamental marketing question: "Why me?"

Brand Story/Brand Narrative: The insurgent brand is vision-driven. It is founded on the belief in its righteousness, which in marketing terms is relevant differentiation. And because it must define the "why me?" answer quickly and directly, the insurgent brand develops a narrative of its "reasons why" and how it achieves its vision in very simple and clear terms.



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Often, this brand story appears on the package itself: What was the motivation for its invention? Who invented it? What was their conviction? How did they make it better and different? And, like the kind of “3x5 Card” messaging discipline that we practice to align all messages in any political or marketing campaign, this brand narrative must be repeated in all communications, formal or informal. It’s the reason to support the insurgent brand: it must inherently carry the company’s passion and pride.

2. Move the Movable

Accurate targeting of your constituents is the best way to manage resources and return on your marketing investment. So we look at targeting (among internal or external groups) differently from most firms. From politics, we learned to go beyond demographics and psychographics to segment by preference (which candidate/brand do you like best?) and by performance (how likely are you to vote...how have you voted in the past/do you actually purchase the brand you say you prefer?). And in business, we’ve added profitability as a third screener (will you remain loyal when the competition is having a sale?) to preference and performance.

Our segmentation looks like this:

HO SO UNDECIDED SS HS

HO = Hard Opposition: They hate you and the horse you rode in on. They may be competitors or activists against your brand or category. And while you can’t ignore the effect of this group, you also can’t waste resources in trying to win them over. So just don’t enflame them and carefully manage their effect on other groups.

SO = Soft Opposition: This group may prefer a competitive brand or have had a bad experience with yours. But they are not market activists. Still....there is not enough money in your corporate vault to win them over to your side of the aisle.



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UNDECIDED: In a political campaign, you will do anything to win these votes on the way to a one-day, 50.1% win. But in the business world, you must win decisions more than one day every two, four or six years....in fact, you may even have to win decisions several times *every* day. And today, too many consumer-focused marketing companies target far too broadly -- including the very tempting and huge segment of Undecided consumers. In fact, we find these consumers are undecided by character or circumstances -- either they refuse to affiliate loyally with one brand, or they simply make purchase decisions based on price or availability. These are the brand “switchers” in all categories. And their loyalty (and profitability) is simply too expensive to win.

SS = Soft Support: This group represents those who may prefer your brand, but do not purchase it loyally. Fundamentally, we believe the Holy Grail of marketing is to get more consumers to come back more often to buy more. In fact, this is what made the difference in McDonald’s recent “worst-to-first” revival. McDonald’s had to sell current customers on reasons to come back more often and buy more. And the behavior and buzz of current customers attracted all the new customers they could ever need. This, not advertising, is what re-built their business. And so moving these targets to more frequent usage and loyalty is a key goal. Ultimately, this Soft Support momentum and buzz is the most effective and efficient advertising medium in the Universe.

HS = Hard Support: These are your loyalists. And you must lock down their support -- most importantly, you must clearly understand their support. These loyalists’ perceptions of your brand’s unique qualities provide the foundation for the product’s positioning and can help motivate the Soft Support and parts of the Undecided.



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We follow a simple mantra in developing and activating against market segmentation: our process is to Identify, Understand and Activate. We believe in focusing narrowly on the audience of Hard and Soft Support (based on preference, performance and profitability), and then opening the aperture more broadly to understand their perceptions, attitudes and behaviors across a spectrum of competitive choices. This is the best way to develop an effective activation strategy.

For example, in soft drinks we focus narrowly on a brand's Hard and Soft Support, but we look for growth among a very wide range of substitute choices in terms of different occasions or locations -- i.e., it's not about cola versus cola or even soft drink versus soft drink. Too many business category leaders become fixated on one competitor and miss both the opportunities of other segments and the challenges of upcoming market insurgents.

Targeting the Early Adopters: At the outset, new products and categories do not have established loyal consumer franchises. So they must establish recognition, trial, re-purchase, usage and then loyalty. This, to be sure, is not easy. But today's turbulent "choice and change" environment favors the upstarts. After a decade of binge buying, consumers have become increasingly self-confident and marketing savvy. And Early Adopters are the most confident of all consumers -- they welcome change:

- Early Adopters not only accept choice and change....they demand it.
- Early Adopters pay a premium price. For example, the remarkable loyalty of its Early Adopter group is why Red Bull energy drink has been able to hold its introductory margins



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even in the face of an exploding category of choices (a category it largely created). For the price of an 8.3 ounce cylindrical can of Red Bull, you can buy roughly 60 ounces of Coca-Cola. That is the price power of Early Adopters.

- Early Adopters are the segment of consumers who move first to a new product, idea or category.
- Early Adopters like to be the “first on their block” -- or the “first on their blog” -- to try out new concepts.
- Early Adopters will try just about any new product in categories in which they are active....and they derive their social currency from leading others to the best new ideas.

Most importantly, other consumers follow the lead of these Early Adopters. With the rise of social networks, the power of word-of-mouth has grown as a factor in the acceptability of any new product or service (candidate or Party, too). So if you don't attract the Early Adopters, you stand little chance of attracting the larger mass of consumers. Turn them off and you've turned off the market.

Again, the good news is these Early Adopters are on the lookout for the next new idea. They self-identify in market research....and you can spot them at the front of the line in any new category. Two key points:

- First, marketing loves Early Adopters, right? There's just one little problem....Early Adopters hate marketing; particularly mass marketing. They reject advertising as a motivation; they are sophisticated and cynical; they want to discover new ideas for themselves; and they don't want products pushed at them. So you get one strike -- fool them once and you're dead.



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- Second, Early Adopters care more about product character and quality, and care more about the company and person/people behind the product than any consumers since the days when the Industrial Revolution overtook craft manufacture. At the same time, however, these consumers are the most image-conscious ever. They are hyper-finely tuned to product imagery, user imagery, usage imagery and particularly to associative imagery. So they're not buying generic anything.

The key: You must master this (product, company/founder, user and usage) imagery in establishing and continuing a relationship with the Early Adopters. But, at the same time, never let this conversation get one-sided. Moreover, you must never let your imagery slip into slickness.

These Early Adopters are tough customers; maybe the toughest in history. They'll flatter you with trial (remember, they'll try anything new)...and then they will not only drop you like a condo leaflet in Las Vegas.... they'll talk you down to other consumers.

- Importantly, according to our segmentation model, Early Adopters enter your franchise as Soft Supporters. Moving them to Hard Support means achieving the Holy Grail of marketing: getting them to come back more often to buy more (and bring the throng with them). Soft Support can be a skid pad for these consumers, however. If you disappoint them, they slide all the way from Soft Support to Hard Opposition -- and become activists against your brand. It's like a vineyard winning the opportunity of having your new Chardonnay reviewed by Robert M. Parker, Jr. -- if he turns up his educated nose at your wine, it can easily become an



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“insurmountable opportunity”...one that kills the future of your new product and maybe your whole vineyard.

Brand Positioning According to the Hard Support: Hard Support brand loyalists not only know your brand better than other consumers, they know it differently. They perceive different benefits and competitive differentiation for your brand; this is why they are loyalists and the others are not.

Interestingly, our experience is that very few brand managers are actually Hard Support consumers of the brands they manage (remarkably enough, this is true even in the beer business). Indeed, in many categories, these brand managers barely achieve “Undecided” in terms of their personal Preference, Performance and Profitability factors. It’s not a knock -- it doesn’t mean they’re not qualified to manage their brands effectively. But these brand managers simply must begin by recognizing they don’t really understand the brand positioning.

This is why we develop a “Brand Positioning According to the Hard Support.” This is based on the perceived benefits, competitive differentiation and the active imagery of the brand according to its most loyal consumers. In fact, we try to understand the different benefits and competitive set for each of the loyalists’ usage occasions. And these brand dimensions may not be significant in motivating the Undecided -- but they very often encourage parts of the Soft Support to increased usage (usage leads to loyalty even more surely than loyalty leads to usage).

This is especially important with Early Adopters. Never assume you understand the attraction of your brand for them. Again and again, you must constantly try to learn Early Adopters’ personal point of view in defining the brand, defining its benefits and differentiation and in defining the ideal usage experience,



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buying experience or ideal relationship with your company. This does not take sophisticated market research -- rather, it requires developing an Early Adopter conversation and keeping it open and active. Today, that's easier than ever. The ease of conversation in social media means they're probably talking about your brand, whether you're a part of the conversation or not.

As you know, we come from politics -- and something we learned there applies to business and to all business relationships, internal or external: Democracy is a dialogue; democracy is a good thing; more democracy is better; and fluid democracy...in terms of an active and interactive conversation...is best. And remember: These Early Adopter consumers are very easy to identify by their behavior; they will self-identify as someone who likes to be the first to try new ideas. So start talking ... and *never* stop listening.

3. Communicate Inside-Out

In this sense, the insurgent brand -- big or small -- has a chip on its shoulder. The insurgent brand is built on the belief, on the conviction, that no other product or service in the marketplace really meets the needs and wants of a particular group. The insurgent brand believes the market needs and deserves its product.

Often the founder-entrepreneur of the insurgent brand is developing a product for herself or himself; assuming others may share their taste. As a result, the founder develops disciples -- often employees or investors, friends and family. For a start-up, all marketing begins inside...and works its way out. And the founder must sell these disciples along with investors and employees -- because often they are accepting some of the entrepreneur's risks with lower compensation or sweat equity. Along the way to success, this band of believers must convince developers, suppliers and distributors of their vision for the brand. As the next ring accepts



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the belief system, the brand becomes stronger. A common understanding of the brand's value proposition is passed from one group to another. Some examples:

- In our work with McDonald's former CEO, Mike Roberts, author of the "Plan to Win," which resulted in one of the most impressive business comebacks in history, we learned the importance of communicating objectives and strategies inside-out. Mike built his credibility within the McDonald's system first in the San Diego area, then California, then the Western Division, then the U.S., before taking his "Plan to Win" to the world. His team identified the Hard Support among McDonald's owner/operators who believed in Mike and his strategy -- they were the first line of implementation of any new product or plan. And they adopted immediately and executed faithfully and with energy.

Interestingly, these Hard Support franchisees also tended to be the best, most disciplined operators. And the success they created with "Paul Newman" salads, premium chicken sandwiches, new options for Happy Meals, extended hours, new desserts, improved drive-thru technologies and on and on spread virally throughout the system. And the momentum has been remarkable. McDonald's worst historic store performance was only a little more than five years ago -- within two years of the implementation of the "Plan to Win," the restaurants globally were beginning to set records for cash flow and profitability month after month. It was a victory for "inside-out" communications.

This kind of victory depends on discipline and speed. And the key to these two factors is alignment of your total system on executing your strategy. In this regard, politics taught us an important



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lesson: everything communicates. Every detail of the campaign, planned or unplanned, communicates to some important audience. And in a successful campaign all details are formed around one compelling core strategy -- and every aspect of the operations must be aligned with that strategy and its tactical plans. Any successful campaign is founded on communicating “inside-out” -- throughout the organization and along these larger and larger concentric circles outward to its customers.

4. Play Offense

The late great Alabama football coach, Bear Bryant, used to say he looked for players who were, “Mobile, agile and hostile.” Playing offense is not just a matter of attitude; it involves, too, the kind of strategic discipline that enables speed of impact. In this way, the insurgent brand learns to play offense. While incumbent brands are trying to protect their turf and market position, the insurgent brand must attack constantly. And to manage an insurgent brand successfully, you must map the competitive battlefield to determine not only challenges -- but opportunities for specific user and usage occasion wins....the kind of wins that help to create bigger strategic wins. Here are some ways to do this:

- **“Take What They Give You!”** Another great football coach, Boyd Williams, constantly exhorted his teams to “take what they give you.” Obviously, successful football coaches, like successful military leaders, think offense first. Chip Kelly of the University of Oregon is shaking up college football in 2010 and forcing all coaches to re-think their offensive strategies. Oregon is putting up over fifty points a game on average. That’s offense. This complex offensive system is built upon a simple principle of changing the pace of the game to take control of the battle. Oregon runs roughly twice as many plays from scrimmage as the typical college team. His teams are consequently in phenomenal shape -- and his opponents



are consequently too often on their heels. So “take what they give you” means you probe for opportunity, then drive a Mack Truck through it. And it means being inventive in every aspect of your insurgent brand’s marketing -- achieving the same values and characteristics for every aspect of the marketing process as you do for the product itself. Everything communicates, right?

Opportunism in constant dialogue with your Hard and Soft Support is the only way to stay in control of the market competition. These loyalists provide the most reliable GPS for the insurgent brand. Never let this conversation lag. Instead, lead this conversation with constant testing of hypotheses. Moreover, successfully managing the dialogue with your most important consumers will allow you to create a brand quality that is often owned by the insurgents -- anticipation: “What will they think of next?”

The way to win in the market, then, is to win control of the competitive dialogue. In many markets, the incumbent leader brand is actually following the moves of the insurgents. And the rule in politics is the candidate who controls the dialogue wins the campaign. This is true because this candidate dictates the issues to be discussed, the pace of change and the campaign’s tone and character. Similarly, this is absolutely true in brand marketing; the insurgent can lever the power and scope of the incumbent into a disadvantage for the leader. The incumbent simply cannot keep up with the mobility and opportunism of the insurgent.

- **No Wylie Coyote Spending:** This nimbleness is a distinct advantage of the insurgent against the larger, more bureaucratic incumbent. Never give it up. This means never waste money creating brand infrastructure you don’t need. When thinking about this spending, we always conjure the picture of Wylie Coyote running out fifty yards beyond the



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edge of the cliff chasing the Roadrunner around a corner.
Yikes!

Leave this spending behavior to the incumbent market leaders. Let them spend like drunkards in trying to create “the next billion dollar brand” out of an idea that might only (*only?!)* be worth ten million. So remember: Knowing when to say “no” to spending allows you to continue to be opportunistic as things change ... and things keep changing faster and faster.

- **Attack!** If you’re proud of your insurgent product, you have got a useful chip on your shoulder at all times. This means insurgent brands are constantly on the attack against incumbents and those who act and quack like incumbents. After all, the insurgent brand represents change....the dominant force in American politics since at least 1992....so you must constantly refresh the market dialogue. And, as long as the terms are relevant to your Hard Support loyalists, the marketplace loves a good fight.

Attack the competition -- and be willing to attack yourself. Be willing to attack your own assumptions or even the meaning of a drifting brand. Remember, McDonald’s “worst-to-first” turnaround of the past few years is a classic insurgent campaign against its own image. So play offense when you defend your brand -- or when you correct a problem with your brand’s value proposition. And, invariably, your best customers will be happy to tell you when you’ve strayed from your principles and values: just ask.



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5. Be A Category of One

The final principle of insurgent brand building is to carve-out a space in your market that disrupts the status quo. Finding a strategic vacuum, a place where there is un-addressed consumer pain, is a fundamental step in developing the successful Insurgent Brand. This is the place where the differentiation of your brand can truly make a difference.

In other words, focus strategically on how to be a category of one -- above all, to be sharply differentiated from your competitive set.

For Core Strategy Group, our marketing discipline was in a sense given to us by Steven Jobs in helping to develop the insurgent strategy against IBM for Apple. For years, we've practiced this discipline in politics -- without knowing immediately that it could be applied to business. Today, we compete against marketing services firms of all kinds -- but there is a sameness that dominates the competitive dialogue. It's yet another category in which the dominant brand positioning is, "Me, too!"

So we opted out of this business from the beginning. Core Strategy Group wouldn't be another marketing strategy group -- we'd be the *only* insurgent strategy group. Necessarily, this filters-out some potential new business prospects -- but we believe it shapes much stronger client relationships, by shaping expectations from the beginning. It attracts companies and teams obsessed with winning.

In today's change environment, insurgent strategy is the way to win. And if you do a complete job of defining your relevant benefits and competitive differentiation, you, too, will compete in a category of one. You will be an Insurgent Brand.