

# Defining the core

## CHAPTER 1



### Headlines

**At the heart of most strong brands is a strong core product or service. This strong core is a profitable source of growth in its own right and also the foundation on which future initiatives can be built, so it plays a crucial role. An important first step is to define what the core is, by identifying your brand's source of both profit and authority.**

### What is the core?

Most successful brands started out by selling one thing. Dove was once a single, simple cleansing bar. Apple sold computers. Virgin was a record company. There are some brands that have stuck to a mono-product proposition, making the core easy to identify. The Coca-Cola brand still sells only cola, for example, with the company using other brands for different products: innocent for smoothies, Powerade for sports drinks, Sprite for lemonade and so on.

However, other brands now sell lots of things. Back to the earlier examples, Dove sells a range of beauty-care products, including shampoos, deodorants and shower gels. Apple sells iPods, iPhones and iPads and is a leading retailer. And Virgin is perhaps the world's most stretched brand. This proliferation of brand extensions makes it increasingly difficult to define the core. In my client work I often come across teams who find 'What is the core?' a much more challenging

question than you would expect. Of course, if you don't know what the core is, you haven't got a hope in hell of growing it!

There are two key questions you can use to define the core of your brand: what is your number one source of profit and what is your source of authority?

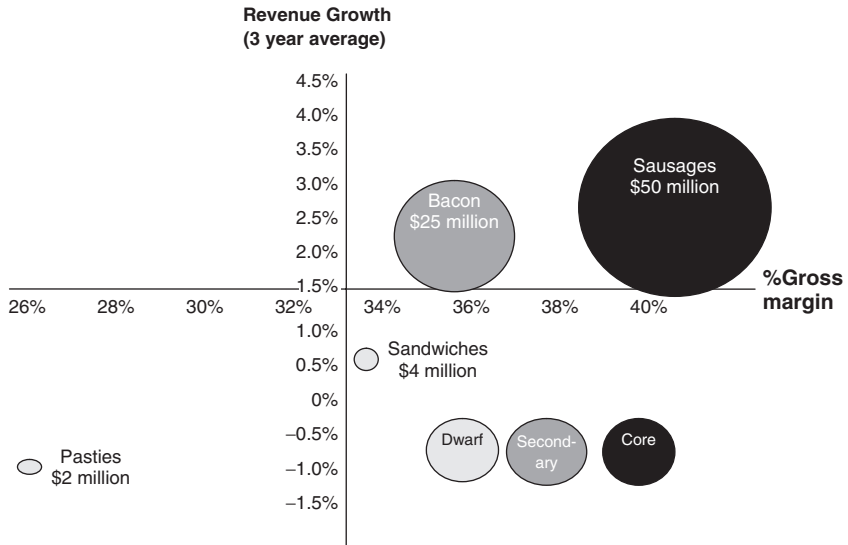
## Follow the money

At the most fundamental level, the core product or service is the big, often the biggest, bit of business. So when you're trying to identify the core, a good place to start is to use *the brandgym's* favourite motto and 'follow the money'. For example, Hellmann's has stretched into many new areas such as dips and sauces but the original mayonnaise still makes up most of the sales. Although the Dove brand has stretched into many new categories, the soap bar business still represents an important part of the brand's sales. In addition, core products are often more profitable. The core business is one that the company masters thanks to many years of experience and the size of the business means that there are often important economies of scale. Furthermore, as the brand is well known and trusted in its core area, it may need less marketing support relative to sales, compared to stretching into new markets where the brand is less well known.

Producing a portfolio map like the one in Figure 1.1 helps you follow the money and identify your core business. This simple visualisation dramatises just how important the core is. Even more interesting is when the marketing spend allocation is added, as this is often focused on the newer, smaller products while the core is neglected. Have you got this sort of analysis for your brand? If not, doing this exercise is a good start to helping you define your core business.

## What made you famous?

The core product is also a source of authority. The brand's key attributes, benefits and associations are tied up in it. Often,



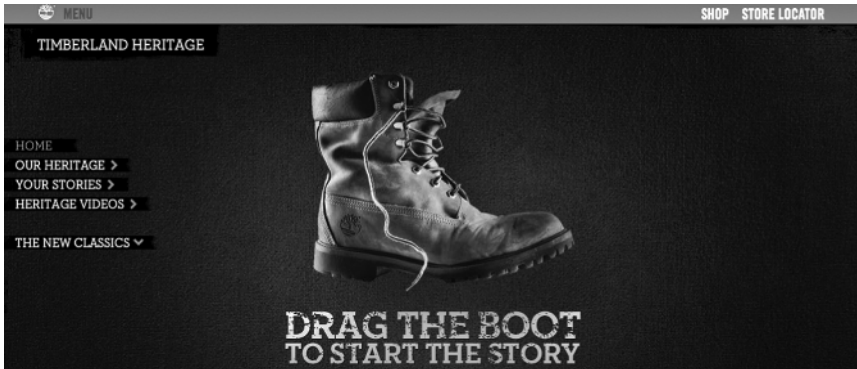
**Figure 1.1:** ‘Following the money’ for a food company.

(Source: author’s own).

this is the original product that the brand started out with. For example, Johnson & Johnson now has a broad range of products, yet most US consumers still think of the baby shampoo when asked about the brand. Timberland now sells a whole range of clothing and accessories, but the boot is still emblematic of the brand, the ‘hero product’ of the range (Figure 1.2) and the foundation for the whole business. You can see this in the company’s philosophy (1):

Historically, Timberland’s evolution has been framed by the theme of ‘Boot, Brand, Belief’. ‘Boot’ is represented by founder Nathan Swartz, who created the company’s iconic waterproof leather boot. His son Sidney Swartz built the Timberland ‘Brand’, expanding the company internationally and adding product lines such as apparel, women’s and children’s footwear, and accessories such as backpacks and watches.

Smirnoff Ice might be a faster growing part of the Smirnoff brand, but the company still invests heavily in the core vodka. As with any innovation and parent brand,



**Figure 1.2:** Example of a ‘hero’ core product. Reproduced by permission of Timberland LLC.

Smirnoff Red vodka brings stature and credibility to its extension. This is an important difference versus new pre-mixed drink brands such as Reef that have no spirit heritage. The Dove brand team went as far as implementing controls to ensure that new extensions were introduced only after two ‘traffic lights’ had gone green, based on brand equity tracking studies:

- i) a strong soap bar business had been built;
- ii) the brand had satisfactory scores on attribute ratings for mildness and moisturisation.

What is your brand’s source of authority, what advantages does it bring you and what are you doing to protect it?

## Your core

Hopefully by now, having reviewed your brand and business, including the source of authority and source of profit, you will have identified your core. Be careful not to get too bogged down in intellectual debates about this issue though. I have seen some teams end up in an almost philosophical debate about what the core really is. Put most simply,

growing the core is about a focus on selling more of the stuff you already sell, as an alternative to growing by launching new products and services. We call this ‘SMS’ for short (Sell More Stuff).

## **Anchoring the core**

In many cases, within the core product range there is an ‘anchor’ version: the simplest, purest version of the brand. These anchor versions are often labelled ‘Classic’ or ‘Original’. For Special K, Kellogg’s breakfast cereal, the plain flavour is the anchor version. The wide range of flavour extensions, such as Red Berries, Peach & Apricot and Strawberry & Chocolate can be positioned against this original version. They can focus on emphasising specific attributes and benefits, rather than communicating the whole product concept. So, as a consumer, we would say ‘Oh, it’s Special K with a bit of added flavour’.

Budweiser the brand has Budweiser the product as its anchor. It’s not called Bud Original or Bud Classic. Just Bud. This original version has been around since 1879 and the pack identity has stayed consistent over this time. It stars in ongoing product-quality communication, selling the benefits of fresh beer. Satellite extensions, or ‘planets’, like Bud Light can then orbit around this ‘sun’ and draw on its authentic imagery.

The anchor version often declines as new variants are launched, but the ‘original’ or ‘classic’ versions remain an important source of credibility on which the extensions can rely (Table 1.1). Anchor versions are often the ‘star product’ when a brand wants to communicate a brand message, rather than a product-specific one. The traditional red and white of Classic Coke and iconic glass ‘contour’ bottle are featured in the brand’s advertising and sponsorship of major sporting events, such as the soccer World Cup. This is Coke’s strategy despite the fact that, in many markets, Diet



Figure 1.3: Anchor product and core extensions for Coke.

Table 1.1: Anchor versions

Masterbrand	Core Product	Anchor Version	Other Versions
Bacardi	Rum	Carta Blanca	Limon, Bacardi 8 (aged)
Special K	Cereal	Plain	Strawberry & Chocolate, Red Berries
Marlboro	Cigarettes	Red top	Light, Medium, Ultra Light
Smirnoff	Vodka	Red	Black
Dove	Soap bar	Original blue	Sensitive, Refreshing green

Coke/Coke Light is actually bigger in sales than Classic Coke (Figure 1.3).

Some brands don't have a single anchor version. This is the case when brands are built on the idea of offering variety and choice. An example is the Clairol Herbal Essences shampoo range, which has different versions for different hair types. In this case, there isn't a clearly identified anchor version.



## Key takeouts

1. Most strong brands have at their heart a strong core product.
2. The core can be defined based on the source of profit and the source of authority.
3. The anchor version is the simplest, purest incarnation of the core product, against which other core extensions can be positioned.



## Checklist 1. Defining the core

	Yes	No
• Have you defined your core, based on source of authority and source of profit?	<input type="checkbox"/>	<input type="checkbox"/>
• Are the team and senior management aligned such that this core will be the focus of your efforts to 'SMS' (sell more stuff)?	<input type="checkbox"/>	<input type="checkbox"/>
• Within this core range, are you clear about the anchor version (sun) against which you can position future extensions (planets)?	<input type="checkbox"/>	<input type="checkbox"/>



## Handover

*You have now seen how to define the core of your brand based on the source of authority and source of profit and learnt about the key role played by the anchor version. In the next chapter you will discover the risks of forgetting the core and over-relying on brand stretching for growth.*

