

How brand owners can increase market share

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HOW BRAND OWNERS CAN CREATE GROWTH

'System Products' pave the way for sustained growth and real competitive advantage

The company behind the development of the Dulux Paint Pod believes that what it describes as 'System Products' provides major opportunities for Brand owners to create sustained growth.

For example, Dulux understood that while consumers liked the end result of a freshly painted room, there was resistance to painting as a process: it was perceived as difficult, messy and time consuming. But Dulux recognised that this resistance represented a significant opportunity and consumers could be tempted to 'come back to paint.'

This is where the system came in. Technology development consultancy, Cambridge Design Partnership (CDP) created a completely new painting process that linked Dulux paint to a unique delivery unit called Paint Pod.

Paint Pod enhances the painting process in ways that cannot be achieved by just improving the paint itself. The innovative system address key customer needs by increasing the speed of application, reducing mess and even cleaning the roller for you!

The result is a new user experience that differs completely from traditional painting. Summarised by the product strap line 'Painting just got easier'.

Its all about meeting customer needs better than ever before to stimulate category growth by attracting new customers to the brand, increasing usage and increasing basket spend. System durables have recently appeared in sectors including personal care, apparel and beverages, but CDP believe that many more sectors have untapped opportunities.

The general price convergence between durables and consumables has blurred traditional distinctions in customer's minds. Electronics based durables are now cheaper to manufacture than ever before. For example DVD players that cost hundreds of pounds a few years ago can now be purchased for almost the price of a DVD. In addition the increasing capabilities and sophistication of Far Eastern manufacturers makes creating system products a more accessible and cost effective option than ever before. The step change in product performance that is possible by integrating durables with consumables represents a major opportunity for innovation in the FMCG sector.

So, rather than an expensive re launch or a new advertising campaign, launching System Products can provide an alternative approach to create growth and increase margins by tapping into latent consumer demand.

For the Brand owner, successful systems can re-define their market by raising the bar of consumer

expectations, creating an unassailable competitive position and making life much more difficult for own brands. Experience shows that these launches create interest and excitement around the Brand and crucially bring in new customers. Dulux, for example can now make claims that no other paint manufacturer can make.

Challenges do exist for FMCG companies wishing to develop durables. While Brands are experts in their own products durables often require different development skills, partners, supply chain and timescales.

CDP's experience is that with careful management and the right team, creating innovative System Products can create category growth with a high return on investment.

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