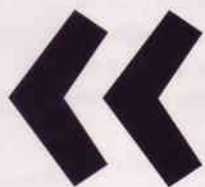


# opposites

What do you do when consumers want something you *don't* have?



# attract



Give it to them.



PHOTOS COURTESY OF BMW

## A BMW ISN'T FOR EVERYBODY.

And not just because it's out of reach for some pocketbooks. To some, the car is a symbol of status, which is exactly why they wouldn't go anywhere near it.

BMW's marketers know all that, although they don't say so in so many words, of course. But they describe the Beemer as a "polarizing" brand: It has its passionate devotees on the one hand, and on the other, people who feel just as passionately that "it's a fine car—just not for me."

By Constantine von Hoffman

Usually the gap between people who love a brand and those who loathe it is exploited by a brand's competitors. Target, for instance, succeeded in the big-box retail business by using design and attitude as a way to differentiate itself from Sam Walton's stores.

In some cases, however, companies are unwilling to cede a particular segment to the competition. Call it the "anti-brand"—brands that lie at the opposite end of their respective parent brands in terms of audience, price, style or other criteria. BMW adopted the Mini. Delta Air Lines spawned Song. Starwood Hotels created W. Each is built around separate staffs, even separate locations, to give them enough space to grow on their own. Done right, the anti-brand gives a company entry into an arena it never could have imagined filling without diluting the legacy brand. Done poorly, however, it can drag down both brands.

By maximizing the power of the anti-brand, BMW is taking the road less traveled: selling the Mini as "a car for people who never would have considered a BMW," says Jim McDowell, formerly the VP of marketing at BMW and now the vice president of Mini USA. "The psychographic of the Mini owner is very different from the BMW owner," says McDowell. "They are extremely optimistic, happy people. There's a little child in every one of them." In fact, everything about Mini drivers defies BMW's seekers of the "ultimate driving machine." The Mini is little, cute and quirky. And the people who buy it like to be able to apply at least one of those adjectives to themselves.

"Mini is an anti-BMW," says Michael Dunn, president and CEO of Prophet, a branding consultancy. "It's very idiosyncratic. It really speaks to a whole creative aesthetic. It's for people who view their life as a canvas."

And other companies are following suit with their own anti-brand strategies. Starwood and Delta, for instance, have tapped into that not-for-us group with W and Song, respectively. Unlike Mini's executives, the people at Song are cautious to articulate the differences between Song and Delta. Instead, Song's Marketing VP

Tim Mapes talks about how his airline is different from "all" big U.S. air carriers. He says the concept behind Song was a breath of fresh air to a category seen by most customers as very rigid and a bit stale.

That's one benefit of introducing a new brand: Companies can build into their corporate DNA an emphasis on a consistent customer approach, rather than try to retrofit it onto a preexisting organization. Mini, for example, realized that the customers it was after weren't going to respond well to standard high-pressure auto sales tactics; it needed salespeople who focused more on connecting with the customer and less on closing the deal. "Many of our salespeople have never worked in the auto industry before, but we wanted them because they are very good at building connections with people," McDowell says. "We needed a different kind of people selling cars."

Creating an anti-brand typically means creating a separate organization—or as separate an organization as can be managed. W, for instance, is headquartered in a different city, Song in a different building, and Mini is at, well, the opposite end of the building that houses BMW Group's U.S. operations. You need physical separation from the parent organization so you don't wind up copying it. To create a different culture and brand identity, it is important that the two organizations be as structurally unique as possible. Otherwise, familiarity might not breed contempt but, perhaps, similarity. And, if there's one thing an anti-brand can't abide, it's being the same. If the anti-brand starts feeling the same as the parent brand then it has no reason to exist.

In order for Song to succeed, says Mapes, it was essential not to think like an airline. "We go after customers less as an airline and more as a lifestyle brand," says Mapes. "What we're after is more about an attitude and a feeling."

To capture this attitude, Song turned to "Kerry Schwarz Russo"—a persona created to get Song's marketers to see its customers more as people and less as a demographic. Russo represents Song's target audience, says Mapes, "a woman who is at least 35,

The concept behind **Delta's Song** was a breath of fresh air to a category seen by most customers as rigid and a bit stale.



PHOTOS COURTESY OF SONG

with a household income above \$150,000. She's married with two or three kids and is likely to live in towns around Boston or New York City." By making her a Ms. and not a Mr., he says, Song was also targeting a very different passenger than the rest of the traditional industry—and even Delta—has gone after.

"They saw in JetBlue, for instance, a model of how to penetrate a market and to grow a market with a different brand," says James Ray, vice president of the travel and hospitality practice at Inforte, a customer intelligence and branding consultancy.

Not wanting to compete with—or follow in the tracks of—its parent, which declared bankruptcy in September, Song looked for the routes Delta wasn't on. It also sought the locations that would have the most appeal to Russo and her ilk: vacation destinations like Florida, Las Vegas and the Caribbean. Then it added attributes that the company's fictional flier would look for in what she buys: sophisticated, sensible, stylish.

Everything that touches Song's customers is carefully styled—from cabin interiors to the attendants' uniforms (created by fashionista Kate Spade). But it was essential that style not drive up the ticket price. That, says Mapes, "is why I think Target is so relevant to Song. What we adopted from them was the idea that style and design don't necessarily have to cost more."

Price was an important issue, but not because customers couldn't afford to pay. Simply put, airfare isn't where they want to spend their money. "They want a low fare on an airline because they'd rather put the money into something where they place a greater emotional connection," says Mapes. "Like an upgrade to a suite at the hotel or a jet ski for the kids or an extra spa appointment."



Everything that touches Song's customers is carefully styled—from cabin interiors to attendants' uniforms created by fashionista Kate Spade.



# Sibling Rivalry

Or the danger of being your own opposition

**CREATING A BRAND** in high contrast to your existing brand is not without risks. Drawing attention to your strengths can also highlight the parent's weaknesses—something the financially imperiled Delta is very skittish about. That is almost certainly why Song Marketing VP Tim Mapes never compares or contrasts his brand with Delta.

"In our zest to create a separate and distinct brand, we kind of out-punted our coverage," says Mapes. "We haven't done as good a job as we needed to to make sure Song's success feels like Delta's success."

Song got so much new and flashy equipment and uniforms that it caused a real sense of "the haves versus the have-nots among frontline employees," he says. That's changing as Delta has started to upgrade its equipment and amenities. Concerns linger though, as some employees still wonder why, when Delta is in such rough financial shape, it's spending so much on this new brand.

"We're constantly trying to get people to see that the enemy isn't within the halls of Delta," says Mapes. "The enemy isn't a member of Song or Delta's management team. It's a member of the management team or a frontline person at any other competing airline." —C.V.H.

## CUSTOM IS KING

It's hard for an automaker, an airline or a hotel to make its product unique to each customer. But that's an essential part of being an anti-brand.

"Mass customization is an overused term," says Mapes. But he admits that it's essentially what the company is looking to provide. "We want to figure out how we can make 199 seats enable 199 different experiences," he says. To do so, the air carrier offers amenities not found on other airlines: from organic meals to martinis served in real martini glasses. And individual video monitors offer a selection of movies, TV networks and video games.

Customization was perhaps easier for the makers of the Mini because the product line is more readily modified. Potential Mini owners can choose from much more than the paint color and trim packages most car buyers are offered. Buyers take their pick: all-over color or contrasting colors for the roof and mirrors, and stripes or graphics. The company also offers patterns and flags for the car's roof. And that's just the outside. The average Mini purchase includes \$4,983 worth of options and accessories—nearly twice the overall industry average of \$2,622, according to auto industry research firm Edmunds.com.

The issue of price raises an important distinction between anti-brands and discount brands. Simply launching a cheaper version of the original doesn't bring in new customers, some argue; it

# The people attracted to anti-brands typically prefer companies to use a low-key approach, and so that's what Mini, Song and W do.

just gets customers you already have to spend less. Although both Song and Mini sell less-expensive product than their parent companies do (the most expensive Mini starts at under \$26,000—\$6,000 less than the least expensive BMW), they have avoided becoming discount brands because of their emphasis on design. Song and Mini are aimed at customers who could easily afford Delta and BMW but choose not to. “Many Mini drivers could easily spend a lot more on their car,” McDowell points out.

That may be an important difference between Delta and BMW's anti-brands and W Hotels. While the chain (Ross Klein, W's president, would prefer you call it “a collection”) of 20 hotels owned by industry behemoth Starwood can be described as funky, it is definitely not inexpensive. The rate at the W in downtown Chicago in August—when the city is no one's idea of a travel destination—starts at \$300 a night, compared with \$240 for the city's Westin and \$180 for the Sheraton there, two other hotel “collections” owned by Starwood. But W is not considered Starwood's classic luxury brand. That honor is held by St. Regis hotels, which goes after a more traditional definition of luxury—complete with Chippendale furniture, Blue Willow china and white gloves. Instead, W is branded as luxury for people who don't want to be mistaken for their grandparents.

Started in 1998, W was conceived to be a hotel “without the tra-

ditional limits that were emotionally and physically put on the hotel product,” says Klein. So each W hotel is designed and decorated by au courant artists and architects not to look like any other hotel in the collection. Not knowing what you are going to get visually at each hotel is part of the attraction and the customization. That's a stark contrast to the Westin or Sheraton or even St. Regis, where basically, if you've seen one, you've seen them all. W wants “each guest to have a ‘semicustomized’ experience based on what his expectation of W is, rather than having a generic stay based on what the product definition is,” says Klein. Think of W as premium cool. But not too cool.

Klein knows “cool” is a good thing when attached to design or art, but not so good when attached to relationships. That's why W's brand ID for advertising is “The warmth of cool.” Says Klein, “We don't want you to feel that everything is designed except comfort,” he says. As with Mini and Song, W carefully walks the line between being “not for everybody” yet still inclusive.

## DIFFERENT STROKES

When 7Up decided to stop being “the cola,” it was because the soda maker realized it was more important for the brand to be *for* something instead of against it. So it is with all three of these brands. W, Song and Mini are *for* people who value a certain type of design

## By the Numbers

**BECAUSE MINI, SONG AND W** are relatively new, no one yet knows how well these anti-brand strategies will play in the long run. Some of the early returns are promising, though. For the first half of 2005, W had a 17.7 percent revenue growth in hotel-related revenue compared with the same period in 2004. It also has experienced a year-over-year increase of 16 percent in room revenue per available room. That beats the industry average of 11 percent for other luxury chain hotels, according to industry watcher

Smith Travel Research. And, in the truest indicator of success, it now has an imitator. Hotel giant InterContinental has launched its own version of W, called Indigo.

Mini's launch in 2002 was successful, and in 2003 the company increased sales to 36,000 cars in the United States. That number stayed essentially the same in 2004. But in the first half of 2005, aided in no small part by gas prices, the company had already sold more than 25,000 cars—exceeding the total number of cars it sold in *all* of 2002.



The numbers and prospects for Song are considerably murkier. The numbers are a huge unknown because Delta is in bankruptcy and has never broken out separate financials

for its subsidiary. That Song's prospects are still up in the air probably has less to do with the brand model and more to do with the health of its parent.

—C.V.H.

PHOTO COURTESY OF BMW



and fashion. "Very much like the Mini, W says something about you," notes Klein, who was previously senior vice president of corporate marketing for Ralph Lauren. "W has become a lifestyle identifier," he says. "If you say you're going to W for drinks, it's different from saying you're going to the pub." All three brands are status symbols, despite what Mini buyers may think. It's just that the status is different.

The people who are attracted to anti-brands typically prefer companies to use a low-key approach, and that's what W, Mini and Song do. Their customers consider themselves beyond the ordinary. The idea with all three marketing strategies is to get potential customers intrigued by the brand, not tell them what their reaction should be. "I don't think a lot of people had a dream that someday they would own a Mini," says McDowell. "This is a car that people didn't know they would love until they saw it."

As a result, all three companies see their best marketing medium not as billboards or TV spots but the product itself. All put a premium on making sure a customer's experience is polished and consistent up front—whether it's getting your Mini serviced or your linens changed. All operate under the theory that if they can get you in the door, the product will take care of the rest. Try us, they say, and we're confident you'll tell three friends, and they'll tell three friends. And so on. And so on.

That is the way that opposites attract. ❁

Senior Writer Constantine von Hoffman can be reached at [cvonhoffman@cxo.com](mailto:cvonhoffman@cxo.com).



Starwood's collection of W Hotels is by no means inexpensive, but it's considered funky—definitely not your grandparents' idea of a luxury hotel.

PHOTOS COURTESY OF W HOTELS