



ARE YOU A CHALLENGER BRAND?

HOW TO TELL IF YOUR BRAND
IS READY TO TAKE ON THE MARKET!

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Web Ad.vantage, Inc.
321 North Union Avenue
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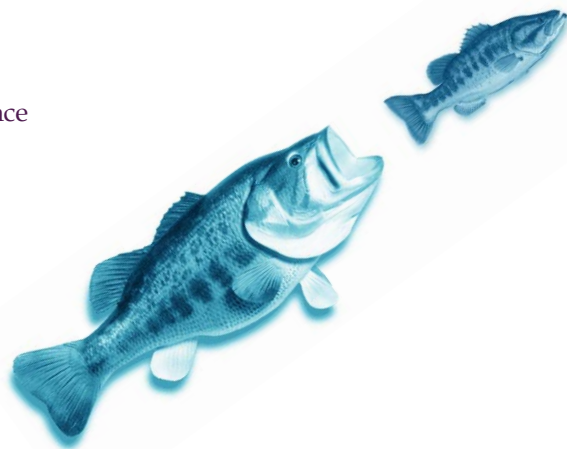
www.webadvantage.net
sales@webadvantage.net

Phone: (410) 942-488
Fax: (410) 942-0487

HOW TO TELL IF YOU'RE A CHALLENGER BRAND

Do any of these characteristics fit you or your organization?

- ☐ Aggressive/Determined
- ☐ Possessed with Intensity/Confidence
- ☐ Maverick/Risk-Takers/Bold
- ☐ Intrusive & Unapologetic
- ☐ Self-Aware
- ☐ Thought Leader
- ☐ In a Hurry
- ☐ Evokes Emotions
- ☐ Narrow, Single-Minded Focus
- ☐ Keen to Fund Marketing and Public Relations Efforts to Move Your Brand Ahead



If you've checked off at least 50 percent of this list, chances are you are or work for a Challenger Brand. Never heard of the term? That's OK. Challenger Brands *feel* and know in their gut they are or need to be different in their approach to market. If this feels and sounds like you, read on to learn more about what makes Challenger Brands different and their guiding philosophies.

DESCRIBING THE CHALLENGER BRAND MENTALITY

1. Challenger Brands share these attributes:
 - a. State of market - not the #1 brand and not a niche player
 - b. State of mind - they have ambitions *that exceed their conventional marketing resources*
 - c. Rate of success - they ARE succeeding, not merely ambitious or arrogant
2. Challenger Brands understand that the market leader is already top of mind, because he owns the largest share of the market, and inertia isn't just going to keep him in first place, it will help grow his share of the market.
3. Challenger Brands understand that they can't outspend the leader. The best chance they have to gain share is **by being the mindshare leader**.
 - a. Challenger Brands win mindshare by focusing on thought leadership.

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THE EIGHT CREDOS OF SUCCESSFUL CHALLENGER BRANDS

What marketing characteristics do the great Challenger Brands and companies of the past 15 years share? They can be distilled into eight credos:

1) Intelligent Naivety

Challenger Brands intentionally divorce themselves from their assumptions about the category in which they compete, because they understand that it is imperative to find a new criterion for defining value in the category.

Challenger Brands pick their focus carefully:

- They may challenge (reject) some fundamental dimension or driver of the category
- They may challenge (reject) some aspect of the way the consumer shops for, experiences, or consumes their product
- They may challenge (reject) the culture surrounding their category
- They may challenge (reject) some broader aspect of contemporary culture
- They may challenge (reject) some dimension or quality of the Market Leader, and make him out to be a monster

2) Lighthouse Identity

Like a lighthouse on a foggy shore, Challengers *develop a very clear sense of who or what they are as a brand/business and why...* and then project that identity **so intensely** that the consumer notices them (and where they stand) even if they aren't looking.

Lighthouse brands have a very particular world view. They proudly tell consumers where they stand, in strong emotional terms. And they build their identity on a product- or brand-truth that is inarguable.

Challenger Brands know that you can't break through in a mature category by being more convenient or trustworthy, but by offering the consumer an emotional reward or relationship the leader cannot match.

Challenger Brands over-engineer their products, offering the consumer dramatically superior performance on some dimension chosen by the Challenger.

A Lighthouse Identity defines not only the brand, but also what business the brand is really in.

3) Thought Leadership

There are two Brand Leaders in every category: the Market Leader (the brand with the biggest share and the biggest distribution) and the Thought Leader (the brand that everyone is talking



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about, that has the highest "sensed momentum" in the consumer's mind). Challenger Brands skew to the Thought Leader side.

Thought Leaders challenge one of the conventions that surround their category:

| Convention Category | What It Means |
|----------------------------|--|
| Representation | How you portray yourself. |
| Medium | Where consumers come across you. |
| Product Performance | What your product actually does. |
| Product/Service Experience | What you offer beyond talk or technical performance. |
| Neighborhood & Network | The company you keep (that makes you strong). |
| Relationship | Breaking the plane. |

Thought Leaders must break these conventions by getting us to look at the category in a fresh way. They must "educate" consumers (or stimulate them to reeducate themselves) to think that there is a whole new criterion for choice in the market other than the ones the Market Leader has been teaching them for years.

Challenger Brands form strategic alliances that provide leverage, authority, distribution, or a source of content creation that helps realize the brand's potential or its core purpose.

4) Symbols of Re-Evaluation

Challenger Brands are in a hurry! Successful Challengers act swiftly and powerfully *to puncture the consumer's autopilot and create reappraisal of themselves and their category.* To do so, **they create bold, impactful acts or marketing ideas** that capture the indifferent consumer's imagination and bring about a rapid re-evaluation of their image and their role in the consumer's life.

Challenger Brands surprise-attack the one dominant complacency or habit that is at the core of a marketplace's beliefs. They use Symbols of Re-evaluation – dramatic acts, often involving startling juxtapositions that prompt consumers to sit up and rethink some of their assumptions about the category, the brand, and how they are thinking and behaving in relation to both. By juxtaposing unexpected pairs, **they demand** that consumers reevaluate the position of the Challenger and the Leader.

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5) Sacrifice

Challengers make sacrifices. They stand out because **they are single-minded.** They sacrifice all secondary and tertiary targets in favor of their one strategy. These actions or behaviors will probably leave other groups cold.

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6) Overcommit

Challenger Brands overcommit, because they have to. Their decision to sacrifice makes success in their one chosen area imperative. *Challenger Brands think about barriers and actively remove them before they occur.*

7) Communications, Publicity, and Social Culture

Challenger Brands leverage communication, bold advertising, and publicity to appeal to consumers' broader social needs: to interact healthily with their peer groups, in ways that make them happy social animals.

Challengers enjoy strong folklore – either at an iconic level through the brand's advertising and marketing, making it a reference point in popular culture, or through ground-level word of mouth. People share brand ideas or brand news usually because they find themselves in one of five situations regarding a brand (all of which a Challenger Brand would welcome):

1. Bragging rights, being on the pulse: They have the sense that they have discovered something valuable, something that makes them feel, and seem to their peers, slightly ahead of the pack.
2. Product enthusiasm: They have come across an aspect of product performance about a brand that is startlingly impressive.
3. Aspirational identification. They have found a brand with a strong identity and ethos (perhaps through its authenticity or because it aligns itself to certain social issues, for instance), which they admire or would like to be identified with.
4. News value. They have come across a piece of marketing activity that has surprised, strongly entertained, or shocked them sufficiently to prompt conversation with their peer group.
5. Creative fingerprint. They have found or made something that is of valuable enough social currency to be passed on, the value of this clearly being enhanced by adding to it their own creative fingerprint.

Social salience allows a Challenger Brand to punch above its media weight. Challenger Brands adopt a binary approach because:

- It simplifies choice
- It raises awareness that there is, in fact, a choice to be made, rather than unthinkingly continuing to do the same thing
- It allows them to redefine the criteria for choice
- It helps sharply define their own virtues (by contrast to the binary opponent)
- They may be able to lure their competitors into a response – in which case, the competitor is spending marketing dollars talking about the Challenger's brand
- They may be able to raise interest in the category as a whole (cola wars).



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Challenging the Establishment brand seems to work best when:

- It is clever and/or witty, rather than simply rude
- It communicates a positive value about the Challenger rather than merely negatively knocking the competition Leader
- It has substance behind it
- It is on the consumer's side (the consumer wins if the Challenger wins)
- It creates conversation and sets the agenda.

8) Become Idea-Centered, Not Consumer-Centered

Challengers maintain momentum because it returns sales and revenues (actual momentum) and because it gives the consumer the perception that the Challenger is making a run in the category (perceived momentum).

Challenger Brands can never afford to be static. Instead, they seek very ambitious marketing ideas that will provoke and stimulate the consumer's imagination.

While Brand Leaders offer the consumer a sense of belonging, being a part of a community, *Challengers offer the ability to individualize, to be a part of something different, perhaps ahead of the curve.*

| Challenger Brands renew their lines by... | | |
|---|--|--|
| Continually offering new ideas | Inventing new facets or embodiments of the brand | Creating fresh ways of thinking about the brand's identity |

1. (Source: *Eating the Big Fish*, Adam Morgan, 2009)

What Next?

If after reading this white paper you feel pretty sure you're a Challenger Brand, don't you want to work with an experienced digital agency that really gets you, that can work with you as a strategic partner to help you take on the market and your competition, and that also walks in your shoes? If that's you, pick up the phone and call Hollis Thomases, founder and president of Web Ad.vantage: 410-942-0488 (email works too: hollis@webadvantage.net). You won't be sorry.

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