

THE EVOLUTION OF THE CHALLENGER BRAND

09 November 2016 – AANA presents the latest episode of Marketing Dividends featuring Adam Morgan, founder of international strategic brand consultancy, eatbigfish, who discusses the evolution of challenger brands and changing behaviour to adapt to today's market.

Morgan penned the book, *Eating The Big Fish*, in 1999, to examine how brand challengers take on brand leaders, and cause market disruption by challenging conventions.

“The book was written ahead of the digital revolution so the world has changed. It is now much easier for a challenger to find and engage with its customers. People are also realising that as a business, being a challenger is about what you're challenging, not who. In 1999 it was Adidas versus Nike, or Virgin versus British Airways. Now, it's Airbnb challenging the conventions of a hospitality business or Spotify challenging ownership of music and finding we don't need to own music to enjoy it.

“If you'd have asked clients in 1999 who they wanted to be they would've said, 'I want to be the Virgin of this category,' meaning, 'I want the image disruption that Virgin brings.' If you ask clients now, they say, 'I want to be the Uber of this category,' meaning they want the product disruption that Uber brings. That's the new code – understanding that you have to change to stay the same,” Morgan said.

Morgan moves on to discuss how limitations can become opportunities, or what he calls “a beautiful constraint.” He references how Virgin America launched in the US against Southwest Airlines, with a limited budget, by turning the interior of an aircraft into a Victoria Secret catwalk.

“They wanted to put glamour back into the sky. They had mood lighting in the cabin that makes people feel cool. But because they didn't have the marketing budget to show it, they needed somebody else to take pictures of it and show it, so they put a fashion show in the middle of the cabin that made the media want to show pictures. This is a great example of taking what should have been a limitation and turning it into something that made them even cooler, because they're being creative.”

Morgan touches on the concept of working to constraints to maximise outcomes, regardless of the size of the business. “You need a high degree of motivation that makes you want to do it and that creates the persistence and tenacity. You have to get others to believe that it's possible by surrounding them with examples of other people that are doing it. And you have to create just enough process and just enough strategy to get them from A to B.

“Look at Google. Coming from an engineering background, they understand the importance of constraints, so put very small teams together for very short amounts of time because they believe that those constraints make things better. It's not about big or small - it goes back to being a challenger, it's about the mindset,” Morgan said.

This episode was jointly hosted by James Hier, CEO MEC and James Daggar-Nickson, Business Editor and Business Channel Manager SKY NEWS BUSINESS. The full episode, in addition to previous episodes, is available on AANA's YouTube Channel.

-- ENDS --

Media contact: Res Publica, Gabriel McDowell
E: gmcowell@respublica.com.au | M: +61 417 260 918 | T: +61 2 8297 1515

About the AANA: For over 85 years the AANA has represented Australia's largest and well-known brands across FMCG, automotive, banking, finance and insurance, travel, health and beauty, media and communications. The AANA works to protect the interests of these businesses who contribute to an estimated advertising spend of more than \$14 billion a year. On behalf of our members the AANA's mandate is to maintain and evolve the advertising codes which underpin the system of self-regulation in Australia; and safeguarding the rights of its members to commercial free speech and protecting consumers by ensuring advertising and marketing communications are conducted responsibly.