



## Consumers Don't Necessarily Want More Choice

By *Al Ries*

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Last week I went to my local supermarket for Pillsbury's Best all-purpose flour, a brand I have been buying for years.

No luck. The store had Pillsbury's Best bread flour, whole wheat flour, self-rising flour and unbleached all-purpose flour. They just didn't have the original Pillsbury's Best all-purpose flour.

So I bought Gold Medal all-purpose flour instead.

The week before I went to the same supermarket for Minute Maid lemonade, not exactly an exotic drink.

No luck. The store had Minute Maid berry punch, citrus punch, fruit punch, tropical punch, limeade, ice tea and pink lemonade. They just didn't have the original Minute Maid lemonade.

What's the similarity between Pillsbury's Best all-purpose flour and Minute Maid lemonade? They're both the most popular items in the two categories.

The rampant proliferation of flavor variations has a downside. Because each variation tends to have its own facing on a supermarket shelf, the first variation to go "out of stock" is inevitably the most popular one. Which annoys the largest number of consumers.

Few people are going to notice if Minute Maid citrus punch is out of stock, but many people are going to notice if Minute Maid lemonade is out of stock.

Too many marketing people have read Chris Anderson's book "The Long Tail" and are applying his theory to consumer package goods. But I maintain that there's a big difference between an internet store, which can have an almost unlimited selection, and a retail store, which needs to be focused on only the most popular items.

If a book store tried to stock everything that Amazon.com stocks, it would have one copy each of a million books that few people want to buy and no copies each of the thousands of popular books that everybody wants to buy.

Not a big problem, you might be thinking? Look at some of the statistics:

- Tostitos now comes in 11 different flavors, including the latest, Tostitos with lime. Not to mention the six flavors of Tostitos salsa.
- Wheat Thins now come in 11 different flavors including such weirdoes as Parmesan Basil.
- Gatorade now comes in 23 different flavors and varieties.
- Grey Poupon now comes in seven different varieties including Harvest Coarse Ground.
- Airborne now comes in nine different varieties including Pink Grapefruit.

- Edge shaving gel now comes in 13 different varieties, some of which have exceedingly long names like Edge Active Care Shave Gel Natural Cool, with Eucalyptus.
- V8 now comes in nine different flavors, including V-Fusion (three flavors), which is a mixture of vegetable and fruit juice, and Splash which is all fruit juice. I should also mention that Campbell has just introduced V8 soup in five flavors.
- Goldfish crackers now come in 16 different flavors, including odd combinations such as "Pretzel Goldfish" and "Blazin' Buffalo Wing Flavor Blasted Goldfish." Those are just the flavors, of course. Goldfish crackers also come in bags, boxes, cartons, multipacks and 100-calorie pouches.
- Five years ago, a typical Coca-Cola bottler handled 200 SKUs. Today that same bottler has more than 530 SKUs. And is facing the addition of more than 65 new SKUs a year.

Consumers are getting confused. A number of research studies have shown that the more choices a consumer has, the more likely that consumer will be unhappy with the choice he or she does make. (The only people who are getting excited about the proliferation of product flavors and variations are the vice presidents in charge of slotting fees.)

Kellogg now has 50 types of breakfast cereal, yet the consumption of breakfast cereal has been declining. Actually there's a correlation between the two. When business is declining, companies tend to respond by introducing new flavors.

Take the beer business. Despite a raft of new brands and new flavors (Bud Light Lime, for example), the per-capita consumption of beer has been declining.

Coca-Cola now comes in 14 different flavors, but in the last few years the per-capita consumption of cola has been slowly declining.

A declining category means that consumers are leaving the market. Some consumers who used to drink cola are now drinking water and other beverages. How can "more choice" bring them back to cola? What Coca-Cola needs to do is promote "cola," not choice.

An innovative new product gets turned into a megabrand in a series of stages that can take decades.

**Stage 1:** A company introduces a new brand that pioneers a new category. The brand stands for something specific and becomes red hot. Gatorade in sports drinks. V8 in vegetable juice. Red Bull in energy drinks.

**Stage 2:** No category can keep expanding forever. At some point, sales level off, so companies figure they need to do something to accelerate their growth, so they introduce line extensions. Gatorade energy bars, V8 Splash, Red Bull cola.

**Stage 3:** After awhile, the numerous line extensions have undermined what the brand stands for. So the company decides to turn the extensions into brands and the brand into a "megabrand."

Kellogg is in the process of turning a cereal brand, Special K, into a megabrand with Special K snack bites, waffles, protein bars and protein waters.

Procter & Gamble took Oil of Olay and extended the brand into moisturizers, cleansers and cosmetics, eventually changing the name to Olay and turning it into a megabrand.

And following the Olay pattern, P&G is also in the process of turning Gillette into a megabrand with razors, blades, pre-shave, post-shave, deodorants, face-and-body wash and hair-care products, all marketed under the Gillette megabrand name.

This is a massive program. There are six Gillette shampoos and 12 Gillette deodorants, for example. (I can't see myself using anything called "Gillette" under my armpits. To cut hair maybe, but not to deodorize.)

But then again, the whole idea of a megabrand is to strip the brand name of any actual meaning and turn it into a Paris Hilton. Famous for being famous.

Will it work? Maybe. Marketing is never one-sided. Winners are usually those companies whose strategies are better than the strategies of their competitors.

Whom does Olay compete with? L'Oréal, Maybelline, Revlon, CoverGirl. In other words, other megabrands. P&G has been winning, in my opinion, not because of a better branding strategy, but because of a better product strategy. P&G's research-and-development people have been turning out a large number of significant product improvements, such as "Regenerist eye derma-pod," a new anti-aging treatment for the eyes.

What megabranders should worry about is the potential threat of narrowly focused competitors.

Look at what Steve Jobs did when he took over Apple. At the time, Apple marketed some 40 different products, from inkjet printers to the Newton handheld.

On the computer side of Apple's business, there were four major lines (Quadras, Power Macs, Performas and PowerBooks) each with a dozen different models, a typical megabrand product lineup.

Jobs cut the product line down to four machines: two laptops and two desktops. Later he told BusinessWeek, "Everything just got simpler. That's been one of my mantras -- focus and simplicity."

Over the past few years, Apple has doubled its share of the computer market.

Walk down the coffee aisle in any supermarket and notice the profusion of brands and flavors. Folgers alone has 29 different varieties.

Then there's Illycaffè, the makers of the Illy brand, which has become the world's largest-selling espresso. Unlike any other coffee company in the world, Illycaffè makes only one espresso blend (and a decaf version of the same blend).

The company imports 100% Arabica beans from 13 different countries around the world. The company's coffee experts in Trieste, Italy, then decide how much of each coffee type should be blended into the final Illy product.

A brand with a message will always outsell a meaningless megabrand.

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