

instincts

Instincts is a monthly publication on branding for clients, associates and friends.

Leading and inspiring all those who touch the enterprise
to understand, embrace and enhance the power of your brand.

Guaranteed to fail?

Inspired by a recent Facts and Arguments column in The Globe and Mail.



Guest writer Mickey Vallee recounted the story of his mounting obsession to own an Apple iPod and his subsequent shopping experience when he finally gave in and went to buy it. As his story goes, following the initial selection and upon stepping up to the sales counter, he was offered the option to purchase, the now infamous 'Extended Warranty' - which he declined. The sales pitch to buy the warranty became more and more desperate as the clerk ultimately explained that the Apple iPod "is the most serviced product in the world". "Oh", says Mickey, "maybe then I will just wait until they are more affordable and reliable". And with that he walked out empty handed.

Once on the sidewalk he admitted to himself that he didn't really believe the iPod would break, but took offense to a business guaranteeing the self-destruction of the products they sell, and then having the nerve to pin the responsibility on the consumer!

What would brand coach suggest?

Undifferentiated retailers who squeeze their own margins in hot product categories to attract buyers have themselves been attracted to the rich supplemental profits in the world of extended warranties and the like. Beat down the advertised price and ratchet up the fear of failure (at the very moment of buyer self-satisfaction) and pump the profitable extras - how many shoe trees and cans of water proofing spray do you have in your shoe cupboard?

Warranties were first envisioned as the final convincing argument for the sale of an expensive product remember the famous Chrysler 5-year or 50,000 mile warranty? Warranties would communicate that the manufacturer had confidence in their product's durability and that they would be responsible if it didn't hold up. Today, contemporary electronics are reliable to the point that if there is not a failure in the first few months of use (which in the case of iPod, Apple would cover), the product is probably good for its entire popular life.

Manufacturers would be wise to select their selling agents carefully, screening all the messages that surround their retail selling process. In this story, Mickey not only didn't buy the iPod, but as a dissatisfied potential customer he went on to tell the entire readership of the Globe and Mail.

Today, product and service brands owe their success to early users singing their praises. In our connected world, their futures could be undone with viral rumors which emerge after a disappointing retail experience.