

If **irrelevance** got us into this fix,
then **relevance** can get us out of it.

Crisis of Relevance

An epidemic of irrelevance has brought once-powerful brands to their knees. That's the very first line of my new book. But when I wrote it, about 18 months ago, it was arguably a bit over the top.

If anyone had challenged me on it, I probably would have backed off a little. I would have conceded that what we had on our hands was maybe an "outbreak" of irrelevance, something short of a full-blown "epidemic."

All of that's changed now, as we face an economic crisis that even some of the most cautious observers are calling a "meltdown." The question on nearly everyone's mind is, how did things get so bad? How did we get to this point?

No single or simple answer to that question is at hand. But as marketers, we owe it to ourselves, our shoppers and, yes, our country, to take a good hard look at how we may have contributed to the sad state of our economy today.

I would begin by pointing to a single word that most marketers know and tend to use with reckless abandon. That word is *relevance*.

If I had a dollar for every time a marketer said the word "relevance" to me over the past ten years, I could probably bail out the auto industry and have enough money left over to buy what's left of Las Vegas.

The truth is that even though most marketers would agree that relevance is critical to brand success,

they would also confess that most of what happens in marketing is not relevant. It shouldn't be that way.

Without a doubt, every brand you could name had to have been relevant at some point, or you never would have heard of it. By the same token, nearly every brand you could think of has either flirted with, or succumbed to, irrelevance at some point.

Take FAO Schwarz, for example. Five years ago it was in Chapter 11 bankruptcy. FAO got there by attempting to compete with Wal-Mart on price and merchandise mix.

But FAO reasserted its relevance by returning to its heritage of high-quality (but not necessarily high-cost) toys that spark the imagination, combined with a stellar shopping experience. As a result, FAO is back, and poised for sustainable, long-term growth.

The FAO Schwarz example is worth thinking about as we watch big brands like Starbucks, Circuit City and General Motors struggle. It's also worth noting that the troubles facing these brands pre-date today's economic catastrophes.

Well before the stock market crashed, Starbucks built stores where nobody wanted them, Circuit City fired its best employees, and General Motors designed exactly the wrong kind of cars. All three lost sight of what made them relevant in the first place.

All three are also very strong brands that probably will find their way back on track before it's too late. Far be it from me to prescribe what any of them should do, other than to think long and hard about where they fit into the lives of real people, in

the real world. Obviously, that's something every brand should do, but it means reassessing some of our assumptions.

MAKING A DIFFERENCE

For one thing, it means disabusing ourselves of the idea that we marketers are in the fashion business. Yes, there is much we can learn from the fashion industry. But that is not the same thing as changing out our images on a regular basis in a desperate attempt to appear to be trendy.

It's all but impossible to remember who you are when your entire focus is on trying to be something you really aren't. Wal-Mart fell into that trap a couple of years ago when it attempted to go upscale. Target is now falling into the same trap by trying to re-position itself as more high-value than high style.

Even the mighty Microsoft fell prey to "fashionista" tendencies with its Seinfeld/Gates video vignettes. At best, this was an attempt to be as hip as Apple. At worst, Microsoft was trying to burnish an image tarnished by the apparently disappointing Vista operating system.

Either way, it was a misguided attempt to generate 15 minutes of buzz, and it was irrelevant. The real challenge isn't generating a little bit of buzz. It's figuring out how to help solve people's problems and, ultimately, live happier lives. That's not about making buzz. It's about making a difference.

Staples makes a difference by eliminating extraneous products from its shelves and providing better customer service. IKEA makes a difference by offering solutions to home furnishing problems. Dunkin' Donuts makes a difference by serving up a workaday pink-and-orange cup of joe.

Perhaps you noticed that all three examples are retailers, and this is no coincidence. I would make two points about that. First, retail represents perhaps the greatest untapped opportunity for relevance because people go to the store looking for solutions.

Second, retail represents perhaps the greatest threat to brand relevance because retailers are taking greater ownership of the consumer relationship than ever before. This issue is no longer limited to the tactical realm of private label brands; it extends to every facet of the shopping experience.

We also need to think differently about what we mean by "innovation." To many marketers, innovation is an exciting but also very big and scary word. While

much magic and mystery swirls around innovation, it's really just a fancy word for problem solving. Innovation is creativity that actually works.

Kleenex innovated its way to relevance by adding germ-killers to its tissues. Hasbro innovated its way to relevance by creating shorter versions of its board games. Levi's innovated its way to relevance by coming up with wardrobe solutions for men.

There's nothing terribly earth shattering about any of these innovations—except that they solved problems and created relevance where it had gone missing.

PEOPLE ARE PEOPLE

Finally, we ought to stop thinking about our customers mostly in terms of demographic profiles, which is really a vestige of the old mass-media model. Demographics still have some utility, but clearly they are no substitute for understanding people as people.

Costco's Paul Latham told me that even though he has lots of data about his customers, he doesn't use it very much. "The bulk of what we do for our members is done pretty much across the board," he said, adding, "To a large degree we rely on our intuition."

Similarly, Leslie Kilgore of Netflix told me that her brand's appeal was based less on demographics than it was on creating a better movie-going experience. When I asked Jim Adams whether Chipotle Mexican Grill targeted particular demographic groups he replied, "Yes—people who eat."

The real issue is that too much emphasis on demographics can be a limiting factor. It can shrink your frame of relevance among a larger group of people.

So, no easy answers, but plenty of ways out of this fine mess we've created for ourselves. No cut-and-dried prescriptions or clear-cut pathways, but plenty to think about and problems to solve.

This is a painful moment for marketers, no doubt about it. But it is also a moment when those of us who live up to all our chatter about being relevant will flourish. ■



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