

Article

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Shifting the Appeal

A key business question—how to maximize the potential value of our offerings? An effective strategy in some industries is to change the appeal of the product or service, from a functional appeal to an emotional appeal.

A classic example is Starbucks. While the functional attributes of the product may be good (great coffees), the environment is a big factor in generating their customer enthusiasm. Starbucks has created places for people to congregate and socialize. Their offering is based on generating feelings and human relationships. Peppers and Rogers, in their book—Enterprise One-to-One, discuss how Barista Brava, an up and coming Starbucks competitor, focuses on remembering customers and their preferences. Orders are placed on sight and made ready as regular customers approach. This serves to heighten customer intimacy and strengthen the emotional appeal of the franchise.

Big box bookstores have in a sense “piled on”, with their strategy of offering the emotional appeal of branded coffee shops within their store design, and in some cases creating bistros. Customers not only go to purchase books, but go expecting an “experience”.

The benefits of changing the appeal from functional to emotional include the ability to improve margins, and to offer a broader range of products and services. If you are in an industry, which competes primarily on function and price, it is important to remember that: no matter how much work you put into quality, you cannot prevent your competitor from making the same level of effort to improve their quality. Therefore, it may be time for strategic changes; including breaking out into new markets, by shifting from a functional to an emotional appeal.

