

GENERIC BRANDS

MAKE OTHERS GERIATRIC

Converging forces. Increasing acceptance, indeed preference for house-brands and generic products, services and apps are symptoms and consequences of tectonic shifts in marketplace dynamics. It's a phenomenon which transcends categories, sectors and regions.

Projecting, protecting and deflecting brand names are becoming increasingly important, and difficult to both achieve and sustain.

Repeated exposure to non-branded or house-brand alternatives, with lower prices, satisfying quality and reassuring value is desensitising consumers and clients to the implied and perceived innate advantages, benefits and reassurances of recognised, respected and traditionally preferred brand names.

The progressive devaluation of long-established brand names is being accelerated and compounded by the increasing use of online channels and forums, like Amazon Marketplace and eBay.

Consumers are inclined to go online and nominate product/service types and categories. Requests for information about, and the sources of, say, coffee are received by, collated, analysed and segmented by algorithms. This form of artificial intelligence may be unfamiliar with the number "43" or not recognise and associate "George Clooney" with the product, category or implied brands.

Put simply, algorithms do not recognise, respond to or understand many verbal nuances. Therefore, brand selection is determined by factors and influences well beyond the control and input of the individual and brand name owners, and numerical weightings can, and do, determine, and therefore nominate channel-owner, (read: Amazon, eBay, Facebook, Twitter, etc) generic and house-brands.

Branding's visual, verbal and special cues, which impact on and influence

consumer perceptions, preferences and selection are typically neutered in social media. So anti-social!

Advocates for artificial intelligence will rightly argue that the arithmetic formula applied by algorithms produce rational and statistically validated decisions and outcomes. That belies the reality that most buying decisions are heavily accented to emotions, perceptions and subjective determinants.

For the algorithms, it's a black or white issue. Consumers may recognise that their lifestyles, preferences and consumption take place in a world of "grey". Brand owners and managers will quickly find themselves in purgatory. The need to be, and the lure of being present online is understandable. Attendant costs and loss of control are often difficult to quantify.

EVIDENCE-BASED REALITY

A recent significant Australia-wide study by a global finance entity concluded that house-brand products in supermarkets were growing in both volume (up to 4 times that of established independent brands) and market-share.

Cost-of-living expenses, increasing utility costs and stagnant incomes were identified to be key influencing variables in this situation. On balance, that represented only part of the story. The migration of window-shopping to online channels and the presence of its virtual assistants, Siri, Alexa, Nina and Bixby were not considered.

At Easter time, in Christian-based communities, Cadbury's purple Easter eggs have an inextricable integrated

presence in the minds of children, parents and chocoholics at large.

"The Battle for the Mind", a concept so strikingly and articulately expressed by marketing leaders, Jack Trout and Al Ries back in 1969, has been largely marginalised by mindless artificial intelligence, algorithms and the like.

WHERE'S THE VALUE?

These patterns transcend categories, nations and regions. Economic headwinds are suppressing the sale of new motor vehicles around the world. Preferences for specific brands and models remain.

However, a seismic shift is being witnessed in the servicing and maintenance of vehicles. Generic and house-brands, or non-original equipment manufacturer parts are being accepted by increasing numbers and percentages of consumers.

Similar circumstances are evident in sectors, like earth-moving equipment. Brand names Caterpillar, Komatsu and Hyundai dominate. Notwithstanding that dominance, acceptance of "un-branded" parts is increasing at a rate.

BRANDED ANSWER

In an emerging and surgent sea of house-brand products, the value and integrity of recognised, trusted, respected and preferred brands stand apart and proud in a cluttered, commoditised marketplace.

Several recent case studies highlight the point. The desires, and directions of manufacturers, distributors and wholesalers of certain high-profile pet

