



MOMENTUM LIFESTYLE BRANDS

... going beyond experiences

Whitepaper #12



Creating compelling appeal and singular differentiation is the power behind those few, select brands that really break through and connect. Much is made of those products and services that have elevated themselves beyond their own shelf-space to become full-fledged “experiences.” As Pine and Gilmore note in *The Experience Economy*, “recognizing experiences as a distinct economic offering provides the key to future economic growth.”

But – is there something beyond experiences?

We think: yes. The next dimension seems to be lifestyle brands ... imaginative, futures-oriented brands that have risen to embody and embrace aspects of one’s values, culture, priorities, and motivations. These are brands like iPod, NASCAR, IKEA, Oprah, eBay, BMW, REI, and Virgin ... among others. While many claim ‘lifestyle brand’ status, few – in our estimation – truly gain the critical mass and lifestyle momentum that enable them to think, act, and own beyond competition.

Three that do are: Target Stores, MTV, and Harley-Davidson. These are brands with both mass and velocity – the latter defined as both speed and well-defined direction: “speed” in terms of thought, analytics, ideation, and implementation; “direction” in new ways to celebrate the lifestyle, socialize it, and embody it in design and fashion.

Owning Customers Beyond Competition

Most importantly, ambitious lifestyle brands understand and exploit the physics of momentum. Here: Newton’s laws of motion – a body at rest stays at rest, a body in motion persists in motion and moves in a straight line unless outside forces act upon it. The strategy of gaining and growing momentum is key to defying (... or partially disobeying) the gravitational realities of competition, pricing pressures, and marketplace noise.

Momentum lifestyle brands are both innovative and artful – always seeking to create new, iconic elements ... examples include MTV’s recently unveiled Logo channel for Gay America, their *think MTV* social initiative, Target’s sleek redesign of

pharmacy bottles, their *Global Bazaar* late-winter programming, and Harley-Davidson’s H.O.G. – Harley Owner’s Group with almost 900,000 members.

The Soul of a Lifestyle Brand

Well beyond products, services, and marketing, lifestyle brands have soul. Here they demonstrate an appeal and passion that is equally *aspirational* (... I want to be), *intimate* (... I feel like that), and *charismatic* (... it draws me in). Beyond a purchase or an impression, they influence and arouse devotion. Taken together, they’ve got attitude.

Target’s *Red Hot Shop* merchandises the latest, must-have teen fashions from Naked Paint skin products ... to designer sleep masks ... to cosmic flowered iPod cases. Here, the brand creates aspiration and demonstrates its soul via design, personality, and attitude.

Likewise, consumers may embrace a lifestyle brand as their proxy. Example: Target’s *Wish List* where (younger) consumers identify merchandise they can’t live without ... and send their list off to beloved friends and family. Impending sales not withstanding, this would also seem to be a direct marketer’s ideal triangulation.

In many ways, lifestyle brands serve as “actualizers” – touching deeper needs, individuality, and community. Think of it as the confluence of DIY and reality TV. They help us celebrate, they provide opportunity to trade-up, they expedite our time-starved lifestyles, and they represent a way of life.



... Compelling Brand that Embodies Values, Culture, and Motivations

MTV excels as the voice of irreverent generations. Now 24 years old and with 90+ global channels (80% of audience outside the U.S.), MTV reflects and influences the culture, news, music, sexual awareness, values, and communications habits of 18 to 35 year olds from Berlin to Boston to Bangkok. They define and redefine ... challenge and explore. And much like Target (... from a merchandise perspective) or Harley-Davidson (... from a road-rebel outlook), MTV demonstrates a point of view.

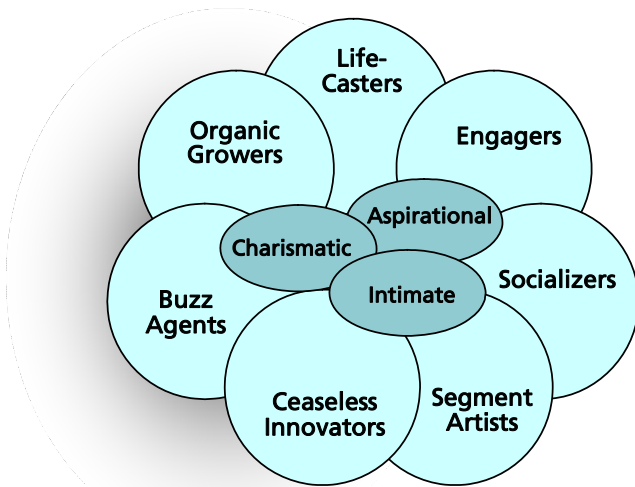


MTV – Defining and Re-Defining, Challenging, and Exploring

Seven Dimensions of Lifestyle Brands

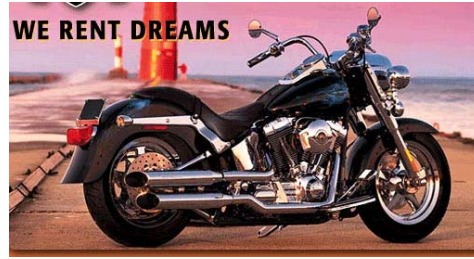
I'm cautious to suggest that there's a programmatic formula to becoming a lifestyle brand. However, watching and understanding them suggests several noteworthy paradigms. The most important is that of "being a lifecaster."

Seven Dimensions of Lifestyle Brands



© The AMICUS Group

While the ambition of most brands is share of market, wallet, or worth – lifestyle brands focus on an ever-expanding relationship. For example, **Harley-Davidson** grew beyond selling motorcycles to becoming a gathering spot, a retail store, an organizer of tours, a riding school, and an incentive to purchase the latest models (forty-two percent of Harley sales are to existing Harley-Davidson owners).



MTV long shed its music video roots and exploited self-promotion to produce movies, hit TV programming,

create teen personalities, and ultimately produce the highest-rated global entertainment award shows. Target became the hip design source for key segments – teens, newlyweds, growing families, and (new target) Hispanics.

Call them lifestyle amoebas ... the brand becomes interchangeable with the lifestyle – setting trends and becoming community.

An important area of focus for **Target Stores** is "baby." Their P2004 store prototype, their merchandise selection, their Baby Registry, and their online resources have all been greatly expanded to make "baby" more visible.



Not only does Target's *Baby World* seek to become the one-stop shop (... both for higher-margin products and disposable items), but this segment represents a key acquisition demographic for initiating a lifetime relationship with the brand. "Content" and "soul" are equally important. Target's dedicated baby website addresses a wide range of new-parent issues ... from setting up the nursery, to traveling while pregnant, to feeding your newborn, to bathing and clothing. Designers such as Amy Coe and organizations like Lamaze® International provide background lifestyle information.

Engagers – Lifestyle brands very often function as enablers ... focusing on self-actualization and self-fulfillment. They are brands that empower their customers. Lifestyle brands excel at reaching out and engaging new (and re-engaging loyal) market segments. Acquisition, for great lifestyle brands, is much more than sending out a trial promotional offer.

Harley-Davidson has intentionally created features to bring new people into their brand. At Harley, 25% of sales are to first-time motorcycle owners or those who haven't owned one in the past 5 years.

Rider's Edge is Harley's academy of motorcycling teaching novice, skilled, and group riding – both in classroom and open road. With a slogan, "life starts at the edge," Rider's Edge clearly seeks to engage non-traditionalists and experienced seekers. The brand also franchises *Rent A Harley* to engage new bikers in key vacation and destination markets.

MTV likewise casts its lifestyle net into emerging geographies, technologies, and communities. Broadcast across 700+ college campuses, *mtvU* engages students where they hang-out – from residence halls to student centers. Well beyond music videos, *mtvU* is the voice of student life ... from social causes and activism (e.g.: Darfur, tsunami relief) to fashion and sexuality. VJs crisscross U.S. campuses – meeting and empowering students in a form of grass-roots brand-building.

Socializers – Lifestyle brands not only use the “interactivity” to engage target segments, but equally to create a sense of participation, belonging, and community. Lifestyle brands are social brands – and here they excel.

Founded in 1903, being a Harley owner is akin to joining a club of like-minded, loud-exhaust-loving bike enthusiasts. Offering significant customization, the brand nurtures individuality within a common social framework. Their tagline: “not everyone rides a Harley” prompts both exclusivity as well as pride. This camaraderie and socialization is given form through the *Harley Owners Group (H.O.G.)* – a series of local-area Harley-sponsored clubs with scheduled events, tours, and special programming.



... Fostering Socialization and a Sense of Belonging

H.O.G. is one way the brand “organizes the passion” for almost 1 million members and provides additional services including Harley-Davidson insurance, travel planning, bike shipping, and roadside assistance, as well as famed national and international bike rallies.

Similarly to foster socialization and social consciousness, MTV recently introduced *think MTV* – an initiative to inform and empower their youth audience to take action on issues including education, discrimination, sexual health, the environment, and global concerns. As MTV notes, it is a “new way to connect young people with the world around them in a variety of ways.”



Two Key Words for Lifestyle Brands ... “Want” and “My”

Segment Artists – These lifestyle brands constantly sub-segment and refine their targeting – all to better own distinctive affinities and consumer attributes.

Target Stores seeks to own teens (girls = stylish fashions, cosmetics; boys = electronics, movies, games), college students (clothes, electronics, dorm ware),

young marrieds (everything), homemakers (design items, outdoor, consumables, pharmacy). Here it’s not just about merchandise, but also about creating distinctive store destinations, supporting online content, as well as target segment imagery and call to action.

MTV, with channels in over 165 countries, recently launched *Logo* – their new cable channel devoted to gay America. Featuring original TV programming, first run movies, and documentaries, *Logo*’s cross-generational programming seeks not only to entertain (e.g.: *Ruthie and Connie* – the story of two Jewish grandmothers, *Giddy-up!* – the gay rodeo circuit), but also address issues from gay parenting to off-the-beaten-path travel.



MTV’s lifestyle niche targeting goes further ... with *MTV Desi*, for young South Asian Americans and *MTV Chi*, for second-generation Chinese Americans. Here the lifestyle global blending bridges between MTV’s well-polished American youth culture and those essential ingredients and traditions of their cultural homelands.

While 90% of **Harley** riders are men, this brand continues to reach out to women. This is occurring through store re-design, their academy of motorcycling, and group rides (... billed as “fun for the whole family”). Likewise, their new *Spirit of Freedom* awards seeks to recognize “every-day women who overcome fears, obstacles, and boundaries to achieve lifelong dreams.”

Ceaseless Innovators – Lifestyle brands are all about creating newness, originality, and “today’s designs.” Whether it is the vast new customization options for **Harley** ... Mossimo, Mizrahi, Michael Graves, Todd Oldham, or Liz Lange for **Target Stores** ... or new broadcast and community technologies at **MTV** – lifestyle brands seek to innovate, redefine, extend, and project an ever-evolving offering. They don’t sit on a proven formula until it wears out.

MTV Networks’ new “mobile entertainment community” – called *Flux* – is a prime example. To be launched initially in Japan, Flux extends MTV’s brand ubiquity by delivering music videos, cartoons, MTV shows, and more to subscribers on mobile phones and computers.

Target Stores’ savvy new *Clear Rx* pharmacy initiative demonstrates this brand’s passion for innovation. Gone are the common, amber-colored pill bottles. In its place is a sleek new, blood-red container that sits on its top. With a storyline “that their meds are safer to take,” these new designer pill bottles feature color-coded rings (... one for each member of your family). The flat surfaces enable easy-to-read instructions, as well as a tucked-groove card with additional information.



Target Stores – Innovating Pill Dispensary

Buzz Agents – Owning a lifestyle segment’s pulse requires that these brands be powerful and quick-footed buzz agents. Whether it be Target’s consolidation of new store openings and store re-merchandising to 3 specific time periods a year ... or MTV’s production of award shows and leading edge programming (aka: *Pimp My Ride* – cable’s breakout hit) ... it is all about being noticed and building new momentum.

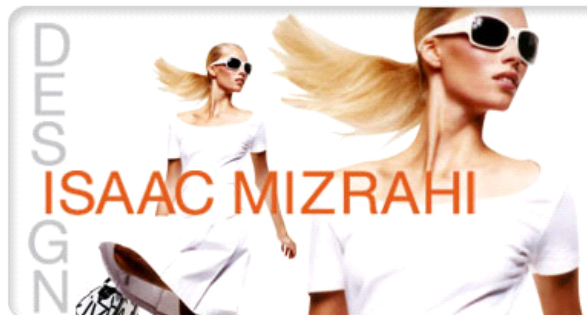
Here it’s about moving quickly, taking risks, having great accountability, and celebrating innovation and creativity. Most organizations create great lethargy through functional silos ... and a penchant for optimizing last-penny ROI from existing investments – plus a complete lack of well-defined lifestyle targeting.

Yet, today it is all about “who represents me?” ... and “who visualizes my ambitions, desires, and sense of community?”

Organic Growers – Not to confuse lifestyle brands with altruistic ones, these businesses constantly focus on acquiring new customers, growing brand-use frequency, and driving higher margin sales.

Isaac Mizrahi.

Exclusive styles make it easy for a woman to look fabulous.



Whether through the Baby Registry, higher-margin Isaac Mizrahi throw pillows, or a greater depth of consumables at **Target** ... or customizable chopper options, Harley boots, jewelry, or insurance at **Harley-Davidson** – the economics of selling more and “representing more” (... from a lifestyle perspective) seems to be core to all facets of the brand’s programming, communications, and merchandising.

A prime example of all this is Target’s *Global Bazaar*. Historically, the brand has lacked strong January and February programming for their seasonal real estate (... this is the floor section that features summer furniture and gardening, back-to-school in the late Summer, and Christmas/Holiday in mid Fall). For 6-weeks in January and February of 2005, Target sourced and merchandized a breadth of imported products from distinctive regions of the world. Featuring Asia, India, Tuscany, Latin America, and Africa ... Global Bazaar helped raise Target’s Q1-05 sales a greater-than-expected 13% (Wal-Mart’s grew 9.5%).

In summary, these lifestyle brands are both incredibly authentic as well as great disrupters. They have a great vision into the future ... and a passion for leading us there. In that sense, they’re very charismatic and always innovative.



— *Richard W. Gonzalez*
rick.gonzalez@amicusBD.com
901.755.5734

The Amicus team develops critical branding, marketing, product design, and customer care solutions for world-leading service and leisure-time organizations. We pursue a collaborative process that leverages internal resources and knowledge to create buy-in, drive speed-to-market, and ensure strategic sustainability.

For additional thoughts and AmicusBD whitepapers visit www.amicusBD.com.