CHAPTER 3

Vintage Marketing Differentiation Categories and Groupings

Many of the most successful vintage companies were perceptive of their environment, took advantage of trends, and made the most of timing to become the first, or dominant, company to utilize a new marketing strategy category. Some were ***fast followers***, implementing innovative tactics when the timing was most appropriate. Fast followers are defined as a competitor who tracks the trends and developments in a market to learn from the experiences of the first-to-market and enters at the start of the rapid growth phase, oftentimes enjoying lower costs and making fewer mistakes as a result. These fast followers were perceptive enough to time innovative offerings or strategies to coincide with the strongest demand and most advantageous market potential. They understood, at least intuitively, that creating an effective marketing mix is both an art and a science. Knowing how to blend marketing strategies required keen perception of the environment and trends of the time. Perceiving and understanding how, why, and when a product offering might be impacted by changes in the economy, technology, communications, transportation, society, government regulations, regional migrations, competition, local employment, and a plethora of other nuanced impact factors was and remains essential.

As critical as perceiving and understanding what the implications of these situational impact factors were, and are, knowing how and when to act in response to them remains even more important. Creating just the right marketing mix at just the right time was one key to long-term (100-year) market domination by these vintage giants.

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After careful study of the origins of these powerful brands and companies, their early marketing campaigns and the identification of dominant and secondary innovative strategies and tactics, 16 distinct differentiating marketing categories were identified. These companies or entrepreneurs were the first or one of the earliest to create or successfully employ a new strategy to differentiate their brand.

The 16 categories are cross referenced in Table 3.1 with the brands or companies that utilized them. A large X in the table's grid indicates that a particular category was targeted as a dominant marketing strategy and was a major contributor to the brand or company's overall success. An asterisk (*) signifies that the strategy was also part of their marketing mix, but was not a clearly dominant strategy.

Why, when, and how a vintage company or brand implemented one or more of the 16 strategies, from saturation advertising through door-to-door, was often situationally driven. Some company or product brands started with just one differentiation strategy; others combined strategy categories simultaneously or progressively. As the table displays, every company that created or dominated a strategy category eventually or simultaneously combined or added a mix of additional strategies or tactics from other categories to gain even broader market share and financial success. For example, in 1869 **Watkins** was the first company to offer a money-back guarantee (#11); they were early implementers of the door-to-door sales system (#16), offered trials (#10), encouraged WOM (#9), and created unique promotions (#2). They also used less-dominant strategies of implementing saturation advertising (#1), developing innovative packaging (#3), using trade cards and visuals (#4), offering consumer education (#5), and focusing on affordability (#13).

A few of the 16 strategy categories overlap, such as packaging (#3) as a promotional tool (**Coca-Cola**) or packaging as a way to reduce price (**Gillette**), and even the package creating the product value (**Cow Brand, Morton, Planters**). Samples, trials, and coupons (#10), and loyalty programs (#12) also overlap, depending upon whether they were used primarily for promotion to encourage *initial* purchase (**Coca-Cola**; **Wrigley**), or as an incentive for continued customer *retention* and satisfaction (**Larkin**; **A&P**).

Successful vintage marketing differentiation was not due to marketing strategies alone. Successful entrepreneurs, product marketers, and company leaders knew that not paying attention to the "voice of the market" could ruin a company. Getting the right blend or mix of differenti-

Table 3.1 Marketing differentiation strategy categories

	PRODUCT	PROMOTION									PRICE				PLACE		
	New or	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Brand	Modified Innovation	**Saturation Adv.**	**Unique Promo**	**Pkg. Innov.**	**Trade Cards**	**Edu**	**Endorse.**	**Logos & TM**	**Slogans & Jingle**	**WOM**	**Samples, Trials**	**Money Back**	**Loyalty Programs**	**Focused Afford.**	**Self-Serve**	**Mail Order**	**Door Door**
A&P Tea Co		X	X		*		*	*	*		*	*	X	X	X	X	*
Aunt Jemima	New	*	X		*	*		X	X		*		*	*	*		
Avon system						*			X	X	*			*		*	X
Ball's Corsets	Modified				*		*		*		*	X					
Bass Pale Ale	New			*				X	*								
Buster Brown		*	X	*	*		X	X	X								
Coca-Cola	Modified	X		X	X			*	X		X				*		
Cow Brand/A&H	Modified			X	*	X			*						*		
Dr. Pepper	New	*		*		*	X	*	X								
Fuller Brush	Modified		*			*	*	*	*	X	*	*		*		*	X
Gillette	New	*	*	*	*	*	*	X	*		X	*	*	*	*		
H.J. Heinz		X	X	*	*	X		X	X		*	*			*		
Horn & Hardart				*	*				*					X	X		
Hoyt's German		*	*	*	*		*	*	*		X	*		X		X	
Larkin					*			*	*	X	*	*	X	*		*	*
Michelin	New	*	*		*	X	*	*	X								
Morton	Modified	*		X	X			X	X			*			*		
Mrs. Potts	Modified			X	*				*					*			
Pepsi	Modified	*	*	X			*	*	X		*			X	*		
Piggly Wiggly	New					*		*	*					*	X		
Planters		*	*	X		*		X	X		*		*	*	*		
Prudential	Modified								X	X				*			X
Quaker Oats	Modified	X	X	X	*	X	*	X	X		*	*	*		*		
Rawleigh, W.T.			*			*		*	*	X	*		*	*		*	X
Reddy Kilowatt					*			X	*								
Sears		*	*	*		*	*	*	*	*		*		X		X	*
Singer	Modified	*	*		*	*		*	*					X			
Smith Brothers	New		*	X	*			X	X						*		
Watkins			X	*	*	*		*	*	X	X	X		*			X
Wrigley	Modified	X	X		*			X	X		X		X				

Note: The Product category column is not one of the 16 strategies. It references whether an innovation began with a product-based design innovation of either a new (New), or significant modification to an existing product (Modified). **X** Indicates Dominant Strategy; * indicates Strategy used but not dominant ated marketing tactics and strategies and timing branding campaigns (even though they were not labeled as such a century ago) were noteworthy success indicators of a product offering and hence its company's or brand's success.

The vintage marketing and branding differentiation strategies invented and utilized between 1846 and 1946 are organized into three groupings—related to promotion, price, and place—with the acknowledgment that some of the successes first began with an initial new or modified product innovation, as the first category column in Table 3.1 points out. These 16 strategies shaped the fundamental marketing and branding campaigns that companies have used over the past century, and still use today.

Promotion Grouping

During the 100-year span from 1846–1946, the general focus by most companies was on manufacturing a product in quantities necessary to satisfy the ever-growing US customer base. During the time known as the Production Era (1870–1930)[1] many companies were successful just inventing, manufacturing, and supplying products to satisfy increasing customer demand. Emphasis on product quality followed. There was no real need to market or advertise; generally just an announcement to the retailer was sufficient. Prior to the development of wider distribution channels, most production output was sold locally and more of the focus of a company's sales activity was based on non-directed WOM. As distribution channels expanded, a need arose to better explain the value of a product directly to the consumer, both to create product awareness and to maintain or increase customer retention. Wider distribution also often meant greater competition. Companies began advertising to both the retailer (who would push demand) and the consumer (pull demand). Companies used combinations of saturation advertising, unique promotion, packaging innovation, trade cards and visuals, education, endorsements, logos and trademarks, slogans and jingles, and WOM to build and maintain strong brand identities. Companies that invested in promotion experienced tremendous growth. Brief descriptions of nine game-changing promotion strategies follows:

1. Saturation Advertising
   Most companies use some degree of advertising and promotion to create awareness of their product offerings. The saturation advertis-

ing category represents companies that implemented a strategy of substantial and consistent advertising, across various mediums and media. In saturation advertising, the general strategy is to flood the market with advertising above standard levels, either by frequency, reach, or medium, to create a broad awareness of the company or product brand. This saturated advertising made some brands so recognizable (**Morton** salt, **Heinz** ketchup, **Planters** peanuts) that the brand became a household name. This saturation is not just about absolute dollar amounts, although many of these dominant early companies spent more-than-average sums on advertising, and often were the first to create, implement, or take advantage of new advertising media, mediums, and technology.

2. Unique Promotion
   A dramatic event or promotion can "cut through the noise," in order to get the buying public's attention. Unique promotions were distinctive, they produced dramatic impacts, they forged positive associations with the brand, and fostered tremendous WOM, which generated dramatic sales and helped shape the identity of the brand.
3. Packaging Innovations
   Packaging as either the distinct primary packaging to contain a product, like the now iconic Coke bottle, or using variations in packaging to provide a benefit, such as convenience, were both successfully used by vintage brands to differentiate their offerings. In addition to using primary packaging to protect a product, unique secondary packaging began to be used to communicate particular messages. Innovative companies recognized the value of using packaging distinctiveness as part of their advertising and promotion campaigns to illustrate value and benefit to their customers. One early promotion technique involving the use of packaging took something which was traditionally sold in a bulk form (such as **Morton** Salt) and packaged it into individualized smaller serving sizes that became convenient vehicles for promoting marketing differentiation. Trademarks and brand logos often originally created for these individualized packages could later be heavily promoted via various medium.
4. Trade Cards and Visuals
   The Trade Cards and visuals strategy category is comprised of marketing items and displays that visibly differentiate one company's product from another. The use of a brand logo, color, or unique

visual advertisement would cause the brand to stand out and be noticed. With the late 1860s introduction of chromolithography, which was a full-color print making process of adding colors to an image layer by layer, color advertisements could be printed on trade cards. This print-making process enabled large quantities of an image to be produced quickly and cost efficiently. Color made it possible to not just print words to describe the benefits of a product, but to create an emotional definition of what the company, or their product brands, represented. These hard card stock prints were highly prized collectables then, and remain so now, holding their color vibrancy and hue even after more than a century.

5. Educating the Consumer
   If something is very new, different, or innovative, education becomes a necessary part of creating customer awareness and increasing product trial. The use of promotional activities to educate consumers played a large role in many vintage companies and products. Nothing is more visually authentic than conducting a demonstration that shows the benefits of the product in action, as was successfully used via product demos at fairs, retailers, and by door-to-door sales companies. Cookbooks, guides, and labels with instructions, recipes, or helpful facts were also powerful vehicles used to communicate product value. **Michelin** almost single-handedly educated an entire country about the emerging industry of tourism.
6. Endorsements
   One way for a company to gain notice in the market is to have a celebrity, or a person with public visibility, authority, or authenticity, or even a fictional character (mascot), become associated with a product offering. The endorsement selections that vintage companies or brands made reflected the desired quality, or symbolized a particular local or regional trait that they wanted to be associated with their brand.
7. Logos and Trademarks
   A trademark can be a word, descriptive phrase or slogan, design, or symbol that uniquely identifies a company or product. Trademarking protects the reputation of a company by legally restricting others from copying or using a company's identification. Brand names, slogans, and logos can all become trademarks, and over time a trademark can accrue immense economic value and increase a company's

brand equity. A logo identifies a company or brand via a distinctive graphic design, unique symbol, or stylized name, in order to quickly communicate a positioning message to a consumer. Early logos were not always trademarked, but those that were generated increased brand equity. This vintage era saw the emergence of many iconic images such as the **Coca-Cola** bottle and the **Morton Salt** girl that have lasted to this day.

8. Slogans and Jingles
   Slogans and jingles are ways for a company or brand to complement the visual representation of a logo or brand image, and can be thought of as a type of "sound brand"—a way to add a bit of personality to the brand. They generally describe a significant feature or benefit, highlight a point of differentiation, and help establish a particular message and target market position. A slogan is a memorable motto or phrase used as a repetitive expression of an idea or purpose. It can be a catchy phrase, a poem, or even a short song, thus sometimes slogans evolve into jingles. A jingle is usually longer than a slogan and it is set to music. The tune or song contains one or more "hooks" or meanings that explicitly promote the product or service being advertised. Jingles were and still are often used in radio, television, and video commercials. In many cases, jingles modify the lyrics of snippets of popular songs to appropriately advertise a product or service. Effective slogans and jingles that change or adapt over time to better align with market demands contribute to increasing brand equity.
9. Encouraging Word-of-Mouth (WOM)
   WOM advertising or promotion essentially means relying on satisfied customers and possibly distribution channel partners to extol the benefits of a product, a service, or an experience to their family, friends, and acquaintances. As a form of creating awareness, the WOM tactic is generally free, and it eliminates or diminishes the need for formal advertising. WOM is considered a strong form of advertising, since it requires the person who is speaking about the brand to put their own reputation at risk; it can also be risky if customers experience (and talk about) a negative experience with a company or brand. Companies which utilize the door-to-door sales and direct-to-consumer distribution channel deliberately foster WOM promotion.

Price Grouping

While companies can set the price for their product offerings, the motivations and combined actions of buyers and sellers establish the true market price a customer eventually pays. Consumers react to the prices set by manufacturers and distributors, in relation to the value they believe they will receive. New products generally carry high risk for both consumers and manufacturers of a new product or service. Consumers are not sure about investing in something they may not like, and inventors run the risk of producing products they struggle to sell at prices and in quantities that are not immediately profitable. Successful vintage companies and innovators recognized this customer hesitancy and created and implemented innovative pricing strategies that reduced some, and in many cases all, of the risk associated with new product purchases. Price-focused retention strategies were also used as "thank-you's" to loyal customers in the form of lower pricing, via coupons and premiums for added-value items.

This group includes four categories: (1) samples, trials, and coupons; (2) money-back guarantees; (3) loyalty programs, and (4) focusing on affordability. Brief description of the four price strategies is as follows:

10. Samples, Trials, and Coupons
    This category not only includes the free physical distribution of a small sample or trial amount of a product, but also includes trials in terms of limited time/ownership, as well as coupons which could be returned to the company or retail channel partner in order to receive a free or discounted item. Samples, trials, and coupons were generally useful in *attracting* new customers because they reduced consumer risk. Customers received an initial product for free, or in some cases, at drastically reduced prices. Employing these strategies often strengthened a company's pricing value since after the initial discount a returning customer generally valued the product enough to pay full price.
11. Money-Back Guarantee
    A money-back guarantee is a promise by a company, to their customers, that the product or service the customers are buying and using will be satisfactory, or perform in the way it was described. It reduces the risk to the customer of not being able to return something which does not meet their needs, thus it can improve sales, create trust, and enhance reputation. It can be more valuable when used along with new product introductions, or for acquiring new

customers, where product or brand reputation has not yet been established. **Watkins** introduced the first Trial-Mark bottle in 1869, which became America's first money-back guarantee.

12. Loyalty Programs
    This strategy category reflects actions taken to help *retain* existing customers. Loyalty programs are designed to increase sales from current customers. The two earliest forms of loyalty programs involved distributing premiums and collecting and submitting proof that a product was purchased. Premiums were given to customers as a "thank-you" for continuing to purchase products the company sold. Generally, a stamp of some sort was issued after purchase, and once enough stamps (or their indicated value) were collected, they could be redeemed either back at the store, through a specific stand-alone store, or via a catalog process. The range of free premium gifts many vintage companies gave away to their loyal customers was large and varied. In the case of **Larkin,** their premiums program was so successful in generating sales that Larkin themselves began manufacturing many of the items they offered as premiums. Proof-of-purchase promotions were more specifically targeted to promote single items, and involved some sort of proof that the customer bought the targeted product (sometimes within a targeted time period). By sending in product box tops or labels, or cutouts of logos, customers or retailers received monetary refunds or coupons good for free products or small promotional items.
13. Focusing on Affordability
    The category of affordability is more complex than just offering low prices. Lowering a price, which is generally difficult to sustain as a competitive advantage, is limiting. Finding innovative ways to make a product offering affordable are not as easily copied. Vintage companies that created affordable payment-purchase plans, hire-purchase plans and weekly payment plan innovations focused on affordability and enabled companies to widen their target market so more consumers could purchase their offerings.

Place Grouping

As transportation and communication technologies developed, it became possible and profitable to extend delivery areas and improve delivery methods, as well as expand the range of products available to more consumers. While mail-order and door-to-door channels extended product availability outward from retail stores, the self-service strategy expanded the cost-effective selection of products available in one location. Purchase convenience for the consumer, whether in their homes or in a retail setting, was one benefit of implementing these place-centric strategies. The cost savings inherent in these strategies were utilized by the company in the form of increased profit margins, or passed on to the consumer in the form of lower prices, which expanded market share and eventually increased overall profits. This grouping includes self-service, mail-order and catalogs, and door-to-door direct from manufacturer to consumer.

14. Self-Service
    The self-service category includes a process whereby consumers help themselves to products that have been packaged, arranged, explained, and inventoried in ways to expedite this customer freedom. Companies that successfully implemented self-service strategies generally reduced costs, in part, by eliminating the need for many or all clerks or sales personnel. Sales also increased because of an interesting side effect of the process: People who served themselves often purchased more items or larger amounts when they shopped. When this innovative distribution channel was combined with extensive advertising campaigns promoted by the stores or in combination with product brand manufacturers, sales were even stronger.
15. Mail-Order and Catalogs
    Mail-order is a way of purchasing products or services without physical face-to-face contact between the buyer and seller. The transaction can usually be made at lower prices than normal retail prices given that intermediary costs are reduced. It allows for orders to be shipped directly to a customer's home with minimal effort from the consumer. Mail-order can involve a single, or limited product line offering, or in the case of catalogs, a wide selection of items. Catalogs are a printed list of goods and/or services that an organization offers. Generally, a catalog contains products offered by one company, but sometimes, for convenience, products from various companies or vendors may be combined into a single catalog. In both mail-order and catalog situations, the prices

are generally fixed, until the next issuance of the mailed advertisement or catalog. The advancement of this strategy and the impact of fixed prices dramatically altered the relationship of retailer–customer profitability, and geographically expanded the manufacturer's customer base.

16. Door-to-Door
    Door-to-Door sales is a distribution strategy where companies bring their products directly to customers in their homes. Technology and transportation boosted the viability of this strategy, by extending the geographic range a salesman could cover. Benefits which arise from the cost and time savings of eliminating wholesalers and retailers are generally passed on to the customer in terms of lower price, which can become a competitive advantage. This shorter distribution chain also magnifies the benefits of customer feedback.

In Summary

The 16 vintage strategies that fall under the 4P categories can be studied, practiced, and used to optimize a brand's performance, in all phases of the marketing differentiation process. But it is the marketing manager's skilled use of the fifth P that can help separate an adequate marketing performance from an optimum one. As Borden noted (Chapter 2), it is the 12th "ingredient" of his marketing mix—fact finding and analysis—that impacts the "Art" of perceiving trends and challenges in the environment, and knowing when it is best to act on them. Although keen perception seems implicit in good business marketing practices, not as much attention has been given to this important component. Yet, as the upcoming vintage cases illustrate, without effective market analysis that leads to just the right marketing mix, offered at just the right time, even the most innovative strategies may have faltered.

Note

1. Jones, D. G. B., & Richardson, A. J. (2007). The myth of the marketing revolution. *Journal of Macromarketing, 27*(1): 15–24, SAGE Journals.