'Donut' Forget- Brand Values are Category Specific

Contributed by Brand Keys
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If youâ€™ve been following the McDonaldâ€™s debacle for the past year or so you canâ€™t have missed the fact that the comp woke up late to the fact that consumer values haved shifted. Away from fat/salty/fast dollar -menu foods to brands that arewere seen to offer healthier, fresher, natural, more customized food consumers arewere actually willing to pay more for.

MarketersYou have to watch theose values. They don't so much as sneak up on your brand as much as pounce. And today they move at the speed of the consumer. They get missed on traditional research radar screens. Brands that miss them, and are unprepared for those value-shifts, generally end up with the short end of the balance sheet. Just like McDonaldâ€™s.

The thing is, values arenâ€™t cross-category generalizable so yoneou canâ€™t rely on what happens to some brand outside yo category, you have to be on the watch for whatâ€™s specifically happening in your market spacecategory. Sure, â€œtrustâ€• is of every category, but what â€œtrustâ€• stands for in the pain relief category is vastly different than what â€œtrustâ€• means in t automotive category, and different still from what it stands for in the smartphone category.

National Donut Day

This all came to mind because this month we celebrated National Donut Day and National Jelly-Filled Donut Day, and a few people were surprised that in the face of value shifts to healthier food, donut sales have increasedgone up â€“ by about 7% YOY. So health notwithstanding, Americans arehave ended up eating more than half a billion of donuts annually. Those health-related value shifts had great impact in the fast and fast-casual food category, but pretty much no influence onfor donuts.

Just because theyâ€™re both foods, theyâ€™re really not the same, and values for each are vastlywill be really different. Really You donâ€™t think about a hamburger in the same way you think about a donut. Sure, â€œtasteâ€• is in there, but a really differ kind of taste. Come on! Youâ€™re never eating a donut because you think itâ€™s a healthy option. The healthiest part of the donut is the hole. Now â€œvariety,â€• thereâ€™s a value that resonates when you think about donuts. See? Category-specific. have you ever hads a fresh donut that wasnâ€™t tasty? Except a stale, maybe. But whatâ€™s tastier than a fresh donut?

SureAnd a lot of those that half billion donuts , sure a lot of them come from small bakeries, and local pastry shops and corner food carts. But the majors â€“ the Dunkinâ€™s, Tim Hortonsâ€™, Krispy Kremes, the Daylights, Winchells, and Shipleys seem to keepbe doing better and better. Which raises another issue â€“ the one about how values have massively shifted in the how-and-what Americans eat for breakfast, currently to the detriment of cereal brands, and also in the way that donuts are no longer primarily viewed as a breakfast food.

At the moment, donuts are a treat, and one thatâ€™s seen as a great value-for-dollar-for-variety treat, which has spurred category innovation, expansion and profitability; the Cronut â€“ part donut, part croissant â€“ created by the Domminique Anselâ€™s SoHo bakery, in New York City. Or Astro Doughnuts & Fried Chicken, in Washington. D.C. and their Fried Chicken Donut. Or the Los Angeles Nickle Dinerâ€™s Bacon Mable Donut. To quote a well-known donut expert, â€œMmmmmm Donuts!â€•

If you missed this monthâ€™s celebrations ((those would be National Donut Day [June 5th] and National Jelly-Filled Donut Day [June 8th], never fear. There are others where you can join in later this year: National Cream-Filled Donut Day [September 14th], Buy A Doughnut Day [October 30th], and National Doughnut Day [November 5th].

Surprised there are some many days celebrating the donut? Well, just think of them as occasions to treat yourself and celebrate being smart enough to monitor and leverage all those category-specific values that can help your brand grow and prosper. And, sticking with our theme weâ€™d remind you that brand managers who donâ€™t track and leverage their category values end up with lower earnings and share prices. And, usually a glazed expression on their face!

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