

The Red Velvet Strategy

How behavioural economics and 'being human' affects your business.

By Aki Kalliatakis

The world of business is full of metaphors, analogies and stories relating to ...

- various animals (The Dolphin Strategy and Snakes in Suits)
- military events (Defensive Marketing Strategies, Keeping your Gunpowder Dry, The Cola Wars case study)
- mountains, oceans, sports and leadership lessons from athletes and coaches
- and even nature (Explore-exploit Strategy & Lessons from Bees and Ants).

<https://www.bhg.com/>



The Red Velvet Strategy

This isn't just about getting to know your customer. It's also about understanding category conventions, behavioural scripts, customer expectations, and visual codes in order to break them. And it can turn a commodity product into a premium experience.

So here's a new one for you from the tasty culinary arts ... **The Red Velvet Strategy.**

Red velvet cake is delicate, soft, and creamy, and just so deliciously decadent. But it also has this mysterious bright red colour which contrasts so beautifully with the snow-white icing.

It turns out that red velvet cake is just good ol' chocolate cake, but it's now incredibly popular.

When I first tried it, it was rumoured that the red came from beetroots, and that fitted in nicely with the idea of including carrots in your cake. But it's only red food colouring and normal buttercream or cream cheese filling. Nothing more, nothing less. It's just a renovated cake with a new paint job.

But that is not how people perceive it. People see it as exotic, celebratory, indulgent, fluffy, tangy, and more. We use it in everyday language by saying things like "red velvet therapy," and "there's no problem that a slice of red velvet can't solve."

And that's this month's theme. Your business and your products are one of many in the grocery or retail market, and you can either make some astronomically expensive improvements to your offer and stand out, or you can change the way that your customers see what you have to offer.



I'm not suggesting that changing your product and packaging isn't viable. Who can forget Sony selling their waterproof headphones in a bottle of water? That had a huge impact.



Another example: Monteith's is a New Zealand brewery that makes traditional apple cider from natural apples, not concentrates like their rivals do. It had a unique packaging strategy to emphasise the freshness and authenticity of its product, by including a twig in each bottle to symbolise the cider's origin and freshness. For most customers this created a direct connection between the drink and the apple trees from which it was made.

But, back to changing the way customers see your business and products. In previous columns I've mentioned a few examples, such as how UBER isn't a new strategy but, by showing the progress of your taxi, they changed the way we ordered taxis on the phone – by simply taking away the uncertainty. Energy drinks are the same. They are seen as boosters to body and mind when you drink them and grow wings.



Free S&R subscription





Specialists in all retail shelving and specialised items

New Identity is a highly professional Durban-based shopfitting company, specialising in the manufacture, supply and installation of cutting-edge display products. We aim to promote your brand, products and services with innovative design and high-quality manufacturing.

NEW IDENTITY
DESIGN . CREATE



As a custom shopfitting manufacturer, New Identity offers tailored solutions that reflect the unique corporate identity of your business. We pride ourselves on our ability to develop and implement bespoke solutions to meet your specific needs.

Quality manufacturers of:

- Retail shelving
- Gondola ends
- Checkout counters
- Kiosk counters & merchandisers
- Produce units
- Display merchandisers
- Service department cabinets
- General shopfitting.



Transform your retail space with New Identity's comprehensive shopfitting solutions.

Contact us today to discuss your project and see how we can help bring your vision to life.

Tel: 031 943 3656

Email: dee@newidentity.co.za

Website: www.newidentity.co.za



NEW IDENTITY
DESIGN . CREATE

19 Hillclimb Road, Westmead, Pinetown 3610

An airfryer is just a tiny, tightly sealed oven, but it has created a tribe of dedicated fans who rave about it and share stories and recipes.

So what can you do to give a fresh coat of paint to your brand? The prerequisite is that you have to get a bit innovative, and that does require a little bit of risk.

What does your brand or business represent? What do you believe in that nobody else has taken advantage of?

www.behance.net/gallery



Years ago, a Namibian brewery came up with a tag line that no chemicals were used in their beer. The truth is that no chemicals are used in all beers, but they now occupied that positioning. There are hundreds of similar examples, from cars, to computers and devices, to cigarettes, and even to professionals like doctors and vets. What do you specialise in?

Any decent and simple basic psychological research into your customers' perceptions will help you understand why they choose you ... or your rivals. Most of it is perceptual.

And sometimes it's just because of the way you communicate your values, beliefs, and principles. If a company has a policy of using disabled or special needs people to do work, I'll choose them any time over their rivals. If they sponsor a school in need, I do the same. If they deal well with a crisis without first calling in the lawyers, they get my support.

If they are a challenger and a rebel, and fight 'the system' by doing the opposite, I'm there. The Patagonia company had a campaign that actually said to customers, "Don't buy this jacket." Why? They wanted to make a point to promote environmental sustainability. The ad highlighted the environmental impact of consumerism and urged people to buy less and buy responsibly. The counterintuitive campaign strengthened the brand's reputation as a leader in sustainable business practices ... and they sold many more jackets too.



The over-the-top 450 room Waldorf Hotel opened just prior to the Panic of 1893, a major depression caused by railroad over-expansion and a run on the gold supply. Built on the site of William Waldorf Astor's Fifth Avenue home, the hotel cost \$400 million.

Unlike other hotels at the time, its owners intended for The Waldorf to become more than a temporary residence for travelers. Instead they created a place where young New Yorkers with money went to be entertained and seen in public. By design, it allowed its rich patrons to indulge in social climbing as a spectator sport. <https://heidicohen.com/>



<https://baycolonyantiques.com>

Velvet rope strategy

This means trying to create 'loyal customers' out of an existing user base by creating exclusivity with services or product offerings. Returning customers are your biggest evangelists and contribute to a significant portion of your profits.

And in this age of AI and digital everything, there is a tremendous gain to be made from focusing on the most basic human wants for human warmth and feeling wanted. The first insurance company or bank that refuses to use chat bots and AI will get my monthly money.

ENJOY HAPPY MOMENTS WITH HENRO

Henro believes that happiness is meant to be shared and the products will help consumers create happy moments with family and friends, big or small.

What are you waiting for, grab a box of your favourite Henro cookies and start creating your Happy Moments!



wecare@biscopius.co.za

www.biscopius.co.za

(+27) 12 804 5440





www.freepik.com/



above: I said 'special needs' rather than the hurtful epithets we used to use in the old days for people with mental disabilities.

Although I still hate them for it, someone in Eskom stopped calling them 'power failures', but instead call it 'load shedding' – and now we also have 'water shedding'.

Apple are particularly good at this. They don't talk about their pixels and screens, but rather discuss a 'retina display'. Another one: video calls are 'Face Time'. And AI is 'Apple Intelligence'.

On the subject of language, you can also make complicated things seem simple. What the heck does "cloud based computing and storage" mean?

I have no idea, but one global company's advert uses this tagline: "No nightmares before Christmas ... Protect your store and your digital marketing with automatic data backups. So you don't need to do it."

If you're drooling for some cake now, by all means go and spoil yourself. But while you savour it, think about how the red velvet strategy can apply to your business too. **SR**



Aki Kalliatakis is the managing partner of The Leadership LaunchPad, a company dedicated to helping clients become more customer driven. He can be contacted at +27 (0) 83 379 3466, or via the website at www.leadershiplaunchpad.co.za

And what about the language that you use? I know that sometimes this gets a bit crazy, but it usually works. I just did it in the paragraph

SUPERMARKET & RETAILER

Business knowledge for smart retailers

Who are we?

A trusted source of retail information for over 65 years, our magazine informs and empowers retail business owners to grow whilst tackling current industry topics.

How can we help you?

We connect FMCG brands, and Equipment and Service suppliers to retail decision makers around South Africa. Elevate your brand with our wide variety of digital offerings.



Want to target real decision makers?

SCAN TO VIEW MAGAZINE



Let our team help you with a digital strategy that targets real decision makers

Contact 011 728 7006

info@supermarket.co.za

www.supermarket.co.za

Up your game.

Kia K2700 Workhorse



Movement that inspires

0% Deposit from
R 5 199 pm

Are you happy with where your business is at or are you waking up at night fixated on the idea of national expansion? If you're the national expansion kind of business owner, then the Kia K2700 Workhorse is for you. It's reliable, versatile, powerful and comes with an unlimited kilometre 5-year warranty. Put simply, it puts you a big step closer to achieving your dreams.

Interested? Visit kia.co.za for more.

Terms and conditions apply



Kia's class-leading workhorses get down to business

For South African businesses in search of reliable and efficient light commercial vehicles (LCVs), the K2500 and K2700 bakkies (the K2 Series) from Kia present a compelling case for themselves.

These two models have been designed to meet the exacting demands of retail operations and offer a range of features that set them apart in the competitive workhorse market.

Exceptional warranty and service

One of the most notable aspects of the K2 Series is the exceptional warranty and service offering. Both models are backed by a comprehensive 5-year/ Unlimited km warranty, providing customers with peace of mind and reducing the long-term costs associated with vehicle maintenance and repairs.

This warranty period is the best in the industry, providing retailers and wholesalers with the peace of mind to operate their vehicles without the constant worry of unexpected repair costs. Furthermore, Kia provides a 3-year/60,000km service plan and three years of unlimited roadside assistance, thus further enhancing the value proposition.

Model variants

In terms of model variants, no direct competitor comes close to Kia. The K2700 is available in three distinct model variants: drop-side, tipper, and chassis-cab.

Likewise, the K2500 is available in a number of variants, including a closed van (achieved by installing a canopy available through the accessories department) and a dropside option. The dropside configuration is particularly beneficial for retailers and wholesalers, as it allows for easier loading and unloading of stock.

This versatility is essential for businesses that require the ability to adapt their vehicles for different tasks, for example the transportation of goods to stores and equipment for store fit-outs.



K2700 ... heavier loads in a single trip saves fuel & time.

The ability to customise K-Series bakkies with a range of accessories allows owners to tailor their vehicle to meet their specific requirements.



The additional permissible weight, in conjunction with the spacious 4.73 m² load area (2,810 mm long, 1,630 mm wide), offers unparalleled flexibility in terms of the types and quantities of cargo that can be transported.

K2500: Enhanced performance

The K2500 has a slightly lower payload, but still offers a competitive one ton capacity, making it an excellent choice for businesses with lighter load requirements. The K2500 is equipped with a turbocharged 2.5-litre diesel engine that produces 96 kW and 255 Nm of torque, offering enhanced performance for businesses that require additional power for their operations.

The K2500 is an ideal choice for small or medium-sized businesses that may not require the full capacity of the K2700, but still require a reliable and powerful vehicle for deliveries.

Fuel efficiency

Another benefit of the Kia K-Series for everyone is the vehicle's fuel efficiency. The naturally aspirated K2700 is designed to deliver optimum fuel economy, which is a key consideration for any business looking to manage operating costs effectively.

Lower fuel consumption results in reduced running costs, enabling businesses to allocate resources more efficiently. This ensures that businesses can maintain profitability even when fuel prices fluctuate.

Comfort reduces driver fatigue

Both models prioritise occupant comfort in order to combat driver fatigue during long delivery routes. The seats are equipped with additional cushioning in the backrest and bottom of the driver's seat, while the central backrest can be folded down to provide drink holders and a flat surface for delivery documents.

The K2700 also features a spacious 11-litre cubbyhole with further additional storage capacity. The model-range can be considered a mobile office in itself, thereby enhancing productivity and convenience. The straightforward layout of controls and instruments optimises the driving experience, enabling drivers to focus on the task at hand without distraction.

Furthermore, the K2700 is fitted with a range of practical comfort features, including power steering and electric windows. The vehicle is equipped with a reinforced gate hinge and a full-size spare wheel, ensuring operational reliability even in challenging conditions.

Safety

While the K Series is designed primarily for utility, it also incorporates essential safety features such as front disc brakes, crumple zones and side impact protection.

The K2700 features three-point ELR seat belts, which allow free movement of the occupant while secured, but lock in place during sudden deceleration or a crash.

The right choice

By selecting the K-Series, retailers are choosing the most competitive transport solution available in the new, sub-1.5-ton LCV market.

With the additional benefits of comfort and practicality, the Kia K2500 and K2700 are two class-leading workhorse bakkies.

Both are perfect for businesses requiring reliable, productive and efficient vehicles with market-leading characteristics.



Movement that inspires

Book a test drive

