

## QANTAS REBRANDING EXEMPLIFIES WORLD'S BEST PRACTICE

The rebranding of QANTAS last month created interest around the world.

Following on the July "Management Memos" article on branding, it is interesting to see an Australian company with a major world brand, rejuvenate its brand so effectively.



Mark Ritson, Associate Professor of Marketing at Melbourne Business School describes this project by QANTAS as a "world class exemplar of brand strategy".

[Read his article here!](#)

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## 'LEADER LINES'. OFTEN OVERLOOKED AND UNDERRATED

**M**erchandising begins with a hook. The hook can vary, and often may not be price related. While research constantly shows price is not the first reason to buy, sooner or later you will have to turn to price as the hook to get prospects interested. The price hook is usually most profitably implemented using a 'leader line'.



The idea of 'leader lines' is often the last thing people think of when confronting a competitive market place. Perhaps the concept is misunderstood. Perhaps the idea of a 'leader line' is confused with the often misunderstood 'loss leader'.

Making a deliberate loss on a sale seems wrong, and almost always is. That's why it's called a 'loss leader'. However, a 'leader line' does not have to be 'lossy'. Leader lines have a very real place in everyone's merchandising plans.

### Get the Outlook Right

When you approach the idea of using a leader line, it's vital to approach the concept in the right way.

Mostly, we stock products because we think people will buy them at a price profitable to us, and in enough volume to make the line worth carrying. The leader line is different. Its purpose is to make prospective customers understand that our business offers value you can see and depend on. Evidently, its main purpose is not to make a profit *by itself*. You will trade from it to make the campaign worthwhile.



### Get the Staff Right

At its root, the idea of the leader line is not to sell many, perhaps not any at all, but to lead people to find an even better value offer in something else on show. That does not mean that the leader line is inferior. It means that good selling will uncover deeper needs of your customer, and make a still better offer from a different line.

The 'Anybody Can Do Sales' school of management gets it absolutely wrong here. Selling is a highly complex task that does require special skills and training. Knowing about the product range is only a fundamental beginning to having sales skills. Train your staff to sell leader lines. Without that step, the campaign will fail.

### Get the Product Right

Some people think of 'leader lines' only as really cheap entry level products, right at the bottom of the price tree. Perhaps that kind of market is not the right one for your business.

The idea of a leader line is to have killer price offer on that line. A popular, good quality product in the middle of the price range will be well known for its value offer. Using it as a leader line can be a brilliant demonstration of the great value you offer!

When choosing a leader line, be sure it is the right one for your market segment. Then remember that such an offer must be time limited. This is a merchandising campaign, and it won't last forever.



### Get the Advertising right

This is the tricky part. If you run your business on a "lowest price" claim, then price is the main point of the offer. For most businesses, though, the real offer is "outstanding value"

Defining what is "outstanding value" is the tough one. What customers see as value, is often not what the product proponents want to say is the value offer. Be sure you understand why people buy that line in normal times - and be sure they more of that for less in the leader line campaign.

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## Get the Merchandising Right

Visual merchandising is the final 'brick in the wall' of your leader line campaign. In this store shown left, the merchandising display is in the 'hero' location. You can't help noticing it. We can guess that the card in the middle of the display has the main claim - and it's right at eye level for people entering the store.

This display could be better, but is a practical example of a successful hero display in a small store. If it is using a leader line, it caps it off nicely!

## Get the Price Right

There was a long series on getting the price right in Management Memos last year. **Go to the Library** to see these past topics. The point to remember is that the price to offer is much lower than you think - and it is still profitable. You've seen the majors do it, and you read their profit reports. **Talk to The Red Zebra** if can't see how to make a killer offer, without hurting.

**Using leader lines is obviously not as simple as just putting out something at a give-away price. There are these six necessary steps to make it work. Do them carefully, and you will see an increase in store traffic, sales, and gross profit!**

## Prepare yourself to reap the rewards!.



**● If you'd like to find out more, talk to us, or ask us a question here! Remember, there's no charge or obligation, and you get a whole hour's consultation free. This same offer also applies in New Zealand.**

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