

How to launch successful products in Israel

CULTURE

GILAD KAT, COMMUNICATION PLANNING DIRECTOR, MEDIACOM ISRAEL 23 MAY 2017

Most new product launches are failures. After all, there isn't room in the market for all new products that brands would like to offer to consumers. But in Israel, many new product launches fail in the most unique and baffling ways.

Initially, everything is rosy. A product is launched, demand is high and the item flies off the shelves. Brand managers pat themselves on the back. Within a year, however, demand sinks like a stone.

This isn't just a case of poor planning or a sharp cut in the communications support budget. It happens time and again, with a variety of brands, sectors, agencies and companies. Countless global imports have experienced the same problem.

For example, when snack brand Pringles launched in Israel, it acquired a 50% category

share in six months. Shortly afterwards it was down to 8%. Global coffee chain Starbucks enjoyed queues around the block when it launched in Tel Aviv in 2001. Two years later, it had left the country. Procter & Gamble's cleaning brand Swiffer suffered the same fate, launching successfully but disappearing within months.

No matter how hard planners tweak their media schedules or activation models, the same pattern reoccurs. The answer clearly isn't as simple as changing the TV copy. So what's the solution?



Cultural clues

Smart brands look for cultural clues to solve this puzzle. As social psychologist Geert Hofstede revealed in the 1970s, there are a number of cultural dimensions that influence what consumers think, feel and do.

According to Hofstede's research, Israel has a very low score for the Power Distance Index (PDI). This is the degree to which a society is stratified. A high score means people accept authority without question. A low score means people question the hierarchy.

When applied to marketing, the PDI results verify Israelis are open to trying new products that challenge existing market leaders. This explains why many new product launches are initially successful.

At the same time, Israel also scores highly in another dimension – uncertainty avoidance. People here avoid ambiguous situations and follow strict routines and guidelines. When

Israeli consumers have doubts about a product, or if they are challenged to think or act differently, they tend to revert back to the tried and tested.

This helps explain why so many products fail over time. Brands either don't fit in with Israelis' existing routines and lifestyles, or they don't make clear exactly how they do.

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Cultural connections

These scores are reflected in MediaCom's Cultural Connections study, produced in collaboration with Itim International's Hofstede Centre. It introduces a number of new dimensions – Vanity and Badge Appeal – designed to complement Hofstede's original framework.

Israelis don't look to products to reinforce their self-image, leading to low scores for Vanity. And designer labels and 'badge appeal' are not of great concern.

As a whole, these measures reveal a pragmatic buying mentality; Israeli consumers only make purchases as and when they are required. At MediaCom, we are using this cultural knowledge to bring our insights to life and help our strategies succeed.

Our 2015 campaign for Head & Shoulders, for instance, was based on a specific cultural truth. Before the holiday of Passover, Jews search for any crumbs of bread, which must be eliminated from their homes.

Leveraging this insight, we made the search for flakes of dandruff a new addition to the

tradition. We also gave the brand a passport into synagogues for the very first time. This was accomplished by sponsoring Passover kits and making them available for free. There were no complaints because the association fitted both the cultural moment and the brand truth.

The result? Sales soared. Head & Shoulders' market share grew by 35% year-on-year. Sales have remained high as consumers recognise the purpose of the product and have become familiar with using it as part of their daily routines.



Taking action

Brands looking to achieve similar success should begin with a simple three-step plan:

1. Focus on repeat purchases, not just the initial purchase

In a country like Israel, the challenge isn't so much about getting consumers to buy once. The key is convincing them to try the product many times until it becomes an old favourite they automatically select. Loyalty offers, rewards, and ongoing incentives are essential to making this happen.

2. Extend campaign periods

Beyond rewards incentives, brands launching in Israel should resist the urge to withdraw ad support as soon as their share drops. This only creates a negative cycle. Instead, brands should extend their initial campaign periods to help their messages remain top-of-mind for

longer and increase the likelihood that consumers will find a way to include them in their daily routines.

3. Work out how to become a part consumers' daily routines

When a brand fits in with the cultural truth of the market (which aligns with its own brand truth), it has a much better chance of surviving and thriving. But you can't apply a one-size-fits-all approach to culture. The smartest brands find specific cultural moments to suit each of their brands. This is where your insights teams can help.

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