

What modern brands can learn from Häagen-Dazs

Ana Andjelic

9-11 minutes

I write weekly newsletter about how the new forms of social, cultural, and environmental capital change brand strategy. It has been selected as one of the best single-operator newsletters on the Internet. If you enjoy this issue, you can [pre-order my book](#), share this newsletter with anyone you think may find it useful, and subscribe below:



In the 1960's in the Bronx, two Polish-Jewish immigrants, Reuben and Rose Mattus, created Häagen Dazs.

The Mattus' knew they were entering a saturated ice cream market. Their strategic focus wasn't to outcompete the existing ice cream brands, but to make them irrelevant by creating a fundamentally new and superior value in the market.

This new and superior value was social and cultural aspiration. Häagen-Dazs' European-sounding name gave cultural biography to the brand that didn't have any. It turned a mundane product into an aspirational one by enriching it with the connotations, associations and references linked to its name.

Aspiration is buyer value. In case of Häagen-Dazs, it lends the buyer a sense of discerning taste that was once restricted to social and cultural elite. Häagen-Dazs name conveys sophistication, tradition, heritage and the old-world artisanship. Its original packaging featured a map of Denmark, despite the fact that "ä" doesn't exist in Danish

and that the words don't mean anything. Häagen-Dazs shifted consumer preferences and created a market for itself around this aggregate consumer demand.

Value innovation redefines growth. It moves the growth strategy from "what are my competitors doing" on the supply side to "what matters to my customers and how can I deliver it to them" on the demand side. By introducing new value, this growth strategy avoids the "[faster horse](#)" trap. As the increasing returns and economies of scale kicked in, Häagen-Dazs successfully stood out. It took almost 40 years for other artisanal ice cream brands to invade its market.

Value innovation is the backbone of the aspirational economy. When the economy based on manufacturing moved to producing culture, design, luxury, art and experiences, value innovation focused on taste, aesthetics, identity and one's social standing. Value innovation is indispensable in the economic landscape where products, services and experiences are all comparable in value: a weekend in nature can be equally desirable as a bottle of vintage bourbon as a pair of sneakers as a meditation class.

Traditionally, growth is achieved through lowering prices and extending distribution, both of which move a company towards mass market and direct marketing. In contrast, value innovation-based growth focuses on how to gain and retain pricing power. Consumers happily pay more when they perceive they are getting value that matters to them and that they can't find anywhere else.

Here are several value innovation options:

Identity. Value innovation is the opposite of imitation. It is a pursuit of singularity and incomparability. Häagen-Dazs tagline is "made like no other." First-best brands, like Amazon, Apple or Hermès, invest in their own identity that transcends categories. They do not focus on what their competitors are doing. Kanye doesn't compare himself with Nike or Prada; Damian Hirst doesn't compare himself with Andy Warhol.

Aesthetics. An entire aesthetic world is a lot harder to copy than a visual handwriting or a tone of voice. It also takes longer to develop. Aesthetics is a value innovation form that stems from the brand POV. This aesthetic POV defines who the company is, what it stands for and also what kind of customers it wants to cultivate. It is a magnifying glass to view the world and as such, it can live in multiple expressions: as product design, store design, visual merchandising, sales staff, but also in the forms of content, curation and collaborations. A signature aesthetics gives companies differentiation and durability. Value innovation is not in having superior product properties or novel tech, but in the emphasis on aesthetic experience (consider how GOOP-endorsed products have been accused of [deceptive health claims](#) yet continue to be popular). Successful brands ingrain themselves in the cultural context, not a market segment. Apple, Tesla, Aesop, Shinola, Hermès introduce new meaning in culture by linking aesthetics with their products. They create cult objects - Mac, iPhone, Tesla, Birkin - that serve as aesthetic totems. (Peloton advertising regularly depicts their bikes as cult objects in [shrine-like settings](#).)

Taste. Through value innovation, brands promote themselves as taste-makers. They become transmitters of future tastes and trends (like artisanal ice cream), and not as followers of existing tastes and trends. Through taste, value innovation introduces new meanings in our everyday activities: eating ice cream, cooking, socializing, decorating, dressing. "The way thoughtful food powers a meaningful dialogue" replaces cooking. "Boosting our creativity" replaces buying plants. Value innovation here is to use taste to make our interactions with everyday objects more intentional. It transforms our home and our daily routines, and it [cultivates our taste and refines our sensibilities](#).

Curation. Making something part of a curated selection lets brands increase its price and their profit. Curation gives everyday objects value by connecting them with a point of view, heritage, a subculture or purpose that makes them stand out in the vortex of speed,

superficiality, and newness. Häagen-Dazs increased its products' value by attaching it to the invented story. The Row's Instagram account is a careful selection of architecture, furniture, sculpture, and art, all of which convey an atmosphere. The idea is to present the Row's clothes as just one expression of The Row's rarified taste and point of view.

Membership. Häagen-Dazs purposefully created a myth and a tale around itself, in order to tap into consumers' desire for access, social status, community and belonging. In the aspirational economy, consumers are fans, influencers, hobbyists, connoisseurs and collectors. Value innovation around membership is designed for them. It represents a shift from doing things for the benefit of others to investing in things that benefit ourselves: access, knowledge, experience, privacy, self-actualization. Mr. Porter's free magazine subscription and APC alterations benefits are examples.

Micro. Rather than trying to cater to a mass audience in a superficial way, like broadcasting networks and cable channels, Netflix went deep and narrow in pursuit of niche viewers. The platform achieved scale through growth strategy focused on aggregation of niches. This growth strategy allowed Netflix to create a global market made out of micro-communities with their niche tastes. Value innovation that revolves around personalization drives growth through micro-clusters and niches, without reducing the product differentiation that attracts them all.

Style. Value innovators operate as creative entities. Apple's vision was to "make tools for the mind that advance humankind." WeWork wanted to elevate the world's consciousness. Modern brands see themselves as a link between their customers and the worlds of beauty, spirituality, humanity, hedonism or creativity. Running brand Tracksmith is rooted in the 1970's vibe of long-distance running. Shinola enjoyed a massive halo of being "Made in Detroit," until it got a cease and desist order from FTC. Modern brands see themselves as ambassadors of the best in culture, and assume the role of educators of consumers on how to use objects or enjoy experiences in their everyday life.

The true benefit of value innovation is to differentiate the brand in the long term. In the second part of this analysis, going live on October 12th, I will explore how to stand out in the sea of sameness.

Thank you, Forbes, for naming me as one of the World's Most Influential CMOs. Honored to be in such a fantastic company. See the full list [here](#).

"Andjelic spent a year as CMO of luxury leather goods company Mansur Gavriel. In that time she was vocal on social media, building the brand's profile and sharing thoughts about human adaptability to crises such as the pandemic. She has held various strategy roles at agencies such as Droga5, Spring Studios and Havas LuxHub. Named to the Forbes CMO Next list in 2018 for her work as chief brand officer at Rebecca Minkoff, she left Mansur Gavriel in August to launch her independent brand-strategy practice. Her book The Business of Aspiration is due out later this month."



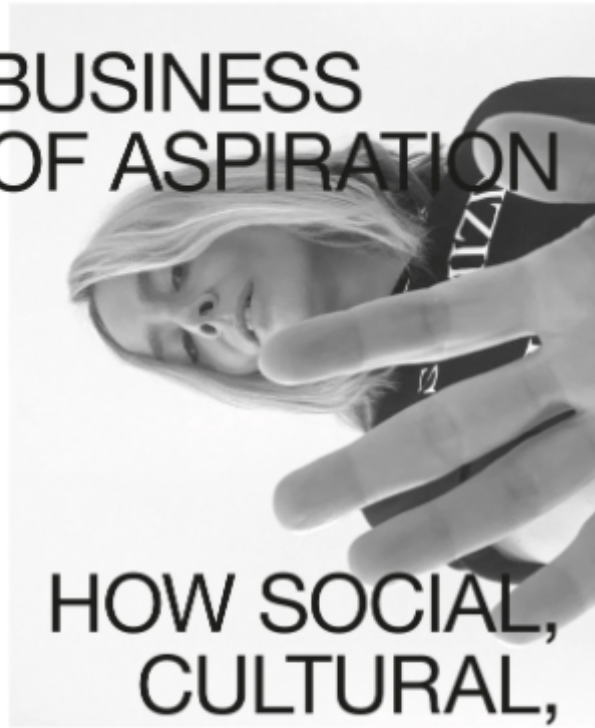
THE WORLD'S MOST INFLUENTIAL

CMO_s

My book comes out on October 27th. It's about what happened to taste, communities, and social influence when the economy shifted from manufacturing things to manufacturing aspiration. It's also about how this shift changes what we find valuable and worth paying for and how brands should transform their strategies to adapt. You can pre-order [here](#) or check out the book's website [here](#).

ANA ANDJELIC

THE BUSINESS
OF ASPIRATION



HOW SOCIAL,
CULTURAL,
AND

ENVIRONMENTAL
CAPITAL

TRANSFORMS
BRANDS

