21st Century Moats - Your Brand

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> No one has a Suzuki tattoo" [1]
>
> - a nugget from an otherwise so-so Medium article [a]

The numbers are clear though. As the article notes, half of Harley Davidson's revenues come from deals to license their name and the sale of apparel. This is the power of branding — something apparel companies do particularly well (Vineyard Vines, Carhartt, etc) but they all do it — so the comparative gains to be had are probably minimal. Harley Davidson has probably found such success because Suzuki [b] and its competitors don't do this on the same level [c] or at all.

Today Yeti Coolers [d] is one of the best (in terms of their growth). For the uninitiated, Yeti started with $200+ heavy duty coolers [e] and an appeal to outdoorsy millennials to embrace the weekend and protect their beer. Consuming the niche luxury cooler market, they have since shifted to mugs and thermoses [f] ($30 - $50), ice packs [g] ($15 - $30), and even 5 gallon buckets [h] ($40) that one customer admits: "I bought this just to have a bucket with the yeti logo tbh" [h]. They've gotten here

by taking the same steps companies like Apple [i], Nike [j], and of course, Harley Davidson [k] have taken: design high-quality products, use influencers to market to a specific niche, expand beyond your core offering and improve accessibility.

In an era where moats [l] are increasingly small/don't exist (recall the rise of hoverboards and how without a brand, even a patent [m] didn't protect the creator from mass knockoffs), creating customers like my grandfather whose back problems prevented him from ever owning a Harley, but who had all sorts of apparel and glassware, will be increasingly important to avoid commoditization of your products and services.

Related reading:

Ben Thompson's Stratechery kind of ripped into Snap a little while back [n] when they declared in their S1 IPO filing that they don't have a moat and they can't develop one — specifically: "In a world where anyone can distribute products instantly and provide them for free, the best way to compete is by innovating to create the most engaging products. That's because it's difficult to use distribution or cost as a competitive advantage—new software is available to users immediately, and for free."

When I cross posted this on my Medium [o] on 06/30/19 I added some reflection:

[1] I went back and forth on using this quote because some people do have Suzuki tattoos [p]. I ended up writing this because I convinced myself they are orders of magnitude apart.

Links

a. medium.com/@jaltucher/how-to-make-what-you-want-for-a-living-4ff39fd65ea8
b. store.suzukicycles.com/c/apparel
c. harley-davidson.com/shop/motorcycle-decor-gifts
d. stories.yeti.com/story/our-story
e. yeti.com/hard-coolers/roadie-20-cooler/YR20.html?dwvar_YR20_color=white&cgid=hard-coolers#start=1
f. yeti.com/drinkware
g. yeti.com/search?lang=en_US&q=ice+pack
h. yeti.com/buckets/loadout-5-gallon-bucket/YLOB5.html
i. youtube.com/watch?v=cpzvwkR1RYU
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k. youtube.com/watch?v=bBmkwK1qb2c
l. investopedia.com/terms/e/economicmoat.asp
m. theguardian.com/technology/2016/jan/08/hoverboard-inventor-money-rights-knockoffs
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