

fouundr

ISSUE 85

mastering

negotiation

Daymond John
of Shark Tank &
FUBU



**CASE STUDY OF CANOO,
THE ELECTRIC CAR
SUBSCRIPTION COMPANY**

MARKETING

No matter how great your product or service is, or how much funding you have, every brand starts at zero when it comes to their audience.

Zero awareness. Zero engagement. Zero trust.

A brand is a relationship between a business and its customers.

The business has to understand its unique position and

communicate that value effectively. And customers need to understand the benefits of that value and trust that the business can deliver it consistently.

It's simple to describe and very challenging to pull off.

And just to add a little extra layer of difficulty, every new business has to consider their runway of resources.

If they don't build solid relationships before the end of that runway, they may not survive.

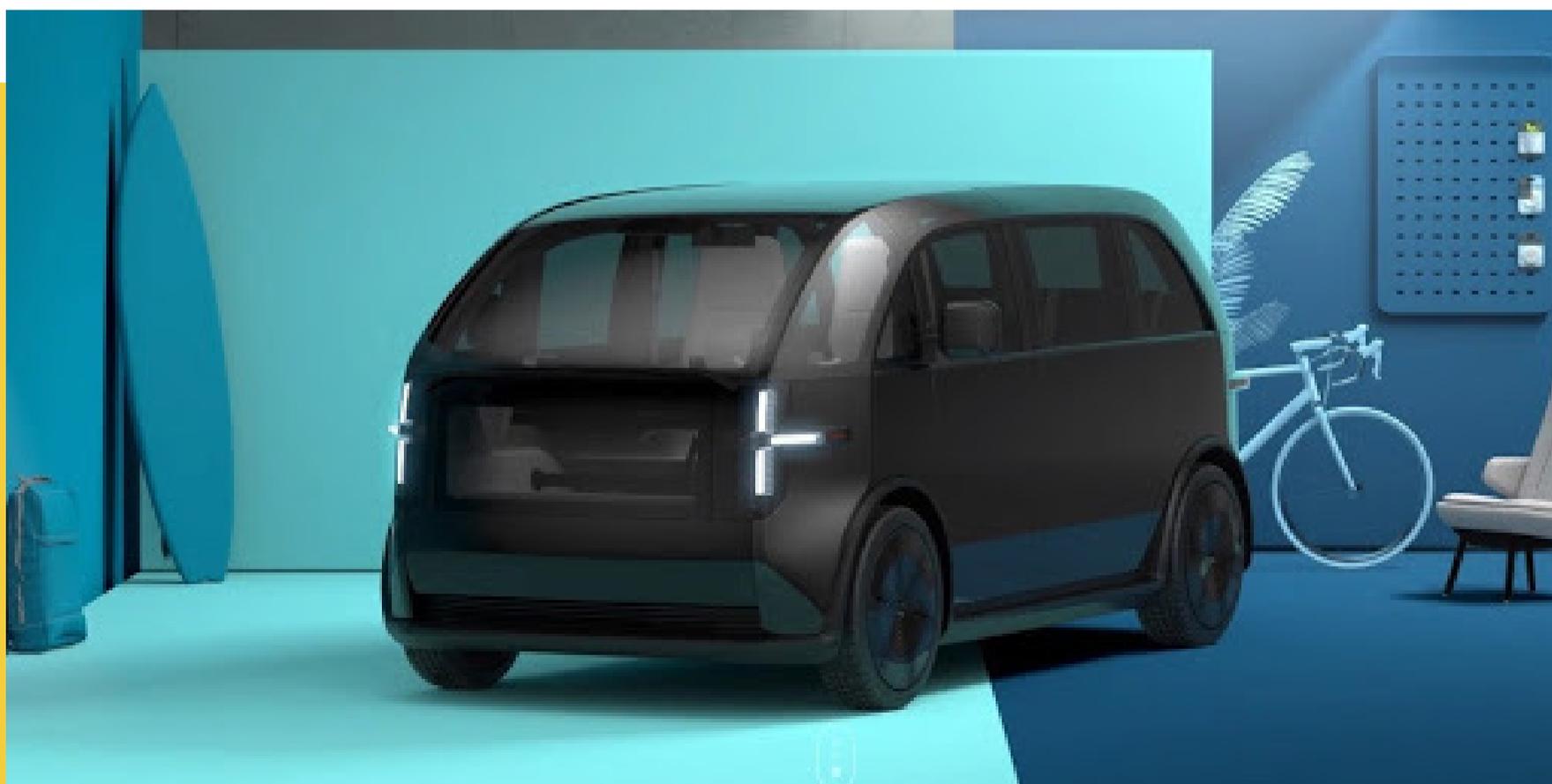
Companies that recognize the importance and urgency of their relationships with customers invest in their brands early and often. They start to communicate and build trust even when their product or service isn't ready to sell.

One company that's embraced this idea and executed it at a high level is the new electric car subscription company, Canoo.

Their first vehicle isn't set to release until 2021, but their brand team, led by Matt Kerbel, isn't waiting around. They've been working hard for quite a while to make sure when their cars are ready to roll, their customers will be too.

Let's look at the execution of their brand rollout to see what insights we can extract.

MAKE YOUR POSITION MEMORABLE



To develop trust with a business, customers first need to remember it. Canoo does a great job highlighting the unique attributes that make it memorable.

Canoo's vehicle design is striking. Maybe it doesn't have the sexy angles of Tesla's polarising Cybertruck, but it definitely stands out. Everything about Canoo's vehicle design embraces a harmony between style and utility. The pill-shaped body, wraparound windows, and crosshatch headlights are futuristic and modern, while the interior allows for customization to maximize the available space.

But as interesting as the design is, the business model is arguably even more memorable.

Canoo plans to offer an all-in-one, monthly electric vehicle subscription. This means customer payments cover the car, access to insurance, maintenance, and charging. And there's no long-term commitment.



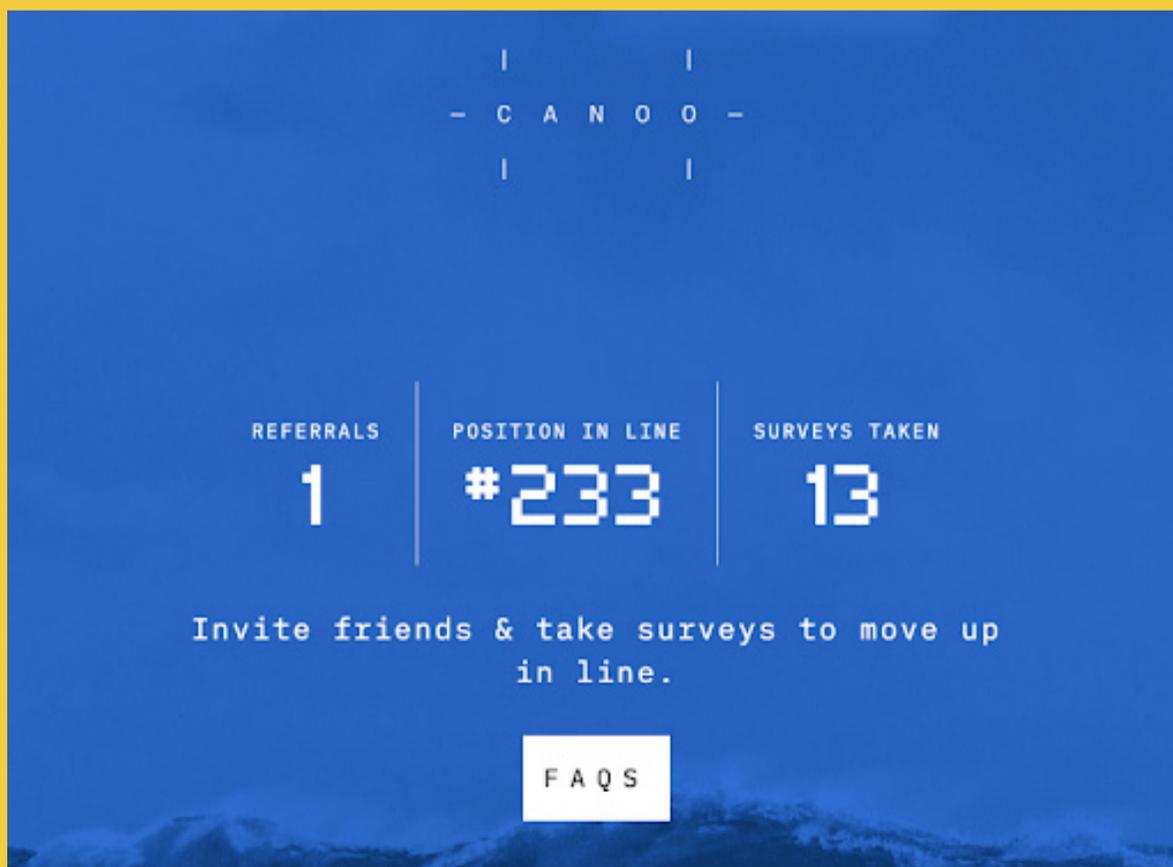
Even if you're not sure yet about the idea of subscribing to a car service, there's a pretty good chance you'll remember the novelty of it.

Canoo takes all these memorable attributes to another level on the brand's website. The site builds on the unique qualities of the vehicle design with

bright colors and interactive visuals. It also teases out the features of their membership concept to establish their points of differentiation.

It all speaks to Canoo's ability to understand its positioning, which allows the team to plant a memorable flag in their customers' heads.

LET FANS PARTICIPATE AND EVANGELIZE



MARKETING

Even when your product or service isn't quite ready, there are still ways to build trust through exchanges of value with customers.

Tesla's version of this for their Model 3 pre-launch had a static, singular focus—test willingness to pay. Their customers put down \$1,000, got in line, and then sat and waited for about three years.

Canoo, on the other hand, has taken a dynamic, relationship-driven approach. They're driving early engagement and testing demand by offering an interactive waiting list. Rather than collect cash, their list focuses on two other valuable forms of currency—social sharing and customer data.

The list allows early adopters to take an active part in their ranking in two ways:

- Share a personalized referral link to get people to sign up
- Fill out one or more of their 13 customer research surveys

The key with both options is that they're built around an exchange of value. Did you get people to sign up via your referral link? Canoo sends you swag like hats, hoodies, artwork, and even a customized skateboard deck. Did you fill out the surveys? Canoo provides an instant return of value by bumping up your position on the waiting list.

These exchanges may feel small, but they keep Canoo top of mind and reinforce levels of trust within the brand relationship.

MARKETING

START AS EARLY AS POSSIBLE



The overarching key that ties Canoo's brand strategy together is simply that they started now.

Not all companies face the barrier of trust that a new car brand does. There's not much risk for a customer to roll the dice on an app or piece of clothing from a company they've never heard of before. But for a car, customers aren't just putting their money on the line, they have to put their safety on the line as well.

By starting now, Canoo has time to build the trust needed to ease potential concerns. It means by the time the vehicles are ready, their customers' perceptions have time to shift from seeing a flashy startup to an established player in the industry.

That consistent presence in their customers' lives prior to purchase creates a signal that Canoo is here today and will be around long after purchase.

MARKETING

OPPORTUNITY TO IMPROVE: BRING THE BENEFITS FRONT AND CENTER

SMOOTH SAILING IN
THE CITY

Canoo is here to make having a great electric vehicle easy, so you have one less thing to worry about.

If there's one area where Canoo could make a stronger upfront impact it would be to communicate the core benefits of the service more clearly on their homepage.

Right now, the key messages on the homepage are:

Headline: "Your Electric Car Membership"

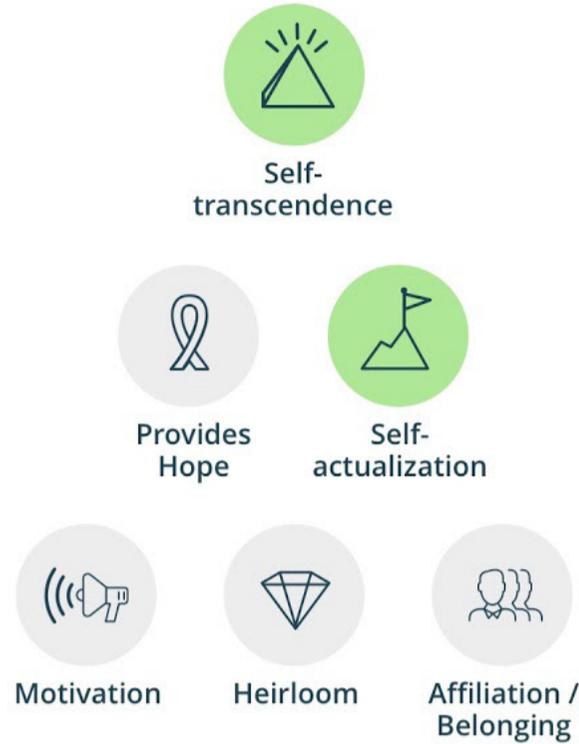
Sub-Header: "Smooth Sailing In The City. Canoo is here to make having a great electric vehicle easy, so you have one less thing to worry about."

These messages pique interest, but they don't fully capitalize on Canoo's unique position.

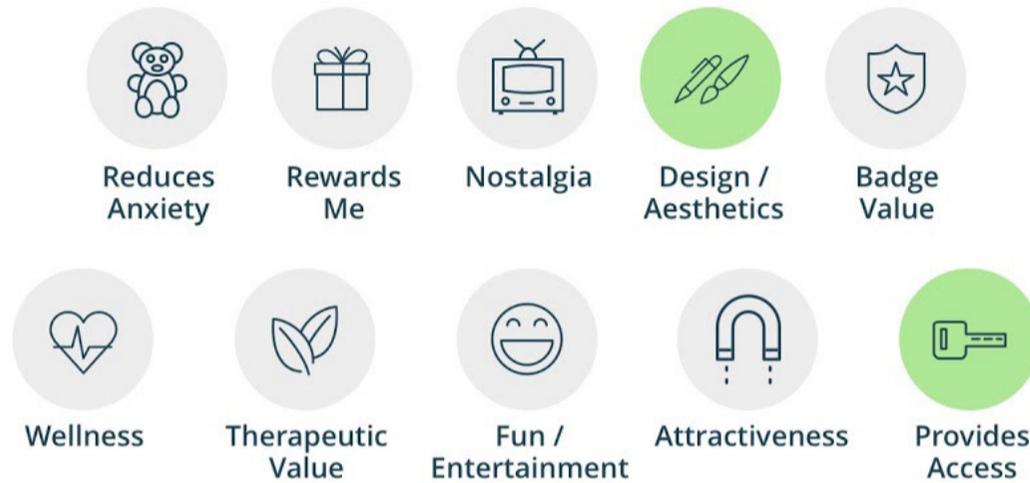
The headline describes the product but it's not obvious what "Membership" is or why it's valuable in the context of a car. The sub-header section speaks to an important benefit of simplification but lacks specificity to fully differentiate it.

Using the Elements of Value we can tease apart what's feeding into Canoo's value proposition:

ASPIRATIONAL



EMOTIONAL



FUNCTIONAL



MAP&FIRE

Source: (c) 2015 Bain & Company | From "The Elements of Value", September 2016 (c) HBR.ORG

Canoo covers ground across all tiers of value. It starts with a strong base of functional elements like Simplifies and Quality. It hits the emotional layer with Design and Access. Then it extends all the way up to Self-Transcendence where electric vehicles promote a sense of environmental responsibility.

MARKETING

There are two points from the interior pages of the site they could bubble up to make the home page more impactful:

Flexible Simplicity: What separates Canoo from the traditional car ownership model is the combination of simplicity and flexibility. Teasing at both helps deepen the points of difference in the minds of customers.

Stylish Utility: The cool-factor of the vehicle is front and center, but the messaging could also speak to the fact that it's not a fun toy—it makes your day-to-day activities easier and more efficient.

Some potential messaging options to capture that unique value prop could include things like:

An electric car that's flexible in time and space

An electric car with flexible life fit

The flexible, functional electric car membership



Author: *Clay Ostrom is a Brand and Marketing Strategist, and owner of the Brand Consultancy Map & Fire in Los Angeles. He specializes in working with founders and business leaders to clarify their brand's vision, positioning, and messaging. Learn more about The Brand Guidebook process at mapandfire.com.*

Your Brand Starts on Day One

Even if you don't have a product ready to sell, your brand starts the second your business is public. The seeds of the brand relationship get planted with each person who reads about your company, sees it mentioned in a social post, or views your website. It's up to you to take full advantage of that opportunity to guide the relationship and build trust.

As Canoo has shown, a pre-launch period can be incredibly valuable. It's an opportunity to nurture those relationships so that when launch time arrives, your early adopters are ready to go.

Your brand needs to provide content that's memorable, allow customers to engage, and communicate your unique value in a crystal clear way.

And above all else, you need to get started today.

MARKETING

