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Brand Positioning: The Key to Brand Strength

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Abstract: Brand positioning is the key to building a strong brand and gaining competitive advantage. Using the standard Brand Positioning statement format brings discipline to the process and ensures that all possibilities are considered and fully evaluated. This paper also presents methods for developing and evaluating brand positions.

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Brand Positioning: The Key to Brand Strength

Brand Positioning is without doubt the most important element of your brand strategy. If your brand position is clearly and definitively selected and communicated (internally to your organization and externally to the market), your marketing program becomes more focused, effective and efficient, yielding an improved return on your marketing spend. However, many companies have not taken advantage of this key marketing discipline because they have internal politics, are misguided by their advisers or because they simply don't understand positioning. But this is a first step to driving clarity throughout the marketing function, and hence, improving the customer relationship.

Brand Positioning: What is it?

Positioning is a concept in marketing which was first popularized by Ries and Trout in their book Positioning - a Battle for Your Mind and then subsequently by Trout and Rivkin in The New Positioning : The Latest on the World's #1 Business Strategy.

There are as many definitions of positioning as there are marketing experts. Here are a few:

- “The message a company wants to imprint in the minds of customers and prospects about its product or service and how it differs from and offers something better than competitors.” - Copernicus Marketing
- “Product positioning tells us how effectively we can compete within a target market.” - Urban and Star
- “...the part of the brand identity and value proposition that is to be actively communicated to the target audience. Thus the brand position, which should demonstrate an advantage over competitor brands, represents current communication objectives.” - David Aaker

Most would agree that positioning is creating a distinct place for your brand in the mind of the consumer and that key messages are derived from that position. Further, most would also agree that your distinct place in the consumers' minds should be different from your competitors. Most simply, positioning is “what you want to be known for.”

Simple, but not easy, as evidenced by the many brands in the market today that are either undifferentiated from the competition, trying to reach too many market segments or simply not communicating clear benefits to consumers. Some of the reasons we have heard for businesses neglecting this most fundamental brand strategy element include: it's hard (it is), we're not different from competitors (then you should become different), we don't want to limit ourselves to one thing because we do so many things well (then you will be known for nothing), we can't agree on one position (see previous response), we don't know what consumers are thinking (then do some marketing research). Certainly



there are more reasons for neglecting to develop a clear position, but none of them hold water. Not positioning your brand is simply not an option in today's over-crowded and over-informed marketplace.

Developing a Brand Position

Our goal in developing a brand position is to define a specific place that the brand will occupy in the mind of the consumer. The first step is understanding what makes up a brand position. The classic statement format that is usually the starting point for positioning is:

For (target market), *BRAND* is the only (category, frame of reference or competitive set) that (differentiation) because (proof or supporting points.)

Let's consider the four elements of the positioning statement separately:

- **Target Market:** Simply, who are you trying to attract? Without a defined target market (either singularly or in combination, if appropriate), completing the rest of the positioning statement is impossible. Brands are positioned in the mind of the consumer and, therefore, "Which consumer?" is the initial question you must answer to develop a clear and strong positioning for your brand. Your brand may appeal to more than one target market, but may need different positions against each of them. While these market-specific positions will be different from one another, they must also be harmonious, to avoid creating brand dissonance.
- **Category, Frame or Reference or Competitive Set:** In order to determine what category, frame of reference or competitive set you will use to define your position, you need to understand, from the consumer (target market) point-of-view, the relevant options that they believe to be available. If you are a breakfast cereal, are you competing only with other breakfast cereals? Or are you competing with bagels, freezer pastries, and other bakery delights? What about bacon and eggs, omelets, and other hot breakfasts? The frame of reference further defines the market space in which you position your brand and facilitates clear definition and differentiation.
- **Differentiation:** Sometimes called USP (unique selling proposition), brand promise or value proposition, differentiation is simply what makes your brand different and unique to other brands in the frame of reference, and the reason why consumers choose to purchase your brand. This is the key element of brand positioning, but can only be defined if you have good information on the other three elements. This is also where many brand positions come undone. A strong differentiation that clearly separates



your brand from the competition is an asset that pays great dividends, a decision guide that increases operational efficiency and a behavior standard for your entire organization.

It may be true that your brand is an undifferentiated commodity. However, before you resign yourself to a life of price competition as your only marketing option, think about other ways that your brand might be different from other brands in the frame of reference for your target market. What about your brand relationships: are your customers more loyal? Were you the first-to-market? Often, even in an undifferentiated market, you can create a differentiation by identifying a very compelling and desired attribute and building a competitive advantage through your delivery of that attribute to consumers. For example, Volvo wasn't always known as the safest car—they built their ownership of that attribute over years of product development, innovation and communications. Could your company do the same with an attribute important to your market segment?

- **Proof or Supporting Points:** Why should the target market(s) believe that you are the best or only brand that can deliver on your differentiation? What attributes do you have or benefits can you deliver to support your claim? In short, why should we believe you? Often, organizations can point to a myriad of details to support their differentiation claim. In the positioning statement, we want to pick the three to five points that most strongly support the claim and that are unassailable by competition. These key points then become key messages in your marketing communications.

A word about focus in marketing communications: We all know that the more messages you put out to the marketplace, the lower the probability that any one of them will stick, and that you will know which messages stuck. Keeping your marketing messages extremely focused (i.e., your differentiation and your three-to-five proof points that you communicate directly to your target audience) will improve the efficiency of your communications and increase the probability that consumers will actually receive your message.

How To Determine if Your Brand Position is Strong

Typically, organizations have several positions available to them. A strong brand position can pass through these four filters:

- **Relevance:** Does the target audience care about your differentiation? Is it important in their purchase decision making?
- **Differentiation:** Does the target market really believe you are different (superior) to your competitors? Are your competitors able to make the same claim? (One of the ways commonly used to test positioning statements is to



substitute your competitor's brand name for yours. If it is still a true statement, then it is not a strong position. For example, a university said its differentiation was that they were "the only place where students can use their gifts." As that would also be true for just about any institute of higher education, this is not a strong positioning statement.)

- **Delivery:** Can you actually deliver on the differentiation? Is this a promise you will be able to keep over time? There is a story of a bank who decided to position themselves as fast, the bank where you could get your business done quickest. It seemed like a good idea: after all, consumers wanted a fast bank and none of their competitors were making the claim that they were fastest. However, after looking at the financial analysis of what it would take in terms of additional staff, additional branches and additional ATMs, it became clear that there was no way to be the "fast bank" and still stay in business. The position was not deliverable.
- **Communication:** I have no doubt that all marketers are able to communicate their positions – but the challenge may be the amount of resources it will take to communicate your position to the target market. If you have a highly technical position, will need to educate the market on your position or if you are going to have consumers change the way they do something, you had better plan on having significant resources available to achieve your position. Consider your company's typical marketing spend – and the likelihood of increasing it – when determining which position is optimal for your brand.

Another factor that you should think about is position evolution. Brand positions are built and maintained over time – and their benefits come back over time as well. Look at some of the world's strongest brands (Volvo, FedEx, etc.) and you will see that they keep their brand positions for decades. If you are changing your brand position every few years, you are doing something wrong and you should seriously reconsider your actions. So look at your potential positions and think about how long they will last. Do you see a lot of potential innovation available in the position for product, service and communication? Do you think it is broad enough but narrow enough so that you can work with it? This is a difficult judgment to make, but if you look at other brands with superior longevity, you begin to see what it will take to evolve your position over time.

Another way of looking at evaluating positions comes from Jennifer Rice, of Fruitful Strategy, who recommends the "4D's Rule" of strong brand positioning:

- Is it *desirable* by consumers?
- Is it *deliverable* by the company?
- Is it *distinctive* by the competition?
- Is it *durable* over time?



Possible Brand Positions

So what is the best position for you? Start with research so that you have a clear and focused understanding of the market, your target market(s) and your competitors. Then, bring together internal staff from different functions within your company so that you can get different perspectives. Bring in agencies and consultants who are familiar with your company and your industry. Brainstorm. Then evaluate each position using the filters above, and test those that survive with the target market.

Luth Research has identified ten bases for positioning commonly in use:

- Premium - quality, exclusivity
- Value - cost effective, more for less
- Traditional - proven, stable, often evokes another time or place
- Innovative - new ideas, advances in technology or business practices
- Lifestyle - current or aspirational
- Problem-solver - satisfies unmet needs
- Ease of Use - convenient, simple
- Stylish - aesthetics
- Performance - excels in a critical area, out-performs competition
- Biggest - largest, most comprehensive

While these are not the only possible positions available for your brand, they do make great trigger suggestions for brainstorming. I recommend that you conduct a free-form brainstorming session, then introduce this list of positions, and then refine and augment your brainstorming.

Marketing Research for Developing Strong Brand Positions

Marketing research can be helpful in developing improved brand positions in many ways. Having real information (as opposed to hunches or guesses) can assist the organization to come to the decisions needed to build the brand positioning statement, clearing the way to resolve internal political battles. Some of the brand positioning elements where marketing research is helpful are:

- Defining the target market.
- Understanding the target market's current perceptions of your brand and competitive brands.
- Understanding the frame of reference – from the target market's perspective.
- Defining your brand's differentiation.
- Understand which proof points are most compelling for the target audience.
- Testing position statements.
- Ensuring that positioning materials are communicating effectively.



- Tracking and monitoring your brand position and ownership of your differentiation.
- Tracking and monitoring competitive brand positions and actions.

Summary

Brand positioning is difficult work – but the pay-off is obvious. A strong, clearly differentiated brand returns improved customer satisfaction and loyalty, lower cost of sales and more efficient operations and competitive inoculation. That being said, it should be noted that brand positioning, because it is fundamental to marketing strategy, should also be coordinated with and tied to corporate strategy. Unless the entire organization is supportive of and contributing to the brand position, it is unlikely to succeed.

As Jennifer Rice summarizes, “ Positioning is hard work. It is not the domain of an ad agency or marketing department. It is aligning the corporate mission and structure to one that best supports customers, connects with them and creates customer evangelists.”

Sources:

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