

DISPATCHES™

Insights On Brand Development From The Marketing Front

Sunday, December 16, 2007

THE 10-MOST CRITICAL POSITIONING ERRORS – PART II

This is the second installment of a 4-part series identifying what we judge to be “the 10-Most Critical Errors in Brand Positioning.” We’re counting down from number “10” to “1.” Each issue of DISPATCHES in this series will reveal three *critical errors*, their *causal factors* and the *resultant impact* on brand marketing. In the fourth issue of the series we will reveal number “1.” In the first issue we tackled critical errors number “10,” “9” and “8,” which are as follows:

Number “10” - Lack of *cohesion* throughout the Brand Positioning Strategy Statement.

Number “9” - Use of Standard of Identity or Class (e.g., of drug) versus *Perceptual Competitive Framework* in the competitive framework of the strategy.

Number “8” – Use of *product claims* for the reason-why.

If you did not receive the first article, or would like to review it, just click below:

[THE 10-MOST CRITICAL POSITIONING ERRORS – PART I](#)

In this issue, Part II, we will share critical errors number “7,” “6” and “5.” Let’s get on with the countdown.

Number “7” - Not being *meaningfully competitive*.

To be *meaningfully competitive* we must be *relevant* to the target group as well as *meaningfully differentiated* versus competition. While many brand positioning strategy statements offer relevant benefits they fail in establishing meaningful differentiation. They tend to be different in “degree” (rather than “kind”) that is indistinguishable from the competition. Potential customers perceive it as mere puffery. In other words the customer doesn’t buy the difference. It exists only in the mind of the marketer.

There are a number of ways in which we fail to be *meaningfully competitive*. For one, features are confused for benefits. The positioning strategy proffers features without indicating the benefit to the customer. Another is to use “generic” benefits common to the category. While

generic benefits are relevant they do not differentiate one offering from another. Focus on functional (either product or customer), versus emotional, benefits also undermines our ability to establish a competitive positioning. A brand positioning should shape the meaning we wish to establish with the target group. The use of product and customer benefits can easily be replicated by competitors, neutralizing any competitive advantage. Whereas employing emotional benefits helps seed “meaning” and establish a bond with customers. Yet another way in which competitiveness is compromised is to employ the same reasons-why as the competition to support the benefit. (And many use the same benefit AND reasons-why as their competitors.) This fails to establish the credibility needed to drive brand preference.

The *causal factors* of not being meaningfully competitive trace principally to the mindset of the marketer and/or organization. They lack the mental metal to be competitive. Basically, neither the marketer nor the organization is competitive. The marketing function is no more than making the product available to potential customers. These marketers and their organizations are content to just get their products into the marketplace. They support them primarily through sales force “push” without providing needed effort to “pull” them through with customers.

Another mindset issue is settling. While it may go unstated these marketers evidence through their actions that they are resigned to selling “parity” products. And so they surrender, being content to perpetuate the sameness inherent in the marketplace. The lack of appreciation for getting beyond the physical aspects of the product and creating perceptions essential to the development of a brand entity is a stumbling block to being meaningfully competitive. If you cannot win with the product then, perhaps, you should try to win with the brand. But this takes imagination and creativity, which appears to be a rare gift indeed.

Attention should also be given to relationships with internal regulatory and legal personnel that abort actions that, if undertaken, could contribute to establishing a meaningful competitive advantage. Marketers will tell us that their regulatory and/or legal people will not approve a meaningfully competitive positioning because (choose one or more of the following) it’s not in the labeling, or clinical/marketing research studies do not support it, or some governing body (such as the FDA or FTC) will take action against them, etc. But the brand positioning strategy statement is not what you are today, nor what you are going to tell prospective customers. Instead, it is the *blueprint* for what you aspire to build over time through product improvements, incontrovertible evidence from clinical studies, new labeling, creation of alliances, etc.

The *resultant impact* is a weak foundation for the development of a *healthy brand* and, as such, continued loyalty. Since there is no meaningful competitive advantage marketers are driven to resort to poor practices. Growth is sought through “phantom” price increases. While the list price is increased so is level and/or frequency of price discounting. This conditions customers to demand or shop for a deal. As a result, more and more sales are promotional sales. Or organizations will get into a vicious cycle of rampant line extending and product proliferation (in many cases, beyond the boundaries of their positioning) in an effort to cycle growth versus the previous year. This strains the distribution channel as well as these very same organizations raising costs. Additionally, marketers will begin behaving like politicians. (That’s a frightening thought!) They will seek an expanded base of customers by frequently switching messaging and what they stand for, attempting to be “all things to all people.” (See error number “6” for more.) So as a consequence of not being meaningfully competitive, brand meaning, customer loyalty and, even, profitability are compromised.

Number “6” - Poor *Target-Group* definition.

Whew, there are a number of ways in which a poor target definition is manifested. We see them all the time. One is the absence of a “complete” definition of the target group that reflects and shares an in-depth understanding of psychographics, attitudes, usage behaviors and needs, among others. A complete definition shows we truly understand the target. Another is a lack of clarity. Marketers give us mere demographics or employ overused, rather meaningless descriptors such as “active people.” Who isn’t active today? Another one of those overused descriptors is “technology savvy” as the defining characteristic of the target group for any product that has a technological component to it. Or how about “early adopters?” This is particularly troublesome since one does not even need to market to these people. They will find your new offering. Moreover, they will be the first to exit when the next new thing comes along. So don’t trouble yourself with them.

But the most insidious is not making a choice. What we are referring to here is the marketer’s attempt to be “all things to all people.” We can’t be all things to all people and create a meaning for the brand that will drive customer preference and loyalty. Even if you could, which you can’t, the offering would be vulnerable to those competitors who effectively segment the market. As Phillip Kotler, the respected professor of marketing, stated, “You’re not marketing if you’re not segmenting.”

The *causal factors* contributing to a poor target definition include a lack of appreciation of market segmentation. We watch marketers struggle with this concept regardless whether they are mass marketers or specialists (such as marketers of Medical Devices & Diagnostics, Pharmaceuticals). They understand it intellectually but they are unable to feel it so as to obey and be driven by this principle of strategically selecting and better serving a viable and valuable segment of the population than their competitors.

Another, which is related to the previous factor, is that they are not “customer centric.” Instead they are selling products on a transaction-to-transaction basis. It’s about “my product” versus “what can I do for you today, tomorrow and the next day well into the future?”

Yet another causal factor is the fear of leaving something on the table (i.e., not maximizing the perceived sales potential). Specifically, organizations are fearful of overlooking or losing customers. Worse yet, they are loath to niche the product opportunity. The word “niche” has the same effect on marketers as garlic has on vampires. It causes them to scurry away. This fear is perpetuated by senior managers who demand more volume than the offering can bear. Or, at its best, it may be attributed to being overly ambitious. Now ambition can be a good thing but what product has 100% of the market? It’s not going to be your product! Let’s be realistic and market consistent with the opportunity and company resources.

A related factor to the previous one is defining the target segment so as to achieve a hyper-inflated forecast that is based upon some profound need of the organization. This need is probably tied to meeting investors’ expectations. So if they are demanding a “blockbuster,” and the organization desperately needs one, the sales forecast and target population have to support

it. Just as the forecast is fat we believe there's a fat chance they'll achieve it with a fat target group. (For our international friends, "fat chance" is an expression that means "not likely!")

One more causal factor in this litany and perhaps the most grievous is a superficial knowledge of the target. This in turn can result from a paucity of marketing research. But is most likely driven by an absence of contact with the target and ability to empathize with them.

The *resultant impact* of poor targeting is a weak brand positioning – pure and simple! The target group is the first element in the brand positioning strategy statement. If this is incorrect, or it is not clear, or not complete, the other elements, which link to it, will suffer greatly. The positioning at its best will be sub-optimized and at its worse will be inappropriate to establishing a healthy brand. We've touched upon other consequences in the preceding paragraphs such as lack of focus in managing brand development, absence of customer loyalty, missed forecasts, poor communications (too many or the wrong messages), etc.

Number "5" - Blindly accepting the Global BPS. Not *localizing* it.

Okay, here's where we risk losing some people. Here's where we provoke outrage among some of you - particularly senior managers. But hear us out. Seek to understand the meaning of this critical error.

Most organizations *foist* a global brand positioning on the world. The global brand positioning strategy is headquarters view of the rest of the world. (Think about New Yorker's view of the world!) Unfortunately, far too often it is developed by managers who have little or no international experience and/or without the benefit of their international counterparts. At best the global brand positioning strategy is expressed as a functional benefit. As mentioned in point number "7" this will probably not be competitive and, even if it is, it can be easily neutralized by competition.

The brand positioning is the strategic sweetspot that balances the product/brand with the target customer group and the company capabilities with the competitive environment. Wouldn't you think this is likely to change by market? At the very least, markets will be on a different spot of the brand positioning due to differences in customer needs, competitive strengths, claim support or company capabilities. This requires adjusting for local needs.

Another issue with *blindly* accepting the global brand positioning strategy is the failure to internalize its meaning for a specific market. This resultant lack of appreciation for the global BPS makes it difficult, if not impossible, to achieve effective execution of it in the marketplace.

Among the *causal factors* for blind acceptance of the global brand positioning strategy is a lack of appreciation for the need for a blueprint to manage going beyond product characteristics to create a brand entity. If global and/or local managers don't share an understanding of what it means to develop a global brand the actual strategy work will fail to register at the local level.

Another factor relates to a word we used earlier, "foist." It is mandated by the global team but not actively executed by marketers at the local level. There is a sort of quiet resistance in executing it in the marketplace. The market has it but doesn't really do anything with it that is

meaningful. As a result brand positioning just develops based upon customers' perceptions from tactical initiatives, competitive response, etc.

The more savvy organizations have a global brand positioning strategy and allow for flexibility in messaging. But messaging is one of the primary avenues for communicating the brand positioning strategy. The reality is that it can overwhelm the global brand positioning strategy. In other words, the market goes its own way.

Timing may be blamed for a global brand positioning strategy that does not include adequate representation from international markets. We hear over and over again that "we just didn't have time to involve everyone." We are not talking about involving everyone but getting a representation of different markets. We are encouraging you to share understanding in order to develop a more competitive positioning that will drive customer preference and, ultimately, create brand loyalty.

The *resultant impact* is rather predictable. Perhaps, you've experienced frequent changes (such as annually) in the brand positioning strategy. This is a function of new managers who did not participate in the development of the original brand positioning strategy coming on board and wanting to make an impact. Annual changes are typically not going to bode well. Frequent changes in brand positioning strategy are going to confuse the organization (think about your sales force) and customers.

The most significant impact is not seeding a competitive brand positioning strategy in the marketplace. It is exceedingly difficult to establish the intended brand positioning strategy without an understanding and, as such, faithful execution of it. Moreover, this lack of understanding it puts an energy drain on the organization from focusing on generating really big ideas that will lead to a truly global brand.

BOATS & HELICOPTERS:

We'll share Boats & Helicopters for your consideration at the conclusion of this series.

In the meantime if you are interested in learning more regarding the subject matter of this article just click any of the titles from these past DISPATCHES articles:

- [A Winner](#)
- [Psychographics for Tighter Targeting](#)
- [Give Your Brand Meaning](#)

Richard Czerniawski and Mike Maloney

THIS IS OUR LAST DISPATCHES ARTICLE FOR 2007. WE'RE GOING TO TAKE A
BREAK TO ENJOY THE HOLIDAYS WITH OUR FAMILIES AND FRIENDS. WE'LL
RESUME DISPATCHES THE WEEK OF 7 JANUARY 2008.

BEST WISHES TO YOU ALL FOR A WONDERFUL HOLIDAY SEASON AND A HAPPY
NEW YEAR!

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