

# DISPATCHES™

Insights On Brand Development From The Marketing Front

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Sunday, June 28, 2009

## ARTICULATING A STRATEGIC TARGET

*“Strategy is a series of integrated activities or parts designed to achieve and sustain a major competitive advantage.”* (Bill Korn, former CEO, Frito-Lay)

Undoubtedly, you could find any number of good working definitions of a “strategy.” But we like the brevity and simplicity of this one. It pinpoints the two essential elements of anything that is worthy of the noun “strategy”: (1) having **integrated** parts or actions (not merely one in a row), and (2) having the capability of providing the architect of the strategy with a **competitive advantage**.

Most General Manager types tend to think about strategy, of necessity, in rather broad terms: for example, developing a productivity strategy for the company that incorporates the integration of Manufacturing, Logistics, and Sales cost-saving activities. Individual function heads and their lieutenants—like Chief Marketing Officers and their direct reports—tend to break strategy down into somewhat smaller entities like advertising strategy, promotion strategy, and merchandising strategy. Regardless of what the strategy is articulated for, however, the two elements mentioned above remain essential.

But there is one area within brand-building and marketing that is often overlooked as a legitimate strategy: the selection and articulation of a given brand’s *Positioning Target*. As we have argued in these *Dispatches* a number of times, the determination of a brand’s positioning target is perhaps the single most important investment decision a management team can make...because it identifies precisely whom the company will spend significant company resources against, most likely for a long time to come.

Why do we say that determining the positioning target is often overlooked as a strategy? Simple: one look at most brand positioning target statements will show only one part—typically a broad demographic, like “Women with kids”—and **not** a series of integrated parts; and it will also show that there is no basis for any competitive advantage in such a target—it’s just like everyone else’s in the category. Frustrated by seeing so many “empty,” non-strategic target statements like these, we began a search for brand positioning statements that actually did include more depth, that were at least in some meaningful way differentiated. And this search led us to compile what we call a Brand Positioning *Strategic Target*. We believe such a target integrates seven (7) key parts **and** makes abundantly clear how the chosen brand target can provide the brand with a competitive advantage. In this week’s Boats & Helicopters we share an example of a Strategic Target (one we have inferred for a bank in the UK) with you...and urge you to develop one for your brand.

**BOATS & HELICOPTERS: An inferred Strategic Target (within the Brand Positioning) for *The Cooperative Bank*.**

<b>Strategic Target Element</b>	<b>What It Means &amp; Typically Includes</b>	<b>Where the Information Often Comes From</b>	<b><i>Cooperative Bank</i> Example</b>
<b>1. Demographics</b>	Age range, M/F, Family type, Socio-Economic class	Usage & Attitude Studies	<i>Adult bank account holders (i.e., with a checking/ATM account)</i>
<b>2. Psychographics (with "Label")</b>	--Identification of an over-arching mind-set that (usually) relates to their perceptions & behaviors about a given category --Typically a 2-3 word descriptor that sums them up	Segmentation Studies	<i>"Light Green" ...in that they have an emerging environmental conscience and want to do more positive things to protect the environment</i>
<b>3. Driving Attitudes</b>	--Further elaboration on the Psycho; --Also explains their usual category behaviors (or lapsed/non-behaviors)	Usage & Attitude Studies	<i>--Think all big banks are the same and not very environmentally-conscious --Desire standard conveniences from their bank</i>
<b>4. Current Category Usage or Non-Usage</b>	--Current brand usage (light-heavy); --Degree of switching	Shopping Studies; Usage & Attitude Studies	<i>Use a competitive bank's ATM's and a nearby branch regularly</i>
<b>5. Dissatisfactions (if any)</b>	(Self-explanatory)	Usage & Attitude Studies; Qualitative	<i>No major dissatisfactions</i>
<b>6. "Telling" Behaviors</b>	2-3 other behaviors <i>outside</i> of the category that "tell" more about the psychographics	Qualitative: Focus Groups & In-depth Interviews	<ol style="list-style-type: none"> <li>1. <i>Recycle</i></li> <li>2. <i>Avoid excess packaging</i></li> <li>3. <i>Use mass transit some</i></li> </ol>
<b>7. Needs</b> --Rational  --Emotional	Ideally, one of each the brand can <i>win</i> vs. competition with	Need-State Studies; Usage & Attitude Studies	--Convenient, full-service banking --Feel more pro-environmental

## BOATS & HELICOPTERS—SOME AFTERTHOUGHTS:

1. What makes a Positioning Target statement like this *strategic* is that, per Bill Korn's definition, it (a) comprises a series of integrated parts that form a compelling whole; and (b) it identifies—particularly in the Needs element—where the competitive advantage lies. For The Cooperative Bank, at the time of its brand positioning implementation in the UK market, it was the only major bank pledging to invest customer's money in an environmentally responsible way...so its competitive advantage lay in its Emotional Need.
2. For brands in pharmaceutical and medical device classes, some further customization of the format helps: for example, the Demographic element for these brands typically describes a particular type of surgeon or physician **along with** the typical type of patient he or she is treating. Strategic Targets for these brands also include an 8<sup>th</sup> element: the Condition being treated (for example, Type 2 diabetes).
3. We have also seen some fast-moving-consumer brands in categories such as beverages, snacks or confection include an 8<sup>th</sup> element that helps: Driving Occasion(s).

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