

DISPATCHES™

Insights On Brand Development From The Marketing Front

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C.O.E + P-O-D = A WINNING POSITIONING FORMULA

Okay, without looking ahead, can you interpret the abbreviations above to make sense of the “positioning formula?” Most experienced marketers probably catch the P-O-D meaning right away: Point-of-Difference. But the C.O.E abbreviation is less commonly used, though what it stands for is an expression equally common among marketers: Cost-of-Entry. So, combined together the formula in this week’s title goes something like this: *When you add a point-of-difference benefit to a cost-of-entry benefit, you often create a winning brand positioning.*

Now wait a minute—before you object that cost-of-entry **anything** is hardly going to help a brand “win.” Generally speaking, it’s true that we marketers typically disdain anything that’s cost-of-entry. We pepper our strategic conversations with such remarks as, “Having the ADA (American Dental Association) endorsement gains us nothing; it’s cost-of-entry in oral care.” But, ironically, just as we often look down our noses at positioning elements that we deem C.O.E, we just as casually select as our lead positioning benefit something like “provides effective pain relief.” Is such a benefit not, in the analgesic category, also C.O.E? Can any brand really compete without providing effective relief? Oh sure, sometimes we try to pump up a positioning benefit like this by re-stating it: “provides maximum pain relief,” but the meaning remains, effectively, cost-of-entry.

Many of today’s more senior marketers (no need to mention their age!)—especially those trained at companies like Unilever, Nestle, and Procter & Gamble—rarely even considered things like cost-of-entry benefits in the past. They were accustomed to positioning and marketing brands with (normally) one differentiated benefit engineered into their product by design...such as “the softest facial tissue,” “brighter white clothes than brand X,” and “winner in consumer taste tests.” In those days it was much easier to position single-mindedly with a single, winning benefit. But, as we often point out in our weekly *Dispatches*, times have changed a lot, and it is more the exception now to find a class of drug or category of product or service in which one brand has a clear-cut, meaningful product advantage.

That’s why considering a positioning with the C.O.E + P-O-D formula nowadays makes some sense. In fact, there are at least three good reasons why it makes some sense:

1. In most cases the cost-of-entry benefit is something the brand is well-known for; by adding a second point-of-difference benefit to it the brand effectively builds upon its own equity.
2. Adding a relevant P-O-D benefit to a brand that previously has been at “parity” to others in the category adds value ... value that can even better justify that brand’s premium

pricing.

3. Finally, note that the formula C.O.E. + P-O-D includes *only* two benefits—one each of cost-of-entry and point-of-difference. So following the formula in crafting the brand’s positioning benefits forces the brand-builders to make hard choices...to select that ONE point-of-difference benefit that will bring the greatest return from customers or consumers. This “forced” benefit articulation is an especially helpful constraint when positioning products like prescription drugs, where there is always the temptation to load-in multiple cost-of-entry benefits--like “effective, safe, and tolerable”--that do nothing to drive preference.

Maybe it would help at this point to see a few examples of the C.O.E. + P-O-D benefit-positioning in action. From a range of product categories and drug classes, here are some brands that have built their businesses in competitive markets by implementing this dual-benefit approach (this week’s B&H):

BOATS & HELICOPTERS:

BRAND	COST-OF-ENTRY POSITIONING BENEFIT	POINT-OF-DIFFERENCE POSITIONING BENEFIT
Bayer Aspirin	Effective pain relief	<i>And the only leading pain reliever that can also help save your life</i>
Tylenol (historical)	Effective pain relief	<i>And the only one that will not cause stomach upset or interfere with Rx medications</i>
Cipro HC (Rx)	Effective relief of earache pain	<i>And the only one that provides relief 19 hours faster</i>
MasterCard	Dependable, universally accepted credit	<i>And the only one that represents what you value most in life</i>
Nexium (Rx)	Effective relief from acid reflux	<i>And the only one that also prevents esophageal erosion</i>
Duracell	Long-lasting power	<i>And the only one you can really trust to work when it has to</i>
Vigamox (Rx)	Effective cure for pink-eye	<i>And the only one that works up to 20 times faster</i>

Note that some of the P-O-D benefits are functional and some are emotional. But also note that each one links logically to the C.O.E benefit. What would a C.O.E. + P-O-D benefit combo look like for your brand?

Richard Czerniawski & Mike Maloney

Richard Czerniawski

.....
430 Abbotsford Road
Kenilworth, Illinois 60043
tel 847.256.8820
fax 847.256.8847
.....

Mike Maloney

.....
1506 West 13th Street, #17
Austin, Texas 78703
tel 512.236.0971
fax 512.236.0972
.....

Reply to Richard:
rdczerniawski@cs.com or
richardcz@bdn-intl.com

reply to Mike:
mikewmaloney@cs.com or
mikemaloney@bdn-intl.com