

DISPATCHES™

Insights On Brand Development From The Marketing Front

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TOTAL QUALITY POSITIONING

“TQM is a management approach for an organization, centered on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction, and benefits to all members of the organization and to society.” (Wikipedia definition of Total Quality Management taken from the International Organization for Standardization)

You remember Total Quality Management, or TQM as it is more commonly known, right? Whether you learned about it in school, worked for a company pursuing TQM via specialized training, or simply heard about it around the water cooler, most people in business have at least a passing familiarity with the concept. Actually, it is more than a mere concept: as originally conceived in Japan back in the 1950's, it was intended and articulated as a business management *strategy*. Note the following, also from Wikipedia: “TQM is a business management strategy aimed at embedding awareness of quality in all organizational processes. TQM has been widely used in manufacturing, education, call centers, government, and service industries, as well as NASA space and science programs.” That's pretty widespread adoption. But - did we miss something - where was TQM ever used for *brand positioning*?

As far as we know, TQM has never been seriously adapted for and then pursued in the development of brand positioning. And this strikes us as pretty strange. After all, TQM is inherently a business management strategy, and brand positioning is certainly a business management strategy. TQM is customer-centric, and brand positioning - to be competitive and effective - must be customer/consumer-centric. In practice, TQM has typically been perceived as an *operational* methodology; and what is the implementation of a brand positioning if not operational in nature? So, even though TQM may have had its heyday in the 1980's and 90's, we think it's high time to apply it to the development and implementation of brand positioning...a strategy we're calling *Total Quality Positioning*. Over the next several weeks, we'll delve into this strategy more in an effort to help marketers and their general management teams to improve the quality (especially the *competitive* quality) of their brand positionings.

But, for starters, let's go back to some of the language in the Wikipedia definitions. Our aim in doing this is to examine more critically some of the inherent traits of real TQM and adapt them to TQP. This initial examination will serve as our Boats & Helicopters this week.

BOATS & HELICOPTERS:

“TQP is a management approach for an organization ... based on the participation of all its members” - The linchpin of the original TQM strategy hinged precisely upon this very simple trait. The intention of TQM could not be clearer: it is intended to be understood and practiced

by the entire organization. And one of the most basic causes for a lack of Total Quality Positioning is that brand positioning is typically neither understood nor known by an entire organization...and obviously, therefore, cannot be implemented by an entire organization. Think about it. Do the Vice-Presidents of R&D, Manufacturing, and Logistics understand the brand positionings of your company's core brands? Do they retain copies of the current brand positioning statements for those core brands - and refer to them when considering, say, cost reduction initiatives? (At one point a client of ours was in the process of improving cube utilization by redesigning the case pack of the market-leading, premium-priced brand, from laying down the individual packages within the case to standing them up. But there was trade-off in the form of more product breakage with the "stand-up" approach - a trade-off Manufacturing regarded as minimal; but no testing had been done with the consumer to see how she felt about more breakage in her preferred, higher-priced brand. In this case, management by TQP would definitely have insisted upon consumer research, and most likely would have precluded a move to a stand-up case.) Building a brand according to its "positioning specification" absolutely demands that everyone in the organization knows and follows the approved brand positioning statement—that's TQP!

"TQP (is) centered on quality" - Well, sure, TQM was and is all about delivering a quality product. No. It is really about much more than that: because one of its bedrock tenets is *continuous improvement*, the kind of quality sought in TQM, and therefore in TQP, is better quality. That means first of all that a brand positioning only stands for better quality versus other, competitor brand positionings when it embodies meaningful differentiation, either real or perceived. And, secondly, continuous improvement means that a brand positioning must keep getting better over time...must keep ahead of competitive moves that might diminish or neutralize its differentiation. Simply said, TQP requires evolution over time—albeit, smart (not reckless or knee-jerk) evolution that reflects a continual search by the organization to position and market preferred brands.

"Aiming at long-term success" - Companies create brands in lieu of mere products because they believe in the selling advantage of building a long-term relationship with customers and consumers. A strong brand becomes like a person—someone a customer can know and trust, over the long haul. When companies merge or are sold much attention is paid by investors to the equity value of the company's brands. If these things were not true, there would be no reason to build brands in the first place. And while it may be true that every brand has a "lifecycle" curve, every brand-builder seeks a brand life that will last a long time. No wonder, then, that the brand positioning must be designed with a longer-term perspective. As noted above, there will surely be some evolutions along the way, but a fundamental premise of TQP is that a brand positioning must exhibit a longer-term perspective.

"Through customer satisfaction" - Ahhh. We finally get to the heart of the TQM/TQP matter. Just as TQM in, say, manufacturing aims at consistently producing a better product for the customer/consumer than competition, so in Total Quality Positioning must marketing aim at a *promise* and *relationship* with the customer/consumer that delivers, that delights, that satisfies—completely! More specifically, you can immediately recognize a brand positioning statement that is built on customer/consumer satisfaction in two ways: (1) meaningful differentiation "leaps off the page," and (2) back-up preference data from market research is noted in the document (most likely in the Reason Why/RTB portion). In short, TQP is ultimately all about building a brand positioning that is customer/consumer-derived, in every aspect (as opposed to one that is Chief Marketing Officer of Managing Director-derived).

In our next look at TQP, we'll go deeper into some of the TQM success factors that apply equally to TQP—factors such as, “*fast response*,” “*actions based on facts*,” and “*leadership from top management*.” Stay tuned.

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