

DISPATCHES™

Insights On Brand Development From The Marketing Front

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WHY STRATEGIC TARGETING IS SO HARD

Week after week we have the privilege of working with brand-builders from virtually all kinds of businesses—fast-moving consumer goods, pharmaceuticals, medical devices, and financial services. And, in helping these marketers craft more competitive, “winning” brand positionings for their brands, regardless of their industry, we always start in the same place: defining and articulating a *strategic target*. But, while most marketers readily nod their heads with this starting point (because so much of the total positioning links back to the brand’s target—the needs to the benefits, and the brand character to the target’s attitudes and psychographic profile), it is sometimes astonishing to us to discover how few marketers really know their target well.

You might express this in another way: many marketers have an idea of the *size* of target they seek, but not so many have a good idea of the *type* of target they seek. They have a *volumetric* sense of the target they desire (normally, the bigger the better) but lack a *strategic* sense of that target. What makes a target “strategic,” of course, is the same thing that makes any business approach or method strategic—it is **consciously chosen to secure a competitive advantage**. So many marketers are trained to engineer meaningful differentiation (for a competitive advantage) into the benefits or reasons why within their brand positioning, but not so many appreciate the target as a prime positioning plank for differentiation. Net, what makes the selection of a positioning target “strategic” is the conscious choosing of some—but not all—consumers or customers in the market as a target group that the brand has the potential to attain a competitive advantage with...to thereby develop into a loyal franchise.

Obviously, for a marketer to be capable of selecting some, but not all of a given market, to become the brand’s positioning target requires that the marketer understand the meaningful subsets or segments of that market—in considerable detail. By no means would it be sufficient to limit that market segmentation detail to, say, simple demographic and category usage data. The resulting segments would still be much too broad—and therefore just as easily selected by competitive brands. No, the idea in aiming to select a “differentiated target” is to find one that competitive brands cannot as easily identify, nor satisfy even if they could. In our *Dispatches* pages over the past few years we have often cited some of the brands that have done an excellent job in identifying a positioning target that their key competitors did not yet identify and would have a very difficult time trying to position against: MasterCard’s “Credit Card Pragmatists”; MAC’s “Cool Creators”; Tylenol’s “Cautious Pain-Caregivers”; and Dove’s “Real Beauty & Self-Esteem Advocates.”

In our experience, what it takes to identify and then select a strategic target is having an in-depth knowledge of that target across “7 Essential Elements,” and articulating that knowledge in the brand positioning statement accordingly. We actually explained these seven elements in some

detail earlier this year—in our June 28th edition of *Dispatches*. By way of quick review, in case you missed that edition, the elements include: (1) Demographics, (2) Psychographics (with a “label”), (3) Driving Attitudes, (4) Category Usage (or non/lapsed usage) and (5) any Dissatisfactions, (6) “Telling Behaviors” (those outside the category that inform the Psychographics), and (7) Needs—both functional and emotional. For pharmaceutical and medical brands, we also recommend including the Patient/Condition being treated. One of the things we did **not** go into in last June’s *Dispatches* was why it so often seems so difficult for marketers to know and articulate these seven elements. So, for this week’s Boats & Helicopters, we offer some of the most common “roadblocks” to a truly differentiated, competitive-advantage positioning target that we have observed.

BOATS & HELICOPTERS:

Strategic Targeting is so hard because...

1. **Senior Management often prefers not to segment a market.** The mindset of many general managers is geared toward volume, volume, and more volume. As such, they sometimes regard the breaking of a market into parts and subsequent selecting of only a portion of those parts as a volume-limiting move. It’s much easier to simply issue the command to “capture the market” in its entirety. But, as has proven out time and again, virtually no company or brand has the resources needed to market equally well against everyone; nor can most companies afford to waste limited resources by investing them against competitor-loyalists and other “unlikely prospects.”
2. **When marketers actually conduct a market segmentation, it is too often the same as ones done by competition.** In other words, because so many companies employ the same research firms to do their work, they typically get back the same market-models. And these models become the standard way the company looks at its marketplace performance—for years and years. What’s really needed, instead, prior to commissioning any market segmentation research, is time for creative thinking: identifying not only unconventional ways to conceive a market, but also ways the market might be imagined by informed consumers or customers...as well as how the market structure might evolve in the not-too-distant future.
3. **Even when marketers complete a meaningful segmentation (and can more deeply understand the positioning target options), there is a tendency to select too many of the segments.** Once again, this temptation to over-select target segments often stems from the unrelenting pressure from senior management to maximize the brand’s volume potential. But consider this: which makes more sense, gaining a 50% share of two market segments with the highest potential for brand loyalty, or gaining a 15% share of 3-4 market segments, half of which show much less propensity for loyalty? In choosing which segments to target, it really, really helps to do the “honest math.”
4. **Too many marketing units—and their senior management—are still doing marketing thinking circa 1975.** This simply means that the tendency to mass market is alive and well...despite everyone’s knowing that custom marketing is here to stay. But because network and cable television continues much as it was thirty years ago, it’s too

easy to think “we can reach just about everybody out there.” Thinking you have the means to reach virtually the entire market—via traditional media or even via a broad-coverage Sales Force—is perhaps the biggest roadblock to achieving a differentiated, competitive brand positioning target.

We know these roadblocks frequently obstruct your efforts to get more competitive; the best way to circumvent them is to get the marketplace analytics you need to demonstrate precisely who the brand’s target should be...and who it should not be.

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