DISPATCHES™
Insights On Brand Development From The Marketing Front

THE TOP TEN TARGETING BLUNDERS

"The goal isn't to do business with people who need what you make; the goal is to do business with people who believe as you believe."

--Simon Sinek, "TED" video, September 2009

We continue to be convinced that the most common and costliest brand positioning blunders occur in targeting. Most common because way too many in senior management (along with their marketers) confuse a brand's *positioning target* with its annual volumetric "population"; costliest because in targeting virtually everyone who may purchase or use a brand in a given year, the brand dilutes valuable and limited resources which could be more effectively employed against a more likely higher-return group of consumers or customers.

Years ago, when consumers and customers had many fewer choices along with many more superior-performing products among those choices (not to mention only 3 television channels with which to reach brand targets), expressing a positioning target was a relative no brainer: "Moms with children needing to get clothes whiter." That was the heyday of mass marketing. Funny, though, how that heyday is now long since passed but so many express their brand positioning targets as if it were still the way the world works.

We have written about this critical subject many times in our weekly *DISPATCHES*, often spotlighting one or two essential principles toward crafting a more *competitive brand positioning target*—as in one that our brand can win against better than other brands. Some things we haven't written about so far, though, are all the "blunders" that marketers make (and, yes, that their senior management often insist upon, despite their marketers' objections).

THE TOP 10 TARGETING BLUNDERS

10. Selecting the exact same target as your competition. The old model from back when mass marketing was king, as Simon Sinek notes above, was to target anyone who needs

what you make. Accordingly, that meant that if another brand made the same things you made, the two brand targets would be identical. But the new model—in an age of customization and ensuing customer advocacy, in an age that recognizes the many differences among target segments—is to target those who "believe what you believe." And there is no better example anywhere of the beauty of this principle than, when about 7 years ago, Apple's MacBook achieved for the first time ever, a 91% U.S. laptop market share…among the **segment** that buys laptops costing more than $1,000 (the segment that truly believes what Apple believes.).

9. Targeting lead adopters. Since, by definition, lead adopters are always on the lookout for the next best thing, why would anyone expect them to be a long-term, loyal prospect group? Their value to a given brand may be high for a brief time (often only at launch), but they are almost never the bedrock of a brand's longterm franchise.

8. Targeting everyone the Company's Sales Force is capable of calling on. Any checked-out, successful salesman and woman will tell you that not all customers are of equal value. That's why their sales call patterns allow for considerably more calls upon those customers who are already brand supporters (better yet, brand "believers") than for those who are in the competitor's pocket, who are highly unlikely to switch. So just as the salesperson, who is not gifted with limitless time, concentrates his or her efforts against those prospects with the highest likely return (or commission), so should the brand manager concentrate his or her limited resources against those same prospects.

7. Along with the above, failing to stipulate and understand the "opportunity cost" of wasting limited resources on unlikely-to-buy targets. Perhaps the biggest reason that so many brand managers and their senior management continue to spend significant marketing resources—often unconsciously—against competitor loyalists is that they have no real, mathematical sense of the cost differences between converting such a loyalist and in sustaining a current brand believer. When you "do the math," it screams out: "Stop throwing money down an (empty) rat hole."

6. Targeting only in terms of demographics. In light of this age of customization that we all now market our brands within, citing only demographics makes it impossible to accurately identify and choose the right market segments for our brand. We absolutely must know and appreciate the differentiating psychographic and attitudinal traits (i.e., in keeping with those who "believe as our brand believes") among the marketplace segments—and, for sure, we must focus our positioning efforts against those segments that offer our brand the better chance to win within.

5. Failing to acknowledge the selected target's current usage—and dissatisfactions. Most brand marketers now have at their disposal some digitally derived tracking research with which to understand the various usage levels (say, among light, medium, heavy, and super-heavy category and brand users). But what is often not so generally available, or even sought after, is the level of dissatisfaction among these various usage groups. In

some categories, “dissatisfaction” may be too harsh a term; rather, it may be more a matter of “things that could be better.” In either case, it’s a serious blunder **not** to know and acknowledge the level of “unhappiness,” whatever it may be…because knowing this makes obvious the selection of the *needs* the brand will solve for (and, ideally, win with).

4. Failing to include the target’s needs—both rational and emotional. Because the goal is to build a *brand* (and not merely a *product*) positioning, today’s winning positioning strategies must include both important functional and emotional needs, with the latter becoming the “glue” that cements the long-term relationship every brand seeks with its positioning target. Even more important, by stipulating those needs the brand can win with, we automatically choose the *benefits* that we will offer to our target.

3. Measuring only mass-market share; not measuring the brand’s share among its target segments. Really, in today’s “deconstructed” marketplace, who cares what the brand’s total market share is? What matters most is the brand’s share among those segments that it has consciously chosen to compete within. Look at it in a way that we would hope all senior management would: What would we rather have, a 50% share of 40% of the total market…or a 15% share of 100% of the total market? We marketers need to keep our senior management looking at the right numbers, the ones that more efficiently lead to bigger results.

2. Thinking the brand’s *positioning target* = its annual *volumetric target*. By volumetric target we mean that total population—including those who buy our brand regularly and those who buy our brand only once in a year—who, in aggregate, account for the brand’s actual sales for that year. As we already noted earlier on, since not every consumer or customer is of equal value to us (nor is every one won over with the same level of investment), we simply cannot make this common blunder. Even a brand like Coke, with typically strong marketing resources and merchandising muscle, does not have the luxury of endless resources to pit against everyone who happens to drink a Coke or two a year.

1. Targeting everyone in the known universe. This is the logical outcome of #2. Plus, these days are long gone. Enough said!

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