

DISPATCHES™

Insights On Brand Development From The Marketing Front

CLASSIFYING BRAND POSITIONING STRATEGIES

We classify, or categorize, things so we may better study, understand and, perhaps, utilize them. Classification is somewhat of a creative exercise. For example, we may classify businesses by size, industry served, profitability, public or private, and so forth. Similarly, we may classify brand positioning strategies to identify important distinctions to assist us in what we do and how we do it in our role as marketers to create brand loyalty.

A Primer on Brand and Positioning Strategy

But before we jump into classifications of brand positioning it might help to reflect for a moment upon the purpose and role of “brand” positioning. The purpose of the brand positioning strategy is to *transform* mere compounds, products or services into brands. Brands are entities that connect with our intended target customer on an emotional level based upon shared values and/or meaningful experiences to establish a bond. Brands are transformative. Products are transactional.

The brand positioning strategy provides the *blueprint* for the development of a brand. It is visionary, in that it identifies intent to achieve a specific place in the minds and hearts of customers, and the marketplace. It serves to guide direction in the development of strategies and initiatives undertaken by all functional areas inside and outside the company serving to establish the brand.

The brand positioning strategy is about the entire entity, going beyond physical aspects of the product and/or service to include intangibles. It is the most important “P” in marketing. We refer to it as the “mother of marketing” in that it addresses the critically important choices we must make in brand creation. These are:

- Brand Idea: WHY do we exist? What is our purpose, the brand’s reason for being?
- Target Customer: Who is the target customer-segment that we intend to bond with?
- Market: What market will we compete in?
- Benefit: How will we differentiate the benefit to drive customer preference?
- Reason-Why Support: Why will the target customer be able to realize the promised benefit?
- Brand Character: Who is our brand as a personality?

It serves as the “alpha and omega” of our marketing activities. It is not merely useful for communications such as advertising. (Positioning is not a subset of Promotion!) Instead, it is the font for guiding ALL strategies and activities. It derives its power and prominence in the form of brand equity through those same strategies and initiatives that are employed to make the brand blueprint a reality.

Classifying Brand Positioning Strategies

There are many *different strategic directions* we may take in positioning our brand. These are dependent upon finding the “sweet spot” between the chosen target customer-segment and the product bundle, along with company capabilities (which include resources, management commitment, etc.) and the marketplace (which include competitors’ equity, positioning, capabilities, etc.).

There are also *different approaches, or classes, of positioning strategy*. There are two with which most marketers are quite familiar from their experiences. These are:

- Competitive Positioning – We define this as, “*how we want customers to perceive, think and feel about our ‘brand’ versus competition.*” This is what we should create when we undertake the development of a brand positioning strategy for a new, or launch, product. And we MUST create a brand positioning strategy or the marketplace will do it for us!
- Repositioning – This is a significant or revolutionary change to a positioning strategy that has been in existence. It is typically reactive and is triggered by disappointment in performance, fear and/or demands by specific functional areas serving the team (such as the sales force). It is driven by the following:
 - a) The brand is experiencing significant and continued declines in sales – It is losing sales due to a loss of relevancy to the target-customer segment, lack of meaningful support, commitment to other products, etc.
 - b) The product or brand is on the downside (typically in the final stage) of its lifecycle.
 - c) New entries or competitive actions precipitate reaction.
 - d) New leadership wants to go in a new strategic direction.

Repositioning is a desperate measure. It negates the previous positioning strategy, relationship with customers and investments in the brand. As such it is costly and has a low probability of success. (This does not mean that one cannot be successful with repositioning. We all know of brands that have been successfully repositioned. They’re heralded in the business press. But for every one of those there are many more that die quietly.)

- Positioning – This stands for “proactive positioning.” Whereas repositioning is a revolutionary change to the brand’s positioning strategy, positioning is an evolutionary change. Whereas repositioning occurs on the downslope of its lifecycle, in a later stage, positioning is initiated while the brand is on the upslope of its lifecycle. While repositioning is typically a reaction of an unhealthy brand, positioning occurs when the brand is still quite healthy and vital.

Positioning is initiated when the brand’s growth momentum begins to slow, or in anticipation of changing marketplace dynamics (e.g., new competitive entries, changes in demographics, gaining new indications, etc.) that might drag the brand down or miss an important opportunity if not addressed. Its purpose in the former case is to regain (i.e., bolster) growth momentum. In the later instance it is to maintain growth.

Properly designed it serves to both raise the brand's lifecycle to new levels of growth and sales, while it extends it to the right giving the brand additional years of growth. It drives the s-curve upwards, and to the right.

- **Oppositioning** – The final class of positioning strategy is what we've identified and termed as "oppositioning." This is the practice of positioning a competitor to establish your brand's positioning in the marketplace. It serves to enable target customers to better appreciate your brand advantage. It also works to niche a competitor, or paint them in an unfavorable and, perhaps, negative light. This is a strategic approach popular with politicians. In practice they damn their opposition to drive preference for their candidacy.

This strategy is also employed by feature rich product categories, and/or those who are unable to stand on the merit of their own positioning strategy. It may be a strategy that is employed against your brand by a competitor. Its purpose may be to change the dialogue and get you to react, leading to (inappropriate) repositioning and/or messaging.

There are two sub-classifications to oppositioning – direct and indirect.

- **Direct:** This is marked by directly pointing out negatives regarding the competition, or turning aspects of the competitors' products and/or services into negatives.
- **Indirect:** This is achieved by raising questions about select aspects of the competitor in such a way as it guides target customers to draw conclusions that turn them against the competition and into the arms of your brand.

Of the two approaches, we favor (if we were to engage in oppositioning) the indirect approach. The direct approach could alienate the competitive users, the very target you may be trying to win over to your brand, in that it openly challenges their choice and, as such, could lead them to rationalize their decision and become even more entrenched in their choice.

On the other hand, we recognize that the direct approach has some important advantages. It could be useful in energizing your customer franchise and reinforcing their choice of your brand. The direct approach to oppositioning also works to overcome any cognitive dissonance your target customer may have in the purchase of your brand. Finally, it may be employed to energize other constituencies, such as the sales force, not only because it provides them with ammunition to use with customers but also helps them feel superior to the competition and gives them a taste of being winners (bordering on self-righteousness). However, this could also lead to arrogance and be off-putting to target customers.

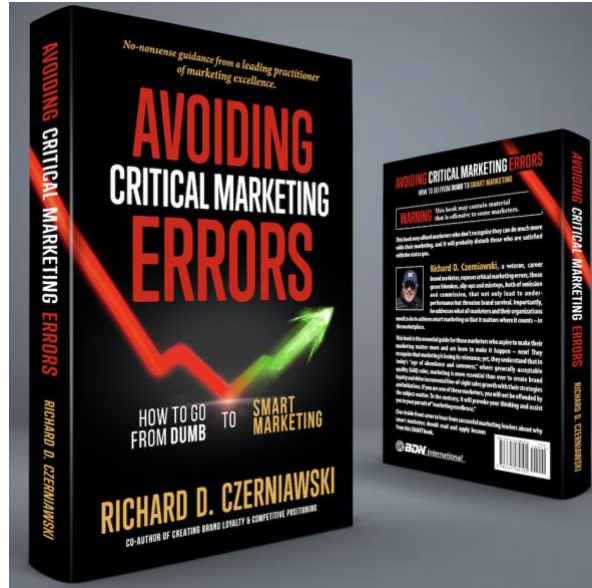
The indirect approach is subtle but can be very effective. It undermines competitors' customers' confidence in their brand and helps them to discover your brand. This process of discovery leads to conversion, going beyond occasional switching, to establish loyalty for your brand. The degree of loyalty will obviously depend upon the target customers' ability to experience more, or something better, or meaningfully different, with your brand.

Considerations for your marketing:

- 1) ***Find your sweet spot*** – Undertake competitive positioning development to provide a blueprint to guide the development of your brand. Do not surrender the development of your brand positioning to the market, or competition.
- 2) ***Identify competitors' positioning*** – Infer the positioning for each of your key competitors. Pull together a multi-functional team (e.g., marketing, agency, marketing research, medical affairs, etc.) to review and share information about competitors to make a reasoned inference that's clear of biases.
- 3) ***Compare and adapt*** – There are two comparisons to make with your intended brand positioning strategy. The first is against the current marketplace positioning as perceived by customers. The second is against competitive brand positioning strategies. In the first case identify what you need to do to achieve the intended positioning strategy in the marketplace. In the second case, adapt your brand positioning strategy to ensure meaningful differentiation versus competition (present and future).
- 4) ***Position for success*** – Be proactive! Avoid the need for repositioning.
- 5) ***Use oppositioning selectively and tactically*** – It can aid product development, ensuring that meaningful differentiation is engineered into emerging new products. You may also use it tactically to reenergize current customers and your sales force. It may also be employed tactically to undermine the confidence of competitors' customers thus providing them with the opportunity to discover your brand.
HOWEVER, ANY OPPOSITIONING MUST BE APPROVED BY LEGAL AND REGULATORY!

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Don't mis-position brand positioning. Please read Richard's most recent book, **AVOIDING CRITICAL MARKETING ERRORS: How to Go from Dumb to Smart Marketing**. Learn more here: <http://bdn-intl.com/avoiding-critical-marketing-errors>. It will help you avoid critical marketing errors and, importantly, suggest actions you can take to make your marketing matter even more.



Peace and best wishes,
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