

DISPATCHESTM

Insights On Brand Development From The Marketing Front

PROSITIONING VERSUS REPOSITIONING

When sales persistently decline, a common refrain among marketers is “It’s time to reposition the brand.” Well, it may be too late; in most cases, it is too late!

Repositioning typically indicates a brand that is no longer healthy and in serious business decline. It’s reactive behavior to (typically alarming or consistent) sales, market share and/or profit declines. By the time most companies attempt to reposition a brand, it’s too late. The brand’s strategic health has deteriorated to the point that is difficult to restore, no less resuscitate.

Attempts at repositioning generally lead to failure. Oh, sure, there are plenty of examples of successes, which we remember because the business press touts them. But repositioning tends to be a case of too little too late for the many. This can be traced to several factors, among which are the weak commitment of management as evidenced by limited support, extremely short time horizons demanded for recovery, reluctance to change the product offering, and the stubborn hold on the very practices that led to undermining the brand’s health.

As such, marketers should consider and engage in “*propositioning*,” a word I coined that means “proactive positioning.” *Propositioning* begins while the brand is healthy and well before its business declines. The time to engage in *propositioning* is while the brand is still growing, but its growth rate has slowed. This will ensure needed proactive management before the brand’s current positioning goes stale (i.e., no longer as impactful as previously) in the marketplace.

Among the many dynamics to trigger consideration of *propositioning* are changes in customer demographics and/or psychographics; development and availability of new technologies; product improvements; sustainable competitive actions that threaten your brand; new products in the marketplace (especially those that re-segment the category); and new strategic customer insights that could benefit the brand if exploited.

Propositioning affords a brand with many advantages. One, it serves to extend the lifecycle of the brand. Another advantage is that *propositioning* ensures continuing the brand’s strategic health and customer relationships. Also, successful *propositioning* can serve to protect the brand against competitive inroads. Finally, it can help avoid the anguish and likely failure of repositioning.

There are numerous examples of companies that have been successfully *positioned*. Johnson & Johnson has transformed itself from a consumer to a pharmaceutical giant. General Electric moved into financial services. Charles Schwab has gone beyond being a discount broker. And Pepsi *positioned* with its acquisitions to become a total beverage company.

Among successful brand *positionings*, we see the same examples repeatedly. Starbucks, Nike, Gatorade, Neutrogena, and Tide are examples that spring to mind. Consider the Tide Detergent brand, which dominates the laundry detergent category in North America. Sales of Tide are larger than the next nine brands combined. Moreover, the brand has extended its lifecycle and leadership for more than 70 years with product improvements and the development of line extensions.

These companies and brands share some common traits. There appears to be a vision for the company and/or brand that goes beyond conventional category boundaries. Moreover, there's a willingness to repeatedly question the perception of what business they are engaged in. This can come in the form of how they view what they do (e.g., for Nike, it might be making athletic apparel that makes a statement) or what is in it for their customers (e.g., empowerment to "just do it" regardless of athletic proclivities and/or talent) or what company capabilities enable them to provide (e.g., inspiration).

There is also sensitivity to future developments related to customer attitudes and behaviors, marketplace dynamics, regulatory issues, technologies - whatever. Add to this list of traits openness to new strategies and a willingness to try them out in the marketplace. I also believe insightful and strong "leadership" is another critical trait.

Yet for all its advantages, *positioning* is an alien concept in today's corporate environment. Certainly, *positioning* takes a back seat in practice to repositioning. This traces to several factors, among which are:

- An absence of indicators to provide an early warning regarding the brand's strategic health and consequently a focus on business results, which lag behind brand health.
- A smug satisfaction with results (i.e., we're making our numbers) and reluctance to challenge the status quo.
- Limited vision of the future and/or understanding of marketplace dynamics and their potential impact on the brand.
- Resource constraints (i.e., people, time, and/or money) and/or the lack of desire to seek out and test new strategies.
- Fear of failure.
- Organizational issues, particularly politics, among others.

Another deterrent to *propositioning* is a company's lack of understanding about how to go about achieving the new positioning, mainly if it is a stretch from the current positioning. But this can be solved by planning designed to achieve the new positioning in sequential stages over a designated period. Each stage is defined by a major initiative such as a product improvement, acquisition, introduction of new technology, etc. In other words, it can be achieved through engineering its evolution.

Propositioning is not a readily understood or welcomed concept. It requires a change in mindset from being satisfied and/or reactive to being proactive. But its advantages far outweigh its disadvantages. Consider *propositioning* before you are forced to engage in repositioning to resuscitate your brand's squandered health.

Application:

1. Find a way, beyond financials, to assess the brand's strategic health.
2. Formally revisit your brand positioning statement annually to explore new strategic opportunities.
3. During the review, question, question, question the conventional wisdom of the organization – the business the brand is engaged in, assumptions regarding the marketplace, and the advantages of current brand practices.
4. Envision and plan for alternate future market and competitive scenarios that are favorable and unfavorable to your brand.
5. Create a plan designed to achieve the new positioning over time through the thoughtful launch of meaningful initiatives that communicate, through action, the intended positioning.
6. Create a dialogue with customers, test alternate strategic directions through specific initiatives, and adapt accordingly.

Found this post informative or thought-provoking? Consider registering for DISPATCHES and MARKETING MATTERS, two blogs I publish on alternate weeks. Go to www.bdn-intl.com to register.

Also, follow me at <https://www.linkedin.com/in/richarddczerniawski/> as I share my perspectives from 50 years of successful worldwide brand marketing experience each week in a dedicated marketing blog, THING ABOUT IT.

Make your marketing matter (even) more! Common yet critical, marketing errors can lead to less-than-stellar or even disastrous results. Read my most recent book, AVOIDING CRITICAL MARKETING ERRORS: How to Go from Dumb to Smart Marketing. You'll discover many errors that contribute to sabotaging marketing success. Importantly, you'll

