BRANDING POSITIONING
MM – 102

GENERAL OBJECTIVES OF THE SUBJECT
At the end of the course, Individuals will examine the principles of Brand Positioning apply them within the companies need critically reflect Marketing behavior within companies *and* their impact on the development of this course.

## 6.	DEVELOPING A COMPELLING BRAND POSITIONING

6.1	Foundations of Brand Positioning
6.2	The Three Parts of Brand Positioning
6.3	Major Positioning Decisions
6.4	The Brand Positioning Statement

### 6.1	Foundations of Brand Positioning
Positioning defined: Most authors define positioning as the perception that a target market has of a brand relative to its competitors. This definition raises two points. First, positioning is perceptual. In other words, positioning is not factual; instead it pertains to influencing customer perceptions of your product.

Second, companies cannot position brands in isolation; they must be positioned relative to one or more competitors. By nature, human beings learn by making comparisons. When we learn new information, one way we remember and use that information is by mentally comparing it to existing information. Therefore, it's only natural for people to develop perceptions of one brand that are relative to other brands. When we say what our brand is, whether we like it or not, we also imply what our competitor is not. When we say what our brand is not, we imply what our competitor is.

How Positioning Works In Memory
Positioning and memory schema, the term ***"positioning"*** implies that brands are ***"placed" in memory***. Importantly, marketers wish to influence "where" a brand is remembered relative to competitive brands. To understand how this works, some basic knowledge of human memory might be helpful. As noted above, people remember new concepts when they compare them to other concepts – generally ones already stored in memory. Groups of related concepts form what psychologists refer to as "memory schema."

Marketers influence memory schema structure, through advertising and other marketing communications, marketers make statements about their products (and their competitors) that attempt to ***"teach" people how to think about their brand***. Generally speaking, the necessarily simplistic nature of most consumer-oriented marketing communications means that marketers cannot teach consumers complicated

or intricate schema. Quite the contrary, effective marketers encourage consumers to develop schemata that essentially divide a group of competitive products into two categories: the marketers' brands and all others.

Before we continue, let me emphasize that not all products are well-positioned; many well-known national brands do not utilize particularly effective positioning strategies. This may be because the particular product in question does not lend itself well to positioning. One such example is "Eggland's Best" eggs. This company is attempting to build a branding strategy by positioning their product as "better tasting" than other brands of eggs. Eggs, however, are widely viewed as a commodity product for which consumers have historically had little brand loyalty. Other well-known brands may lack effective positioning simply because they have yet to develop and communicate a suitable position in the marketplace. When a product lends itself to brand loyal behavior by consumers, however, well-positioned brands stand a better chance of succeeding, which strongly suggests that marketers should not give up trying to find a good position for their brands despite the difficulties.

Positioning and product performance. Importantly, marketing communication can go only so far to encourage a particular view of a product category among a group of consumers. Ultimately, the product itself must deliver on the promise of the brand's position. Consumers learn much more about a brand from actual product performance than they do from a marketer's communicated claims. Indeed, no matter how carefully a marketer strategizes about a brand's position, unless the brand's performance reinforces the marketer's claims, the positioning will fail. Therefore, a brand's positioning must be consistent with the product's performance. In other words, products must ***"walk the talk."***

6.2   The Three Parts of Brand Positioning
In this lesson, there are three distinct components of a brand concept as expressed by a brand positioning statement: The target the category, and the point of difference. Let's take a look at each component.

1) Target
2) Category
3) Point of Difference

The ***Target*** is a description of who the consumer is. Think of I as ***"to whom"*** the statement is addressed. Keep in mind, however, that the targeted consumer will not ever read the positioning statement directly; it is simply a tool to help the marketer direct his or her efforts to that particular consumer. ***To anchor the concept in the consumer's experience, we must be clear about who the consumer is***. Not everyone will experience a product in the same way, and only some consumers will experience it in the way we want. We need to be clear about who those consumers are.

BRANDING POSITIONING
MM – 102

Consider the statement below for a hybrid gas-electric automobile about to be re-launched in the Chinese market. The product has a luxury price-point. It is has not been successful I the past because it is considered expensive while lacking features comparable to other luxury automobiles.

To wealthy individuals and business leaders who can afford an expensive automobile but have a sense of responsibility to others, tis brand is a luxury automobile that shows you care about society I a way that others will respect. **The target is wealthy people who are characterized as individuals and business leaders who stand out from the crowd** and who have prospered with the rise of the Chinese economy. Further, these are people who can show off their wealth but also want to show that they care about others, not just themselves. They want to show respect for the larger society. They may have gotten rich first, but they do not want to seem apart from others. In this case, the target "to whom" that the brand is directed is clear; we can see why this product would appeal to these people and not others.

The ***Category*** is the core component of the concept, and it is central to brand position statement. The category provides a frame of reference that consumers can use to position the product in their minds; they do this by comparing it to others similar products in the same category. To understand anything must be able to relate it to other things we already know. Thus, we assign things to categories that are familiar.

For example, to help someone understand where Chicago is located, we might say that it is in the Midwestern section of the United States and in northeastern Illinois. Here Chicago is placed in the category "Midwest" and further categorized as "northern Illinois." This helps people position the city in their minds by comparing it to other places they (hopefully) already know.

In the case of the hybrid automobile example, consumers understand the brand position by first understanding its basic category, "luxury cars." The brand is further categorized in this example as "Things that show a person cares about society." This is a category because the consumer is familiar with things (e.g. wearing a mask if you have a cold) that go together to form a category. Thus categorization can be literal (a luxury car) but can go beyond this to be much more creative and evocative (things that show caring about society). His creativity is important to the art of the brand positioning statement.

The ***Point of Difference*** which is the final component of brand concept. This component is necessary to complete a fully realized concept. One we know what a product is similar to (category), they we need to understand what it is different from (*point of difference*). How does the product differ from other things categorized the same way? Chicago and Detroit are both Midwestern cities, so in other to understand Chicago we would need to understand how it is different from other cites in its category

(Midwest). In our hybrid automobile example, a point of difference is required to differentiate this product from others. In our statement, this automobile is different because it shows that you care about society "in a way that others will respect." The implication is that there are other ways that would not garner respect (living modestly, perhaps). Again, note the nuance, the importance of choosing words carefully, and the need for a consumer insight.

Having a strong point of difference not only makes a concept complete and clear, it makes it harder to copy. Any concept can be copied, but if the brand successful, a strong point of difference makes it obvious that any product trying to be different in the same way is simple a copy.

6.3   Major Positioning Decisions

Effective product positioning requires a great deal of thought and deliberations among marketers. The goal of these deliberations is to produce a written statement describing how the brand should be positioned relative to what competitors. Thus, a positioning statement is a strategic document that clearly expresses the brand's management's desires as to the positioning of the brand and the products carrying the brand.

Importantly, the positioning statement should not be confused with advertising slogans, campaign themes and the like. Positioning a product involves more than promotion, although promotion is certainly a key part of it. However, positioning also pertains to product design, distribution, and pricing*.* In other words, *a product or brand is positioned using all elements in the marketing mix, not just promotion.*

Any positioning statement should be written around three basic decisions, some of which have already been partially decided as part of the market segmentation process. *First is the category positioning decision,* which entails choosing how to position against the market leader or market pioneer in a given product category. *Second, marketers must make a positioning content decision.* That is, they **must decide on the product attribute or benefit upon which to focus their positioning strategy, and why that attribute or benefit is superior to the competition**. Third is **what I term the position referent decision**. Because positioning is intended to help consumers form an impression of brands relative to one another, marketers often communicate a "point of reference" to help consumers make comparisons. This is the position referent. Each of these decisions contributes something to the positioning statement that will, hopefully, express something about brand that separates it from competitors in a way appealing to target markets.

An important point bears mention here. In these days of brand families appealing to multiple target markets, a single positioning statement is rarely sufficient. Instead,

marketers may prepare several variations depending on the product category, the product within a given line, and the particular target market or markets. In the case where multiple positioning statements are developed for a single brand name, care must be taken to assure that the overall brand position and image remains intact.

> For example, Ford develops positioning strategies for each model of automobile it sells. In other words, Ford utilizes a positioning strategy for its Thunderbird, perhaps in the retro sports car category. However, the Thunderbird's positioning strategy must be consistent with Ford's overall positioning strategy in the automobile category.

Category Positioning Decision recall from the notes on market segmentation that a product category is simply a group of products that on some level provide similar sets of benefits. Once the product category, and by extension the product market, have been decided, marketers must begin the task of choosing how to position their brand against others in the category, beginning with the category leader and/or the category pioneer.

Rossiter and Percy (1997) suggest two options for marketers making category positioning decisions. However, before we discuss those options, a point noted earlier bears repeating here: Effective positioning entails more than simply communicating to consumers about a positioning strategy; it can include major modifications to other elements of the marketing mix. Indeed, category positioning decisions tend not to emphasize promotion and distribution and instead stress aspects of product and price.

Position centrally in the category. The first positioning option is referred to as "central positioning" or "positioning centrally in the category." To understand central positioning, we must first understand the concept of what I term a "category prototype." In consumer products, virtually all product categories have a category prototype. This is the brand that in essence defines the product category in the minds of consumers. Often the brand that actually created the product category (i.e., the category "pioneer") becomes the category prototype. In other instances, the brand with the greatest market share in the category (i.e., the category "leader") becomes the category prototype. Because the category pioneer often enjoys an early advantage being category's only brand and can use this advantage to build brand loyalty among consumers, the pioneering brand also becomes the category leader. Whatever the case, consumers perceive the category prototype as representative of the entire product category.

Top of mind awareness simply means that a brand is listed first when consumers are asked to list brands in a particular product category. This is to be expected in cases where the category prototype is the category leader. People in the product market who use brands other than the category leader often list the category leader second when asked to list brands in the product category.

BRANDING POSITIONING
MM – 102

The idea behind positioning centrally is to have consumers either view your brand as the category prototype or as just as good as the category prototype but at a lower price. To do so, create a marketing mix such that your brand is perceived by consumers to deliver all of the main benefits normally thought of as characteristic of the category. This is not to imply that a brand positioning itself centrally in the category offers only the benefits characteristic to the category, just that it offers all characteristic benefits.

Not all brands are well suited for positioning themselves centrally in the category. Positioning a brand as central to the category works best for brands in two circumstances. First, the brand is the recognized category leader. As noted earlier, this brand may also be the category pioneer, who by virtue of being first represents the category in the minds of consumers. In other cases, it may be a brand that, for whatever reasons, overtook the pioneer brand and came to be the market leader. An example of the latter is Wal-Mart. Wal-Mart did not pioneer the large chain discount retailer. Arguably, the category as it exists today was pioneered by K-Mart. However, when one thinks of discount retailers, Wal-Mart seems to define the category. Second, the brand is a so-called "me too" brand that delivers all of the same benefits as a category prototype, but features a significantly lower price. Attempting to occupy a central position in the category under these circumstances can be a very risky approach and one that often fails. A me too brand positioning centrally must often compete directly against the category leader. Such competitors often possess extremely strong reputations and an abundance of resources. For the "me too" brand, the key to positioning centrally is to assure consumers that the benefits offered by your brand are not the same as those offered by the category prototype, but also that the quality of those benefits will be comparable.

According to Rossiter and Percy (1997), a classic example of successfully positioning a me too brand centrally in a product category is that of PC "clone" personal computers. By making reliable computers that ran the same software as the market leader and category pioneer, IBM, and by pricing their clone computers hundreds of dollars lower, IBM quickly lost its category leading status.

An interesting example comes from Suave shampoo. Suave centrally positions its shampoo as a me too brand that's "just as good as the expensive shampoos." In this case, however, Suave does not refer to any competing brand, nor does any single competing brand come to mind. In this case, Suave does not refer (implicitly or by name) to any single brand. Instead, it groups all so-called expensive shampoos together as a sort of conglomerate category prototype.

Then, they position centrally by claiming the same benefits but at a lower price – concluding their advertising with the tagline, "Don't you look smart?"

Position in a "differentiated" location. Logically, if a brand decides not to define its product category so that it occupies the central position, then by definition it must position itself as different from brands in the central position. As noted above, by virtue of being first, brands that pioneer product categories become the category prototype and occupy the central position in the category. However, on occasion, these brands do not become the category leader. Studies (e.g., Rosenberg and Blair 1994) indicate that in categories where a non-pioneer brand held the category leader position, more often than not the leading brand did not attempt to position itself centrally. In other words, as a general rule follower brands, should try to differentiate themselves from centrally positioned brands.

The question for brands that decide to differentiate is how. Much of what we discuss in the sections to follow will provide some analytical tools to address this. However, initially, a follower brand's decision on how to differentiate depends in part on what attributes brands central to the product category have used to position themselves. If the centrally positioned brand positions on a single product attribute or benefit, then follower brands should find another attribute or benefit on which to position.

Price does not apply as an attribute on which to position for brands that differentiate. Recall in the previous section that so-called "me too" brands that position centrally against the market leader do so by claiming all of the benefits offered by the market leader, but at a lower price. Therefore, differentiating brands must select a different non-price attribute as the basis of their differentiation.

Importantly, selection of an attribute upon which to differentiate may occur during the product's development. In other words, promotion managers aren't simply handed a completely developed product and told to find an attribute to position it. Instead, attributes key to positioning strategy are often designed into the product during its development. Indeed, many companies develop and brand products because they see the opportunity to position on attributes not yet available in existing brands.

As noted earlier, marketers position products in order to encourage consumers to favorably compare their brands to others in the product category. This means emphasizing differences between brands. The preceding discussion might lead you to believe that brands pursing a differentiating positioning strategy in the category encourage consumers to compare brands and centrally positioned brands do not. This is not at all the case. First centrally positioned "me-too" brands encourage consumers to compare their brand to the category prototype, but mainly find differences in price.

More subtly, brands positioned as the category prototype also encourage the perception of differences. Through their position as category prototypes, these

brands encourage consumers to view other brands as poor imitations. They suggest that consumers looking for the characteristic benefits of the product category can buy their brand with confidence because it represents the category; it is the brand all others compare themselves to. In the common instances where the category prototype is also the category leader, prototypical brands stress their leadership position in the category as a point of difference. Thus, in some way or another all brands encourage the perception of differences. The point to this discussion is to offer some initial comments as to how.

Positioning Content Decision whatever the category position, benefits lie at the heart of all positioning. In other words, in order to encourage the perception of differences between a brand and its competitors, marketers must ultimately use benefits to make those perceptions meaningful to consumers. Thus, selection of attributes or benefits upon which to base brand positioning assumes critical importance. By selecting benefits upon which to base positioning, marketers in effect decide the content of the positioning strategy – hence the name "positioning content decision."

Few clear-cut rules apply to selecting positioning content. However, the previous discussion offers some relatively straightforward guidance.

1. Content for centrally positioned brands. Centrally positioned brands present the most uncomplicated content decisions. For category prototypes, brands should be positioned on benefits characteristic to the product category. Because category prototypes in essence represent their various categories, their positioning challenge is not to "claim" some particular benefit or attribute. Instead, they should encourage comparisons to other brands on the basis of popularity in the case of category leaders or on the basis of experience or knowledge in the case of category pioneers. Recall the Budweiser ad in Exhibit 2. The only real content to the ad is the claim of being "king." Only a brand in their market position can rely on such content.

Importantly, in the face of stiff competition, Budweiser can't rely solely on this strategy. They use the strategy to reinforce their position as category prototype, but they frequently stress the quality of the brand, its ingredients, the care with which it's made and so on. In a competitive category like beer, expecting to remain king requires more than making the claim. Centrally positioned me-too brands, by definition, claim the characteristic category benefits, but encourage comparisons on the basis of price.

2. Content for differentially positioned brands. Selecting benefits for positioning these brands presents a more complex challenge to marketers. Here, marketers must take stock of all brands competing in the category (which adds importance to selecting the product category, as discussed in the

market segmentation notes). In so doing, they must consider how competitors position their brands, and whether any attractive "holes" exist in the "positioning landscape" (i.e., consumers' memory schema).

Competitive position profile. This tool can be used based on your general impressions or it can be based on research data. In either case, the tool can be a useful way to assess how your brand compares on various attributes. To make a competitive position profile, list vertically all of the attributes you wish to compare across competing brands. Then Brand Positioning – rate each brand on all attributes in terms of whether the brand is below, at, or above the industry average in terms of attribute quality.

Model of Benefit Delivery. This tool considers positioning content within the context of how product attributes deliver benefits to consumers. The purpose of the model is to help marketers generate possible positioning content ideas. Beginning with product attributes, the model uses a series of simple relationships that produce as many as six positioning content possibilities for each attribute input into the model.

Position Referent Decision

All comparisons require some point of reference in order to draw conclusions about the things being compared. The position referent decision helps consumers make the comparisons by offering them a beginning reference point in order to compare brands. This decision differs from the product category decision in one respect worth noting here: While product category decisions give emphasis to product and price, the position referent decision centers mainly on promotion and distribution decisions.

1. Three position referents. In this section, we discuss three position referent decision possibilities. First is product-focused positioning. That is, a brand positions by promoting particular attributes of its product. Second is user-focused positioning. Here, a brand positions by promoting an image of the people who buy or use the brand. Finally, a brand may adopt competitor-focused positioning. In this case, a brand positions by promoting unfavorable dimensions of a competing brand or its users. We begin with product-focused positioning.

Product-focused positioning. The majority of brands position using a product focus. Brands positioned this way will "locate" their brands in consumers' minds on one and Brand Positioning benefits the brands provide. Simply put, a brand will select some product attribute or a benefit it provides and then emphasize to consumers that "our product is the one that provides benefit for Coke ("The Real Thing"), Chevy Trucks ("Like A Rock"), and Energizer ("It Keeps Going and Going").

User-Focused Positioning. Here, the brands' users take center stage as a point of reference for positioning. The idea is to describe brand users in a favorable light because of their usage of the brand.

Competitor-Focused Positioning. In very occasional circumstances, marketers may wish to very directly use competitors as a positioning referent. All positioning attempts to encourage consumers to at least infer differences between brands; however, competitor-focused positioning goes a step further. With a competitor focus, marketers make strong reference to a single competitor or a group of competitors. This does not necessarily mean calling them by name, though it certainly can. However, competitor-focused positioning should leave no doubt in consumer' minds who the referent is. Good examples of nationally known competitor-focused positioning are more difficult to find than other approaches; however, some well-known advertising slogans based on this approach include Wendy's famous "Where's the Beef?" campaign, and more recently Taco Bell urges consumers to "Think Outside the Bun."

Choosing a positioning referent. For most consumer product marketing, product-focused positioning is the preferred approach. Indeed, it's hard to go wrong drawing consumers' attention to the benefits of your product. However, occasionally circumstances call for making either a user-focused or competitor-focused positioning referent decision.

Rossiter and Percy (1997) suggest utilizing a user-focused positioning referent primarily when the user seeks social approval. However, I believe this perspective slightly oversimplifies the situation. Consumers use many products under circumstances when no one else observes the use. Similarly, consumers do not discuss their use of many products with others, rendering social approval a moot point here too.

My perspective is that a user-focused positioning referent will work when the user seeks brands that reinforce how they wish to be perceived by others, regardless of whether others know what brand the user buys. For example, consider Jif peanut butter. I suspect that many purchasers of Jif rarely display their peanut butter for the approval of family of friends. Likewise, peanut butter brands rarely make for sparkling conversation. However, moms who enjoy being seen a "choosy" and wanting only the best for their children may find Jif's positioning attractive even though their choice of brands remains unknown by her peers.

Conditions favoring a competitor-focused positioning referent include the presence of fierce competition between brands in a category. Such conditions do not mandate this approach, but do present opportunities that favor its use. Likewise, when one brand is

attempting to position itself on a benefit or attribute already claimed by another brand, the first brand may find using competitor-focused positioning useful.

Under the latter circumstances, marketers may wish to use what Kotler refers to as "depositioning a competitor." To deposition a competitor, a brand not only positions itself on the same attribute or benefit as the competitor, but does so by refuting the competitor's claim to that position. For example, in an attempt to build up the prestige of its brand Royal Doulton china ran ads touting its royal British heritage by noting that its chief competitor, Lenox (a rather elite British sounding name) actually originated in New Jersey. In so doing, not only did Doulton take away much prestige from Lenox, but more firmly established its own in the minds of consumers.

6.4   The Brand Positioning Statement

The product of all this analysis and deliberation is a brand positioning statement. As noted at the beginning of these notes, a positioning statement is not an advertising slogan, although all marketing communications including advertising should emphasize the brand position.

Marketers should regard the brand positioning statement as a strategic document that provides valuable guidance into many of the marketing mix variables. Although our discussions will focus primarily on promotion, I have stressed several times that positioning transcends promotion alone and affects product design, pricing and distribution as well. The brand positioning statement utilizes the positioning decisions made thus far as well as some of the market segmentation decisions discussed earlier.

Bear in mind the point made earlier about positioning strategies for individual products as well as overall brands. The mechanics for developing positioning statements at each of these levels does not change. The important point is to make certain that all positioning statements reflect consistency.

One simple format that may be useful for writing the positioning statement follows. The format merely states some of the positioning and segmentation decisions in summary form.

1) (Brand or product name) should be the (central or differentiated) choice for (target market description or label)
2) shopping for (product category)
3) because (brand or product) provides (benefit from position content).

Let's also suppose for simplicity's sake that Goodyear plans to make all its tires with deeper tread grooves, so the positioning applies to all tires sold with the Goodyear Brand. Let's also suppose that the target in question is safety conscious suburban moms and dads with young children. Under these hypothetical circumstances, a positioning statement might be as follows:

> *Goodyear tires should be the differentiated choice for safety conscious moms and dads shopping for passenger tires because Goodyear's deeper grooves provide better traction on the road.*

In this example, I arbitrarily selected "attribute delivery of a functional benefit" to be the positioning content. Guided by this positioning statement, marketers could develop a promotion strategy that continuously stressed this attribute-benefit relationship until customers finally regarded Goodyear as the "deep grooved better traction tire."