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WITH LEADING TECHNOLOGY

Positioning Revisited

From Trout & Ries to Today

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POSITIONING REVISITED

FROM TROUT & RIES TO TODAY

While many of the developments taking place in marketing are related to advancements in communications technology, it's important to emphasize that these advancements do not replace sound marketing strategies. Instead, they should inform those strategies to make them more relevant in a contemporary context.

BRAND POSITIONING IS IN YOUR HEAD

To truly understand the place of strategy and creative excellence, we must look at where we have been and see where we are going. The modern age of marketing began in the spring of 1972 when Jack Trout and Al Ries published a series of articles in *Advertising Age* magazine, titled "The Positioning Era." Their subsequent landmark publications, *Positioning: The Battle for Your Mind* and *The 22 Immutable Laws of Marketing*, established them as thought leaders in a field that had previously relied on direct response, price/feature advertising fueled by creative hunches, slogans, jingles and the advent of television for its successes. These books have become more than "the bible" of marketing. To a seasoned marketer, Trout and Ries' books are more like the stone tablets that Moses brought down from Mount Sinai—the very foundation of modern marketing. These books are the first body of work to provide thoughtful, fact-based, actionable guidance on meeting the challenges of communicating to a society that's already over-communicated to.

Until the early 1970s, some marketers talked in general terms about perhaps creating an image for their product. More commonly in those days, when advertising agencies talked about image advertising, they were trying to placate a client when an ad ran and nothing happened to improve sales.

"Oh yeah, that was an *image ad*, not a *selling ad*."

Trout and Ries were the first to present a specific strategy and tactics for positioning a product into one of the few available slots in the prospect's/customer's mind. Once you own that prime mental real estate, you have a brand. They were the first to articulate, in concrete terms, the power of creating an emotional connection with your customers that engenders unswerving loyalty and defies logic.

I repeat. They articulated that positioning is not something you do to your product. It's something that happens in the mind of your customer.

By presenting a strategy-driven, consistent position in everything you do for your target audiences, you earn preference over your competitors. Your communications become believable. Your position makes a specific promise to prospects and customers. If their every experience with your product fulfills and demonstrates that promise, with carefully crafted messaging, every experience can be positive or negative, but whichever it is, it establishes your brand. Even the local mom-and-pop pizza shop can be branded as the best or most authentic neighborhood pizzeria.

How Does Branding Happen?

Let's play a word association game. Quick—when you see each word below, say the first company name that occurs to you.

- Soup
- G-rated movies
- Ketchup
- Jeans
- TV Viewer Research
- Athletic shoes
- Coffee
- Tires

I'm willing to bet that you said Campbell's, Disney, Heinz, Levi's, Nielsen, Nike, and Starbucks. Hundreds of other people, from all walks of life, industries, and cultures, have had the same reaction when I played this game with them. Some categories may have a couple of players in your mind. For example, answering "Goodyear" or "Firestone" for tires is not as good as owning a category all by yourself, but it's better than no awareness at all. Each of those companies reached each of those consumers for different reasons and accomplished something remarkable that pays ongoing equity to its stakeholders.

How did Disney and Starbucks and the others earn their prominent place in your mind? It's a pretty extraordinary thing, when a **brand** is so strongly entrenched in our culture that I can predict your automatic response upon seeing the product category. So, how does that brain branding take place?

It's not cheap, although once established, a brand will repay your company many times over what it costs to develop. It's not a magic wand or silver bullet, no matter what some practitioners of the advertising craft would like you to believe. It didn't happen just because

of a catchy tagline or a memorable jingle. Nike didn't become *Nike* simply due to Michael Jordan and Tiger Woods wearing swooshes at every appearance.

A brand burns its way into our brains via all of these tactics and many more. It's a range of many factors that lock a brand into our consciousness. More precisely, it's the communication of the factors that get a prospect to consider the message and, ultimately, to *try* a product. When the product, service or message lives up to its promise in the buyers' experience, *that's* when branding happens. **Branding** ensures repeat purchases. The brand becomes a habit and serves as a shortcut in the purchase decision process.

It's the cumulative effect of consistently experiencing myriad factors that brands your customers' and prospects' brains. The nuance is to understand that these consideration criteria are all utilized by every consumer as their top criterion at different points in the buyer's progression. Even when we do a great job, the final decision on everything we do as marketers, to gain the benefits of branding, is eventually made in a place we can't control: the *mind* of the customer/prospect.

THE MIND OF THE MARKETPLACE

We can examine, study, and—to some degree— influence what goes on in there. Ultimately, as Trout and Ries first articulated 40 years ago, marketing wars boil down to a battle for the minds of an audience.

When it comes to branding, what *you* think is important and appealing about your product doesn't really matter. What matters is what the *audience* thinks is

important and appealing. Your brand can only become what the market audience allows it to be. You have to find a “hole” in your market, a time and place where audiences are not getting what they want from competing products. Then, you position your product as the solution that fills that hole.

REAL-LIFE EXAMPLES

Here's a quick example from the frozen food market of finding and filling the hole in a category. As you know, there's a lot of frozen food out there. At one time, Stouffers was known as the best frozen food, the gourmet frozen food.

When it got crowded in the gourmet food category, along came Lean Cuisine. They created a new category in the mind, one they can be best at low-calorie gourmet food. (Hence the word cuisine.) So now the mind has a place for frozen food, gourmet frozen food, diet gourmet frozen food. What's left? How about low-priced gourmet frozen food? Ever heard of Budget Gourmet? Now, we could obsess about whether this is really an “against” positioning strategy because it's a contrast to the high-priced Stouffers, but the point is that when we say “best,” we're not talking about being the best in the galaxy and dominating the universe. Not even best on the planet, the country, or the state.

In this example, we observe that there's a hole in the market between premium and lower price. How do you fill it? Budget Gourmet brand frozen meals! This fills the hole between budget and gourmet food lines.

The essence of positioning is to accept prospect/customer perceptions as your reality and then restructure those perceptions into dynamic, emotionally resonating messaging that maps to your brand attributes to create the position you want in the market. The better key audiences understand a brand's promise, the more effectively the brand is differentiated from its competitors.

WHAT'S A BRAND WORTH?

An established [brand](#) is a valuable corporate asset for a company, its investors and its employees. Of all the things a company can own, an established brand is far and away the most important.

Founders die. Offices burn down. Machinery wears out. Interest rates change. Technology becomes obsolete. But, with proper nurturing, the brand endures. Brand loyalty is the only sound foundation on which business leaders can build enduring, profitable growth.

If your marketing is effective and persistent, prospects and customers are going to remember one thing about your product, no more. The one thing they should remember is your position: what your product stands for, and the promise it makes to the market. Don't challenge them to try to remember more than one thing. You will lose that battle for the mind and therefore lose the marketing opportunity.

POSITIONING POKER—YOU ONLY HAVE FIVE CARDS TO WORK WITH

The study of the human brain has recently resulted in a number of insights. But one of the earliest marketing/brain revelations was that there are only five basic positions that can be effectively and reliably occupied in the mind (aka Readily Believable). Only five positions consistently make sense to the human mind when evaluating choices in a market. The five positions: Best, Niche, First, Against (Contrast), Combination. Recent scientific research has found that there are only five positions a brand can reliably occupy in the human brain when a consumer is making a purchasing decision.

| POSITION | PRODUCT | POSITIONING STATEMENT |
|--------------------|----------------|---|
| Best | Hertz | We're #1 |
| Niche | Apple Computer | Think Differently |
| First | Levi's | The Genuine Article |
| Against (Contrast) | 7-Up | The Un-Cola |
| Combination | FedEx | When it absolutely, positively has to be there overnight (example of First + Against) |

Recent scientific research has found that there are only five positions a brand can reliably occupy in the human brain when a consumer is making a purchasing decision.

Once you've done a deep analysis, including quantitative and qualitative research, combined with the experience of knowing how to connect the dots from the research, and determined the position that makes sense for your product in its specific circumstances, you must implement the positioning so that it is unique, credible, meaningful, actionable, strategically correct, adaptable, defensible and sensitive to environmental forces.

Let's take a look at how the battle for the customer's mind looks in one category.

BEWITCHED BY THE POSSIBILITIES

In the 1970s, the concepts of positioning and branding began to change the way we thought about marketing and more predictably deliver sought-after results. That wasn't yet the case in sitcom ad agencies. I was about 7 years old and Bewitched was one of my favorite TV programs. The husband of the star worked at an advertising agency. The day-to-day life of account executive Darrin Stephens at the McCann-Tate advertising agency seemed exciting, creative and critical to the world of commerce. Even when there were

problems, the big idea saved everyone's job and always seemed to make the clients happy by the end of the show. I remember one day turning to my mother and telling her: "That's what I want to be when I grow up—a Darrin Stephens."

That was a fictional account in a simpler time, when advertising for most companies and advertising agencies was a matter of a big idea and just buying some TV spots, a smattering of print ads and maybe some direct mail. But, you still had to get the message and target audience right in order to establish a product's position successfully.

Trout and Ries' 20th Anniversary Edition of *Positioning: The Battle for Your Mind* updated their thoughts and concepts regarding positioning and marketing, mostly in terms of the playing field they revisited at the beginning of the 21st century. Much has changed in the world of marketing in the decade since their updated book. *The Immutable Laws* and their guidance on positioning still hold up just fine, in terms of strategy. It's just that the whole game of marketing communications has become much more complicated and challenging by the plethora

of media outlets, splintering of target audiences, new communications platforms and, let's face it, more competitors all claiming the same thing in the same way.

Marketing has never been a breeze. We're dealing with the individual reactions and perceptions of human beings, remember. [Marketing](#) may not be nuclear physics, but in many ways Einstein had it easy. He was dealing with infinite numbers of atoms, which all behave similarly and predictably under the same set of circumstances. In marketing, we deal with infinite numbers of individual human minds that are, as you'll agree, mostly unpredictable. Even within a single demographic profile and given the same circumstances, the human mind can vary dramatically from one individual to another.

In addition, there are a few other challenges that make marketing today more difficult than ever before. It's more fraught with the perils of goals unmet and money wasted than it was even just a few years ago. There used to be six major outlets for messaging (a one-in-six chance of getting it right). We now have 50-plus options to place our messages (a 1-in-50 chance of getting it right the first time). Then, we must divide by approach, messaging style, message, etc. You can clearly see that without professional guidance, advertisers face hundreds of permutations and options that splinter the chance of getting it right the first time, down to the same odds of winning at craps.

IT'S A WHOLE NEW WORLD . . . EVERY COUPLE OF YEARS

In the 10 years since the publication of the updated edition of *Positioning*, the alternatives for delivering marketing communications have exploded. Television, once the most dominant and often only consideration when it came to media selection, is today simply one choice among many. Over the past decade, the impact of innovations in personal communication options on the planning, creating and implementing of marketing initiatives has grown exponentially and is accelerating. When it comes to devices and/or media that can address large audiences, it's as though the phenomenon of television is being introduced every couple of years.

New ways to access huge audiences are actually being created at a faster pace than most marketers and agencies have been able to keep up with—email, text, integrated communication devices, PDAs, [PURLs](#), social marketing (blogging, Digg, Facebook, Twitter), cloud and proximity networks and messaging. When these many opportunities present themselves so fast, a lot of them are missed and, just as crippling, a lot of money is wasted chasing the wrong ones.

There is also an ever-rising level of competition and a lowering of the bar to communicate, adding to the marketing and media clutter that make marketing today more difficult than it's ever been.

We can summarize the challenges of the current marketing environment as follows:

- Trying to predict the perceptions and reactions of unpredictable human minds.
- Exponentially increasing number of media platforms to reach large audiences.
- Rapidly expanding competition and marketing clutter in every product and service category.
- A long-established lack of accountability and foggy models on marketing ROI.

Do these major challenges crush any hope of ever reducing the risks of marketing, let alone getting the results you need to grow your company profitably? No. You can learn how to break down and overcome what seem like insurmountable challenges and how to avoid gambling on personnel or suppliers that can't get the job done.

The first key to success is understanding that, even amidst these challenges, successful marketing still comes down to a core ability to communicate and connect with:

1. The Right Audience, with
2. The Right Message, with
3. The Right Timing, in
4. The Right Place.

Neuromarketology™, the study of marketing's effect on the mind, with advanced technology and strategic thinking, will help you accomplish all of these fundamental tasks, ask the right questions, create projectable marketing success and let you know exactly if your marketing is paying off the way it must to achieve your goals.

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