

BRAND POSITIONING – THINKING ABOUT THE CUSTOMER

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AL RIES AND JACK TROUT first coined the term “Positioning” more than thirty years ago. Despite the passage of time, this concept continues to shape marketing and branding all over the world. In fact, in today’s super competitive world, brand positioning remains every bit as important as it was shortly after Ries and Trout first published their seminal article.

Recently the St. Louis chapter of the American Marketing Association (AMA) conducted a

roundtable discussion on Brand Positioning with local area Chief Marketing Officers.

This discussion was the third in a series of roundtable discussions sponsored by the AMA. During the session, the marketing executives discussed the role of brand positioning, challenges that arise in positioning and when it’s time to reposition or re-launch products, and how brand positioning may differ in global markets.

PARTICIPANTS INCLUDED:

Mr. Rich Klassen
Vice President, Marketing & Sales
Delta Dental

Mr. Mike McNamara
Senior Vice President,
Consumer Sales
Roho Group Inc.

Ms. GeGe Mix
Vice President, Sales & Marketing
Dazor Manufacturing Corporation

Mr. Tom Noland
Director of Marketing
GPX, Inc.

Mr. Steve Pona
Director of Global Communications
Thermadyne Holdings Corporation

Mr. Scott Sims
Director of Marketing,
Brand Pharmaceuticals
Mallinckrodt Pharmaceuticals/
Tyco Healthcare

Mr. Mark Witzling
Vice President, Marketing & Sales
Waterway Gas & Wash

The Roundtable discussion was moderated by Mr. Scott Sims of Mallinckrodt Pharmaceuticals. Mr. Lon Zimmerman of Zimmerman Marketing Research, coordinated the analysis and report writing.

STEPS TO MORE SUCCESSFUL POSITIONING:

Companies seeking to successfully position or reposition brands clearly face a number of challenges. The Chief Marketing Officers in the AMA roundtable agree that those challenges can often be successfully overcome by doing the following:

MAKE SURE THE ORGANIZATION ADEQUATELY UNDERSTANDS AND APPRECIATES MARKETING.

A prerequisite for successful branding is creating an environment where marketing is both understood and appreciated. Participants offer several examples on how to accomplish this: One is by taking internal managers out in the field on client visits. Another is by conducting focus group sessions with customers and making sure the groups are observed by management.

Most of our company doesn't understand brand or brand positioning. It's a difficult proposition and in an engineering driven organization, to emphasize anything on the marketing side has been an uphill battle.

To a great extent we were able to develop a greater appreciation of marketing within our organization by taking internal managers out on client visits. By getting them out in the field a couple of times they have a whole new respect for what we are doing and for how we need to be viewed in the outside world.

We do a focus group with our customers and we video tape it. We show that to our internal management group. Again here is how the outside world views us.

STEPS TO MORE SUCCESSFUL POSITIONING:

It is important to devote sufficient time and money to understanding the category, the brand, and the customer. Brand positioning based on true consumer insights, provides the greatest opportunity for success.

I think probably the most fundamental thing to getting the repositioning right is the work that happens up front. It goes back to having that insight and being sure that you are right. The worst thing that you can do is head down the

path of repositioning and be off base with your customer. Once you have that, once you are sure that you are headed in the right direction, the rest just seems to fall into place. Then it's about execution.

PRE-LAUNCH PROMOTION AND ADVERTISING.

Given the speed at which products are introduced these days, especially in high tech categories, there is often a need to do significant pre-launch promotion and advertising to quickly grab that spot in the customer's mind that you want to hold.

It's interesting in the high tech world how they start advertising before anything comes out. They always do some pre-launch promotion and advertising. I know Microsoft does that. Sometimes they've tripped over themselves because they start talking about something and then can't launch on time. But if you look, you will see that they do the ads so they grab that space.

Because the world is flat and because technology things happen so fast that you almost have to launch before you launch to hold the space because the reality is when you are positioning or repositioning today, the other guy goes there tomorrow. It doesn't take long to copy the positioning. It doesn't take long to knock off the technology to reproduce the product.

MEASURE THE SUCCESS OF YOUR POSITIONING EFFORTS.

It is essential to measure the success of positioning efforts. Objective standards need to be agreed upon in advance and metrics put in place to evaluate the success of the dollars invested. Management is more likely to fund future marketing effort when it is known that measurements of success are utilized.

I think you have to define the action standard before you implement the program. It's very difficult to come back a year after running a marketing program to say look how great we did if we didn't have an objective or goal set in the first place.

There is obviously a drive now towards greater and greater accountability for all disciplines including marketing. I think it's okay to have both qualitative and quantitative metrics. If you have facts, qualitative, quantitative, you will be able to get the funding.

The success of brand positioning efforts can be quantified in various ways including tracking studies and secondary market evaluations.

One of the things that I did when coming aboard was conduct a typical brand awareness study. We went into our different markets and did some basic good old fashioned aided/unaided awareness type of work. It's hard to turn that into action but it formed a benchmark. I at least know where I'm starting.

That is one of the first things that we are going to do; find out where we are in terms of awareness. Senior management craves quantifiable data.

In 2004 we put identical listings on eBay, one headed with the brand name and one without the brand name. Then we looked at page hits. It was ten to one with the brand name so we knew that people were searching for the product by brand name. So for the \$17, or whatever it costs us for two listings, we were able to get a great snapshot of brand equity in secondary markets.

STAY FOCUSED ON THE NEEDS OF THE MARKETPLACE.

It is important to have on-going input from customers and channel partners in order to stay focused on the needs of the marketplace.

We pick up the phone and talk to them. It's almost like direct marketing because you will call and meet and then you will promote to them, then you will call them again, follow-up with them and see if they've responded.

We talk to customers several times a week.... Nothing formal. Nothing with a survey and a clipboard. I'm just hanging out and listening to people.

We have a Loyalty Club and that club has a large base of members. Every member gets surveyed for feedback at least once a year, sometimes more. That is more of a formal process.

We have a big customer service group and we get a couple thousand phone calls a day. So there is a lot of input going in on that. You can go down and talk to customer service people. If you ever want to find out what is really happening, you go talk to them.

I think you can get feedback from your distribution, too. Because I'm on the phone with our distributors and our reps quite a bit, they are really pretty good now about proactively sending me feedback, whether it's good or bad.

REPOSITION AND RE-LAUNCH:

Four times were mentioned when it is likely that a brand will be repositioned: 1) when a new brand manager comes on board and feels he needs to do something to make his mark, 2) when a brand has reached a plateau, 3) when there is a change in the category, and 4) when new insights into the category or brand provide an opportunity to develop a competitive advantage.

The worst time to reposition is when the new marketing guy comes in. The brand managers rotate and a new brand guy comes in and he needs new packaging and he needs a new claim. Let's not kid ourselves, it happens way more frequently than anyone would care to admit. It just happens.

Another time repositioning happens is when the brand hits its peak. It's starting to decline. It's run its life and you are trying to revitalize the brand. That happens frequently. Not always successfully but it happens a lot.

I think the third one is when there is a category change. Something has happened in your business and the fundamentals of the category have changed.

The best time to reposition is when it's driven by you. It's about insight. It's when you discover something in the category or business opportunity that says you should reposition your brand to take advantage of something that nobody else sees. That is the competitive advantage. If you can do that, that is the Holy Grail.

POSITIONING ON A GLOBAL BASIS:

Most of the marketing executives in the roundtable have some experience with positioning on a global basis. The few that haven't taken the plunge yet, suggest they are about to "put their toe in the water."

In conducting positioning on a global basis, different geographic markets might require somewhat different brand positionings in order to better reflect local cultures and purchasing behavior.

I think sometimes you might need different positionings because people buy differently and have different mentalities and everything else.

In my former life in automotive, we did a lot of international. And we thought we had to brand differently overseas. It's a different culture. Things are bought differently. They are run differently. The way you conduct business is totally different internationally. We in no way, shape, or form would try to position our product the same in any of those markets.

I've been involved in launching products outside the US and to me the issue about branding is from my experience you have to have different offerings. You might have to present it and sell it in different ways.

But, the core essence of the brand needs to remain the same across all markets.

Ultimately it's the same brand. It has to stand for something. Maybe if you just get to a higher level, whatever that top level benefit is, there has to be something core to everyone or it's not really a brand.

I think if you are going to have the same brand, yeah, you have to have that top level offering. If not, then brand it differently.

It's the higher offering, the core essence. Where we can we try to make at least the packaging look consistent so if you are traveling in Japan or China or Hungary, the packaging should have at least some resemblance with the kind of the core essence or the higher order of being. So there is an overarching kind of similarity and kind of a core essence.

For more information about this or future AMA St. Louis Roundtable Discussions, contact either of the Roundtable Co-Chairs:

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