

Positioning A Brand To Create Value: What A Marketer Should Live For

Decades ago, the definition of a brand was limited to a name, symbol, design, slogan or a combination of many such elements distinguishing one product from another. The brand helped, products to differentiate from one another against competition.

By Asanga Ranasinghe, Executive Director/Chief Marketing Officer, DIMO.

Today, in the world of marketing, the role of a brand is more complex, much broader and holds foremost significance in delivering long term business results.

Moreover, today a brand is all about perception; an opinion the target customer has when he/she sees, hears or thinks of a brand name, be it a service or a product. It originates from the level of recognition and 'top of mind' recall of the brand. The best example is Nike's famous and unmistakable brand element, the 'swoosh' which conveys a feeling of speed, movement and a sense of achievement.

Consider the range of bottles of mineral water available on a supermarket shelf. When most of us were in school or in university, we did not hesitate to drink water straight from the tap and never even imagined drinking branded bottled water. Neither did our parents when they visited the nearby grocery store to buy essentials such as sugar, salt, rice, and dhal, and never had 'bottled water' on their shopping lists. Today, it's different, everything is branded. Even taxies! Everywhere we look, we are surrounded by brands.

There are many instances where products are referred to by a brand and brands overpower products, for example Sunlight for soap, DIMO Batta for any small commercial vehicle, Xerox for photocopiers. Practically everything is getting branded and every brand is a promise, Positioning a Brand to Create Value: What a Marketer Should Live for used to differentiate one brand from another. If there is no promise, there will be no brand!

Such a context presents vast opportunities for marketers to make their brand stand out from the rest by ensuring the respective brand promise is imprinted in the minds and even in the hearts of the target group of customers.

More importantly, at every touch point and brand contact, marketers need to deliver the brand promise ensuring customers have a desirable and a memorable experience of the brand. This is by far the trusted and proven way to build brand image and brand loyalty. Simply put, it's all about winning the mind game to create and keep profitable customers.

Winning the mind game

In this extremely noisy world, the core job of marketing remains unchanged; to win the battle for the mind of the target customer. It has never been as important as it is today but at the same time it has never been so difficult and challenging.

Despite a proliferation in the number of brands in the fray, in multiple channels with blaring competitor promises, marketers need to stand out and build recall and recognition for the brand in the minds of the target customers.

To perform this core job, marketers need to develop and bring to life relevant, desirable and differentiating brand promises and position them in the minds of the target customer segment.

Despite all the sundry activities marketers carry out in organizations today; advertising, promotions, selling, and activations, if the battle to win the mind of the target customer is not won, the war to beat the competition is lost.

This is why most brands need to rely on push strategies to win the customer as opposed to having the customer pulling the brand similar to the greatest brands such as Apple, Nike, and Mercedes-Benz have done. Strong brands need not be sold, they sell by themselves.

After getting into the mind, the hardest part of the challenge is to remain there, as every marketer is clamouring to win the same customer in the target group, most often for the same need offering similar bundle of benefits. It is difficult because customers are selective in what they remember, they forget and sometimes they selectively distort. A typical customer's mind is inundated with an assortment of other distractions at every point and therefore it is vital that the relevant brand

promise is firmly and desirably rooted inside his/her mind.

When the customer finally exercises the choice to purchase by selecting a brand, he or she has to recall and recognize the brand and remember its brand promise as positioned in his/her mind. Amidst all other things that marketers are required to do in organizations, this is the key moment of truth of their efforts – winning the battle at the point of purchase. Brands with strong brand equity with a positive brand image drives loyalty and repeatedly wins the battle for the target customer's mind – the most important asset for the company. If you continuously win the customer, business results are delivered by means of consistent, competitive and profitable growth.

If all marketers think along these lines and understand their role with clarity, they will be able to build strong brands not only in Sri Lanka but to compete in global markets as well.



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Building a strong brand

To reiterate, the marketer's duty is all about winning the mind of the target customer through strong brands. If marketers do not, then there is no one else in the business to do it. This is the only way to create long term value in the business. To remain competitive, marketers need to create and keep customers longer, grow them into bigger customers, make them more profitable and serve them more efficiently.

It all starts with the customer. The only value a company will ever create is the value that comes from customers. Customers buy into brands if they perceive that the brand of choice delivers its promise to meet and exceed his/her expectations and deliver value. Obviously, product quality, price and service all factor into the customer's purchase decision but strong brands create and keep customers by positioning themselves in the minds of the target segment through differentiating the brand promise. Every brand needs to have a promise that is relevant to the target audience. A promise that is competitive and credible, clear and consistent, that will always be remembered and sought after much later. If there is no promise, there is no brand and vice versa as a brand promise does not exist in isolation.

DIMO recently introduced its new corporate brand identity and a new brand promise – 'the perfect partner'. Whenever a company's stakeholder interacts with DIMO they ought to experience DIMO as their perfect partner in whatever endeavor with the company. For this brand promise to be delivered continuously, the DIMO 'tribe', has to live it day in day out and have the brand promise in their DNA. If the people in the company do not exhibit this partnership behaviour at every touch point, the brand promise will be limited to only a part in the brand symbol. This is why the company has also launched a new set of values and standards of leadership.

How customers identify a brand and relate to its brand promise depends on how well its promise is simplified and differentiated in the mind of the target customer. This is called brand positioning. Unfortunately, 'vagueness', has become more prevalent today than 'positioning'. Strong brands are uniquely positioned in the minds of the target customers and not seen as vague.

If you take the DIMO brand, its 80 years of rich history, partnerships with world class principals such as Mercedes-Benz, Siemens, Michelin, TATA and also its people (the Tribe as they call themselves) have made DIMO positioned as a trusted and a customer-centric corporate brand in Sri Lanka. The aim of the new identity is to sharpen this positioning (building on its root strengths) and differentiate DIMO in

the minds of Sri Lankans as the brand that is the perfect partner of ‘trust’ in their journey of advancement in life.

In our over communicated world of marketing, strong brands are able to stand out by positioning their brand promise through an oversimplified message by ‘owning a word in the mind’. Mercedes-Benz owns ‘luxury’, FedEx owns ‘overnight’. Colgate owns ‘cavities’ and Sunlight owns ‘brightness’. This is what brand positioning is all about. Truth is irrelevant. What matters are the perceptions that exist in the minds of the customers. The essence of positioning thinking is to accept the perceptions as reality and then restructure those perceptions to create the desired positioning for your brand in the minds of the target customers.

Positioning a brand to create customer value

Positioning is a key process in marketing for getting to, entering and finding a place to occupy in the mind of the target customer. The easy way to get into a person’s mind is to be the first. Kodak, IBM, Xerox, Hertz, Coca-Cola, GE have all one thing in common. They were the first brands in the mind in their categories. Though some of them have been dislodged by others now, they enjoyed years of unprecedented success through their unique positioning.

‘It is better to be first than it is to be better’, is by far the most powerful positioning idea. History shows that the first brand into the brain, on average, receives twice the long-term market share of the number two brand and twice again as much as the number three brand. This relationship is not easily changed.

The best example is the intensive marketing battle of Pepsi-Cola and Coca-Cola. In spite of years of successful marketing moves by the Pepsi challenge, Coca-Cola still leads the cola race. Leadership is a brand’s best ‘differentiator’. It’s the collateral for a brand’s success. Leadership however, should always be communicated with a certain amount of humility and in a methodical way of giving reassurance to the target customers.

Being first is no guarantee that a brand can remain a leader forever. Some brands lose their leadership positions in a way that they are not able to bounce back ever in the future, some common examples are Nokia, Kodak, Ambassador, and Yahoo. All of these brands enjoyed industry leadership for many years only to fail notoriously shattering all the expectations of stakeholders. When these brands are studied deeply, the common conclusion is only one, called ‘Marketing Myopia’.

Marketing Myopia is the term coined by Theodore Levitt, a renowned Harvard Business Review editor. Marketing Myopia throws light on the organization's short-sightedness, narrow-minded approach, and temporary viewpoint while marketing the products of their brand. Every organization invests much time and money in their current business and often get blinded to see the future of the business they are currently in. Levitt argues that most companies fail because they focus on producing goods and services and sometimes don't spend the time in understanding and anticipating the future needs and wants of customers.

Johnson & Johnson is one company that lives and breeds customer centricity and protect its leadership position in core categories in most markets by operating through brilliant marketing and innovation programs. J&J positioning is based on in-depth understanding of consumers' usage patterns, preferences (buying behavior) and imageries which are difficult to challenge.

Not all brands have the luxury of being the first or being the market leader. Most brands are either late or new entrants to the market. In such occasions followers tend to take a 'me too' approach to position where the accent is on being 'better' as opposed to being 'different'. Over the years, brands that have come from behind have succeeded by 'looking for a hole', in target customer minds and position to fill it perfectly without keeping space for anyone else to enter. The strategy should be brand positioning done differently.

For years Americans loved and patronized 'big' cars. The market was dominated by car brands that met this need but there was a 'hole' with big cars in the customer's mind. Enter Volkswagen Beetle with a stated, clear and unequivocal positioning of 'think small'. Beetle was short, fat and ugly but was able show the 'hole' -the advantage of being small in size. Beetle became a successful challenger at that time in the American car market by being different. Though there were other small cars in the market at the time Beetle was introduced, no one else had pre-empted the small-car position.

Price, be it high or low, is always an advantageous lever that can be used to appear different and occupy a distinct position in the prospects mind. Chivas Regal is a good example of successful high-priced positioning. The brand believed that you do not have to be always first to succeed, as long as you can create the perception that you were the first and you are different. Chivas Regal made significant inroads and continues to maintain its leadership in the high-priced Scotch category through this positioning - 'we are the high-priced brand'. People

connote high price with best quality and ‘premium brand’ and it often works.

Instead of high price, the opposite direction can also be a profitable route taken to be different. The best example of this positioning strategy is Southwest Airlines. As a late entrant to the airline industry Southwest Airlines is known over the past two decades as a thriving airline company operating in a time when most airlines have been struggling. The airline’s business model leverages extremely efficient operations, deep focus on the customer experience, low-cost pricing and logistics solutions, active forward thinking, and a motivated team of employees and associates. Through this sound strategy, Southwest has achieved a differentiated positioning in its target customers’ minds as a very good low-priced airline.

Similar to price there are other levers a challenger can pull to find the ‘hole’ in the leader and be different in its market offering. These could be product quality and format, its bundle of attributes, service parameters, channels of distribution and communication, and technology. However, companies must guard against focusing too much on building products or services rather than brands.

A product is something made in a factory. A brand is something that resides in the mind of the customer. To be successful today, businesses have to relentlessly build brands not focusing too much on products or services. Brands are built by creating unique and differentiating positions in the minds of the target customers either as the first mover or as a successful follower with a unique value proposition. The key is to understand the target customer and predict the future.

In positioning, most important is to find the right segment of the market to target. The biggest single mistake companies make is trying to appeal to everybody – the ‘everybody trap’. Marketers must ask themselves, ‘who are we trying to appeal to?’ or in the contrary ask ‘who should not use our brand?’. Most marketers struggle to make the right choices – their strategies really do not rule out anybody. Marketers must understand that if you do not choose, you cannot win in today’s highly competitive market arena.

Despite genuine efforts, marketers sometimes find it difficult to identify a ‘hole’, in the target customers’ mind due to the plethora of offerings (brands, variants and stock keeping units) that are available today in each category. In such a situation the underlying marketing strategy should be to ‘reposition the competition’. This thinking suggests, moving a new idea or a product into the mind while moving the old one out. As long as marketers can figure out a unique position, there is a good

chance to develop a successful brand.

Apple and Kodak are not companies you would typically think of as going head-to-head, but Apple was the unlikely tech giant that ultimately lead to the fall of Kodak. By the 1950s Kodak was ruling the film market globally by being the innovator who constantly found new ways to revolutionize film and cameras alike. Many are aware that it was Kodak who invented the world's first digital camera. While Kodak was busy innovating camera technologies, Apple repositioned the camera by introducing the smartphone which enabled customers to change from preserving memories to sharing experiences – it was no longer about capturing a memory to slip in a scrapbook to be opened once or twice a year. All of a sudden, it was about capturing moments quickly and sharing them immediately. The iPhone made both of those things possible without ever having to put down your device. By integrating social media sharing capabilities into the iPhone's native camera functionality, users were thrust into a new era of photography that enabled sharing in an instant, no scrapbook required.

So, Apple really one-upped Kodak by repositioning the Kodak offering, the camera. It was all because Apple kept a steady pulse on consumer behaviour. While Kodak did not fail to innovate, they certainly failed to adapt to their customers' needs. The lesson is that, though companies need to innovate, they should always do so with the customer in mind, through the lens of providing a stellar, future-facing customer experience.

Successful brand positioning must be high on 4 Cs. Brand promises have to be credible in terms of image and reality meeting as well as clear with uncomplicated statements. They have to be consistent in terms of messages across all communication channels and consumer touch points, and competitive in terms of offering something of value to the consumers.

In summary

Today, in this hypercompetitive world the only way to create long term value in a business is by creating and keeping customers longer, growing them bigger, and making them more profitable by serving them more effectively and efficiently than competitors. This can only be done through brilliant marketing; developing and bringing to life relevant, desirable and differentiating brand promises and offerings, positioning them in the minds of the target customers, leaving no room for a competitor to find a 'hole' to enter.

The law of leadership is obviously the first and the most important law in marketing. But what do you do if you are not the first nor are you the leader? The answer is in 'brand positioning'. It is all about striving to be different in creating value – finding a 'hole' in the target customer's mind, finding an unmet need. Then it is all about positioning your brand promise in a way, customers will pay to use your brand over and over again.

Needless to say, your product or service needs to live up to the brand promise and create customer delight. This is all about using 'brand positioning' to win the battle for the mind for competitive advantage.

To do this, marketers need to rise to the challenge and be effective as leaders in the organization. Effective leadership begins by asking a simple question – 'Where are we going?' and knowing the answer clearly and ensuring those around also understand the direction very well – this is what business strategy is all about.

Marketers when formulating this direction must have in-depth understanding of the market. They then need to make things happen and turn what they know into what they do – putting strategy into action. They need to do this through people by identifying, building, and engaging the right talent to get the required results.

Effective leaders, while delivering results today think of the future as well as predicting the trends in the market. These leaders are market focused as opposed to being stuck in internal battles in their organizations. By doing this, they must ensure that the organization has the long-term competencies required for future strategic success. Finally, effective leaders build themselves through their endless pursuit for learning. They should never allow themselves to be reduced to what they only know and do today.

Marketing has never been as difficult and challenging as it is today but at the same time marketing has never been as necessary as it is today for the success of organizations. If the marketers in our organizations do not rise up to this challenge and be effective leaders, the question is who else will and who else can? Time to ponder.