



Positioning Puts Branding in Its Place

♦ The third in the series of strategic marketing white papers by Hiebing, an integrated brand development and marketing firm

Branding is not a new concept—it has been around almost as long as marketing has been a business discipline. But branding is a sexy term to toss around. Almost everybody is using “branding” in some form (brand identity, brand voice, brand management, brand awareness, brand building, brand essence, brand equity—you get the picture). The problem is that with so many people using it, the meaning and value of “branding” is being lost and misunderstood. The brand has become a clever advertising or communication idea—a quick-fix. Subsequently, it has been boiled down to a cool logo, a graphic standards manual, a public relations tactic, a television campaign or a Web site. And yes, while these elements combine to contribute to your brand, they are not the foundation for a successful one.

So What Is This Thing Called Branding?

A brand is an emotional connection that is built through an experiential relationship. Think in terms of a ladder. At the lowest rung of this ladder, your value as a brand exists as a utilitarian commodity. As you climb the ladder with your target market, the peak value relationship is one where your brand is linked to an emotional experience. This is what has separated brands like Nike, Apple and Starbucks. Quite simply, it's the manifestation of a focused positioning. The goal of that positioning is to create an emotional connection between your brand and the target market.

Yes, it is the words and images used in communication, the product you deliver, the way your phone is answered, the sign on your building, the letterhead, the service delivery, the people you hire and much more. All of these elements impact your brand. But it is so much more. The common thread among all is that they are unique executions of a focused positioning strategy.

Done properly, the culmination should be the creation of an emotional connection with your target. And one not simply defined by demographics, ethnographics or dayparts but by motives and contexts where a brand delivers the right experience. It is who you are in the marketplace.



The Best Positionings Are Stupidly Simple. The Best Brands Are Brilliantly Complex.

Missing from too much of today's discussion regarding branding is positioning. No, it's not the latest buzzword, it's where companies need to start to make branding work. While branding is multidimensional, the focus here is on the ever-critical component, positioning. Positioning is too frequently overlooked, mismanaged or compromised in marketing today.

Simply stated, positioning is how a brand is perceived by the target market relative to the competition. As Al Ries and Jack Trout stated in *Positioning: The Battle for Your Mind*, "Positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect." A brand is built from a consistent strategy founded on a company's positioning and its commitment to delivering on that promise.

So Many Brands, So Little Positioning

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The automotive category is full of examples of brands lacking a clear positioning. Look at the market share losses the "Big Three" of General Motors, Ford and Chrysler continue to suffer. Toyota is about to pass Ford as the world's second largest auto manufacturer. While there have been many reasons for this continuous slide, their failure to define and communicate their relative positioning in the marketplace has had enormous impact. Look at the brands managed by these three companies—Chevrolet, Buick, Oldsmobile (now dead), Pontiac, Cadillac, GMC Truck, Ford, Plymouth (also now dead), Mercury, Chrysler or Dodge—and try to define what their positioning is in today's automotive landscape.

GM's best branding story of the last 30 years was the launch of Saturn. Saturn was clearly positioned as being "a different kind of car company." This was communicated to consumers in everything from the advertising to the way they priced their cars—one low price, no need to negotiate. And it worked. Consumers responded well. Unfortunately, Saturn has not been able to stay true to that positioning, and the more they act like every other car company, the more they erode the connection they had created with their market.



Start with your positioning. How do you want your target market to think of you relative to your competition? Do you consistently have the most innovative products or do you stand for quality? Is your service pampering or fast and streamlined? What's important to your target market? **Brands can't be all things to all people. Effective marketing is the art of sacrifice and it begins with your positioning.** If companies don't first define what they are about in their positioning, they will not be able to consistently communicate their brand.

The art of sacrifice is a tough exercise. Many companies state everything they offer. You want to connect with your target. But, **say too much and you basically communicate nothing.** Your message will quickly fade into today's cluttered environment. If, on the other hand, you say one thing about your brand—and say it well and consistently—you ultimately will be associated with many positive attributes. Make sure your communication relates to your target market and the role your brand plays in their lives, not to you, your ad agency or business consultants.

Focused Positioning Is the Foundation

Positioning is one of the most critical challenges facing a brand or company. First, positioning is an *alignment of needs* between what the brand can deliver and the target market's desires. Both sets of needs must be met equally. While Steven Covey's "win-win" term is overused, it is very appropriate when defining positioning. If either side has too large an advantage, marketplace dynamics are likely to disrupt that relationship.

It is a matter of finding balance. If the brand attempts to get more out of the relationship than the target market, it is opening itself up to competition from other brands because the value relationship has been disturbed. On the other hand, if the target market is getting more out of the relationship than the brand, the brand will likely have to change the dynamic by raising prices, modifying the product or service offering, etc. The point being, successful brands apply the idea that positioning must first be based on

an alignment of needs between the brand and the target market.



Ask some of the following questions to determine where that alignment of needs occurs:

- ✦ What is your brand's product/service offering?
- ✦ Why is it relevant to the lives of your target?
- ✦ How will the target market use this product or service?
- ✦ What context in their lives will this fill?
- ✦ What experience is your brand promising?
- ✦ How does it differentiate you from your competition?

And again, the connection to the target market needs to be on their terms, not yours.

Right to the Clever Idea Rather Than Starting with the Foundation

Branding done as the flavor of the month has created a shortsightedness that is prevalent in too many marketing discussions. The difference between clever branding and effective branding is not about a headline or a design. Effective branding is about *understanding your target market's desires* and the marketplace first. Then you must execute communications that *build an emotional connection* with your target market and that promise something you can sincerely deliver on over time. Effective branding is about thoroughly understanding your target beyond



their demographics—their behaviors, usage patterns, perceptions, motivations, context and attitudes. Now that branding has become a popular catch phrase, too many companies jump right to the clever idea rather than starting with the foundation. But there are no silver bullets, just tried-and-true principles that lead to effectiveness.

Leave either the understanding of your target market or the emotional connection out of the equation and your brand will miss the mark. The challenge is not in the formula, it is in the consistent focus on this fundamental principle. While it may sound trite, staying focused on the target market—and really understanding the role a brand plays in their lives—is a very tough challenge given all of the conflicting influences inside so many companies today. Brands that understand their target the best and appropriately apply that knowledge to everything from product development to sales and marketing win. And they will continue to win as consumer expectations continue to rise and competition gets even fiercer.

Understanding the Target

Understanding your target is imperative in making you truly market-led. When taking a market-led, positioning-based approach it is wrong to believe that “market-led” is the same as “market-following.” Market-led is a thorough understanding of your target market (their needs, their desires) and then positioning the company, aligning the *entire* organization, communicating to the target market in an innovative fashion and delivering on that promise each day. Done properly,

Market-Led Decisions Deliver the Goods for FedEx

One example of “market-led” comes from the overnight shipping industry. Certainly, both FedEx and UPS have outstanding, successful brands. Several years ago, FedEx recognized that their target market was referring to them as FedEx rather than Federal Express, despite its marketing efforts. They understood market-led and not only used the moniker as a marketing hook but also went all the way to changing its name. It wasn’t an advertising campaign—it was integrated into everything they do, right down to their packages, their trucks and their call centers. It was an enormously successful move for the company. You rarely see a company with an established brand make such a daring move (Phillip Morris’ change to Altria was motivated by something much different). Yet in retrospect, it really wasn’t a daring move for FedEx. Why? Because their target market was already there.

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Now, consider UPS. Somewhere along the line (after FedEx’s successful move) they determined they had generated significant brand equity in the color brown. While that conclusion was probably sound, the company made a mistake in trying to force the relevance of that equity on the target market. They have spent millions of dollars in the past 18 months or so trying to convince a target market that “brown” should be relevant to them through a campaign closing with the line, “What can brown do for you?” Well, “brown” may be a clever insider term but it missed three fundamentals: (1) it’s not relevant to their target market; (2) it does not create an emotional connection between the brand and the target market; and, (3) it wasn’t integrated beyond an advertising campaign. So, while on the surface it is a similar scenario to what FedEx recognized and executed so successfully, the outcomes between the two “brands” will be significantly different. One will help to further build a brand...the other won’t.



there will be occasions when market-led insight and understanding cause you to push the target market in directions that haven't previously been presented to them. But if you listen and truly have a firm understanding of the target market and position your brand appropriately, it is exactly those times that your brand has the greatest opportunity to innovate, succeed and gain significant market share. There is clearly a "leadership" imperative to being market-led.

Take a Brand Audit

Conduct an audit for your brand. In today's economic landscape, it has never been more important that your company's branding efforts work effectively. Take a few moments and test your company. Start with the following questions:

- ◆ Do you *really* know what role your brand plays in the lives of your target market?
- ◆ Do you have a positioning, and is it aligned properly?
 - *Does it address and relate to your target?*
 - *Does it properly define your offering?*
 - *Does it identify how your brand is, and will continue to be, distinctive?*
- ◆ What is the emotional connection that you are creating with your target?
- ◆ Is it consistent in all your communication?
- ◆ Does the product deliver on the expectations created by your communication?

If you're struggling with any of these issues, your brand probably lacks a clear positioning.

Because many companies don't properly apply the fundamentals of branding, mainly by missing a market-led positioning, it's impossible to market effectively—and that's put them at a competitive disadvantage because branding has lost its meaning and value. Getting back to the fundamentals of branding is critical. And tomorrow's mega-trends? Stay tuned. The best is yet to come.

Every business is focused on maximizing return while standing out from the competition in a tightening economy. In a competitive marketplace, marketing efforts become even more important. While many companies opt to cut back on spending efforts during a period of economic contraction, studies show that those that continue to market effectively notice less of a negative impact in their business and, in many cases, actually see an increased market share as other competitors cut back. For more on this topic, see our white paper titled "How to Make a Recession Work for You" at hiebing.com.



Dave Florin President/Partner



Dave's job is to see that our clients are served by the latest and best practices in our tried-and-true area of expertise: target-market-driven communications. So he has continued to attract top talent from around the country, add new areas of knowledge and set new standards of performance across all communication disciplines. Dave's passion is his proven commitment to client service, creative quality and brand strategy. He has been an invited speaker for organizations like the National Retail Federation, the Retail Advertising and Marketing Association, the International Institute for Research and the Investment Council Institute. His client experience includes Nestlé, Famous Footwear, General Motors, Northwestern Mutual Life, the National Retail Federation, Coors, Coca-Cola, PerkinElmer and JanSport. Dave is married and has three daughters. He is an avid reader who enjoys the great outdoors and anything Wisconsin Badger-related.

Sean Mullen Creative Director/Partner



Sean Mullen's creative work has been recognized by nearly every important advertising magazine and award show, including *Adweek*, *Ad Age*, *Archive*, *Communication Arts*, *Print's Regional Design Annual*, *Creativity Annual* and the Clio shortlist. He has won more Addy Awards than you can shake a marker at. Providing a unique blend of verbal and visual thinking, Sean is as comfortable with a research deck as he is with a Pantone book. He has done effective, award-winning work for clients like Toyota, Famous Footwear, Fiskars Craft and Garden Tools, Montana Gourmet Knives, JanSport and Nestlé. In his spare time he's been known to guest lecture at Marquette University and the University of Wisconsin. If he's not at home with his wife and two children, check the garage. His bicycle won't be there either.

Barry Callen Vice President/Partner, Creative Strategy



For over thirty years, Barry has championed effective, emotionally relevant communications for clients like Nestlé, Orkin, Planters-Life Savers, Epic Systems and Dean Health System. Barry's ability to fuse strategic thought processes with creative development led him to produce some very powerful tools in Hiebing's branding arsenal—including both Message Strategy and our NameCalling™ process. These days, when he's not developing strategies, you might find him teaching at the UW Graduate School for Executive Education. To unwind, he writes and performs everything from comedy to music, and tries to avoid getting struck by lightning again.

Jeane Kropp Strategy Director/Partner



Over the last decade, clients with brands in over 90 countries have invested over a billion dollars in the new products, strategies and communications that Jeane helped create as a consultant. Her thinking has inspired marketing communication successes such as the MasterCard "Priceless" campaign, the double-digit annual sales growth of Kraft's DiGiorno pizza and the extremely successful repositioning of 36 brands in 150 SKUs for Canada's Vachon snack cakes. She has helped pioneer new strategic models for everything from SKU simplification to packaging concept evaluation. Some of Jeane's other brand experiences include Motorola, Nabisco, Kraft, Jergens, UDV/Guinness, ConAgra, Glidden Paint and Boise Cascade. Jeane knows what it's like to be a client with an old brand to revive or a new product to introduce. After receiving her MBA in marketing and management from Indiana University, Jeane worked client-side at Procter & Gamble (Scope, Crest Toothbrushes, Old Spice) and at Oscar Mayer (Lunchables, Bologna, Louis Rich Turkey). When she is not caring for her clients' brands, she and her husband provide foster care for teenagers and dogs, preferably not simultaneously. Jeane has also cliff-dived into Iceland's glacial waters and walked barefoot on hot coals. Pretty relevant experiences for building brands.

Since 1981, Hiebing has helped hundreds of clients find, design and deliver powerful communications that have increased brands' impact and profits. As a brand development and marketing firm, Hiebing delivers fresh insights into the Dynamic Linkages between targets and brands, and creates vibrant communications to improve brands' relevancy and value in consumers' lives.

To learn more, visit hiebing.com or call (608) 256-6357.

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