

Positioning: The Battle For Your Mind (Abstracted mostly from the book by Ries & Trout)

You know that you and your company are special, but your potential customers won't know unless you tell them. And they won't care unless they can see how your special angle directly makes their lives easier. It's more than just showing the features of your products; you've got to explain the benefits--exactly how that product or service will relieve an operational headache, fulfill a yearning, or in some other fashion satisfy a need that the customer has. It's best to slice out specific benefits that will distinguish your products or services in the market.

Differentiation is the collection of differences in features and benefits versus competitive products. The key is to determine how important these collective differences are to buyers and then communicate them to potential buyers through your entire arsenal of marketing tools, from distribution to packaging.

Understanding Positioning

- Positioning is:
 - not what you do to a product—it's what you do to the prospect's mind to condition how he/she thinks about the product
 - what you do to "get heard."
 - the process of coping with the mental position that a larger, more established competitor occupies.
 - a tool to cope with information overload (and anxiety).
 - Positioning is a cumulative concept; successful positioning requires consistency – have to hang in there year after year if the positioning seems to be working.
 - not creating something new and different, but manipulating what's already in the mind – to retie connections that already exist.
- Positioning often involves cosmetic changes done to secure a worthwhile position in the prospect's mind, i.e. name, price, packaging, etc.
- Ad Agencies spend enormous amounts of time and research looking for positions or holes in the marketplace.
- Anyone can use positioning strategy to win. If you don't understand and use the principles of positioning, your competitors undoubtedly will.
- Today's marketplace is no longer responsive to past strategies – too many companies and "marketing noise."
- A person is capable of receiving only a limited amount of sensation. Beyond a certain point, the brain goes blank and refuses to function normally. Must oversimplify the message. Less is more. To cope with complexity, people have learned to simplify almost everything.
- May be cynical to accept the premise that the sender is wrong and the receiver is right. But you really have no other choice – not if you want to get your message accepted by another human mind.
- By focusing on the customer rather than the product....you learn principles and concepts that can greatly increase your communication effectiveness.

The Importance Of Being First

- The easy way to get into a person's mind is to be first. (first one to fly the Atlantic solo, etc. etc.. is the person or product that is remembered) Get there first and then be careful not to give customers a reason to switch. First into the brain usually means twice the sales of being #2.

Examples:

- “First Class is Michelob” led to its becoming one of the largest selling beers in America.
- “Avis is only #2, so we try harder” (comparative, underdog) But Avis forgot the success of this and the fact they owned the mind on this point. Their advertising since has been less effective.
- Coca Cola is “the real thing” – an example of excellent and successful positioning.

Coping With Position Leaders

- To be good at positioning, you must have total understanding of the positions occupied by the competition.
- Years ago a company had no hope of competing head-on against the position that IBM had established. (key word is “head-on”) 3000 years ago, Sun Tzu, said: “the worst strategy in war is to besiege walled cities.”
- Honda entered the motorcycle market against Harley Davidson by introducing off-road minibikes aimed at pre-teens – and being very patient. Overtime, Harley lost and recouped only by positioning itself at the “high end” for the serious, adult motorcycle fan.
- IBM failed miserably with copiers; Xerox failed miserably with computers; Kodak failed miserably with instant photography against Polaroid.
- It’s extremely difficult to change an established position (or image). Far better to create a new niche in the prospect’s mind by creating a new position around a new product (P & G strategy).
- “Orange juice – it isn’t just for breakfast anymore.”

What Works For A Leader Doesn’t Necessarily Work For A Follower.

- How do you find an open position in a prospect’s mind? Look for the hole.
- Volkswagen in the early days preempted the “think small” position at a time when Detroit was overwhelmingly “big.”
- BMW and Mercedes occupy the “high price, prestige” hole.
- What masculinity did for Marlboro, femininity did for Virginia Slims.
- Low price is a good “hole” for a new, untried product (consumer electronics for example)

Repositioning Competitors

- The crux of repositioning is to undercut an existing concept, product (or person).
- Tylenol: “for the millions who should not take aspirin” Result: Tylenol is the #1 analgesic.
- Stolichnaya vodka focused in advertising that all its competitors were made in the USA.
- Scope repositioned Listerine with “Medicine Breath.”

The Importance Of Names

- Vital to name products so that they stand for something amidst the cluttered marketplace. Naming begins the positioning process. The better names often tell the prospect about the major benefit.
- Avoid using initials and acronyms.
- A new product needs a new name.
- Riding on the name of the Corporation can be a trap if there is no natural and positive association. Ask yourself what is the position of the Corporation?
- In media, conserve your anonymity until you are ready to “spend it.”

- Brand name line extensions are often ineffective. Scott Paper's product associations and positionings are badly blurred, for example. Jergens introduced several line extension lotions which triggered Vaseline Intensive Care. The result: Jergens lost and Intensive Care won.
- Sara Lee means desserts – not main course frozen entrees. Levi's failed when they tried to introduce shoes. Gillette failed with women's grooming products.
- Line extension names can work if you do little advertising or if you have 100's of small volume products. Then some name is better than no name.

Rules Of Naming:

1. Potential winners should not bear the house name. Small volume products should.
2. With few competitors, the brand should not bear the house name. In a crowded field, it should.
3. Products with big advertising budgets should not support the company name; small budget brands should.
4. Breakthrough products should not bear the house name; Commodity products should.
5. Off-the-shelf items should not bear the house name; items sold by sales reps should.

To Play The Positioning Game

- The meanings are not in the words. They are in the minds of the people using the words.
- Know how words affect people; words are triggers for meanings buried in the mind.
- With the right choice of words, you can influence the thinking process itself.
- You need objectivity; be brutally frank with no ego in the decision making process.
- You need simplicity; only an obvious idea will work today.
- You need subtlety; it's tough to find an open position that is also effective.
- You must be willing to give ground; not to be all things to all people.