

THE NEED FOR EFFECTIVE MARKET POSITIONING

What position do you occupy in the mind of your customers?

There is a joke circulating in top management circles, saying “I know that half of my marketing money is wasted, but I don’t know which half.” Is this really a joke? In most cultures there is a proverb stating that there is never smoke without fire.

Our observation of large and small businesses in various industries and countries indicates that most companies waste money because they work from nonexistent or weak *marketing foundations*.

Marketing foundations, or fundamentals, are about differentiation, positioning, and focus on sending a consistent message to the market.

The challenge for all companies, products and services is to *stand out* in crowded and noisy markets. The key to standing out is to be *different* in an attractive and meaningful way. The choice of one major differentiation factor is the toughest problem most marketers are facing because they all have a tendency to bombard us with endless lists of specifications, features and benefits (including the proverbial kitchen sink). They don’t think hard enough about what not to say.

Clear differentiation is, in turn, the key to successful **positioning**. Positioning is the act of imprinting a unique, credible and memorable message in the *mind* of the customer and to consistently work at defending and reinforcing this position. This takes time.

The subtitle of the seminal book on positioning, published in 1981 by Al Ries and Jack Trout is: “THE BATTLE FOR YOUR MIND”. The term ‘battle’ is a tad unfortunate because it suggests the possibility of a quick victory. Positioning is more like a war; it takes years. It’s a long-term investment. Scan, in your own mind, the brands that have the strongest positive image. Most of them have been around for years, haven’t they?

The good news is that it is difficult to dislodge a category leader. Volvo is still the leader for safety, Mercedes for reliability, Rolls Royce for prestige, Ferrari for speed, VW for value, etc. The other good news is that, once the essence of your message is created, you can use it as *basis* for your entire market communication and quickly earn benefits from this important investment.

Last, but not least: positioning is an art. It works better with the objective, external point-of-view of a specialist who looks at your company or products from a different angle and who brings fresh ideas. You need a second opinion like a doctor needs a colleague to perform surgery on himself. You want to avoid throwing good money after bad, don’t you?

BASIC RECIPE

An effective positioning message has to be about half-way between your actual position in the market and the vision you have of the future of your company and of its products.

To be memorable and effective, your message should be as short as possible, different, attractive, relevant and persuasive. So, it should achieve the right balance between facts and aspirations.

Finally, your message has to pass *credibility* tests including:

- Laugh test – if your claim is grossly exaggerated, implausible or unimaginable, it will provoke general laughter and you lose your prospect’s confidence.
- Yawn test – if your message uses conventional, hollow and boring business speak, you lose the prospect’s

attention and potential interest.

- Blank eyes test – if your statement uses esoteric or fashionable expressions with obscure meaning, you probably irritate your prospect from the beginning.

Then, your positioning message can serve as consistent *basis* for a series of documents such as:

- Your marketing plan
- Tag lines and one-sentence statements
- One-page company / product briefs
- One-paragraph to half-page summaries
- Elevator pitches, 60-second speeches, ..
- Website content (e.g. “about us” statement)
- Brochures, newsletters, direct mail, advertising
- White papers, manifestos, case studies
- etc.

In addition to its Sales Services, SFE can help you on marketing matters, creating solid marketing foundations including positioning, and developing important materials and programs.