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Brand Positioning

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1 INTRODUCTION

A consumer stands before a set of supermarket shelves, staring at the myriad choices in the bottled water category. Before she can choose one, there's a multitude of questions to answer. After all, in today's marketplace, water is much more than just H_2O. Sparkling or still water? Vitamin-enriched or energy-boosting? With zero calories or sweetened and fruit-flavored? A small bottle for lunch boxes or extra-large for long-term storage? In a slender glass bottle evoking fine art or packaged in lightweight, eco-friendly plastic?

Source: Photo by Kim Yanoshik

Beyond these functional differences, each brand tells its own unique story. Fiji claims that equatorial trade winds purify its water. Perrier describes how its mineral water's bubbles originate on the Languedoc plain in southern France when rainwater seeps into the ground and combines with volcanic gases. Poland Spring touts its Maine roots, while Crystal Geyser highlights its alpine origins near Mount Shasta. Dasani and Aquafina, respectively owned by The Coca-Cola Company and PepsiCo, attempt to hide their corporate parent affiliations and their less glamorous sources (the public water supply). Instead, Dasani boasts about its environmentally conscious bottle design and its reverse-osmosis filtering process. Aquafina highlights its trademarked HydRO-7™ seven-step purification process.

Each brand tries to stake a particular claim of superiority—*the cleanest*, *freshest*, *purest*, *healthiest*, *most natural*, *most environmentally sensitive*, *most socially conscious*, *most fashionable*—that resonates with a particular type of consumer. The consumer's choice will depend on how strongly she perceives that a particular brand offers the best solution to her needs. Is she a mother who cares about her children's health? Is she a hostess throwing an important dinner party? Is she preparing for surviving a natural disaster? Is she a concerned citizen of the world? Each brand is positioned to appeal to a different customer need.

This reading addresses the principles of brand positioning: the art of staking out a particular piece of mental real estate for a brand in the consumer's mind by crafting and communicating a differentiated positioning statement. Brand positioning provides a strategic roadmap for creating powerful, resonant, and unique messages to help a company's products and services stand out amid the cacophony of the marketplace. In this reading, we highlight a process for formulating a brand's positioning statement that delivers competitive advantage by using the analysis and synthesis of consumer, competitive, and company factors. We will explore the types of positions companies can claim and the creative ways in which they can differentiate brands from one another. Finally, we will examine the challenges associated with repositioning brands, including the tension between maintaining consistency and adjusting to changing consumer preferences.

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2 ESSENTIAL READING

2.1 Brand Positioning

In their classic book *Positioning: The Battle for Your Mind*, branding consultants Al Ries and Jack Trout proclaim, "Positioning is not what you do to a product. Positioning is what you do to the mind of a prospect," reinforcing the notion that what is important to measure in positioning is not the brand manager's intent, but the brand positioning's actual end result—how consumers catalog, classify, and remember a brand.[1] A brand's *position* represents its location vis-à-vis its competitors in the mental maps that consumers construct to represent the range of possible solutions to their problems. Strong brand positions are powerful because they help consumers categorize brands by their similarities and, at the same time, distinguish and differentiate between brands based on their differences.

Regardless of a company's strategic intent in positioning its brand, consumers actually determine the brand's position by their response to it. Marketing consultant Harry Beckwith explains the difference: "A position is a cold-hearted, no-nonsense statement of how you are perceived in the minds of your prospects. A *positioning statement*, by contrast, expresses how you wish to be perceived."[2] (For a detailed perspective, see the sidebar "Ted Levitt on Positioning.")

Ted Levitt on Positioning

Marketing experts often regard Theodore "Ted" Levitt, an economist, Harvard Business School professor, and former editor of the *Harvard Business Review*, as a founder of modern marketing. His provocative *Harvard Business Review* articles lambasted marketing managers for their shortsighted views of their businesses.[3] Levitt argued that companies should not define themselves by the products they sell, but rather reorient themselves to their customers' perspective by defining themselves through the value they produce in consumers' lives—the "***value proposition***." He realized that consumers attach value to a product or service in proportion to its perceived ability to solve their problems or meet their needs.

Stating that there was no such thing as a "commodity product," Levitt understood that even something as basic as water could be differentiated. He suggested that a company's deep understanding of its customers is the key to creating a value proposition that allows consumers to perceive a product as a differentiated solution that meets their specific needs, rather than as a commodity.

Levitt declared that commodity products are simply failures of marketing. The problem, he claimed, does not lie with the products themselves, but exists within the minds of consumers: "There is no such thing as a commodity, only people who act and think like commodities." In Levitt's view, managers do not need to change the products they are selling; instead, they need to fix their positioning in consumers' minds. In today's marketplace, we see brands like Dole, Chiquita, and Purdue creatively differentiating products in categories once viewed as commodities (fruit and poultry).

Source: Adapted from "Marketing Success through Differentiation—of Anything" by Theodore Levitt, *Harvard Business Review*, January–February 1980. Copyright © 1980 by the Harvard Business Publishing Corporation; all rights reserved.

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2.2 Crafting a Positioning Statement

Companies begin the brand positioning process by creating a positioning statement, a strategic document that communicates the unique value the brand would offer to a particular target market segment. Positioning statements distill the brand's value proposition into a compelling answer to the all-important question, "Why should I buy?" Consumers in most product and service categories are bombarded with too many alternatives, with most seemingly undifferentiated from one another, making the selection process very difficult. A provocative positioning statement can make the difference between a brand's getting lost in the sea of choices and standing out as the best solution for the consumer.

Note that, unlike brand slogans or taglines, positioning statements are strategic in nature, developed for an internal managerial audience rather than an external consumer audience. They help guide the tactical execution of the brand and are often the starting point for developing the marketing messages that will be delivered to consumers. Positioning statements contain four essential components:

- *For whom, for when, for where?* An explicit description of the target market segment that helps consumers easily discern which brands directly address their specific needs and which don't. This component can outline a particular type of person (e.g., mothers concerned about their children's health), a particular usage situation (e.g., when you need to decorate your dinner table), and/or a particular usage location (e.g., when you are on the go). For more on how managers can choose a target market segment, see *Core Reading: Segmentation and Targeting* (HBP No. 8219).
- *What value?* A simple, straightforward description of the unique value claim the brand offers, written from the consumer's viewpoint. This will become the thing for which the brand is known. There are four types of value that customers can derive from a product or service: economic value, functional value, experiential value, and/or social value. Products that provide tangible monetary savings either at purchase or over their long-term use offer consumers *economic value*. When comparing many products (e.g., mobile phones or laptops), consumers often consider not only price but also different features, or the *functional value* of the products. Many consumers, however, buy products for their *experiential value*—intangible psychological and emotional values associated with the brand. Finally, in many settings, consumers derive *social value* from products or services. Facebook's value comes from sharing information, pictures, and videos with friends. For more on how customers derive value from the brands they use, see *Core Reading: Creating Customer Value* (HBP No. 8176).
- *Why and how?* Evidence that provides consumers with reasons to believe the brand's claims. Supporting evidence for the product's value can come from logical arguments, scientific and technological data, consumer testimonials, celebrity or expert endorsements, product demonstrations and experiments, and independent agency seals of approval.
- *Relative to whom?* An explicit description of the competitive set in which the brand classifies itself and the alternatives consumers may be considering. This helps consumers establish a frame of reference for the purchase decision. This section of the positioning statement can either help consumers classify the brand as similar to other brands or product categories they are already familiar with, or differentiate and distinguish it as something completely different. For example, Hyundai—known for low-cost, functional vehicles—launched a luxury automobile by positioning it as "a brand new luxury car as spacious as the Mercedes S-Class, yet priced like a C-Class." This statement drew both a parallel to and a distinction between Hyundai and one of the

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world's leading luxury car brands. When 7-Up wanted to differentiate itself from market leaders Coca-Cola and Pepsi-Cola, it positioned itself as "the Uncola," offering customers something different to quench their thirst. Sandal maker Sanuk prominently declares on its point of purchase displays, "These are not shoes" to clearly differentiate its Sidewalk Surfers as being more comfortable than other footwear.

The four components of positioning statements can be summarized in this general format:

> For [*target market*], Brand X is the only brand among all [*competitive set*] that [*unique value claim*] because [*reasons to believe*].

Below is an example of how three bottled water companies might use this format to position their brands to address three distinct target markets with unique value claims:

- For [*upscale consumers looking to make a design statement with their choice of water*], Voss is the only brand among all [*bottled waters*] that offers [*the purest and most distinctive drinking experience*] because [*it derives from an artesian source in southern Norway and is packaged in a stylish, iconic glass bottle*].
- For [*middle-class consumers looking for an affordable and accessible luxury*], Perrier is the only brand among all [*bottled waters*] that offers [*an elegant, sparkling, and refreshing water, with just a hint of zaniness*] because [*it is naturally carbonated by volcanic gases deep beneath the soil in southern France and features clever bottle designs by Andy Warhol*].
- For [*millennial consumers who are socially conscious*], Ethos is the only brand among all [*bottled waters*] that [*cares about solving the world's clean water crisis*], because [*it donates five cents for every bottle sold to programs that help support water, sanitation, and hygiene education programs in water-stressed countries*].

2.3 Staking Out a Unique Selling Proposition

Brand managers should craft positioning statements to focus on a single, most important claim that distinguishes the product from the competition, rather than to include a laundry list of all of the attributes, benefits, and values offered by the brand. According to advertising executive Bill Bernbach, "You've got to live with your product. You've got to be steeped in it. . . . Indeed, if you have not crystallized into a single purpose, a single theme, what you want to tell the reader, you cannot be creative."[4] In our advertising-saturated culture, simple messages increase brand recall and receptivity. Writing a positioning statement becomes a challenging endeavor, since managers must choose the claim most likely to resonate with consumers.

Brands often highlight their most important value claim through the use of a unique selling proposition. First devised by advertising pioneer Rosser Reeves, a ***unique selling proposition* (*USP*)** is a type of value claim that offers a prospective customer a specific, unique, and superior reason to purchase a product. Reeves felt strongly that a successful product had to *actually* be better than its competitors; while clever ads could move substandard product off the shelf initially, the disappointing customer experience thereafter would eventually doom the product to failure. He pushed his clients to build superior performance into their products, claiming that the USP must hinge on a specific benefit that competitors could not copy and that was resonant and relevant enough to persuade consumers to buy.[5]

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USPs anchor some of the most famous advertising taglines in history, such as FedEx's "When it absolutely, positively has to be there overnight"; Domino's Pizza's "You get fresh, hot pizza delivered to your door in 30 minutes or less or it's free"; and M&M's "The chocolate melts in your mouth, not in your hands." Similarly, Procter & Gamble (P&G) has long been a proponent of using USPs as a core of its brands' positions. Bounty paper towels are the "quicker picker-upper"; Tide laundry detergent claims, "If it's gotta be clean, it's gotta be Tide"; Pampers promises "the driest diaper"; Charmin toilet paper offers "superior softness and absorbency"; and Head & Shoulders shampoo "effectively targets the source of dandruff" and "provides the dual benefits of a healthy scalp and great-looking hair."

Rosser Reeves proposed the USP to capture the "rational" advertising strategies of the 1940s and 1950s, which viewed customers as logical purchasers who would listen to a reasoned argument. However, since the 1960s, marketers have acknowledged that, when making purchasing decisions, consumers often rely on their "irrational" emotions, memories, intuitions, dreams, and aspirations. That insight ushered in a new era, dubbed the Creative Revolution, led by advertising pioneers David Ogilvy, Leo Burnett, and Bill Bernbach, who believed that successful brand positions were those that struck a human chord. "Nothing is so powerful as an insight into human nature, what compulsions drive a man, what instincts dominate his action," proclaimed Bernbach.[6] Their positioning strategies used creativity, wit, intelligence, and storytelling to capture consumers' imaginations.

By connecting brands with cultural values, lifestyles, and ideals, some positioning statements promise consumers entry into desirable worlds. Brands like Vans, Cannondale, and Patagonia positioned themselves as authentic parts of the skateboarder, mountain biker, and mountain climber communities; brands like Tommy Hilfiger (clothing) and Sprite (beverages) borrowed their appeal from urban culture; and Harley-Davidson (motorcycles) and Diesel (jeans) accentuated their rebel and outlaw characteristics. (See the sidebar "Positioning Absolut" for another example.)

Choosing whether to use a rational or emotional positioning appeal requires insight into three interacting factors: how the firm's target customers choose and use the product; how the firm's competitors use rational versus emotional appeals; and how the firm's own brands and other assets can support the positioning statement.

Positioning Absolut

Positioning Absolut as a premium vodka in 1979 was a marketing challenge. The brand first came to the United States at a time when vodka was perceived as a lower-class, tasteless drink. Brown spirits—bourbons, rums, and whiskies—were in, clear spirits were out. The vodka category was dominated by Stolichnaya and Smirnoff, which leveraged their Russian origins and connections to the czars. Absolut, made in Sweden, could not compete on its national origins, nor did it have a distinct taste advantage. Instead, the company decided to package the product in a unique, elegant, old-fashioned medicine bottle. There was no paper label, so that consumers could see the crystal-clear vodka—the difference from brown spirits now a source of pride.

Absolut's simple design became the heart of the brand's positioning and the subject of one of the world's longest-running advertising campaigns. Advertising agency TBWA created 1,500 Absolut ads featuring images in the shape of the iconic bottle with witty two-word headlines. The first ad was a straight-on shot of the bottle with a halo above it and the words, "Absolut Perfection." Since then, the brand has taken iconic images such as New York's Central Park, Aspen's ski terrain, and Amsterdam's street scenes and reconfigured them into its bottle shape. It also teamed up with artists such as Andy Warhol and Keith Haring for a series of ads featuring their renditions of the bottle.

Today, Absolut ads are treasured by collectors. Furthermore, the brand has earned a place as one of the best-selling liquor brands of all time, all based on a value claim that focused on selling an image and a link to contemporary art and culture, rather than a rational reason to buy the product.

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2.4 The Three Cs Model

The Three Cs model of brand positioning encourages managers to analyze three key dimensions of their market situation—consumers, competition, and company—before deciding on a single most important claim regarding their product or service (see **Exhibit 1**).

EXHIBIT 1 Three Cs Model of Brand Positioning

CONSUMER ANALYSIS	COMPETITIVE ANALYSIS	COMPANY ANALYSIS
Relevant	Distinctive	Feasible
Resonant	Defensible	Favorable
Realistic	Durable	Faithful

Consumer Analysis

Let's start by looking at the ways that managers can identify value claims that are *relevant*, *resonant*, and *realistic* to consumers.

Creating Relevance

Understanding consumer needs and behavior is essential to choosing the right value claim. Strong value claims should be *relevant* to consumers, addressing their fundamental needs or the jobs that they need the product or service to accomplish. In fact, product innovation researcher Clayton Christensen encourages managers to uncover the basic "job" consumers are looking to fill when they "hire" a product or service. This, he asserts, is the key to creating relevant value claims that speak to consumers' needs. (For more on Christensen's research, see the sidebar "Hiring Milkshakes for Breakfast" and the accompanying **Video 1**.)

Hiring Milkshakes for Breakfast

Why would a customer order a milkshake for breakfast? Clayton Christensen looked at that question for a fast-food restaurant client and identified several jobs that such a milkshake was being "hired" to do. Morning customers often face a monotonous, lonely drive to work and often do not eat before leaving the house. Ordering a milkshake, rather than a coffee or other beverage, helped them cope better with the commute. Why? Because a milkshake, with its viscous consistency, lasted longer than other beverages, and its enjoyment could stretch out over the entire commute. What's more, sucking a milkshake through a straw adds an element of playfulness and alleviates some of the boredom of the drive. Finally, unlike a breakfast sandwich or other food, a milkshake is a satisfying liquid "meal" that could easily be managed with one hand while driving. Once Christensen's client realized that its milkshake was being hired to do these important jobs, it improved the product's positioning.

Hear Christensen discuss the job of a milkshake in this related video.

VIDEO 1 Hiring Milkshakes for Breakfast

Scan this QR code, click the icon, or use this link to access the video: bit.ly/hbsp2utt6jW

Source: Clayton M. Christensen, Scott Cook, and Taddy Hall, "Marketing Malpractice: The Cause and the Cure," *Harvard Business Review* 83 (December 2005): 74–83.

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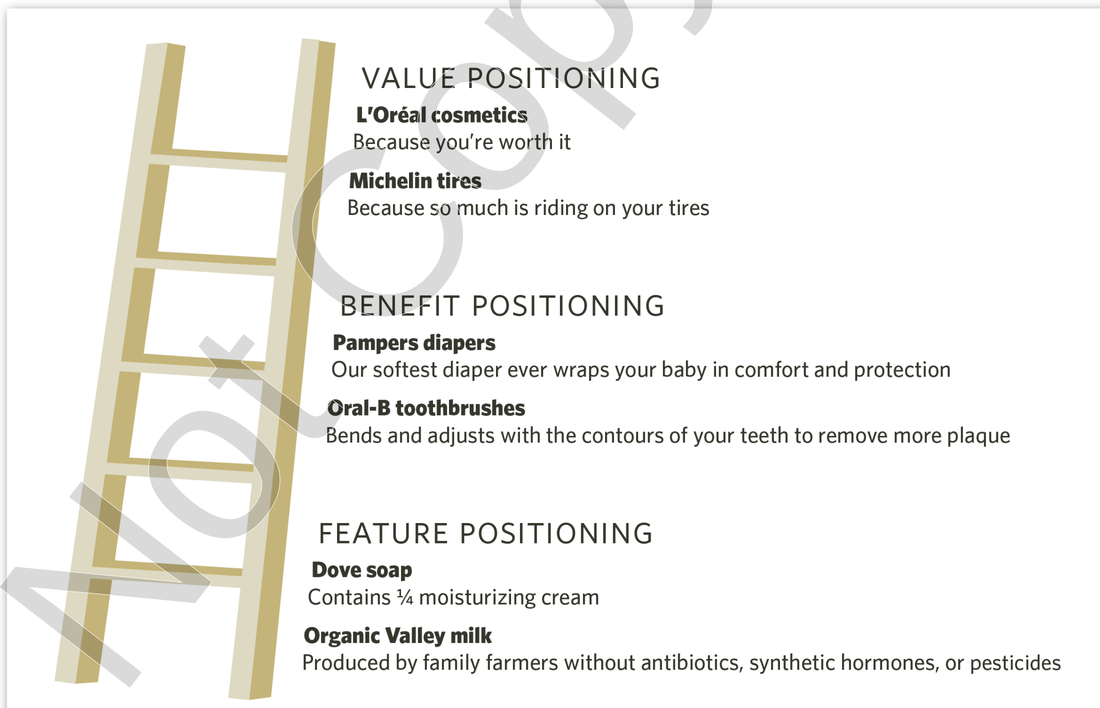
Relevance is also established by clearly specifying a target market in the positioning statement and aligning the value claim with the specific needs of that target market. For example, marketers for the erectile dysfunction (ED) drug Cialis needed to find ways to convey the drug's relevance when it entered the market four years after market leader Viagra. Cialis's target market choices included everyone from current Viagra users and men for whom Viagra had not worked, to women who were in relationships with men with ED and primary care doctors, who were often the first line of defense.[7] Because each target market finds relevance in a different product attribute, a marketer's choice greatly shapes the type of value claim being offered to prospective customers.

Creating Resonance

Strong value claims should *resonate* with consumers, providing them with a narrative that feels personally meaningful. Claims can be made at three levels: *feature- or attribute-based claims* that focus on a special feature, ingredient, or capability of the product or service ("What's in it?"); *benefit-based claims* that focus on the specific benefits customers receive from using the product or service ("What's in it for me?"); and *value-based claims* that focus on helping consumers achieve the values they hold to be important ("Why is it important to me?"). As shown in **Exhibit 2**, laddering up from feature-based to benefit-based to value-based claims can increase brand resonance.

EXHIBIT 2 Laddering Up from Features to Benefits to Values



Resonant value claims address consumers' deep-seated needs. They offer the meaning required for living in consumers' unique cultural space and time. To discern how consumers use brands to create meaning, marketers need to uncover their worldviews, ideologies, value systems, organizing principles, archetypes, and deep motivations. Some techniques involve ethnography (the deep and detailed observation of consumers in their "natural habitats"), while others rely on questioning consumers to delve into their unconscious minds.

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Brand consultant Douglas Holt provides a roadmap for crafting iconic brands—those whose positioning statements are so resonant that they constitute symbols of the values of a particular subculture at a particular historical moment.[8] At any time, in any culture, certain dominant ideologies serve as the guiding principles for living an aspirational life. Most marketers align their messages with this zeitgeist, creating a herd mentality, as brands strive to be the most authentic incarnation of the latest trend. Yet within any belief system, cracks emerge—contradictions that make aspects of it less desirable. Some people may still strive to follow the dominant ideology, but circumstances preclude them from doing so; other people actively disagree with or fight against it. These cracks make some people feel like outsiders.[a]

Using historical analysis, Holt observed that these cracks present a powerful brand positioning opportunity. Brands that acknowledge major cultural contradictions can help consumers bridge the gap between their actual state of being (i.e., "what is") and their desired state (i.e., "what could be"). These brands achieve their resonance by addressing the identity desires and anxieties that dominant ideologies leave in their wake.[9]

For example, Harley-Davidson achieved iconic status by positioning its motorcycles as an antidote to the tedium and lack of adventure that comes with being an upstanding citizen and professional. Today, many men build white-collar careers to obtain the security of a high salary and the admiration and respect of others, reflecting the dominant ideology. However, these careers often lack traditional markers of masculinity—the use of physical strength to dominate an environment, the freedom to think for oneself without having to bow to the will of a boss, and the opportunity for adventure and risk-taking to overcome dangers and conquer fears. In a series of advertisements in which this dark side of white-collar employment is revealed, Harley offers its brand as a way to feel free, irresponsible, and dangerous—even if, in your daily life, you feel shackled to your responsibilities and averse to risk-taking. As a Harley-Davidson executive explains, "What we sell is the ability for a 43-year-old accountant to dress in black leather, ride through small towns, and have people be afraid of him."[10] The theme of freedom was integral to Harley-Davidson's TV commercial for the H-D1 "Build Your Freedom" program, which enables customers to design a customized motorcycle (see **Video 2**).

VIDEO 2 Harley-Davidson's "No Cages" H-D1 Commercial

Scan this QR code, click the icon, or use this link to access the video: youtu.be/H1TedN_hyWI

Similarly, Apple achieved its iconic status by positioning its brand to creative types who felt stifled by the uniformity and conformity of the yuppie-fueled 1980s. To launch its Macintosh computer in 1984, Apple produced a now-classic advertisement that positioned it against the corporate sameness of IBM and its PC clones (see **Video 3**). The Apple Macintosh became the product that would free the public from the tyranny of the PC.

VIDEO 3 Apple's "1984" Macintosh Commercial

Scan this QR code, click the icon, or use this link to access the video: youtu.be/VtvjbmoDx-I

Cultural branding is tricky, however. Brands that are culturally resonant today will likely be obsolete tomorrow. Their appeal will rise and fall. Their managers must proactively scan the social, cultural, economic, and competitive environments to sense when tides might be changing, so that they can reposition their brands to bridge new cracks that are forming.

[a] More generally, this is an accepted framework in cultural anthropology. Douglas Holt has substantiated it in marketing applications in his academic articles in the Journal of Consumer Research and in his two books: *Cultural Branding: Using Innovative Ideologies to Build Breakthrough Brands* (New York: Oxford University Press, 2010; with coauthor Douglas Cameron); and *How Brands Become Icons: The Principles of Cultural Branding* (Boston: Harvard Business Press, 2004).

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Being Realistic

Finally, strong value claims should be *realistic.* Many positioning statements use exaggeration or other kinds of overstatement that makes their claims less believable. Unless consumers believe the product can deliver against it, a value claim is unlikely to persuade them to buy. (See the now-classic way that Avis handled this issue in the sidebar "Avis's Controversial Reason to Believe.") Offering specific evidence to support a claim provides consumers with reasons to believe it. Procter & Gamble, the manufacturer of world-leading brands such as Tide, Pampers, Gillette, Crest, Olay, and Bounty, has historically used physical demonstrations in its advertising to support its value claims.[b] Ads for Tide detergent use side-by-side comparisons of clothing washed in Tide and another leading brand to show Tide's superiority. Similarly, Gillette uses computer animation to demonstrate how its razors lift and cut hairs, leaving skin smoother with less irritation. Reliable recommendations are another form of evidence. Fashion, beauty, and sports products often use celebrity endorsements as proof points for the veracity of their value claims. For example, Gatorade tells us that its G Series thirst quencher products are "Born in the lab. Proven on the field by some of the world's greatest athletes."

Evidentiary support for a value claim should help narrate the story the brand is trying to tell. Thus, for benefits- or values-based claims, sometimes emotional or social evidence is more effective than hard, scientific evidence. As Theodore Levitt reminds us, "Nobody wants to hear that a perfume is a complex concoction of extracts from the lining of the mollusk and urine from the civet cat. . . . As with many purely utilitarian products, people seek not just what they deliver operationally but also (perhaps especially) what they promise emotionally or suggest symbolically."[11]

Avis's Controversial Reason to Believe

When, in 1962, advertising executive Bill Bernbach presented a new positioning for the Avis rental-car brand, Avis's managers were skeptical. Bernbach wanted to position Avis as the brand that puts in extra effort to please customers and use the tagline, "Avis: We Try Harder." To make Avis's claim more believable, Bernbach wanted to pair it with a statement about Avis's market position ("We're only #2"). Avis managers worried that this would paint the brand in a negative light in relation to the #1 competitor in the market—Hertz. But in advertising testing, while half of the people who saw the initial ad didn't like it, half did. Avis decided to take a risk and ran the campaign—and today, over a half-century later, this value claim and reason to believe still form the heart of Avis's positioning in the marketplace.

Source: Bob Levenson, *Bill Bernbach's Book: A History of the Advertising that Changed the History of Advertising* (New York: Villard Books, 1987), p. 53.

[b] In the United States, advertising follows the standards of the National Advertising Review Board (NARB), a part of the Advertising Self-Regulatory Council (ASRC), the governing body that oversees comparative advertising. Companies who make comparative claims are expected to provide scientific proof for them, through market research and/or experiments with consumers.

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Competitive Analysis

Using the second of our three Cs, competitive analysis, managers can zero in on particular value claims of the product or service that are *distinctive*, *defensible*, and *durable* vis-à-vis the competition.

Being Distinctive

Jerry Garcia, founder and lead guitarist of the Grateful Dead rock band, once said, "You do not merely want to be considered just the best of the best. You want to be considered the only ones who do what you do."[12] One of the essential elements of strong brand positioning is being distinctive.

Products and services generally contain three types of attributes that can be transformed into value claims and leveraged for brand positioning: *unique attributes, shared attributes,* and *irrelevant attributes*. When managers compare their products or services to others in their category or industry, there will always be some things that competitors have in common (shared attributes) and some that only one competitor has (unique attributes). A thorough analysis of the relevant competitive set allows managers to discern which of their products' attributes are *distinctive* and which merely mimic those offered by its competitors. *Points of parity* are those product or brand attributes, benefits, or values that are shared across competitors. In any product or service category, there are certain features that all competitors offer. These often represent "must-haves"—features that consumers demand before they are willing to consider a product or service for purchase. For example, all automobiles must pass minimum safety guidelines, all laptops must offer portability, all mobile phones must offer 4G capability. Talking about these features does not usually make a brand stand out, but failing to reassure consumers about such necessities may cause the consumer to not even consider the brand. *Points of difference* are those product or brand attributes, benefits, or values that are unique to a particular competitor. To command a price premium over its competitors, a brand's position must contain a point of difference that is large enough to justify the higher cost to the consumer.

Two types of strategies allow managers to leverage their product or service's points of difference: vertical positioning and horizontal positioning. ***Vertical positioning*** highlights attributes that are shared among brands, but stresses a particular brand's superior performance on those attributes, using words such as *smaller, faster,* and *cheaper* to delineate a natural pecking order. Verizon uses vertical positioning to claim that its cellular network provides better coverage than those of its competitors, while FiOS uses it to claim that its Internet connection speeds are the fastest. The Westin Hotel chain uses a branded differentiator, its Heavenly Bed, to claim that its hotels' beds are softer and more comfortable than those of its competitors. By contrast, ***horizontal positioning*** involves adding new attributes, benefits, or values to attract customers. With its "Jared" campaign, Subway used horizontal positioning to reposition itself as the healthy fast-food option for customers watching their weight. Whole Foods Market used horizontal positioning to make *organic, natural,* and *locally sourced* important attributes for buying groceries.

Ironically, brands sometimes succeed by making their irrelevant attributes the focus of their brand positioning. ***Irrelevant attributes*** are distinguishing characteristics of the product that provide consumers with no actual economic, functional, experiential, or social value. Skin care company La Prairie touts its microparticles of 24-karat gold for wrinkle reduction, while Alberto Culver puts silk in its Alberto Natural Silk Shampoo to increase hair health, despite the fact that neither gold nor silk have any demonstrable effects on skin or hair. Some companies go so far as to trademark an irrelevant ingredient so that they can use it as a point of difference. Mondelēz International, the maker of Certs breath mints, patented Retsyn, a

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combination of partially hydrogenated cottonseed, copper gluconate, and flavoring, so that it could be the only mint with this intriguing-sounding—but largely useless—additive.

According to consumer researchers Gregory Carpenter, Rashi Glazer, and Kent Nakamoto, the novelty of an irrelevant attribute simplifies consumers' difficult task of deciding between similar products. They found that the benefits of meaningless differentiation held up even after consumers were told that the attribute did not contribute anything to the product's performance. The sheer fact of the difference was enough to make the product valuable to consumers.[13]

Perceptual Mapping

Marketers can visually represent the positions of their brands using a tool called *perceptual mapping*, which provides a visual image of consumers' mental landscapes. Consumers are asked to compare and contrast sets of brands across a set of attributes; then their answers are used to map the spatial differences among brands. Using these distances, marketers can construct a two-dimensional or multidimensional graphical representation of how consumers perceive the brands in a product category.

See **Interactive Illustration 1** to observe how a perceptual map of the watch industry can be built by asking consumers to describe a series of watch brands on two continuums: from functional to fashion and from affordable to luxury. Companies like The Swatch Group, owners of the Omega, Breguet, Longines, Tissot, and Swatch brands, use perceptual mapping to outline the competitive landscape in their product categories.[14]

INTERACTIVE ILLUSTRATION 1 Perceptual Map of Watch Brands

Scan this QR code, click the image, or use this link to access the interactive illustration: **bit.ly/hbsp2pNwZeT**

Source: Jon Cox and Catherine Rolland, "Watches Sketchbook," *Kepler Capital Markets*, March 17, 2011.

Marketers can also construct a perceptual map not by directly questioning consumers, but rather by observing the artifacts of their daily interactions with brands. Consumer researchers Oded Netzer, Ronen Feldman, Jacob Goldenberg, and Moshe Fresko compiled consumer-generated content from online forums, blogs, and product reviews to construct perceptual maps of the car industry. They used text-mining processes and semantic network analysis that

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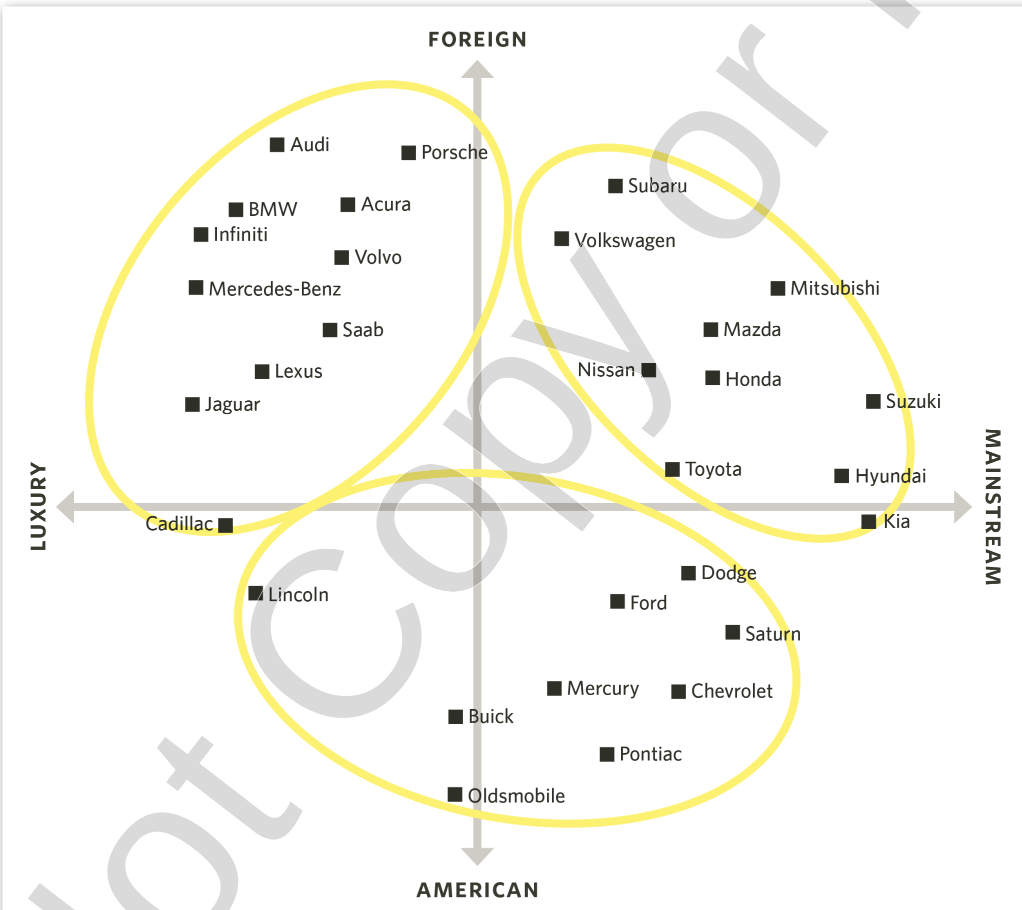
collects brand-related content from the web and positions brands spatially based on patterns of co-occurrence (i.e., if a particular brand is frequently mentioned along with another brand in consumers' comments, it is positioned spatially close to it).[15] **Exhibit 3** illustrates an output from their analysis. Most of the American brands are clustered in the bottom right section of the map, while the luxury European and Japanese brands are clustered on the left. The top right cluster is populated by brands that are known more for their low price points than for their other features.

EXHIBIT 3 Text-Mining and Perceptual Mapping of the Car Industry



Source: Adapted from Oded Netzer, Ronen Feldman, Jacob Goldenberg, and Moshe Fresko, "Mine Your Own Business: Market Structure Surveillance Through Text Mining," *Marketing Science* 31 (May–June 2012): 521–543. *Marketing Science* by Institute of Management Sciences; Operations Research Society of America. Reproduced with permission of the Institute of Management Sciences and Operation via Copyright Clearance Center.

The market research agency The Nielsen Company has developed a tool that scans the web for consumer conversations about brands and then plots the words and phrases that most closely correlate with a particular brand. Brand association maps, a type of perceptual map, are generated from the data, where the proximity of words to each other indicates their statistical correlation. Competitors' brand names are mapped as part of this process, and the physical distance between a focal brand and its competitors measures how much consumers perceive the brands in a category to be similar to or different from each other. (See **Exhibit 4** for a sample brand association map of Nike and its competitors in the athletic footwear and clothing industries.)

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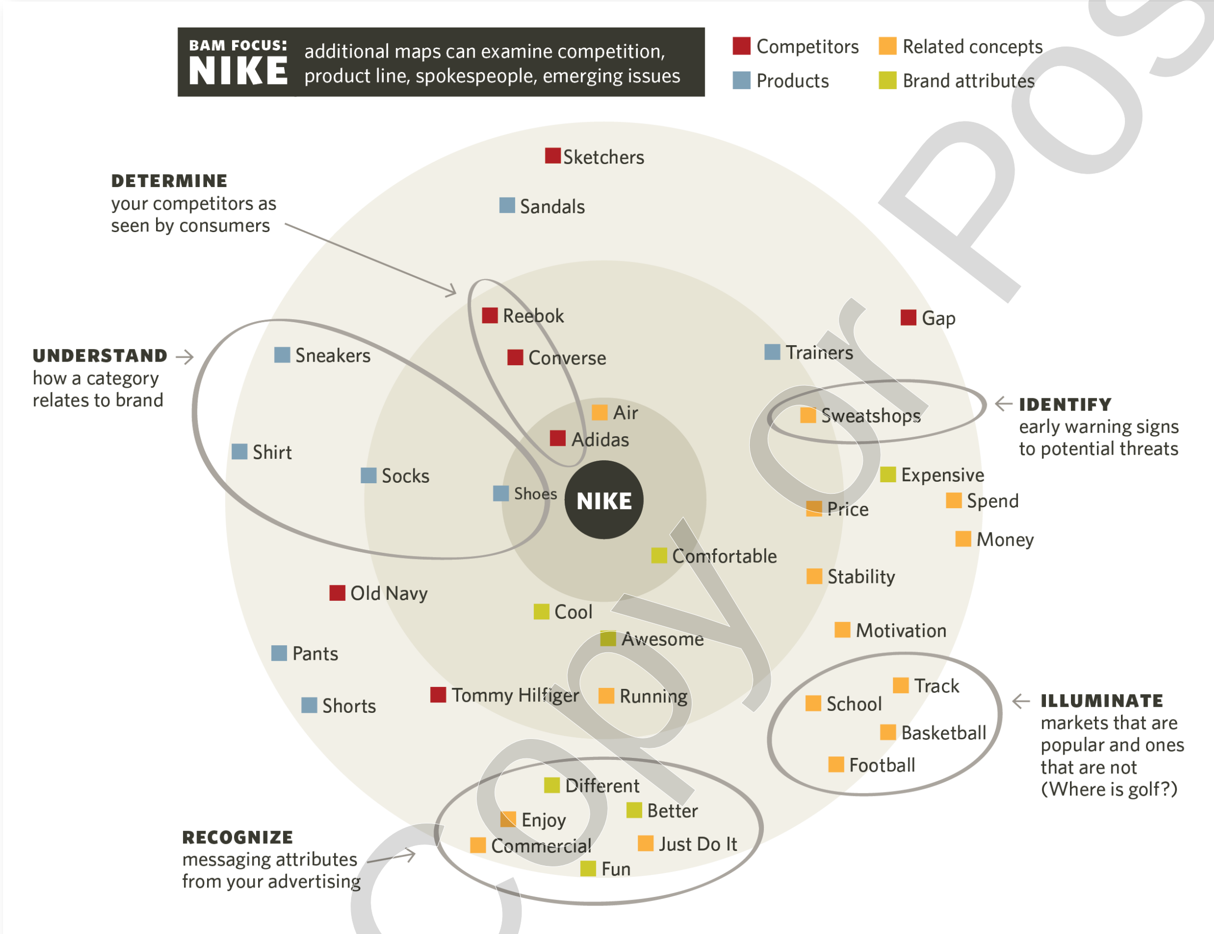
EXHIBIT 4 Nielsen's Brand Association Mapping (BAM)



Note: Actual deliverable will vary.

Source: Adapted from The Nielsen Company, "Brand Association Map," http://www.nielsen-online.com/downloads/us/BAM_US.pdf, accessed February 7, 2014. The Brand Association Map is a retired product.

A visual inspection of a perceptual map allows managers to identify gaps in the market, represented by pieces of mental real estate to which no brand has yet laid claim. For example, the gap in the middle of the map in Exhibit 3 is an indication that US automobile brands have the opportunity to position themselves as either luxury or low-price. Looking at these maps also allows managers to understand how crowded their own section is, which indicates how fiercely they will need to compete for consumers' attention. Finally, it enables managers to understand how close or far away competitors' positions are, and identify which rivals may encroach on their territory. **Exhibit 5** outlines some strategic questions managers can use to analyze a perceptual map.

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EXHIBIT 5 Analyzing a Perceptual Map

What real estate do we claim? What real estate do our competitors claim? Which is more valuable?
Where is the most/least valuable territory in consumers' minds? Which brands occupy the valuable spaces, and how vulnerable are they to incursion?
Which brands come closest to our location? How crowded is the space in which we are positioned? How do we compare to our closest competitors?
Which brands are likely to encroach on our real estate over time?
Which areas of the map are not claimed by any brand? How valuable are these spaces? What would it take to position ourselves in those spaces?
Which attributes are most/least influential in helping consumers distinguish between brands?

Choosing Defensible Terrain

To discern whether a particular product value claim is *defensible*, marketers need to think about which competitors must be overcome and whether the company has the resources to occupy and hold that position over time. Patents and trademarks can increase the defensibility of a product's value claims. Brands can stake defensible claims by being first to be positioned in a certain area, becoming "the original." Levi's proclaims itself as the original jeans manufacturer, reminding us that "we invented the blue jean." Brands can also offer themselves as the most authentic incarnation of that value. Florida's Natural orange juice declares Florida the only legitimate place to source oranges. Its brand communications invite us to meet the farmers that make up the Natural Growers cooperative and provocatively ask, "Where does your juice come from?" Finally, brands can stake defensible claims by outspending competitors to speak with the loudest voice.

Many companies find that focusing value claims at the features and attributes level leaves them vulnerable to quick competitive imitation, leaving the brand with an undifferentiated positioning. When Gillette launched its Fusion razor, managers knew that competitors such as Schick and Bic could easily copy its five-blade design, as they had done with its three-bladed Mach3 and two-bladed Sensor razors. Gillette therefore positioned the Fusion along benefit lines, highlighting its ability to reduce pressure and skin irritation, because its five blades were spaced closer together, and its ability to shave with more precision using a single blade on the other side of the razor. The Fusion's positioning boiled down to a simple-to-remember tagline, "The comfort of five blades, the precision of one."

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Being Durable

When positioning their brands, managers often strive to develop positioning statements that will stand the test of time. *Durable* brand positions, whose appeal lasts over prolonged periods of time, provide continuity to a brand. Think of a heritage brand, such as Burberry trench coats, or Coca-Cola, whose positioning statement has served it well for over a century. Recognizing the speed of cultural change, other companies adjust positioning strategies more frequently. Branding researchers offer conflicting advice. Kevin Lane Keller advises that "brand consistency is critical to maintaining the strength and favorability of brand associations,"[16] while Jean-Noël Kapferer warns that "a brand will only survive in the long term if it can demonstrate its relevance with regard to the latest changing needs of a market, which is in a state of constant evolution."[17]

Company Analysis

Finally, the last of the three Cs—company analysis—allows managers to identify value claims that are *feasible, favorable,* and *faithful* to the company.

Being Feasible

Some positions are better than others from the company's perspective. Managers should assess the *feasibility* of various positioning statements to determine which ones the company can actually deliver against in its everyday practices. For a brand position to be lived, companies must infuse it within every aspect of their operations. Every marketing decision across the 4 Ps must support and reinforce the position, from *product* strategy, to *pricing* strategy, to *place* (distribution strategy), to *promotion* strategy. At every customer touch point and during every customer interaction, the positioning statement must be consistently and reliably delivered. For example, brands with green positions, such as Seventh Generation, must ensure that their supply chain delivers against environmental goals; otherwise, they will be accused of "greenwashing."

Being Favorable

Managers should also evaluate the relative *favorability* of various value claims to judge which ones allow the company to capture more value in the marketplace. For a brand's positioning to become firmly anchored in the minds of consumers, the company must create a direct and reinforcing link between what it says and what it does. Living a particular positioning statement may require operational changes, organizational culture changes, staff retraining, and investment in new areas—all of which add costs. For example, when EMC repositioned itself from a low-cost storage disk provider to a customer-centric business partner that ensured the security of its customers' data, it had to revamp its sales, quality assurance, customer service, and emergency response processes. This allowed EMC to charge a premium for its products, but also added costs to its operations.

On the revenue side, some positioning statements may offer the firm the opportunity to capture more value, while others may offer less. Positions that are highly differentiated generally generate higher price premiums than those that allow the product to be perceived as a commodity. Some customer segments have more power in the marketplace than others, driving down the potential for the company to extract value from the transaction. For example, a business-to-business (B2B) positioning strategy can sometimes be less profitable than a business-to-consumer (B2C) one. When dealing with a purchasing agent at a large business customer, companies often have to offer profit-eroding volume discounts or extra service support—costs they don't have to incur when serving individual consumers. Assessing the profitability differences between various positions allows managers to see their differential value to the company and to choose the one that is most favorable.

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Being Faithful

An authentic brand demonstrates genuineness in the brand's claimed position; its messaging, assertions and behaviors are all supportive and aligned. (See the sidebar "Embodying Brand Positioning at EILEEN FISHER.")

Embodying Brand Positioning at EILEEN FISHER

The women's clothing brand EILEEN FISHER is a wonderful example of how a brand can live its positioning throughout its operations. EILEEN FISHER's positioning statement—"to deliver beautifully simple clothing designed to move with real life to affluent Baby Boomer women"—is embodied in its products, stores, employees, and marketing and advertising. First, the brand's clothes are designed for real women and crafted with forgiving silhouettes that flatter all body types. Pieces in the collection are designed to work together, so customers can creatively vary their look. The clothes are stylish, yet comfortable, timeless designs, versatile enough to be worn to the office and then in the evening. As founder Eileen Fisher states, "The simpler the garment, the more flexibility you have in the ways you can wear it."

Second, employees in the retail stores are of similar ages and lifestyles to the core customers. "It happened so naturally that we hired our customer. We look for a more holistic person, who loves our clothes and has outside passions and interests," said Jim Gundell, the brand's chief operating officer. Third, the brand's commitment to social good guides the company's supply chain decisions, which include an explicit focus on business practices that have an absolute regard for human rights. Fourth, 50 company-owned branded retail stores deliver the premier EILEEN FISHER brand experience. Personalized service allows employees to connect with customers: "When our customer comes in, we're friends with her, we're connected to her, we know her name, we know her family. . . . We just know so much about her." Finally, the brand's marketing and advertising backs up its desired position. The brand's advertising rarely uses airbrushed images of models; instead, it features real women. It is minimalistic; models have natural-looking makeup, and no bright lipstick or high heels are featured.

Source: Adapted from Harvard Business School, "EILEEN FISHER: Repositioning the Brand," HBS No. 512-085 by Anat Keinan, Jill Avery, Fiona Wilson, and Michael Norton. Copyright © 2012 by the President and Fellows of Harvard College; all rights reserved.

Today's consumers, linked together via social media, are quick to call out hypocritical companies who claim one thing in their advertising, but do another in practice. When the Chevy Tahoe touted itself as the green sports utility vehicle, consumers quickly lambasted Chevrolet for the car's low gas mileage and lumbering weight. When Dove's "Real Beauty" campaign attempted to replace women's notion of beauty with a more realistic and healthy image, consumers complained that Unilever, the brand's parent company, continued to promote damaging beauty stereotypes in its ads for Dove's sibling soap brand Axe.

In today's world, a brand's position is often co-created, with its owner, its customers, and other cultural influences working together to generate meaning that differentiates the brand from its competitors. Consumers learn about a brand not just from the marketing communications that push its desired position, but also from each other. Consumer-to-consumer conversations can either reinforce the brand's positioning statement or wildly diverge from it, shifting the brand's position to a less desirable space. **Exhibit 6** captures the ongoing dynamism—continual action and reaction—involved in co-determining a brand's position.

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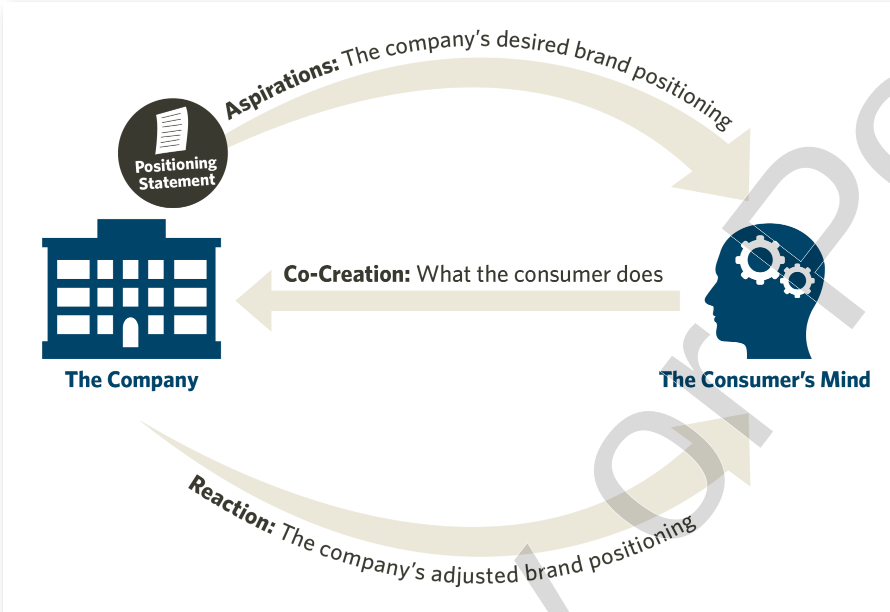
EXHIBIT 6 How a Brand's Position Is Co-Determined



2.5 Brand Repositioning

As markets change, or as unanticipated events occur, a company may need to reposition its brand. PepsiCo, for instance, with brand equity valued at over $14 billion, has gone through several major repositionings. In the first two-thirds of the 20th century, its advertising stressed, in turn, themes of health, economy, patriotism, and the free-spirited "Pepsi Generation." In the 1970s, Pepsi's rising sales began to challenge those of the market leader, Coca-Cola—and the "cola wars" began. The blind taste tests shown in "Pepsi Challenge" advertisements catapulted the brand into the best-selling soft drink in US supermarkets. In 1985, Pepsi repositioned itself along a popular culture theme, with an ad featuring pop star Michael Jackson.

But as the 21st century dawned, the Pepsi brand team faced significant challenges—a decrease in US soda consumption, driven by core Baby Boomer consumers leaving the soda category as they aged, as well as a growing obesity epidemic which was often blamed on soft drinks. Increasingly, parents restricted their children's access to soda, leading to low consumption among millennial consumers.[18]

In response, in 2010 Pepsi's managers boldly repositioned their brand as the cola with a social conscience. The Pepsi Refresh Project was a marketing program geared to solicit and reward consumers' ideas for refreshing their communities. Twenty million dollars—originally earmarked for Super Bowl advertising—would fund the best ideas submitted by consumers. The hub of the program was its website—www.refresheverything.com—where consumers submitted ideas, reviewed idea proposals, and cast their votes. The brand team encapsulated these trends with the tagline "Every generation refreshes the world. Now it's your turn."

Within a year, as sales continued to decline, Pepsi reverted to its earlier entertainment- and pop culture-focused theme, with creative executions featuring musical artists Michael Jackson, Katy Perry, and Nicki Manaj and the tagline "Live for Now."[19] (See the sidebar "BP's Positioning Crisis" for an important example of one company's attempt to reposition its brand after a disaster.)

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BP's Positioning Crisis

The massive 2010 oil spill after BP's *Deepwater Horizon* oil-rig explosion in the Gulf of Mexico provides a striking case of the real risks facing brands as they try to live their brand positions. For ten years, BP positioned itself as the environmentally friendly petroleum company, changing its logo to a green sun, hosting a website called *The Green Curve*, and building eco-friendly gas stations. The company proclaimed that environmental concerns were one of the brand's four primary values. But as the *Deepwater Horizon* disaster unfolded, with the protracted and painful daily exposure in the press of shortcomings in company environmental policies and procedures, the brand's green positioning was revealed as simply a marketing game. Consumers responded by flooding social media with BP parodies. BP's initials and "Beyond Petroleum" tagline were transformed into "Boycott Petroleum," "Big sPill," "Bubba Pump," "B$," and the disparaging, "We're bringing oil to America's shores," which was printed on a T-shirt line. BP's green sunburst logo was painted black and wept oil onto an oil-soaked bird. Perhaps the most detrimental parody came via Twitter. The BPGlobalPR Twitter account, a parody feed or "spoof site," attracted over 180,000 followers, twelve times more than BP's corporate Twitter account. The feed featured satirical tweets in the voice of CEO Tony Hayward. A decade of careful brand positioning was undone in an instant.

Since the disaster, BP has attempted to reposition around brand values related to safety, respect, excellence, courage, and the human energy that its people bring to its services. The concepts of better energy and a dynamic responsiveness to people's needs forms the core of its most recent positioning statement: "We are committed to making a real difference in providing better energy that is needed today and in the changing world of tomorrow."[20]

Source: Reprinted from *Business Horizons*, Vol. 54, no. 3, Susan Fournier and Jill Avery, "The Uninvited Brand," pp. 193–207, copyright 2011, with permission from Elsevier.

Balancing Consistency and Change

Pepsi's situation in 2010 illustrates a common dilemma for established brands: Should they continue to tell the brand stories they have told successfully for decades, or should they adjust their positions to keep pace with changing times?

Brand repositioning—changing the position of a brand in the minds of consumers vis-à-vis its competitors—can be achieved, although it requires convincing consumers to rewire the web of associations they already have with the brand. The four components of the positioning statement point the way:

- *For whom, for when, for where?* Changing the target market, expanding the usage situation, or finding new places where consumers can purchase or consume the product can often be a way to increase sales. For example, Arm & Hammer realized that its baking soda product, sodium bicarbonate, could be used for much more than cooking. Identifying other jobs that could be made easier with baking soda led the company to reposition the brand around its cleaning power, giving the brand a broader platform—as something that could make laundry cleaner, teeth whiter, and refrigerators fresher. This repositioning opened up many new brand extension opportunities, and Arm & Hammer soon launched laundry detergent, toothpaste, and air freshener products.
- *What value?* Most repositioning efforts involve adding new value claims to resonate with changing consumer needs. Managers need to be careful that new claims do not conflict with or undermine the brand's existing meaning, but rather build on it. As consumer needs and desires have changed over time, Crest and Colgate have been in a value-claim race in the toothpaste category, moving from highlighting their cavity-fighting prowess, to their defense against gingivitis, to their whitening abilities.

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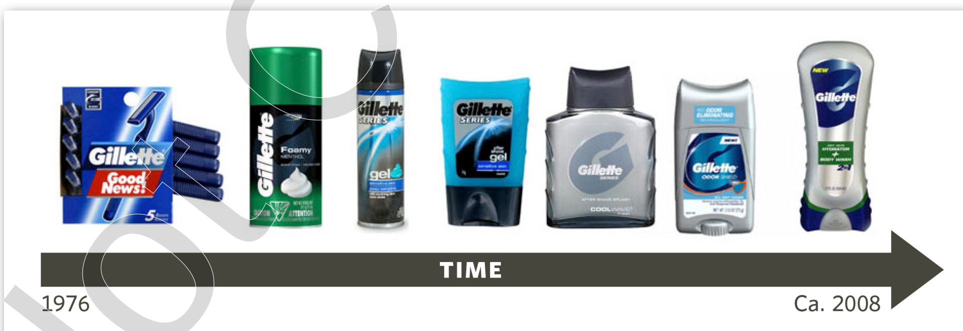
- *Why and how?* New-product development efforts often yield improved products and services. A brand repositioning can leave the fundamental value claim in place, but offer more persuasive evidence through the inclusion of a new ingredient or upgraded feature. P&G reinvigorated Pampers with the addition of Dry Max, the biggest technological innovation for the brand in 25 years, resulting in a new design that was 20% thinner, yet still enabled the diapers to maintain their performance. Historically, Pampers value claims had focused on superior dryness and comfort; the new Dry Max technology reinvigorated these claims and provided P&G with consumer use testing results that further provided compelling proof of concept.
- *Relative to whom?* Sometimes brand repositioning involves comparing the product or service to a new set of competitors. Here, the brand's managers redefine the playing field. When Hyundai launched Genesis, its first foray into luxury automobiles, it evoked comparisons with BMW, Mercedes-Benz, Infiniti, and Lexus in its initial advertising campaign in an attempt to redefine the luxury car segment.

When sales are declining, brand managers often feel pressure to dramatically break with past positions, but often, taking a more measured approach is preferable. When Gillette wanted to reposition itself as a men's grooming product company rather than just a razor company, for instance, it used an evolutionary approach. Starting from its strong razor base, Gillette used brand extensions to first launch shaving creams to get a toehold into the skin care category. It then launched after-shave gels. Following that, a move to deodorants and body washes was easy and seemed logical to consumers. However, if Gillette had gone straight from razors to body washes, consumers may not have accepted its broader positioning. Anchoring Gillette's evolutionary brand meaning in new brand extensions through multiple product launches over several decades (see **Exhibit 7**) eased the transition.

EXHIBIT 7 Gillette's Evolutionary Brand Repositioning



Repositioning an Identity Brand

Managers must be especially careful when repositioning involves an identity brand. ***Identity brands*** allow consumers to create and recreate themselves by communicating important things about their masculinity, femininity, social class and status, level of intelligence, personal wealth, cultural capital, and other aspirational attributes.[21] Think about how the clothes someone wears tells us whether he or she is rich or poor, conservative or liberal, old or young, preppie or bohemian, urban or rural, showy or modest, hip or mainstream. Others use our consumption of things such as clothes as clues to analyze who we are, and they judge us based on what we buy and how we use consumer products.

Therefore, when a brand is repositioned, its existing customers may feel that their personal identity is threatened, particularly when they view new value claims or new target markets as

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undesirable. For example, many luxury goods manufacturers that have tried to launch lower-priced product lines under the same brand have experienced backlash from their existing affluent consumers who do not want to be associated with "the riff-raff" or perceived as cheap. Similarly, in the music world, indie bands are often accused by their fans of "selling out" to the mainstream when they reposition their music to appeal to larger audiences.

Consider Porsche sports cars, which may well be one of the world's most gendered brands. Treasured for their superior German engineering, award-winning design, and racing victories, Porsches are also valued by their owners for their masculine position, which has been part of the brand since its inception. Jokes, movie and book plots, and real-life stories abound about men purchasing their first Porsche during their "midlife crises," trying to compensate for their loss of youth with a car that catches women's eyes.

But whenever a brand targets just one gender, half of the potential audience is left untapped. Indeed, stagnant sales in many mature product categories send managers looking for new ways to increase their business.[22] This is when some marketers turn to ***gender-bending***, a strategy for repositioning a brand that has historically targeted one gender to attract the other.

Porsche AG tried just such a gender-bending strategy in 2003. In an effort to expand its market share, it launched a brand extension, the Porsche Cayenne sports utility vehicle (SUV). The Cayenne was the brand's first vehicle that was not a sports car. Although the company claimed it was targeting male Porsche sports car owners who also needed an SUV for their growing families, these loyal customers felt that the Cayenne was positioned for women (heavy consumers of SUVs). Their collective howl of disbelief echoed around the world. The *New York Times* captured the spirit of their response: "There may be no vision more heretical to a testosterone-poisoned 911 owner than that of a suburban mother loading groceries into the back of her Porsche after dropping her children off at soccer practice."[23] Male Porsche owners felt betrayed; in an online post, one wrote, "The Cayenne makes me feel like my favorite jazz record shop has decided to carry Britney Spears records."[24]

While the Porsche example provides a cautionary tale about the risks of repositioning, there are many examples in which careful repositioning pays significant dividends. In successful efforts, new customers will be attracted to the repositioned brand because it offers them something that was never offered to them before. Harley-Davidson now has a loyal following of women bikers, who enjoy associating themselves with the masculine, rebellious brand that allows them to redefine their own femininity. Brands like Burberry apparel and Hennessey cognac have been reinvigorated by their popularity with hip-hop artists, allowing them to attract broader swaths of the population attracted to the "coolness factor" of the associations. Nevertheless, repositioning an identity brand can be dangerous and can play out in a number of negative ways:

- *Existing consumers will leave the brand because it is no longer communicating the identity they wish to present.* Many customers abandoned the Liz Claiborne women's fashion brand when discount clothing retailer J.C. Penney acquired it. Ford's acquisition of the esteemed Jaguar vehicle line disillusioned many of Jaguar's faithful owners, who left to purchase other luxury brands.
- *Existing consumers will fight against the brand's repositioning by co-creating their own meaning for it, thereby changing its position in the minds of other consumers.* Porsche owners fought back against the Cayenne by claiming it was not a real Porsche and by ridiculing its owners within the brand community. They excluded Cayenne owners from the community's cultural rituals, refusing to wave to or acknowledge Cayenne owners on the road as part of the Porsche family. This maintained Porsche's male-oriented positioning.[25]

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- *Existing customers will stay with the brand, but devalue it due to its loss of identity signaling power.* Existing customers will struggle with the new identity meanings associated with the brand and how it reflects on them. This may cause them to lower the price premium they are willing to pay for the brand and may make them question their loyalty to it.
- *New customers will not be attracted to the repositioned brand because the memory trace of the old brand positioning is too strong and unappealing.* Oldsmobile failed to attract younger buyers to its new cars, despite its "Not Your Father's Oldsmobile" campaign, because Generation X continued to view the brand as positioned to their parents and grandparents. Despite EILEEN FISHER's attempts to attract younger women with more fitted styles and edgier advertising, women in their 30s and 40s continued to associate it with older and fuller-figured women and stayed away. Similarly, yoga apparel company lululemon has had trouble with a new product line for men, who don't want to be associated with "a woman's brand."

Managers can mitigate some of the risks associated with repositioning existing brands through the strategic use of brand architecture. Managers who want to gender-bend their brands often merely adjust the brand names for their extension lines; for example, Procter & Gamble uses "Gillette" for its male products and "Gillette for Women" for its female products. This signals to women that the traditionally male brand is now making products for them, while protecting the brand that men rely on from feminine intrusion.

Some brands choose to launch a sub-brand to reach out to new target markets. Others use their existing brand as an endorser brand. For example, managers of the luxury fashion brand Marc Jacobs worried that repositioning to appeal to customers looking for a lower price point would alienate existing customers. Instead, the firm appealed to lower-income consumers with a sub-brand dubbed Marc by Marc Jacobs, essentially "protecting" the identities of customers wearing the higher-end line. Still other firms launch a new brand to position an existing brand's products to a new audience. When The Coca-Cola Company and PepsiCo could not get men to buy Diet Coke and Diet Pepsi, they created brands—Coke Zero and Pepsi Max—which featured masculine packaging in black and silver cans and advertising that celebrated masculine ideals.

When it comes to brand positioning, most managers approach the task with a war mentality, thinking about the competitors they must fight to win the "mental real estate" in consumers' minds. But the real key to successful brand positioning is to find ways to seamlessly fit into consumers' lives, rather than conquer their minds. It is less about planting a flag and more about paying attention, perceiving, and persuading. It is less about a company and what it wants to achieve and more about its consumers and the jobs they need to have done. It is less about the product and its features and more about how the various aspects of the product or service enhance the daily lives of consumers.

Marketers develop strong brand positions by looking outward—by understanding consumers so deeply that they can intuitively understand which brand features support the values that consumers hold dear. Marketers also need to understand competitors and identify the possibilities they leave undeveloped—gaps that need to be filled. Most important, marketers develop brand positions by understanding the product technologies at their disposal to create a competitive advantage and how far the company's employees can go to deliver a differentiated experience. It means knowing the company's vision and what the company is capable of being to its customers.

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3 SUPPLEMENTAL READING

3.1 Positioning Differently

Positioning can often feel like a strategic arms race, with all the competitors in a product or service category trying to outgun each other with new and better value claims. Delta Air Lines's claim that it was the only airline to allow passengers to use their cell phones on board a flight swiftly became obsolete, as this became the industry standard and consumers expected, rather than valued, it.

Consumer researcher Youngme Moon instead recommends that managers break out of unprofitable positioning patterns by considering three unique positioning strategies:[26]

- *Reverse positioning.* Sometimes brands succeed by stripping away the expected points of parity in their product category and offering consumers something less, and, at the same time, something more in their positioning statements. This is known as ***reverse positioning.*** Think about how JetBlue, through its value claims, encouraged consumers to reconsider their expectations of airline service. JetBlue eliminated things that customers had long taken for granted but that added significant operational costs, such as assigned seating, first- and business-class sections, and in-flight meal service. Instead, the airline offered customers other things of value that their large competitors found difficult to copy—low prices combined with new services such as free Wi-Fi and seatback entertainment systems. This led to a redefinition of the points of parity within the airline industry.
- *Breakaway positioning.* When brands find themselves stuck in low-opportunity product categories, ***breakaway positioning*** provides a way to escape by leaping into a new category. Wristwatches were considered a sleepy industry, dominated by heritage brands, when Swatch entered the competitive arena. Many customers purchased only one watch in their lifetime, due to their high cost and durability. Swatch attracted customer attention by positioning the brand as a fashion accessory instead of as a functional object. The low price ($40), hundreds of different colorful design options, and prolific promotional activity encouraged customers to purchase not one, but many, Swatches at one time. Having a Swatch watch collection became the norm, and some consumers even wore more than one at a time!
- *Stealth positioning.* Sometimes product or service categories become tainted. Consumers become wary to purchase products in categories where they have previously been disappointed by unsatisfactory performance or intimidated by the technical expertise required. To overcome such difficulties, ***stealth positioning*** allows brands to conceal the true nature of their products by associating them with a different category. For example, the AIBO was an early Sony attempt to create a household robot to help with chores. But at the time of its launch, the AIBO's buggy technology was not sophisticated enough to handle even simple tasks reliably. Rather than selling a household robot with unreliable performance, Sony decided to position the AIBO as a robotic "pet." With this "low-expectations" positioning, consumers were delighted when their pet completed even the simplest tasks, and they particularly enjoyed "training" it to correct its mistakes.

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4 KEY TERMS

breakaway positioning A strategy for positioning a product or service by deliberately disassociating it from its normal product category and associating it with a different one.

gender-bending A strategy for repositioning a brand that involves taking a brand that has historically been positioned to appeal to one gender and repositioning it for the other gender.

horizontal positioning Adding new attributes, benefits, or value for customers to consider.

identity brand A brand that derives most of its value from what it symbolizes and how it helps consumers present their identities. Repositioning an identity brand is difficult because its consumers rely on it to present their identities to others.

irrelevant attributes Those things that are distinguishing attributes of the product, but that ostensibly offer consumers no economic, functional, experiential, or social value.

reverse positioning A strategy for positioning a product or service in which managers strip away attributes consumers expect in a mature product and add some surprising new ones.

stealth positioning A strategy for positioning a product or service by associating a tainted product with a category consumers embrace in order to overcome consumer resistance.

unique selling proposition (USP) A type of value claim that offers a prospective customer a specific, unique, and superior claim about a product or service that provides a reason to purchase it.

value proposition The suite of benefits that a firm promises to deliver to its customers to produce value in their lives.

vertical positioning Highlighting attributes that are shared among brands, but stressing a particular brand's superior performance on those attributes, using superlatives such as *smaller, faster,* and *cheaper* to delineate a natural pecking order among brands.

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