

Three of the most common strategic errors entrepreneurs and top management make when launching or re-positioning a brand.

Brand Positioning Strategy Error 1: Not Adding Competition to the Mix

I am surprised at how many managers act as if their business is a monopoly. During SWOT strategy sessions they highlight strengths based on internal process improvements, rather than competition.

Speaking of strengths, many executives put “excellent customer service” on top of the list. They use arguments such as “we implemented a new CRM software” or “we hired additional customer service personnel” to support the claim.

The real question should be how is the competition perceived in that regard?

If competitors are also perceived as providing “excellent customer service” (and many companies are) then this becomes a point of parity, not a competitive advantage.

When crafting your brand’s differentiation strategy always start with your competition, and finding a gap in consumer mind that you can exploit. Then look at your internal capabilities and try to fill it.

Brand Positioning Strategy Error 2: Focusing on Tactics rather than Strategy

When I first meet s new client he/she usually says “I need a website for my new business”. When we get the conversation going and talk about the goals and the messaging on this website, there usually no clear answer.

A website is just one of many communication tools that can be used to position a brand in the mind of the consumer. The cost of having a website has decreased substantially these days, however what is important is the strategy behind it.

What makes a brand strong and a business successful is a simple and sustainable differentiation idea, a unique brand image, great products, excellent distribution, and the use of appropriate communication tools to reach the intended audience.

Brand Positioning Strategy Error 3: Adopting the “Lowest Price” Route

The “lowest price” strategy rarely works for a simple reason: it cannot be sustained over a long period. I tell my clients that if your strategy is to be the lowest price competitor then you don’t need marketing, you need buying power.

With the rise of low cost imports and private label brands there will always be a competitor willing to sell for less. Lowest price might seem the logical way to get started but could also be fastest way to failure. Delay the launch until you find stronger, more sustainable competitive advantage.