

Brand or perceptual positioning map

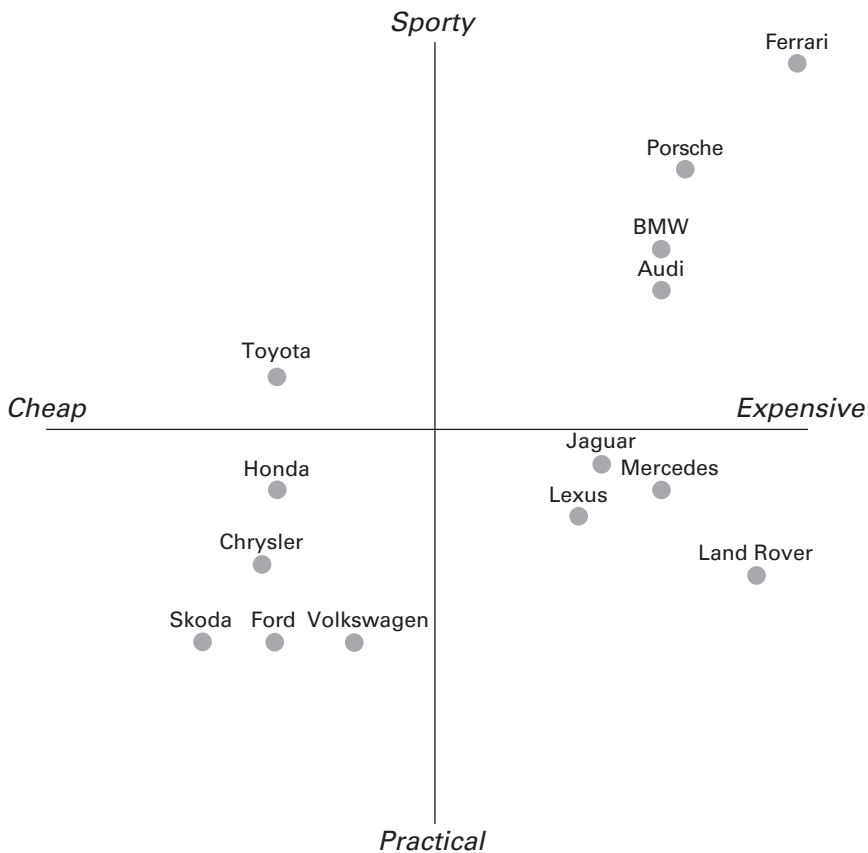
It is useful to use a brand positioning map to develop your market positioning strategy for your products or services. These maps are not, however, built from your views of your marketplace but from the perceptions of consumers and so are sometimes called perceptual maps. These maps give a clear view, albeit a little subjective, of where your brand or products sit versus your competitors, thus highlighting any gaps in the market and demonstrating where there are areas of intense competition.

Most perceptual maps are drawn with two axes, X and Y. They intersect each other in the centre and so form a cross. This is not the only way to draw a positioning map but it is by far the most common. What you choose to place on the axes is up to you and you therefore need to consider the variables in your industry and what is the goal of your research. If we were to draw a map of automotive brands using the scales of practicality and affordability (see Figure 1.2) we can see quite clearly where the direct competition lies in terms of perception and where there may be gaps in the market. This is also useful to determine where your brand is perceived to be and can help you to construct your strategy for moving your brand to where you want it to be.

As well as reviewing where your business or brand is positioned today, perceptual maps can also help you to identify opportunities for launching new brands. If the map of the automotive industry shown in Figure 1.2 were to be the output of actual research, you could decide that launching a brand that stands for sports and performance but is in the mid-price range would have little competition and so might be an opportunity. On the other hand you need to combine this thinking with the size of the market. For example, in Figure 1.2 no brands are perceived to be very sporty and very cheap so there is a gap there, but is this because that is not a profitable opportunity or because when people buy sporty cars they expect to spend money and would not trust a cheap sports car?

What does this mean for digital marketing? In relation to positioning maps there is no specific difference between digital marketing and any other form of marketing. As mentioned at the start of this book, marketing is the key word. Brand is one of the areas where having an integrated approach is absolutely vital to success. Considering how your brand performs across all marketing considerations is essential, and whilst it is important to include digital within this, it should not have its own separate approach.

One thing that is worth bearing in mind here is that it is much easier to launch a brand today than it was in the 20th century. You can fire up your laptop at home, design a logo in Photoshop, create a website using Wordpress,

Figure 1.2 Automotive perceptual map

NOTE The above figure is an example only and not the output of a research paper. It should not be used for decision making within the automotive industry.

create a Twitter account and build a Google Ads account all in one evening. You then have a brand and it is being seen by thousands and potentially millions of people almost immediately. Whilst I would never discourage someone from launching their business or moving fast to do so, I would encourage some thought around your customer perception and competitors and this is where perceptual mapping fits in.

Customer lifetime value

Customer lifetime value (CLTV or sometimes LTV) is quite simply the value or profit attributed to a customer for their entire customer lifecycle. This can be relatively simple to calculate in some businesses and incredibly complex

fering a more interesting, deeper experience for a price. A good example of this is the music-streaming industry with businesses such as Spotify and Deezer employing this technique.

Whilst we have reviewed some of the more common business models here it is important to appreciate that business models can also adapt over time to the changing needs of the customer, society, regulators or other external factors.

Changing business models

Facebook

Facebook is a great example of a business model that has had to adapt quickly. I would imagine that even Mark Zuckerberg was surprised by the speed at which Facebook grew from being one of many college social networks to the leading global hub for a significant percentage of the world to share their lives on. The initial model of providing a network for college students had to develop a broader appeal once the growth became inevitable. As this growth took hold it was clear that costs would also accelerate and, with no obvious income, something had to be done and so the business pages and advertising models had to be developed in order to monetize the site. These shifts in the way that the business had to change to deal with its own growth have been both significant and impressive in their speed and success. This is an excellent example of how adapting your strategy to meet the changing needs of your consumers and the evolution of your business is vital. Facebook has had to do this through the above changes to their website and user experience. We will look at this area in more detail in Chapter 16.

Google

It is hard to believe that Google spent a long time with no real income channel. The initial business model was successful by creating the best search engine in terms of accuracy and simplicity. Google became a verb as people realized that Googling something would give better results than using another engine. However, a source of income needed to be developed. This is why Adwords (now Google Ads) was introduced in 2003 and that has gone on to become the foundation of the growth of every other

arm of the Google we know today – a business with an incredibly diverse and profitable range of services. This has led to Google having to closely manage its brand and how it is perceived, which it has done with significant success. Their digital marketing strategy has been a minimalist approach. They promote their service and products such as Google Ads and Chrome through display advertising and CRM but they do not broadcast as much as most organizations of a similar size. This is because much of their success is through word of mouth. This networking approach has been encouraged by supporting businesses that use their products, through strong and personalized customer service, networking and learning events and training materials. This personalized and deep-content digital marketing has ensured that people have trust, belief and understanding of their products, which further encourages word of mouth.

Global strategy

Globalization can be a very challenging process for any organization. It can also take some companies by surprise as they outgrow their initial local plans. This brings cultural, language, process and many other challenges. With the growth of digital, almost all businesses have an international presence through the internet even if their target audience is very localized and so some aspect of global strategy should be included in almost every digital strategy – even if that aspect is to ensure that global presence is minimized.

Culture

There are many cultural differences around the world, too many to count, and the relevant ones must be understood when building a global strategy. This can range from religious beliefs to manners and it is impossible to know what we don't know – so doing your research is important here.

For example, did you know that Mexicans celebrate New Year's Eve by eating 12 grapes at the stroke of midnight? That the colour red is lucky in China? That Suriname's land is 91 per cent jungle whereas there are virtually no trees left in Haiti? These facts can affect your copy, conversations, brand and many other factors.

From a digital perspective there are several cultural considerations. You should look at whether each region you are targeting responds well to buying