

Week 1 - BRANDING:
**Marketing Strategy and Brand
Positioning**

Marketing 101: Building Strong Brand Part 1 & 2:

Marketing = Study of a Market. Market = Exchange : Buyer / Seller, or even non profit

Product Focus Marketing = Increase sales, improve your product, lower your costs and increase your profitability. Inside-Out. Profitability comes from volume. It's Market share.

Customer Focus Marketing = Focus on the customer and competition. Look at what the customer wants and build a product that fills that need. Outside-In. Everybody wants something different. You can't satisfy everybody. You got to find customers and satisfy them = segmentation. Profitability comes from value. You can increase prices, build loyalty and sell multiple times. It's customer share. It's more difficult and expensive to get new customers but then it's less expensive to sell again. You can introduce cross selling (if you buy a jean and we try to sell you a belt or a pair of shoes). **Profitability = Premium price, Loyalty , Cross selling.**

Connected community: you got to deliver a really good customer experience so that you can use social media and communities to build a good image of your brand / company / business. It's important to focus on the entire customer experience, not just the moment when they buy your product.

Because of economic uncertainty, marketers have to be more authentic, and transparent to be efficient.



3 Principles of Marketing: **Customer Value** (give great and genuine value to your customer) / **Differentiation** (why your product is different) / **Segmentation, Targeting and Positioning** (to focus on the right customers)

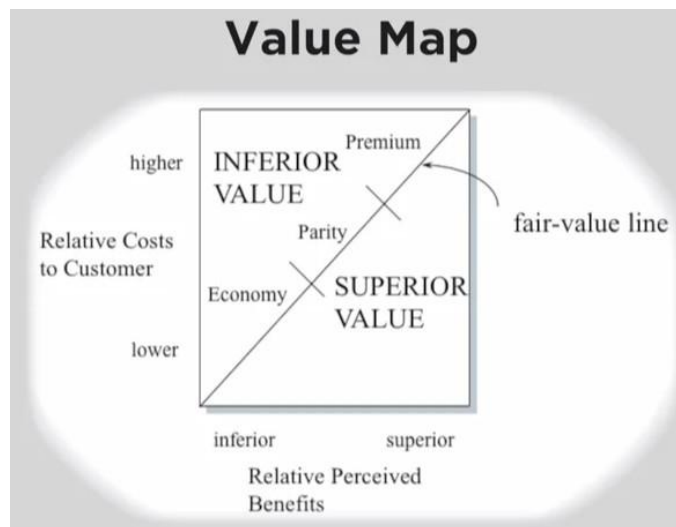
4 P's of Marketing: Product, Place, Promotion, Price

- Product = Seller / Price = Buyer / Promotion = Ways to promote / Place = Place where you buy (physical, online...)
- It also applies to non profit: Red cross and blood samples: Product = Be good and save lives / Price = Blood / Place = blood mobile truck / Promotion = Ads, campaigns...

Strategic Marketing:

Market Driven Principles:

- Know your market: know what your customers want and how your competitors provide it
- Customers have the final say: they are going to choose what they want. They classify product attributes into 3 bundles: Operational, Design and Useful for them. It's the way customers choose what they buy.
- Commit to being the first in the markets you serve
- Deliver total quality to guarantee customer satisfaction



Value map: Try to give fair value in 2 bundles, but premium in 1. Fair value line is constantly moving after competitors reactions!



Operational Excellence: Price, customer service...

Performance Superiority: Style, technology, design...

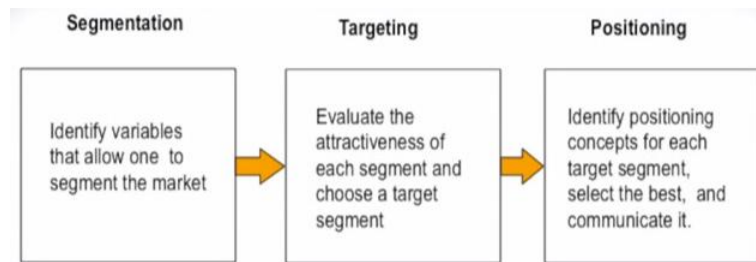
Customer Intimacy

=> Agree on what these 3 dimensions are for your business. They change overtime! These indicators are used to determine "fair value"!

=> You can set ST/MT/LT strategies to beat the competition.

In mature markets, Performance superiority is high and the operational excellence tends to be high too (prices go down...). Competitors will move on the axes too.

Segmentation and Targeting:

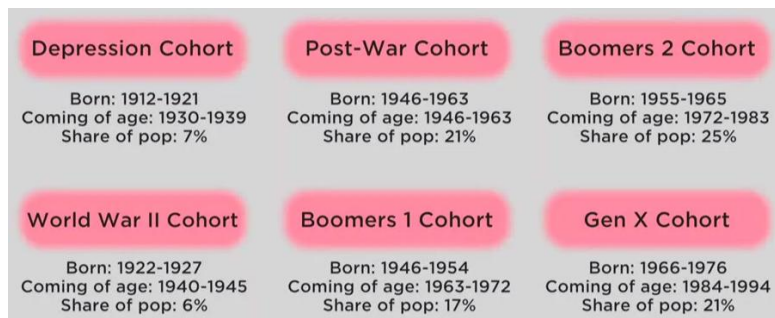


Segmenting allows you to deliver the best value to each segment, which is better than to deliver an average value to every segment.

Market Segmentation is the process of dividing a market into distinct subsets, where any subset may conceivably be selected as a marketing target to be reached with a distinct marketing mix.

Segmentation Methods:

- Characteristics of the customer: Male/Female, Old/young...
- Benefits sought: Comfort, Technology, Price...
- Systematic, product-related behaviors : purchasing behavior, by channel
- Geographic segmentation (Zip Code, PRIZM..): where you live physically affects your online behavior !



Then you need to choose a segment:

- What makes a segment attractive?
- Monitor if the segment match with the product you sell
- Segment Selection Criterias:

- Segment Size
- Growth of Segment
- Value of Segment (\$)
- Stability
- Current Company position within segment
- Ease of entry into segment
- Ease of competitive entry into segment
- Number and strength of competitors

Market Targeting

- Develop measures of segment attractiveness.
- Select among attractive segments based on business capabilities.

		Segment Attractiveness	
		HIGH	LOW
Competitive Strength	HIGH	Perfect!	Domination is essential.
	LOW	Beware of the shake-out.	Stay away!

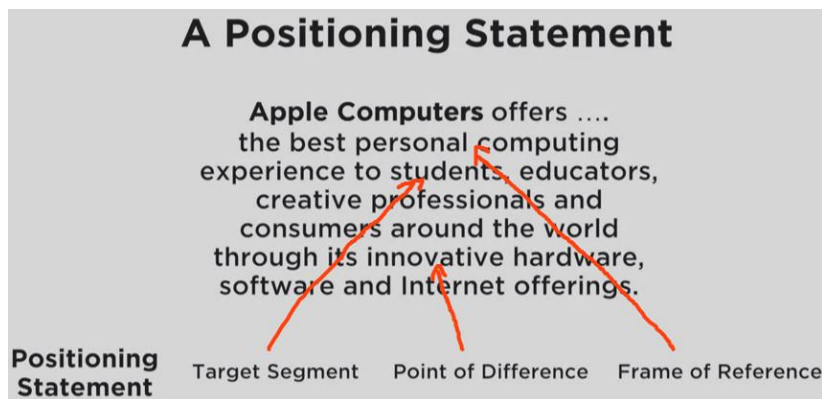
Profit Potential

Brand Positioning:

Positioning is positioning your brand to meet the needs of the targeted segment.

What is a brand ?

- Traditional: It's a promise of quality
- Modern: It's whatever the customer thinks it is !



A positioning statement defines the value proposition of product to the target market.

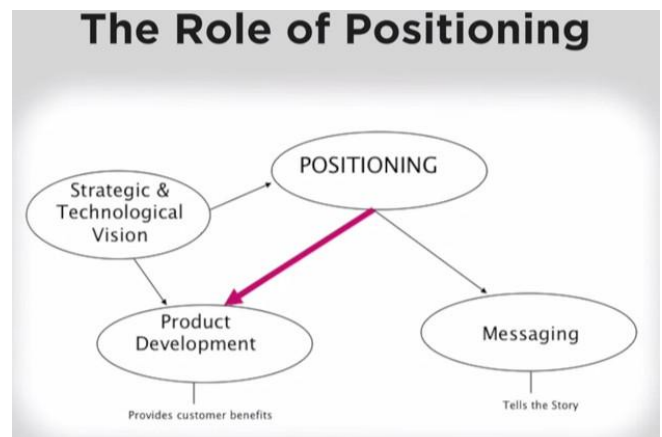
- Target Market (For Whom)
- Point of Difference (Reason to Buy)
- Points of Parity (Frame of reference)

Positioning is implemented through all elements of the marketing mix: product, price, promotion, place.

Should focus on a few key benefits (unique selling proposition).

Position must be defensible.

Positioning requires making choices.



Point of Parity (POP)

Associations that are not unique to the brand;
they are shared with other brands

Category POPs: associations consumer views
as necessary to be considered credible

- Ex: Grocery store must have certain products (e.g., milk, eggs)
to be truly considered a 'grocery store.'

Competitive POPs: associations designed to
negate competitors' point of difference

- All toothpastes prevent cavities

Point of Difference (POD)

Strong, favorable, unique brand associations

Similar to notion of USP (unique selling proposition)

SCA: sustainable competitive advantage
(achieve an advantage in the marketplace
for a prolonged period of time)

May involve: performance attributes, benefits,
imagery associations

POD Criteria

Are POD desirable to the customer?

- Is POD Relevant (ex: consumers didn't care about
clear cola, or "unbreakable chips")
- Is POD Distinctive? (distinctive and superior)

Can you deliver the POD to the customer?

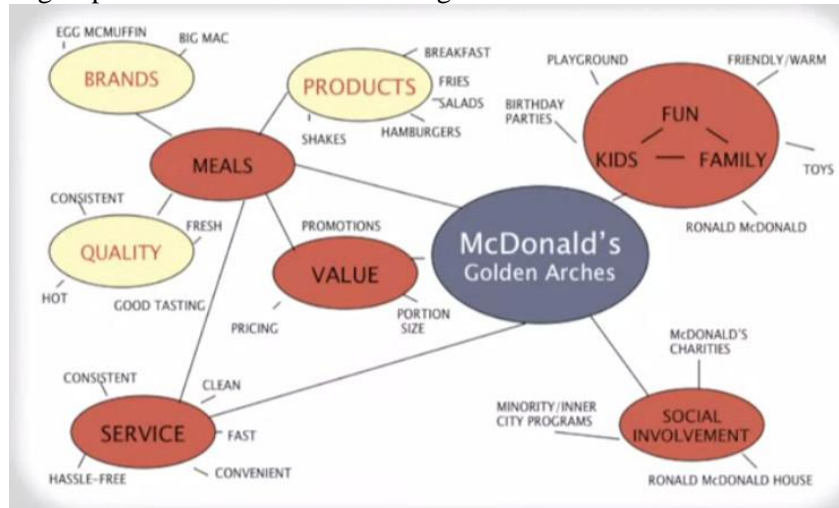
- Feasibility (affordable? Possible? E.g., can airlines
deliver on-time arrival?)
- Communicability (evidence to communicate?)
- Sustainability (internal commitment, difficult to attack;
must be consistent at any point in time and over time)

Brand Mantra: The Elevator Speech:

How can you define your brand in 30 seconds?

You can define a mental map

- Brand associations and responses for a specific target. Shows how your brand is perceived.
- Ask consumers "What comes to your mind when thinking about...?"
- Then you group brand associations into categories.



Then you take the 5 to 10 concepts or phrases of your brand (Core brand values) and relate them to points of parity + points of difference

Mental Map => Core Brand values => Brand Mantra

Brand Mantra = heart and soul of the brand / essence of the brand / 3 to 5 words phrases that capture the irrefutable essence or spirit of the brand positioning and brand values

- Communicate + Simplify + Inspire
- Used internally to guide decisions = what the brand should or shouldn't be associated with

Designing the Brand Mantra!

- **Brand function** describes the nature of the product or service or the type of experiences or benefits the brand provides
- The **Descriptive modifier** clarifies its nature
- The **Emotional modifier** : how does the brand provide benefits, and in what way

	Emotional Modifier	Descriptive Modifier	Brand Functions
Nike	Authentic	Athletic	Performance
Disney	Fun	Family	Entertainment
Macdonald	Fun	Family	Food

Experiential Branding:

Redefining what a brand is:

- Differentiation => Experience
- Promise => Relationship
- Attributes => Personality
- Static => Dynamic
- Mass => individual
- Awareness => Relevance

Connecting experience to the brand:

Experiential **Brand Positioning**

- What does the brand stand for
- Multisensory strategy
- Different from the competitors

Experiential **Brand Value Promise**

- Describes what customer gets in experiential terms: Sense Feel Think Act Relate

Experiential components:

Five senses

- Consistent experience across senses, create sensory experience that extends across channels

Emotions

- Appeal to customers' inner feelings and emotions, connect mild to strong positive feelings with the brand

Cognitive

- Appeal to the intellect, engage customers creatively, problem-solving experiences, use of surprise, intrigue and provocation

Behave

- Affect bodily experiences, lifestyles, enrich customer lives, show them ways of doing things, alternative lifestyles, can be rational, but can be motivational, inspirational and spontaneous

Social

- Create feeling of community or belonging; the "future ideal" self that consumer wants to relate to; broader social system, culture

Experience within the 4 P's:

Product built in experiential features

- Marriott: personal luxury, style, edge, pulse
- Apple: design, beauty, elegance

Place: design, music, fragrance, type of salespeople

- Sephora, Victoria Secret

Promotion: Noteworthy, experiential brand personality

Price: auctions (ebay), promotions bags...

Strong Brands	Weak Brands
Make clear promises that are kept overtime	Make vague promises that change
Have rich, unique brand equity...strong thoughts and feelings	Very general equity and low emotional commitments
Are dependable and deliver consistently	Have spotty reputations, create doubt
Have a loyal franchise	Little loyalty, rely on pricing and short-term promotional incentives
Superior products and processes	
Distinctive positioning and customer experience	
Alignment of internal and external commitment to the brand	