



# Book Creating Brand Loyalty

## The Management of Power Positioning and Really Great Advertising

Richard D. Czerniawski and Michael W. Maloney  
AMACOM, 1999

---

### Recommendation

How long has it been since you came across a book that you want to read twice? This book, with its eye-catching cover featuring the title as an embossed leather patch on the backside of a pair of blue jeans, is that kind of book. Authors Richard D. Czerniawski and Michael W. Maloney created this organized guide for marketing professionals and wrote it in a way that lets every reader learn. You are always told what you are about to learn, you're tested on that knowledge and then you are given real-life examples that reinforce the lesson. The authors debunk "established" methods, which they find condescending to marketing professionals. They believe that most marketers are tactically strong, but need to learn more about the strategic requirements of creating brand loyalty. *BooksInShort* strongly recommends this book to senior managers, marketers, academics and - if you want to be savvy, too - consumers.

### Take-Aways

- Consumer choice has created sameness in the marketplace.
- Brand loyalty is the special non-tangible bond that a customer develops with a brand.
- Brand positioning is a core responsibility of an effective brand builder.
- A brand-positioning statement is the blueprint for all corporate brand activities.
- Brand positioning precedes all other brand-building actions.
- Customer need is a critical element in brand positioning.
- Brand character is the image you want your brand to project.
- A positioning matrix allows you to compare competitive brand-positioning statements analytically.
- Power positioning is a process that uniquely ties your positioning to your brand.
- Marketers must always "see" their products through the eyes of their customers.

### Summary

# The Age of Sameness

We live in an "age of sameness." The proliferation of consumer choices has not resulted in meaningful product differentiation. This lack of differentiation has affected brands in two very serious ways. First, it has eroded consumer loyalty. Consumers switch from brand to brand within a product segment more often now. Second, this erosion of loyalty has made marketers more dependent upon "price promotions and incentives to bolster sales." To reverse these trends, companies are trying to create and, in some instances, recreate that special bond with consumers known as brand loyalty.

“Understanding, developing and evolving - even creating - customer needs is at the core of every successful business venture.”

Brand loyalty results when consumers feel that a brand goes beyond the tangible elements of a product. This special bond is the result of strategic efforts on the part of a company to create unique feelings about the brand. Products with brand loyalty include Hallmark Cards, Coca-Cola, Tylenol and Tide laundry detergent. To create brand loyalty, a company must skillfully develop the brand through positioning and advertising. While many people believe that brand loyalty results from effective marketplace tactics, the truth is that brand loyalty is the result of "power positioning" in the marketplace. "How" you think about the brand is more important than "what" you think about it.

## Branding Overview

The effective brand builder and client advertiser have four core responsibilities: They are brand positioning, ad strategy, the "applied strategic advertising process" (ASAP) and coaching.

- Brand positioning is the strategic vision for the development of the brand, as encapsulated in a brand-positioning statement that expresses "the way we want customers to perceive, think and feel about our product or service relative to competitors." A brand positioning statement should include a targeted customer group need, competitive framework, benefit, reason-why and brand character. It should be the touchstone for all positioning and advertising efforts.
- Ad strategy is the guidance and direction for the brand's advertising campaign, built upon the questions, "who," "what" and "why," asked about a specific brand marketing issue or objective. The answers to these questions come from understanding your customer and your competitive purchase dynamics and attitudes. Meaningful customer insight forms the basis for establishing strategically based purchasing and marketing objectives.
- "Applied Strategic Advertising Process" (ASAP) is a process of leveraging creative development. ASAP focuses the ad agency and the client on the campaign idea. Client and agency roles are clearly defined under ASAP. Creative options are tied into the ad strategy. The result is more discipline in the development and assessment of the advertising campaign.
- Coaching changes the roles of client and agency. Too many clients believe their job is to "evaluate the agency's submissions." This creates a negative and adversarial relationship instead of a relationship based on learning and exploring, that is, coaching. ASAP opens up many opportunities to coach and to bring out the best of all players.

## Positioning

Positioning is a full-time, important job focused on "sound strategic marketing, brand building and the development of great advertising." Positioning is composed of six elements: customer need, target customer group, competitive framework, benefit, reason-why and brand character. Brand positioning, the brand's reason for being, starts with developing a brand positioning statement - a "blueprint for the development and franchise building of the brand." The statement's strategic language establishes your brand's competitive advantage over a competitor's brand. Therefore, brand positioning precedes the development of all other marketing activities, including pricing, distribution and packaging.

## Customer Needs

Determining customer needs is the first element in brand positioning. Consider these operating principles when determining customer needs.

- Stay current with shifting and emerging needs by talking to customers (qualitative sessions), using intuition (guesstimates),

borrowing from other categories (parallel insights) and quantitative studies.

- Link physical and psychological needs. Starbucks linked the physical (functional) need for "better, bolder coffee," with the psychological (emotional) need for "coffee entertainment."
- Be able to prioritize any given set of physical and emotional needs consumers have for your product, and how well you and your competition meet their needs.
- React when innovation makes a change in the relative order of importance of customer needs. For instance, the consumer's need for fat-free cookies and chips did not register until products were created in those categories. Snackwell's Cookies and Baked Lays Potato Chips "convinced" customers that they needed indulgence and dietary health in their snack and chip products.

"Managers focus on exceptional issues, bypassing the more important strategic issues."

Customer needs are also used in brand advertising decisions. Create a product advantage with advertising that "leads with need." You can do this by enlarging the category, making a need a part of your equity (Scope Mouthwash promised to cure "morning breath"), establishing a new segment (Arm & Hammer offering toothpaste), and leveraging news or trends (Bayer Aspirin for heart attacks and Tums for calcium).

## Reaching the Target Customer

Defining your target customer group is the second element in brand positioning. Go beyond demographics in defining your target customer groups and the need mindset that drives each group. Alternate target constituencies require separate customer profiles. Consider these principles:

- Focus on your most likely prospects. Decide which constituency is most important to the creation of brand loyalty and identify who is most likely to purchase, use or recommend the brand within a given constituency. Reach did this by creating a premium toothbrush, and selling it directly to the public.
- Determine a similar set of needs and concerns for the most likely prospects. Reach did this by finding a subset of users that made regular dental visits.
- Satisfy the needs and concerns of the target group. Reach did this by showing the superior efficacy in its toothbrush product design.

## Competitive Framework

Place your product within a competitive framework, the third element in brand positioning. Based on your competitive framework, your intended customer can quickly discern what kind of product you have and what other products it can replace. Develop a competitive framework by "tree diagramming" your current competitive framework. Jell-O, for example, went from an old competitive framework of being an end-of-meal, gelatin, packaged dessert, to a being light dessert with line extensions (Jell-O Pudding and Pie Fillings) in its competitive framework. Competitive framework is useful when you advertise against a contiguous category (as used by the Pepcid AC, acid controller), against your "old self" (Mustang), or against an industry "gold standard" (Pepsi challenge).

## Benefits

The fourth element in brand positioning is benefit, which matters in three categories: product, customer and emotional. The Reach toothbrush's product benefit is that the toothbrush "reaches better (than competitors) to clean places other brushes can miss." The customer benefit is that it "results in cleaner, healthier teeth." The emotional benefit is that it gives you confidence.

"Once you're satisfied that you have a viable brand positioning, put it to the test by comparing it to your competitors' inferred positioning."

Three links between benefits and relationships are important. First, the benefit must be consistent with the physical attributes of the product or service. Second, the benefit will change depending upon the competitive framework. Finally, the benefit, or benefits, and the target customers must be interrelated.

# Reason-Why

Reason-why is the brand-positioning fifth element that reinforces why a customer should choose your brand over someone else’s. "Reason-why" is the credibility behind your claimed benefits. Gatorade, the thirst-quenching sports drink, uses intrinsic and extrinsic reasons-why to reinforce consumers who select it instead of its competitors. The brand employs Gatorade’s special "isotonic formula" to create intrinsic credibility and cites its endorsements - all four major United States sports leagues - to create extrinsic credibility. Such effort makes it harder for a competitor to establish credibility.

# Brand Character

Brand character, the sixth element in brand positioning, is image - the personality you create for your brand. For example, Pepsi’s brand character is youth and Nike’s is the value of sports. Establishing a brand character is a challenging creative process, but try this concrete exercise. First, identify a celebrity who best characterizes your brand. Ask yourself, "If my brand were a person, who would it be?" Now, define the personality characteristics of that celebrity. Mel Gibson is not the right choice to sell Fendi silk, no matter how much you like him.

# The Positioning Matrix

Once you have bulletproofed your positioning with an audit of the technical aspects of your positioning statement, cross-check your positioning statement against your competitors by creating a positioning matrix that plots the six elements of your brand positioning against inferred competitor positioning statements. The completed matrix will become your best analytical tool for challenging your conclusions about your brand.

# Power Positioning

Power positioning involves converting your brand-positioning statement into a blueprint that uniquely ties the statement to your brand. Power positioning is actively ensuring that everything you do in the marketplace reflects the ideas encapsulated in the positioning statement. The result of power positioning should be that if any other brand tried to use your positioning, it would fail. Power positioning has several critical elements. First, marketers must know their products from the perspective of the customer. For instance, P&G has made 55 product changes to Tide since it was introduced 30 years ago. As the customers’ needs have changed Tide has responded with product-line changes and extensions that address these changes. Marketers must also be aware of intangibles that add value to your product. For example when Coca-Cola purchased NutraSweet as an artificial sweetener, it learned that consumers preferred the taste of Coke products with the NutraSweet logo.

# About the Authors

**Richard D. Czerniawski** and **Michael W. Maloney** are managing directors of Business Development Network, a marketing consulting firm. Among other brand-building services, they conduct the Strategic Positioning and Ad College, which has trained marketing managers from Johnson & Johnson, Xerox, Nabisco, Pizza Hut and other Fortune 500 companies.

---

---