



Book Repositioning

Marketing in an Era of Competition, Change, and Crisis

Jack Trout and Steve Rivkin
McGraw-Hill, 2009

Recommendation

“This turned out to be a difficult book to write because I’ve already written so much on the subject...Readers of my work might recognize some things I’ve mentioned in one of my 15 other books.” So reads the opening lines of marketing maven Jack Trout’s guide to repositioning. This defeatist introduction doesn’t exactly promise much in the way of ingenuity or innovation. However, when you peruse this book, a follow-up to the business classic *Positioning: The Battle for Your Mind*, it quickly becomes clear why Trout is in great demand as a speaker. The book reads like a marketing presentation. In a dynamic and engaging way, Trout, with the aid of marketing consultant Steve Rivkin, explains how repositioning can help you differentiate your brand from your competition, manage change and deal with crises. The book is filled with marketing war stories of successes and failures, with an occasional (if a tad egotistical) aside – such as, “If only they had taken my advice...” – thrown in. Although full of colorful real-life case studies, it is, at times, short on tactics and applicable advice. *BooksInShort* recommends Trout’s previous bestseller to those who are new to marketing and this sequel to anyone who desires a refresher course.

Take-Aways

- Positioning is how the marketplace perceives your brand in comparison with your competition. Repositioning is how to reshape those perceptions into something new.
- Firms reposition their offerings in response to competition, change and crises.
- Focus on one compelling idea that differentiates your product from the competition and construct a simple message around that concept.
- Advances in technology constantly instigate change. Brands need to respond and evolve or they will die.
- The bigger your company, the harder it is to change or be flexible.
- Making changes to your branding can blur public perceptions and weaken your message.
- Repositioning is often necessary after a crisis, whether the turmoil affects everyone, such as a global recession, or a single firm, as with General Motors’ ongoing woes.
- “Publicity first, advertising second.” A repositioning strategy will work best if it originates from an outside resource, like a blog or newspaper story.
- Barriers to repositioning include reluctance to change and large management egos.
- A repositioning strategy will work only if top management is on board.

Summary

Positioning and Repositioning

Positioning and repositioning are connected theories. In both cases you must understand how people see you and your firm. Positioning is “how you differentiate yourself in the mind of your prospect.” Repositioning, on the other hand, is “how you adjust perceptions, whether those perceptions are about you or about your competition.”

“When the market makes up its mind about a product, there’s no changing that mind.”

Humankind has produced more information in the last three decades than in the previous five millennia. More than 4,000 books are published every day. The World

Wide Web grows by a million pages daily. These numbers keep expanding. Every day, the media bombards people with all kinds of messages through a growing number of vehicles. So how can you make your message stand out from the others? Breaking through this barrage of information is especially difficult because humans are averse to complexity and dislike confusion.

“Marketing is a battle of perceptions.”

If you want people to remember your message, keep it simple. Focus on one compelling idea that differentiates your product from the competition and construct a simple message around that concept. For example, Volvo connects its brand to safety while BMW focuses on driving. Once people remember your simple story, they’ll keep it in mind for a long time. In the mid-’80s, a survey revealed that people think of GE as the second most popular blender manufacturer – even though GE hadn’t manufactured a blender in 20 years. This perception was based on outdated brand recall. Once people remember a product a certain way, changing their viewpoint is very difficult. Xerox failed when it tried to enter the computer market. Coca-Cola flopped when it introduced New Coke. Repositioning your brand in the mind of the consumer is hard because “Minds are insecure.” Although people can’t articulate why they make particular purchases, behavioral scientists identify five reasons why people may not buy your product:

1. **“Monetary risk”** – People are afraid they might lose money.
2. **“Functional risk”** – They don’t want to buy something that might not work.
3. **“Physical risk”** – Why spend money on something that threatens their well-being?
4. **“Social risk”** – If they buy this product, they might become an object of ridicule.
5. **“Psychological risk”** – This purchase might make the buyer feel remorseful later.

“Every repositioning program has to start with the competition in mind.”

Consumers are not only being bombarded with more messages than ever before, they have more choices than ever before. Most supermarkets carry approximately 40,000 different products even though the average family uses around 150. While a U.S. consumer could choose among 140 cars models in the ’70s – mainly American brands – now buyers can select a car from more than 300 models on the U.S. market. The age of the local business is fading and a global market is emerging. Moreover, major business categories are dividing into subcategories. Consider the computer industry’s subcategories: You can choose among laptops, notebooks, PCs, workstations and minicomputers, to name but a few. However, people don’t necessarily want or need all of these choices. Research shows that too many options tend to be paralyzing rather than liberating.

“What used to be national markets with local companies competing for business have become a single global market with everyone competing for everyone’s business everywhere.”

To break through the barriers of noise and choice, you may need to reposition your product or service. Companies reposition their offerings to cope with three forces that affect business: “competition, change and crises.”

1. Competition

Originally, marketers viewed repositioning as pointing out a flaw in your competition. However, once you throw the first stone, you may find yourself immersed in a battle where no one wins. For example, Campbell’s accused its rival Progresso of using the chemical monosodium glutamate (MSG) in its soup. Progresso countered by pointing out that Campbell’s also used MSG, and neither soup brand emerged a winner.

“If you stay in the shadow of your larger competitors and never establish your differentness, you will always be weak.”

A better way to reposition your competitor is “finding a weakness in the leader’s strength and attacking at that point.” For example, because Hertz leads the car rental business, Avis countered with ads that said, “Rent from Avis. The line at our counter is shorter.” They cast what seemed to be Hertz’s strength, its first-place position, as a weakness.

“Good competitive repositioning ideas are extremely difficult to sell because they are negative in nature.”

The purpose of directing negative attention toward your competition is to indirectly shine a positive light on your brand. The marketers at Stolichnaya vodka achieved this when they stated that American vodkas were “making believe they were Russian.” They put a negative idea in the consumers’ mind about American vodkas, while at the same time claiming that Russian vodka held a superior position. The concept was obvious and resonated with consumers.

“When a competitor is known for one thing, you have to be known for something else.”

Repositioning commodities requires differentiation via a “unique selling proposition,” and involves five strategies:

1. **“Identify”** – Put a name on your product as Dole did with pineapple and Chiquita did with bananas.
2. **“Personify”** – The Green Giant character exemplifies this marketing technique.
3. **“Create a new generic”** – Marketers of large cantaloupes didn’t want the product to be known simply as large melons. They introduced a new category – Crenshaw melons.
4. **“Change the name”** – If the original product name doesn’t work, change it. The former Chinese gooseberry is now kiwi fruit.
5. **“Reposition the category”** – When “pork” came to sound unappetizing, marketers repositioned it as “the other white meat.”

2. Change

Today’s business world is characterized by rapid change. Advances in technology constantly alter the rules of the game. Brands need to evolve or die. For example, IBM led in mainframe computers, but missed the emerging minicomputer market. Data General, Wang, Hewlett-Packard and others hopped on board the

minicomputer market but missed the change to PCs, leaving the window wide open for Apple and other brands. The survivors endured because they evolved. IBM moved into integrated computing, Hewlett-Packard carved out a niche in printers and Apple continues to innovate with new products such as the iPod. Don't become complacent. Continually scan the horizon for any new technologies or products that could potentially upend your success.

“Market leaders have to be willing to attack themselves with a better idea.”

The bigger your company, the harder it is to change or be flexible. Bigger is not always better in terms of being responsive and reactive to market and technological changes. Research shows that the larger and more complex a company grows, the more inefficient and unproductive it becomes, as epitomized by the likes of AIG and General Motors (GM). Moreover, big successful companies don't usually want to change. Instead, they want to continue doing whatever made them successful in the first place.

“Powerful ideas always clash with someone's personal agenda. This ensures an early demise for any concept that has to work its way up the organization for final approval.”

Yet change can also be the enemy of success. Think long and hard before you tinker with your brand. When you introduce more product lines or change an established winner, you blur your identity. Gatorade led the market when it decided to redesign its label. It changed the recognizable Gatorade name to a big letter “G.” Sales dropped by 4.5%. Anheuser-Busch has added several products to the Budweiser label. Now the King of Beers offers an array of products including lights, drafts, cold-brewed beers and more, thus confusing consumers about the claim, “This Bud's for you.” Conversely, White Castle has changed very little since the 1920s and remains a fast food leader. One reason White Castle can resist change is because it's a privately owned company. Public companies that answer to Wall Street face market pressure to grow and change, resulting in an emphasis on short-term profits rather than long-term success. Beware of change for change's sake: “Don't solve a nonexistent problem” and “don't mess with tradition.” Make sure your innovation is better than its predecessor.

3. Crises

Repositioning is often necessary after a crisis. Crises are either macro or micro in nature. A macro crisis, such as an economic downturn, affects everyone. A micro crisis affects one business. GM has undergone a micro crisis and its future success depends upon its repositioning strategy. To survive, GM must identify a unique, separate idea for each of its four brands (Chevrolet, Buick, Cadillac and GMC) that differentiates its cars.

“History is filled with bold forecasts that didn't pan out.”

You must craft every marketing plan around what your rivals are doing. “It's not what you want to do; it's what your competition will let you do.” Gain an intimate knowledge of their strengths and weaknesses, and never underestimate them.

Even though repositioning is about readjusting (rather than changing) people's perceptions, you still must handle it carefully as a gradual process that you can't rush. Your repositioning strategy must align with people's existing perceptions. The rule of thumb in launching a repositioning campaign is “publicity first, advertising second.” Ideally, your repositioning story will originate from an outside source. That's why public relations (PR) is so important. Build your campaign slowly by initially concentrating on your core group. For example, a story on a popular industry blog is a great start. Next, strive for story placement in trade publications, mainstream media, radio and television. Reinforce your PR efforts with well-placed advertising, merchandising and events.

“Airplanes are interesting but of no military value.” (Marshal Ferdinand Foch, French military strategist, 1911)

Repositioning campaigns work only if the top executives in the company support them. Getting the CEO on board is imperative. Good leaders, who are characteristically “flexible,” courageous, “bold,” knowledgeable and “lucky,” won't delegate something this important.

Repositioning Road Blocks

What kind of obstacles should you expect to face when you propose a repositioning campaign? The first is getting access to give your proposal to the authoritative decision maker. You can give the best presentation in the world, but if the right people don't hear it, it won't do any good.

“Who the hell wants to hear actors talk?” (Harry Warner, Warner Brothers, 1927)

People resist ideas that threaten their “cash cow,” that is, the product or business that has made money in the past. Gillette is a good example of how to overcome this problem. Gillette attacks its cash cow, razor blades, constantly, always seeking to improve a successful product. The product has progressed from single blades to multiple blades. Gillette introduced “adjustable” razors, “shock-absorbing” razors and “multiblade” razors. This willingness to question its success helps Gillette stay successful.

“Try not to over-research or overthink your positioning or repositioning strategy. Simple and obvious will do the trick.”

You may have to deal with entrenched egos when you try to sell a repositioning strategy. Few people are confident enough to admit that they are doing things incorrectly. Avoid putting people on the defensive by proceeding slowly and tactfully, teaching as you go and using analogies and stories. The best solutions will be “obvious.” To see if your idea is concise and evident, hold it up to the following standards:

- **“This problem, when solved, will be simple”** – Often, people overlook the obvious solution. Complex ideas are never obvious.
- **“Does it check with human nature?”** – The obvious solution will not differ wildly from existing perceptions.
- **“Put it on paper”** – Can you explain it quickly and succinctly?
- **“Does it explode in people's minds?”** – The best, most obvious solution will make people wonder why they never thought of it.
- **“Is the time ripe?”** – An idea that is either ahead of or behind its time will not succeed. Implement your repositioning plan at the perfect moment.

About the Authors

Jack Trout is co-author of the business bestseller *Positioning: The Battle for Your Mind*. He’s president of the consulting firm Trout & Partners. **Steve Rivkin** is founder of Rivkin & Associates, a marketing consultancy.

