

Three Questions You Need to Ask



MURRAY KIMBER

About Your Brand

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TRADITIONALLY, the people responsible for positioning brands have concentrated on points of difference—the benefits that set each brand apart from the competition. Maytag is distinguished by dependability, Tide by whitening power, BMW by superior handling. Such points of differentiation are, in many cases, what consumers remember about a brand. But points of differentiation alone are not enough to sustain a brand against competitors. Managers often pay too little attention to two other aspects of competitive positioning: understanding the frame of reference within which their brands work and addressing the features that brands have in common with competitors. There are always circumstances in which it's necessary to “break even” with competing brands. Effective brand positioning requires not only

rants: healthfulness. But Subway's executives were concerned about the brand's competitive frame of reference and the attendant points of parity. While they were eager to reposition the brand—sales had been flat for two years—they saw taste as the sine qua non of the fast-food frame of reference and believed that taste is more important than healthfulness to core fast-food customers. Subway's research suggested that the company, which has more stores than any other fast-food operation, could successfully compete on taste with the burger giants, whose sales dwarf Subway's. And executives knew that fast-food consumers often perceive good taste and healthfulness to be at odds. Management feared that a strong health-centered campaign would jeopardize the perception of Subway as a fast-food establishment.

Conventional wisdom says creating a brand is about differentiating your product. Think again.

careful consideration of a brand's points of difference, but also of what we call its points of parity with other products.

Subway faced a brand-positioning dilemma in 2000 when its ad agency recommended that the sandwich shop chain present itself as the healthy fast-food brand, using as its spokesperson a 22-year-old man who had lost 245 pounds by following a diet that consisted largely of Subway sandwiches. The agency was so confident of the appeal of the weight loss story that it financed the production of a television spot, which ran regionally and produced an average sales increase of more than 15%.

The agency was focusing almost exclusively on Subway's key point of difference from other fast-food restau-

Subway began running the agency's advertisements nationwide. But recently it has been simultaneously running another campaign promoting new products on the basis of taste. Whichever approach turns out to be right for the brand in the long term, the example shows that brand positioning focusing only on a point of difference leaves out important issues. Sound competitive positioning requires the identification of an appropriate frame of reference and associated points of parity and points of difference. Subway can continue to differentiate, of course—differentiating is a smart way to keep other potential health-focused fast-food purveyors out of its business—but it can't forget what business it's in.

Have We Established a Frame?

Brand positioning starts with establishing a frame of reference, which signals to consumers the goal they can expect to achieve by using a brand. Choosing the proper frame is important because it dictates the types of associations that will function as points of parity and points of difference. In some cases, the frame of reference is other brands in the same category. Coca-Cola is a soft drink. It competes with Pepsi-Cola and RC. But in certain instances, the frame of reference might be brands in quite disparate categories. Coke, Gatorade, and Snapple belong to the soft drink, sport drink, and iced tea categories, but they potentially share the frame of reference that consists of all thirst-quenching drinks.

One variable that may influence the choice of frame of reference is the product's stage in the life cycle. When a new product is launched, competing products are often enlisted to serve as the frame of reference so that consumers can quickly discern what the product is and what goal it serves. In later stages of the product life cycle, growth opportunities (and threats) may emerge outside the product category. Accordingly, shifting the frame of reference may be necessary. The case of FedEx illustrates this evolution.

When Federal Express launched its service, it offered a clear point of difference from traditional mail delivery via the U.S. Postal Service: overnight delivery. As other providers of overnight delivery services appeared, the new competitors served as a new frame of reference. FedEx positioned itself as superior to them based on speed and dependability. This point of difference was reflected in its advertising slogan, "When it absolutely, positively has to be there overnight."

While FedEx continues to be concerned about competitors in the overnight delivery category, some of its stiffest competition now comes from other forms of document transmission. For example, many documents that once would have been sent by overnight delivery can be faxed or e-mailed more quickly and inexpensively. FedEx's "speedy delivery" point of difference is rendered meaningless when the frame of reference is expanded to include fax or e-mail. A new point of difference is required. Against this new frame of reference, FedEx could choose to differentiate on security, confidentiality, and attention-getting capability. This type of differentiation would be supported by FedEx's heavily promoted tracking capabili-

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ties, which distinguish it not only from fax and e-mail, but from other overnight delivery carriers as well.

Even established brands need to pay close attention to frames of reference, in some cases expanding their focus in order to preempt the competition. If Campbell's soups, say, were to focus exclusively on competition from Progresso soups, Campbell's sales could be blindsided by new quick-lunch products such as frozen pasta bowls.

Are We Leveraging Our Points of Parity?

Once you've chosen an initial frame of reference, think through the points of parity that must be met if consumers are to perceive your product as a legitimate and credible player within that frame. Consumers might not consider a bank truly a "bank" unless it offers checking and savings plans, safe-deposit boxes, traveler's checks, and so on. The approach you use to meet these minimum requirements for playing the game will depend on where your product is in its life cycle.

New Brands. Marketing strategists generally recognize the importance of identifying points of parity when introducing a new brand, as the FedEx example illustrates. But the more innovative the product, the greater the difficulty of fitting it into an established frame and meeting the frame's minimum requirements. The brief, lonely life of Motorola's Envoy underlines this point.

Envoy was a personal digital assistant launched in 1994. It received messages wirelessly like a pager, but no one viewed it as a pager because it was too large (the size of a VHS tape) and too expensive (\$1,500). Envoy sent e-mail and faxes like a laptop computer, but it couldn't substitute for a laptop because it lacked a keyboard and sufficient storage. Envoy could store calendar and contact information like an organizer, but its price tag and cumbersome entry system made it an implausible member of that category. Envoy lacked sufficient points of parity to belong to any existing category. Without a clear frame of reference, consumers weren't sure why they should purchase the product. It was withdrawn from the market in 1996.

Shortly before Envoy was put to rest, the PalmPilot 1000, a device with only a fraction of the capabilities of Envoy, was launched. It quickly became the most rapidly adopted electronic device ever. A key factor in the product's success was its point of parity with electronic organizers; it was able to claim this category as a frame of reference. Jeff Hawkins, the designer of the PalmPilot, intentionally limited the device's functions to those associated with organizers. The compact size and reasonable price reinforced its membership in the organizer category, where it set itself apart from others through its simple, one-button PC synchronization.

Brand Extensions. When extending a brand, it's easy—and dangerous—to shortchange points of parity. The more

an extension differs from a base brand, the greater the importance of focusing on the frame of reference. For example, when Nivea, which markets its skin cream as “gentle” and “protective,” started selling deodorant, establishing that the deodorant did what deodorants do—stop odor—was essential. Once that was established, marketers could think about pushing the gentle and protective qualities already associated with the Nivea brand.

Dove could have learned from Nivea. Dove, known as the soap with “moisturizing lotion,” moved into the dishwashing-liquid business with a product that claimed to “soften your hands as you do the dishes.” Sales were disappointing, perhaps because consumers were looking for a dishwashing liquid that cleaned the dishes rather than softened the hands. Dove needed to establish its points of parity with competitors before stressing its differences.

Established Brands. Managers of established brands also need to reassess points of parity from time to time, because attributes that were once differentiators can become minimum requirements. When Procter & Gamble developed an ingredient for dishwashing liquid that cut grease, it wasn’t a differentiator for long—P&G itself added the ingredient to its other brands.

Savvy marketers can hold off a competitor’s point of difference by creating competitive points of parity—Gillette is no longer the only company selling triple-blade

the Postal Service suggests that another rethinking of both the company’s points of parity and points of difference is under way.

Are the Points of Difference Compelling?

You shouldn’t rely solely on points of difference when positioning a brand, but you shouldn’t ignore them either. Assuming a frame of reference is identified correctly, points of difference—even seemingly contradictory ones—can be powerful. Strong, favorable, unique associations that distinguish a brand from others in the same frame of reference are fundamental to successful brand positioning. But it’s important to avoid a one-dimensional view of differentiation. Careful analysis shows that there are three types of brand differences: *brand performance associations*, *brand imagery associations*, and *consumer insight associations*. By considering each of these kinds of differences, you can better target your message.

Brand performance associations relate to the ways in which a product or service attempts to meet customers’ functional needs. These associations, which are based on intrinsic properties of the brand, revolve around the many facets of the question: “Does this product do what it says?” Brand performance associations, which fall into

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razors, for example. In this way, a brand can “break even” in an area where competitors are trying to break away and then achieve a point of difference in some other area. Visa and American Express both market credit cards. Visa’s point of difference is that it is the most convenient card—it can be used in many places. American Express highlights the prestige associated with use of its card. Having established these points of difference, Visa and American Express now compete by attempting to blunt each other’s advantage. Visa offers gold and platinum cards to enhance the prestige of its cards; American Express has increased the number of vendors that accept its cards. By attacking a competitor’s point of difference and recasting it as a point of parity, a company hopes to draw attention to its own point of difference.

The benefits of even the savviest brand positioning don’t necessarily last forever. Palm is under fire from an increasing number of competitors, and even mighty FedEx has failed in some arenas (witness its mid-1980s push for remote faxing), although its recent alliance with

five broad categories, come into play when brands are assessed on characteristics a buyer can investigate prior to purchase. One category is composed of a brand’s performance on the benefits that prompt consumption. For Subway, these benefits include taste, nutritional value, and the variety offered. A second set of associations relates to a brand’s reliability, durability, and serviceability. Subway might be positioned as delivering the same healthy choices every time a customer visits a store. Service effectiveness, efficiency, and empathy make up another set of associations that Subway might offer by focusing on the speed, courtesy, and accuracy with which it fills customer orders. Style and design constitute a fourth category of associations: Subway’s emphasis on a health benefit might be supported by the simple, hygienic environment in which the product is sold. Finally, associations to value and price might help differentiate a brand from its competitors: More sandwich choices at lower prices would serve Subway well in its battle to top McDonald’s.

When considering whether to buy a computer, a car, a book, or an item of clothing, a consumer can study the product's concrete qualities and features. In such cases, brand performance associations may be all you need to distinguish your product. But when making choices based on experience—such as where to get a haircut or eat dinner—consumers use brand imagery associations. Brand imagery is typically established by depicting who uses the brand and under what circumstances. Subway represents its point of difference by using a spokesman who has lost weight. This device implies that Subway is for the average person who wants a simple way to get in shape.

Consumer insight associations are generally used when a brand's performance and imagery don't differ much from those of the competition. If all other measures are equal, a brand that can show consumers it has insight into their problems or goals can then make the case that it is the solution. For example, ads for Lee Jeans show women's tribulations in the search for jeans that fit well (and the rituals they go through to get them on) as the basis for positioning Lee as the brand that offers superior fit.

But don't rely too much on consumer insight associations. Use of consumer insight as a point of difference is generally a less attractive basis for positioning than focusing on a brand benefit or imagery association because insights into consumers' goals are readily emulated. The insight that young men desire to be hip and admired by their peers has become a point of parity rather than a point of difference for automobile companies—the same insight underlies ads from Volkswagen, Toyota, and Subaru.

There are two questions that serve as fundamental filters through which to run your brand's points-of-difference benefits: Are they desirable to customers, and can you deliver them? When the answer to both is yes, a point of difference can become a strong, favorable, unique brand association.

Desirability. To qualify as desirable, a point of difference must be perceived by the brand's audience as both relevant and believable. Relevance is easily overlooked. In the early 1990s, for example, a number of brands in different product categories (colas, dishwashing soaps,

beer, deodorant, gasoline, and so forth) introduced "clear"—colorless and in some cases transparent—versions of their products to better differentiate themselves from competitors. Although clear might have initially signaled naturalness, purity, and lightness, a proliferation of clear products blurred the meaning of this attribute. It's worth noting that as long as benefits are perceived as enhancing performance, they needn't have any real effect. For example, flaked crystals have been used in successfully promoting Folgers coffee, even though flaking's contribution to product performance is unclear.

The Pitfalls of Brand Positioning

Competitive brand positioning is hard work. Many brands falter sooner than they should; some don't even make it out of the gate. Here are five pitfalls to watch out for:

1. Companies sometimes try to build brand awareness before establishing a clear brand position. You have to know who you are before you can convince anyone of it. Many dot-coms know this pitfall well. A number of them spent heavily on expensive television advertising without first being clear about what they were selling.
2. Companies often promote attributes that consumers don't care about. The classic example: For years, companies that sold analgesics claimed their brands were longer lasting than others. Eventually, they noticed that consumers wanted faster relief more than sustained relief.
3. Companies sometimes invest too heavily in points of difference that can easily be copied. Positioning needs to keep competitors out, not draw them in. A brand that claims to be the cheapest or the hippest is likely to be leapfrogged.
4. Certain companies become so intent on responding to competition that they walk away from their established positions. General Mills used the insight that consumers viewed honey as more nutritious than sugar to successfully introduce the Honey Nut Cheerios product-line extension. A key competitor, Post, decided to respond by repositioning its Sugar Crisp brand, changing the name to Golden Crisp and dropping the Sugar Bear character as spokesman. But the repositioned brand didn't attract enough new customers, and its market share was severely diminished.
5. Companies may think they can reposition a brand, but this is nearly always difficult and sometimes impossible. Although Pepsi-Cola's fresh, youthful appeal has been a key branding difference in its battle against Coca-Cola, the brand has strayed from this focus several times in the past two decades, perhaps contributing to some of its market share woes. Every attempt to reposition the brand has been followed by a retreat to the former successful positioning. Brand positioning is a tough task. Once you've found one that works, you may need to find a modern way to convey the position, but think hard before you alter it.

The simplest approach to believability is to point to a unique, provable attribute of the product. If a high-caffeine soft drink were to argue that it is more energizing than other drinks, it could support the claim by emphasizing its higher caffeine concentration. PalmPilot started out contending that it offered superior convenience relative to other electronic organizers because it provided one-button PC synchronization. Subway supports its health claim by advertising that its sandwiches have fewer grams of fat than those offered by its rivals.

year when it became apparent the benefit could not be sustained profitably.

Market leaders typically market their products on the basis of the category's points of parity; they try to create a "We are the frame of reference" message. Coke (its ads suggest) *is* refreshment. McDonald's *equals* great taste. Even when a brand leader doesn't enjoy a performance advantage, it can sometimes use its bigger ad budget to claim that it does. Thus, leading banks promote longer hours as if this were a point of difference, even though lesser competitors offer the same service. Follower brands

must not neglect points of parity as a means of announcing their frame of reference, but they compete on points of difference. McDonald's *is* great taste; Subway has good-enough taste but competes on healthfulness. Pantene offers healthier hair; Suave gives you healthy hair at a lower price.

Putting It All Together

Developing an effective position goes beyond determining the frame of reference, points of parity, and points of difference. It also requires that these elements be internally consistent at any point in time and over time.

Ensuring that attributes don't contradict one another is particularly important. From a consumer's perspective, the fact that a brand possesses a given benefit can imply that it will not possess another benefit. For example, it might be difficult to position a brand as "inexpensive" and at the same time assert that it

is "of the highest quality." Brands that are positioned as nutritious and good tasting, powerful and safe, ubiquitous and exclusive, varied and simple include negatively correlated benefits.

But, as the success of Miller Lite—"great taste, less filling"—shows, apparent contradictions can be transcended. There are three good ways to go about it. First, sequencing. Establish a brand's "great taste" before you move on to "less filling." In most instances, consumers are unlikely to devote the resources necessary to process multiple brand attributes and benefits at one time anyway. A second approach is to leverage some other, unconnected attribute. Miller Lite addressed the negative correlation between great taste and low calories by presenting well-known and well-liked celebrities to lend credibility to the taste benefit. And it's sometimes possible to make the case that contradictions are, in fact, complements. When Apple Computer launched Macintosh, its key point of difference was that it was "user friendly."

Deliverability. A product's point of difference needs to meet three deliverability criteria. First, creating the point of difference must be feasible. In recent years, airlines have wisely abandoned efforts to claim superior on-time performance as their point of difference. Management recognizes that an airline's ability to deliver such a point of difference is compromised by numerous uncontrollable factors. Second, positioning on a particular benefit must be profitable. A major bank that provided personal bankers to answer clients' questions presents a good example of an unprofitable benefit: The bank terminated the service after accountants, insurance executives, and other professionals overwhelmed the staff with inquiries. Finally, the positioning must be preemptive, defensible, and difficult to attack. While consumers may find low prices or free delivery attractive as points of difference, all too often these features compromise profitability and are easily imitated. Outpost.com offered free delivery of customer purchases but canceled the service after one



But customers assumed that an easy-to-use personal computer could not be very powerful, and power was a key determinant of choice. Apple addressed the potential problem by developing an advertising campaign that stated, "The most powerful computers are ones that people actually use."

Making It Last

As a brand ages, the challenge is to make sure it stays up-to-date and in touch with consumers' shifting needs. This can be achieved in a variety of ways. In some cases, the brand's position is sufficiently rich that exactly the same position can be sustained over time. Marlboro has successfully used cowboys and associations to the Old West since 1955 to depict freedom and individuality.

In other cases, presenting the same points of difference over time does not sustain a brand's performance. It may be necessary to deepen the meanings associated with the brand. This entails demonstrating more explicitly how the brand relates to consumers' goals and requires insight about what motivates consumers to use a brand. The brand is then positioned in such a way that its point of difference becomes its essence and implies goal attainment. We call this laddering up.

In the laddering-up process, consumers are first given concrete attributes and then prompted to climb toward progressively more abstract and general inferences. One company's cellular advertising campaign illustrates that approach. The focus of its initial advertising spot was on unique product features that made the phone service reliable. In a second generation, the ads examined the implication of reliable service, which is that consumers would be less concerned about being tied to the office to await important calls. The next generation of advertising might focus on a more general implication: consumers' greater freedom of movement.

Another approach to sustaining a brand position is to build what the Leo Burnett advertising agency has termed the "big idea." This entails identifying a differentiating benefit that is important to consumers and presenting, over time, a variety of attributes that imply the benefit. The context is kept constant so that people

can readily associate the ad with the brand name, ensuring strong brand linkage.

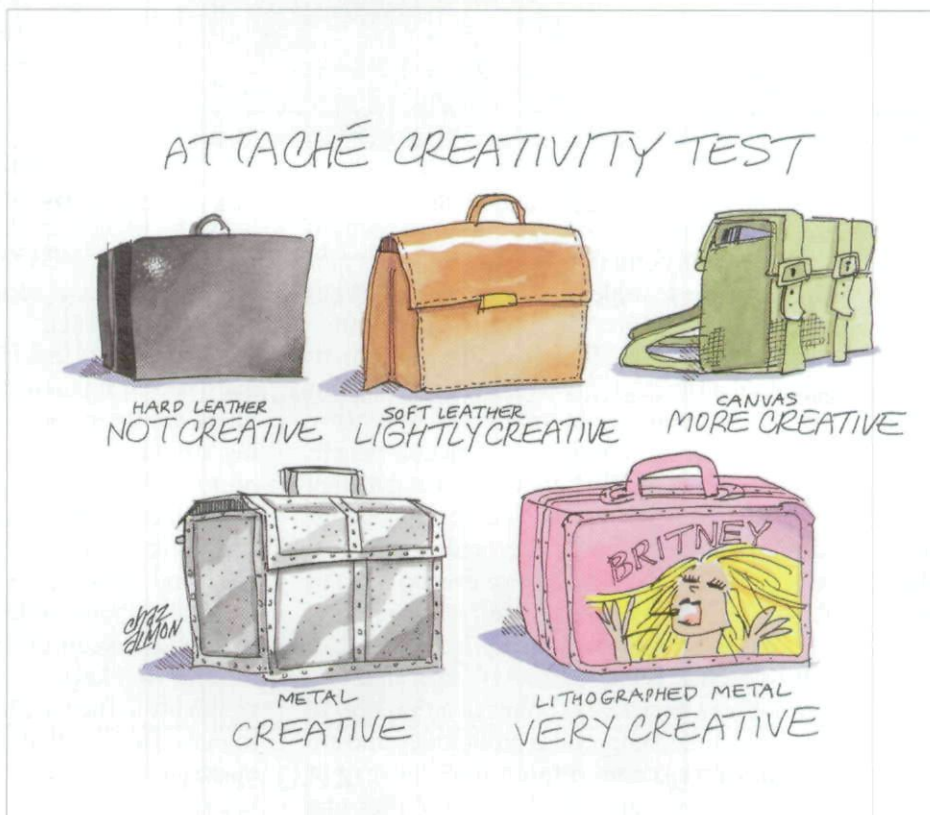
Advertising for Green Giant illustrates the big-idea approach. The setting is always in the valley, so consumers know at the outset of each ad that Green Giant is around. The reliable use of this context, and the fact that the benefit is always superior quality, link the individual executions as a campaign. By varying, over time, the attributes that imply this benefit, Green Giant provides new information to sustain consumer interest. Successive generations of ads have informed consumers that Green Giant vegetables are vacuum-packed, fresh frozen, and packed in butter sauce to imply superior quality and taste.

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Frames of reference, points of parity, and points of difference are moving targets. Maytag isn't the only dependable brand of appliance, Tide isn't the only detergent with whitening power, BMWs aren't the only cars on the road with superior handling. The key questions you need to ask about your brand—Have we established a frame? Are we leveraging our points of parity? Are the points of difference compelling?—may not change, but their context certainly will. Asking these questions will help ensure the right brand positioning, but don't think any of these variables stays static for long. The savviest brand positioners are also the most vigilant.

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