



THE THREE RULES OF STRATEGIC MARKETING

Positioning, Positioning, and Positioning

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By Ed Lahue

You have probably heard about the three rules of real estate: location, location, location! Well, the same principle applies to strategic marketing, and the three rules are positioning, positioning, positioning. It doesn't matter if you're running a consumer brand or a business-to-business product or service, how you position the brand or business within the marketplace is the cornerstone of strategic marketing. Internally, this positioning strategy should be formally articulated with a positioning statement.

What should a great positioning statement include?

1. Target

The single most important element of a great positioning is a clearly defined customer target. This decision should drive everything your business does. Because it is not effective or efficient to try and reach out to every possible customer, a clearly defined target allows you to focus your resources. This is especially true for your marketing and sales efforts, but it also impacts the trailing functions, such as manufacturing and R&D. A common mistake is to try to be everything to everyone, making your brand or business confusing in the eyes of the customer. A clearly defined target ties to your overall business strategy as well. (See my article called "Sure You Have a Vision For Your Company, but What Will Your Staff Do on Monday Morning?") In this article I illustrate the importance of segmenting the market to better understand which market segments or target markets to pursue.

2. Frame of Reference

Frame of reference simply describes what type of product or service you offer relative to the marketplace. It gives the targeted customer a reference point, such as financial services, manufacturer of injection-molded parts, or breakfast cereal.

3. Benefit

The next element is the benefit your product or service is to the targeted customer. What need are you filling for the customer with your product or service? This could also include the needs of prospective customers that are currently not being met. Many companies sell the wrong thing. They articulate how great their product or service is in the company's terms, but not answer the ultimate question by the customer, "**What's in it for me?**" You see this particularly in a business-to-business market where the manufacturer is selling the "widget" itself, and not what the widget does for the customer. This might be increasing the customer's productivity or help the customer sell more to their customers.

4. Point of Difference

The final element, which is probably the second most important element and which is often missing, is the point of difference. How your brand or business uniquely serves the customer's need is your point of difference. In general, it is the proof or support for the benefit. Recently, Schick surprised the men's shaving market, especially Gillette, when it provided a better shave for men with four blades instead of Gillette's three. You could also provide a similar product while providing more service than your competitor. If all is equal, the customer will just go to price, so develop a way to differentiate your product or service from the competition.

What I have described in this brief article is only the framework for the positioning. Therefore this might appear simple, but if done right, formalizing the positioning will take time and strategic thought and may involve conducting research on the market or your customers. However, this hard effort will pay huge dividends in providing the strategic direction your brand or business needs to be competitive.

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