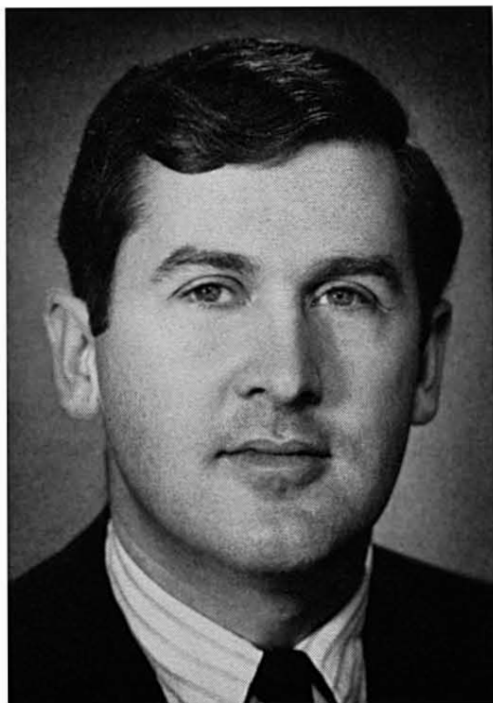


'Positioning' is a game people play in today's me-too market place

By Jack Trout



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M There's an old story about a traveler who was asking a farmer for directions to a nearby town. The farmer replied, "Well, you go down the road for a mile, turn left at the fork. No . . . that won't work."

"You turn around and drive for half-a-mile till you hit a stoplight then turn right. No . . . that won't work either."

After a long pause, the farmer looked at the confused traveler and said. "You know what, son, you

can't get there from here!"

That happens to be the moral of this article.

For today you spend millions of dollars on great advertising and still fail miserably if you don't play by the rules of a game called "positioning." In other words, "You can't get there from here."

Today's market place is no longer responsive to strategies that worked in the past. There are just too many products, too many companies and

too much marketing "noise." We have become an over-communicated society.

If you have any doubts, just count the number of media that carry your communications. There is television (commercial, cable, and pay). There's radio (am and fm). There is outdoor (posters, billboards and spectaculars.) There are newspapers. Direct mail. There are mass magazines. Class magazines. Enthusiast magazines. Business magazines.

Trade magazines. Annuals. Semi-annuals. And on and on. And, of course, buses, subways and taxicabs. Generally speaking, anything that moves is usually carrying a "message from our sponsor."

Thousands of commercial messages compete daily for a share of the prospect's mind. And, make no mistake about it, the mind is the battleground.

To better understand what you are up against, consider the mind as a memory bank. Like a memory bank, the mind has a slot or "position" for each bit of information it has chosen to retain. In operation, the mind is a lot like a computer.

But there is one important difference. A computer has to accept what is put into it. The mind does not.

In fact, it's quite the opposite. The mind, as a defense against the volume of today's communications, screens and rejects much of the information offered it. In general, the mind accepts only that which matches prior knowledge or experience.

In other words, the mind will accept only new information which fits its previous pattern of slots or positions. It filters out everything else. And it doesn't make much difference how "creatively" the new information is presented.

For example, when General Electric tells you its computers are better than IBM's computers, you don't believe it. That doesn't fit what most people think about IBM. You would accept new information on light bulbs from GE, but not on computers. This explains the difficulty that GE or any other company faces when they try to take their established position into a totally new field.

The computer "position" in the minds of most people is filled with the name of a company called "IBM." For a competitive computer manufacturer to obtain a favorable position in the prospect's mind, he must either dislodge IBM or somehow relate his company to IBM's position.

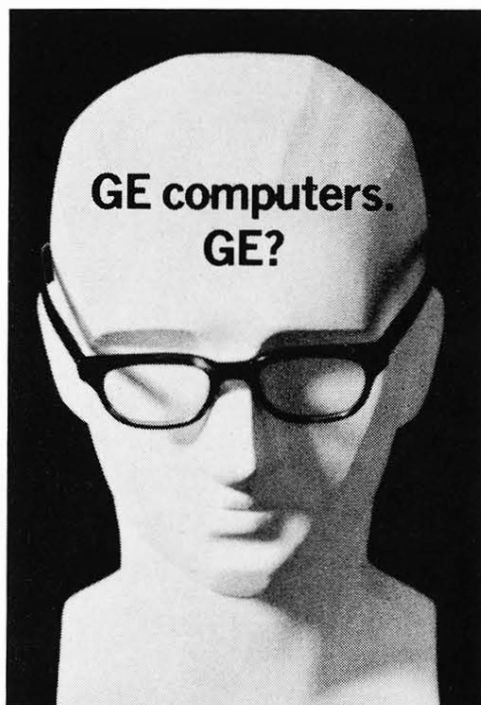
Yet, too many companies embark on marketing and communications programs as if the competitor's position did not exist. They advertise their product in a vacuum and are

disappointed when their message fails to get through.

The successful companies play a game called "positioning." They are aware not only of their own position, but of their competitors' positions as well. They know when they can get there from here and when they can't.

It wasn't always this difficult. A quick look at the history of the communications business might give you a better understanding of how we got to the "positioning" era.

Back in the 1950's the communications and marketing business was in an era marked by what Rosser Reeves called the USP, or "Unique Selling Proposition." Marketing



people disregarded feelings people had toward companies and focused their attention instead on products and their differences. In a lot of ways, these were the good old days where the "better mouse trap" and some money to promote it were all you needed.

But technology started to rear its ugly head in the late 1950s and, as we entered the '60s, it became more and more difficult to establish that unique selling proposition.

Your "better mouse trap" was quickly followed by three more just like it. All claiming to be better than yours.

It got so bad that one product manager confided to me, "Wouldn't

you know it. Last year we had nothing to say, so we added 'new and improved' to our package. This year the research people came up with a real improvement in the product and we don't know what to say."

It was the avalanche of "me-too" products that ended the USP era.

The next phase saw the rise of the "image" concept. Successful companies like General Electric and DuPont found that reputation or "image" was more important in selling a product than any specific product feature. The programs of the new technology companies (Xerox, IBM, etc.) were spectacularly successful. Those of older, established companies were less successful.

The architect of the image era was David Ogilvy. As he said in his famous speech on the subject, "Every advertisement is a long-term investment in the image of a brand." And he proved the validity of his ideas with programs for Rolls-Royce, Hathaway Shirts, Schweppes and other products.

Just as the "me-too" products killed the USP era, the "me-too" companies killed the image era. As every company tried to establish an image for itself, the noise level became so high that relatively few companies succeeded. And most of the ones that made it, did it primarily with spectacular technical achievements, not spectacular advertising. (Xerox and the dry copier, for example.)

Today, we are entering the positioning era. This will be an era that recognizes the importance of product features and the company image, but more than anything else stresses the need to create a "position" in the prospect's mind.

Positioning is a game where the competitor's image is just as important as your own. Sometimes more important. The famous Avis campaign, "We're only No. 2. So why go with us? We try harder." was a classic example of establishing a position *against* the leader.

The recent Transamerica program, where they established a position as the service company, was another excellent piece of work. And notice how a typical opening

sentence in an ad related to what was already in the reader's mind: "Most people think we're an airline. If we wanted to be known as an airline we would have bought one."

In the positioning era, the name of your company or product is becoming more and more important. Take airlines, for example. As more route structures overlap, a thing like your name can be an anchor. No matter how much money you spend.

Consider the plight of an airline I'll call "Airline X." It is in the middle of some difficult times. It has some unprofitable routes, but some good ones as well. And it certainly has tried. Airline X was among the first to "paint the planes" and "dress up the stewardesses" in an effort to improve its reputation.

Its advertising has been beautifully done. And Airline X hasn't been bashful when it comes to spending money.

If you're not in the airline business, you probably wouldn't guess that "Airline X" is Eastern—right up there spending with the worldwide names.

For all that money, what do you think of Eastern? Where do you think they fly? Up and down the East Coast, to Boston, Washington, Miami, right?

Well, they also go to St. Louis, New Orleans, Acapulco, etc. But Eastern has a regional name and their competitors have broader names which tell the prospect they fly everywhere. In Eastern's case, it would appear that their name has put them in an uncomfortable position. And the more they promote "Eastern," the more they "can't get there from here."

This brings up another important point in regard to positioning. Your program has to go beyond just establishing a name. Too many programs start there and end there. To secure a worthwhile position for a corporate name, you need a thought to go with it.

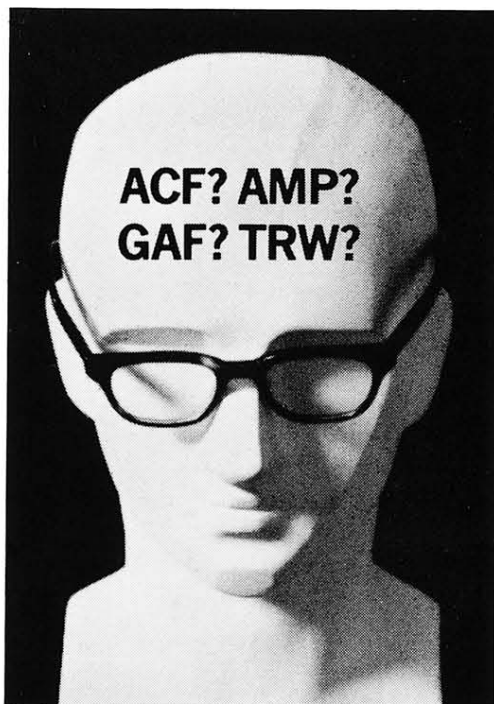
One of the best executed programs around is the one for Olin. The ads are beautifully done. But what is Olin? What is their position? They haven't left me with anything. In fact, I'm a little confused. How about you?

One thing that's worse than "just a

name" program is one without a name. That sounds like it could never happen doesn't it? Well, it does when companies use initials instead of a name. And you see this happening quite often in today's marketing arena.

What companies like ACF, AMP, GAF and TRW fail to realize is that initials have to stand for something. GE stands for General Electric. And everyone knows it. These companies were given their nicknames by their customers. This is why they are so valuable.

When a company gives itself a nickname, it doesn't work as well. When General Aniline & Film changed its name to GAF, all they



caused was confusion. And confusion is something the mind rejects, making it impossible to establish a position.

To test this point we performed an awareness study on a matched sample of both "name" companies and "initial" companies. The survey was conducted over a *Business Week* subscriber list and companies were selected that had corporate programs running.

The "name" companies had an average recognition score which was 19% higher than the average score of the "initial" companies.

In the first ten, the "name" companies had seven positions and the "initial" companies only three.

The results show that if you start with initials, you've got a long way to go.

The toughest marketing problems usually occur when a company competes with another company that has a strong, established position. For the best example, let's return to the world of Snow White and the seven dwarfs, i.e., computers. IBM has become a state of mind. They have established a position that is unrivaled in the history of marketing.

How do you advertise and market against this kind of overwhelming position? Well, first you have to recognize it. Then you don't do the thing that too many people in the computer field do—act like IBM. A company has no hope to make progress head-on against the position that IBM has established. And history, so far, has proved this to be true.

The small companies in the field probably recognize this. But the big companies seem to feel they can take their strong positions against IBM. Well, as one disgruntled executive was overheard to say, "There just isn't enough money in the world." You can't get there from here.

A better strategy for IBM's competitors would be to take advantage of whatever positions they already own in their prospects' minds and relate them to a new position in computers.

Recently, General Electric has begun to make progress in the computer field by establishing a position in "time-sharing." This is an especially appropriate move because they happen to be one of the biggest users of computers. And time-sharing is a user-oriented idea.

RCA is a leader in communications. If they positioned a computer line that related to their business in communications, they could take advantage of their own position. Even though they would be ignoring a great deal of business, they would be establishing a strong beach head.

Obviously, these are over-simplified examples but the point is that it's almost impossible to dislodge a strongly dug-in leader who owns the high ground. You're a lot better off to open up a new front or posi-

tion—that is, unless you enjoy being shot-up.

Another problem that occurs fairly often is represented by the one B. F. Goodrich faces. What do you do when your name (Goodrich) is similar to the name of a larger company in the same field (Goodyear)?

Goodrich has problems. Our research indicates that they could reinvent the wheel and Goodyear would get most of the credit. If ever a company could benefit from a name change, they're one.

Some of the best practitioners of positioning today are to be found in the consumer goods world. Which proves that the concept is applicable to products as well as companies.

Ask anyone who put the first 100-millimeter cigaret on the market and most people will say "Benson & Hedges." Wrong. The answer is "Pall Mall Gold." Benson & Hedges was first to establish the *position*.

A product that put the "benefit" into its name was able to dislodge a product that had the "means" in its name. Carnation's Slender vs. Mead Johnson's Metrecal. The name "Slender" had a great deal to do with Carnation's successful positioning.

These programs point to a very important benefit that your company can derive from positioning. It's the fact that your programs will become cumulative. You can keep them up, year after year. The high cost of media today demands this. If all your great ads aren't building you a strong equity or position, I'm afraid all you're getting for your money is ads. And you're not going to get there from here.

If I've moved you to possibly consider your position, I'd like to offer you four simple rules for playing the game:

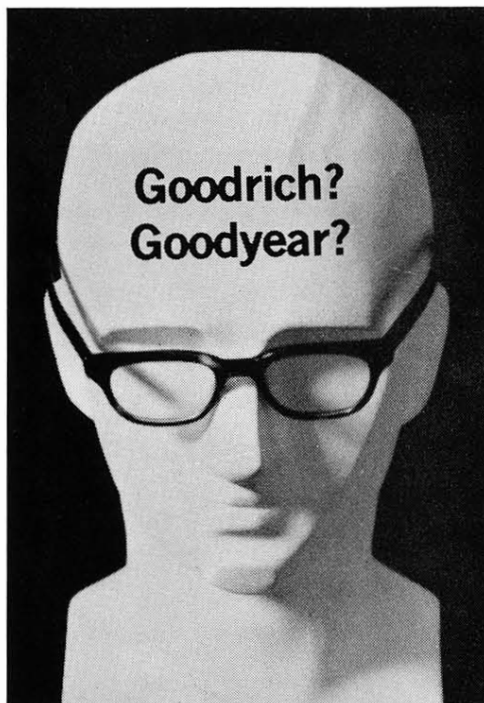
1) Find the people in your own organization and your agency who understand it. It's tough work and it's not played well by amateurs or non-believers. It is played well by people who have good marketing sense. It's also played well by people who have "vision."

Positioning is a concept that is cumulative in nature. Something that can take advantage of advertising's long-range nature. Because of this,

the people who work with you will have to be able to understand what you are trying to build. Top management has to make decisions as to what the company will be—not next month or next year, but in five years.

They have to have vision. There's no sense building a position that's based on a technology that's too narrow. Or a product that's becoming obsolete. When you're betting on the come, it takes a lot of understanding, faith and good teamwork.

2) Be brutally frank about your product or company and its reputation. Try to eliminate all ego from the decision making. It clouds the issue.



One of the most critical aspects of "positioning" is being able to evaluate objectively your products and how they are viewed by your customers.

As a rule, when it comes to building strong programs, trust no one, especially product managers. The closer people get to products, the more they defend old decisions or promises.

Get your information from the market place. That's the place where your program has to succeed, not in the product manager's office.

3) Change what you have to change. Take advantage of what you can take advantage of. Base these decisions on what's in the market-

place, not what's in the company.

Nothing in this marketing game stays the same for very long. Technology sees to that. To succeed in taking advantage of opportunities, you have to be sensitive to this change.

Even something as basic as a corporate name is under fire today. A corporate name may be geographically restricting, too long, outmoded in terminology, too limiting in scope, misleading, difficult to remember, hard to pronounce, or associated with past failures. Any of these may be a marketing millstone. In other words, you are starting with two strikes against you.

On the other hand, you might have a great corporate name, but too many brand names, too many programs, too many graphics, no uniform treatment of corporate identity, no corporate direction. In other words, you are not putting your best hitters at bat.

Whatever your situation, before you can build a strong position you have to build a strong foundation.

4) Establish your position and build a program around it that's big enough to get noticed.

The noise level today is fierce. There are just too many "me-too" products and "me-too" companies vying for the minds of your prospects. Getting noticed is getting tougher.

With this noise level you just have to be bold enough and consistent enough to get noticed.

The first step in a positioning program normally entails running fewer programs but stronger programs. This sounds simple but it actually runs counter to what usually happens as corporations get larger. They normally run more programs but weaker programs. It's this fragmentation that can make many large advertising budgets just about invisible in today's media storm.

One of the largest business paper advertisers today is General Electric. Think of the last three ads they've run. If you can, you are either an employee or a competitor.

These four points are a start. Put them all together and I'll guarantee you'll get to where you want to go from here. And do some great work on the way. ■