

LEADERSHIP STRATEGY

Demystifying The Science Underlying Brand Positioning

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Why Practice Makes Perfect When It Comes To Developing Positional Advantage



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Brand positioning is the anchor of most marketing plans and a blueprint for a significant portion of the go-to-market execution plan. Brand positioning is a critical business discipline for both consumer and business-to-business (B2B) organizations for several important reasons:

- Positional advantage is the north star for the go to market strategy, it matters as much in marketing as it does in war, real estate, chess, and retail;
- Brand positioning provides the blueprint for the marketing program that fuel it (e.g. advertising, content marketing, product marketing, thought leadership, and value selling assets and programs) and the systems and processes that support execution;
- Brand positioning creates firm value by creating perceptual and brand equity advantage in the marketplace.

But the biggest reason is financial. “Brand positioning should not be taken lightly because brands are very important financially,” says Frank Findley, the Research Director of the Marketing Accountability Standards Board (MASB). “Brands create preference, pricing power, conversion and customer loyalty. They give firms “permission” to cross sell and introduce adjacent product extensions. Consequently, they make a significant contribution to firm value.” The research Findley is leading at MASB has established financially valid criteria that proves the brand is among the most valuable financial assets in a business. On average, across all companies, [brand assets drive 19.5% of enterprise value](#). For consumer brands like Miller Coors and Nike their value is far higher.

But brands are increasingly important in B2B organizations as well as they battle commoditization and struggle to build loyalty, retention, and expansion in a world of cloud-based SaaS solutions and recurring revenues. Consider Cisco, [whose brand is valued at over \\$20 billion](#). "Brand value continues to be a great asset for Cisco," [says Sue Bostrom, their Chief Marketing Officer](#). "Our strong brand allows customers to remain confident about our future and responsive to our products and service offerings. This is

especially critical as we enter new markets and introduce new solutions.”

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Most organizations have well established processes for building and managing their other valuable commercial assets – like proprietary products, production capacity, digital infrastructure, buildings, fleets, equipment and cash. Product development, technology infrastructure management, fleet management, facilities management, data security, financial asset management are all established business disciplines. Not so much for brands, which in many cases is worth far more.

[Kimberly A Whitler](#), the Frank M. Sands Sr. Associate Professor of Marketing at the Darden School of Business and a former CMO is working to help leaders strengthen their firm’s positioning by providing a set of proven tools and techniques to create, build, and manage brands for advantage. . According to Professor Whitler, positioning is the bedrock of consumer marketing that helps customers decide they prefer Tide to other detergents, Target to other retailers, or Wegmans to other grocers. A strong brand position is particularly important in business to business markets where technology categories shift, innovate, and can be confusing for customers while services compete on “intangibles” related to experiences and hard to describe capabilities.



Like many things in marketing, a well crafted brand positioning almost feels intuitive or common sense. This leads even generalists to feel confident in their ability to create one. “A mistake CEOs and recruiters alike make is to believe that because somebody is an expert at a specific skill—say social media—they are qualified to lead a marketing organization,” says Kimberly Whitler. “This is no truer in business than it is in music. A great drummer is not necessarily a great orchestra leader. And just because someone is a really good shopper doesn’t mean they are qualified to be the CEO of Walmart—or somebody is effective at posting on Instagram doesn’t make them a marketing strategist capable of understanding how to leverage different media to create advantage.”

The reality is brand positioning is much more difficult than it appears. Brand position is much more science than art. So rigor, iteration, judgment and experience matter. Therein lies the problem.

“Many executives have very little experience or training in developing brand positioning,” according to Whitler, who recently

authored the book, [Positioning for Advantage, Techniques and Strategies to Growth Brand Value](#). “This leads to a “theory-doing” gap. “Business schools will teach you the theory,” she continues. “But most CMOs don’t have a degree in marketing. And many don’t work for the companies that treat marketing as a sophisticated, scientific process—the Pepsis, J&Js, and Unilevers of the world. Consequently, many don’t have experience in developing, testing and executing evolved positioning strategies. There are very few places’ marketers can practice their craft and test and iterate brand positioning to build the muscle they need to develop winning strategies when stakes are high.”

When you look at the numbers, Whitley is pointing out the obvious. Half of businesses view marketing as a sales activity. 90% of CMOs don’t have a marketing degree. A majority ([over 75%](#)) of [new products fail](#) to get traction in the marketplace. As a practical matter, most of the time when we are working on a sales and marketing program we ask a CMO to articulate their brand positioning – and the value story and key points of differentiation that underpin it. In most cases they fail to produce a coherent picture, much less a content architecture to guide messaging, advertising, thought leadership – much less the value conversations that need to happen in sales and service. And the stakes are high when it comes to brand positioning, despite the perception that it’s a creative exercise that can be delegated to agencies and inexperienced managers.

This lack of process, professional, and business discipline around building and managing a winning brand positioning is a contributing factor to why many [Chief Marketing Officers feel marginalized](#) in the modern commercial model, when their value and importance to creating firm value and revenue growth is more significant than ever. Many marketers have relegated the practice

of brand positioning to a communications exercise that informs awareness and demand generation investments at the very front of the revenue cycle. Instead, marketers need to be building and extending winning brand positioning through even stage of the revenue cycle – [like a green thread](#) – consistently developing, strengthening, and delivering the brand position, promise, and value story in all facets of the firm– from product development to real estate decisions to hiring practices to marketing communications. The medium and channel may change, but the importance of communicating a differentiated value story that drives margin, ticket size, retention and cross sell at every stage of the revenue cycle is more important than ever. Particularly for the 51% of businesses being pushed into recurring revenue models by their boards.

To solve the problem, Kimberly Whitler advocates a systemic and scientific approach to building brands used by the best marketing organizations. “The organizations known for developing and training sophisticated, science-based marketers –Pepsi, Coke, P&G, and General Mills - excel at brand positioning because they understand practice makes perfect,” according to Whitler. “They take a rigorous, systematic, replicable and analytical approach to building brands. They have clear processes for having their managers practice, test and gain proficiently in branding. And they have decades...even centuries of evidence-based research in their libraries that is used to help train and hone knowledge and skill.”

Whitler has unpacked the best practices of these positioning leaders into a repeatable set of steps that managers can use to practice and test their skills. Her book includes a set of tools that marketing leaders can practice using to build brand positioning muscle and ensure consistent performance when the action is live.

These include tools to identify and build positioning advantage, such as:

- Strategic planning exercises that help leaders to identify and build positioning advantage;
- Positioning concepts that help leaders create, test and perfect the ideas upon which brands are created and launched;
- Brand Essence Statements that articulate what makes brands unique, compelling and meaningful to customers and force managers to define rigorous tests and make some difficult “how to win” choices and tradeoffs.



KIM WHITLER, PROFESSOR OF MARKETING, DARDEN SCHOOL OF BUSINESS

Whitler’s process also includes tools to direct the execution of the positioning such as:

- A range of strategy maps that leave no stone unturned in terms of the financial, execution, customer, and product design aspects of the positioning;
- A marketing technology blueprint to ensure the systems and processes support execution;
- Mapping key opinion leaders and influencers to direct and focus media and engagement resources;

- Measuring the financial contribution to the business to size, allocate and measure the return on investments.

Finally, what makes the book unique is not just the set of tools that help provide insight on how to achieve positional advantage, but rather the last chapter which provides a series of exercises designed to help the reader practice using the tools. Whitley goes beyond sharing knowledge to “help build skill.” This is an audacious goal, but for people wanting to become proficient, it is singularly distinct

The systemic approach is important because there are literally millions of ideas and permutations that contribute to a positioning concept, and most organizations do not have a formal process to develop, refine, test and build brand positioning.

Whitley’s most important point may be that practice makes perfect. Practice matters in most important endeavors, why not apply it to brand positioning and establishing a value story that drives margin, sales, conversion and differentiation? Its certainly important enough. Athletes will practice a jump shot, swing or kicking motions millions of times to get it right if they have one opportunity to perform when it matters in a real contest.

Why should marketers practice brand positioning to make sure they get it right when the company invests the majority of its commercial resources to bring it to market? The stakes are certainly high enough, when you consider that your brand is among the most valuable financial assets in your business. Perhaps its biggest asset. Brands influence customer choice, and the power of a brand’s attraction influences sales today and tomorrow Brands that achieve **preference with customers** have customers and clients that choose more, pay more, buy more often, take more risk and are open to other offerings you may have to sell. All those factors

impact predicted future cash flow – which is the financial basis for firm value. Nobody got fired for buying IBM. People pay more for a Lexus than a Toyota when it's the same car. Can you say those things about your brand?

By demystifying the “black box” of the best marketing companies, Whitley has provided a wider range of marketers the tools to bridge the “theory-doing” gap and take on any positioning challenge. The reward will be strong positioning that can be executed and has the best potential to succeed in the market.

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