

## Vivisum's Position on Brand Positioning

**Executive Summary:** We advocate that positioning development follow a two-step process which determines the brand's market landscape and then optimizes the value prop for that market environment. This two-phase process is captured in the simple equation: 'Market Landscape + Value Prop = Brand Positioning'.

**Creating a shared language:** There is a good deal of inconsistency surrounding the concept of brand 'positioning'. While marketers are universally familiar with the term, the definition of 'positioning' can vary among organizations as well as among individuals within the same organization. Quite simply, what 'positioning' means to one marketer is not always what it means for his or her colleagues.

This lack of consistency is not merely an academic debate about semantics. Too often, teams embark on identifying their brand 'positioning' without an agreed-upon definition of what 'positioning' is and how it differs from other commonly used marketing concepts like value proposition, unique selling proposition, messaging, etc. Without a shared vision of what 'positioning' really is, marketing teams are faced with the proverbial curse of Babel: they are given a task without a shared language to address that task.

While we do not wish to introduce yet another dogmatic definition of 'positioning', we do wish to offer our perspective based on our experiences developing brand positioning for dozens of Fortune 500 organizations. Ironically, the inconsistencies in defining 'positioning' point us to an effective process for developing effective brand positioning.

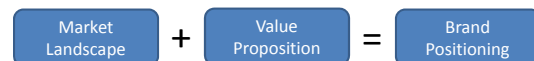
### Brand Positioning vs. Value Proposition:

One of the most common points of confusion is in the difference between a brand's 'positioning' and its 'value proposition'. We have often seen marketers using these terms interchangeably, and we feel that it's important to clearly define these terms.

For purposes of this white paper, we want to offer basic definitions of these concepts:

- Value Prop: The emotional and rational benefit that customers derive in purchasing a product.
- Positioning: The product's value proposition placed within the context of the market landscape.

These basic definitions highlight an important distinction between the two concepts. Namely, that the value prop is the central benefit *within* the brand positioning, but it is not the positioning *itself*. Written as a simple equation, we see that brand positioning is the value proposition placed within the context of the market landscape:



This equation also illustrates the central thesis of this white paper: developing an effective positioning often requires a two-step process. This two-phase process enables marketers to focus on developing the constituent elements of an effective positioning concept:

- Phase 1: Market Landscaping
- Phase 2: Value Proposition

**Phase 1 – Market Landscaping:** Prior to developing brand positioning, it's important to have a deep understanding of the marketplace. While this sounds obvious, it is all too common for marketers to embark on a positioning effort without a fundamental understanding of the marketplace in which their product is positioned. Too often, marketers feel that they already understand their marketplace, and they assume they know how customers will respond to their new product.

Instead, we recommend a rigorous customer insight process to map the market landscape across four key characteristics: target audience, competitive set, unmet needs and use cases.

*Target audience: For whom is the product positioned?* Clearly, it is important to define the product's target audience. However, we often find that marketers will define their audience in broad, often vague terms. Instead, we recommend identifying the specific characteristics that define the subset of the customers that are most likely to adopt the product. Furthermore, we encourage marketers to differentiate between early vs. late adopters and identify the characteristics that define customers who are most likely to adopt in the early vs. later stages of the product lifecycle.

*Competitive set: What competitors is the product positioning against?* Ultimately, positioning is about competitive differentiation; as such, it is important to clearly define the product set that the product is competing against. In many cases, a new product is not competing against all of the products in its category. Instead, many new products only compete against a small subset of products, and it is important to identify that competitive set. Marketers can derive insight into the competitive set by asking customers a

simple question: What products would you use less of as a result of using this new product?

*Unmet needs: What are customers' biggest frustrations with the competitive set?* In order for brand positioning to be effective, it is critical that the positioning addresses an unmet need among the target audience. As such, it is important to identify those needs by understanding how the competitive set is failing to meet customer needs. Moreover, it is important to identify unmet rational *and* emotional needs among the target audience.

*Use cases: How will customers use the product in addressing their needs?* While good marketers are effective in communicating *why* to use a product, the best marketers have learned that it is critical to communicate *how* to use the product as well. It is important to identify product use cases early in the positioning process. These use cases will provide insight into how customers will use the product in fulfilling real-world needs. This insight into real-world applications helps to shape positioning and address real world needs.

In conclusion, we recommend that marketers embark on an initial market landscaping effort prior to developing value prop concepts. After finishing this first phase, marketers should be able to answer the following questions:

- For what type of customer is the product positioned?
- What competitors is the product positioning against?
- What are customers' biggest frustrations with the competitive set?
- How will customers use the product in addressing their needs?

**Phase 2 – Value Proposition:** With a deep understanding of the marketplace and competitive set, marketers are prepared to identify the brand’s core value proposition. In this second phase of the process, we recommend developing and testing potential value prop concepts among the product’s target audience. Based on our experiences, we have developed a set of best practices in the concept development and evaluation process.

*Concept development best practices:* We recommend developing a relatively small set of 4 – 6 value prop concepts to test among customers. These concepts should articulate the singular benefit that customers derive from the product. Whenever possible, the value prop concepts should adhere to a few simple guidelines:

- *Mutually exclusive:* Concepts should be discrete ideas and not simply different articulations of the same fundamental theme.
- *Similar structure:* Concepts should be similar in length, tone (e.g. rational vs. emotional) and structure (e.g. insight + benefit + reason to believe).
- *Spectrum:* Concepts should address a range of potential ideas; it is valuable to test a few ideas that are very aspirational or even a bit ‘out there’.
- *Singular:* Each concept should communicate a single, focused benefit; the concepts should not be a litany of multiple benefits.

*Concept evaluation best practices:* Once the value prop concepts have been developed, we recommend testing those concepts among the target audience. As time and budget allow, we recommend evaluating the concepts using both qualitative and quantitative techniques. In evaluating the

concepts, it is important to establish clear success criteria used to guide decisions about which concept is most effective for the brand. Common success criteria include:

- *Relevant:* How relevant is each concept relative to customer’s unmet needs?
- *Credible:* How believable is the concept based on the product’s features?
- *Unique:* How unique is each concept relative to the competitive set?
- *Emotional:* What is the emotional valence of each concept?

Using these criteria, marketers are able to identify which value prop is most likely to anchor a successful brand positioning.

**Market Landscape + Value Proposition = Brand Positioning:** At the conclusion of this two-phase process, marketers are armed with a value prop that is effective within the context of the marketplace. With this knowledge, marketers are prepared to create an effective brand positioning.

While the structure and the articulation of the brand positioning may vary across organizations, many follow a common template such as:

For [target audience], Product X is the only [competitive set] that [value prop].

Using this two-phase process to understand the market landscape and identify the value prop, marketers are well prepared to create a winning brand positioning.

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