Commentaries and Insights from Allawos & Company

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Positioning, Branding and Unique Value: Avoiding the Hall of Mirrors

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There are many pitfalls for top management in the journey to create or remold an organization's brand position. Many of these pitfalls result from a lack of appreciation of the dependencies between brand strategy, category definition, segmentation, sales enablement and corporate positioning.

What we often find is narrow internal initiatives to "re-brand!! " without regard for the interplay and the synergy with how the branding will affect the perceived corporate positioning or the perception of the company's ability to address a given market.

With the best of intentions, in many cases this results in a branding exercise and the resulting production of all sorts of marketing and sales materials that are at odds with many of the sales opportunities.

In the extreme, you find the sales organization being actually inhibited from pursuing opportunities due to a declared corporate positioning which creates a barrier to engagement. As bad, this can result in employee perception that both senior management and corporate marketing are out of touch, undermining the ability to lead and govern. Indeed, in public companies a too narrow or overly aspirational positioning or branding can impact stock price and access to capital.

The centerpiece in this ecology of interaction is corporate positioning.

Corporate positioning is the practice of creating a differentiated identity within a market to provide a competitive advantage. A good positioning will articulate who you are as an organization and why you matter.

It enables your company to be centered on a market or category. It provides the filter for all of your corporate activities including product development, M&A strategy, marketing and sales initiatives.

Additionally, the positioning exercise will result in a message architecture including a positioning statement, a value proposition(s), a brand driver, a set of key messages, and an elevator story.

Brand strategy then becomes a discipline of identifying a brand or set of brands (including a corporate brand) and identifying the core attributes your company wants to associate with each brand.

Once a brand strategy is defined, it should help guide your company in decisions ranging from features to pricing and packaging to service and support policies – even language and tonality.

In any regard, branding at its core must be defined by creating clarity around unique value. Marketing that is not value proposition based is worse than a waste of time. It is toxic both to the company in its external outreach and internally in its failure to focus employees on the right actions. It is failed governance.

Re-branding exercises are often associated with the creation of a new category or a new sub-category of products or services and should not be taken lightly as the conditions for category creation must be present: the product or service must actually provide a new value to a customer base and the category must be recognizable to the target market.

For this short missive, let's mention just two of the pitfalls seen in trying to re-brand and correctly position an organization: Cart before the Horse and the House of Mirrors phenomena.

Corporate positioning should be the central driver of all branding. However what is common is to see the Cart of branding or even an elevator statement being addressed without explicit linkage to overall positioning. This often occurs when the marketing organization attempts to deal with a branding exercise without the inclusion of the corporate strategy owner.

In small and medium size organizations that lack a formal strategy office this often translates to the CEO or his/her staff. Marketing might be doing the work but the owner of corporate strategy must be engaged regularly in the process even if by assigned surrogate.

The Hall of Mirrors issue is more common than not. Well-intentioned, intelligent and enthusiastic managers often in the marketing organization embark on a corporate branding drill while tied to the "boat anchor" of all being internal to the company.

There is often no real outside-in view in the process – no one that can truly look at the company as an outsider or potential customer but also function as a trusted member of the team. At the extreme you end up with external positioning being nothing more than a reflection of internal politics, aspirations and vocabulary.

Bringing in senior outside expertise into the process can help avoid the follies resulting in from the House or Mirrors problem. Indeed in some cases it can also be the way to address the Cart before the Horse problem by engaging the advisor at the corporate positioning level first.

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