

3.2 Positioning your brand

PRODUCT
DISTRIBUTION
PROMOTION
PEOPLE
FINANCE
RISK
GROWTH

- > *What is brand and product positioning?*
- > *Common positioning errors*
- > *Identifying possible competitive advantages*
- > *Communicating to the market*

“You can’t win without being completely different. When everyone else says we are crazy, lazy, gee we really must be on to something.”

Larry D Ellison, CEO, Oracle Corporation, Forbes, October 2000

All successful businesses must position their brand or product in the market in a manner that differentiates it from others. This is the key manner in which businesses compete. Brands and branding have become a key marketing tool in an age of advertising clutter in the market place and little time in which to decide which product to trust and purchase. Brands supply the ‘emotional connect’ with the benefits the product offers to the consumer.

Regional branding has also become an important part of branding, giving even greater credibility to a product brand that might otherwise have little meaning to the consumer. Food Barossa is an excellent example of how businesses are building on a regional brand which enshrines traditional regional food values in a recognisable logo, underpinned by a comprehensive quality and integrity framework.

Understanding your competitors and then doing something with this knowledge is also important, as no product is sold in a vacuum. It is important even for microbusinesses to invest time and money into branding and understanding their competition as a way of developing a successful business.

What is brand and product positioning?

This is the consumer perception of a brand or product or service as compared to its competition. Brands and products can be positioned

- > By specific product attributes—*i.e.* health benefits, flavour
- > By usage occasions—*i.e.* summer, celebrations, everyday
- > By classes of users—*i.e.* children, sport orientated, low carbohydrate diet
- > Directly against a competitor—head to head
- > Directly away from competitors—*e.g.* emphasizing the direct differences

To develop the brand or product’s own position in the market place, the business owner must develop a group of competitive advantages that are unique.

Common errors in positioning

- > Under positioning—never really communicating to your consumers what is different about your product
- > Over positioning—only giving a narrow view of what is different about your product
- > Confused positioning—communicating an unclear message of what the difference in your product is

Three steps to brand and product positioning

1. Identify possible competitive advantages
2. Select the most important advantages for your target market
3. Effectively communicate and deliver this to the market

1. Identify possible competitive advantages

When asked what is different about their brand/product, most small food business owners say “It’s the taste/flavour/quality.” They may even say “It’s our service.” These days, these factors are a given; any food business that is successful has flavoursome, quality products delivered with great service. To stand out in the market place there has to be more to make your brand/product different. Differentiation is developing unique brand/product differences with the intent of influencing the demand, and, possibly, charging a higher than average price—the brand premium.

Following is a list of differentiating factors that you could consider on emphasizing the difference in your brand and business, in a table that will help you analyse these factors against what the competition is doing.

Analysing the differentiation factors:

Differentiating factors	Worth trying	Already doing	Not worth trying (why?)
Target market			
Distribution channels			
Promotional activities			
Brand recognition			
Flexibility to market needs			

<i>Differentiating factors</i>	<i>Worth trying</i>	<i>Already doing</i>	<i>Not worth trying (why?)</i>
Relationship with suppliers			
Employees			
Customer service			
Promptness in getting orders out			
After sales support (i.e. tastings, staff training)			
Pricing			
Product features which offer real benefits (e.g. special ingredients)			
Product Range			
Packaging—is it user friendly?			
The technology you use			
What you personally bring to the business eg passion, experience			
The way you approach being in business			
The business traditions			
The size of the business			
Reliability			
Where your business is geographically in relation to the target market			
Were you the first onto the market with your product? Have you kept that advantage?			

<i>Differentiating factors</i>	<i>Worth trying</i>	<i>Already doing</i>	<i>Not worth trying (why?)</i>
Your social consciousness (implying cause-related marketing)			

2. Select the most important advantages for your target market

Not all differences are worth promoting. A difference must be perceived by the consumer as offering a benefit and being valued. A difference is worth promoting if it is:

- > Important to the consumer
- > Distinctive
- > Superior
- > Communicable
- > Pre-emptive
- > Affordable to the consumer
- > Profitable to the business. Some differences cost more than the return.

Evaluate your differences against the above criteria (use a new table for each difference):

<i>Specific difference (e.g. packaging)</i>			
<i>Criteria—is the difference . . .</i>	<i>Yes</i>	<i>No</i>	<i>How/Why?</i>
Important to the consumer			
Distinctive			
Superior			
Communicable			
Pre-emptive			
Affordable to the consumer			
Profitable to the business			

3. Effectively communicate and deliver this to the target market

Once you have undertaken this exercise, you will have a clearer idea on how to position and differentiate your product, brand and business against the competition. The 4Ps—product, price, place and promotion—will all assist you to get your message across. Each of them signals something important to the market.

Price, in particular, is a key signal. Too low a price will signal that your product is lower quality, or that you are desperate for a sale. In the longer term it will position your product as a bargain, and

will limit your cash flow and profit. It will also make you vulnerable to new entrants and lower cost competition from large companies or overseas competitors. Too high a price will discourage buyers. The trick is to set your price relative to your competitors, with an eye on consumer expectations about what they will get for their money.

Analyse your marketplace by visiting supermarkets and other retailers, checking pricelists on the internet, and talking to distributors. Identify the key price points, the competitors selling at those price points, and their important 4P attributes.

Now identify where you fit in the market structure. This will help you set your price, or adjust your product image and other attributes to support the price you wish to sell at.

<i>Price points</i>	<i>Competitors</i>	<i>Attributes</i>
		Image and emotive associations Product style—texture, look and taste Product quality and other essential product attributes Market share or dominance Ingredients Health/indulgence focus Packaging In store and general promotion Distribution arrangements Discounting, merchandising or other purchase incentives

Credence values

Credence values are values embedded in the brand or product, often with a strong safety or ethical component. Credence values which are important to consumers include:

- > 'fresh' or 'local'
- > 'not tested on animals'
- > 'no artificial colours, flavours or preservatives'
- > 'environmentally sustainable'
- > 'does not contain genetically modified organisms'

Not all credence values are important to all consumers. For example, consumers may be attracted to or indifferent to 'fair trade' items, depending on their views about globalisation.

Foods that demonstrate 'credence' characteristics appeal to discerning consumers interested in attributes beyond price and quality.

An Australian study found that:

- > price, quality and food safety are the key factors of food products for consumers and organisations

- > higher importance is attached to factors that impact directly on consumers
- > interest groups and media are able to raise the importance of issues
- > food safety ranks as the most important 'credence' factor, and is even more important to organisations than consumers
- > high importance is attached to the ability to handle food safety incidents
- > clean food ranks second in importance among the specified 'credence' factors, although the definition of clean food varies between markets
- > physical, biological and chemical aspects of clean food were of medium to high importance to consumers
- > ethics ranked relatively high in importance among the specified 'credence' factors
- > green food and animal welfare rank relatively low in importance among the specified 'credence' factors
- > however, among 'green' issues, organic production rates relatively high in importance
- > the importance of specific animal welfare issues can be elevated where a direct impact to the consumer is perceived
- > substantiation of label claims was rated as an important ethical issue

Credence values are increasingly important in food production and marketing, and you should think about how you can link your product to them. It may require changes to the way you source ingredients, manufacture the product, package or distribute it. But the impact on your brand could be powerful and positive.

Importantly, however, credence values must be verifiable. False claims may destroy brand equity, and may also lead to prosecution under trade practices legislation for false and misleading conduct.

Websites

'Beyond Price and Quality' [www.dpi.vic.gov.au/dpi/nrenti.nsf/9e58661e880ba9e44a256c640023eb2e/7533349984fff238ca256fe0000926f0/\\$FILE/Beyond%20Price%20and%20Quality%20report.pdf](http://www.dpi.vic.gov.au/dpi/nrenti.nsf/9e58661e880ba9e44a256c640023eb2e/7533349984fff238ca256fe0000926f0/$FILE/Beyond%20Price%20and%20Quality%20report.pdf)

An exercise in product positioning www.infrasystems.com/product-positioning.html

Case study

Tasmanian Food Industry Plan www.development.tas.gov.au/IndustryCouncils/ED%20-%20Food%20Industry%20Strategy%20July%202000.pdf

Wendy's www.wendys.com.au/

Tim's Cascade Chips www.markettrends.com/client/tims.htm

SPC Ardmona www.spcardmona.com.au/companysales/domestic.php