

Competitive Strategic Positioning



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How does a technology CEO go about strategically positioning his or her company?

First take a look at the companies that are run by the top movers and shakers of Corporate America: Microsoft, Compaq, Hewlett-Packard, IBM and Apple. If you were to ask these chieftains what they felt was responsible for their success, at IBM they'd say "customer service, a quality product, innovative marketing, dominating a broad niche;" at Compaq, "advanced technology;" at Hewlett-Packard, "technical innovation."

What worked for IBM and the others will also work for us at our level; the key is to think *strategically*. This breaks down into three key ingredients that separate the top achievers from the "tryers" *positioning* the corporation, the market and the product.

1) The **corporate position** refers to the *single* item that defines and separates

a company from all others in its industry. At IBM, it's customer service. They can't be beaten by companies with sharper sales people or more technical advances. They offer the best service at *any* cost, in *any* industry. They spare no expense in making their service team the best.

2) **Market positioning** refers to going after a specific, targeted, highly leveragable market niche. During World War II, IBM invested in universities to develop technology to which it retained the trademarks and patents. When the students graduated, they were already well-versed in IBM culture and technology. Apple is now doing the same thing. When Apple created the personal computer industry, there was no battle going on. As soon as IBM viewed the market as viable, it went to the battleground of Corporate America and sold in large volume.

3) **Product positioning** refers to the quality and value of the company's product or service. Most of today's high technology companies offer high quality, high value products - "better mousetraps" High technology companies have tended to be lacking in corporate and market positioning, but are very good in product positioning. The idea behind positioning is to offer your customers a unique advantage by doing business with your company over others. Those that want to be successful over the long term must be market-oriented over the long term.

How do you differentiate strategic positioning from corporate, market and product positioning?

Strategic positioning is achieved by combining all three: corporate, market and product positioning. Positioning is the ultimate way of getting competitive advantage - insuring that customers will drive past alternatives along the way to you. Price then becomes less important because the value is worth more.

How do you reduce strategic

marketing into an action plan?

Marketing is done on an ongoing basis and must use more than one marketing campaign and element to make it work. In the majority of effective marketing campaigns, the collective effort of six marketing programs are all working simultaneously.

These include: **Major account marketing**, or selling to major buying entities like IBM, Microsoft, H-P, NCR - this is the best method, because it gives you the greatest control, but it is also the most expensive; **direct sales** keeps you in direct control of the buying cycle, but it is high cost; **telemarketing** gives you some control, but not a lot; **direct mail** gives you large numbers; and **advertising** and **PR** give exposure. There are more than six marketing programs, but these are the traditional ones. They go from high cost, high control, to low cost, low control.

The competitive advantage must be determined by design if it is to work. Even pick your company nickname by design: the corporate name is inseparably linked to the company and should be strategic.

Give us some other specifics:

The ground rules state that *perception is everything*. If the industry *thinks* you have an advantage, you *have* it. If it *appears* to be true, it *is* true. In component packaging, Sansui and Ricoh have produced a unique look in packaging "cosmetics" making them *look* distinctive. Hardly any other technology companies have unique packaging.

More is less; the more you say to

"Preemptive Strategic Positioning is the process of clearly establishing in precise terms the identity, image and reputation of a specific company, its products and its service such that in the mind of its marketplace there could be no acceptable substitute available anywhere regardless of price."

“COMPETITIVE” STRATEGIC POSITIONING

“Those organizations who think strategically, plan competitively, and implement intensely, will almost certainly eclipse the rest of their field.”

hype a product to create an advantage, the less impact any statement. In appliances, “the loneliest job in the world” says it all. When you’re first with the most, promote the position hard. If you come out weak, someone will come out with more bucks and steal the market. Go for accuracy, then hit it hard.

In strategic positioning, you must position yourself within the industry as well as the marketplace. Communicate your unique position in the industry trades so the competition knows what you stand for. Advertise in the industry to say this is who we are and we carry the biggest stick. Then the competition is less likely to usurp your position. Use a strong innovative statement, so they will be less likely to use a similar statement unknowingly. This puts up a warning sign saying, “This is my turf, this is what I represent. Stay Off.”

How does a company develop a strategic position?

There are many ways: do an analysis of top movers and shakers in all industries. Don’t just study the competition. If you do, you will find out what others are doing that you can’t do anyway. Look outside, at non-related industries; look at what they do and how it has worked for them. Adapt innovative combinations and make them work for you. Look at leverageable, marketable segments, like reliability, options, price. (Price is the weakest because it is easily undermined, has no market loyalty and will switch instantly.) When it comes to service, expertise is important, pick good people. This is an excellent strategic position - “call us and we’ll fix it right the first time, no excuses; we’ll dispatch a specialist, not just a field service person.”

Where do the people fit into a marketing-oriented organization?

There are three areas for people:

1) The visible leader, a high profile CEO.

2) The customer service management people (in a tight situation, they’re the people the customer wants to see, because they will live with the customer *after* the sale.)

3) The customer service specialist whose job it is to *keep* the account, as opposed to the salesperson whose job it is to *sell* the account

The customer service specialist projects an ombudsman’s perspective, representing both sides of the transaction (customer and company). These people actually do better in the long run because they believe in the company’s products and services. You should develop a company culture to have these people acknowledged, rewarded and credited for the work they do. The mercenary attitude is not holding up in Corporate America - the shakeout is weeding out the mercenaries. The patriots remaining will work hard to support the company because they *believe* in it, and believe in its success over the long term.

How do you get the organization to be marketing driven?

Direction must come from the upper level. Appoint a Program Coordinator. All sales people must be tuned in. Monitor the top 25 companies in your industry and others. Develop an acute awareness of what’s happening to IBM, Microsoft, Apple, H-P. Have your people in advertising, sales and marketing go through **US News and World Report, Business Week, Fortune, Forbes, Inc., Venture, Entrepreneur, The Wall Street Journal, USA Today**, every chance they get. Any time they see anything about the company or its CEO, have them send the original to the Program Coordinator along with any comments they’ve heard. Five or six people should read all the magazines named and track role models. You know the program’s working when all six people are sending in the same articles.

How do you put strategic positioning to work for the company?

Strategic positioning, strategic advantage, nichemanship, are all basically talking about the same type of thing. Strategic positioning, to work to advantage, must be integrated throughout the ranks of the company. It infiltrates all the ranks with exactly the same message:

for example, “IBM means service.”

After you’ve positioned the company, then define the measurements of success: if your position is customer service, you know you have the best company because you have the best customer service people. Then go after customers who require service, who know its importance, and who know that your service is the best.

How do you get the entire corporate culture in tune with the company’s strategic position?

The corporate culture must support the company’s competitive advantage or it won’t work.

The *product* should not be emphasized, because it is ever changing. The customer should buy the *company*, not just the product. This attitude should infiltrate through the organization, from the CEO to the receptionist in customer service (who, by the way, is one of the most important team members, even though receptionists are frequently the lowest paid and have been on board the least amount of time).□

Five measures of the corporate culture and corporate values might be:

- ◆ *Employee attitudes, motivation and satisfaction.*
- ◆ *Customer Service; superior response, support and satisfaction*
- ◆ *Marketing effort: exceptional identity of image and reputation.*
- ◆ *Rewards: provided to profit customers, employees, and stake holders (i.e., people with a vested interest in the company), providing higher quality technology, etc.*
- ◆ *Innovation: unparalleled research, development and implementation.*