HOW-TO

Position your company for growth

BY JUDY GUIDO

While the economic fallout has converted many companies into corpses, it also has attracted many new players to the market, of which about 25 percent will survive. Regardless of the state of the competitive landscape, you need to position your company strategically for sustainable growth.

Let's begin by defining positioning, which is the act of designing a company's offering and image to occupy a distinct place in the mind of the target market, according to Philip Kotler, the father of marketing.

One of the first steps in positioning a company is understanding the position your brand occupies in the stakeholder's mind. This requires objectively assessing and evaluating your brand from their point of view, not yours.

After working with hundreds of companies and conducting primary research about positioning, I've learned only 40 percent of companies assess their brand positioning accurately. Key reasons for this include:

- large gaps of time between assessments;
- poorly designed assessments; and
- assessments conducted by inexperienced people.

Positioning is a strategic, competitive tool. In its simplest form, it pits a brand against its competitor's. It forces the customer to answer the question, "Why should I buy from your company instead of the competition?" One of the key attributes of positioning is meaningful differentiation, so stakeholders can distinguish your offerings from the competition. In a recent research study I conducted with commercial and residential customers, less than 8 percent could articulate or identify any real differentiation among companies.

There are various ways you can differentiate and position yourself: target markets, geographical footprint, product or service, pricing, sales channel and promotion. Additionally, you can differentiate by expertise, equipment, technology or supply chain.

For example, does your supply chain provide a price or time-to-site advantage over your competition? Your position might be that of an innovator whose customer receives the benefits of cost reductions and operational efficiencies. If you're a landscape maintenance provider:

- Do you offer services your competitors don't, such as storm water management?
- Do you deliver your services faster and at a lower price?
- Do you offer expanded hours and days of operation?
- Do you perform your services seven days a week, whereas the competition limits its service delivery to five days a week?

Perhaps your company positions itself as customer centric, reliable, convenient and easy to do business with. Research shows customers place high value on ease of conducting business, reliability and convenience.

Communicating your position

You create your brand identity via marketing tools such as brochures, fleet design and a website. A brand image is the view the market has of your company. Identity and image need to be aligned and consistent within the target market you serve. It might come as a surprise, but your brand identity and image might differ by target markets. For example, in an industrial market, you might be positioned as the low-maintenance provider, whereas in a Class-A retail target, you might be positioned as the high-design, colorscape, subject-matter expert.

QUICK TIP

One of the first steps in positioning a company in target markets is understanding the position your brand occupies in the stakeholder's mind. This requires objectively assessing and evaluating your brand from their point of view, not yours.

When positioning your company, it's critical to know how to read the market. Understanding and identifying market fads, trends and market force de jure are important. A fad is short lived, a trend generally lasts a decade and a market force de jure can last decades. The green and sustainable movement is an example of a market force de jure.

Another key market dynamic to read and understand is real estate. It's also important to analyze demographics and psychographics (why people buy), as well as regulatory, social and political issues.

Buyers dictate what's important and relevant to them, so your positioning needs to be aligned with their world. Is your position relevant to your key buyers? Is your position different or are you simply another commodity claiming to be different? Can you communicate and distinguish the differences? If you're offering the same services and delivering them the same way at about the same price, you've positioned yourself as a commodity in the eyes of the market. One test is to ask yourself, "Can our position or differentiation be copied easily?"

Common positioning errors include underpositioning, in which the market has a vague idea of your service or product and its differentiation. Conversely, overpositioning occurs when only a small group of prospects can identify with your position. The most common error in our industry is confused positioning, which occurs when a company claims too many benefits or changes its communications too often. There's also doubtful positioning, which takes place when stakeholders don't believe the claims a company is making about its service or product offering, pricing, team or value proposition.

To occupy a meaningful and distinct competitive position in your stakeholders' minds, focus on highlighting:

- uniqueness;
- attributes and benefits of product/service;
- team expertise;
- operational efficiencies; and
- innovative equipment or technology.

Highlight and position the meaningful benefits relevant to the customer. Don't claim you're the best at everything; cite specific applications or target groups where your people, service or product are best. Position and prove when you're better than the competition.

So, what kind of position is your company in? LM

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