

Customer
first
thinking.



Brand Positioning

An Interview with Ulli Appelbaum, Founder, First the Trousers Then The Shoes

Ulli Appelbaum:

Ulli Appelbaum is a world-renowned expert on brand positioning and the author of "The Brand Positioning Workbook".



Whiter teeth – or fewer cavities? Longer lasting - or more reliable? Everyday low prices - or quality and selection? Tastes great – or healthier for you? Driving performance – or comfort and luxury? All are examples of brand positioning options in different market categories.

The concept of brand positioning has been part of the marketing canon for over fifty years. Pretty much every marketing organization now uses a positioning statement as the strategic overture to any sort of brand identity work or communication plan. So why, after so many years, do positioning exercises often fail to break new ground or yield much in the way of strategic value?

The method for crafting a positioning statement is taught in every marketing course. It gets explained in every book about branding. There are countless YouTube tutorials. And there are many positioning templates available to follow, all of which adhere more or less to the same construct ("For [name the target segment], Is a [name the market category], Which Provides [name the main benefit], Unlike [name the top competitor]").

For a lot of marketers, however, brand positioning is nothing more than a "fill in the blanks" obligation. Just another hoop to go through on their way to the fun creative stuff. Which is a shame – because the right positioning can pay off many times over in winning a greater share of mind amongst consumers. And that's what branding is supposed to be about – finding a "window on the mind", in the immortal words of Al Ries and Jack Trout.

Those are the two ad guys who popularized the idea of brand positioning in the early 1970s. They wrote a series of articles for Advertising Age in 1972 called "The Positioning Era Cometh", declaring that creativity must take a back seat to strategy (later converting their thesis into one of the most influential marketing books of all time called "Positioning: A Battle for Your Mind"). In an era of "me too" products, they argued, the minds of consumers are overwhelmed by choice, making it hard for them to distinguish one brand from another. To break through the clutter, ad messaging had to focus on differentiation, making clear to people why the brand deserved to be considered ahead of the alternatives. That way, the brand could "position itself" in the minds of busy people by narrowing the main message to why it uniquely meets their needs.

Today that formula for advertising success has become conventional wisdom. But back then, it was heresy. Agencies at that time made their money selling clients on Big Creative Ideas. On expensive image-building ad campaigns. By declaring that creativity by itself is worthless, these two iconoclasts were impugning an entire industry. However, in the end, they won their rightful place in history. The creative guild eventually came around to the idea that strategy should indeed come first.

Interview

So you would think that by now marketers would have perfected the practice of brand positioning – that, after five decades, they would understand what the legendary David Ogilvy once said, “The results of your advertising depend less on how you write your advertising than on how your product is positioned”. But brand positioning is tough sloggling. It’s a brain teasing exercise. When marketers merely go through the motions, they end up with vapid positioning statements. Getting it right demands divergent thinking, according to Ulli Appelbaum, an acclaimed expert on brand positioning, taking the time to examine the problem from as many angles as possible. But most marketers think that level of effort is more bother than it’s worth.

The purpose of brand positioning, Appelbaum says, is to find the right set of “associations” that you want people to connect with your brand (an “association” being what you want a person to immediately think of when they come across the brand). He’s defined 26 possible positioning platforms that can be used as a springboard for development and lays out his methodology in a very practical guide he wrote called “The Brand Positioning Workbook”.

I started by asking Ulli if he used that methodology to come up with the quirky name of his brand strategy agency.

SS

Stephen Shaw (SS): Was your company’s name the outcome of a rigorous brand positioning exercise?

UA

Ulli Appelbaum (UA): No, it was actually the result of a very chaotic and fun brainstorm. And unfortunately, too much liquor was involved, to be candid. But ultimately, the name stuck because it really captures the idea that strategy comes first. Strategy is creative problem-solving. When you develop a positioning platform, you develop hypotheses about what the potential solution could be. It’s a creative process. And so, “First the Trousers Then the Shoes” is a creative take on saying strategy needs to go first. And then the following day I woke up with a headache, and loved the name out of the list of all the ones we had generated, and it’s stuck ever since.

SS

So “Put Your Underwear and Socks on First” never made the cut?

UA

That would have been too long!

SS

The concept of brand positioning has been around a long time. Yet marketers still struggle to master the process. Why do marketers have such a tough time getting it right?

UA

A brand is really just a network of associations tied to a specific offering. Because that’s how our brain works.

I take a new piece of information and tie it back to something familiar. And the more I see this piece of information, the stronger the link becomes. I see a brand asset, a color scheme, a logo, all tied to a specific network of knowledge in my mind, and I combine the two. Brands are really these networks of associations that we create in our brain. Instead of driving yourself crazy with what’s the key benefit and the reason to believe, brand positioning is nothing more than identifying the desired associations you want to attach to your brand to make it more appealing.

SS

So positioning is both a strategic and creative process to understand which associations will resonate the most with the people most likely to want my product?

UA

That’s exactly right. We try to find a unique positioning statement to a brand problem that we have defined upfront. And the more broadly you search for a solution, the greater the likelihood that you will come up with a truly innovative idea that you can then test and validate. It’s easy to come up with the top four or five benefits a consumer is looking for - but it’s your ability to think beyond those benefits that’s the secret. So the way to do that is to look at your potential solution from many, many different angles, which is what our method is based on. And when we use this methodology, we usually come up with 40 to 60 potential solutions. Now, 90% of them will be crap, but that still leaves you with four to six viable solutions that are relevant; that are novel in the category compared to what competition is doing; and that you can then validate to determine which one will work the best.

SS

What distinguishes an exceptional positioning statement from a mediocre one?

UA

How you react to it when you first see it. I wish I could tell you there’s a mathematical formula. But it’s usually a gut reaction. If you just react rationally to seeing it - “Oh, yeah, that’s a really smart thought, that’s really well thought out” - that’s going to be an average positioning statement. What I’ve learned is that really breakthrough positionings reframe the way you look at a category, and unleash all these new ideas, “Oh, we could do this, and we could do that.” You have a vision of what the brand could be.

We all aspire to be creative. But for most people being creative is actually something very scary. Being creative is having the guts to stand up in a meeting with a group of

Interview

people, including executives, and say, “I think we should do something completely different, something completely novel, and I want you to embrace my idea and give me millions to execute it.” It’s a scary thing, your new idea being judged by others. My approach allows you to think about what the future could be without boundaries. It’s a safe space because it’s embedded in a disciplined process.

SS

Can you give me an overview of the methodology?

UA

Yeah, absolutely. Twenty years ago I had an ‘aha’ moment. I was working in Europe on the agency side for Procter and Gamble. And one thing I noticed was that you could find the same positioning in different categories across different time zones and geographies. And so, I started to identify these different positioning patterns and wondered, “How many of those are there out there?”. I started to review hundreds and hundreds of case studies, and identified exactly 26 sources of brand association. For example, can I tie my brand to a specific usage occasion? Can I involve myself in an existing consumer ritual to make it more relevant for consumers? There are 26 of those.

Once you start to explore these 26 possible associations, the amount of ideas you’re able to generate is mind-blowing. So then, you start to group these ideas thematically. And then all of a sudden you have four or five or six potential territories that you can research qualitatively, quantitatively, which is way more powerful than simply asking, “What are the consumer benefits, and what is unique about our brand? Let’s try to come up with ideas.” Nothing wrong with that. But the problem is all your competitors are doing exactly the same.

So, to summarize, first define your problem; and then use the 26 territories to explore options for your brand. And the truth is, 40% will not apply to your brand. But that’s okay. You still have 60% that do apply. And then use your rational brain to validate your hypotheses and positioning platform.

SS

Do you start the process by exploring all 26 possible associations?

UA

Typically we like to start with a series of stakeholder interviews. And in parallel to that, we do a deep dive into the consumer and the competition. And this automatically eliminates a whole bunch of potential sources of association. So, I start with usually 12 to 16. And some will lead to no ideas because they’re not inspiring enough, or the client

team just isn’t excited about them. Sometimes, even with the right questions, you still don’t get ideas. So, what you need to do is little exercises to get people to think more creatively.

Let me give you an example. A couple of years ago I did a global positioning workshop with a lot of German engineers in a big pharmaceutical company. Now, trying to get them to think creatively - extremely difficult. First, they want to talk. Then they challenge everything they hear, “Why do you say that?”. I said, “No, guys, this is blue sky thinking. We don’t challenge the ideas.” But it was just part of their DNA. And so I had them do a little exercise: “Everyone take a piece of paper, and write down five ideas that my questions triggered.” Everyone wrote down their ideas. Then I said, “Okay, now take this sheet of paper, give it to your neighbor to the right, and take the sheet from your neighbor from the left. And then look at their list and build on it, add five more.” And that completely changed the group dynamic. They stopped challenging each other, and became focused on the task at hand.

SS

How do you form these teams? What is the mix of people? How diverse does that mix have to be?

UA

The name of the game for me is always extreme variety. So, we might include R&D people, marketing people, market research people, front-of-the-line people, maybe an external category expert. For example, we did a positioning workshop for a bourbon brand where we had the master distiller along with three bartenders who were part of their ambassador program. So, the more variety, the better. Converging these different points of view is really where the magic lies. And then you always have people within an organization who will resist a new positioning, so I try to find out who those people are and invite them to participate. Creativity is messy, it’s dirty, and there’s tension involved, so might as well throw everyone together, and try to figure it out as you go along, because you need to create a shared understanding. You create buy-in, right? So then there’s a greater sense of ownership.

SS

Do you bring the accountants into the process as well?

UA

You need to understand how the company makes money, and where it makes money. CFOs are typically smart people who understand how the business works. And that gives you great insight into where the money is really made.

Interview

Now, if the CEO's attitude is, "I don't believe in marketing", you might have a bit of a problem. But the truth is, even a CEO who thinks like that will offer insights that can fuel your process.

SS

Well, I was just going to say, if the CEO doesn't believe in marketing, I rather think they're probably not going to hire you, are they?

UA

Probably not.

SS

Once the winning idea emerges from the incubation stage, and makes its way into the boardroom, do you find that occasionally it'll be overturned by the CEO who says, "No, that's not our positioning"?

UA

No, because that's why I do the stakeholder interviews. I try to speak to the CEO, and if the CEO tells me, "I want the solution to look like nothing we've done before," then I have license in the workshop to push the team and say, "Guys, your boss wants novel ideas". So, it gives me the ammunition to push the group in the right direction. The purpose of the stakeholder interviews is to understand where the guardrails are and avoid the CEO saying, "That's crap!".

SS

I'm presuming your clients don't want to bring you in every time they're faced with a positioning exercise. Is it feasible to train somebody in these techniques so that they can make it replicable?

UA

It's almost like I gave you \$500 for you to ask me this question, because that is totally feasible! Actually, since the book came out, I've had several organizations reach out to me and ask if I can spend a day training their teams. So, yes, that's definitely something I've started to do.

SS

What role does the ad agency play in this process?

UA

I've worked in the agency business long enough to know that your agency creative team needs to embrace the strategy to really come up with great ideas. And one way to do that is to involve them in the process. The same with the external research companies my clients work with. I have no problem involving them. Sometimes I see a bit of resistance on the agency side – they may have preconceived ideas on what the solution should be. But 90% of the time bringing in the agency helps tremendously. And frankly, they're very thankful for my contribution because I push for edgier solutions which leads to better creative.

SS

It sounds like all of this work - the upfront research and analysis, the consensus building, the ideation - takes a lot of time. What, in your experience, is an adequate amount of time to give over to this process?

UA

It can take anywhere from one week to six months. It really depends. If the client lacks a basic understanding of their consumers, we might need to do additional research to get new insights. For example, we might have to do qualitative research, or a segmentation study, which takes longer, and is, of course, significantly more expensive. But it really depends on the situation. There's a base of information we need to gather before we can apply the methodology.

SS

Does it make a difference whether you're developing product positioning versus, say, master brand positioning?

UA

If you have a master brand, that probably means you have a bunch of sub-brands that speak to different consumer segments with different benefits and value propositions. So, the spectrum of solutions that your master brand needs to encompass is much broader. You try to find a common element amongst the, "I sell peanuts"; "I sell peanut butter"; "I sell jam"; "I sell juices." What is the core competency? What is the one association at the master brand level that will help all these business groups be perceived as more appealing? I don't think it's any more complex. It's just that the solutions you need to encompass under your master brand are more numerous. So, you have to elevate your thinking a little bit.

SS

Which brings me to this whole idea of corporate brand purpose, which has had a lot of traction of late. You do reference it in the book, although you don't appear to be a big fan of the idea.

UA

It's great you bring that up. I'm actually a huge fan of brand purpose - if it's done right and for the right reasons. What I'm very cynical about is how marketing has used the concept of a brand purpose for commercial purposes, using it as a communication trick as opposed to making a difference. But I look at brand purpose as one of 26 sources of brand association. It is not just a lofty idea. It needs to be anchored in your product or in what you have to offer. So, if it's about making people healthier, you better make sure that your product is healthy before you go out there and say,

Interview

“We want to make the world a healthier place, blah, blah, blah.”

SS

Should a position statement be built to last? What's the trade-off between the competitive context today versus what it could be in 10 or 20 years from now?

UA

Well, I think that the general rule of thumb is it should be valid for three to five years. But that's a very abstract rule. It all depends on whether you maintain your consumer relevance over time. If you still satisfy that original need, the chances are very high that you can stick to your original positioning. You just may have to execute it differently. When you think about GEICO, the insurance company – “15 minutes can save you 15%” - they've done that for, what, 30 years or something like that? They refreshed their advertising, but the positioning is still the same. Coke has been the same for 100 years. So unless something really drastically changes in the way you do your business, or in the market, there is no need to revisit the brand positioning.

SS

Unless of course a new CMO arrives with a “not invented here” attitude.

UA

And that is the worst. Absolutely.

SS

What are some branding myths or zombie ideas that you really hate?

UA

Oh, don't get me started! A couple of things. One is this notion that the consumer owns your brand. The consumer doesn't own your brand. You own the decision on which associations you want to create. Whether the consumer buys into that or not, that's up to him or her, and that's perfectly fine. Consumers owning the brands drives me nuts. It's ignorant. The second thing is that social media allow brands to have conversations with their consumers. Now, I don't know about you, but I've never had a conversation with my favorite brand of peanut butter on Facebook or Instagram. I may follow them, I may think they have funny content, I may like them, or make a comment, but I don't want a conversation with that brand. So, this notion of social media facilitating conversations between consumer and brands is just BS.

SS

But what may be different today is that if you find your brand purpose, and you share the same values, passions, and interests as your customers, you can turn them into advocates, and then build that brand community through social media.

UA

And that is 100% true. But that is different from me having an in-depth conversation with the peanut butter brand my kids like to eat in the morning. And a great place to look for these type of communities, I've learned, is Reddit and YouTube. YouTube is full of these communities of people with shared interests and shared passions that love to discuss every single detail about every new product.

SS

Do you have an example of a brand you've worked on in the past which really nailed its brand positioning statement, a brand you point to as a paragon of positioning?

UA

It was for a state lottery, oddly enough. The client had approached us and said, “We're growing by 2% to 3% a year. That's not enough for us. Can you help us reposition the brand and unlock new growth opportunities?”

It took us six months to go through the process. We had to understand the lottery category - reframe that category - and then reposition the brand in that reframed category. Our research showed that they weren't in the category of playing lottery games – they were in the business of managing your mood. Because we had looked at all the emotional motivators for playing lotteries, across many different occasions, and we talked to 60, 70 lottery players to understand what motivated them. And we realized that people play the lottery to manage their mood. You buy the ticket, and the results come three or four days later, meanwhile you've bought yourself three or four days of hope. So, that's why we said the lottery business is actually the business of mood management. And by reframing the category, we were able to show our client that what he thought was a \$1 billion business was actually \$2 billion. And today I think their revenue is \$1.3 billion, about \$500 million more than it was when we started the project.

That was an example where we applied the full rigor of our methodology – the workshops with the client, a segmentation study, ideation - and we could show them, “Your market is twice as big as you think it is. Here's the way you need to position it, and here's how that translates into different products you have at your disposal.”

SS

Toward the end of your book, you write, “Marketing has evolved from being a highly strategic discipline” - much as you're just finished describing - “to become a mainly transactional one.” Are you referring to the tension that exists today between performance marketing and more traditional brand marketing?

Interview

UA

I am referring to what the Internet has done to our profession. It's all about click-through rates, number of visitors, number of likes. It has shifted the focus to "Here are the type of headlines you need to come up with to improve your click-through rate." Over the last few years, there's more and more literature and research that has been done on effective brand building that brings back the strategy part of the process. Luckily. But for a long time, it was about beating the SEO game which as a strategy just bores me to death. One of my last agency jobs was sitting in meetings for two weeks where we discussed with three people on the client side and four people on the agency side the creative execution of a stupid banner. So that was for me the trigger moment to say that's not what I want to do.



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