

ASSESSING &
ESTABLISHING

MARKET POSITION



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01

WHY PERCEPTION MATTERS



Our brand is much more than a logo, color palette, and font selection. Brand perception creates an emotional connection to customers, vendors, and employees. Their experience with a brand fosters trust, advocacy, and loyalty. Solid brand positioning also builds a major defense against encroaching price competition, enabling a company to either sell more at the prevailing price or charge a premium price at a given volume.

Whether in the midst of a windfall or a wind-down, assessing how our brand is perceived can help us determine our strategic plans and pivots. A trusted and well-positioned brand is a major asset — a source of competitive strength and significant commercial and financial goodwill — particularly in today's perpetually evolving marketplace. In most competitive markets, where 10% pre-tax margins represent solid financial performance, adding a 5-20% brand pricing premium can determine whether or not your P&L shows profitability!

With so many operational priorities in a rapidly changing economic and industrial landscape, some may be tempted to minimize branding and brand strategy as the mysterious, touchy-feely stuff born of marketing departments and creative agencies. But whether we realize it or not, we all agree that **branding matters** — and not just for generating B2C sales.

A Northwestern University professor conducted a study in which he asked his MBA students what they'd expect to pay for a pair of good-quality, 18-karat gold earrings containing two 0.3-karat diamonds. The average response was \$550. When they altered the question to say from Tiffany, the price estimate jumped nearly 60% to \$873. But when changed to say from Wal-Mart, the price expectation fell to just \$81, a drop of 85% from the initial estimate and 91% from Tiffany's level. This study highlights the power of a brand to shape perceptions and the immense value of cultivating and protecting a brand's position.

Called to a **HIGHER STANDARD**

We cannot compartmentalize or marginalize our brand perception any more than we separate our professional and personal reputation. We are called to represent Christ in all areas where we have influence, including our businesses.

Without question, Christian business leaders should strive to build brands that distinctively communicate excellence, quality, and integrity.

Although control of our brand reputation is primarily in our hands here on earth, our highest priority should not be the perception of human beings. The world will undoubtedly tempt us to shapeshift our personalities to gain money, success, or popularity, or out of fear that our convictions will be disparaged in the court of public opinion. But, as John Piper states, “We battle the false promises of the world with better promises from God.”¹ **Regardless of our growth strategy, public relations tactics, or brand messaging, we must make God’s perception of our brand our number one priority.**



EXCELLENCE



QUALITY



INTEGRITY



His divine power has granted to us all things that pertain to life and godliness, through the knowledge of him who called us to his own glory and excellence, by which he has granted to us his precious and very great promises, so that through them you may become partakers of the divine nature, having escaped from the corruption that is in the world because of sinful desire.

2 PETER 1:3-4

¹ Desiring God, “Precious and Great Promises,” August 26, 2014, <https://www.desiringgod.org/labs/precious-and-great-promises>.

Authenticity in our **DIFFERENTIATORS**

From a competitive standpoint, if you ask any business leader what makes their companies different, most could proudly rattle off several attributes: “We have the most durable product,” “We have the fastest service,” or even “We’re the cheapest!” Such differentiators are often spread like folklore throughout organizations by their leaders, both past and present. These statements, however, may be quite outdated, inaccurate, or, worse, made up by a marketing firm! The risk is that these assumptions may eventually become false company mantras, mottos, or marketing taglines.

Imagine the embarrassment if a company publicly claimed to be the fastest, least expensive, or most innovative, but their customers discovered otherwise somewhere along the buyer journey. The result would be broken trust, which hinders message credibility, making it more difficult to redeem the customer’s perception later. Believing our own publicity without internally and externally verifying it is irresponsible for stewards of our brand. To avoid this, we must account for the perspective of all stakeholders in shaping our market perception and position.



“A fool takes no pleasure in understanding, but only in expressing his opinion.”

PROVERBS 18:2



Team Discussion

What are the mantras, mottos, or taglines that differentiate us from our competition?

How have we verified or validated these claims?

02

**WHO INFORMS OUR
POSITION &
DECISIONS**



Proverbs 14:15 says, “The simple believes everything, but the prudent gives thought to his steps.” We need more than just our own thoughts and feelings to solidify our value propositions and differentiators in the minds of our customers. Adopting a myopic view of our brand’s strength can create tone deafness in our messaging or sales pitches that fall flat. There are multiple stakeholders to our brand reputation, so in this process, leave no stone unturned!

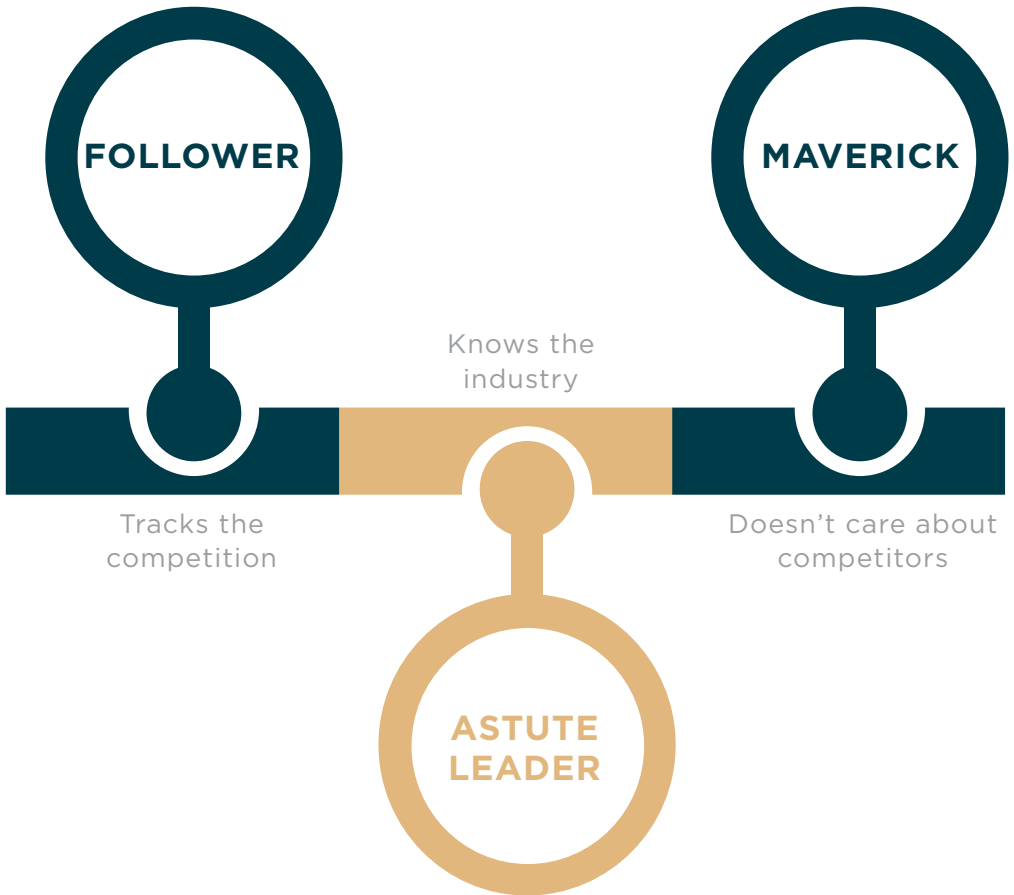
As leaders, we know what we believe about our brand, and most companies have mechanisms in place to capture customer feedback. But the voices of vendors, suppliers, and employees should be heard, too, as they are often our best customer advocates. **Without a full gamut of insights to work from, our perception of brand value will likely land in one of the following positioning pitfalls.**

The 3 A’s of **UNINFORMED POSITIONING**

A ASSUMED – We make assumptions about our competition’s market position and how we compare based on our personal interaction with competitors, hearsay from customers, and advertising and marketing initiatives.

A ASPIRATIONAL – We know how we want customers to perceive our company, but we haven’t attained or achieved this position. In a cloud of wishful thinking and self-deception, we convince ourselves of these qualities, contradicting data points we have gathered. This may cause a disconnect between our leadership and employees who deal with customers directly.

A ALARMED – Based on a small sample of negative feedback, online reviews, or research, we sound the alarm to rapidly change our brand perception. We overreact by overhauling our marketing, operations, or leadership without a full picture of the market landscape or how we actually compare to the competition.



Granted, some leaders are mavericks and don't care much about what the competition is doing; they move full speed ahead with bravado and blinders. Others spend an inordinate amount of time tracking and following every small move their competitors make. An astute leader lands somewhere in the middle. We should know about the trends, product development, and economic performance of our industry. We should not, however, retreat from innovation or react to every small move our competitors make. They might be guessing or market testing, too!

03

WHERE OUR BRAND STANDS



4 Ways to Discover Our **BRAND POSITION**

STEP 1: Competitive Intelligence, Not Corporate Espionage

Many companies overestimate their market share by underestimating their market. **Before we boldly declare our market position, we should understand the size and scope of the market, the value propositions of our competitors, and where we stand.**

Performing a strategic competitive analysis can be like going to the doctor when you think you've pulled a muscle in your back, only to find out you have kidney stones. Same pain, different source. A competitive analysis of how we stack up to the competition will either reveal gaps or confirm suspicions. Either result will help us utilize the information we gather in our operational management and strategic planning. To keep the exercise focused and free of unnecessary data, however, we must understand our distinctions among the competition.

Direct Competitors

Companies that provide the same or a similar product or service in your area or industry.

Examples:

Best Buy vs. Fry's Electronics, Netflix vs. Hulu, ServiceMaster vs. Servpro



Indirect Competitors

Companies that provide different products or services but may meet the same needs or solve the same problems

Examples:

CrossFit vs. Weight Watchers, Amazon vs. Craigslist, Barnes & Noble vs. Audible

For the purpose of determining market or brand position, we should start by focusing on direct competitors. After a brand position is solidified, we can then evaluate both types of competitors in relation to overall opportunities within our industry to guide product development or innovation.

STEP 2: Industry Benchmarking and Trend Analysis

An effective competitive analysis provides the data we need to compare our economic performance to that of competitors. One of the most revealing methodologies for understanding our economic footprint is financial benchmarking. With this data, leaders can leverage industry financial reports to compare their businesses to others, identify targets, and reveal economic strengths and weaknesses.

Regardless of the depth or source (internal vs. external) of the analysis, the voices of our competitors shouldn't drown out the voices of our customers and vendors. Successful utilization of this information requires tracking the movement of our competition and identifying the problems we are trying to solve on behalf of our customers. This insight is especially beneficial as we work to identify threats and opportunities.

STEP 3: Customer and Vendor Surveys

Representing both what we want to say and what the customer wants us to say is a delicate balance. To create and maintain a customer-centric culture, we must consider the input of our primary customers, both in terms of what they need and how they perceive us. Customer surveys can provide a glimpse into the desires, problems, and needs of customers and how they view us in the competitive landscape. We can then determine how best to provide the corresponding solutions.



“Do nothing from selfish ambition or conceit, but in humility count others more significant than yourselves. Let each of you look not only to his own interests, but also to the interests of others.”

PHILIPPIANS 2:3-4

Large-scale satisfaction indicators, such as a Net Promoter Score or comprehensive consumer-feedback surveys, are helpful, but they’re only part of the equation in brand perception insight. Combining big-data surveys with small-data tactics like face-to-face conversations, end-user interviews, and on-site product demonstrations can reveal data points and opportunities that would never surface in a customer survey or focus group. In his book *Small Data: The Tiny Clues That Uncover Huge Trends*, Martin Lindstrom clarifies the purpose behind getting close to your customers in their context. He states, “If you want to understand how animals live, you don’t go to the zoo, you go to the jungle. Desire is always linked to a story, and to a gap that needs to be filled: a yearning that intrudes, agitates, and motivates human behavior both consciously and unconsciously.”²



BIG IDEA

Customer surveys and artificial intelligence insight tools are not replacements for actual conversation and interaction with customers.³

STEP 4: SWOT and PEST Analyses

Nearly all of us have completed a Strengths, Weaknesses, Opportunities, Threats (SWOT) exercise. How many of those exercises, however, were informed with customer or vendor input and competitor differentiation data? Most of us completed the SWOT internally, assembling our leadership team within the four walls of a conference room to whiteboard the exercise. We likely filled each quadrant based on our own perceptions and interactions, yet many times, external input would contradict our internal conclusions.

Leveraging external data to inform the SWOT will reveal possibilities, eliminate outdated priorities, and boost relevance. Once we identify the gaps preventing us from responding to our customer insights, we can begin to look internally to determine our agility and preparedness to respond.

A SWOT analysis is complete only when each quadrant contains active strategies:



2 Martin Lindstrom, *Small Data: The Tiny Clues That Uncover Huge Trends* (New York: Picador, 2017).

3 Graham Kenny, "Customer Surveys Are No Substitute for Actually Talking to Customers," *Harvard Business Review*, January 17, 2019, <https://hbr.org/2019/01/customers-surveys-are-no-substitute-for-actually-talking-to-customers>.

Completing a SWOT analysis on our competitors is another useful technique. Michael Porter's Four Corners Analysis goes beyond the SWOT components, however, to evaluate motivations, strategies, capabilities, and management assumptions. The purpose is to generate insights that help us predict future action and alert us to possible threats.

Adding the layer of an environmental scan, such as a PEST Analysis, to our SWOT can also yield deep insights that may change product development, shape financial management, or even reveal the need for a business model shift. Whereas the SWOT looks at both internal factors (strengths and weaknesses) and external factors (opportunities and threats), the PEST Analysis evaluates the external influences that may have a major impact on product development, decision-making, and market growth and expansion.

POLITICAL

Government regulations that could impact the organization.

Examples: tax policy, employment laws, tariffs

ECONOMIC

Economic issues that could impact your success

Ex: economic growth rates, interest rates, inflation

SOCIAL

Social attitudes, behaviors, and trends that could affect your organization and target market

Ex: career attitudes, cultural aspects, health consciousness, population growth rate

TECHNOLOGICAL

Technology that could affect the way you make, distribute, and market your products and services

Ex: automation, R&D activity, rate of innovation



TEAM ACTION: Evaluate whether your company's mission, vision, and core values align with your brand perception.

04

**WHAT SETS US
APART**



Taking **INFORMED ACTION**

Making the time to step back from the daily operations to run strategic analyses as a team can be difficult but, as we have seen, is vital to company brand and culture. So, how wasteful would it be to take this crucial step and then revert to the status quo, without applying any of the insights gained during analysis?

The apostle James wrote, *“But be doers of the word, and not hearers only, deceiving yourselves. For if anyone is a hearer of the word and not a doer, he is like a man who looks intently at his natural face in a mirror. For he looks at himself and goes away and at once forgets what he was like. But the one who looks into the perfect law, the law of liberty, and perseveres, being no hearer who forgets but a doer who acts, he will be blessed in his doing”* (James 1:22-25).

The wise and obedient follower of Christ proactively changes his behavior after measuring his actions against the word of God. Similarly, as wise and faithful stewards of the businesses God has entrusted to us, we must convert strategic analysis into effective action.

Establishing Our Brand Promise

Brand strength is much more than simply attaching slick marketing messaging words to compelling visuals. It's a set of associations and attributes linked to a name, mark, or symbol representing that offering. Much like a well-earned reputation, when people recognize the reputation of a brand and begin to see it as a promise of value, we create brand loyalty and trust with our customers. We must know — first and foremost — what attracts our customers to our brand and what drives them to choose us over the competition.

Gaining an understanding of our brand strength is the first step in tailoring our marketing messaging to respond proactively to the needs and problems of our customers. We must avoid becoming intoxicated by creativity in our marketing. Instead, we should seek to create advertising and communications that result in proven business impact.



*"I'd say at least half of the marketing I see in the world today is a complete waste of money.... Why? Because customers aren't sitting around studying your advertising. They're giving you about 5 seconds to make your point. And most of us aren't making any kind of point at all. Instead, we're trying to be cute or clever... Well, cute and clever don't make money. Clarity makes money!"*⁴

DONALD MILLER

⁴ Donald Miller, "I'd say at least half of the marketing...." Facebook post, October 11, 2017, <https://bit.ly/3bmkwFr>.

Defining Our **DOMINANT SELLING IDEA**

A dominant selling idea (DSI) builds upon our unique selling propositions and brand strength as a motivating difference at the moment of the purchase decision. It is a unifying, energizing, focusing, trust-building, clutter-removing, lean-value-creating notion. It's the fact about our brand that communicates we are the leading provider of a "desirable specialty" that's important to our target customers.

Unless we're able to define our DSI, we won't be able to attach it to our name, a requirement for authentic brand positioning. Our DSI fuses our name to the top spot in a special niche in our customer's mind. Remember, our customers must cut through the fog of competing suppliers in an instant, hopefully reaching the buying conclusion as follows:



First, we must articulate our *clear ownable specialty*. To view us as the best at what we do or sell, customers must first relate us to a specialty category, even if we have to invent it!

The idea isn't just to identify our broad category, but to define a specialty in which we are (or can be) **#1**. We start by identifying all of the sub-specialties in our niche (e.g., quickest, best value, most advanced, best quality, most energy efficient) and their possible combinations (e.g., advanced and durable). In brand positioning, #1 is what we say it is as long as the niche is motivating, valuable, and available, and we perform as promised.



Team Discussion

Can we describe our “clear ownable specialty,” or DSI, in a few words or brief phrases?

Ideally, an effective DSI will answer these five questions:

SUPERLATIVE – In what are we truly best in class?

Not every company is truly best in class at something. With so much competition, it can be difficult to prove the concept. Nevertheless, what is the one thing you are best at – something you can become best in class for?

IMPORTANT – Why does it matter to our customers?

You will never matter to everyone. Define your target market and do what it takes to matter to them. If the customers you target don't know why your service or product is important, then they won't be your customers for very long.

BELIEVABLE – What are the logical reasons why this is the case?

Have you proven that what you offer is important? If you haven't been around long enough to prove your importance, you must find a way to communicate why you are. Many customers will understand why you are important after becoming a customer, but there are others who need to be convinced you matter, at least enough to become a first-time customer.

MEMORABLE – How would we describe it in a few words or phrases?

To be memorable, the DSI should be concise. If your customers can't reproduce your DSI in their mind at the time of purchase/commitment, then revise your DSI.

TANGIBLE – How do we prove this daily?

At some point, you have to be true to your DSI, or your brand will fail, no matter how memorable or important it is. That's why consistent follow-through is the best way to build your brand. If you get this last one wrong, the previous four selling attributes won't matter. If you get only one of these right, it has to be this one.



TEAM ACTION: Evaluate whether your company's mission, vision, and core values align with your brand perception.

Use C12's Dominant Selling Idea Workshop Tool with your leadership team to develop your company's unique clear ownable specialty!

Making it **REAL**

From a solid foundation of recognizing how our customers perceive us and the solutions we can provide, we can construct clear messaging that resonates. Our performance will demonstrate the reality of our DSI or it will not. Nothing kills a brand message faster than poor follow-through on brand promises. Strong marketing creates great anticipation that can quickly turn into anger, a sense of betrayal, and a dying brand if our promise doesn't match the reality, or even the perception of value.

Unity and alignment throughout our organization, consistent with our company's purpose and values, is essential to success. A vivid and compelling brand promise can be a self-regulating influence on team and individual performance, driving everyone in the company to carry out the promise. Brands are initially built by marketing, publicity, and advertising, but they are ultimately maintained by actual performance and by our team "living out the brand."



TEAM ACTION: Assess how customers experience your DSI and evaluate your performance at all "touch points" to ensure each element of the customer experience resonates with your promise.

05

HOW TO STAY RELEVANT



Brand positioning requires leadership focus and teamwork to improve, not necessarily an increase in budget or personnel. As we enhance, extend, and leverage our brand position over time, we need to measure the impact of changes and continually test our value/credibility with target clients and customers. Creating a brand evaluation discipline that makes sense for our industry, product, and pace of innovation will prevent organizational complacency (consider Blockbuster vs. Netflix or Kodak vs. Canon).

Brands can quickly lose their luster due to heightened competition, attractive new offerings, or poor credibility in fulfilling the brand promise — all of which can happen in a short timeframe. We need to be vigilant in objectively testing our brand's performance and rejuvenating it with new benefits and meaning. Setting a yearly cadence to evaluate brand perception and value enables us to extend, leverage, and continue to sharpen our brand position over time.

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