Successful Brand Repositioning

Aspirational vs. Achievable Strategies

McKinsey&Company

Overview

Many marketers are rethinking their brand's positioning because competitive pressures, new channels, and changing customer needs have eroded their brands' positions of strength. However, increased marketing expenditures to reposition brands often fail to produce any improvements in either overall image or market share. Our experience has shown that companies should focus on achievable rather than aspirational positioning, and that three steps can help ensure success:

1. Ensure relevance to a customer's frame of reference.

- Be fully aware of the brand's "frame of reference" so that a repositioning strategy will resonate with customers.

- Look at a combination of customers' attitudes and the situations in which the brand is used to obtain the most powerful customer insights.

2. Secure the customer's "permission" for the positioning.

- Recognize that permission amounts to a reasonable and logical extension of the brand in the customer's eyes.

- Leverage a brand's unique emotional benefits to carry customers from their current brand perception to the intended one.

3. Deliver on the brand's new promise.

- Identify the pathway of performance "signals" that will convince customers of the new brand positioning.

- Develop product/service programs to ensure consistent performance on these signals.

- Track and assess performance against customer signals prior to launching the new positioning.

- Adopt an "interim positioning" to establish brand credibility and performance.

An array of factors is requiring marketers today to rethink their brand positioning. Changing customer needs are often eroding the brand's established position. At the same time, increasing competitive pressures created by new entrants and product innovations, and the proliferation of new channels and promotional campaigns, are driving marketers back to the drawing board.

Many CEOs and CMOs, however, find themselves displeased with the results of their repositioning efforts. Increased marketing expenditures devoted to repositioning brands in the minds of consumers often fail to produce any improvements in either overall image or market share.

Why do these well-intentioned efforts turn into marketing failures? While there are many causes, companies often fail to focus on *achievable* brand positioning rather than *aspirational* brand positioning. Too often, their efforts target an ambitious goal that outstrips the actual ability of the brand to deliver on what it has promised to customers. Or the goal is too far from customers' current brand perception to be a realistic brand objective. For example:

- In the late 1980s Oldsmobile wanted to revitalize its brand and gear it to a younger audience. Thus marketers at General Motors launched a creative campaign around the tagline, "Not your father's Oldsmobile," highlighting the car's improved styling and new features. But for many younger consumers, this was too much of a stretch for the brand. The product modifications did not go far enough to meet the needs and expectations of the new customer set they were targeting. As a result, Oldsmobile recognized the need to shift its campaign. Eventually, GM closed its Oldsmobile division.

- More recently, United Airlines' *Rising* campaign attempted to position the brand as the most passenger-centric airline, with a clear understanding of customer problems and the solutions needed to fix them. The campaign had the effect of raising expectations, which were quickly deflated, however, by the brand's inability to deliver against the promises made as part of its bold new positioning platform. Consequently, United was forced to change its central brand message – no longer emphasizing *Rising*.

- Many high-tech businesses have recently repositioned themselves as e-business brands. However, little effort was made by these brands to clearly differentiate themselves from one another, despite the millions of dollars spent on elaborate marketing programs. The net effect, according to our research, has been to sow confusion in the minds of customers, rather than to forge strong brand identities.

These examples – and most marketers can cite many others – underscore the imperative to pursue a brand positioning that is eminently achievable, not just attractive. Based on our experience, three steps can help ensure that they make this distinction: 1) ensuring relevance to a customer's frame of reference; 2) securing the customer's "permission" for the positioning; and 3) making sure that the brand delivers on its promise.

Be Relevant to the Customer's Frame of Reference

When repositioning a brand, it's essential for marketers to capture not just the emotional and physical needs of the customer, but the dynamics of the situation in which those needs occur. We refer to this as the customer's "frame of reference." For example, while isotonic beverages like Gatorade and Powerade are thirst-quenching drinks, consumers tend to think of them in the broader context of sports, exercise, and physical activity. Importantly, the frame of reference sets the parameters for customers' consideration set – the brands they will choose from.

Indeed, most customers have a very specific definition of what the brand is and what it can be relative to their frame of reference. Repositioning a brand too far from this frame of reference creates customer confusion that makes a positioning unsuccessful.

Table 1 **Determining the Frame-of-Reference**

1. Attitudes (vertical)

Consumer Segment A | Consumer Segment B | Consumer Segment C | Consumer Segment D

2. Situations (horizontal)

Consumer Segment A | Consumer Segment B | Consumer Segment C | Consumer Segment D
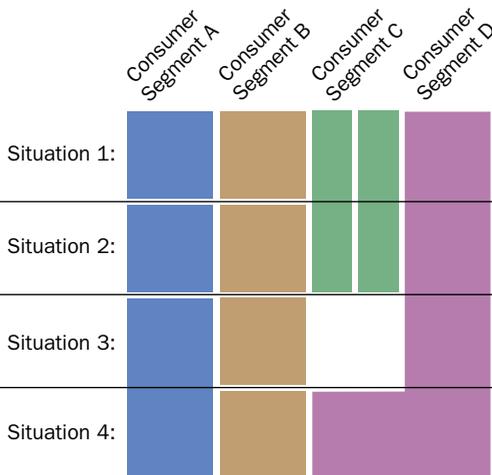
Situation 1:

Situation 2:

Situation 3:

Situation 4:

Look for alignment with...
- Variations in customer needs
  Functional
  Emotional
- Product/service preferences

Attempting to reposition Gatorade, for example, within a social, lighthearted context would probably be stretching the brand too far from the current sports/physical activity frame of reference. Similarly, a communications company known for data services for business customers would likely be positioning the brand too far outside of the customer's frame of reference if it suddenly tried to launch a "friends-and-family" calling plan.

Being fully aware of the frame of reference for a brand can help ensure that its repositioning strategy will resonate with customers. But the frame of reference is usually a combination of both customers' attitudes and the situations in which the brand is used. As a result, we typically find the most powerful customer insights and segmentation come from looking at a combination of these factors (see Table 1).

3. Need States (matrix)

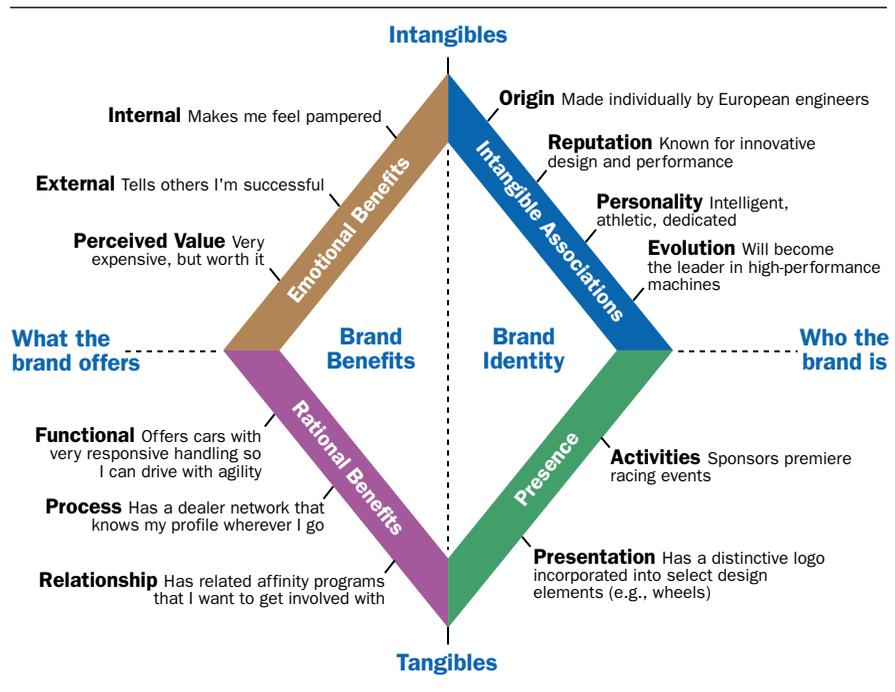|	Consumer Segment A	Consumer Segment B	Consumer Segment C	Consumer Segment D
Situation 1:	■	■	■ ■	■
Situation 2:	■	■	■ ■	■
Situation 3:	■	■		■
Situation 4:	■	■	■ ■ ■	■

- In some categories, customers' broader attitudes are the dominant factor. How customers think about pet-related brands, for example, can be seen in the context of how they treat their own pets – whether they view them as family members, best friends/companions, or in a less personal way. If customers view pets as family members, the optimal message for the brand will appeal to such human qualities as nurturing and pampering. This "family member" orientation or frame of reference may help support a brand extension to a full range of pet services, such as grooming and accessories.

- Other customer needs are not as consistent, but better understood within the context of *specific situations* or sub-categories. In the field of airline travel, for example, the customer's frame of reference may be a function of the type of trip they are taking. The customer who is used to traveling within the U.S. in cramped coach-class conditions, for example, will have a much different set of needs and expectations than the traveler who is used to flying to international destinations with all the comforts of first-class service.

- As a result, in most instances the frame of reference is built upon a combination of both of the above attitudinal and situational forces. For example, while consumers may generally have a health-conscious attitude about the foods they eat, on certain "special" occasions they may allow themselves to become more indulgent, creating what we call a "need state."

Securing the Customer's "Permission"

Establishing the frame of reference does not automatically translate into successful brand repositioning. To reach that end point, marketers must first ensure they have the customer's "permission" to claim the new ground to which the brand aspires. Because that permission amounts to a reasonable and logical extension of the brand in the eyes of the customer, it requires building a "bridge" that can carry customers from where they perceive your brand

to be today to where you want to take it in the future. Thus, for the Celestial Seasonings brand, the bridge leverages customers' perceptions of the brand as "organic, natural, and healthy" to allow the brand to extend from its core product offering of teas into herb-based and "alternative" vitamin and mineral supplements. Similarly, Marriott uses customers' perceptions of the brand as a leader in hotels and "living-care" to extend the brand into assisted living for senior citizens.

Table 2   **Brand Equity Elements: Luxury Automobile Brand Example**

Internal Makes me feel pampered

External Tells others I'm successful

Perceived Value Very expensive, but worth it

Origin Made individually by European engineers

Reputation Known for innovative design and performance

Personality Intelligent, athletic, dedicated

Evolution Will become the leader in high-performance machines

Emotional Benefits

Intangible Associations

Intangibles

What the brand offers

Brand Benefits

Brand Identity

Who the brand is

Rational Benefits

Presence

Functional Offers cars with very responsive handling so I can drive with agility

Process Has a dealer network that knows my profile wherever I go

Relationship Has related affinity programs that I want to get involved with

Activities Sponsors premiere racing events

Presentation Has a distinctive logo incorporated into select design elements (e.g., wheels)

Tangibles

Bridges are often best built when they leverage the unique emotional benefits or identity elements of the brand's equity that are relevant to its customers (see Table 2). Emotional brand benefits can provide the most powerful source of brand permission. If a brand is currently meeting the customer's emotional needs, then extension of that brand into an allied product/service arena

becomes much more plausible and acceptable – the extension is likely to be granted customer permission. For example, the strong emotional benefits associated with the Hallmark brand in greeting cards allowed for the extension of the brand into wrapping papers, ornaments, and other products with emotional ties to celebration and commemoration.

A strong brand identity can also help marketers secure the desired permission from consumers. Because Victoria's Secret owns or is associated with the notion of intimate moments, for example, it would be easier for that brand to get permission to introduce a new line of lingerie or perfume with a sensual connotation than it would be to launch a line of jeans or handbags.

In repositioning, marketers must embrace the idea that they are brand "stewards," while customers define their relationship with the brand and determine the basis for the relationship. A steward must spend more time deeply understanding what customers really think about the brand and where potential "bridges" to growth and new positionings exist. For example, Smuckers could leverage the "wholesome goodness" their loyal customers attribute to them instead of solely focusing on themselves as fruit processors.

Make Sure What You Say Is What You Do

After the brand position has been developed, marketers must ensure the brand performance is able to live up to its new promise. While "do what you say" has always been Rule No. 1 for building brand equity, following that rule can be a significant challenge for many companies. This is particularly true in service industries, given the need for tremendous organizational change, and industries that require long lead times for organizational or infrastructure changes. Such changes occur at the same time customers are being presented with the new brand position. Three important steps can help win customer acceptance:

■ **Identify the pathway of performance "signals" that will convince customers of the new brand positioning so that what you say is in fact what you are able to do.** We have found that you can quantify which brand elements are more important for creating the desired impact on the customer's overall brand image and how these elements impact each other in the process (see Table 3).

Table 3   **Quantitatively Linking Brand Performance "Signals" to Desired Customer "Take-Aways"**

0.40 = pathway coefficient
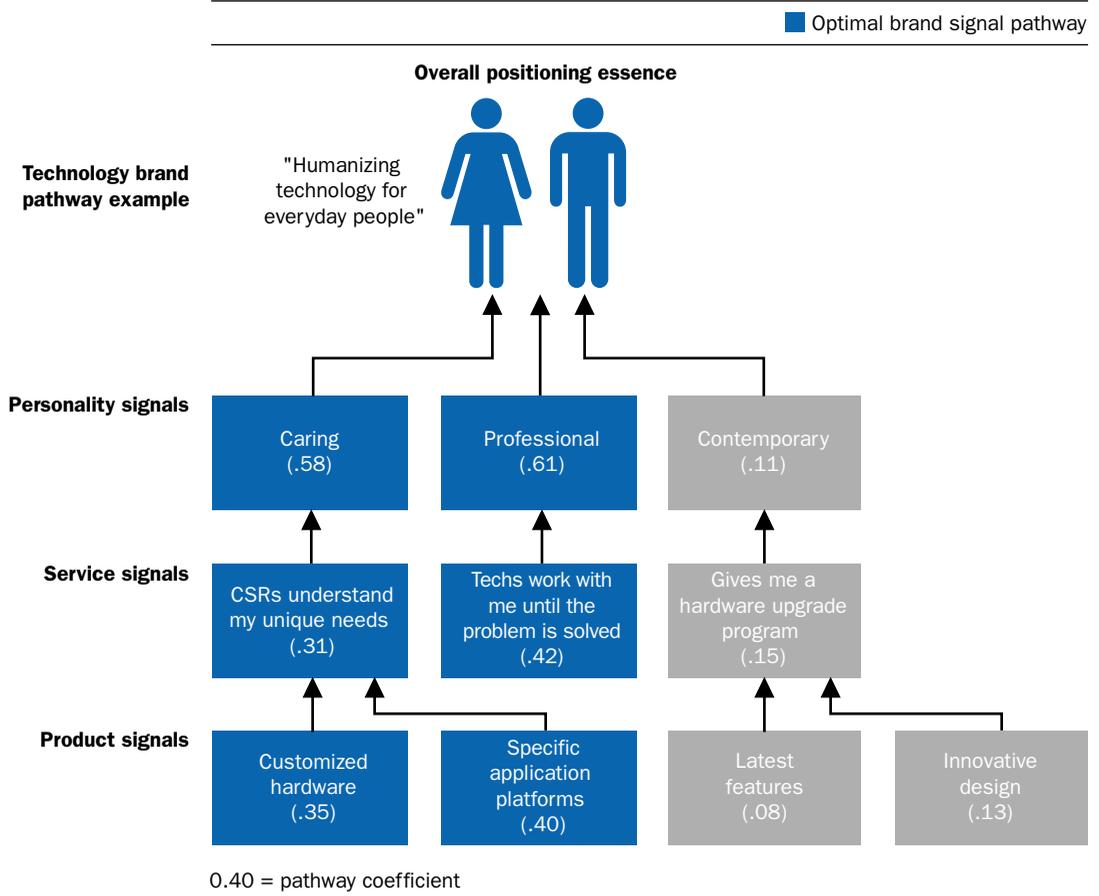
Marketers should not attempt to cover the waterfront here, but instead focus on the relevant interrelated "hot buttons" that will clearly convey the message. For example, in the case of a

technology brand positioning itself as "humanizing technology for everyday people," the strongest set of pathways to the positioning came from product signals such as customized hardware and specific application platforms (e.g., games, household management) rather than from equipment with the latest features and innovative design. The pathway modeling also indicated the strong signal value of the brand's customer service representatives having an understanding of an individual customer's needs. This important service signal led to the broader customer perception of the brand as caring – an important personality signal for the brand to deliver on its positioning. Additionally, the marketer learned that having technicians follow through with customers to issue resolution was a critical service signal that led to the broader personality signal of the brand being professional – another key for the brand to live up to its positioning. With these insights, the marketer could allocate resources accordingly, ensuring that the more important signals were being appropriately supported.

- **Develop necessary product/service programs to ensure consistent performance on these signals to the customer.** For example, if the brand positioning is built around superior customer satisfaction, but frontline sales people are measured on revenue rather than satisfaction, it is unlikely that consistent performance will be achieved. So, if airline gate agents are the first and most important contact point for customers, they should be empowered to solve customers' issues instead of redirecting them to customer service personnel. In the technology brand example, given the importance of the customer service representatives and service technicians, there should be a greater emphasis on the quality of the service delivered rather than on the number of customers that can be serviced over a given time period.

■ **Make sure approaches are in place to track and assess your performance against these customer signals prior to the formal launching of the new positioning.** Applying rigorous quality assurance procedures to key elements of the new brand experience will often ensure that customers are not disappointed, or fail to have their expectations met. Current data-collection methods allow for rapid response and can be leveraged to determine whether the launch programs are having their desired effect on brand perceptions.

Due to the complexities of brand positioning, many marketers are correctly choosing to move to an "interim positioning." This interim positioning is designed to establish brand credibility and performance on the road to fully achieving the longer-term aspirational positioning. Such a positioning focuses on those aspects of the brand on which the organization is currently able to deliver. Interim positioning is often essential when a brand stakes out new territory considered "up market," addresses an important or long-standing deficiency, or is attempting to redefine its competitive set. As the brand evolves (based on customers' changing perceptions), additional components of the new platform can be put into place and confidently communicated to consumers. Target Stores successfully employed an interim positioning as it evolved the brand up market from a position as a discount retailer of national brands to a contemporary "urban chic" retail brand providing good value. The interim positioning emphasized value without sacrificing style and involved specific merchandising efforts such as stylized color blocking and associations with name designers (e.g., Frank Gehry). As the brand evolved to its current positioning, it further emphasized the "designer" theme in its advertising, often having models wearing various housewares as high fashion.

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By focusing on achievable instead of aspirational brand positioning, companies can help ensure meaningful market share results while enhancing their brand image. This requires, however, that the new brand position fits comfortably within the customer's frame of reference, and that it not attempt to overreach. Marketers must also secure the customer's permission to extend the brand by building a bridge of relevant benefits to carry customers from the current to the intended brand position. Implementing the performance delivery systems to ensure the brand is able to live up to its new promise is the final critical step in building and executing a successful brand positioning program.

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