



# Re-Positioning for Relevance

By Michael McQueen

What do the brands Volvo, Kellogg's and Disney all have in common? The answer is one word: **Re-positioning**.

Each of these brands, like many others, have powerfully succeeded in remaining relevant to their respective markets for decades at a time by re-positioning themselves as times and needs have evolved.

As I work with clients helping them do the same thing, there are 7 questions that have proved invaluable as a starting point for generating ideas and formulating a strategy for re-positioning. Perhaps they'd be helpful in your context too:

## 1. What motivates/impresses our market?

This is by far the most important question of all – what represents value or benefit to your target market? It is important to not fall into the trap of making assumptions when answering this question. Simply because you did focus group research seven years ago and got a sense of what your customers wanted then, you cannot assume that the same applies today. Instead, make it your business to uncover what truly drives your marketplace and come to grips with their underlying motivators.

Cake maker Sara Lee discovered the importance of this a number of years ago. Assuming that modern women desired cake mixes that would save them time and effort, Sara Lee released a range of packet mixes that required the user to only 'add water'. While the move should have been a sure winner, it didn't sell. Perplexed, Sara Lee's marketing department embarked on research to find out why their new product had missed the mark. What they discovered was that while customers wanted convenience, they also wanted to feel that making a cake involved love, attention and a little bit more skill than simply adding water.

Realizing their error, Sara Lee quickly overhauled their cake mixes so that customers were required to add milk, eggs and butter. The results were staggering – the new formula literally sold like hot cakes. Women loved the new mixes which afforded them fantastic convenience while not robbing them of the joy of baking for their families.

## 2. What confuses/disappoints/frustrates them?

As a counterbalance to the first Re-Positioning question, it is equally valuable to discern the things that are causing customers irritation or inconvenience, or both.

When at the helm of legendary innovator Procter and Gamble, A.G. Lafley was famous for beginning meetings with questions designed to get to the heart of a consumer's frustrations. Whether it was a new cleaning product or personal hygiene range, Lafley would ask questions like: *What do we know about our target consumer? What does he/she believe she is missing today? What is he/she most unhappy about?*

Lafley knew that the nature of the question was what mattered most. Rather than asking a question like, *How can we help our customers clean their houses faster and easier*, he would pose a question like, *How can we give customers their Saturday mornings back?*

American hardware giant Home Depot learned the hard way how important it is to understand what customers did and did not want when they debuted in the Chinese market in 2006. By September 2012, the company announced that it was closing its last remaining stores in China following significant financial losses. Essentially, the company had failed to grasp the local culture or the needs of its people. A company spokesperson admitted that Home Depot had completely misread China's appetite for do-it-yourself products. Apparently, Chinese people want others to do it for them; they don't want to do it themselves!

### **3. Who else is currently solving their problems?**

Apart from considering what your market wants, it is equally important to note what other players in the marketplace are doing.

While I do not condone or even recommend that you simply copy or replicate competitors, there is great value in learning from and imitating *elements* of the success formulas used by others.

Professor of Management and Human Resources at Ohio State University, Oded Shenkar, concurs. He points to the commercial benefits of imitation and goes so far as to suggest that it is imitators - and not innovators - who enjoy the greatest success and profitability in the long term. He cites examples to support his case including:

- Diners Club who pioneered the credit card and yet enjoys only a tiny fraction of the market today;
- IBM who have constantly imitated both in mainframes and personal computers and pushed the first movers out of business;
- Apple, who didn't invent the MP3 player, but instead made it sexy.

Shenkar believes that imitators succeed because they can calibrate their product by learning from others' mistakes. As a result, their overall costs are often 60-75% lower than innovators who have to invest heavily in research and development.

### **4. How are we currently seen/perceived?**

This fourth question can be confronting yet critically important: how are you perceived by those external to the organization, business or brand? What matters is not how you would *like* to be perceived, but how others *actually* see you. After all, perception is reality.

If you are going to ask this question, you must be prepared to hear the answer – even if it is difficult to digest. Too often organizations seek to find out how they are perceived only to become defensive if what they hear is not what they like.

The nature of public perceptions is the current challenge facing 91-year-old American retail chain, RadioShack, as the company looks to Re-Position itself for business in the years ahead. As a general rule, customers see RadioShack as a company that still only sells cables, connectors and parts for building transistor radios. RadioShack CEO Jim Gooch recently acknowledged that his company had an image problem saying, “We need to rebuild customers’ knowledge of our brand.”

One simple and inexpensive way to monitor and measure how an organization or brand is perceived in the marketplace is by using web services like Klout, Kred or Sprout Social. Each of these online solutions offers an invaluable insight into the social media buzz around a brand. The reason this can be so valuable is that customers are more likely to Tweet about a brand experience or perception than go to the trouble of writing a letter or email to the customer service department.

## **5. How are we a category of one?**

What do you do that is so distinct that no-one else could reasonably claim that they do it exactly the way you do? Perhaps you are faster, cheaper, sexier, more trustworthy, convenient, ethical or exclusive. Regardless of your point of difference, it is vitally important that you have one or set out to establish one. As the old marketing adage goes, *it is better to be different than better!*

Rolls-Royce recognized this in the early 20<sup>th</sup> century when the automobile industry found itself in a time of transition. While Ford embraced the democratization of the automobile with its popular Model T, Rolls Royce opted to focus on the upper end of the market. The company made the unconventional move of deliberately reverting to obsolete technologies rather than competing with Ford’s mass production. Rolls Royce positioned itself as a quality carmaker – boasting that its cars would never wear out owing to the fact that they were hand-crafted “the old-fashioned way”.

Further solidifying their uniqueness, Rolls Royce restricted sales to customers they approved of in an effort to ensure that no ‘riff raff’ owned a Rolls Royce. This positioning of exclusivity has served Rolls Royce well for over a century.

## **6. Where are the gaps?**

What segments of the market aren’t being served right now? Further still, what products, services or solutions are missing at the moment? What gaps could your organization or business fill?

The Marriot Hotel chain has successfully extended its brand in response to this question by exploiting previously untapped markets. For instance their Courtyard hotels are targeted at business travelers; their Fairfield Inns are designed for families wanting an inexpensive vacation; and their Residence Inn brand is specially designed to cater for travelers who want a ‘home away from home’.

## **7. What are their unknown future needs?**

This final question is paradoxical, because it is impossible to know what is unknown, and yet this question is at the heart of Steve Jobs’ genius at Apple.

Jobs never waited for customer surveys or focus groups to tell him what to create. Rather, he was always pushing Apple to get out ahead of the market and make products that consumers didn’t yet know they wanted or needed. Naturally, to successfully pre-empt the market as effectively as Apple has done requires an

extraordinary combination of intuition, courage and creativity. It is rare, yet possible, and incredibly important to ongoing success and longevity.

The key question can perhaps be better framed like this: how can you solve a problem for customers before they even know that the problem exists? Do this, and your market will beat a path to your door.

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Setting a brand or organization up for enduring relevance involves a principle that every experienced surfer understands well. In order to catch the perfect wave, a good surfer knows the importance of keeping their eyes firmly on the horizon. While a wave is still forming a long way off in the distance, surfers know that this is the time to move – to paddle out and get in position. Move too late or not at all and you'll simply get washed up as the wave crashes over you.

In much the same way, winning the battle for relevance is about anticipating, preparing for and re-positioning yourself for change - no matter how uncomfortable or confronting it may be.

## ABOUT MICHAEL

Michael McQueen is an award-winning speaker, social researcher and 3-time bestselling author.

Michael's first book *The 'New' Rules of Engagement* was the culmination of a 3-year study of the key drivers of youth culture around the world. With an emphasis on the values and attitudes of Generation Y, this 2007 release was designed to help business leaders, educators and parents to better engage younger generations.

Michael's most recent book *Winning the Battle for Relevance* is a landmark title that explores why even the greatest businesses and institutions become obsolete and how others can avoid their fate.

In addition to featuring regularly as a commentator on TV and radio, Michael is a familiar face on the international conference circuit having shared the stage with the like of Bill Gates, Whoopi Goldberg and Larry King.

Michael has spoken to over 150,000 people across 5 continents since 2004 and is known for his engaging, entertaining and practical conference presentations.

