

IDEAS + INSIGHTS

Marketing Tools - #1 - Positioning to become the 'Preferred Provider'

Positioning, in marketing, refers to the way in which people, products, and services are perceived in the mind of a consumer. Positive positioning is a necessary attribute of all good marketing strategies. In financial services, the ultimate benefit of a successful positioning strategy is that clients become advocates. A highly effective approach to positioning is achieved through 'differentiation': here's a brief overview of the way we help our clients differentiate themselves.

Mention of your name or mine will trigger a response in a person's mind from '*Who on earth are you talking about?*' to '*They sound interesting, when can you introduce me?*'. How names are recalled is determined by how a person, product or service is stored in a consumer's brain.

We all react to people and brands. The experiences we have, whether favourable or otherwise, frame our perceptions, and, as we stated in other Ideas + Insights articles, *perception governs behaviour*.

These three words are the most important in all of marketing. Perceptions are key drivers of *what* we buy, from *whom* we buy and *where* we buy. They also inform whether or not we recommend people to others.

In the sales and marketing context, *positioning is the act of creating positive perceptions* in the minds of people with whom we wish to have a commercial relationship (almost everybody).

Some intermediaries may make a perfectly satisfactory living without a specific positioning strategy, but they certainly *won't* make a fortune.

A key to successful positioning is 'differentiation', for the simple reason that in the collective consumer mind managed funds, superannuation plans, mortgages, and life insurance products look all pretty much the same. So which to choose?

Undifferentiated products and services don't matter so much when the economy is buoyant because a rising tide lifts all boats (even leaky ones). But when the market turns, those who are not positioned as being positively differently lie low in the water ... and many sink from view altogether.

Conversely, those who have *worked* on their differentiated positioning strategy not only survive downturns, they actually thrive, with their clients continuing to perceive them in a positive light, remaining loyal and recommending them to others.

A useful example of differentiated positioning occurred some years ago in the airline industry, which is a

boom and bust business. To lure passengers, many airlines use the me-too (i.e. undifferentiated) tactic of selling seats for low, low, prices. While many consumers don't mind travelling cattle-class as part of a no-frills pricing strategy, it doesn't suit everybody.

A new passenger jet emerged from Boeing (the BBJ - 'a 737 on steroids'). Lufthansa had been flying an Airbus 340 from Newark to Dusseldorf (237 seats at budget prices), but then decided to test the BBJ on the same route, *differentiating its offer by selling its 44 seats as business-class only*. The strategy worked like magic: business passengers saw a positive difference, and paid Lufthansa a *premium* to travel on a distinctly less crowded aircraft.

The price-sensitive passengers flocked to United Airlines, which was already losing millions and seeking protection from its creditors. Lufthansa's rivals went into shock, and decided to re-examine their existing strategies

Our own financial services industry is very me-too in both its positioning and promotion. Yet once a positively perceived position of difference is devel-

oped, it provides not only an opportunity to articulate a clear answer to '*Why should we prefer you to others?*' but also a platform upon which to launch excellent campaigns to both attract *and* retain clients.

We help financial practices by applying a proprietary *Positioning Tool* as part of a rigorous differentiation exercise to *ensure* positive positioning in the minds of both clients and prospects.

This opens up multiple opportunities to create differentiation within an organisation's service offering. We then implement a refreshed approach to marketing and communications that sees our clients becoming 'the preferred provider' in their chosen market.

If you'd like *your* differences to be strongly positioned for positive recall whenever you are mentioned, just call us for a no-obligation chat.

