



3 things we've learned about brand positioning research

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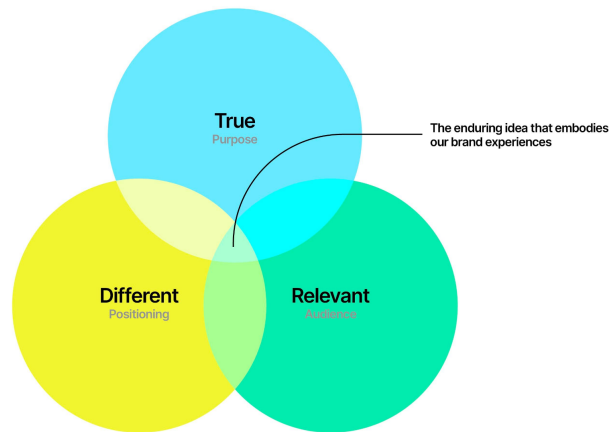
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Companies don't always use data to power their brand positioning shifts. Often, it's a subjective exercise that reflects what internal stakeholders are experiencing when they interact with customers.

That subjectivity can be dangerous for brand positioning work because it can root your brand in promises and messaging that won't last over the long haul and may not reflect the needs of high-value growth targets.

When clients come to VSA for brand positioning work, we usually suggest their brand positioning journey start with Promise to Performance®, our proprietary quantitative research methodology.

Promise to Performance (P2P) was specifically designed to identify the key ingredients of a brand positioning that is true to your business, relevant to your customers and different from what your competitors are saying. In other words, it's everything you need, and nothing that you don't.



P2P provides the answers to three key questions that will help you prioritize the brand promises you should focus on in your brand positioning:

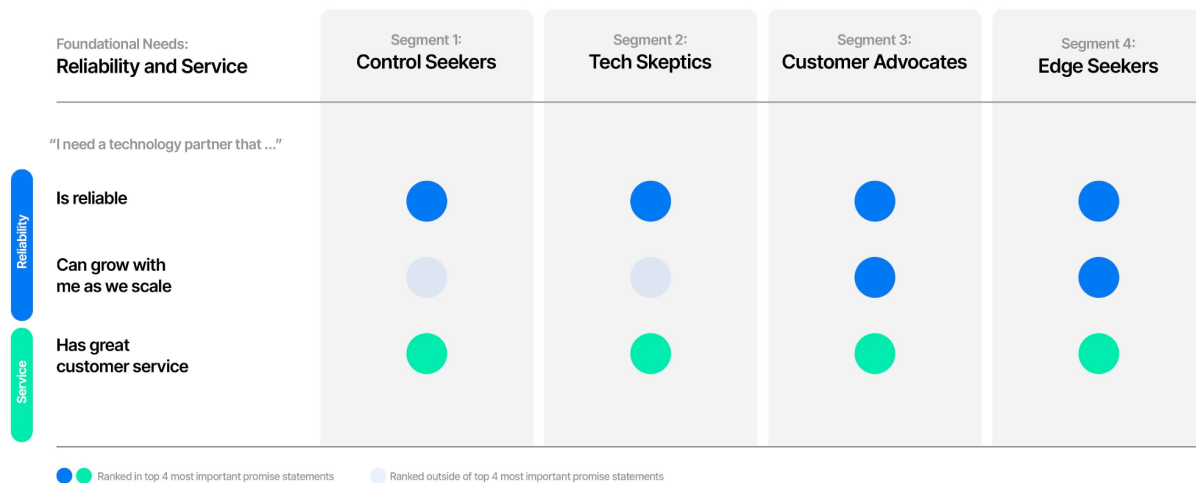
- + How well do promises align with the needs of your high-value audiences?
- + What are important promises that aren't being delivered by the category?
- + Which promises build on your strengths and present opportunities to differentiate?

Learning 1: There are foundational needs that are relevant to every segment

Our approach starts with prioritizing across a long list of potential needs—about 20 unique statements, on average—to find out which are most important to each respondent in the survey. The need statements are custom written for each study to capture a range of functional and emotional needs that represent different potential priorities within your particular audience.

We then use need segmentation to define the audience cluster groups. With any segmentation exercise, there are typically foundational needs that all segments identify as important for the category. These needs are important to be competitive in the category—so it's important to have them covered—but they are not usually differentiating.

Here's an example: We worked with a company that offers a technology solution for small businesses. First, we surveyed their total audience, and then we performed a need cluster analysis to reveal audience segments with different priorities representing unique mindsets. In this case, all SMB segments have similar reliability and service need priorities.



Learning 2: Segmentation uncovers unique needs that can help you differentiate in the category

One of the big benefits of doing need-based segmentation is that it can uncover the hidden gems. These are the needs that don't immediately rise to the top in overall audience ranking of importance, but they can actually carry outsized weight for certain audiences.

For a differentiated position, we want to isolate those needs that are uniquely important to different customer segments, and then act on them.

On average we find about 4.0 segments with each study, and each segment has an average of about 3.6 needs that shape that segment—meaning, they are both important to the segment and more important for that segment compared to the audience as a whole. Often, segment-defining needs are lower ranking overall, but they over-index in importance for a particular segment. In fact, when we looked back across our P2P studies, we found that 82% of segments have at least one middle-of-the-pack need. And 45% had at least two.

Take our SMB technology provider's audiences. You can see that some of their needs are foundational to all audiences, and some are unique to just that segment. All segments believe that reliability and great customer service are important, but within each segment there are more nuanced needs that define that particular audience.



Foundational needs

Reliability and Great Customer Service Foundation

Segment name	Control Seekers	Tech Skeptics	Customer Advocates	Edge Seekers
Segment-defining needs	✓ Is reliable ✓ Gives me data and analytics ✓ Has great customer service	✓ Fits my budget ✓ Requires little maintenance ✓ Can be set up quickly ✓ Has great customer service	✓ Helps me provide a great customer experience ✓ Helps me offer more to my customers ✓ Has a reputation my clients trust	✓ Keeps me ahead of the competition ✓ Is on the cutting edge ✓ Has a reputation my clients trust ✓ Can grow with me as we scale

Based on these defining needs for each segment, we can now align product capabilities, brand strengths and other reasons to believe to inform both our positioning and our messaging to the opportunity segments.

Learning 3: You can't be everything to everyone

And in fact, you shouldn't try to be. As brand marketers face tighter budgets and scrutiny over returns, you need to focus your energy where it will have the most impact.

Segmenting your audience based on needs allows you to see which ones have the highest potential for growth and which ones you should deprioritize because they don't align with the category white space and what your company can deliver.

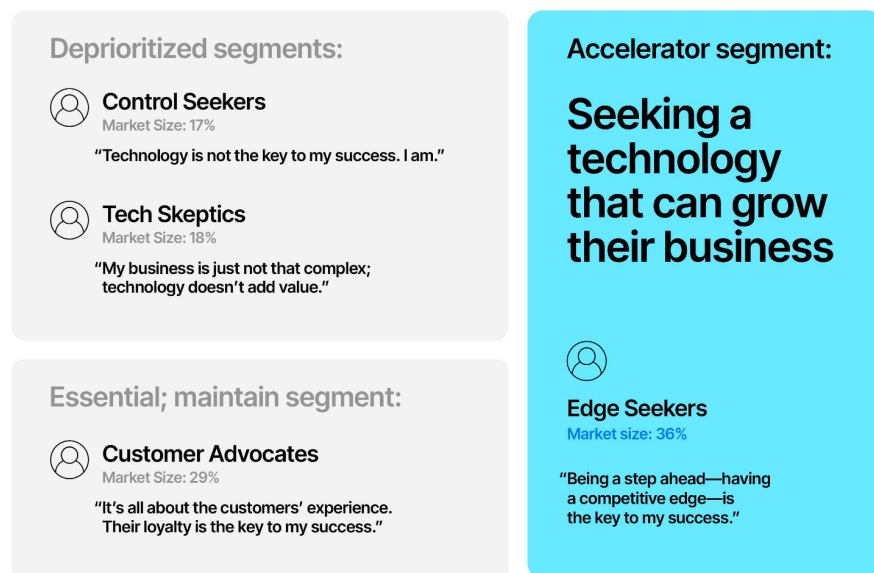
The risk of overlooking some of the middle-of-the-pack needs becomes particularly impactful when those needs are priorities for your high-value segments. That means more likely than not, there's something important to your high-value target that's lurking below the surface.

Back to our technology provider example: Of the four segments, we found that two of the groups (Control Seekers and Tech Skeptics) provided no opportunity for growth at all because of their complacent mindsets toward technology.



And then we found that one additional segment (Customer Advocates) was important but wouldn't provide the kind of growth the company was looking for.

The fourth segment (Edge Seekers) was where the real opportunity was, and where the company could focus its positioning to accelerate growth. This is a group that (1) has one-third of the market size at 36% and (2) is actively seeking a technology that can grow its business. Both the segment's size and its mindset make it ripe for growth—and a prime audience to focus on for positioning.



This approach yields more precise, differentiated positioning that will stand out from a sea of vague brand generalities, as well as ensure that the brand is focused on the places where it stands to gain the most. You don't need to ignore your lower-growth audiences, but you can write positioning that primarily focuses on the accelerator groups while still appealing to the lower-priority audiences.