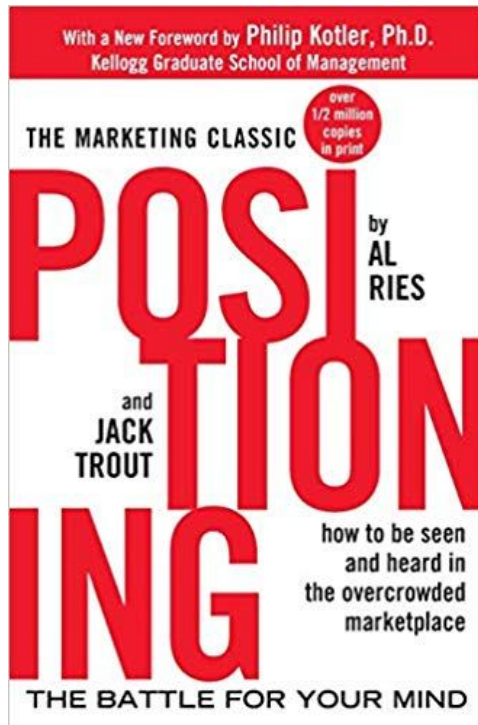


## Favorite Quote:

*“The solution to a positioning problem is usually found in the prospect’s mind, not in the product.”*



**Summary:** first published in 1978, *Positioning: The Battle for Your Mind* is a 210-page exploration of consumer psychology and marketing strategy. Although a lot of the references have become quite dated, the underlying themes haven’t lost their luster, e.g. product differentiation, competitive positioning. The end goal of all this: mindshare, by establishing your offering—whether it be a product, service, company or person—clearly in the buyer’s mind. Oversimplify your message, and don’t try and change minds.

Positioning also teaches us how to:

- Use leading techniques to capture the biggest market share and become a household name
- Build your strategy around your competition's weaknesses
- Reposition a strong competitor and create a weak spot
- Use your present position to its best advantage
- Choose the best name for your product
- Determine when-and why-less is more
- Analyze recent trends that affect your positioning

The authors also incorporate over 50 actual case studies based on their decades of marketing consulting work, e.g. GE, IBM, Xerox in addition to several non-corporate positioning challenges like Belgium, Jamaica and the Catholic Church.

## Authors’ Bios:



**Al Ries:** Al Ries is a marketing professional and author. He is also the cofounder and chairman of the Atlanta-based consulting firm Ries & Ries with his partner and daughter, Laura Ries. Along with Jack Trout, Ries is credited with coining the term "positioning", as related to the field of marketing. Ries graduated from DePauw University in 1950 with a degree in liberal arts and accepted a position with the advertising department of General Electric before founding his own advertising agency in New York City, Ries Cappiello Colwell, in 1963. Ries was selected as one of the most influential people in the field of public relations in the 20th century by PR Week magazine in 1999. Ries has also written a number of books that have made the BusinessWeek best seller list. The American Marketing Association, NY Chapter announced Al Ries a one of the 2016 inductees to the Marketing Hall of Fame.



**Jack Trout:** John Francis "Jack" Trout (January 31, 1935 – June 4, 2017) was an owner of Trout & Partners, a consulting firm. He was one of the founders and pioneers of positioning theory and also marketing warfare theory. Trout started his business career in the advertising department of General Electric. Then he joined Al Ries in the advertising agency and marketing strategy firm where they worked together for over twenty-six years. Trout worked with a number of different client companies, including AT&T, Apple, Citicorp, General Electric, Hewlett-Packard, IBM, Pfizer, Procter & Gamble, Southwest Airlines and Xerox. Trout died of intestinal cancer at his home in Old Greenwich, Connecticut, at the age of 82.

## Top Takeaways

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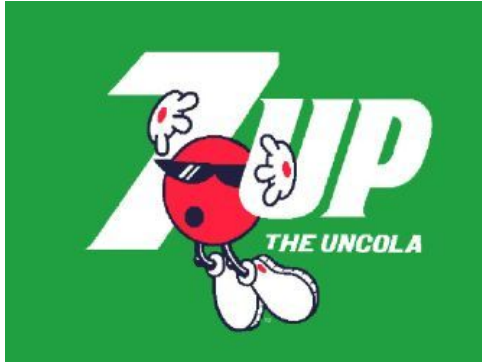
**Given that changing perceptions is (very) hard**, the authors advocate for understanding and catering to existing perceptions in the minds of prospects, and avoiding the temptation to fight or change the existing perception.

**The advantage of being first**, i.e. being first-to-market in a product or service category, is arguably the most advantageous market position there is. Conversely, many established companies have failed in a category when a competitor got there first, e.g. Coke's Mr. Pibb vs. Dr. Pepper, IBM's copiers vs. Xerox, Kodak's instant camera vs. Polaroid.



**The product ladder is a key metaphor** in which the ladder represents the product category, and the steps are the brands ranked in our brains. When introducing a new product (ladder) it is often better to tell the prospect what the product is *not*, rather than what it is, e.g. “horseless” carriage, off-track better, lead-free gasoline, sugar-free.





**To find a unique position** you must ignore the conventional logic of finding the concept inside yourself or inside the product. Instead, you must look inside the prospect's mind, e.g. 7Up's "uncola" idea wasn't found within; it was found in the cola drinker's head.

**It is better for category leaders to enhance than to boast** because declaring that "We are #1" is often perceived as insecure by prospects, e.g. [Salesforce's #1 CRM campaign](#). Far better to market the importance of your category, e.g. *all* CRMs, rather than boast that you're #1.

**Positioning is about finding a niche and exploiting it**, e.g. size: Volkswagen Beetle; high-price: BMW, Piaget; low-price: generics, Old Milwaukee beer; gender: Marlboro for men, Virginia Slims for women.



**Repositioning the competition** is highly effective and involves undercutting an existing concept, product or person, e.g. Tylenol slamming aspirin for causing gastrointestinal bleeding and irritation; Stolichnaya exposing other Russian-named vodkas as not being from Russia, e.g. Samovar, Smirnoff, Wolfschmidt, Popov. Stolichnaya was made in Leningrad; Scope slamming Listerine for "medicine breath."

**Brands inevitably fall into the "line-extension" trap** in which they dilute their successful product position by launching a new product in a different category (under the same brand name), e.g. Dial soap → Dial deodorant, Lifesavers candy → Lifesavers gum, Kleenex tissue → Kleenex towels.

**The line-extension trap** is the result of presumptive, inside-out thinking that compromises the product and often damages the brand's original position.

**Solution?** Create a *new* brand like Lifesavers did with Bubble Yum which was a runaway success that exceeded Lifesaver candy sales.

**Counterpoints:** Line extensions can work when 1) volume is light, 2) budget is small, 3) competition is extreme, 4) product is a commodity, e.g. chemicals, 5) distribution is via sales rep.



**Our brains like to make lists** which presumes an inherent authority & credibility of the list's creator, e.g. [top 10 ski resorts](#) in the US, the [7 wonders of the world](#). This strategy offers a mental shortcut where we get security in not having to conduct/trust our own judgment. *Are there really only 7 wonders?*



**Positioning also involves sacrifice:** you have must be willing to give up something in order to establish that unique position (and avoid the 'everything' trap). For example, Nyquil had to give up the daytime market to establish the nighttime position.

**A nationwide new product rollout requires patience,** and there are different strategies to consider: geographic, demographic, chronologic, distribution channels.

**You can't compete head-on against a company that has a strong, established position.** You can go around, under or over, but never head to head.

## Favorite Quotes

- "Mind-changing is the road to advertising disaster."
- "Positioning is an organized system for finding a window in the mind. It is based on the concept that communication can only take place at [1] the right time and [2] under the right circumstances."

- “You see what you expect to see. . . Were the average consumer rationale instead of emotional, there would be no advertising.”



**Howard Gossage**

“The saying *Fight Fire With Fire*. . . that’s silly. You fight fire with water.”

- “Cherchez le créneau.” —French marketing expression, i.e. *Look for the hole*.
- “Don’t try and trick the prospect. Advertising is not a debate. It’s a seduction.”
- “You can’t beat somebody with a nobody.” —Old political saying
- “Words are triggers. They trigger the meanings which are buried in the mind.”
- “As soon as you think you have found that simple idea that is the solution to your problem, you have lost something. You have lost your objectivity. Like ping-pong, positioning is a game best played by two people.”

### **Other interesting notes if you have time!**

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**The US population** represents 6% of the world population but consumes 57% of the world’s advertising (keep in mind this book was published in the late 70s).

**Imprinting in nature** is an indelible experience, usually between a mother and her newborn child, usually takes only a few seconds to forever instill the identity of the parent in the memory of the child.



**Amerigo Vespucci** was five years behind Columbus, but he did two things better: 1) he positioned the New World as a *separate* continent, and 2) he wrote extensively about his discoveries. For this reason, he was honored and dignified by the Europeans who eventually named the place after him.

**Miller Brewing Company**, inspired by the Schlitz marketing slogan (*Real gusto in a great, light beer*), created Miller Lite which became one of the top-selling beers of all time.



**The Avis “against” position will go down as one of the best:** “Avis is only #2 in rent-a-cars, so why go with us? We try harder.”



**In 1970, RCA tried to compete head-on with market leader IBM (70% market share) in the computer industry.** They spent \$250 million to develop and market against IBM. A year later: failure, i.e. one of the biggest flops in history. Why? They failed to appreciate that “head-on” marketing tactics against established incumbents often fail.

**Kodak and 3M failed to “cover their bets” when Carlson’s 5-cent xerography process was introduced.** Haloid bought the rights and went on to become a \$9 billion giant (Xerox). The Xerox 914 plain-paper copier is one of the most profitable products in US manufacturing history.

**Phonetic fun fact:** Except for W every other English language letter is just one syllable. This was shared in relation to “phonetic shorthand” and our mind’s desire for names with fewer syllables.

**All media efforts must be guided by a single objective:** to achieve a position. It is not publicity or communication for its own sake.

**Lasography, a term the authors took some liberties in creating,** could be defined as the process of communicating, printing, scanning, and storing optical or printed messages with the use of laser beams and optical fibers. With 40 years of hindsight, this prediction seems a bit ridiculous but it reveals the popularity of laser technology at the time.

**The authors devised a campaign for Belgium that said “In beautiful Belgium, there are five Amsterdams.”** The campaign was successful for three reasons: 1) It capitalized on Amsterdam, a familiar destination, 2) the 3-star city data was from the Michelin Guide which gave credibility, and 3) the five cities to visit made Belgium a legitimate destination.



The authors devised a campaign for Jamaica that described it as “The Hawaii of the Caribbean” to capitalize on the Hawaiian brand while differentiating it from other Caribbean islands due to Jamaica’s bigger mountains, expansive beaches and proximity to Europe.

**Milk Duds were positioned to exploit a weakness in the candy bar competition: duration**, or lack thereof, as showcased in the new slogan “Milk Duds: America’s long-lasting alternative to the candy bar.” Impact? The company sold more Milk Duds than it ever did in its history.



**Mailgram is the nation’s first electronic mail established in 1970**, but the marketing became way too complex: “new, automated, computerized electronic communication service” - a mouthful. They eventually pivoted to “Mailgram: Impact of a Telegram at a fraction of the cost” which anchored it to the existing offering along with a price value prop. Volume shot up: 1972 at 6m and peaked in 1981 at 41m. Then they changed the strategy to “next-day delivery” and volume tanked 50% over the next 3 years.

**To position a small bank vs. a big (slow) bank**, they created “United Jersey values your time as much as your money” via humorous TV vignettes. Impact? Earnings went up by 26% year-over-year (+\$30m).



**[Charles Kettering](#) is highlighted as a brilliant man who found simple solutions to complex problems.**

He held 186 patents and discovered numerous commercial breakthroughs for Delco, GM, Dupont, and Dayton-Wright across diverse fields like automotives, refrigerants, paints, heavy equipment and missiles.