

Russia's shift in a global economy.



Russia's dilemma.

Russia must move from a resources driven economy (oil and gas) to a market based economy that begins to build brands for domestic and export use.

Russia's dilemma (con't).

**It has no well
known brands.**

Russia's most famous brand.



Made in
Schenley, Pa.



Made in
Hartford, Conn.



Made in
Lawrenceburg, Ind.



Made in
Leningrad, Russia.

Most American vodkas seem Russian.

Stolichnaya is different. It is Russian.

Stolichnaya is the only vodka imported from Russia. It's the most expensive vodka you can buy and worth the price. It's a matter of good taste.

STOLICHNAYA

The only vodka imported from Russia.

It's no longer "Russian."



China's similar dilemma.

China must move from a manufacturing driven economy to a market based economy that begins to build brands for domestic and export use.

The world's dilemma.

Schumpeter

The emerging-brand battle

Western brands are coming under siege from developing-country ones

Jun 22nd 2013 | From the print edition



THE past 20 years have seen a massive redistribution of economic power to the emerging world. But so far there has been no comparable redistribution of brand power. *Fortune* magazine's 2012 list of the largest 500 companies by sales revenue included 73 Chinese firms, more than from any other country except the United States, with 132. Yet *Interbrand's* 2012 list of the 100 'best global brands' included not one Chinese firm.

The Economist
June 22, 2013

A fact of life.

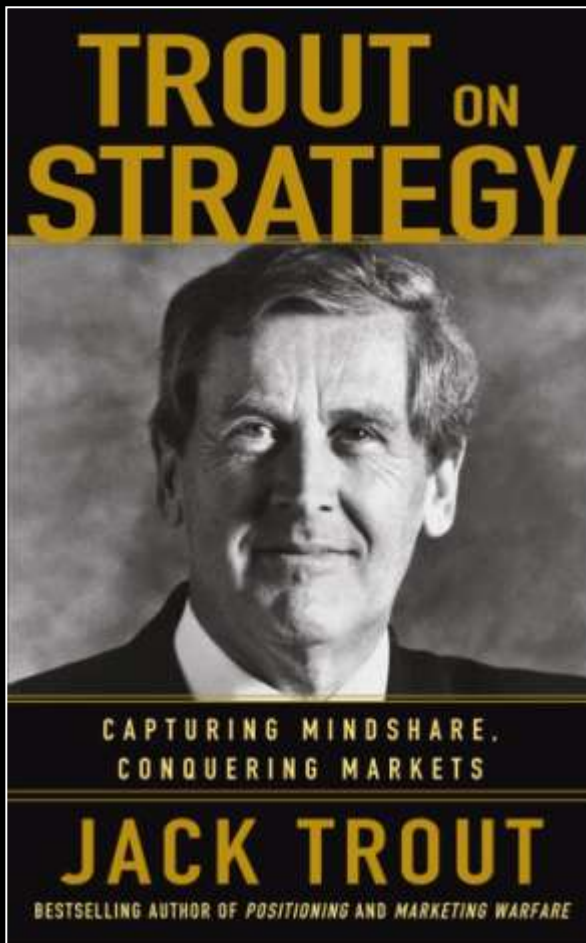
The global economy is the driving force in the world today.

Companies and countries' success or failure depends on how well they sell whatever they have to sell.

Summation

**In a tough world,
using strategy
is how you survive.**

A book for the times.



The seven “abouts”.

- **Strategy is all about perceptions.**
- **Strategy is all about being different.**
- **Strategy is all about competition.**
- **Strategy is all about specialization.**
- **Strategy is all about simplicity.**
- **Strategy is all about leadership.**
- **Strategy is all about reality.**

A fact of life.

The business world continues to be more competitive. What we used to see as competition now looks like a tea party.

We are in a world of killer competition.

Another fact of life.

Strategy and marketing must be combined if you are to succeed. Marketing is what drives a business strategy.

Strategy is what makes you unique and what is the best way to put that difference into the minds.

A marketing laboratory.

The U.S. market is a competitive laboratory from which to learn.

That way you don't have to make the same mistakes.

My 15 books describe what's been happening in this laboratory.

Strategy.



It's all about survival.

An ugly fact of life.

If you make a mistake, your competitors quickly get your business.

What's worse is that you rarely get it back.

Learning from the past.

**“ Those who cannot remember
the past are condemned
to repeat it.”**

**George Santayana
(1863-1952)**

The situation.

**It's kill or
be killed.**

**The tyranny
of choice.**

Dog food: 180 brands.



Bottled water: 2000 brands.

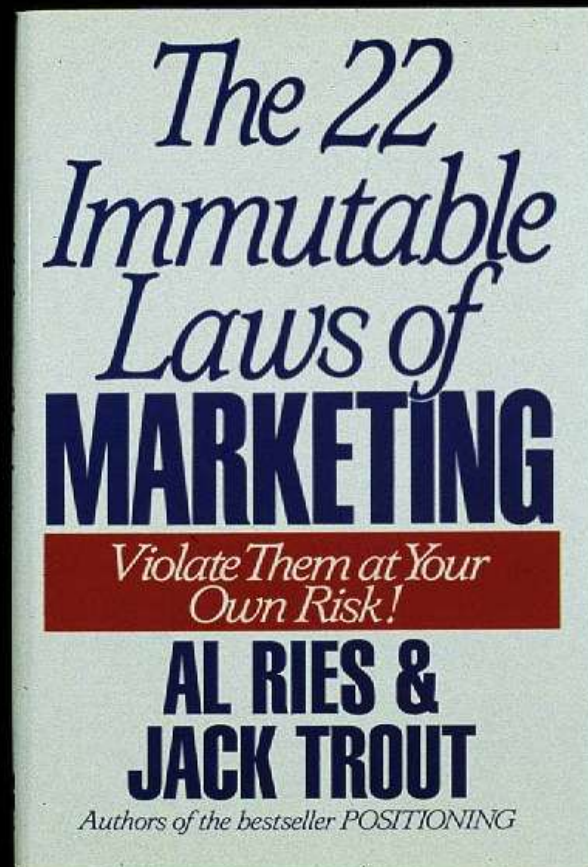


Cough/cold 134 brands.



Choice explained.

Marketing has basic laws.



The law of division.

The tenth immutable law of marketing: **Over time, a category will divide and become two or more categories.**

Strategy.



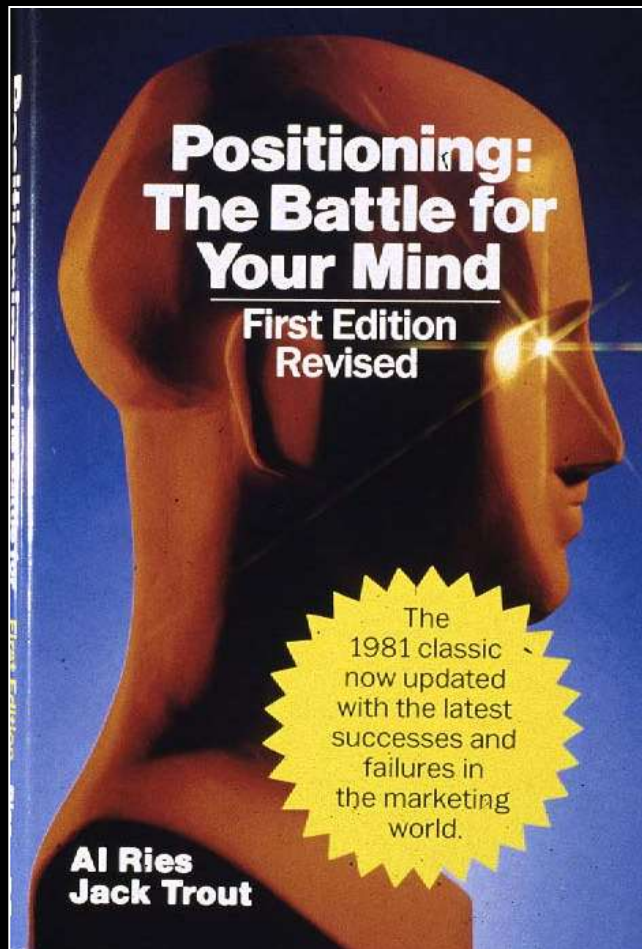
It's all about perceptions.

The tool to use.

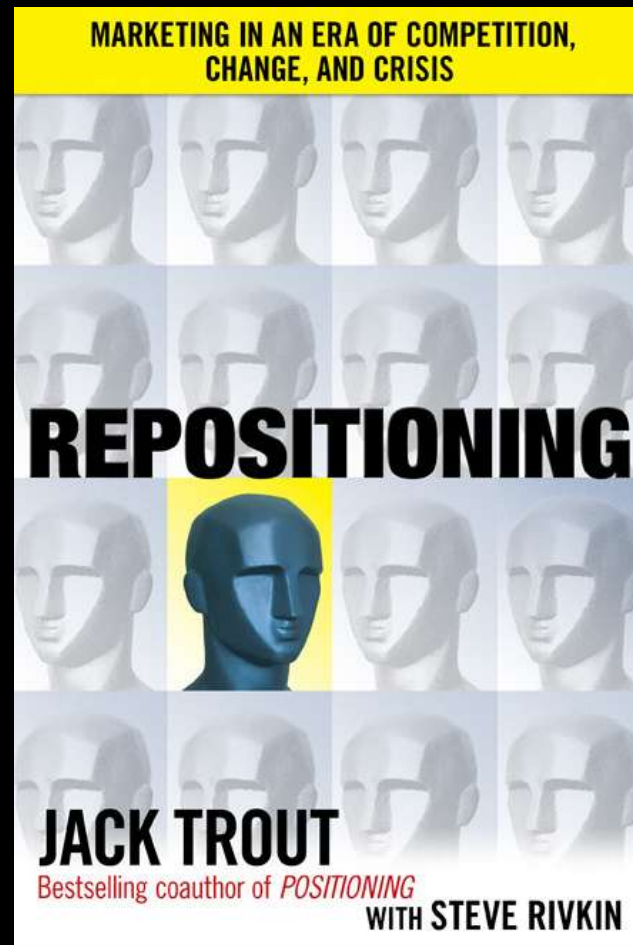
“Positioning” is the essence of the strategy you must employ to deal with global competition both at home and abroad.

It is the starting point for all your planning and marketing.

The book to read.



Another book to read.



The problem.

**“Positioning
Myopia.”**

Many use the word.

Few see it clearly.

Positioning defined.



**It's how you differentiate
your product in the mind
of the prospect.**

Repositioning defined.

How to adjust the perceptions in the mind of the prospect.



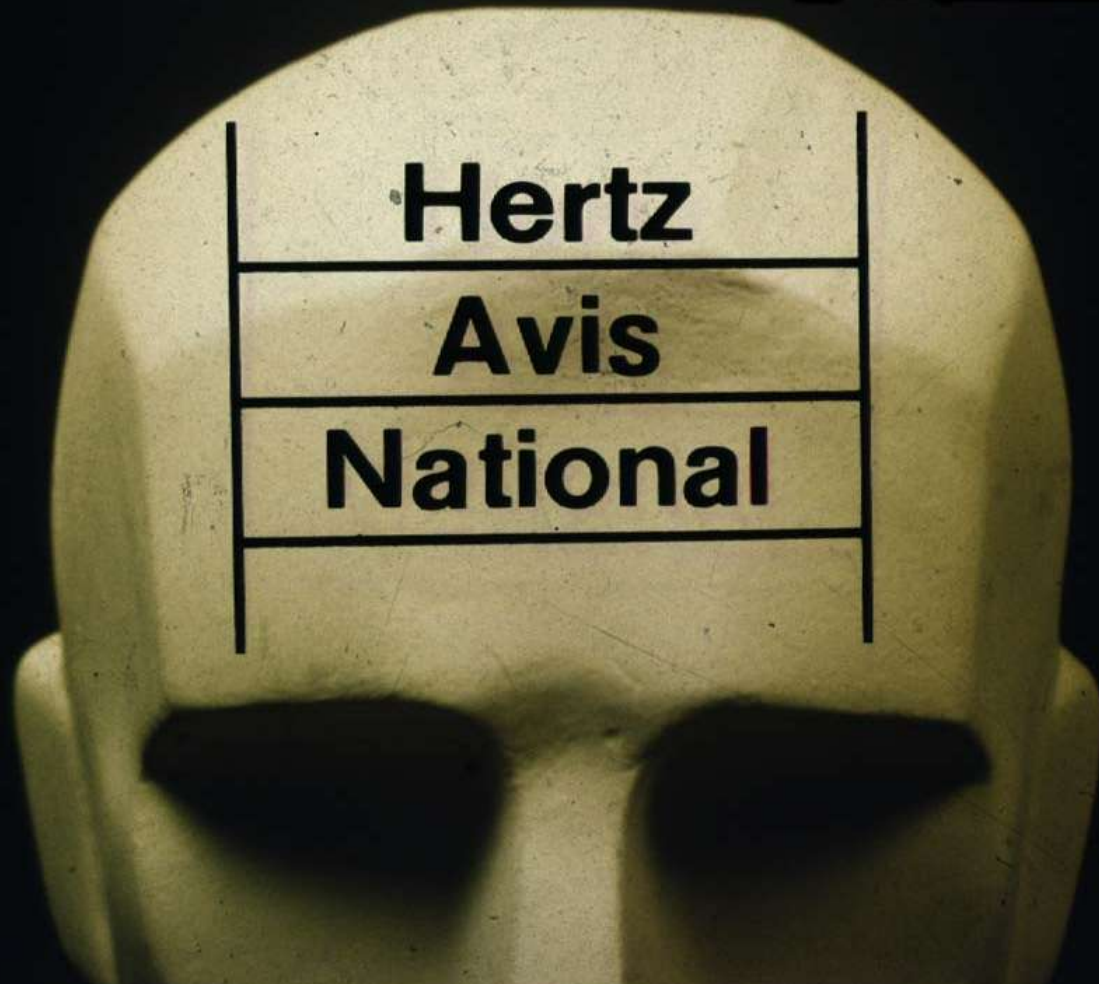
How the mind works.

- **Minds are limited.**
- **Minds hate confusion.**
- **Minds are insecure.**
- **Minds don't change.**
- **Minds can lose focus.**

**Minds
are limited.**



The product ladder.



The rule of seven.



Seven brands account for 90%.

Colgate	28%
Crest	25%
Aquafresh	11%
Mentadent	10%
Arm & Hammer	6%
Sensodyne	3%
Ultra Bright	2%

Product ladder is geometric.

First rung.....	40%
Second rung.....	20%
Third rung.....	10%
Fourth rung.....	5%

Search engine shares.

Google	54%
Yahoo	20%
Microsoft	13%

Product positioning ladder.

1. **One is wonderful.**
2. **Two can be terrific.**
3. **Three is threatened.**
4. **Four can be fatal.**

**Minds
hate
Confusion.**



The first vitamin deodorant.



Vitamin E, incredibly, is a deodorant.

Vitamin E. Many things have been said about it.

During the last few years, Vitamin E has become the focus of real interest and attention within the scientific community.

For good reason.

Recent investigations into the nature of Vitamin E have attempted to unlock some of the potentials of this vitamin.

In the course of research, one very practical, everyday use for Vitamin E has been discovered by the Mennen Company.

Vitamin E, incredibly, has been proven effective in helping to prevent perspiration odor in a gentle way.

An attribute of this vitamin is that it acts as a deodorant.



When applied externally, as a result of its antioxidant action.

If you were to cut into a Vitamin E capsule with a knife, you would see that it contained a



clear liquid. Well, strange as it seems, Vitamin E liquid, applied to the skin, is effective in helping to prevent the oxygen in the air from reacting with your perspiration...the true cause of perspiration odor.

In other words, the antioxidant action of Vitamin E effectively helps to neutralize the odor-forming process.

And because Vitamin E is gentle and not a harsh chemical, it reduces the possibility of side effects.

Introducing Mennen E. The Deodorant with Vitamin E.

Mennen E is the first effective family deodorant that puts the Vitamin E deodorant discovery to work.

Unlike many other deodorant products, Mennen E, when sprayed on the skin, will not significantly irritate on the balance of nature on the body.

Moreover, Mennen E does not clog the pores...and it curtails sweating, even if you shave under your arms.



MENNEN E
A new era in deodorant protection.

A quick death.



The laziness factor.

Minds quickly label complex ideas as confusing.

Minds don't have the time or the desire to figure things out.



The confusion of information.

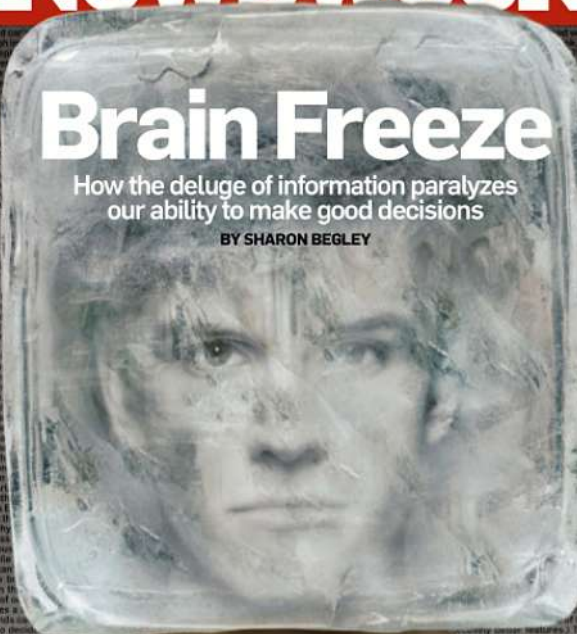
MARCH 7, 2011

Newsweek

Brain Freeze

How the deluge of information paralyzes our ability to make good decisions

BY SHARON BEGLEY



PLUS:
NIALL FERGUSON ON WHY AMERICA LOVES REVOLUTIONS
FREAKOUT IN THE MIDWEST
DAVID BROOKS'S NEXT BIG IDEA

\$4.95 US
\$5.95 CAN/UK/PR
100
6 0282 500000

The power of oversimplification.

The best way to enter minds that hate complexity and confusion is to oversimplify your message.



The most powerful concept.



Word.

Own a word in the mind.



**Overnight.
Driving.
Safety.**

BMW.



Driving.

BMW's introduction.

THE ULTIMATE SITTING MACHINE VS. THE ULTIMATE DRIVING MACHINE.

Recently a senior editor of Motor Trend magazine leveled this criticism at the three most prestigious, most expensive domestic luxury sedans. "Smooth they are, narrow they don't, except in the strictest interpretation of the term."

In defense of these three luxury sedans, it should be pointed out that the basis for this harsh judgment was a bit unfair. It erroneously presupposes that the cars were designed to "handle" in the first place, which of course they weren't.

In fact, they're merely examples of a wholly separate school of thought that may best be summarized by the phrase "opulence over everything."

Cars designed primarily for sitting. And in that school they excel.

At the Bavarian Motor Works, we



The Motor Trend system has designed for superior handling capabilities. BMW's unique front and rear suspension systems are independent.

luxury sedans.

The BMW suspension system is designed to provide the utmost driver control and road feel at all times and under all conditions.

Instead of the "solid-rear-axle" system found in all domestic—and many foreign—sedans, the BMW suspension is fully independent on all four wheels.

And this, combined with a multi-pointed rear axle, allows each wheel to adapt itself independently to every driving and road condition. With a smoothness and a precision that will spoil you for any other car.

AN OVERWEIGHT ENGINE HAS NO PLACE IN A HIGH-PERFORMANCE CAR.

Efficiency and precision are two well-known German characteristics.



No 2000 cc V-8 available. High wheel steering, independent bearings on the front end. The wheel of Motor Trend magazine.

have a different approach to building luxury sedans.

It is our contention that, when all is said and done, the only thing that makes an expensive car worth the money is extraordinary performance. Cars made primarily for driving. And in that school we excel.

YOU'D DRIVE A BMW IF IT DOES NOT DRIVE YOU.

An automobile writer once described driving a rather well-known domestic luxury sedan as "the ultimate act of motoring passivity." And this point is quite central to the difference between a BMW and the majority of the world's

they reach their pinnacle under the hood of the BMW 530i.

Its 3-liter engine—diminutive when compared to the 500 cubic inch monsters found in domestic luxury



Results of the Motor Trend 200-1000 cc test. BMW's 3-liter engine has the highest peak torque density of the BMW 5. At 2000 rpm, the BMW can hold its own. (Other makes were not tested.)

sedans—has been called by the editors of Road & Track magazine "the most refined in-line six in the world." It is the same basic engine that powers the BMW race cars that have dominated international racing for the past decade.

The technical explanation?

Petented, triple-hemispheric, swirl-action combustion chambers fan the fuel-air mixture, concentrating it around the spark in a remarkably compact, efficient manner. Developing extraordinary power from relatively small displacement.

And seventeen bearings and twelve crankshaft counterbalance weights—unusual refinements in a luxury sedan—give the whole operation a turbine-like smoothness that never ceases to astound even the experts.

A CAR YOU'RE ABLE TO CONTROL IS A SAFER CAR.

One drawback to designing a car primarily for sitting is that eventually, it must be driven.

And when one drives, inevitably one will be faced with a situation that calls for fast, precise response.

And so—while it is doubtful that there is a car made stronger than a BMW—while the BMW steel passenger safety cell and computer-determined, energy absorbing "crush zones" are innovative safety features to say the least—we propose that even more significant are those extraordinary handling characteristics that provide the BMW driver with the means and the soft scooter control to help avoid an accident as well as survive one.

INSIDE, THE SANITY OF FUNCTION.

Inside the BMW 530i, where con-



The BMW engine was designed to be both lightweight and strong. It has low weight-to-horsepower ratio.



ventional luxury sedans reach their furious peak, the engineers at the Bavarian Motor Works have achieved



The BMW 530i is a car for you. It's a car for you. It's a car for you. It's a car for you. It's a car for you.

what the editors of Motor Trend magazine describe as "... a study in ergonomic excellence.

There is virtually nothing in a BMW that does not in some way contribute to comfort, convenience, security and efficiency.

Careful study has been made of the critical interrelation between foot location, visual position, steering wheel angle, pedals and controls.

Instruments are clearly visible, controls easily accessible.

All seats have an orthopedically molded shape. Individual seats are adjustable forward and back—with variable-angle seat back and cushion supports.

Even the steering wheel is sociologically adjustable to compensate for variations in arm length.

Intelligent restraint! Yes. Yet no less a connoisseur of opulent motorcars than the automotive writer for Town & Country magazine was quoted after having driven a BMW as saying, "I came away with new parameters to measure other cars by."

For many serious drivers in all parts of the world, BMW has redefined the meaning of the word "luxury" to encompass more than a thin veneer of leather and chrome.

If you'd care to judge for yourself, we suggest you phone your BMW dealer and arrange a thorough test drive.

The ultimate driving machine.

Bavarian Motor Works, Munich, Germany.



© 1984 BMW of North America, Inc. For the name of your nearest dealer, or for further information, you may call us at BMW, 1-800-551-3600 (from 1-800-551-4500).

Today's situation.

**Mercedes and BMW
are competing for
sales leadership.**

**Minds
are
insecure.**



Why minds are insecure.

- **Monetary risk.**
- **Functional risk.**
- **Physical risk.**
- **Social risk.**
- **Psychological risk.**

Buying what others buy.

**Most people don't
know what they want.**

**Most people buy
what they think they
should have.**



Following the herd.

“We determine what is correct by finding out what other people think is correct.

We view a behavior as correct in a given situation to the degree we see others performing it.”

Robert Cialdini, psychologist

Russia.



Exploiting the herd effect.

Adamas is the largest jewelry producer in Russia. It produces fine jewelry that has a long term warranty.

One out of four pieces bought in Russia is produced by Adamas.

The positioning strategy.



Adamas.

The leader in fine Russian jewelry.

The herd effect.

Why do more people
shop at this store?



Adamas.

The leader in fine Russian jewelry.

The Tiffany effect.

**Can a jewelry store be a
sign of your love?**



Adamas.

The leader in fine Russian jewelry.

The results.

In 2009, Adamas volume grew 10% and profits grew 20% while the jewelry category dropped by 40%.

People buy where other people buy.

**Minds
don't
change.**



Modifying an attitude.

“In order to change an attitude, it is presumably necessary to modify the information on which that attitude rests .

It is generally necessary, therefore, to change a person’s beliefs.”

**Richard Petty and John Cacioppo ,
Behaviorists.**

This Xerox machine can't make a copy.



It used to be true: if Xerox made the machine, the machine made copies.

But things have changed. The Xerox machine on the left doesn't copy. It computes.

It's part of a whole versatile family of Xerox computers that's doing some very interesting things.

Helping doctors examine heart patients by telephone, for example. When the Xerox computer receives electrocardiograph signals via telephone from a distant clinic, it begins analyzing them.

Within minutes, the computer sends a report back over the phone to doctors at the examining clinic.

The connection between Xerox and computers? Well, all along, our goal at Xerox has been to help people communicate better. Copiers were the first way. But now we have lots more...in areas like education, films, publishing and computers.

So if a machine with our brand name on it doesn't deliver copies to you, don't get upset.

Maybe it's just not supposed to.

XEROX.

Funny. You don't look like a Xerox machine.



It's a Xerox machine, all right. But it doesn't duplicate...it computes.

It's a Xerox computer made by Xerox Data Systems, our computer division. And it gives you some idea of how far we've come since the days when all we made were office copiers.

These computers of ours are versatile. Some monitor vital signs in premature babies in their incubators; alerting doctors if there's a sudden change.

Others are helping businessmen. Like the one that's routing thousands of inter-city messages of a major financial service ten times faster than before.

Why are we in computers? Because over the years our interests have broadened from just copying to all areas of communications — areas like education, publishing, film-making and information transmission.

So when you say "Xerox machine" these days, it would help to be a little more specific. Because you could be talking about something that educates, transmits, computes, duplicates...or just plain entertains.

XEROX.

XEROX

And you thought we only made great copiers.

As you can see, the name Xerox is on a lot of office products besides copiers.

Like typewriters that easily revise. Workstations that create. Facsimile machines that guarantee your documents get wherever you're sending them. Intelligent printers that make you more productive.

And publishing systems and software that let you produce in-house documents that look like you went outside to publish them. We even make all the supplies you'll ever need to use them.

So whatever your document processing needs, Xerox makes all these products and a lot more. And with the same quality, service and support

you've come to expect from Team Xerox.

So in case you thought Xerox machines only made great copies, take another look.

They also make great originals.

Team Xerox. We document the world.



6020 Electronic Typewriter



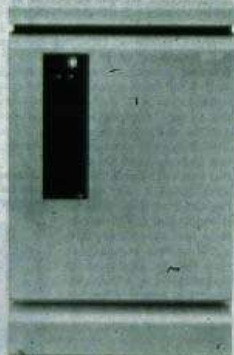
6085 Professional Computer



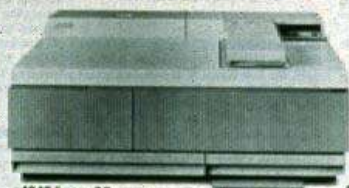
7650 Pro Imager



XPE 701 Publishing System



Xerox Ventura Publisher 2.0 software



4045 Laser CP



Supply Products



3700 Laser Printing System



8040 Electronic Typewriter



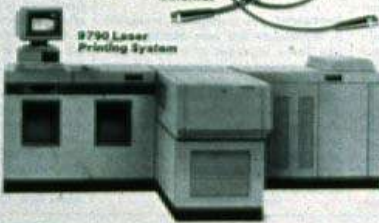
Kurzweil Discover 7320 Model 30



7017 Facsimile Machine



Ethernet



3790 Laser Printing System



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The New York Times.

Revamping Announced By Xerox

\$275 Million Charge
Taken and 2,000 Jobs
Will Be Eliminated

By JOHN MARKOFF

After more than two decades of stumbling in an attempt to become a major player in the automation of the office, the Xerox Corporation said yesterday that it was restructuring

"This is a company that has been a clear technology leader, yet Xerox has not been the company to commercially capitalize on those technologies," said Eugene G. Glazer, a financial industry analyst at Dean Witter Reynolds. "Investors might be skeptical that these actions will improve things."

Focus on Core Business

Xerox executives said the new strategy was an effort to concentrate on what it called its core business, document processing. That is Xerox's way of describing a variety of office automation tasks from computers to copiers.

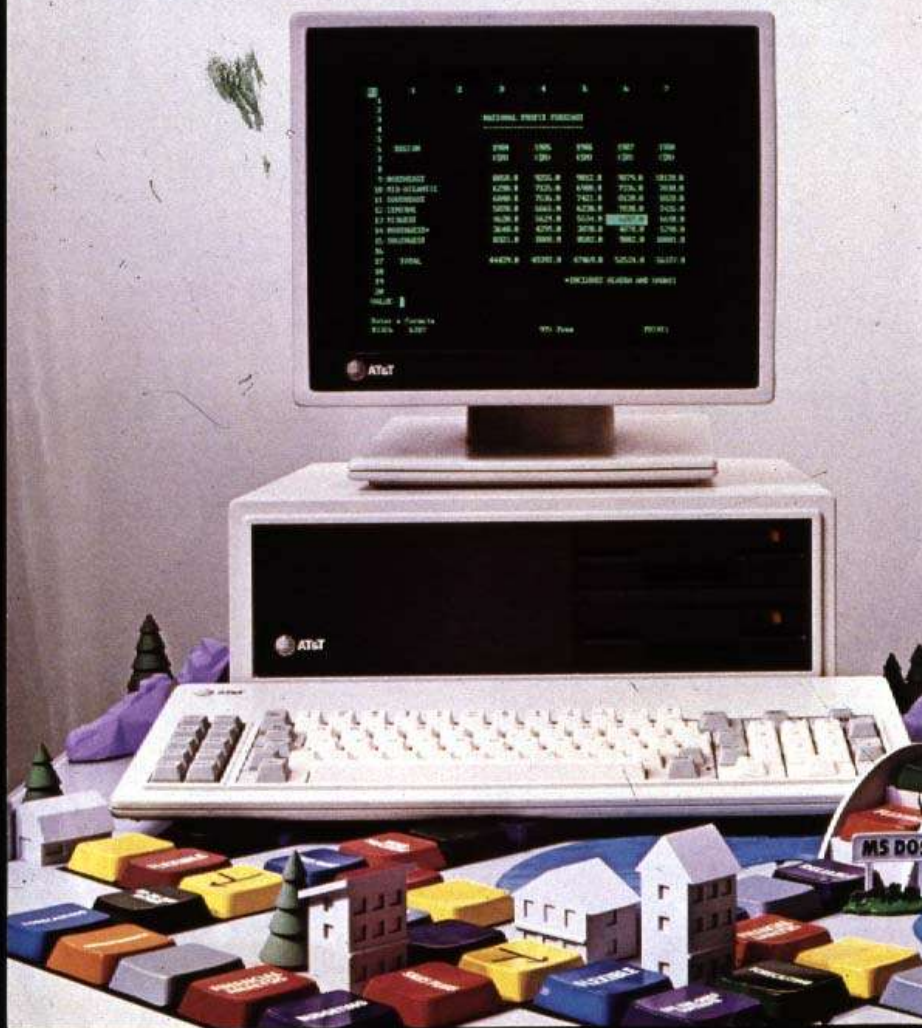
"We were not satisfied with a number of businesses," said David T. Kearns, Xerox's chairman and chief executive. The electronic typewriter business and the work station business lost money during the year.

Part of the new office equipment strategy will be to turn to widely adopted computer industry stand-

Xerox corp.

**The Document
Company.**

INTRODUCING THE AT&T PERSONAL COMPUTER.



1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

NATIONAL PROFIT FORECAST

	1988	1989	1990	1991	1992
1. INDUSTRY	1000.0	1000.0	1000.0	1000.0	1000.0
2. MANUFACTURING	1000.0	1000.0	1000.0	1000.0	1000.0
3. SERVICES	1000.0	1000.0	1000.0	1000.0	1000.0
4. GOVERNMENT	1000.0	1000.0	1000.0	1000.0	1000.0
5. RETAIL	1000.0	1000.0	1000.0	1000.0	1000.0
6. FINANCIAL	1000.0	1000.0	1000.0	1000.0	1000.0
7. ENERGY	1000.0	1000.0	1000.0	1000.0	1000.0
8. TRANSPORTATION	1000.0	1000.0	1000.0	1000.0	1000.0
9. UTILITIES	1000.0	1000.0	1000.0	1000.0	1000.0
10. TELECOMMUNICATIONS	1000.0	1000.0	1000.0	1000.0	1000.0
11. HEALTHCARE	1000.0	1000.0	1000.0	1000.0	1000.0
12. EDUCATION	1000.0	1000.0	1000.0	1000.0	1000.0
13. RECREATION	1000.0	1000.0	1000.0	1000.0	1000.0
14. REAL ESTATE	1000.0	1000.0	1000.0	1000.0	1000.0
15. OTHER	1000.0	1000.0	1000.0	1000.0	1000.0
16. TOTAL	10000.0	10000.0	10000.0	10000.0	10000.0

AT&T

The personal computer game is ready for business—and now it's your move. To win the game your company needs a fast, flexible, reliable personal computer that enables you to call the shots.

Go directly to the new AT&T Personal Computer.

The AT&T Personal Computer is more than just a superior piece of hardware. Behind it is a commitment to a better way of managing information and communications. One that can pay off handsomely in increased productivity and profits.

Because our AT&T PC is designed to be flexible enough to meet all your business needs—today and in the future.

Whether you use it as a stand-alone workstation or as a team player in a fully integrated system, you'll find our PC a high-performance machine. And a hard-working addition to your office.

Its fast processing and high-resolution graphics will help make any computer task a computing pleasure. In addition, you can expect more standard features. More expansion slots. More options for future growth.

OFF-THE-SHELF SOFTWARE DOES THE JOB

Driven by the MS-DOS® operating system, the AT&T PC runs the most popular off-the-shelf software for a wide range

of business applications. Financial analysis. Forecasting. Budgeting. Word processing. Inventory. The AT&T PC does it all.

And its flexibility means that when it's time to expand, our PC will actually make your computer growing pains painless.

With our unique PC Interface it can be linked to the more sophisticated, higher capacity world of the UNIX** System V Operating System—the AT&T Computer "brain" that is emerging as the operating system standard for multi-user, multi-tasking machines.

THE AT&T TRADITION CONTINUES

Some things about our PC cannot be measured in bits and bytes, but are of immeasurable value.

For instance, the unmatched service and support of AT&T. The built-in reliability—and outstanding quality—of our products. The century-long tradition of technological innovation and personal attention to detail.

Think about it. Then make your move—to the AT&T Personal Computer, from AT&T Information Systems.

To get in on the game, call your AT&T Account Executive or 1 800 247-3212.

**AT&T INFORMATION SYSTEMS.
WHEN YOU'VE GOT TO BE RIGHT.**



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The Wall Street Journal.

AT&T Begins Slicing Computer Unit, Plans \$1.2 Billion Third-Quarter Charge

As Many as 10,000 Workers,
Over 20% of GIS Staff,
Are Facing Dismissal

By JOHN J. KELLER

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK — AT&T Corp., in a vast retrenchment, has begun cutting as many as 10,000 jobs, or more than 20% of its world-wide computer work force and will take a \$1.2 billion charge to pay for the cutback.

Company insiders said AT&T ultimately may pull out of the personal-computer business as part of a massive restructuring of its ailing Global Information Solutions Inc. unit, formerly known as NCR Corp. AT&T acquired NCR in 1990 for \$7.4 billion, but it has yet to help

AT&T Global Information Solutions Restructuring

Current...

1994 Revenue	\$8.5 billion
Employees	43,000
Business	Retail, financial, transportation, consumer goods manufacturing, state and local governments, phone and cable TV companies

Source: AT&T

...After Restructuring

1995 First Half Revenue	\$3.8 billion
Operating Loss	\$332 million
Employees	33,000*
Business	Retail, financial, phone companies, systems integration, general purpose computers, system media

*Analysts' estimates

The charge, to be taken in the third quarter, and the restructuring amount to a major retreat for AT&T, further damaging a dismal record in computers. AT&T's core telecommunications business continues to prosper, but it has repeatedly bungled attempts to gain an edge in the information industry by managing its

AT&T's new computer chief, Lars Nyberg, who is the fourth top executive to run the unit since 1990, hopes to return the unit to profitability by trimming at least \$1 billion a year from GIS's annual cost structure, according to people who have seen his plan.

The futility of change.

“Faced with the choice between changing one’s mind and proving that there is no need to do so, almost everyone gets busy on the proof.”

John Kenneth Galbraith

25 Product categories.

1. Bacon
2. Batteries
3. Breakfast cereal
4. Film
5. Canned fruit
6. Canned milk
7. Chewing gum
8. Chocolate
9. Crackers
10. Flour
11. Mint candies
12. Paint
13. Paper
14. Pipe tobacco
15. Razors
16. Sewing machines
17. Shirts
18. Soap
19. Soft drinks
20. Soup
21. Shortening
22. Tea
23. Tires
24. Toilet soap
25. Toothpaste

The leading brands in 1923.

1. **Swift**
2. **Eveready**
3. **Kellogg's Corn Flakes**
4. **Kodak**
5. **Del Monte**
6. **Carnation**
7. **Wrigley's**
8. **Hershey's**
9. **Nabisco**
10. **Gold Medal**
11. **Life Savers**
12. **Sherwin-Williams**
13. **Hammermill**
14. **Prince Albert**
15. **Gillette**
16. **Singer**
17. **Manhattan**
18. **Ivory**
19. **Coca-Cola**
20. **Campbell's**
21. **Crisco**
22. **Lipton**
23. **Goodyear**
24. **Palmolive**
25. **Colgate**

The leading brands of today.

1. **Swift**
2. **Duracell**
3. **Cheerios**
4. **Kodak**
5. **Del Monte**
6. **Carnation**
7. **Wrigley's**
8. **Hershey's**
9. **Nabisco**
10. **Gold Medal**
11. **Life Savers**
12. **Sherwin-Williams**
13. **Hammermill**
14. **Prince Albert**
15. **Gillette**
16. **Singer**
17. **Arrow**
18. **Dove**
19. **Coca-Cola**
20. **Campbell's**
21. **Crisco**
22. **Lipton**
23. **Goodyear**
24. **Dial**
25. **Colgate**

Only 5 lost their leadership.

- 1. _____
- 2. **Eveready**
- 3. **Kellogg's**
- 4. _____
- 5. _____
- 6. _____
- 7. _____
- 8. _____
- 9. _____
- 10. _____
- 11. _____
- 12. _____
- 13. _____

- 14. _____
- 15. _____
- 16. _____
- 17. **Manhattan**
- 18. **Ivory**
- 19. _____
- 20. _____
- 21. _____
- 22. _____
- 23. _____
- 24. **Palmolive**
- 25. _____

**Minds
can lose
focus.**



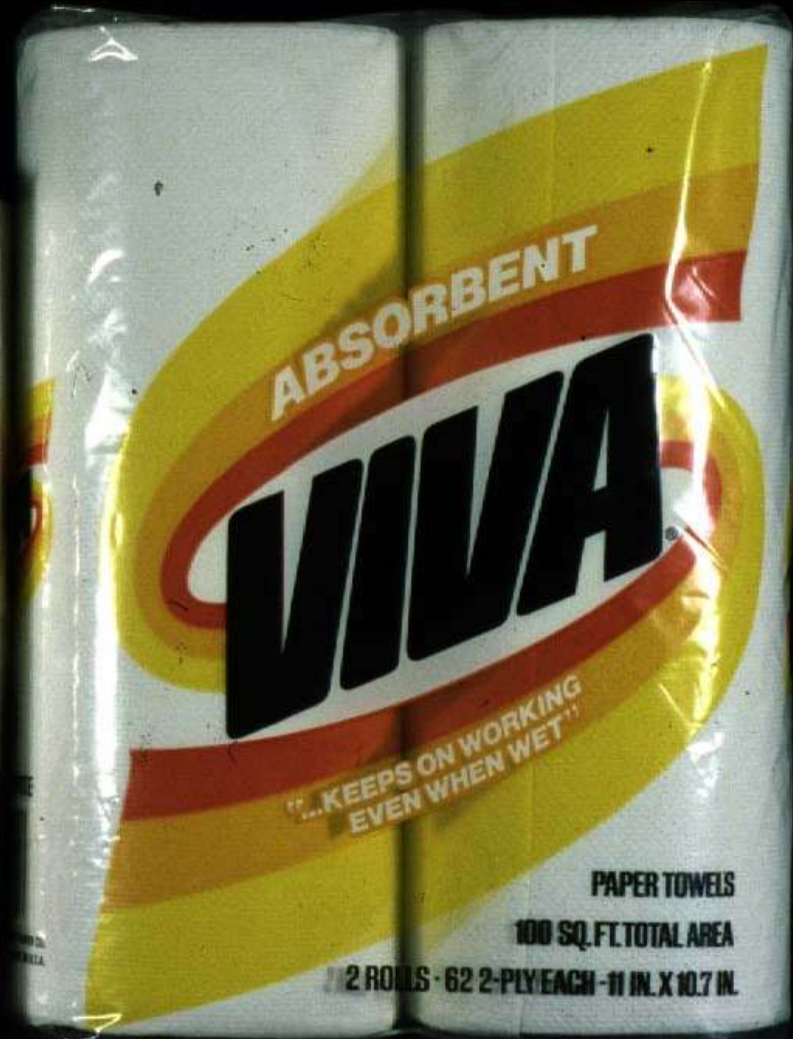
The line-extension trap.



Charmin is now No. 1.



Scott changes its strategy.



Life Savers. The candy with the hole in the middle.



Life Savers Gum?



Life Savers soda?



Pierre Cardin wine?



Pierre Cardin vodka?



Heinz. The famous ketchup.



Heinz mustard?



A matter of perspective.

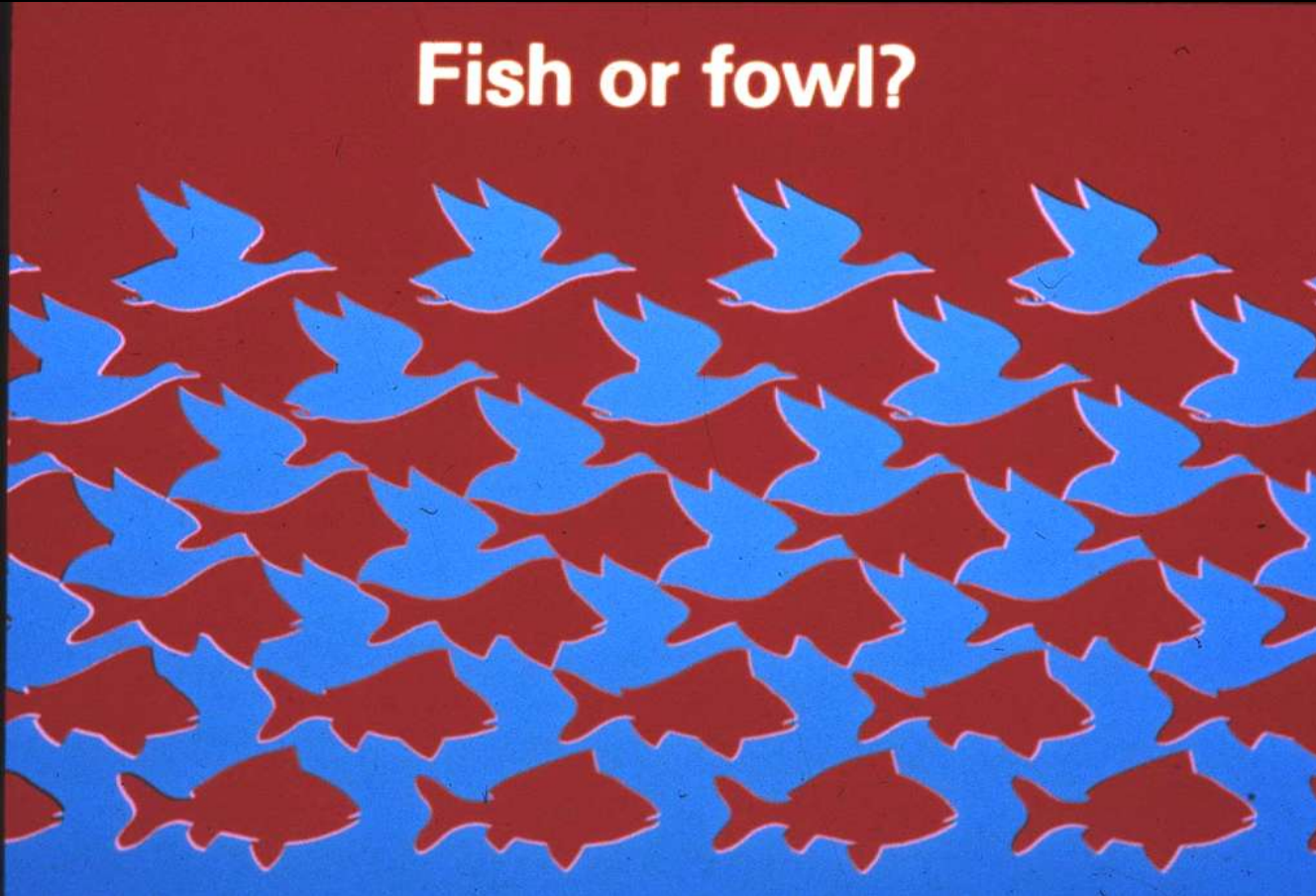
Companies look at their brands from an economic point of view.

Long term, they should look at their brands from the mind's point of view.



The problem.

Fish or fowl?

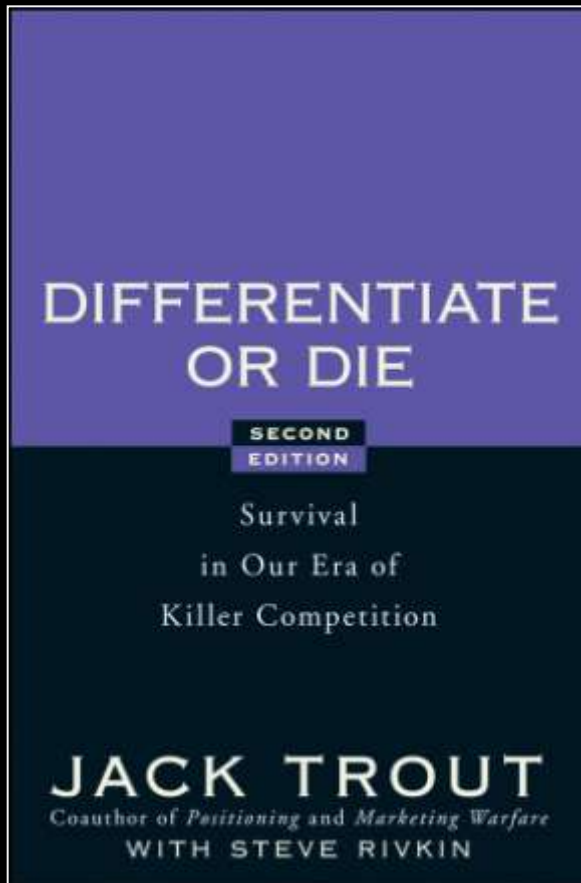


Strategy.



It's all about differentiation.

Yet another book to read.



**Positioning is not
sloganeering.**

Marketing's big problem.

**Creeping
commoditization.**

The hard numbers.

In a list of 75 categories, only 21% of the measured brands had any points of meaningful differentiation.

That's 10% less than a 2003 "Loyalty index" benchmark.

Result: Meaningless slogans.

- **“Start something.”**
- **“Welcome aboard. Really.”**
- **“People drive us.”**
- **“Expanding possibilities.”**

Banks are the worst.

- **Where money lives.**
- **Embracing ingenuity.**
- **The clean Swiss bank.**
- **The power to do more.**
- **Whatever makes you happy.**
- **Here today. Here tomorrow.**

The result.

In a recent research study of a wide variety of categories, the banking sector was determined to have 0% differentiation.

Meaningless slogans and endless mergers have commoditized the category.

Slogan or difference?

**“Nike.
Just do it.”**

Difference.

**“What the
world’s best
athletes wear.”**

Slogan or difference?

“I’m lovin it.”

Difference.



Difference.

**“The world’s
favorite place
to eat.”**

Slogan or difference?

**“Nokia.
Connecting
people.”**

Difference.

**“Nokia. The
world’s No.1
cell phone.”**

Slogan or difference?

**“New Zealand.
The world’s
newest country.”**

Difference.

**“The two most
beautiful islands
in the world.”**

Slogan or difference?

**“Australia.
Where the bloody
hell are you?”**

Difference.

**“The wonders
down under.”**

Korea.
Slogans vs. positioning.

A slogan not a difference.

The Samsung logo consists of the word "SAMSUNG" in white, bold, uppercase letters, centered within a blue, horizontally-oriented oval shape.

SAMSUNG

TURN ON TOMORROW

Samsung's obvious strategy.

Samsung's success in televisions, cell phones, and other electronic products while Sony is in decline, sets the stage for the following position.

A leadership position.

Samsung.
World's leader
in electronics.

A slogan not a difference.



HYUNDAI

NEW
THINKING.
NEW
POSSIBILITIES.

Hyundai's obvious strategy.

A recent J.D. Powers “Initial Quality Survey” ranked Hyundai fourth behind Lexus, Porsche and Cadillac.

This could be the basis for the following “Positioning.”

A value position.

**Hyundai.
More car for
the money.**

The press agrees.

The Most Car for the Least Money?

The new Hyundai Sonata sedan inspires no flights of fancy, but on paper it's hard to beat

[RUMBLE SEAT]

By Dan Fley



No one will ever write about a car with this much... Hyundai Sonata. The new Hyundai Sonata sedan is a... (text continues)

But for now, be amazed. Be amazed that my primary car put together a car with this much... (text continues)

The 2008 Sonata—the sixth generation of the model—is the company's primary... (text continues)



The Sonata's exterior, including the wheel, also below right, features "black styling." The engine, below left, is more conventional. The engine, below left, is more conventional. The engine, below left, is more conventional.

Get me just one idea by my... (text continues)

general statement of switches and displays. However, the... (text continues)

Hyundai does the program of... (text continues)

Two hundred horsepower... (text continues)

The common mistake... (text continues)

■ In a bid to a billion-dollar...

A meaningful position.

**KIA. America's
fastest growing
car company.**

**Differentiation
via “attribute”.**

“Attribute” psychology.

Researchers say every person is a mixture of characteristics.

Being known for one characteristic makes the person unique.

**(Albert Einstein: Intelligence.
Marilyn Monroe: Sexy.)**

Psychology (continued).

Researchers say each product is a mixture of characteristics.

Being known for one characteristic makes the product unique. (Volvo:Safety. Crest: Cavity prevention.)

Visa.

Everywhere.

Automotive attributes.

BMW.....driving
Volvo.....safety
Mercedes.....prestige
Toyota.....reliability
Jaguar.....styling
Ferrari.....speed

Attribute positioning.



Spain's situation.

Their dominant vacation position in Europe is being challenged by other Mediterranean destinations that have sun, beaches and lower prices.

They need repositioning to counter their new competitors.

Spain's tourism history.

They suffer from changing slogans.

1984 Everything under the sun.

1991 Everything new under the sun.

1992 Passion for life.

1997 Bravo Spain.

2002 Spain marks.

2004 Smile. You are in Spain.

2010 I need Spain.

What has stuck.

Spain's climate and beaches has made them "Europe's favorite vacation place." (No. 2 in visits.)

But the sun has outshone other things to see. If Spain is everything under the sun, they should spend more effort on the attribute of "everything."

Back to the future.



**Everything
under the
sun.**

Some of the castles of historic Spain.

Visit the places where kings and potentates made history.

Victor Hugo called it "the world's most beautiful square."

The Dukes of Burgundy and Bobarré passed here.

And you? What might you feel in the Grand Place of Brussels?

Come at dawn and see the bustle of farmers at their market. Return a few hours later and delight in the flower market. Daytime offers pleasant cafes and restaurants; an absorbing museum in the evening the Grand Place is a goodly market.

But it is more than a square of flamboyant guild houses traced in gold. The Grand Place is alive with the spirit that animates Belgium. Conviviality. Friendliness. Appreciation of the past and enthusiasm for the present.

The Grand Place is just one small part of the fascinating city of Brussels. And Brussels, in turn, is a fraction of Belgium, a nation of extraordinary variety. In fact, if you could somehow transmute Europe into one easy-to-see country, it would be Belgium. That's why it makes sense to begin your European trip here.

And the airline that takes you to Belgium and beyond is Sabena, Belgium's own international airline.

Aboard Sabena's jetliner, you'll enjoy Belgian hospitality before you even get there.

For flight or tour information see your travel agent or call your local Sabena office.

*For literature write to Sabena.



Everything
under
the
sun.

Some of the cathedrals of religious Spain.

Pray in the shadows of some of the world's finest art.

Victor Hugo called it "the world's most beautiful square."

The Dukes of Burgundy and Brabant visited here.

And you? What might you feel in the Grand Place of Brussels?

Come at dawn and see the bustle of farmers at their market. Return a few hours later and delight in the flower market. Daytime offers pleasant cafés and restaurants, an absorbing museum. In the evening the Grand Place is a socialist miracle.

But it is more than a square of flamboyant gilded houses faced in gold. The Grand Place is alive with the spirit that animates Belgium. **Conviviality. Friendliness. Appreciation of the past and enthusiasm for the present.**

The Grand Place is just one small part of the fascinating city of Brussels. And Brussels, in turn, is a fraction of Belgium, a nation of extraordinary variety. In fact, if you could somehow transmute Europe into one easy-to-see country, it would be Belgium. That's why it makes sense to begin your European trip here.

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Belgium's own international airline.

Aboard Sabena's jetliners, you'll enjoy Belgian hospitality before you even get there.

For flight or tour information see your travel agent or call your local Sabena office.

For literature write to Sabena.



Some of the beaches of sun drenched Spain.

Come relax at the best beaches in the Mediterranean.

Victor Hugo called it "the world's most beautiful square."

The Dukes of Burgundy and Brabant journeyed here.

And you? What might you feel in the Grand Place of Brussels?

Come at dawn and see the bustle of farmers at their market. Return a few hours later and delight in the flower market. Daytime offers pleasant cafés and restaurants, an absorbing museum. In the evening the Grand Place is a foodie miracle.

But it is more than a square of flamboyant guild houses traced in gold. The Grand Place is alive with the spirit that animates Belgium: Conviviality, Friendliness, Appreciation of the past and enthusiasm for the present.

The Grand Place is just one small part of the fascinating city of Brussels. And Brussels, in turn, is a fraction of Belgium, a nation of extraordinary variety. In fact, if you could somehow transmute Europe into one easy-to-see country, it would be Belgium. That's why it makes sense to begin your European trip here.

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For literature write to Sabena.



Everything
under
the
sun.

**Differentiating
via “how it’s made”.**

“How it’s made” psychology.

Consumers want to believe that products can contain a magic ingredient which will improve performance.

Understanding how the ingredient works is not essential.

Crest.

Fluoristan.

Sony.

Trinitron.

BP.

Invigorate.

Living Proof hair care.

**Magic
molecule.**

Intel.

Core 2 Quad?

Hand made.



THE SEAMSTRESS WITH LINEN THREAD AND BEESWAX

A needle, linen thread, beeswax and infinite patience protect each suitcase from humidity and the passage of time. One could say that a Louis Vuitton bag is a collection of details. But with so much attention focused on every one, should we only call them details?

LOUIS VUITTON

Quality construction.

QUALITY MATTERS
THE BEST DRESS SHIRT \$49.50 CAN BUY. HERE'S WHY.

Available in Traditional and Tailored Fits

Designed with a split-shouldered yoke across the shoulder

Choose from the classic buttondown or suit-worthy straight collars

Durable buttons won't chip or break

GUARANTEED. PERIOD.®

Soft, silky pinpoint fabric keeps its fresh-pressed look and after wash

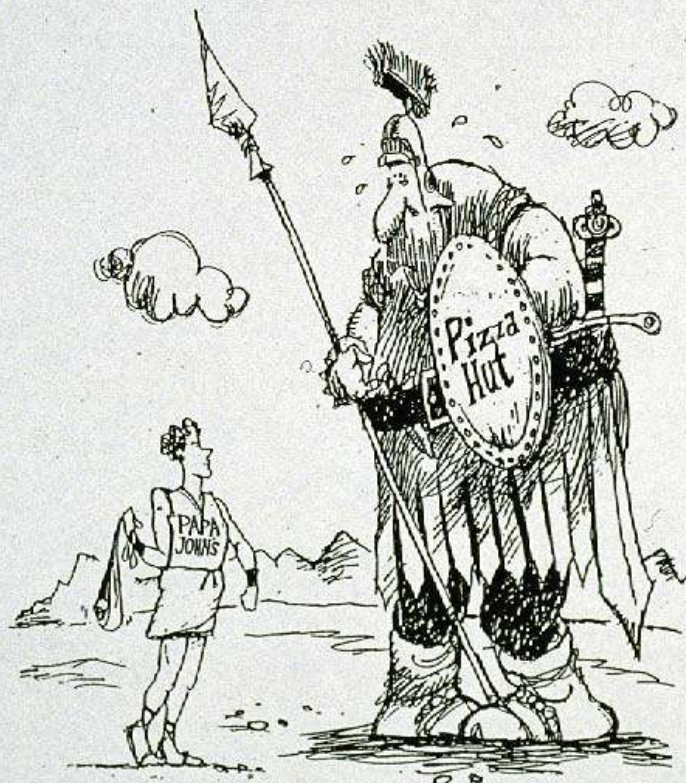
We've got hand-sewn silk ties to match, too

Exact sleeve lengths for the perfect fit

LANDS' END
landsend.com

**Positioning
a pizza chain.**

Who says little guys can't beat big guys?



"Best overall pizza chain in the U.S."

- Restaurants and Institutions magazine, 2/1/97

Named best-tasting pizza in over 40 markets.

- Results of consumer voting

"Outperforming the entire fast food industry."

- The Wall Street Journal, 4/28/97

When you see how Papa John's has been doing lately, it's no surprise that our giant competitor has become, shall we say agitated.

America has an appetite for better quality pizza - just what's put Papa John's on the map. And so armed with a newly revamped product, the bug guy is coming after the little company that's winning all the acclaim.

It's funny, though, because we never set out to create a big stir. All we set out to create was a really really good pizza.

Back in the early '80s when John Schnatter (yes, there really is a Papa John) started making pizzas in the broom closet of his dad's tavern, his mission was to bring the public something he had never personally experienced. A delivery pizza that's consistently excellent. Better ingredients, better pizza. Simple idea. Well, in theory.

An admitted fanatic for quality, Papa John tracked down sauce made with fresh-packed tomatoes grown only in certain California valleys and picked only during the few weeks a year when they're perfect. And today we're still the only national chain that uses fresh packed tomato sauce on every single pizza.

He search out the Italian cheese-making genius who had discovered the secret to keeping moz-

zarella fresher and moister. Together he and John developed the special kind of 100% mozzarella that's piled on every Papa John's pizza. We're the only place, large or small, that has it.

Using the spring wheat flour and filtered water for better dough. Hiring professional dough makers in our regional commissaries to assure a consistent product (versus giving the job who-knows-who in the restaurant, as most of our competitors do). Obsessive? Yep, that's John.

Call it what you may, his quest for the perfect pizza has made Papa John's the fastest-growing pizza company in the country.

Still, Papa John's is only the number four pizza chain. That is, if all you consider is our number of locations.

In its April 28 article, The Wall Street Journal reports that Papa John's is succeeding spectacularly at a time when "Goliath's" parent company is retreating from the fast-food business entirely. As the Journal story puts it "Papa John's is on a tear."

Put another way, it would seem that we're number one in everything but size. Which, apparently, has caused a certain giant to get his nose just a little bit out of joint.

But that's okay. Our sling is loaded.

PIZZA
PAPA JOHN'S

Better Ingredients.
Better Pizza.

John's secret weapon.



Not made from concentrate.



The “better” position.

Better ingredients.

Better pizza.

John's decision.

When presented with this repositioning strategy, he listened to his marketing people argue, then announced: “Does anyone have a better idea?”

After a minute of silence he announced: “Then it's off we go.”

**Differentiating
a ketchup.**

The Venezuelan original.



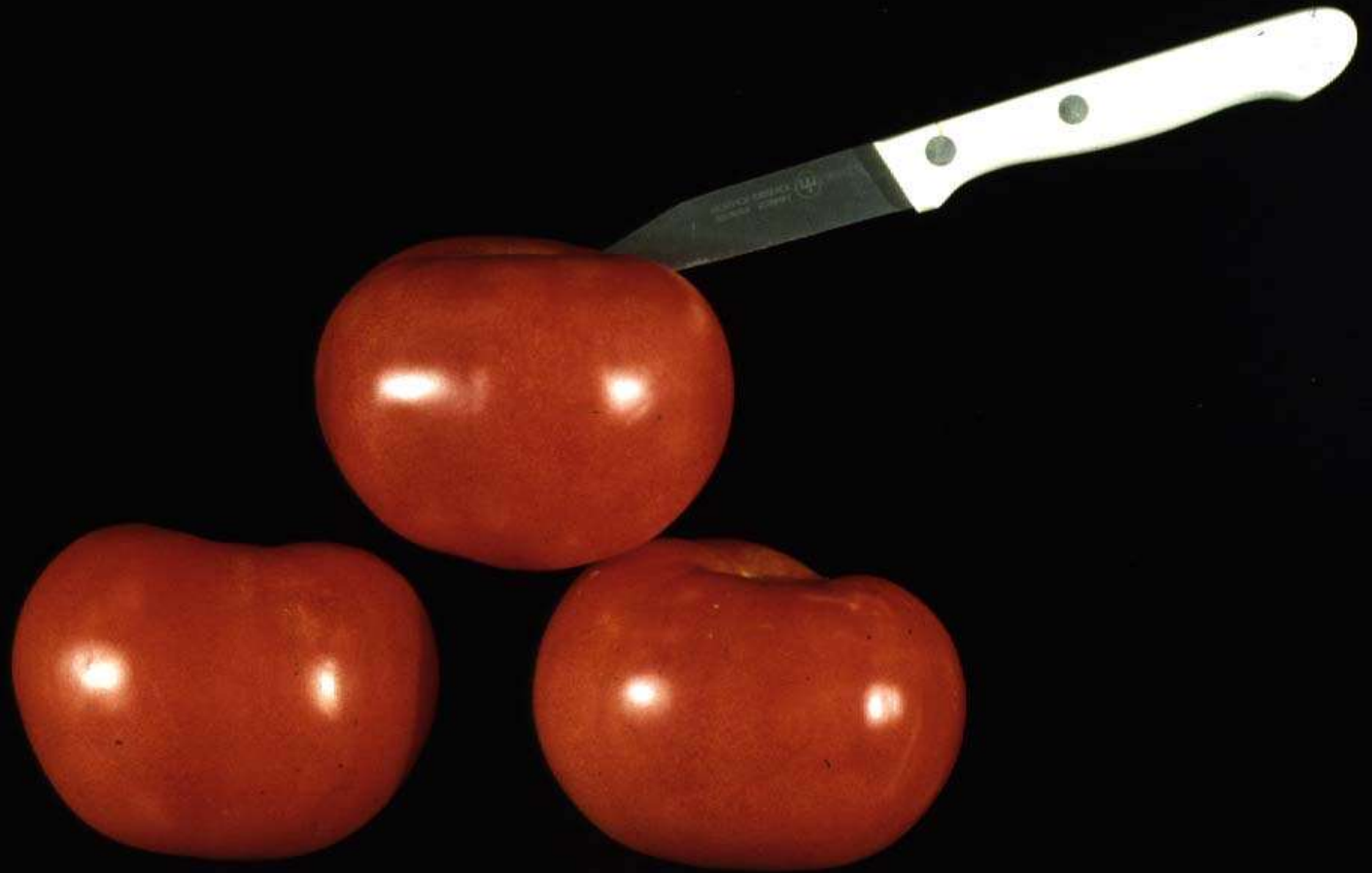
The big guys arrive.



How the big guys do it.



How Pampero does it.



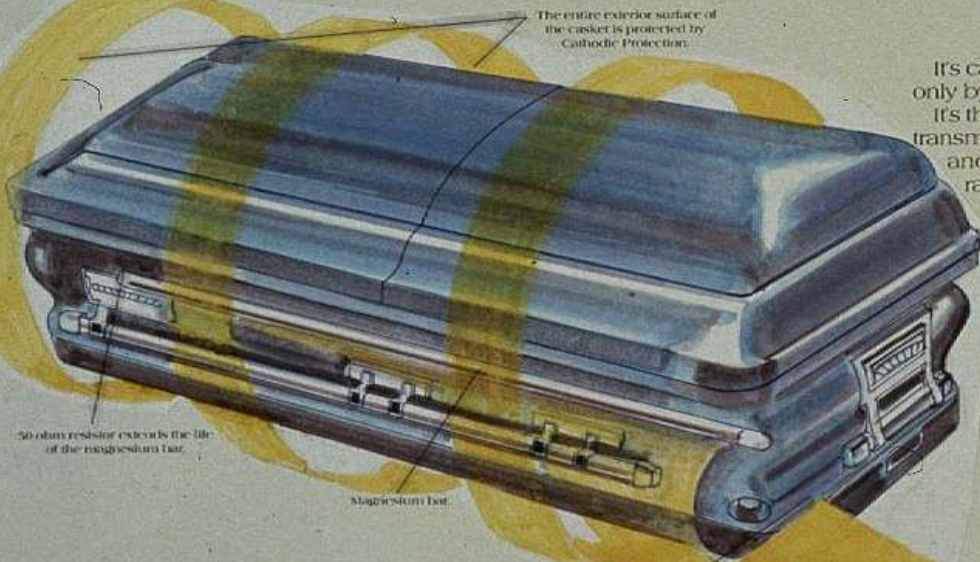
The differentiating idea.

Most recipes that use whole tomatoes call for removing the skin.

Pampero could exploit this “without-the-skin” perception of quality and taste.

Fewer leaks.

The science behind our unique new warranty.



The entire exterior surface of the casket is protected by Cathodic Protection.

50 ohm resistance extends the life of the magnesium bar.

Magnesium bar.

Flow of electricity carries magnesium particles to the already bare steel under attack thus preventing corrosion.

It's called cathodic protection and it's offered only by Batesville.

It's the same science that protects electrical transmission towers, the Alaskan pipeline and the hulls of ocean vessels from the ravages of corrosion.

If you're interested in how it works, look at the illustration to the left.

If you're interested in how well it works, ask your Batesville representative to take you through our new Progressive Warranty that guarantees some of our Monoseal caskets for up to 75 years.

It's a comprehensive guarantee program that satisfies the recent concerns of the FTC on burial warranty periods.

Applying the latest science to the manufacture of caskets is just one of the things we do more of.



The biggest should do more.
It's only right.

**Differentiation
via “being first”.**

“First” psychology.

People tend to stick with what they've got. The status quo has a magnetic attraction.

But it's not just being first. It's about being first into the mind.

The first nighttime cold remedy.



The first shaving gel.



The first coffee house.



The first search engine.



The first social network.

facebook

The first champagne.



A “First” warning.

Being first with a good idea is desirable. Being first with a bad idea is usually a disaster.

Beware of bad ideas.

A clear cola?



Beer tasting water?



Toothpaste tasting entree?



**Differentiation
via “leadership.”**

“Leadership” psychology.

Humans tend to equate bigness with success and social status.

Leadership is the most direct way to establish the credentials of our brand.

Credentials are the collateral you put up to guarantee your performance.

Titleist.

**No. 1 ball
in golf.**

Adding heritage to leadership.

PERFORMANCE IS
65 YEARS
AND STILL COUNTING.

THE #1 BALL PLAYED AT THE U.S. OPEN

Titleist
PRO V1

Titleist
PRO V1X

Titleist

For more information about the PRO V1 and PRO V1X, visit www.titleist.com, call 1-800-828-8888, or visit your local golf pro.

Adam Scott, Zach Johnson, Steve Stricker, Luke Donald, James Watson, Rickie Fowler, Angel Cabrera, Jason Dufner, Jason Day, Matt Kuchar, Louis Oosthuizen, Geoff Ogilvy

India.



Bajaj.

**A company in India
applies positioning.**

The old Bajaj.



The new Bajaj.



Rajiv Bajaj.



“He was so inspired by the book *Positioning: The battle for your mind* that he convinced Jack Trout to be a consultant to Bajaj and spend time with his team each quarter.”

India Today
16 April 2012

The strategy.

**Build powerful
motorcycle
brands.**

Pulsar motorcycles.

The positioning story.

Pulsar pioneered the sport bike category. It now outsells all the other sport bikes combined, including the Japanese.

It's the hot sport bike.

The position.

Pulsar.
India's No.1
sports bike.

Dramatizing leadership.



BAJAJ
Relentless Lead

NEW PULSAR. OLD HABIT.

11 top industry awards and counting...

©2011 BAJAJ

Like its predecessors, the all-new Pulsar 200NS wins top honours across categories. A cool 11 awards including experts' choice, readers' choice, design of the year and technology of the year. And to top it all, the Bike of the Year award from multiple juries. Of course, you wouldn't expect any less from India's No.1 sports bike.

'BIKE OF THE YEAR' AWARDS

- ET 24/7 WHEELS 'BIKE OF THE YEAR'
- NDTV CAR & BIKE 'TWO WHEELER OF THE YEAR'
- BIKE INDIA 'BIKE OF THE YEAR'

CATEGORY-WISE AWARDS

- ET 24/7 WHEELS 'BEST ENTHUSIAST MOTORCYCLE (150-250CC)'
- NDTV CAR & BIKE 'MOTORCYCLE OF THE YEAR (UP TO 250 CC)'
- BIKE INDIA 'MOTORCYCLE OF THE YEAR (125-200CC)'

READERS' CHOICE AWARDS

- ET 24/7 WHEELS READERS' CHOICE AWARD
- BBC TOP GEAR READERS' CHOICE BIKE OF THE YEAR

OTHER AWARDS

- ET 24/7 WHEELS 'AUTOMOTIVE TECHNOLOGY OF THE YEAR (FOR TRIPLE SPARK)'
- NDTV CAR & BIKE 'AUTOMOTIVE DESIGN OF THE YEAR'
- CB 'DESIGN EXCELLENCE' AWARD



pulsar
INDIA'S NO.1 SPORTS BIKE

www.mypulsar.com

Reinforcing leadership.

TRIPLE SPARK TECHNOLOGY
ISN'T THE ONLY REASON WHY
THIS IS THE BEST PULSAR YET.

BAJAJ
Trinity Star

Perimeter Frame

Naked Street Fighter Styling

Liquid Cooling

Front and Rear Petrol Disc Brakes

4 Stroke Engine

TRIPLE SPARK Technology

Underbelly Exhaust with ExhaustTEC

Wires Mesh Suspension

Broad Rear Tyre

6 Speed Gear Box

pulsar 200NS
INDIA'S NO.1 SPORTS BIKE

Discover motorcycles.

The positioning story.

Commuter motorcycles are about basic transportation. Discover set out to position their motorcycles as have more performance.

The twin spark engine was their point-of-difference.

The performance position.

**Twin spark
power.
Highest fuel
efficiency.**

Dramatizing the position.

Bajaj revolutionizes 100cc bikes.

The new Discover 100.

Fuel efficiency
with 30% more power,
style and features.



Up till now, 100cc bikes were a boring lot.
Fuel efficiency but not much else. No longer. Using
new technology, Bajaj has added more power, a
new rear suspension and new styling.
It's the end of that boring ride to work.

BAJAJ

Discover

Twin spark power. Highest fuel efficiency.

Proof of performance.



Discover wins the commuter bike shootout.

The new king offers more motorcycle for the money.

Zigwheels is India's No.1 auto site. In an exhaustive comparison, the leading commuter motorcycles were run through their paces.

This report summed it all up when the Discover 100 was named the pick of the class with the final observation:

"It's got style, comfort and performance as well as unmatched fuel efficiency. It's what the common man really needs."

Discover ends the boring ride to work.



BAJAJ

Discover

Twin spark power. Highest fuel efficiency.

A “Positioning” star.

Business Standard

Mumbai February 16, 2012

Star-studded jury honours corporate excellence
Rajiv Bajaj is the Business Standard CEO of the Year.



The unanimous choice for CEO of the Year was Rajiv Bajaj, MD & CEO of Bajaj Auto, for the way he has made the “elephant dance”, as a jury member put it. Apart from the scale of operations (sales grew 35 per cent in the last financial year, 11 percentage points faster than industry growth), what impressed the jury was the 45-year-old Bajaj’s proven track record in building brands and his ability to take profitability to a new league. Bajaj Auto was easily the most profitable two-wheeler manufacturer in India, with net profit touching nearly Rs 3,500 crore in 2010-11 at a three-year compounded annual growth rate of 66 per cent. Operating margins have been in the 20 per cent region for five quarters now, despite high input costs.

The 4 Steps to Differentiation



1. The competition.

Arguments are never made in a vacuum. There are always competitors trying to make points of their own.

Your message has to make sense in the context of the category.

2. The differentiating idea.

You are looking for something that separates you from your competitors.

The trick is to find that difference and then use it to set up a benefit for your customer.

3. The credentials.

To build a logical argument for your difference, you must have the credentials to support your claim of being different.

You must be able to demonstrate your difference.

4. Communicating difference.

If you build a differentiated product, the world will not automatically beat a path to your door. Truth will not win without some help.

Every aspect of your communication should reflect your difference.

The “going away” myth.

Advertising is less effective and losing ground to PR, product placement, the internet and other new forms of communication.

**The case for
good advertising.**

**Advertising builds fast
awareness.**

**In an age of killer competition,
time is not on the side
of a brand.**

**Advertising can build
credentials.**



There are more pain relievers than ever.

But there's only one
that hospitals use most.

TYLENOL.



Nothing's more effective.
Nothing's safer.

TYLENOL works to give you
uninterrupted pain relief without the
stomach irritation you can
get with aspirin or other
kinds of pain relievers.

For you and your
family, doesn't it make
sense to choose the
pain reliever hospi-
tals use most?

There's only one.
TYLENOL.
The pain reliever
hospitals
use most.

Remember to stay alert for
allergic reactions. Do not
take Tylenol with alcohol.
Tylenol is a prescription
product. For more information,
contact your doctor or
call 1-800-333-3333.
© 1998, Parke-Davis
& Co., Inc.

**Advertising can deliver
news.**

The news factor.



Miller Lite news.

FACT:

HUMAN THIGHBONES ARE STRONGER THAN CONCRETE.

FACT:

THE TALLEST WAVE EVER SURFED WAS 66FT TALL.

FACT:

MILLER LITE HAS 1/2 THE CARBS OF BUD LIGHT.

AMAZING, HUH?

© 2003 Miller Brewing Company, Milwaukee, WI

Miller Lite has 3.2 grams carbohydrates per 12 oz. while Bud Light has 6.6 grams carbohydrates per 12 oz.

**Advertising can dramatize
a difference.**



The execution is different, but the concept is basically the same.

Both vehicles are very difficult to destroy.

However, the M-41 (at right) was built to withstand slightly meaner treatment than the Volvo 144 (at left).

As a result, the M-41 weighs in at 50,000 lbs. And for all its bulk, carries only four men—in extreme discomfort, we might add.

It gets 1.4 miles to the gallon, and won't go

anywhere this side of the Aberdeen Proving Grounds and there is a growing legion of happy owners who will be glad to verify the point."

The Aberdeen Proving Grounds, incidentally, is where the U. S. Army tests tanks.

It even has armor-plating.

Volvo has a finish six coats thick. First the

The car that looks like a tank.



Driving the wrong way.



**Advertising can be used
to compare.**

THE ULTIMATE SITTING MACHINE VS. THE ULTIMATE DRIVING MACHINE.

Recently a senior editor of Motor Trend magazine leveled this criticism at the three most prestigious, most expensive domestic luxury sedans: "Smooth; they are, handle they don't, except in the strictest interpretation of the term."

In defense of these three luxury sedans, it should be pointed out that the basis for this harsh judgment was a bit unfair.

It erroneously presupposes that the cars were designed to "handle" in the first place, which of course they weren't.

In fact, they're merely examples of a wholly separate school of thought that may best be summarized by the phrase "opulence over everything." Cars designed primarily for sitting. And in that school they excel.

At the Bavarian Motor Works, we



The Motor Trend Station Test, designed to "simulate" lane changing, second lane faster than any passenger sedan tested.

luxury sedans.

The BMW suspension system is designed to provide the utmost driver control and road feel at all times and under all conditions.

Instead of the "solid-rear-axle" system found in all domestic—and many foreign—sedans, the BMW suspension is fully independent on all four wheels.

And this, combined with a multi-pinted rear axle, allows each wheel to adapt itself independently to every driving and road condition. With a smoothness and a precision that will spot you for any other car.

AN OVERWEIGHT ENGINE HAS NO PLACE IN A HIGH-PERFORMANCE CAR.

If efficiency and precision are two well-known German characteristics,

sedans—has been called by the editors of Road & Track magazine "...the most refined in-line six in the world." It is the same basic engine that powers the BMW race cars that have dominated international racing for the past decade.

The technical explanation?

Patented triple-hemispheric, swirl-action combustion chambers fan the fuel-air mixture concentrating it around the spark in a remarkably complete, efficient manner. Developing extraordinary power from relatively small displacement.

And seven main bearings and twelve crankshaft counterbalance weights—unusual refinements in a luxury sedan—give the whole operation a turbine-like smoothness that never ceases to astound even the experts.

A CAR YOU'RE ABLE TO CONTROL IS A SAFER CAR.

One drawback to designing a car primarily for sitting is that eventually, it must be driven.

And when one drives, inevitably one will be faced with a situation that calls for fast, precise response.

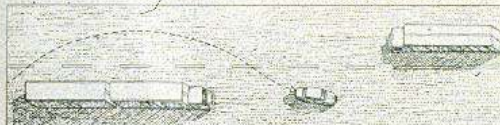
And so—while it is doubtful that there is a car made stronger than a BMW—while the BMW steel passenger safety cell and computer-determined, energy absorbing "crush zones" are innovative safety features to say the least—we propose that even more significant are those extraordinary handling characteristics that provide the BMW driver with the means and the split second control to help avoid an accident, as well as survive one.

INSIDE THE SANITY OF FUNCTION.

Inside the BMW 530i, where con-



The BMW engine was designed by Alex von Saldern (shown here, front left) and has won some records of the age of 55.



50-70 mph, 0.9 seconds... high-speed passing acceleration borders on the brilliant, the editors of Motor Trend magazine.

have a different approach to building luxury sedans.

It is our contention that, when all is said and done, the only thing that makes an expensive car worth the money is extraordinary performance. Cars made primarily for driving. And in that school we excel.

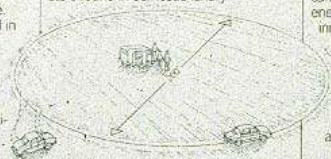
YOU DRIVE A BMW. IT DOES NOT DRIVE YOU.

An automobile writer once described driving a rather well-known domestic luxury sedan as "...the ultimate act of motoring passivity."

And this point is quite central to the difference between a BMW and the majority of the world's

they reach their pinnacle under the hood of the BMW 530i.

Its 3-liter engine—diminutive when compared to the 500 cubic inch monsters found in domestic luxury



Results of the Motor Trend "200 ft. Circle Test" (shown here) show the superior road holding abilities of the BMW. At 80k, the BMW was 100 on the road, other sedans were out.

ventional luxury sedans reach their frivolous peak, the engineers at the Bavarian Motor Works have achieved



In a BMW 530i you'll find 101 extra windows to help you see. Driver visibility is clear.

what the editors of Motor Trend magazine describe as "...a study in ergonomic excellence."

There is virtually nothing in a BMW that does not in some way contribute to comfort, convenience, security and efficiency.

Careful study has been made of the critical interrelation between seat location, visual position, steering wheel angle, pedals and controls.

Instruments are clearly visible, controls readily accessible. All seats have an orthopedically molded shape. Individual seats are adjustable forward and back—with variable-angle seat back and cushion supports.

Even the steering wheel is telescopically adjustable to compensate for variations in arm length.

Intelligent restraint? Yes. Yet no less a connoisseur of opulent motorcars than the automotive writer for Town & Country magazine was quoted after having driven a BMW as saying, "I came away with new parameters to measure other cars by."

For many serious drivers in all parts of the world, BMW has redefined the meaning of the word "luxury" to encompass more than a thin veneer of leather and chrome.

If you'd care to judge for yourself, we suggest you phone your BMW dealer and arrange a thorough test drive.



The ultimate driving machine.
Bavarian Motor Works, Munich, Germany.

© 1976 BMW of North America, Inc. For the name of your nearest dealer, or for further information, you may call us anytime, toll-free, at 800-243-6006. (Circle 1800-243-6006)

**Advertising can create
a rationale.**

**“A Rolex takes a year
to build.”**

Some painful research.

Copernicus Marketing looked at brand differentiation in 46 product categories. In 40 categories, brand identities were becoming less distinct.

In other words, they were becoming commodities.

More painful research.

Copernicus Marketing viewed 400 commercials. Less than 10% had a clear selling message. 90% were either a mystery or a joke with 3 seconds of logo.

The big excuse.

“Differences between products and services are becoming less. Therefore, the psychological differentiation and lifestyle differentiation are more important.”

**Sir Martin Sorrell,
WPP**

My conclusion.

**The problem isn't advertising.
As Pogo said, "We have met the
enemy and it is us."**

My advice.

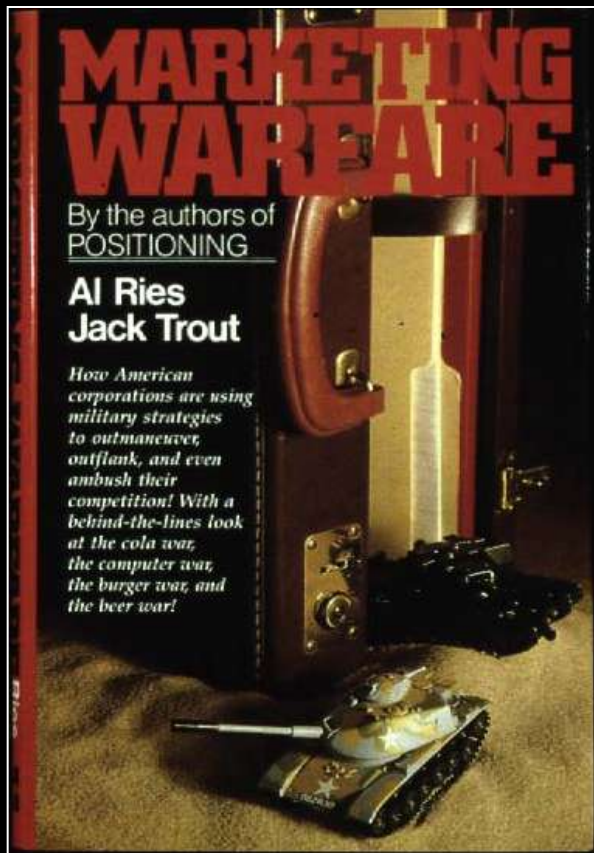
Nothing is going away. There are just more ways for you to use to communicate your point of difference.

Strategy.



It's all about competition.

Another book to read.



Military warfare.

Your
army



Enemy
army

Territory.

Marketing warfare.

**Your
company**

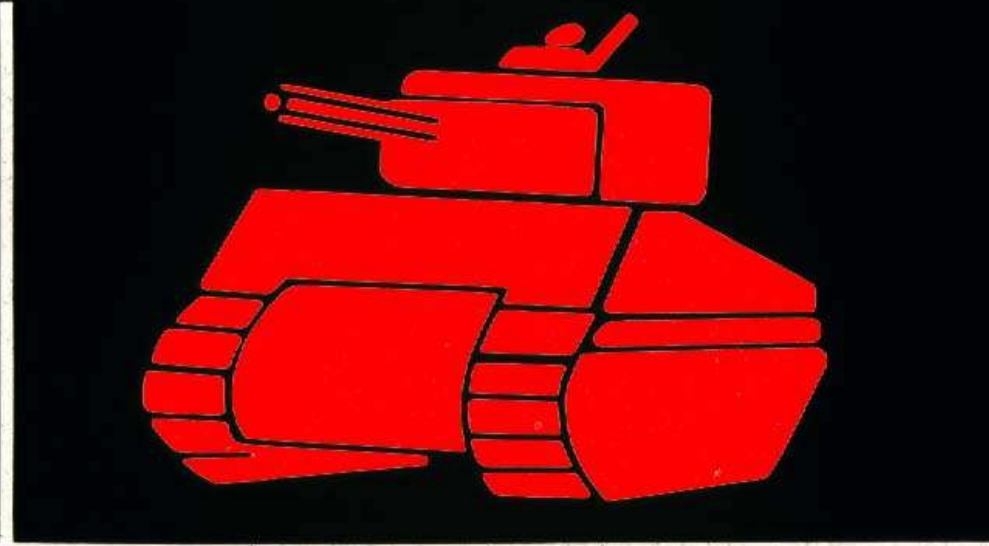


**Competitor
company**



Customer.

The strategic square.



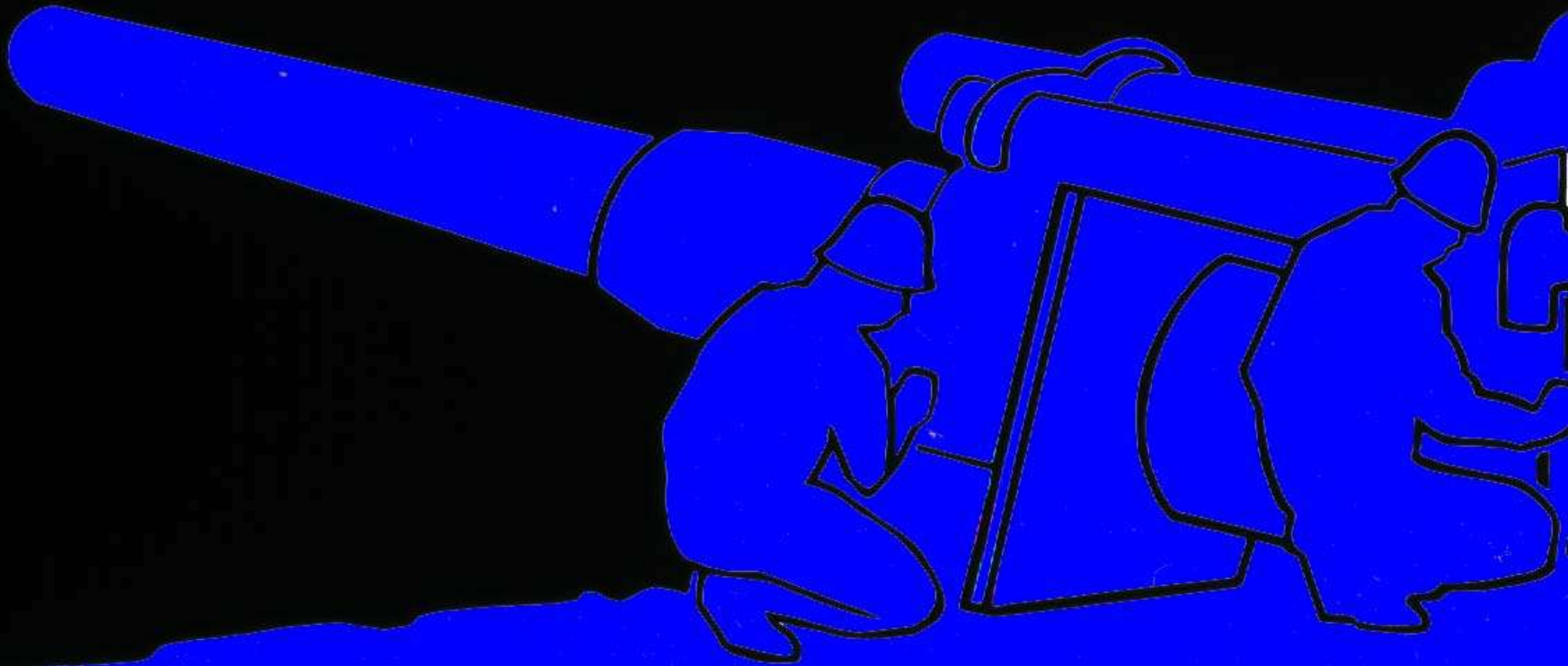
**Defense
warfare**

**Offensive
warfare**

**Flanking
warfare**

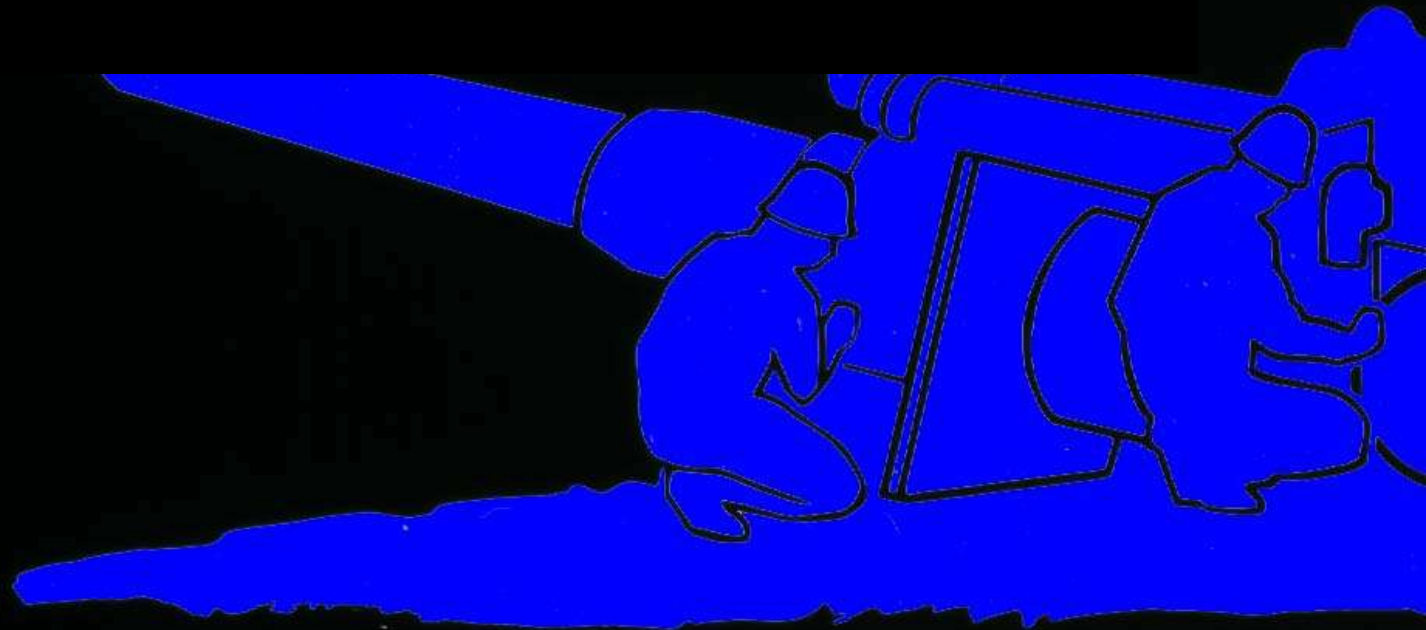
**Guerrilla
warfare**

Principles of defensive warfare.



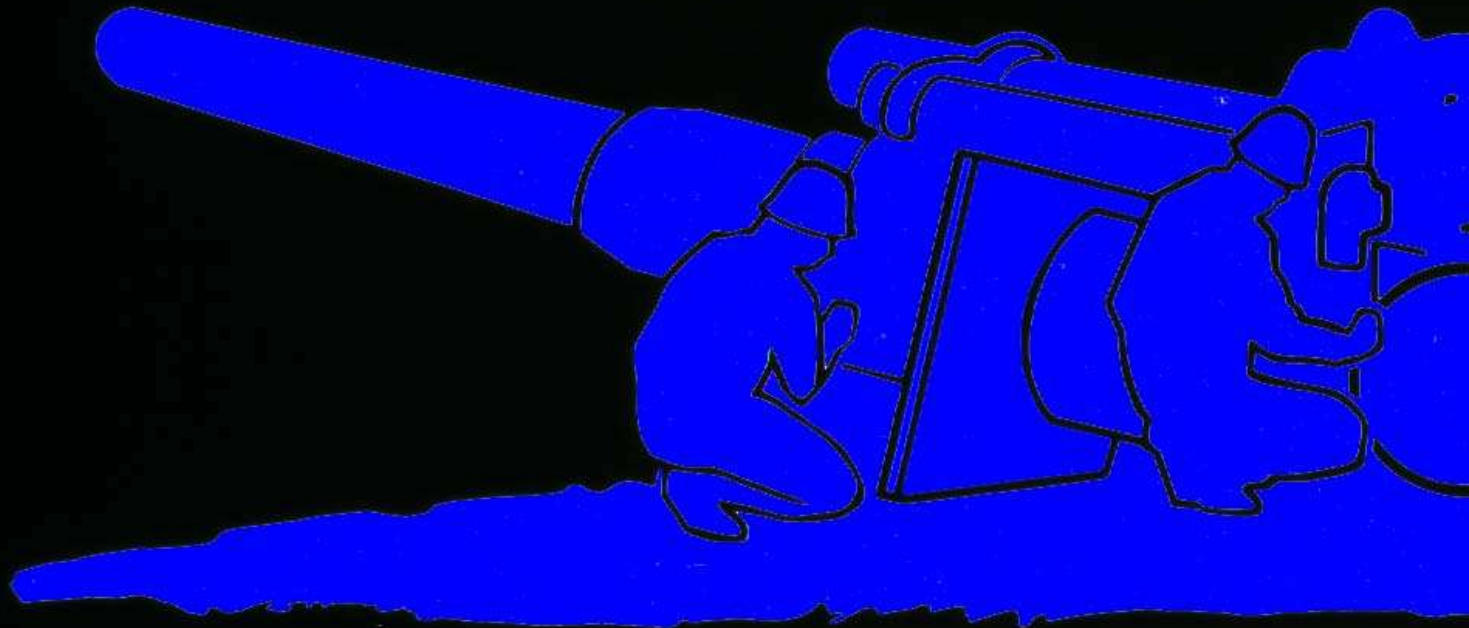
Defensive principle No. 1.

Only the market leader should play defense.



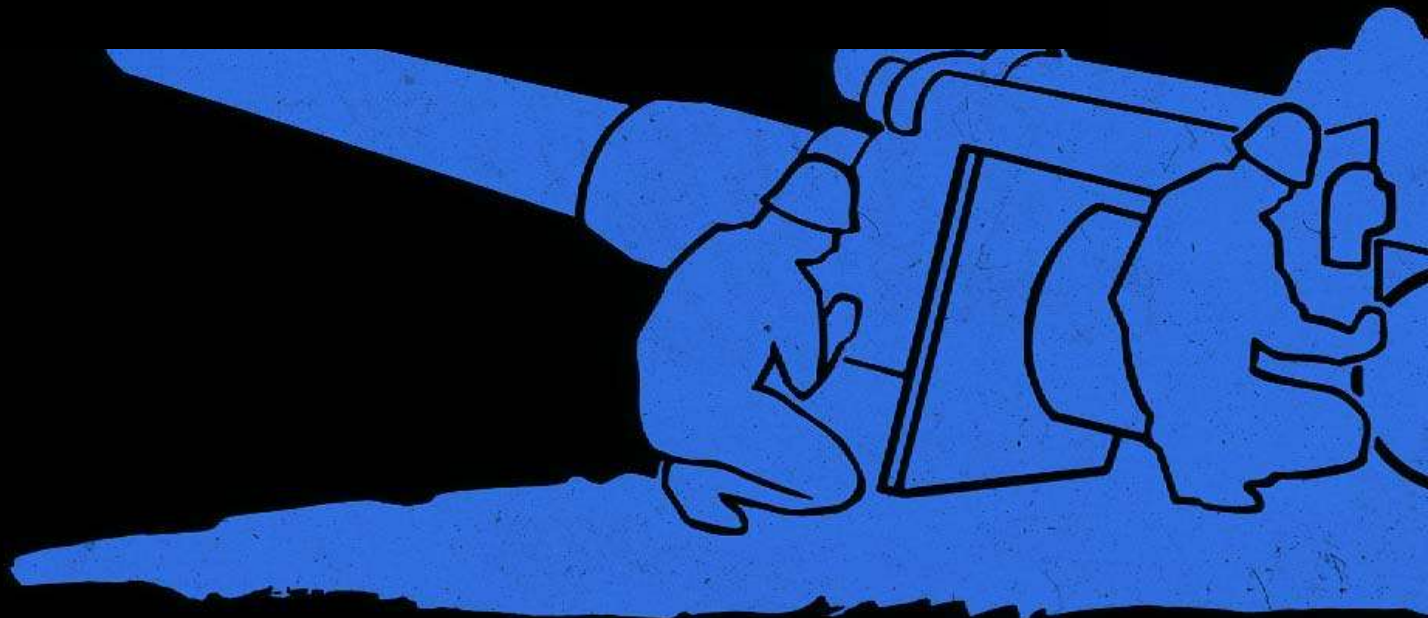
Defensive principle No. 2.

The best defensive strategy is the courage to attack yourself.



Defensive principle No. 3.

Strong competitive moves should always be blocked.



United States.



The leading razor blade.



Gillette attacked itself.

The two-bladed razor.



Adjustable two-bladed razor.



The shock absorbent razor.



The 3-bladed razor.



Gillette puts \$300 mil behind its Mach3 shaver

Global ad blitz begins in August; no mass sampling

By Sharon T. Klahr

After investing more than \$750 million to develop its new Mach3 shaving system, Gillette Co. won't be giving the product away.

"Right now, our plan is to sell every razor we make in the early years of launch," said a Gillette spokesman.

Since the introductions of the Sensor and SensorExcel razors, in 1989 and 1994, respectively, Gillette has sampled an estimated 25 million razors, according to company executives.

But for Mach3, the company only plans a limited VIP sampling of 2,000 razors.

"I'd give the whole thing away right now. If people try Mach3, you'll have 99% conversion. I would sample 96 million households," said Andrew Shore, analyst with PaineWebber.

To try to make Mach3 the No. 1-selling men's shaving system, Gillette plans to spend \$300 million on global marketing, with \$200 million in ads coming in the first year.

'THE BEST' TAG RETAINED

Ads break in August, and represent a budget double what the marketer spent on the introduction of Sensor, according to John Darman, VP-business manage-

ment for male shaving.

The Mach3 media mix includes TV, radio, print, outdoor and Internet ads and will capitalize on the high-tech theme of the product. Advertising will retain the familiar "The best a man can get" tagline.

North American TV advertising, from BBDO Worldwide, New York, breaks in early August with a 15-second teaser spot.

"The major blitz will begin Aug. 10, and it will be loud when it hits," said Mr. Darman.

Following the teaser, there will be :60s, :45s and :30s depicting a pilot breaking each successive "Mach" barrier, accompanied by a sonic boom.



Boom ahead: A supersonic flight is the theme in ads for the new Mach3.

Throughout the flight his skin is pulled taut, the wings fly off the

The five bladed razor.



**Bic chose to reposition
Gillette as being expensive.**

The disposable razor.



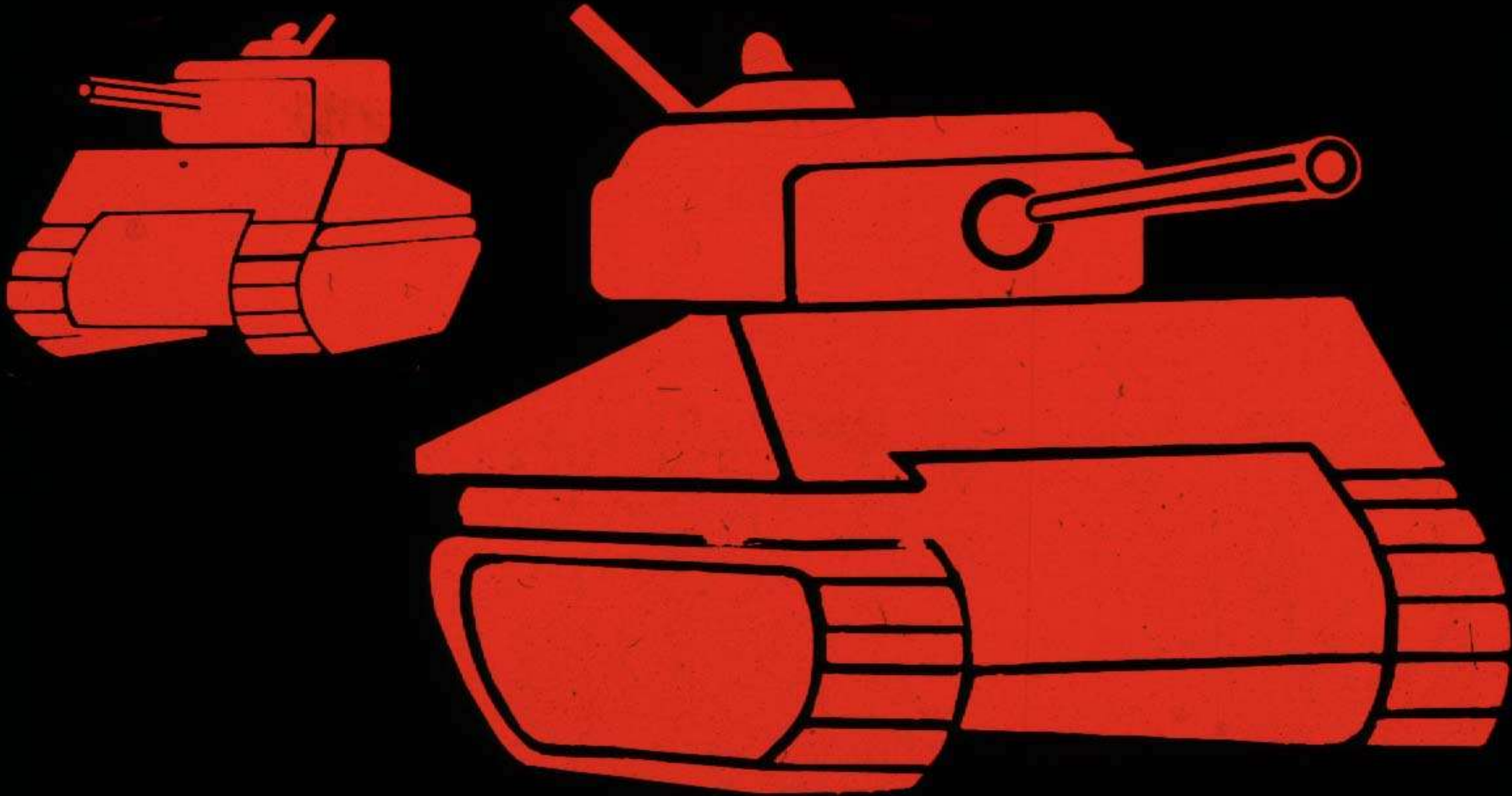
Gillette blocks the disposable.



Razor blade market shares.

Gillette.....	62%
Bic.....	19%
Schick.....	16%
Wilkinson Sword.....	3%

Principles of offensive warfare.



Offensive principle No. 1.

The main consideration is the strength of the leader's position.



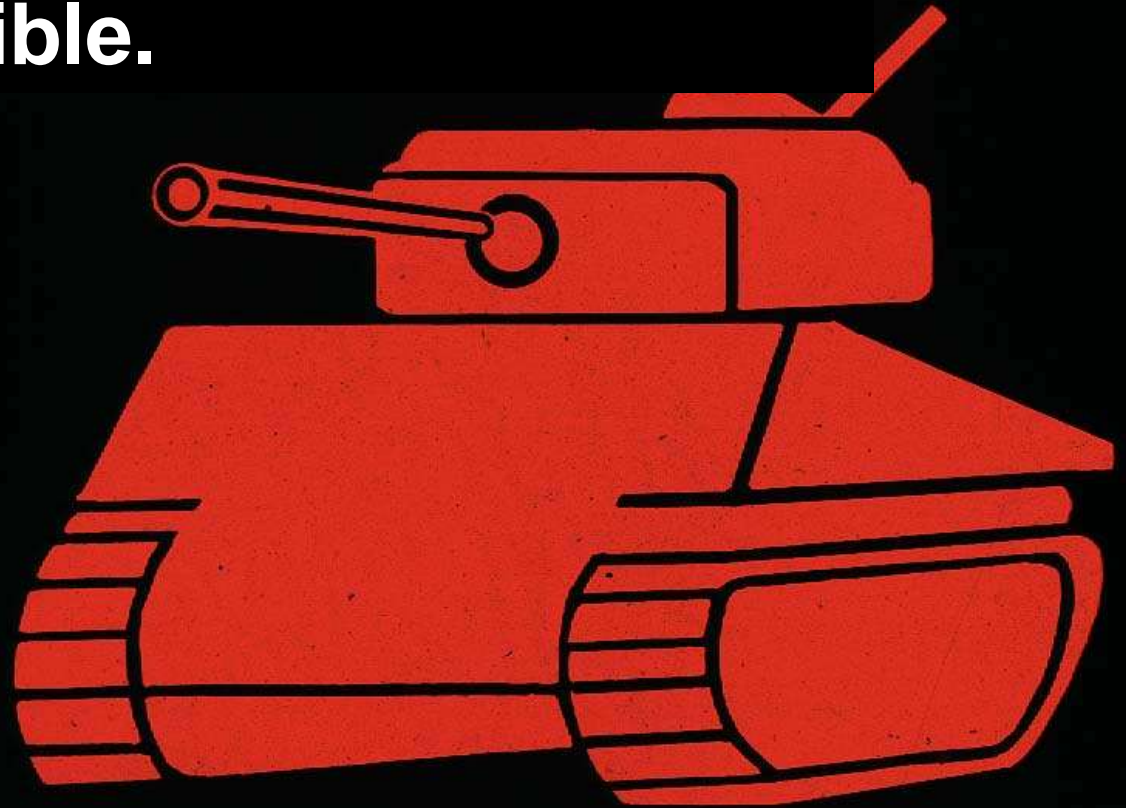
Offensive principle No. 2.

Find a weakness in the leader's strength and attack at that point.



Offensive principle No. 3.

Launch the attack on as narrow a front as possible.



Argentina.



The mountain water war in Argentina.

The mountain leader.

NO GASIFICADA

Villavicencio

AGUA MINERAL NATURAL DE MANANTIAL

Precordillera de los Andes,
Mendoza, a más de 1.750 metros
sobre el nivel del mar.



INDUSTRIA
ARGENTINA
CONT. NETO

15
Litros

Villavicencio

PRODUCTO DE MENDOZA - SIERRAS DE VILLAVICENCIO

The mountain climber.



The leader's weakness.

AGUA MINERAL
NATURAL
DE MONTAÑA

1,5 Litros

CATIONES

		ppm
Calcio	(CA ++)	23,20
Magnesio	(Mg ++)	22,89
Sodio	(Na +)	272,00
Potasio	(K +)	7,20

ANIONES

Cloruros	(Cl-)	46,80
Bicarbonatos	(CO ₃ H-)	478,70
Carbonatos	(CO ₃ =)	25,50
Sulfatos	(SO ₄ =)	180,00
Fluoruros	(F-)	1,84

Consumir preferentemente
antes de: (Ver fecha en parte
superior de la botella)



DESTRUYA ESTE ENVASE
UNA VEZ VACIO

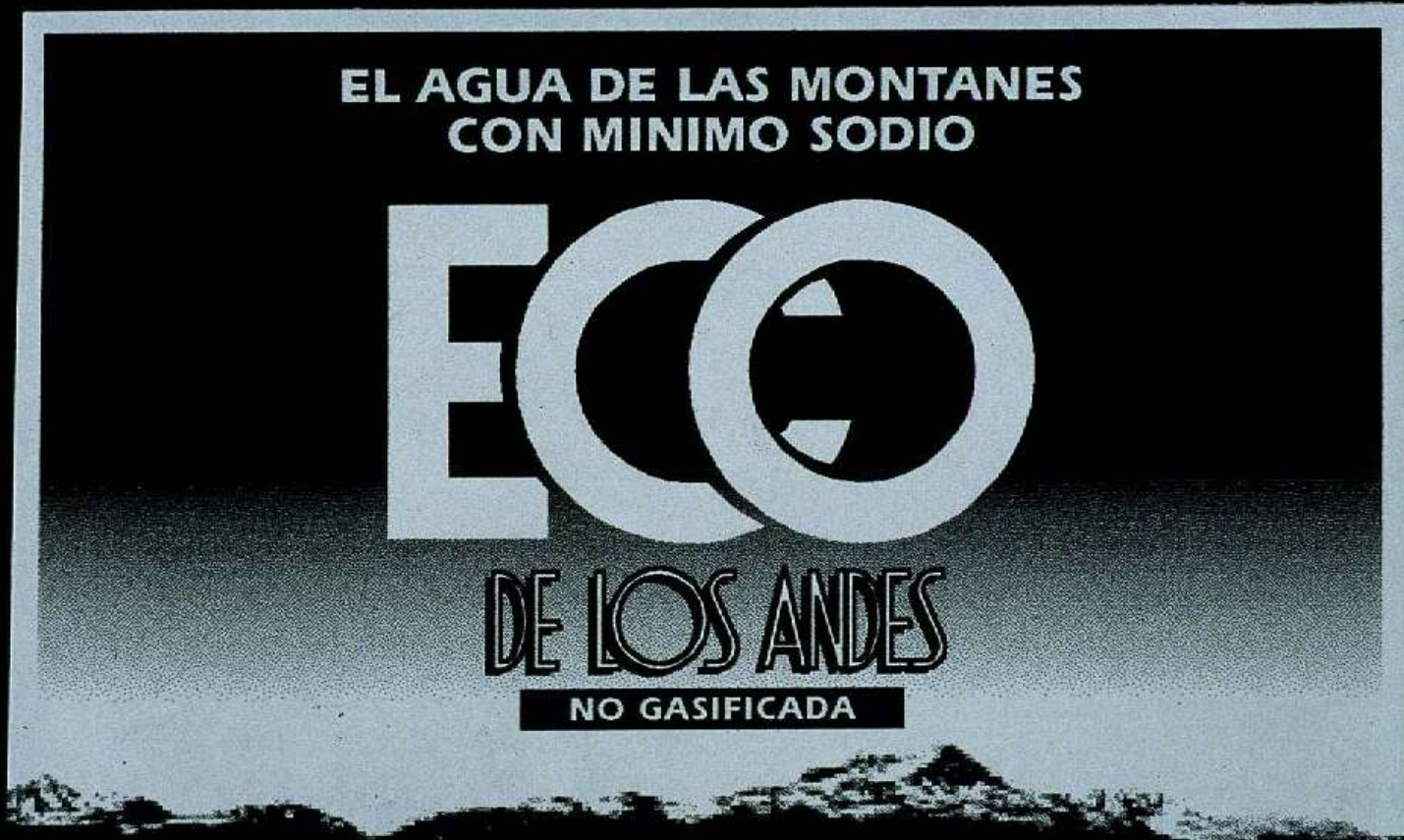


Exploiting the weakness.

ANALISIS DE LABORATORIO	
MINERALIZACION DEBIL ATERMAL	
• CALCIO	30,0 mg/l
• MAGNESIO	3,0 mg/l
• SODIO	10,4 mg/l
• POTASIO	3,9 mg/l
• CLORURO	5,3 mg/l
• BICARBONATO	79,3 mg/l
• SULFATO	44,2 mg/l
• NITRITOS	no cont.
• NITRATOS	no cont.
TOTAL SOLIDOS DISUELTOS 176,1 mg/l	
CALIDAD Quilmes	

**Reposition the competition
as having too much salt.**

A revised label.



Support for this concept.

The American Heart Association recommends ingestion of water with sodium concentration of less than 20 mg per liter.

The recommendation for reduced sodium intake is usually 1,000 to 3,000 mg per day.

A revised label story.

Nature's purest water comes from the mountains. Originating in the snow, it filters its way naturally through the rock.

But nature can sometimes add too much sodium. That's why ECO is bottled at a point where the sodium is the lowest.

Principles of flanking warfare.



Flanking principle No. 1.

A flanking move is one made into an uncontested area.



Flanking principle No. 2.

Tactical surprise ought to be an important element of the plan .



Flanking principle No. 3.

The pursuit is just as critical as the attack itself.



Austria.



A technology flank.



The problem.

In this global economy, if you don't have a positioning idea to differentiate your company, you had better have a great price.

Their strategy.

High fashion.

Nature? **Yes**

A day in the life of Naomi ...



Informieren Sie Ihre Kunden über die Qualität und Natürlichkeit ihrer Game, Stoffe oder Kleidungsstücke.
Informieren Sie Ihre Kunden über die Qualität und Natürlichkeit ihrer Game, Stoffe oder Kleidungsstücke.
Informieren Sie Ihre Kunden über die Qualität und Natürlichkeit ihrer Game, Stoffe oder Kleidungsstücke.

07:00 **Success?**

Wer Erfolg haben will, muß mitunter früher aufstehen als die Konkurrenz. Chancen rasch erkennen und neue Wege einschlagen. Spüren, was im Kommen ist und sich darauf einlassen. Das ist das ganze Geheimnis.



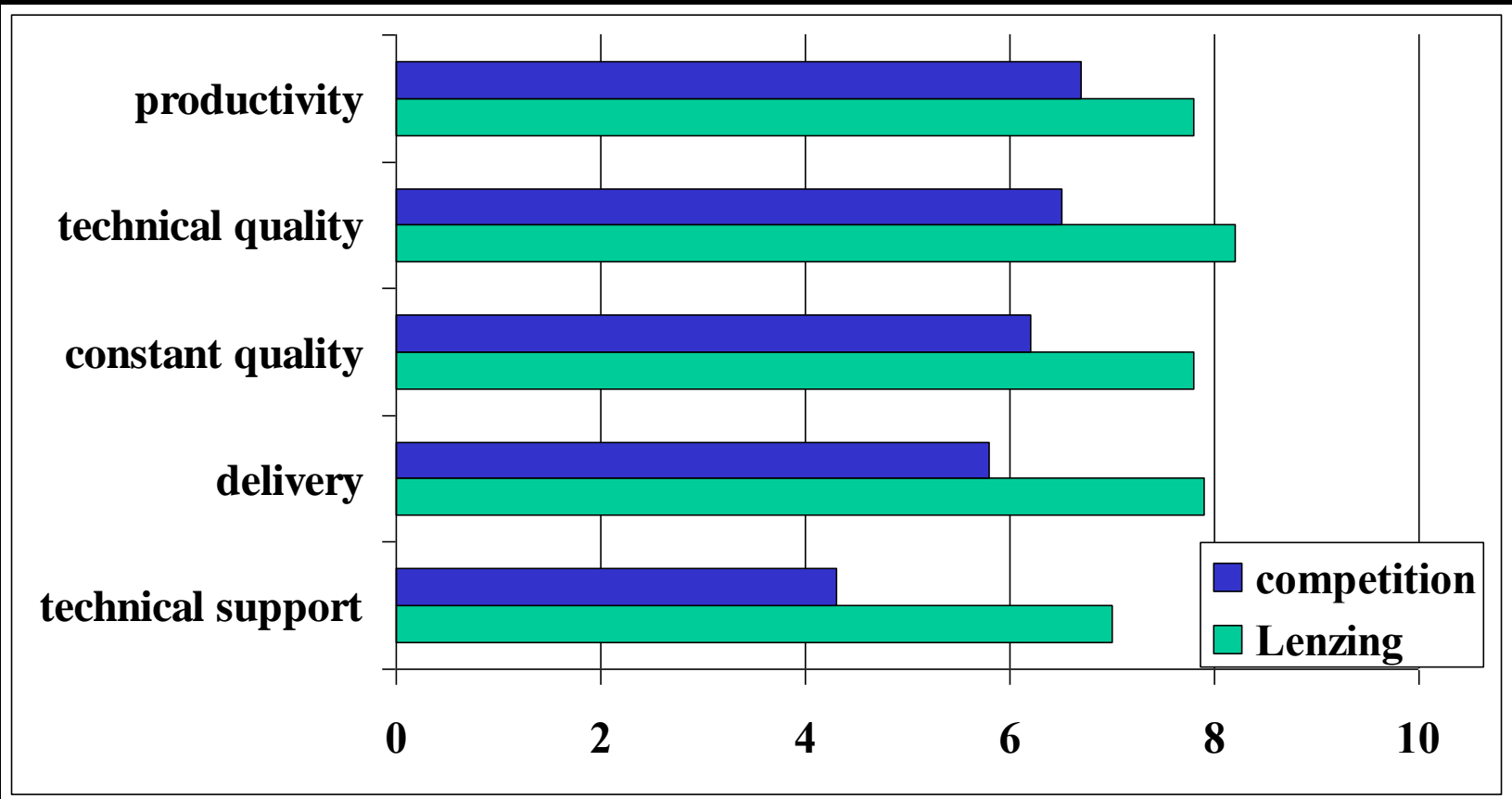
The problem.

Fashion made no sense.

The important attributes in buying fiber were quality, delivery and technical support.

Lenzing scored very well in technology.

Perceptions in technology.



Credentials in technology.

1930: Viscose production starts.

1954: Spundyed viscose fibre.

1964: Modal high wet, modulus viscose.

1977: Flame retardant viscose fibre.

1984: 1.1 denier viscose fibre.

1994: Chlorine free viscose fibre.

**1996: Lyocell high strength, washable
viscose fibre.**

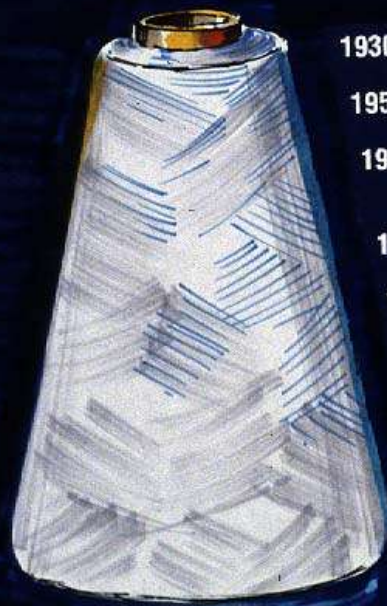
The technology position.

**“The world’s
leader in viscose
fibre technology.”**

A coherent direction.

1. **Focus on leadership in technology.**
2. **Bring that idea to life across all marketing materials and activities.**

Viscose: A Fibre That Just Gets Better.



- 1930: Viscose production starts.
- 1954: Spundyed viscose fibre.
- 1964: Modal high wet, modulus viscose fibre.
- 1977: Flame retardant viscose fibre.
- 1984: 1.1 denier viscose fibre.
- 1988: 0.9 denier viscose fibre.
- 1994: Chlorine free viscose fibre.
- 1996: Lyocell high strength, washable viscose fibre.

LENZING
FIBRES

Lenzing Has Spent 66 Years Using Technology To Improve One Of Nature's Best Fibres.

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Lenzing. A World Leader In Viscose Technology.

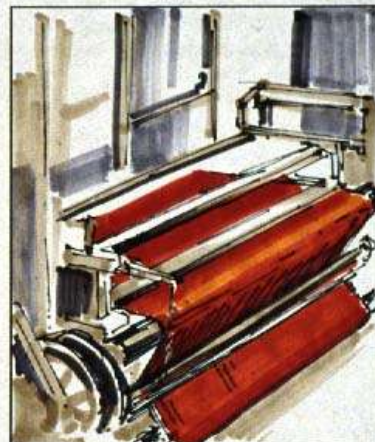
Introducing Viscose XS. It Stretches The Limits.



Lenzing now offers extra strong fibre designed for today's high speed machines.

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LENZING
FIBRES



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**Lenzing. A World Leader
In Viscose Technology.**

Modal: Making Other Fibres Better Fibres.

LENZING
FIBRES

Whether It's An Intimate System Or Sandwich Blend, Lenzing's Modal In The Mix Adds Important Properties To Your Product.

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**Lenzing, A World Leader
In Viscose Technology.**



Lyocell: Making The World A Softer Place.



LENZING
FIBRES

Lenzing's New Generation Fibre Offers Softness Plus Strength. It Means More Exciting Design Possibilities.

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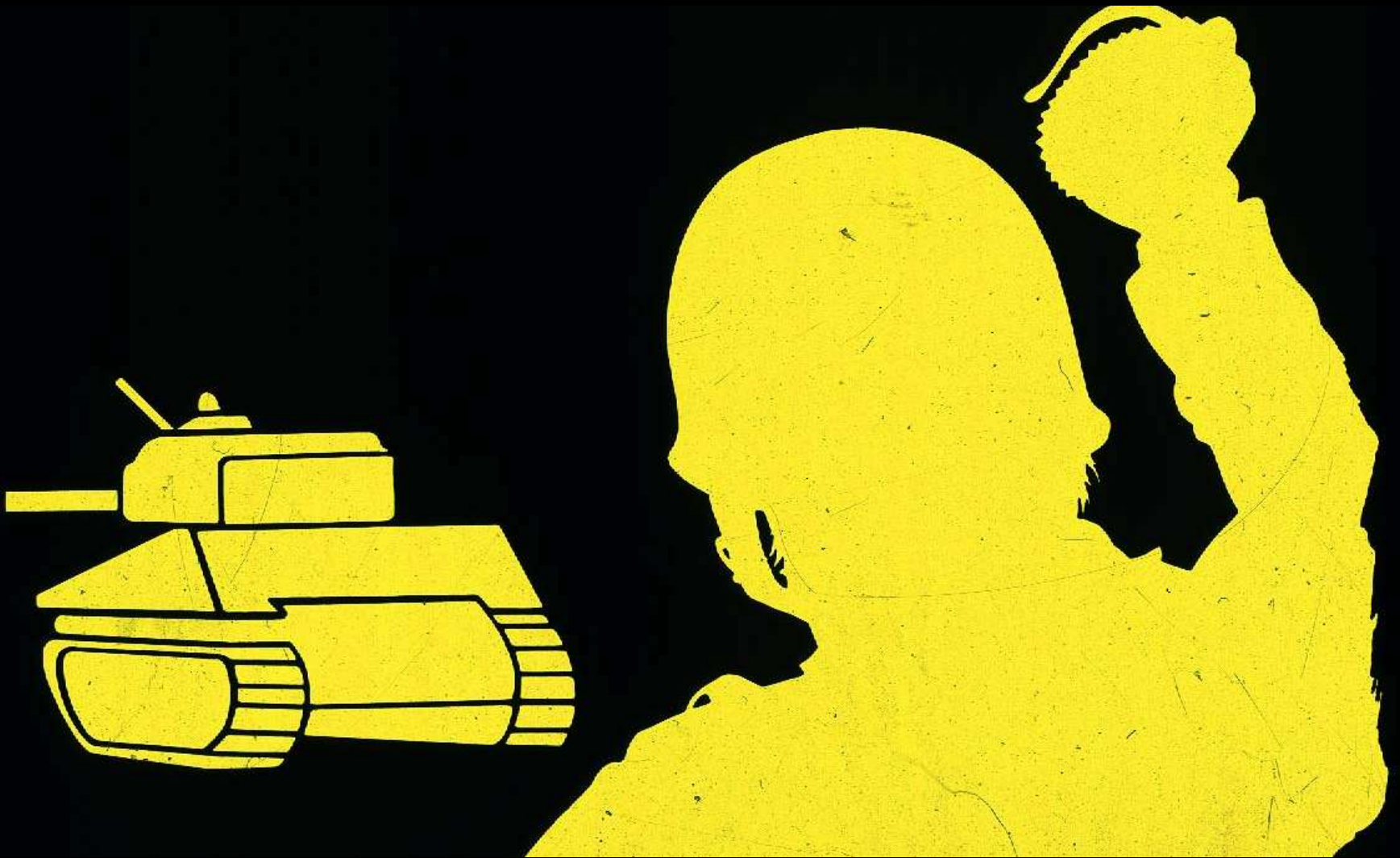
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Lenzing, A World Leader In Viscose Technology.

The results.

1. **Lenzing now is the worldwide leader in cellulose fibers.**
2. **Revenues have increased 240% in 8 years.**
3. **They dominate the third generation of cellulose fibers.**

Principles of guerrilla warfare.



Guerrilla principle No. 1.

Find a segment of the market
small enough to defend.



Guerrilla principle No. 2.

No matter how successful you become
never act like the leader.



Guerrilla principle No. 3.

Stay flexible. Be prepared to leave
at a moment's notice.



The Caribbean.



The destination.



The statistics.

Area: 344 sq. km. (133 sq. mi.)

Terrain: Volcanic island with central mountainous rain forest.

Population: 94,000

Unemployment: 25 – 30%

Economy: Mostly agricultural with tourism becoming more important.

The current slogan.

GRENADA



ISLE OF SPICE

A problem.

No one is going to travel a great distance to see cocoa, nutmeg and mace grown and processed.

The questions.

How does Grenada avoid the “just another island in the Caribbean” problem?

How does it reposition the competition?

Unspoiled countryside.



Unspoiled beaches.



Unspoiled natural parks.

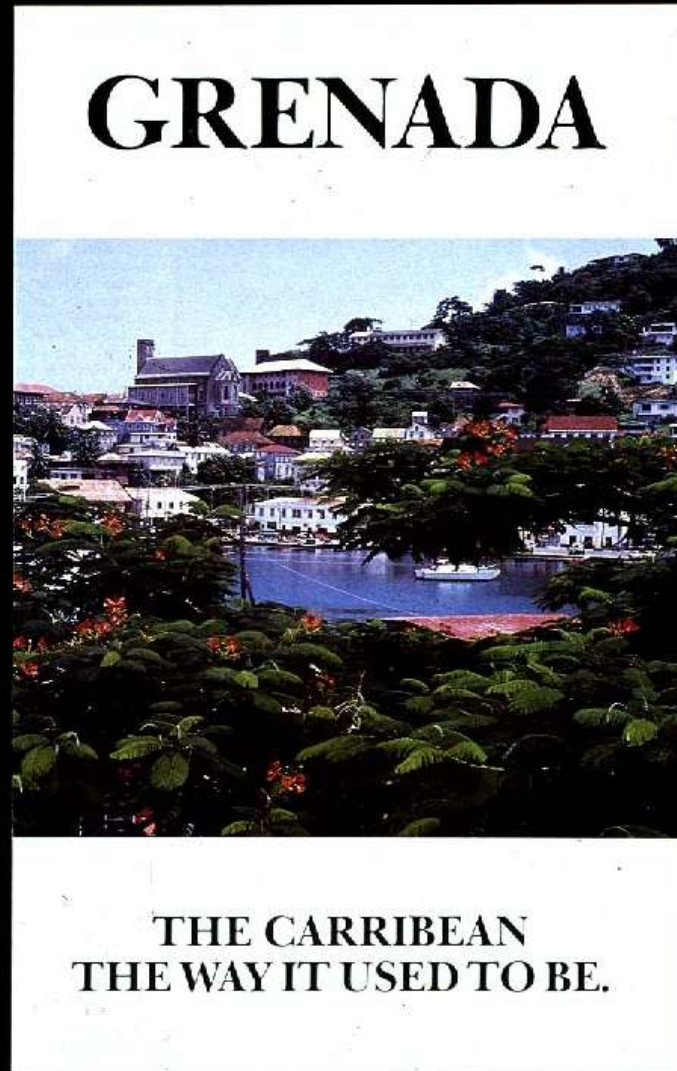


No Tall buildings.

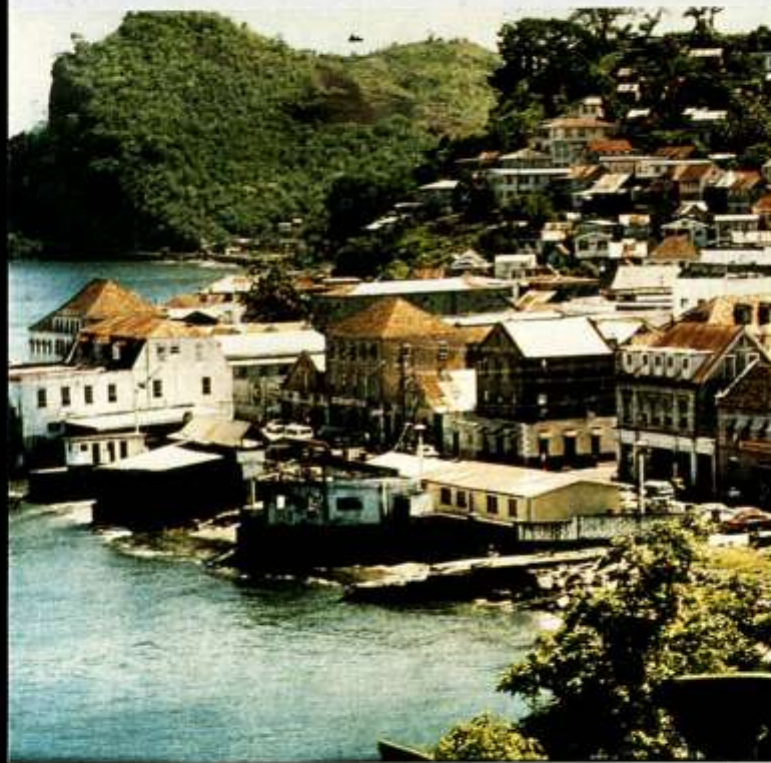


Grenada should reposition its competitors as being spoiled.

Proposed strategy.



**NO BUILDING IS HIGHER
THAN A PALM TREE.**



GRENADA

THE CARRIBEAN THE WAY IT USED TO BE.

**WATERFALLS BY NATURE
NOT MAN.**



GRENADA

THE CARIBBEAN THE WAY IT USED TO BE

**BEACHES. UNTOUCHED
BY DEVELOPERS.**



GRENADA

THE CARIBBEAN THE WAY IT USED TO BE.

Gannett newspaper.

SECTION
E

Sunday

TRAVEL

The ALMOCATE
Greenwich Time

Travel notes E3
Best and worst E5
NYC's museums E7

January 5, 1997



Grenada

Unpolished
Caribbean
jewel is poised
for tourism
boom

BY ASHLEY HALSET
KNIGHT-RIDDER NEWSPAPERS

GOUYAVE, Grenada — Cutting east from the sea along a brief but desiccated piece of roadway that resembles a driveway gone bad, one has an overwhelming sensation of being completely fallen from the track to any useful destination.

The building, gray with the weathering of two centuries, looms up as if abandoned. The first, low



The power of PR in positioning.

“Hanging like a pregnant teardrop at the southern tip of the Caribbean chain, Grenada remains relatively untouched and wholly unspoiled by the evolution that has forever changed its sisters to the North.”

The power of PR (continued).

“This is the Caribbean of the 1950’s, perhaps the last big island where life goes on largely as it did before jet liners and baby boomers with credit cards began fluttering in.”

Strategy.



It's all about specialization.

A big problem.

Conventional wisdom says that companies have to continue to grow. There is no such thing as having too much growth.

There's only the perceived problem of not growing enough.

“We don’t have a desperate need to grow. We have a desperate desire to grow.”

Milton Friedman



Source of the problem.

Wall Street.

**Why specialization
is powerful.**

“Specialty” psychology.

People are impressed with those who concentrate on a specific activity or product.

They perceive them as “experts”, and tend to give them more knowledge and expertise than they sometimes deserve.

Psychology (continued).

Conversely, common sense tells the prospect that a single person or company cannot be expert in everything.

The big name vs. narrow names.



Cuisinart.

Frigidaire.

Kitchenaid.

Maytag.

Sunbeam.

Waring.

The specialists are are winning.

- Cuisinart leads in food processors.
- Frigidaire leads in refrigerators.
- Kitchenaid leads in dishwashers.
- Maytag leads in washing machines.
- Sunbeam leads in irons.
- Waring leads in blenders.

The specialist's weapons.

- 1. The specialist can focus on one product, one benefit, one message.**
- 2. The specialist can become the “expert” or the “best” in a category.**
- 3. The specialist can become the “generic” for the category.**

Generalists are weak.



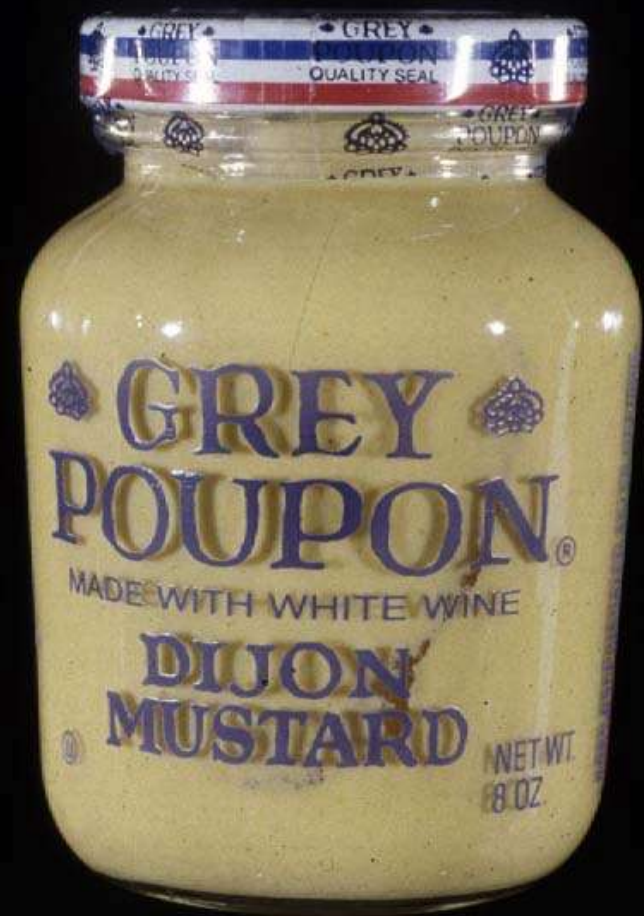
Kraft 9%. Smucker's 35%.



Kraft: 18%. Hellman's: 42%.



Kraft 1%. Grey Poupon 49%.



Kraft's leading brand.



The leading shortening.



Crisco line extends.



The leading vegetable oil.



Wesson line extends.



The leading corn oil.



Mazola line extends.



The leading corn oil margarine.



Summation

**It's better to be exceptional at one
thing than good at
many things.**

Strategy.



It's all about leadership.

The situation in banking.

“After years of shutting branches and laying off tellers, the nation’s banks are trying something desperate to lure new customers: Customer service.”

– The Wall Street Journal

The opportunity.

“We plan to provide all the convenience and service factors the main banks have neglected and destroyed.”

- Vernon W. Hill, CEO, Commerce Bank

Owning the attribute.



How to be convenient.

America's Most Convenient Loans

Now's a Great Time to Borrow!

- 24-Hour Loan Approval
- Competitive Rates and Terms
- Low Monthly Payments

Apply today or call
1-800-YES-5020

Commerce
Bank America's Most Convenient Bank®

- Early morning hours
- Evening hours
- Sunday hours
- Multiple drive-thru lanes
- Free checking
- No ATM fees
- 24-hour loan approvals
- Free coin sorting in lobbies

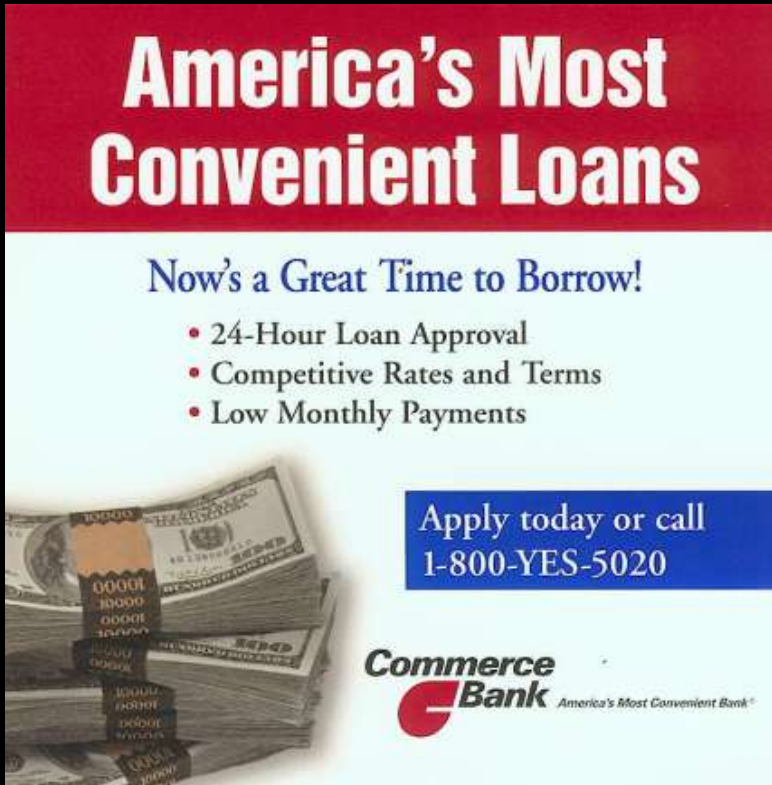
Convenient hours.



Customers agree.



The bottom line.



America's Most Convenient Loans

Now's a Great Time to Borrow!

- 24-Hour Loan Approval
- Competitive Rates and Terms
- Low Monthly Payments

Apply today or call
1-800-YES-5020

Commerce Bank America's Most Convenient Bank®

The advertisement features a red header with the title 'America's Most Convenient Loans'. Below this, a white section contains the headline 'Now's a Great Time to Borrow!' and a bulleted list of benefits: '24-Hour Loan Approval', 'Competitive Rates and Terms', and 'Low Monthly Payments'. A blue box with white text provides the contact information 'Apply today or call 1-800-YES-5020'. At the bottom left, there is an image of several stacks of US dollar bills. The Commerce Bank logo, consisting of a red stylized 'C' and the text 'Commerce Bank America's Most Convenient Bank®', is located at the bottom right of the advertisement.

- 460 locations on East Coast
- 2.4 million customers, \$48 billion assets
- Fastest-growing midsize bank
- Branch deposits growing four times the industry average
- 15% annual profit growth for five years

Attributes of a leader.

**You must have
mental courage.**

Attributes of a leader.

**You must
be flexible.**

Attributes of a leader.

**You must
be bold.**

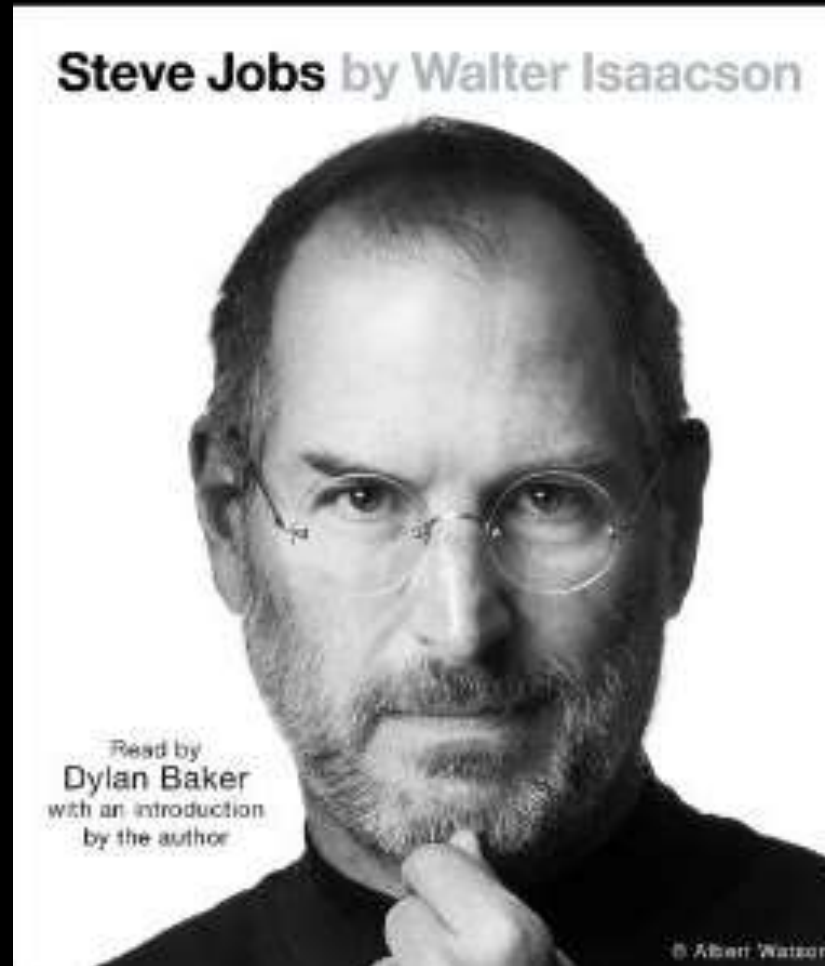
Attributes of a leader.

**You must
know the facts.**

Attributes of a leader.

**You need
to be lucky.**

One of the best.



Summation

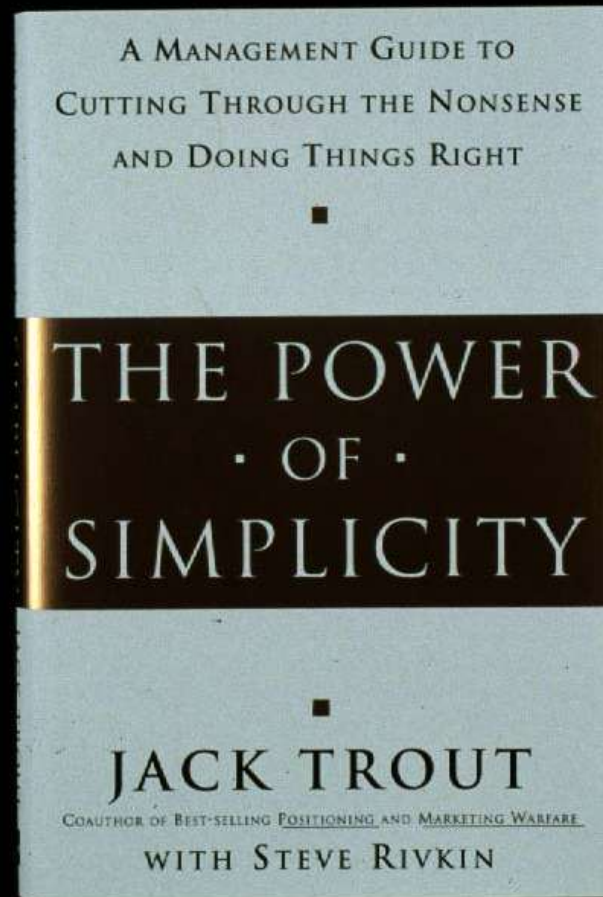
**No one will follow
if you don't know
where you're going.**

Strategy.



It's all about simplicity.

**Marketing avoids complexity
and worships simplicity.**



A paradox.

Complex strategies such as complex battle plans are usually doomed to failure. There are too many things that can go wrong.

But people admire complexity and don't trust something that's simple.

The antidote.

The antidote for fear of simple ideas is common sense.

Unfortunately, people often leave their common sense in the parking lot when they come to work.



“Management is a curious phenomenon. It is generously paid, enormously influential, and significantly devoid of common sense.”

**Henry Mintzberg
Prof. Of Management
McGill University**

The definition.

Com.mon.sense *noun, adj.*

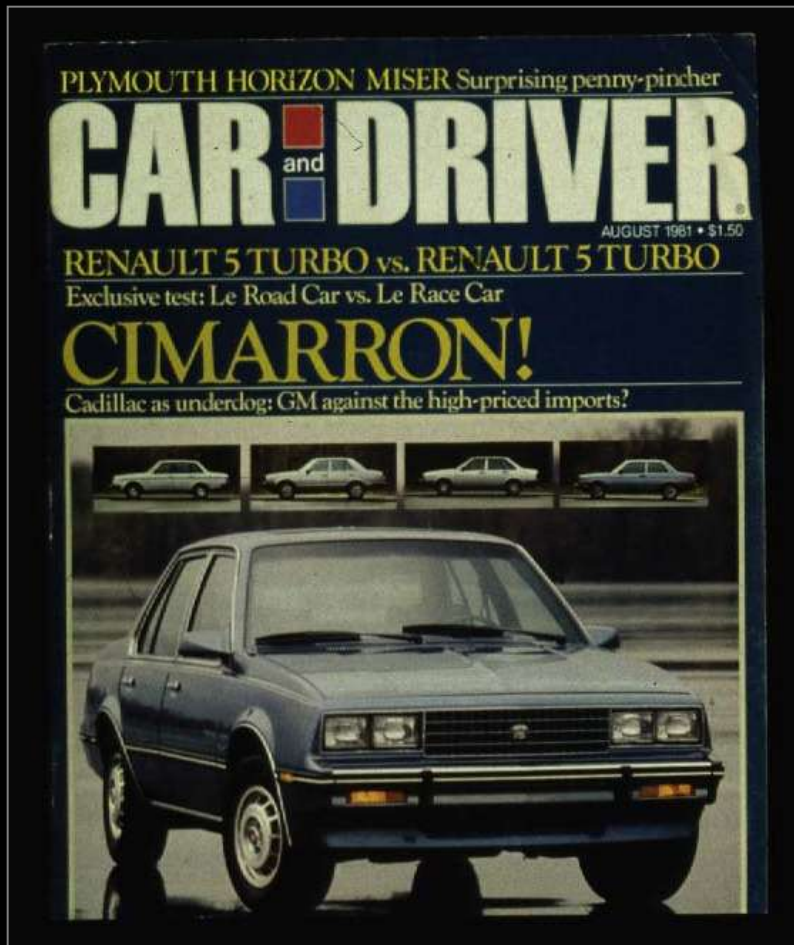
Native good judgement that is free of emotional bias or intellectual subtlety.

Common sense question.

**How would a Cadillac that
looked like a Chevrolet sell?**

“Not very well.”

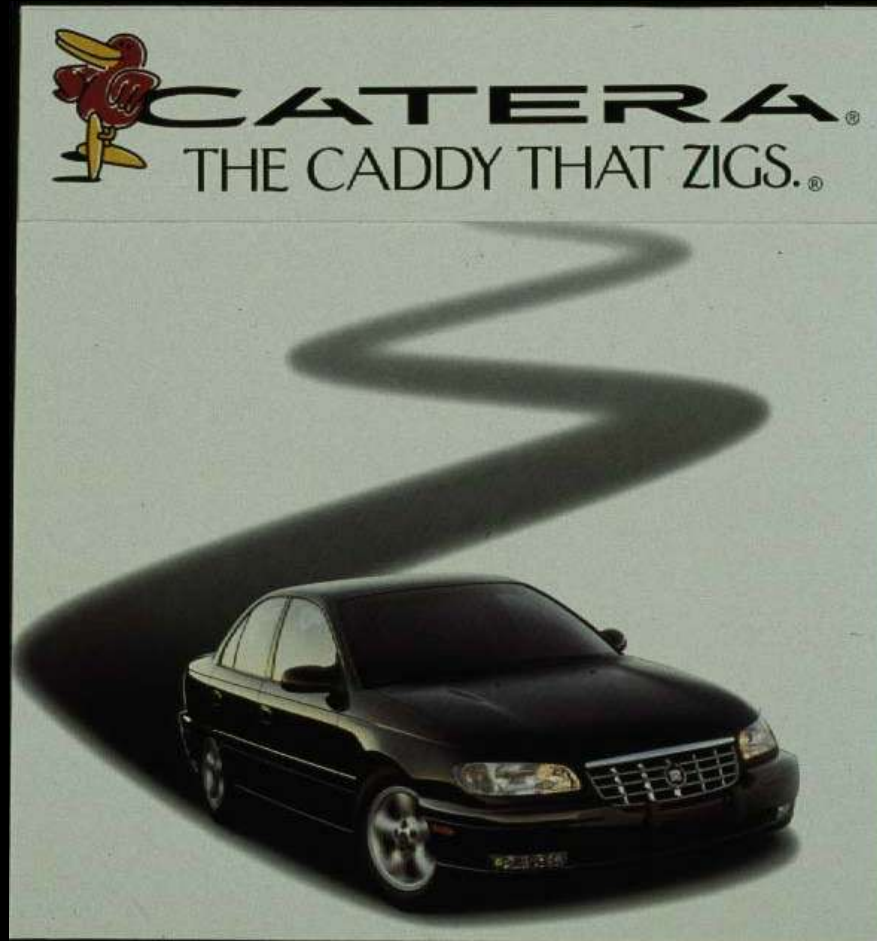




“Your average Eldorado owner wouldn’t recognize a Cimarron as a Cadillac if he backed into one.”

Cover story,
August 1981

A new small Cadillac.



“Not very well, again.”



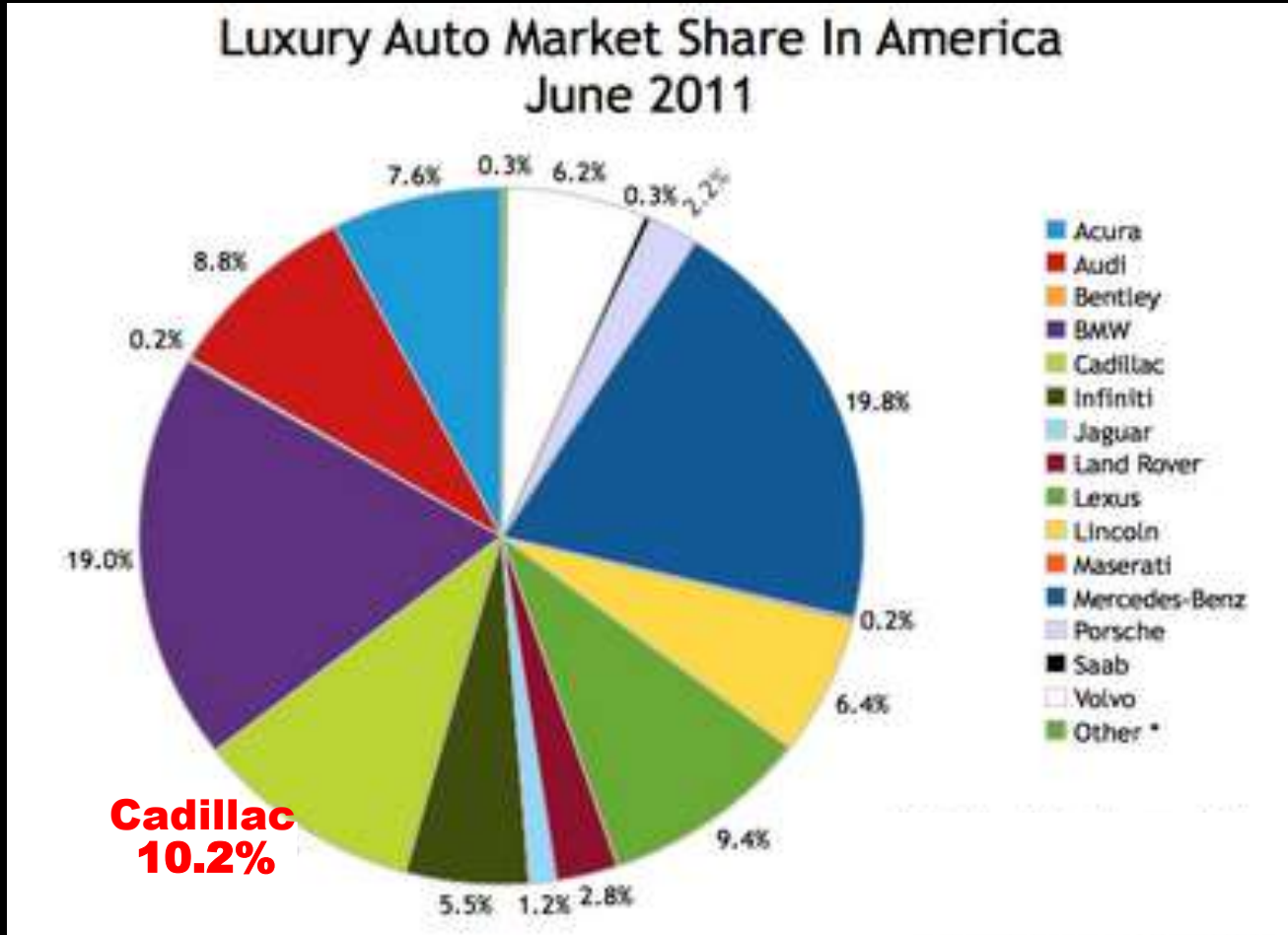
Cadillac's downhill drive.



Big Cadillacs are back.



Market share isn't back.



An ugly fact of life.

If you make a mistake, your competitors quickly get your business.

What's worse is that you rarely get it back.

**Simplicity requires
sacrifice.**

Sacrifice No. 1.

**You can't be everything
to everybody.**

Emery Air Freight.



Overnight.



Two day delayed.



Small packages.



Large packages.

Federal Express.



Small packages
overnight.

The power of sacrifice.

**Federal Express:
Absolutely, positively
overnight.**

Owning an attribute.

Fights cavities.

Tastes good.

Whitens teeth.

Freshens breath.



Volvo.



Safety.

A car that looks like a tank.





The execution is different, but the concept is basically the same.

Both vehicles are very difficult to destroy.

However, the M-41 (at right) was built to withstand slightly meaner treatment than the Volvo 144 (at left).

As a result, the M-41 weighs in at 50,000 lbs. And for all its bulk, carries only four men—in extreme discomfort, we might add.

It gets 14 miles to the gallon and won't go

anywhere this side of the Aberdeen Proving Grounds and there is a growing legion of happy owners who will be glad to verify the point."

The Aberdeen Proving Grounds, incidentally, is where the U. S. Army tests tanks.

It even has armor-plating.

Volvo has a finish six coats thick. First the



WE DESIGN EVERY VOLVO TO LOOK LIKE THIS.

You're looking at a perfect Volvo. A Volvo that performed exactly as our safety engineers designed it to.

Its front and rear ends, for example, collapsed on impact. As a result, much of the crash energy was absorbed instead of being passed on to the passengers.

The car's middle section, however, didn't collapse. That's because the entire passenger compartment is surrounded by Volvo's unique "safety cage." Made of six box section steel pillars, this protective housing is strong enough to support the weight of six Volvos.

But the passengers of this car were also protected in ways you can't see. Because inside are such standard features as a driver's side Supplemental Restraint System, a collapsible steering column and, of course, 3-point seat belts, front and rear.

Every Volvo is designed to help protect its passengers in all these ways. And, as a result, will look remarkably similar to this one after being in the same type of accident.

If you're concerned about safety, you can't find a more beautiful car.

VOLVO
A car you can believe in.

**VOLVO INTRODUCES DAYTIME
RUNNING LIGHTS.**

**(PEOPLE ONCE LAUGHED
AT SEAT BELTS TOO.)**



©1995 Volvo Cars of North America, Inc. Volvo Safety is a trademark of Volvo Cars of North America, Inc.

There may be those who find the use of headlights in broad daylight a little odd. But the fact is, automobiles equipped with Daytime Running Lights are, on average, three times more visible than those not equipped. Which might explain why accidents have been significantly reduced where Daytime Running Lights are mandated by law. (Sweden, for example, reports an eleven percent decrease in accidents since Daytime Running Lights were required in 1977.)

Of course, it also explains why we're making them standard on all 1995 Volvos.

Down the road, we think people will appreciate the logic. Especially since, by then, we'll probably have introduced another safety feature on our cars that people may find a little odd.

Drive safely.

VOLVO

Reinforcing safety.

- **Anti-lock brakes.**
- **Airbags.**
- **Side door airbags.**
- **Running lights.**
- **Four wheel drive?**

Better late than never.

Volvo's wagon intro rides on \$35 mil in ad support

All-wheel-drive V70s to take on rivals' SUVs

By Jean Halliday

Volvo Cars of North America today begins its biggest launch in five years—a \$35 million national campaign for its first U.S. all-wheel-drive station wagons.

Volvo, which doesn't offer a sport-utility vehicle, is targeting

the three V70 wagons at buyers of SUVs.

FASTEST-GROWING SEGMENT

"One thing we learned is that the SUV market is the fastest-growing segment of the car market," said Bob Austin, director of marketing communications at

Volvo. "To even talk to that segment, you must offer all-wheel-drive."

The ad campaign continues Volvo's shift to reposition itself as more fun while keeping its core safety image.

"It is perhaps our most im-
See VOLVO on Page 45

Driving the wrong way.



Sacrifice No. 2

**You can't sell everything
to everybody.**



CIGARROS CON FILTRO



Marlboro

MARCA REGISTRADA

A new low tar cigarette. When you want more flavor.

NEW

Marlboro MEDIUM



Also available in soft pack

SURGEON GENERAL'S WARNING: Smoking
By Pregnant Women May Result in Fetal

Marlboro Menthol?



Marlboro Ultra Lights?



Marlboro Ultra Smooth?

The nation's largest cigarette maker, Altria Group Inc.'s Philip Morris USA, has failed in yet another attempt to sell Americans on a potentially safer cigarette, pulling the plug on Marlboro Ultra Smooth, a version of Marlboro that used a high-technology filter.

**The Wall Street Journal
June 23, 2008**

The problem.

**Real cowboys don't smoke
menthols and ultra-lights.**



Come to

Marlboro Country.

SURGEON GENERAL'S WARNING: Quitting Smoking

The leader in batteries.



Eveready heavy-duty.



Eveready alkaline.



Alkaline only batteries.



The better name: Duracell.



The power of sacrifice.

**Duracell
lasts
twice as long.**

Enter the energizer.



Battery market shares.

Duracell	44%
Energizer	33
Rayovac	11
All others	12

Sacrifice No. 3

**You can't keep changing
what you are.**

Key philosophy.

**Move with
the
marketplace.**

Constant change of position.



Barely escaped bankruptcy.



New York 1930.



New York today.



Sales per unit.

McDonald's	\$1.61 million
White Castle.....	1.32
Wendy's	1.08
Burger King.....	1.07

Summation

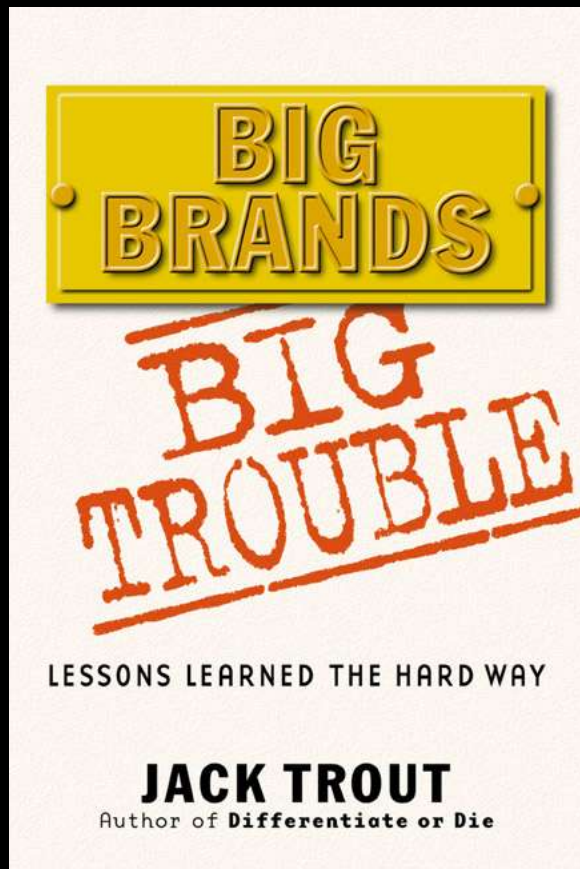
**Big strategic ideas
almost always
come in small words.**

Strategy.



It's all about reality.

Marketing is an exercise in reality.



Changing reality.

It's a world of bar codes.



Someone has to read them.



The Compuata problems.

1. **There was branding confusion between its corporate name (Compuata) and its product name (Multiscan).**
2. **There was the “made in Argentina” problem of technology perceptions.**

The recommended strategy.

MULTISCAN

**World leader in laser
bar code document reading.**

(Headquarters: USA)

Comp data S.A.

Robert M. Taylor
Chairman

Multiscan Corp.Inc.
123 45th Street
Miami-Florida
Tph: 345.567.89.00

The results.

- **Sales have increased dramatically (10x).**
- **Exports have now increased to 60 percent.**
- **They now sell in 55 countries.**

**Russia.
Two missed opportunities.**



**Rolf. Russia's largest
automobile dealership.**







MITSUBISHI MOTORS

РОЛЬФ-СИТИ

HYUNDAI

РОЛЬФ

TECT

COLT

ELANTRA

Two people standing near the entrance.



Rolf's credentials.

- **Rolf is the #1 seller of foreign brands.**
- **Rolf is the #1 importer group.**
- **Rolf is the #1 retailer.**
- **Rolf has the largest share of the market.**

The credentials. (con't.)

In America, the land of large dealerships, the current level of retail sales would put them well into the top five dealership groups.

The position.



**Where more Russians go
for a foreign car.**

The strategy.

Reinforce the leadership position and use it as a platform to tell the story of how they got to be No. 1.

The Rolf history.

**How we got
to be very big by
thinking small.**

**(The story of how attention
to detail, customer service and
importing good dealership
ideas made the difference.)**

РОЛЬФ

**Where more Russians go
for a foreign car.**

The Rolf motto.

**Find great cars
to sell and great people
to sell and service them.**

**(The story of finding the
right cars for Russia and
training great people to sell
and service these cars.)**



**Where more Russians go
for a foreign car.**

The Rolf philosophy.

**Man cannot live
by one brand
of car alone.**

(The story of why Rolf
chooses to sell different
brands to different types of
customers.)

РОЛЬФ

Where more Russians go
for a foreign car.

The outcome.

Management couldn't bring themselves to launch this bold leadership move. Their chief marketing executive went on to resign. An opportunity missed.

The No. 2 Russian airline .

The context.

The aviation market is opening up. While Aeroflot is still the leader, there is an opportunity for a carrier to become the perceived no.2 airline.

The question is who will seize the opportunity.

The idea.

**Aeroflot is Russia's old airline.
There's an opening for a carrier to
become the newer alternative.**

**“Russia's new airline” is a
differentiating idea that can be
pre-empted in the minds of the
Russian public.**

The credentials.

To establish this differentiating idea, the new airline must fly almost as many passengers as Aeroflot.

To claim no.2 they must be a clear no.2 in passengers flown.

Communications.

To communicate this idea, they cannot have a regional name. They need a new name that says they fly many places. Examples: Federal Airlines or Russian Airways. They must look and act differently than Aeroflot. They must become: “A new airline for the new Russia”.

The best candidate.

SIBERIA AIRLINES



2003

Siberia AIRLINES 

Russian air travel.

In 2003, Siberian Airlines flew 3,397,000 passengers. This means they are first in terms of internal flights in Russia. Overall, they are second in total Russian air travel.

They could be that latest or “Russia’s new airline.”

The outcome.

Management listened but then went off to London for a new identity. They ended up with the name S7 and green airplanes. An opportunity missed.

S7. The no-name airline.



The problem.

The strange S7 name suits not a big but a small airline. Big airlines require big sounding names.

Small names only reinforce a position of being a local airline. The No. 2 position is still open.

A bigger name. No. 2?



My advice.

**Think like
the Chinese.**

China.



**China has adopted
positioning.**

Amazing development.

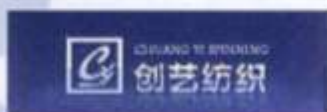
I went to Beijing for the 40th anniversary of Positioning.

There I was introduced to their new “Positioning Training School.” They are graduating management that will use positioning principles to build brands.



第一期学员单位

The Companies Of The First Class





第二期学员单位

The Companies Of The Second Class



China's Harvard.


合作书
Cooperation Document

北京大学汇丰商学院引进特劳特战略定位总裁课程
*Peking University HSBC Business School
Launches the Trout Strategic Positioning Programme*

合作愉快!
Wish pleasant cooperation!

签名  Signature 

日期 2011.9.2. Date 

Trout in a box.



Lesson

**Reality is critical in
a competitive world.**

Lesson

**Focus is critical in
a competitive world.**

Lesson

**Differentiation is critical
in a competitive world.**