

# Putting You and Your Company in Position to Own Your Market

Excerpt from James Arthur

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Americans always liked their coffee hot. But then Starbucks made coffee hot, as in desirable, in demand, and extraordinarily profitable. And then Starbucks made coffee cool with its super-popular iced Frappuccino drink, as in trendy, fashionable, and universally appealing.

Starbucks is, no doubt, one of the greatest marketing stories of recent history. How this company turned an unassuming beverage into an icon of sophistication and taste is no mystery, however. It is all about marketing tenet called positioning.

The coffee company started out in Seattle's Pike Place market in 1971 as a single gourmet coffee shop, and by 1995, the chain's earnings were \$26.1 million. Marketing experts agree that Starbucks skyrocketed to fortune centers on its aesthetic sense. In other words, the public's perception of Starbucks has to do with how it appreciates this company's style. Sure, Starbucks filled a need and created unique product brands, but what attracts coffee drinkers again and again is the experience of the Starbucks environment and its products. Sophisticated, artistic: these are seductive qualities even for a business based on a little brown bean.

The Starbucks story illustrates at least two powerful marketing principles. Both help us to better understand effective positioning, or the process of finding a place for ourselves in people's minds: 1) People buy for their own reasons, not anyone else's. 2) The stronger position is found in the experience, outcome, or benefit you provide as opposed to the methods you use for producing those outcomes. Starbucks shows us that it's not about packaging; it's about positioning. The environment of Starbucks creates an experience that invites us to come study for exams, hang out and philosophize with friends, or get the day started with a warm cup of java and the morning news. Starbucks is an invitation to linger, not just get your coffee and go.

When you are assessing your own position and considering how you might improve your image and thus your market share, remember that there are essentially four winning positions: better, different, faster, or cheaper. You can certainly position yourself as one of these, perhaps even two, capturing a position as three of them is tough and probably not desirable, and cornering all four is just about impossible.

Not everyone is up to the task of creating another Starbucks. It's tempting with price wars so rampant, to believe that a perception of being cheapest is easiest to establish. Yet, this is the most difficult because of fixed costs. It's like doing the limbo: you can go only so low, and you're overextended or flat on your back. Definitely not the easiest position to be in.

How about being better instead? Contrary to popular belief, this is perhaps the easiest position to take, since making an improvement or simply creating the impression of greater ability has no constraints. One tip: when you capture the different category, you may get the better category as a by-product.

Who is my premium client? Who would be the most enjoyable and rewarding to serve? What are this clients unique desires, needs, and challenges? How can I best serve this client? What do I (or can I) provide in a unique way to help my clients achieve their business outcomes? How can I position myself as an expert in this market?

With this information, you can tailor your marketing efforts, everything you say to people, any support materials you use, even way you dress and act, directly to this audience to help establish your position. This is the first step to owning your market.

Positioning is like popularity: You have to be seen in the right places and with the right people. This is more than social climbing: You learn more about your clients and they learn more about you when you frequent the same places, attend the same functions, join the same associations, are published in their periodicals, and develop products and services specifically for them.

Positioning is as much about who you are not as it is about who you are. Starbucks is no cheaper and faster than cuppa joe', it is an upscale, gourmet coffee experience. BMW is no old-style luxury; it is stylish performance. Dennis Rodman is no gentleman forward he is the outrageous, extreme athlete who is a recognized celebrity even for people who don't know basketball from billiards.

Do you want to win big? If so, have the courage to answer these questions clearly and define your own game. Who are you? Who aren't you? Who are your clients? These are the essential decisions you must make if you want to understand, and own your market.