



Positioning and Branding for Small Businesses: Strategies and Initiatives

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Abstract

A company requires positioning and branding of its offerings in the minds of its target customers. This is challenging for small businesses which have limited resources and budgets. Small businesses adopt a number of new and innovative ideas and initiatives to develop and build their brands. They focus on finding a compelling product, building brands with limited associations, and providing product and service trials. They do optimal utilization of digital communications and depend on word of mouth and creation of buzz. They develop an integrated set of brand elements and leverage secondary brand associations. They utilize their limited resources carefully, conduct low-cost marketing research, and focus on concentrated marketing. All these strategies help small businesses to position and establish their brands in the minds of target customers.

Keywords: small business; positioning; branding; marketing research; limited resources

1. Introduction

A company cannot establish its products and services in the market if its offerings resemble products and offerings of its competitors (Wright, 2011) ^[19]. Each offering needs to represent the right kinds of things in the minds of the target market. A company requires to carve out a unique position in the marketplace (Bercovi, 2011) ^[3]. Companies are able to create a unique brand position only when they are aware of customer needs, wants, and values, company capabilities, and competitor actions. A unique brand positioning is created only when company capabilities match customer requirements (Klara, 2012) ^[8]. This requires disciplined but creative thinking.

Small businesses have limited resources and budgets. These are the constraints which challenge small businesses in building brands (Wreden, 2002) ^[18]. Nevertheless, small businesses develop strategies to build their businesses essentially from scratch to become powerhouse brands. Small businesses emphasize on being inclusive and focused on how their products can fit into consumers' everyday lives (Vance, 2012) ^[15]. Small businesses need to make optimal utilization of resources. Focus and consistency in marketing programs become critically important. Small businesses also require to be creative. They are always in search of new and innovative ideas to market their offerings to consumers. The paper discusses about a number of strategies and initiatives adopted by small businesses to develop and build their brands.

Performance of Products and Services

Small businesses focus on finding a compelling product. They also focus on excelling in providing services. Small businesses differentiate their brands by providing demonstrable and meaningful differences in product and service performances (Ankeny, 2010) ^[1]. Differentiation may be a key to success in establishing brands. Dropbox.com offers consumers to store enormous amounts of documents, photos, videos, and other

files. The company competes with large and established players like Microsoft and small players like Box by providing a convenient single-folder approach. The folder allows a user to accommodate multiple devices. The plan works because users find it easier and convenient when data are arranged systematically in a single folder (Vance, 2012) ^[15].

Building Brands with Limited Associations

Small businesses are aware of their capabilities. So, they focus on building only one or two brands. The brands are developed based on one or two key associations. Focusing on lesser number of brands and their associations allows small businesses to concentrate more on customer requirements (Yu, 2013) ^[20]. The key associations form points-of-difference for the brands. The associations are emphasized and reinforced in all communications and across the marketing program and over time. Volcom is a small business which focuses on music, athletic apparel, and jewelry. Volcom focuses on a "Youth Against Establishment" credo which is rooted in the snowboarding and surfing cultures. Based on this approach, Volcom has witnessed a steady sales of its music, apparel, and jewelry (Barret, 2013) ^[2].

Providing Product and Service Trials

Availability of limited resources is one of the major constraints of small businesses. So, small businesses require to differentiate themselves from their competitors based on services and customer experiences (Walker, 2013) ^[17]. Small businesses strive to provide customers with memorable experiences. They also encourage customers to learn about the products and services based on their experiences. Customers are encouraged to have trials through sampling, demonstrations, or any other means to engage with the brand (Graham, 2013) ^[7]. See's Candies provides free samples to walk-in customers for the candies they choose. One senior executive of See's Candies noted, "That's the best marketing

we have, if people try it, they love it.” See’s Candies also use fresh ingredients and no added preservatives to create its enticing flavors (Roberts, 2012) ^[11].

Utilization of Digital Communications

Development of a cohesive digital communications strategy is important for any business to make the brand bigger and better. Availability and wide usage of digital media allow small firms to communicate about their brands and to develop a larger profile which would not be possible without the Internet (Vance and Bass, 2013) ^[13]. For example, Urbane Apartments is a property investment and management company from Royal Oak, Michigan. Digital communication has enabled the company to have a virtual prominence that far exceeds its real-world scope (Yu, 2013) ^[20]. The company has a resident-penned blog touting favorite Royal Oak destinations, its own Urbane Lobby social networking site for tenants, and active YouTube, Facebook, and Twitter profiles (Walker, 2013) ^[17]. The company utilized social media to the maximum extent possible to communicate its brands with the target market. It emphasized Facebook and its Promoted Post service feature to connect its brand with people (Graham, 2013) ^[7]. Sales for Rider Shack surf shop in Los Angeles increased as a result of such initiatives. People use smart phones to communicate with people, connect on the Internet, and perform online transactions. People prefer to remain connected with the world while they are on-the-go. For all these reasons, mobile marketing has become an important and preferred mode of communication with target markets for small businesses (Graham, 2013) ^[7].

Word of Mouth and Creation of Buzz

Word of mouth is the most effective way for small businesses to establish their positioning (Ankeny, 2010) ^[1]. Positive word of mouth is propagated by satisfied and loyal customers. This implies that small businesses should know their customers well and should keep them satisfied. Small businesses also employ public relations, social networking, and low-cost promotions and sponsorships to be inexpensive alternatives (Ankeny, 2010) ^[1]. Loyal customers are the most effective to create a vibrant brand community among current and prospective customers. They are a cost-effective way to reinforce brand loyalty and help spread the word to new prospects. For example, Evernote has several dozen loyal customers who serve as passionate ambassadors. These ambassadors spread the word about personal-organization application brand touted by the online company as the everything-in-place “external brain” for its customers (Graham, 2013) ^[7].

Integrated Set of Brand Elements

Companies require to employ a well-integrated set of brand elements. Small businesses have limited amount of resources. So, small businesses require to maximize the contribution of all types of brand equity drivers. To maximize the performance of each brand, small businesses should develop a distinctive and well-integrated set of brand elements (Wreden, 2002) ^[18]. They need to focus on brand elements like brand names, logos, and packaging. All the elements enhance both brand awareness and brand image. The brand elements require

to be memorable and meaningful for consumers. They should also have as much creative potential as possible (Vance, 2012) ^[16]. Packaging should be attractive so that the brand catches the attention of buyers at the points of purchase. Effective packaging can also act as a substitute for promotional campaigns. There are instances when products were launched without any advertising. SMARTFOOD relied on a unique package and an extensive sampling program to introduce its first product (Ankeny, 2010) ^[1]. The packaging allowed SMARTFOOD to communicate a strong visual symbol on the shelf. The sampling program allowed SMARTFOOD to encourage trial by consumers. Many small businesses have family names as brand names. These names may offer distinctiveness to small businesses. Family names also have their disadvantages. Family names may suffer in terms of pronunciation, meaningfulness, memorability, or other handling considerations. Small businesses should evaluate whether the deficiencies are too great to handle. Otherwise, alternative brand elements should be explored (Walker, 2013) ^[17].

Leveraging Secondary Brand Associations

Small businesses focus on leveraging as many secondary brand associations as possible. Secondary brand associations may relate to any personal places, or things with potentially relevant associations. Secondary associations may prove to be cost-effective and shortcut means of building brand equity (Yu, 2013) ^[20]. Small businesses may utilize those secondary associations that help to indicate quality or credibility. J. Darrius Bickoff took advantage of secondary brand associations when he launched an electrolyte-enhanced line of bottled water called **Smartwater in 1996**. Two years later, he introduced Vitaminwater, a vitamin-enabled and flavored alternative which acted as a substitute for plain bottled water. This was also followed by the launch of Fruitwater two years later (Sorkin and Martin, 2007) ^[12]. Secondary brand associations were utilized effectively to launch and market all the products. The company also signed up endorsement deals with rapper 50 Cent, singer Kelly Clarkson, actress Jennifer Aniston, and football star Tom Brady (Sorkin and Martin, 2007) ^[12]. This also helped the brand achieve success. All those initiatives helped Bickoff’s Energy Brands company, also known as Glacéau, to sell itself to the Coca-Cola company less than ten years after its launch for \$4.2 billion in cash (Sorkin and Martin, 2007) ^[12].

Careful Utilization of Resources

Small businesses have resource constraints at their disposal. So, small businesses require to do optimum utilization of resources. They do not have the luxury of making mistakes. They must design and implement marketing programs much more carefully. One of the prominent examples is UNIQLO. UNIQLO (short for Unique Clothing Warehouse) was founded by Tadashi Yanai, now the wealthiest person of Japan. Its mission statement emphasizes the credo of “Made for All” (Lutz, 2012) ^[9]. The mission statement of UNIQLO reads like this (Dishman, 2012) ^[5]:

Uniqlo. Made for all

It doesn’t matter who you are or where you live, UNIQLO

makes clothes that transcend all categories and social groups. Our clothes are made for all, going beyond age, gender, occupation, ethnicity and all the other ways that define people. Our clothes are simple and essential and yet universal, so people can freely combine them with their own unique styles, in any way they choose, every day of the year. Everything we do is rooted deeply in our Japanese origin, always inspiring to excellence in quality, design and technology. However, we will always ensure that our clothes are affordable and accessible to everyone. UNIQLO is a way of thinking that's about constant change, diversity, and challenging conventional wisdom. At UNIQLO, we believe that everyone can benefit from simple, well-designed clothes. Because if all people can look and feel better every day, then maybe the world can be a little better too.

Based on the above philosophy, UNIQLO aims to reach a sales of \$50 billion by 2020 and becoming the number-one retailer in the world (Dial, 2013) ^[4]. UNIQLO is heavily inspired initially by the Gap and its one-time president Mickey Drexler. The company has a strong focus and does not want to follow all the ever-changing trends. The company has a strong focus on technology. The focus helps UNIQLO to perform continuous process improvement and the creation of new and innovative products. Its product mix consists of fleece, down jackets, jeans, and synthetic thermal underwear (Dishman, 2012) ^[5]. All the products capture the brand essence. UNIQLO believes that it provides its customers with perfect clothes for everyday lives. It also believes that the products help customers to express themselves uniquely. The company is aware of its limited resources and focuses on active social media campaigns combined with aggressive in-store activities to connect with its customers and invite them to the stores (Lutz, 2012) ^[9].

Conducting Low-cost Marketing Research

Conducting marketing research is essential to understand customers and their requirements. Small businesses conduct a variety of low-cost marketing research programs to connect with customers and to study competitors. Course projects may be offered to students at local colleges and universities. Such initiatives help small businesses to conduct marketing research at a low cost and to access the expertise of both professors and students. Online marketing research also allows small businesses to collect relevant data at a low cost.

Companies cannot succeed without gaining customer insights. Small businesses require conducting marketing research to gain insights. For this, companies require relevant marketing information. Managers of small businesses have a misconception that marketing research is time-consuming, requires big research budgets, and can be conducted only by experts (Tozzi, 2008) ^[14]. It is sometimes true that conducting marketing research at depth is beyond the budgets of most small businesses. However, there are several techniques in marketing research which are inexpensive and can be conducted by small businesses in a less formal manner and at little or no expenses (Zimmerman, 2005) ^[21].

There are instances where small businesses have conducted successful marketing research with limited resources and less budget (Entrepreneur, 2012) ^[6]. Robert Byerley had a number of unpleasant experiences with his local dry cleaner. He

decided to open his own dry cleaning business. Before starting the business, he decided to conduct an extensive marketing research (Entrepreneur, 2012) ^[6]. His marketing research was focused on understanding a key customer insight: "How would he make his business stand out from the others?" he conducted secondary research by going online and studying in library. He studied in-depth to have an idea about the dry cleaning industry. To understand the requirements of potential customers, Byerley conducted focus groups and received inputs on the store's name, look, and brochure. He took clothes to different competing dry cleaners and held focus groups for members to critique their work. Based on his research, he finalized on a list of features for his new business. He decided to focus on quality and to do anything to meet superior quality expectations. He also decided not to compromise with quality by offering cheap prices. He understood that superior quality cannot be provided at discounted prices.

Byerley opened Bibbentuckers which is a high-end dry cleaner with a strong focus on superior service quality and convenience (Tozzi, 2008) ^[14]. The features included a banklike drive-through area with curbside delivery and a computerized bar code system. The bar code system was introduced to read customer cleaning preferences and to track clothes all the way through the cleaning process. Apart from basic and product-related services, Babbintuckers differentiates itself by creating an attractive ambience with decorative awnings, TV screens, and refreshments. "I wanted a place that paired five-star service and quality with an establishment that didn't look like a dry cleaner", he says. The extensive marketing research generated customer insights and resulted in a thriving six-store operation (Zimmerman, 2005) ^[21].

The above example shows that small businesses can conduct marketing research and generate customer insights through observation or informal surveys using small convenience samples. Small businesses also receive help from many associations, local media, and government agencies. For example, the U.S. Small Business Administration offers free publications and a website (www.sba.gov) to small businesses. The publications and the website provide free advice on topics ranging from starting, financing, and expanding a small business to ordering business cards. U.S. Census Bureau (www.census.gov) and the Bureau of Economic Analysis (www.bea.gov) also provide information to small businesses (Entrepreneur, 2012) ^[6]. Small businesses can collect secondary data online at a very low cost. They can visit competitor websites and customer blogs and forums. They can also use Internet search engines to research specific companies and issues (Entrepreneur, 2012) ^[6].

Secondary data collection, observation, experiments, and surveys can be employed effectively by small businesses within strict budget constraints. The research methods are less costly, less complex, and generate sufficient customer insights. However, the methods must be applied carefully. Researchers should be clear about their research objectives, should formulate research questions in advance, recognize the biases introduced by smaller samples, and conduct research systematically (Tozzi, 2008) ^[14].

Concentrated Marketing

Concentrated marketing allows smaller businesses to focus their limited resources on serving niches that may be unimportant to or overlooked by larger companies (Moin, 2011) ^[10]. The low cost of setting up shop on the Internet makes it even more profitable to serve seemingly minuscule niches (Speer, 2011) ^[13]. Small businesses realize the importance of serving small niches on the Web.

Concentrated marketing can be highly profitable if applied carefully. However, it involves higher-than-normal risks. Small businesses which rely on one or a few segments for all of their businesses may suffer if the segments are no longer interested. A larger threat occurs when bigger companies decide to target the same segments with greater resources.

Discussions

Small business should adhere to many of the branding and positioning principles larger companies use. In addition to that, they must place extra emphasis on their brand elements and secondary associations, be more focused, and create buzz for their brands. Marketers also face special marketing research situations while conducting research in small businesses. However, marketing research can be conducted effectively by small businesses with limited budgets.

Small businesses have limited resources and budgets and should utilize those resources optimally. They require finding compelling products or services and exceling in providing services. Small businesses should be aware of their capabilities and focus on building brands with limited associations. Small businesses require to differentiate themselves from their competitors based on services and customer experiences. A cohesive digital communications strategy is required for small businesses to make the brand bigger and better in a cost-effective way. Word of mouth and creation of buzz also provide small businesses with effective ways to establish their positioning. Small businesses require to maximize the contribution of all types of brand equity drivers. To achieve this, small businesses should develop a distinctive and well-integrated set of brand elements. Small businesses also focus on leveraging as many secondary brand associations as possible. They have resource constraints at their disposal. Keeping this aspect in mind, small businesses conduct low-cost marketing research to gain customer insights. Small businesses sometimes focus on concentrated marketing which allows them to focus their limited resources on serving niches that may be unimportant to or overlooked by larger companies.

Academicians may study the changing and dynamic aspects of small businesses. They may also analyze the various strategies small businesses adopt for gaining customer insights and for satisfying and delighting them. Based on studying and analyzing the strategies adopted by small businesses, they might suggest new and better initiatives for satisfying customer requirements better. Practitioners and marketers may understand the benefits and shortcomings of the various strategies small businesses adopt. They may also evaluate which of the strategies they need to adopt to delight their customers.

Conclusions

The paper discussed about the various aspects of small businesses and the strategies and initiatives adopted by them to develop and build their brands. They focus on performance of products and services, building brands with limited associations, providing product and service trials with the limited resources available to them. Small businesses develop a cohesive digital communications strategy to optimize promotion. Small businesses establish their positioning through word of mouth and creation of buzz. Companies employ a well-integrated set of brand elements with limited amount of resources and leverage secondary brand associations. Small businesses utilize their limited resources carefully, conduct low-cost marketing research, and focus on concentrated marketing.

The discussions have both theoretical and practical implications. Based on the discussions presented, academicians may understand small businesses better, conduct a further review of the different strategies, and suggest improved strategies for small businesses. The discussions will sensitize managers of small businesses about the importance of optimal utilization of resources and develop and implement strategies accordingly. Efforts were made to include the latest and relevant literature for understanding small businesses. Future researchers and practicing managers may utilize the discussions done in the paper to delve deeper into understanding the changing requirements and preferences of customers and develop strategies accordingly. They require keeping themselves updated about the latest trends and developments taking place to delight their customers.

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