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Dick Maggiore: Laws guide strategies to win in marketing warfare

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By Dick Maggiore Special to The Canton Repository
(Editor's note: This is the second in a four-part series on Jack Trout's and Al Ries' enduring book, "The 22 Immutable Laws of Marketing," which followed their ground-breaking bestseller, "Positioning.")

In science and society, laws come together in systems to lend order, guide actions and produce results or outcomes.

Laws do the same in marketing, as we discussed in last week's column that opened our exploration of the rules put forth in the landmark book by Jack Trout and Al Ries titled "The 22 Immutable Laws of Marketing."

The authors' comprehensive explanation of the 22 immutable laws still informs marketers today, despite the passage of 24 years since publication. That's a lifetime in marketing, but the work of Trout and Ries has stood the test of time.

Our examination continues today.

No. 5: The Law of Focus

The most powerful concept in marketing is to own an idea in the mind of your prospect or customer. That idea can be a word or phrase — overnight delivery, fights cavities, safety, low price, chocolate bar, kills germs, web searching and so forth.

The essence of marketing is embodied in the Law of Focus. A brand becomes stronger when it reduces its breadth.

If you cannot own (or lead) the category, find a segment you can own. Dell did that. When it made the decision to focus on selling computers direct, Dell was a small player in the computer category. Dell knew it couldn't own the idea of computers, so it focused on a segment: selling computers direct.

No. 6: The Law of Exclusivity

You can't take someone else's idea. To be effective, your idea must not already be owned in customers' minds by someone else.

So, what brand owns the idea "kills germs"?

Consider Listerine, Lysol and Purell. We learn three brands can own the "kills germs" idea if they are in different categories. Listerine kills germs in your mouth. Lysol kills germs in your bathroom. Purell kills germs on your skin.

The Law of Exclusivity stipulates the idea must not already be owned in customers' minds in your category.

No. 7: The Law of the Ladder

To cope with the avalanche of information with which we're continually bombarded, our brains categorize the input. If it is unable to categorize, the brain rejects the information; the brain ignores it.

Put another way, the mind creates a ladder for each category. A brand's job is to get on a rung.

Domino's owns the "home delivery" rung on the pizza ladder. Papa John's owns the "taste" rung. On the car ladder, Mercedes owns the luxury rung. Volvo owns the safety rung.

The goal is to get your brand on a rung, preferably at or near the top. If no room remains on the ladder, start a new ladder, like 7-Up did in the crowded cola category. 7-Up immediately occupied the top rung on the "Uncola" ladder.

No. 8: The Law of Duality

Over time, Trout and Ries report, most categories come down to a two-horse race. No. 1 often has twice the market share as No. 2, while the rest of the brands on the ladder struggle.

This phenomenon they call the Law of Duality. Coke and Pepsi make a good case for the two-horse race. Mountain Dew and Dr Pepper are about tied for third, but far from the lead.

Today, it's getting more complicated by splintering and blurring of categories.

AT&T and Verizon lead the communication-delivery category. But each is getting into the content-producing category. Confusing.

Nike and Adidas are atop the sports shoe category, but they also moved into sports apparel. Getting blurry. This is allowing Skechers and Under Armour to gain ground in shoes. Who's on first? What's on second?

Former GE Chairman Jack Welch said, "Only businesses that are No. 1 or No. 2 in their markets could win in the increasingly competitive global arena. Those that could not were fixed, closed or sold."

Categories continue to get disrupted and subdivided. Uber and Lyft have upended the taxi business. Airbnb is causing the massive hotel business to take notice. They are new business platforms defining new categories.

If you can't be No. 1 or No. 2, subdivide the category.

No. 9: The Law of the Opposite

The Law of the Opposite demonstrates one of the most powerful marketing strategies for a No. 2 in a category.

Find an inherent weakness in the leader's strength and attack at that point. Study the leader. When you know its essence, you can find and turn that strength into a weakness.

A classic example occurred when Burger King attacked McDonald's methodical approach to everything including how it made its Big Mac. McDonald's made it only one way, twoallbeefpattiesspecialsaucelettucecheesepicklesonionsonasesameseedbun. If you ordered a Big Mac without pickles, you were sent to a special parking space to wait for someone to walk the food to your car.

So Burger King said, "Have it your way" and gained market share.

No. 10: The Law of Division

Over time, categories divide, then divide again.

From computers to beer to cars, brands run into trouble when they attach their name to the newly divided category.

Remember, a brand can only stand for one cohesive idea in the mind of its prospects and customers.

When Honda wanted to market an upscale automobile, it came up with a new brand, Acura. When Toyota wanted to market an upscale automobile, it came up with a new brand, Lexus. When Nissan wanted to market an upscale automobile, it came up with a new brand, Infiniti. All three did it properly.

Volkswagen once was the No. 1 imported car in America with a 67 percent share. They did it with one model, the Beetle.

Today, VW's market share is under 2 percent. VW's share declined when it came out with several bigger cars and even a luxury model, the Phaeton. They couldn't find any buyers for an $80,000 car with the Volkswagen logo on the hood.

Problem is the Volkswagen brand idea stands for "small" car. A new idea — bigger or fancier — demands a new brand name.

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