SELF STUDY QUESTIONS

ANSWER ALL QUESTIONS WITH FULL DETAILS

1. DEFINE MARKET POSITIONING.
2. To create a position for a product or service, Trout and Ries suggest that managers ask themselves six basic questions. PLEASE LIST THESE QUESTIONS
3. EXPLAIN POSITIONING STRATEGIES IN DETAIL
4. Essentially, the development of a positioning platform can be broken into a six-step process. PLEASE EXPLAIN THESE STEPS IN DETAIL

**Positioning** has been defined as “the art and science of fitting the product or service to one or more segments of the broad market in such a way as to set it meaningfully apart from competition.”7 As you can see, the position of the product, service, or even store is the image that comes to mind and the attributes consumers perceive as related to it. This communication occurs through the message

itself, which explains the benefits, as well as the media strategy employed to reach the target group. Take a few moments to think about how some products are positioned and how their positions are conveyed to you. For example, what comes to mind when you hear the name Mercedes, Dr. Pepper, or Sony? What about department stores such as Neiman Marcus, Sears, and JCPenney? Now think of the ads for each of these products and companies. Are their approaches different from their competitors’? When and where are these ads shown?

Approaches to Positioning Positioning strategies generally focus on either the consumer or the competition. While both approaches involve the association of product benefits with consumer

needs, the former does so by linking the product with the benefits the consumer will derive or creating a favorable brand image,. The latter approach positions the product by comparing it and the benefit it offers with the competition. Products like Scope mouthwash (positioning itself as better tasting than Listerine) and Poweraid (comparing their rehydration capabilities and caloric content to the leading brand) have employed this strategy successfully. Many advertising practitioners consider market positioning the most important factor in establishing a brand in the marketplace. David Aaker and John Myers note that the term *position* has been used to indicate the brand’s or product’s image in the marketplace.8 Jack Trout and Al Ries suggest that this brand image must contrast with competitors.

They say, “In today’s marketplace, the competitors’ image is just as important as your own. Sometimes more important.” Thus, *positioning,* as used in this text, relates to the image of the product and or brand relative to competing products or brands. The position of the product or brand is the key factor in communicating the benefits it offers and differentiating it from the competition.

Let us now turn to strategies marketers use to position a product.

Developing a Positioning Strategy

To create a position for a product or service, Trout and Ries suggest that managers ask themselves

six basic questions:

1. What position, if any, do we already have in the prospect’s mind?

(This information must come from the marketplace, not the managers’ perceptions.)

2. What position do we want to own?

3. What companies must be outgunned if we are to establish that position?

4. Do we have enough marketing money to occupy and hold the position?

5. Do we have the guts to stick with one consistent positioning strategy?

6. Does our creative approach match our positioning strategy?

A number of positioning strategies might be employed in developing a promotional program. David Aaker and J. Gary Shansby discuss six such strategies: positioning by product attributes, price/quality, use, product class, users, and competitor.A aker and Myers add one more approach, positioning by cultural symbols.

**POSITIONING STRATEGIES**

**Positioning by Product Attributes and Benefits** A common approach to positioning is setting the brand apart from competitors on the basis of the specific characteristics or benefits offered. Sometimes a product may be positioned on more than one product benefit. Marketers attempt to identify **salient attributes** (those that are important to consumers and are the basis for making a purchase decision). For example, when Apple first introduced its computers, the key benefit stressed was ease of use—an effective strategy, given the complexity of computers in the market at that time.

**Positioning by Price/Quality** Marketers often use price/quality characteristics to position their brands. One way they do this is with ads that reflect the image of a high quality brand where cost, while not irrelevant, is considered secondary to the quality benefits derived from using the brand. Premium brands positioned at the high end of the market use this approach to positioning. Another way to use price/quality characteristics for positioning is to focus on the quality or value offered by the brand at a very competitive price. For example, the Lands’ End ad uses this strategy by suggesting that quality need not be unaffordable. Remember that although price is an important consideration, the product quality must be comparable to, or even better than, competing brands for the positioning strategy to be effective.

**Positioning by Use or Application** Another way to communicate a specific image or position for a brand is to associate it with a specific use or application. For example, Black & Decker introduced the Snakelight as an innovative solution to the problem of trying to hold a flashlight while working. A TV commercial showed various uses for the product, while creative packaging and in-store displays were used to communicate the uses.

While this strategy is often used to enter a market on the basis of a particular use or application, it is also an effective way to expand the usage of a product. For example, Arm & Hammer baking soda has been promoted for everything from baking to relieving heartburn to eliminating odors in carpets and refrigerators.

**Positioning by Product Class** Often the competition for a product comes from outside the product class. For example, airlines know that while they compete with other airlines, trains and buses are also viable alternatives. Amtrak has positioned itself as an alternative to airplanes, citing cost savings, enjoyment, and other advantages. Manufacturers of music CDs must compete with MP3 players; many margarines position themselves against butter. Rather than positioning against another brand, an alternative rategy is to position oneself against another product category.

**Positioning by Product User** Positioning a product by associating it with a particular user or group of users is yet another approach. An example would be the Valvoline ad. This campaign emphasizes identification or association with a specific group, in this case, people who receive pleasure from working on their cars.

**Positioning by Competitor** Competitors may be as important to positioning strategy as a firm’s own product or services. As Trout and Ries observe, the old strategy of ignoring one’s competition no longer works.(Advertisers used to think it was a cardinal sin to mention a competitor in their advertising.) In today’s market, an effective positioning strategy for a product or brand may focus on specific competitors. This approach is similar to positioning by product class, although in this

case the competition is within the same product category. Perhaps the best-known example of this strategy was Avis, which positioned itself against the car-rental leader, Hertz, by stating, “We’re number two, so we try harder.” When positioning by competitor, a marketer must often employ another positioning strategy as well to differentiate the brand.

**Positioning by Cultural Symbols** Aaker and Myers include an additional positioning strategy in which cultural symbols are used to differentiate brands. Examples are the Jolly Green Giant, the Keebler elves, Speedy Alka-Seltzer, the Pillsbury Doughboy, Buster Brown, Ronald McDonald, Chiquita Banana, and Mr. Peanut. Each of these symbols has successfully differentiated the product it represents from competitors’

Determining the Positioning Strategy

Having explored the alternative positioning strategies available, the marketer must determine which strategy is best suited for the firm or product and begin developing the positioning platform.

Essentially, the development of a positioning platform can be broken into a six-step process:

1. *Identifying competitors.* This process requires broad thinking. Competitors may not be just those products and/or brands that fall into our product class or with which we compete directly. For example, a red wine competes with other red wines of various positions. It may also compete with white, sparkling, and nonalcoholic wines. Wine coolers provide an alternative, as do beer and other alcoholic drinks. Other nonalcoholic drinks may come into consideration at various times and/or in certain situations. The marketer must consider all likely competitors, as well as the diverse effects of use and situations on the consumer.

2. *Assessing consumers’ perceptions of competitors.* Once we define the competition, we must determine how they are perceived by consumers. Which attributes are important to consumers in evaluating a product and/or brand? As you might expect, for many products, consumers consider a wide variety of attributes or product benefits—most if not all of which are important. Much of marketing firms’ research is directed at making such determinations. Consumers are asked to take part in focus groups and/or complete surveys indicating which attributes are important in their purchase decisions. For example, attributes considered important in the selection of a bank may include convenience, teller friendliness, financial security, and a host of other factors. This process establishes the basis for determining competitive positions.

3. *Determining competitors’ positions.* After identifying the relevant attributes and

their relative importance to consumers, we must determine how each competitor

(including our own entry) is positioned with respect to each attribute. This will also

show how the competitors are positioned relative to each other. Consumer research is

required to make this assessment.

4. *Analyzing the consumers’ preferences.* Our discussion of segmentation noted various factors that may distinguish among groups of consumers, including lifestyles,purchase motivations, and demographic differences. Each of these segments may have different purchase motivations and different attribute importance ratings. One way to determine these differences is to consider the *ideal brand* or *product,* defined as the object the consumer would prefer over all others, including objects that can be imagined but do not exist. Identifying the ideal product can help us identify different ideals among segments or identify segments with similar or the same ideal points.

5. *Making the positioning decision.* Going through the first four steps should let us decide which position to assume in the marketplace. Such a decision is not always clear and well defined, however, and research may provide only limited input. In that case, the marketing manager or groups of managers must make some subjective judgments.

These judgments raise a number of questions:

• *Is the segmentation strategy appropriate?* Positioning usually entails a decision to segment the market. Consider whether the market segment sought will support an entry and whether it is in the best interests of the company to de-emphasize the remaining market. When a specific position is chosen, consumers may believe this is what the product is for. Those not looking for that specific benefit may not consider the brand. If the marketer decides on an undifferentiated strategy, it may be possible to be general in the positioning platform. For example, Toyota’s slogan, “Get the feeling” allows receivers to project their feelings about the brand—all of which (hopefully) involve a positive image of Toyota.

• *Are there sufficient resources available to communicate the position effectively?*

It is very expensive to establish a position. One ad, or even a series of ads, is not likely to be enough. The marketer must commit to a long-range effort in all aspects of the marketing campaign to make sure the objectives sought are obtained. Too often, the firm abandons a position and/or advertising campaign long before it can establish a position successfully. The *Rolling Stone* repositioning discussed earlier is an excellent example of sticking with a campaign: The basic theme ran for a number of years. In contrast, Sears has switched campaigns so often in the past few years that it has been impossible to establish a distinct position in the consumer’s mind. Further, once a successful position is attained, it is likely to attract competitors. It may become expensive to ward off “me-too” brands and continue to hold on to the brand distinction.

• *How strong is the competition?* The marketing manager must ask whether a position sought is likely to be maintained, given the strengths of the competition. For example, General Foods often made it a practice not to be the first entry into a market. When competitors developed new markets with their entries, General Foods would simply improve on the product and capture a large percentage of the market share. This leads to two basic questions: First, if our firm is first into the

market, will we be able to maintain the position (in terms of quality, price, etc.)? Second, if a product is positioned as finest quality, it must be. If it is positioned as lowest cost, it has to be. Otherwise, the position claimed is sure to be lost.

• *Is the current positioning strategy working?* There is an old saying, “If it ain’t broke, don’t fix it.” If current efforts are not working, it may be time to consider an alternative positioning strategy. But if they are working, a change is usually unwise. Sometimes executives become bored with a theme and decide it is time for a change, but this change causes confusion in the marketplace and weakens a brand’s position. Unless there is strong reason to believe a change in positioning is

necessary, stick with the current strategy.

6. *Monitoring the position.* Once a position has been established, we want to monitor how well it is being maintained in the marketplace. Tracking studies measure the image of the product or firm over time. Changes in consumers’ perceptions can be determined, with any slippage immediately noted and reacted to. At the same time, the impact of competitors can be determined.