

## Positioning

### A Definition of Positioning

Positioning is a marketing method for creating the perception of a product, brand, or company identity.

According to Jack Trout<sup>1</sup>, "positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position (place) your product or service in the mind of the prospect".

Since that time in marketing, positioning is the technique in which marketers try to create an image or identity for a product, brand, or company in the perception of the target market. What matters is how potential buyers see the product. It is expressed relative to the position of competitors. Typical positioning tools include graphical perception mapping, market surveys, and certain statistical techniques.

### Share of Mind

**Mind share** refers to consumer awareness about a specific product or brand in the hope that they will buy the product, service or brand. One of the main objectives of marketing is to establish what is called mind share, or *share of mind*.

When people think of examples of a type or category of product or service, they think of a limited list (referred to as an **Evoked Set**). Any product included in an evoked set has mind share. For example, if we are considering purchasing a cold or flu remedy, we will have a large number of remedies to choose from. However, our evoked set, those that are actually considered, will probably be limited to about four or five. Of these, the remedies that we are most familiar with will have the greatest proportion of our mind's share. Marketers try to maximize their product's

<sup>1</sup> Jack Trout: Positioning is a game people play in today's me-too market place, *Industrial Marketing*, Vol.54, No.6, June 1969, pp.51-55)

share. Mind share can be established to a greater or lesser degree depending on market segment.

A similar concept is *top of mind*. The more easily one remembers a brand, the closer it is to the top of one's mind. This implies that one has not forgotten or buried the information.

### Positioning Strategies

A successful positioning strategy is usually rooted in a company's sustainable competitive advantage. Positioning can be based on several things, including:

- Product features
- Product benefits, needs, or solutions
- Use categories
- Usage occasions
- Placing and comparing it relative to another product
- Product class dissociation

It is as well to mention two further definitions related to positioning.

**First Re-positioning** involves changing the identity of a product, relative to the identity of competing products, in the collective minds of the target market. And second **De-positioning** involves attempting to change the identity of competing products, relative to the identity of your own product, in the collective minds of the target market.

### Positioning Concepts

More generally, there are three types of positioning concepts:

#### 1. Functional positions

- Solve problems
- Provide benefits to customers
- Get favorable perception by investors and lenders

## 2. Symbolic positions

- Self-image enhancement
- Ego identification
- Belongingness and social meaningfulness
- Affective fulfillment

## 3. Experiential positions

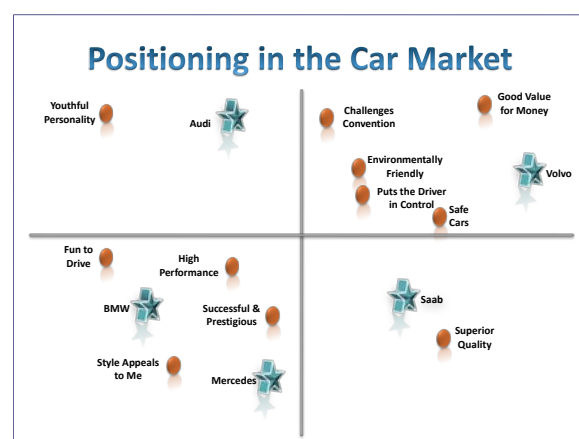
- Provide sensory stimulation
- Provide cognitive stimulation
- Provide cognitive stimulation

### Measuring the Positioning

Positioning is facilitated by a graphical technique called perceptual mapping.

**Perceptual mapping** is a graphics technique, used by marketers, that attempts to visually display the perceptions of customers or potential customers towards a product or service. Typically the position of a product, product line, brand, or company is displayed relative to their competition.

Perceptual maps can have any number of dimensions but the most common is two dimensions. Any more is a challenge to draw and confusing to interpret. A perceptual map similar to the example below was created to assess the brand positioning of a major car manufacturer.



*Perceptual Map of Competing Products*

This perceptual map above shows consumer perceptions of various cars on the two dimensions

of sportiness/conservative and classy/affordable. This sample of consumers felt Audi was the sportiest and classiest of the cars in the study (top left corner). They felt Volvo was most practical and safe (top right corner). Saab was perceived to be top quality (bottom right) and that BMW and Mercedes offered style performance and fun (bottom left corner)

Cars that are positioned close to each other are seen as similar on the relevant dimensions by the consumer. For example consumers see Mercedes and BMW as broadly similar. They are close competitors and form a competitive grouping. A company considering the introduction of a new model will look for an area on the map free from competitors.

### Product Positioning Process

Typically, a product positioning process involves the following stages:

1. Identify competing products
2. Identify the attributes that define the product
3. Collect information from a sample of customers about their perceptions of each product on the relevant attributes
4. Determine each products' share of mind
5. Determine each products' current location in the product space
6. Determine the target market's preferred combination of attributes (referred to as an ideal vector)
7. Examine the fit between: the positions of competing products, the position of your product and the position of the ideal vector
8. Select optimum position
9. Distil the results into a few appropriate words

# The Strategist's Choice

## An Exercise: What Ideas Have You to Position Your Products/Services?

Can you begin to identify a positioning statement for your product or service To-do this you will have to ask your prospects / customers following the steps outlined above.

But, as in most things, there's another way of finding a positioning statement. This process asks you to find the major problem facing your customers.

In your group see if you can identify a gain your customers can achieve by using your product or service. There are 7 steps.

1. What is the problem customers have when buying your sort of products/services
2. What is the main problem your customer wants to solve when he/she uses your sort of product e.g. ...*they worry about simplicity or time.*
3. How important a problem is this for the customer
4. How can you solve the problem
5. What is the benefit to your customer
6. How is different to your competitors product/service e.g. *best service, lower costs, fastest delivery, try also to quantify the differential, 20% more results than anyone else...*
7. Now boil your ideas down into a few words

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Best wishes

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