

Chapter 6

Positioning

- Distinguish between positioning within the marketing strategy and positioning within marketing communication
- Diff between decision a manager makes in terms of a positioning strategy and the resulting effects in terms of the position in which the target market or target audience perceives the firm or brand to be competing

Marketing Positioning Strategy

- Strategic marketing plan → to guide allocation of resources effectively
- Strategic marketing plan → evolves from an organization's overall corporate strategy and serves as a guide for specific marketing programs and policies
 - Positioning → 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*
 - Market positioning strategy → concerns the final decision of the market in which firms wish to compete, combined with the specific elements of the marketing mix that are designed to fulfill the respective needs of the market*
- Must decide in which particular market segment or segments it wishes to compete
- Decision of where depends on the amount and nature of competition
- Firm may consider many combos of product attributes with varying price levels across diff retail outlets
- Evaluate narrow product choices with very wide distribution and mass advertising appeal
- Consider as many feasible options as possible
- Put together "package of benefits" or "value offering" that will be acceptable to the target market selected
- Organizations may find results at, above, or below expectations
 - Market position → consumer response*
- It is not the current or past strategic plans of the marketing managers, but rather the intended or unintended consumer beliefs of the organization's marketing efforts
 - Perceptual map → market position diagram*
- How the respondents "see" the brands competing

Brand Positioning Strategy

- IMC campaigns typically focus on a particular message that helps consumers understand the product in comparison to other brands within a specific product market or category
- Most ads or IMC tools speak to a very specific target audience
- Target audiences have diff competitive reference points
- Positioning is an important decision in establishing and maintaining a brand
- Branding cannot occur without positioning
 - Brand positioning strategy → intended image of the product or brand relative to competing brands for given competitive space as defined by certain product market or category characteristics*

- Competitive space can be discovered with the market position diagram
- Relevant dimensions of competing within a space allow managers to determine the brand positioning strategy
- What do consumers feel and think about the brand after having experienced all of the messages?
- These questions pertain to the reactions of consumers
 - Brand position** → *target audience's overall assessment or image of the brand resulting from brand-related communication that tells the prospective buyer what the brand is, who it is for, and what it offers*
- Need to distinguish between intended brand image vs actual brand image
- Brand positioning strategy resides within the overall advertising or IMC plan while the brand position exists within the target audience
- Brand positioning strategy → can be written annually or every few years
 - Salient attributes** → *aspect of a product by which the consumer tends to judge a product*

Brand Positioning Strategy Decision Process

-5 step process for making the brand positioning strategy

1) Develop a Market Partition

- Define market by making it consistent with how consumers make a purchase decision
- Suggested that you view the market broadly as a general product category and then divide the market into various sub-categories until consumers perceive brands as being relatively similar
- Criteria for market positioning → type of product, end benefit, usage situation, brand name
- Establish initial parameters for identifying the most important competitors to determine a unique positioning strategy that can be communicated

2) Assess Competitors' Position

- Define competitors
- Determine their respective brand positions
- Assess consumers' beliefs through research
- Formulate brand position maps
- Identify new attributes or benefits competitors are communicating

3) Assess Brand Position

- Assess how consumers currently perceive the brand
- Compare with previously determined brand strategy (ex: last yr)

4) Determine Brand Positioning Strategy

- First 3 steps should provide direction for where to establish the brand position

5) Implement Brand Positioning Strategy

- Content of ad message, its creative strategy, and creative tactics can be formulated once the brand positioning strategy is established
- Implementation of other promotional communication tools also requires message and creativity development

6) Monitor Brand Positioning Strategy

- Monitor how well it is being maintained
- Tracking studies
- Measure image of brand over time
- See changes in consumer perception

Brand Positioning Strategy Decisions

- Clearly indicate where the brand is competing, with whom it is competing, how it is competing, why customers will purchase brand

Market Definition

- Define the market
- Where they intend the brand to compete
- Benefit claims
- Compete against other brands on end benefits, brand name, usage situation, product category
- Advertising should contribute to developing a perceived advantage over competing brands within the competitive space

Positioning by End Benefit

- Setting the brand apart from competitors on the basis of its primary end benefit offered
- May be positioned on multiple benefits if necessary
- Identify salient attributes
- Positioning focuses on specific characteristics and benefits
- Good research and reasons for justifying position
- Marketers make direct link between particular attribute and derived benefit

Positioning by Brand Name

- Price/quality characteristics to position brand
- Ads that reflect image of high-quality brand
- Cost is considered secondary to quality benefits derived
- Premium brands
- Focus on quality or value offered by brand at a very competitive price

Positioning by Usage Situation

- Associate brand with specific use
- ex: Molson → sophisticated night out
- Expand the situational usage of a product
- Marketing plays strong role in consumers adopting new uses for product

Positioning by Product Category

- Competition for a product often comes from outside the product category
- Ex: airlines compete with other airlines, trains, and buses
- Rather than position against another brand, an alternative strategy is to position the brand against another product category

Differential Advantage

-Brand benefit claims embodied in the positioning and represented in the ads contribute to the differential advantage for a brand

Differential vs Central Positioning

- Market circumstances allow brands to claim a central position within the product category
- The brand can claim and deliver on the most salient beliefs
- May be a function of brand being the market share leader, achieving success during the growth stage of the product life cycle, or having unique brand characteristics that essentially define the category
- Ex: Nike → central
- Being the first brand in a product category is a good start but not a guarantee

Brand Benefit vs User Positioning

- Most positioning decisions involve unique and differential benefit claims that the brand can deliver
- Identify and determine the most important ones to claim in advertising
- Unique situations allow for user positioning
- Often a brand is positioned by association with a particular user or group of users
- A user positioning strategy occurs in situations where the individual is motivated for social or individual reasons and the ads emphasize how good the consumer feels while using the brand

Target Audience brand Attitude

- Consumers may hold a # of diff beliefs about a brand in any product or service category
- Not all of these beliefs are activated in forming an attitude
 - Salient beliefs → beliefs concerning specific attributes or benefits that are activated and form the basis of an attitude***
- Marketers should identify these beliefs and understand how the saliency varies among diff target audiences, over time, and across diff consumption situations

Brand Attitude Model

- Multiattribute attitude model → views an attitude object, such as a product or brand, as possessing a number of attributes that provide the basis on which consumers form their attitudes***
- Consumers have beliefs about specific brand attributes and attach diff levels of importance to these attributes

$$A_o = \sum_{i=1}^n B_i \cdot E_i$$

- Where A_b = attitude toward a brand
- B_i = beliefs about the brand's performance on attribute i
- E_i = importance attached to attribute i
- n = number of attributes considered

Brand Attitude Persuasion

- Multiattribute models help marketers diagnose the beliefs that underlie consumers' evaluations of a brand and the importance of attributes or benefits
- Guides communication strategies

Influence Attribute Belief

- Identify an attribute or benefit that is important
- Communicate how well brand performs
- Increase the rating of a brand on an important attribute

Influence Attribute Importance

- Influence consumer attitudes by changing the relative importance of a particular attribute
- Get consumers to attach more importance to attribute in forming their attitude towards the brand
- Increase the importance of an attribute their particular brand has

Add New Attribute Belief

- Add or emphasize a new attribute that consumers can use in evaluating a brand
- Focus on added benefits or consequences associated with using the brand that have not been communicated previously

Influence Attribute Belief of Competitor Brand

- Change consumer beliefs about the attributes of competing brands or product categories
- Much more common
- Comparative advertising
- Compare brands to competitors' on specific product attributes

Consumer Purchase Motive

- Portrayal of benefits is reflected by the purchase motivation associated with the brand
- Purchase motivation of the target audience is another important decision for brand positioning strategy

Importance of Purchase Motives

- Attribute positioning still requires the right kind of motivation or reason for purchase demonstrated in the ad to be completely successful
 - Informational motives → negatively based since the consumer perceives their current consumption situation as a deficit in which the purchase of the product would minimize the shortfall and bring the consumer a neutral or normal state***
 - Transformational motives → imply consumers perceive their consumption situation as requiring improvement from a neutral state***
- Negative and positive oriented motives are consistent with psychological theories of motivation and are similar to Maslow's theory

Informational Motives

- Problem-removal motives reflect consumption situations where consumers perceive a problem (ex: dandruff) and seek a product that resolves the problem (ex: shampoo)
- Products emphasize this motive in their ads

- Problem avoidance motives occur when consumers anticipate a problem if they do not take pre-emptive action through the purchase of a product (ex: insurance)
- Incomplete satisfaction motives are based on the consumer perceptions that they are not fully satisfied with their current brand choice and are seeking a better product
- Mixed approach-avoidance motives are active for consumers in purchase situations where they enjoy some elements of the product but dislike other parts and are seeking alternative solutions
- Depletion is a reason for purchase in an almost-everyday situation (run out of product need to buy more)

Transformational Motives

- Sensory gratification motives are predicated on the product providing a + experience via one of the 5 senses
- Important to focus on the right aspect with the right reference point
- Intellectual stimulation or mastery is an individual motive linked to an element of self-improvement through the purchase of a particular product
- Personal recognition is suggested with the social approval motive → consumers are motivated to purchase certain products or brands because they aspire to be accepted in certain social groups

Brand Repositioning Strategy

- Reasons for change in position are discovered in situation analysis
- Often difficult because of ingrained consumer understanding of the market structure and established brand attitudes
- Market definition
- Differential advantage
- Target audience
- Salient motive

Importance of Repositioning

Competition

- Competitive dynamics
- Ex: McDonald's didn't have rep for coffee so had to do a lot to position themselves there

Company

- Company-sourced factors can be an impetus for repositioning

Consumer

- Consumers no long gravitate to product
- Rejuvenate brand

Market

- Decline in market (ex: herbal tea market)
- Growth in related markets (ex: green tea market)

Environment

- Recession

- Slow economic growth
- Consumer trends towards healthier lifestyles

Differential Advantage

- Move from differential to central or vice versa
- Move from a product focus to a user focus or vice versa
- Most often brands look for a differential element to claim in messaging
- Rare to position centrally

- Differential
- Central
- Brand Benefit Positioning
- User Positioning

New Target Audience

- Organizations target advertising messages to both customers (ex: brand loyals and favourable brand switchers) to non-customers (ex: new category users, other brand switches, other brand loyals)

Purchase Motivation

- Implies a shift from one type of motive to another
- Most significant shift would be moving from an informational motive to a transformational motive or vice versa

Problem-Solution

- Show brand solving a problem in a favourable way

Sensory Gratification

- Senses of consumption clearly portray brand in a new light within the product category