

Product Positioning

(www.inc.com)

"Product positioning" is a marketing technique intended to present products in the best possible light to different target audiences. The method is related to "market segmentation" in that an early step in major marketing campaigns is to discover the core market most likely to buy a product—or the bulk of the product. Once segmentation has defined this group ("active seniors," "affluent professional working women," "teens") the positioning of the product consists of creating the message likely to reach this group. Positioning involves symbol and message manipulation, including displays and packaging. Two expert definitions:

Al Ries and Jack Trout, in their book *Positioning: The Battle for Your Mind*, introduce the subject by saying: "[P]ositioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect. So it's incorrect to call the concept 'product positioning.' As if you were doing something to the product itself. Not that positioning doesn't involve change. It does. But changes made in the name, the price and the package are really not changes in the product at all'. Positioning is also the first body of thought that comes to grips with the problems of getting heard in our overcommunicated society."

Louis E. Boone and David L. Kurtz, in their book *Contemporary Marketing*, put it this way: "Product positioning refers to consumers' perceptions of a product's attributes, uses, quality, and advantages and disadvantages relative to competing brands. Marketers often conduct marketing research studies to analyze consumer preferences and to construct product position maps that plot their products' positions in relation to those of competitors' offerings."

IN MASS MARKET PRACTICE

Concepts like "segmentation" and "positioning" typically arise in the "large" rather than in the "small" business context. The underlying concepts apply to both, but access to the mass market requires substantially more preparation. These methods have thus developed of necessity and in order to save money. They do not represent some kind of "high sophistication" the small business has overlooked. Small business owners practice segmentation and positioning as much as the giants and multinationals—but the small business owners think of these things differently and do not use the phrases.

The preparation of major product introductions and related packaging design, promotional and advertising campaigns, incentives for the supply channel, etc. can be very costly. Money can be wasted unless careful planning comes quite early. Market segmentation, an early step in the positioning of products, is intended both to limit the costs of sales and marketing and also to

channel the money to the most cost-effective points in the communications network. Related market research, distinct from segmentation, is often used to set price points, identify competitive aspects of the product, etc.

Some product lines, of course, have obvious and built-in segmentation: the marketing of baby foods will be directed at young mothers; wheel-chairs will typically be advertised on TV channels watched by the elderly. A whole category of television drama is called the "soap opera" because these morning shows were watched by women who did the laundry. Lipsticks and cosmetics are rarely advertised on televised football games. And so on. Market segmentation is ultimately a highly developed extension of such quite common-sense linkages between social, demographic, income, and gender groups and the products these typically buy or shun. It might be argued that segmentation studies have gone too far, that the slicing and dicing of sub-sub-sub groups has reached rather silly extremes, but those who spend the money on highly elaborate market surveys and focus groups at least *believe* in the effectiveness of such techniques. And they have a certain scientific grounding.

Segmentation studies invariably attempt to capture *opinion* and then to extrapolate it using *statistical* methods. Groups are selected and interviewed based on pre-selected characteristics to determine their reactions to products, features, packaging concepts, price-points, appearance, symbols, and message contents. It is vital in these studies that the participants be "representative" of groups that can be measured objectively using census data, for example, urban working women between 30 and 45 with children in the home. To the extent that participants in the study meet the criteria, it is then assumed that the opinions of a small sample will be the same as the opinions of the total population in that category. Segmentation, therefore, is one category of opinion polling as a whole. Its effectiveness depends on the design of the research and is measured by results later—much as political polling is upheld or falsified by election results.

A rather vast body of knowledge, expertise, and interpretation has developed around this type of research in order properly to discern what consumers really mean, how their views and actions correspond, and so on. The amount of effort expended—and professional skills deployed—is directly related to the very large amounts of money expended on persuasion generally.

Product positioning is derived from segmentation and similar marketing studies. Research of this type will determine the different reactions of distinct and measurable groupings of consumers. Some will have a high level of enthusiasm, others will be indifferent. The largest grouping returning a favorable opinion is then selected as the target market; the marketing message is tailored to appeal most specifically to this group and will be shown most frequently in media this group routinely uses. Positioning, of course, may extend to several secondary groups as well, so that a product may be launched with somewhat different emphases and approaches in different

media depending on who is watching, listening, or reading. Positioning becomes a very complex process in that attempts are made to coordinate all aspects of the symbology, to echo the very words people used in focus groups, and to select those images, packages, and lifestyle linkages identified earlier. Occasionally it happens, contrary to the opinion expressed by Ries and Trout, that the product itself may be significantly modified—especially if most consumer groups polled found fault with some features.

IN SMALL BUSINESS PRACTICE

Probably the biggest difference between mass marketers and small businesses is that small operations *practice* product positioning but *without* the very costly machinery of elaborate and formal segmentation, market research, and testing paid for by the big companies. To be sure, some small businesses (those of the larger kind and able to spend such dollars) do conduct studies quite similar to the majors. But in most small businesses the positioning of products is based on the opinions of the business owner, his or her family, and selected friends and customers; *they* are the "sample." To some extent small businesses also conduct what might be called "experiential" studies once products are launched. They observe who buys most of the product, receive feedback from the market, and then later, in response, modify the ways in which they advertise, where they advertise, how they label, how they display product in the store, and even how they package. If the product is initially at least moderately successful, this type adaptation based on experience is much more effective because it reflects consumer *behavior* rather than consumer *opinion*.

BIBLIOGRAPHY

Boone, Louis E., and David L. Kurtz. *Contemporary Marketing*. Thomson South-Western, 2006.

Nunes, Paul, and Brian Johnson. *Mass Affluence: Seven New Rules of Marketing to Today's Consumer*. Accenture, 2004.

Ries, Al, and Jack Trout. *Positioning: The Battle for Your Mind, 20th Anniversary Edition*. McGraw-Hill, 2001.

The Power of Product Positioning

by Tim Berry (<http://mplans.com>)

Product positioning is closely related to market segment focus. Product positioning involves creating a unique, consistent, and recognized customer perception about a firm's offering and image. A product or service may be positioned on the basis of an attitude or benefit, use or application, user, class, price, or level of quality. It targets a product for specific market segments and product needs at specific prices. The same product can be positioned in many different ways. The figure below is taken from Philip Kotler's book, *Marketing Management* published by Prentice Hall. This two-dimensional perception map shows how Kotler analyses the positioning of an instant breakfast drink relative to variables of the price of the product and the speed of preparation.

Another common framework for product positioning is taken from a series of questions. You can position a product using a positioning statement that answers these important questions:

- For whom is the product designed?
- What kind of product is it?
- What is the single most important benefit it offers?
- Who is its most important competitor?
- How is your product different from that competitor?
- What is the significant customer benefit of that difference?

Some positioning strategies work better than others. The best positioning plays to your company's strengths and the product's strengths, and away from weaknesses. Position your product to reach the buyers whose profiles most closely match the needs you serve, in the channels you can reach, at prices you set.