Marketing: Advertising and Sales Promotion

Food Communication II

Section E – Positioning

All of the information has been adapted from:


&

Administrative info
Brand Positioning
The Battlefield of the Mind
Introduction

• Consumers are overloaded with information about products and services.

• They cannot re-evaluate products every time they make a buying decision.

• To simplify the buying process, consumers organize products, services and brands into categories and then “position” them in their minds.

• A product's position is made up of all the perceptions, impressions, and feelings that consumers have about a product compared to competing products.
Introduction

• Consumers position products with or without the help of marketers.

• But marketers do not want to leave their products' positions to chance.

• They must plan positions that will give their products the greatest advantage in selected target markets.

• And they must create marketing mixes to create these planned positions

• Positioning involves implanting the brand's unique benefits and differentiation in customer's minds.

Importance of Positioning

• It has been argued that the position of a product is its real source of competitive power and key to product, service and business success.

• Failure to actively position products can lead to:
  – Being pushed into an undesirable position faced with stronger competition.
  – Being pushed into an undesirable position which nobody else wants, because there is little customer demand there.
  – Positioning being so fuzzy that nobody knows what the distinctive features really are.
  – Have no position at all in the market, because nobody has ever heard of it.
Importance of Positioning

• **Group Work**

• On the printed handout read the piece headed “Eg Another example of poor positioning...”

• As well as the piece headed “**Reader:** South African stigma still in mind of American wine consumers.”

• And answer the following questions for **both:**
  – Who is the primary target market?
  – What is the position of the brand in their minds? (Use one sentence, or a few defining words)
  – What mistake did the marketer's make?
  – Recommendation: How should they position SA wines in the minds of American consumers?
Brand positioning is about finding one unoccupied niche in the prospect’s mind, and fill it with one thing that sticks.
Choosing a positioning strategy

• **Product Position**: The way the product is defined by consumers on important attributes – the place the product occupies in consumers' minds relative to competing products.

• The positioning task consists of three steps:
  1. Identifying a set of possible competitive advantages upon which to build a position.
  2. Choosing the right competitive advantages.
  3. Selecting an overall positioning strategy.

• The company must then effectively communicate and deliver the chosen position to the market.
Competitive Advantage
Identifying competitive advantages

- **Competitive Advantage:** An advantage over competitors gained by offering consumers greater value, either through lower prices or by providing more benefits that justify higher prices.

- To find points of *differentiation*, marketers must think through the customer's entire experience with the company's product or services. (Bank)

- Differentiation is the process of identifying 'something' that is different about a firms products to competitors', and also important to and desired by consumers.
BE DIFFERENT.
Identifying competitive advantages

• Questions to ask:
  – Is that differentiating variable or characteristic desired by consumers?
  – Can we sustain the advantage over an extended period of time?
  – Can we manufacture and market the product at a price consumers will be prepared to pay?
  – Is it profitable?

• If the answers to these questions are yes, the differentiating variable can be described as a competitive advantage and it can (and should) form the basis of the positioning strategy.
Identifying competitive advantages

A classification of industry types based on competitive Advantage

<table>
<thead>
<tr>
<th>Size of Advantage</th>
<th>Small</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of approaches to achieve advantage</td>
<td>Many</td>
<td>Few</td>
</tr>
<tr>
<td>Fragmented</td>
<td>e.g. fast food industry</td>
<td>Specialisation</td>
</tr>
<tr>
<td>Stalemate</td>
<td>e.g. bulk raw iron</td>
<td>Volume</td>
</tr>
</tbody>
</table>

Bases of Differentiation

- Product Differentiation
  - Features (Cameras, cell phones)
  - Performance (Duracell, Shell,)
  - Durability (Dunlop, Trellydoor)
  - Reliability (will never let you down)
  - Repairability (Dell, VW)
  - Style (BMW)
  - Reseller brands/ Own brands (Woolworths)
  - Product Range (Game)
Differentiation Example

MUGG & BEAN

Write in their differentiating characteristic:

_______________________________________
Bases of Differentiation

- Service
  - Delivery (DHL)
  - Instillation (Industrial ovens)
  - Customer training (hospital x-ray machines)
  - Consulting services (computer software)
  - Repairs (guarantees)
  - Miscellaneous services (frequent flyer miles, e-Bucks, etc)
Bases of Differentiation

• Personnel Differentiation
  – Competence (skills)
  – Courtesy (kindness and respect)
  – Credibility (trustworthiness)
  – Reliability (consistency and accuracy)
  – Responsiveness (quick response)
  – Communication (understand and comm clearly)
Bases of Differentiation

• Image Differentiation
  – Symbols (Mercedes-Benz, Nike)
  – Written and audio or visual media (Yellow pages “Let you fingers do the walking”)
  – Events (Castle Lager, Bakers mini-cricket)
  – Atmosphere (V&A Waterfront)
Choosing the right competitive adv

• How many differences to promote?
• Ad man Rosser Reeves said: “A company should develop a *unique selling proposition* (USP) for each brand and stick to it.”
• Each brand should pick an attribute and promote itself as “number one” on that attribute.
• Buyers tend to remember one thing better, especially in an over-communicated society with many brands.
• A company that hammers away at one position and consistently delivers on it will probably become best known and remembered for it.
• Positioning should always be **clear** and **simple**!
Choosing the right competitive adv

• Which differences to promote?
• Not all brand differences are meaningful or worthwhile to promote. They must be:
  – Important: Highly valued benefit
  – Distinctive: Competitors do not offer benefit or company can offer it more distinctively.
  – Superior: Better than other ways.
  – Communicable: Its viable to buyers.
  – Pre-emptive: Competitors cannot easily copy.
  – Affordable: Buyers can afford to pay for the diff.
  – Profitable: Company can offer it and make money,
Selecting the Positioning Strategy

- Consumers typically choose products and services that give them the **greatest value**.
- Thus, marketers want to position their brands on the key benefits that they offer better than competition.

**Value Proposition**: The full positioning of a brand – the full mix of benefits upon which it is positioned.

*Figure: Possible Value Propositions*

<table>
<thead>
<tr>
<th>More</th>
<th>Same</th>
<th>Less</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>More</strong></td>
<td>More for More</td>
<td>More for the Same</td>
</tr>
<tr>
<td><strong>Same</strong></td>
<td>The same for less</td>
<td>The same for less</td>
</tr>
<tr>
<td><strong>Less</strong></td>
<td>Less for much less</td>
<td>Less for much less</td>
</tr>
</tbody>
</table>

Source: Kotler, Armstrong, 2004, p., 263
Perceptual Map

Positioning of Different Bar Soaps

Nondeodorant

Deodorant

High moisturizing

Low moisturizing

1. Dial
2. Safeguard
3. Lux
4. Dove
5. Tone
6. Lifebuoy
7. Zest
8. Lever 2000

“Product Space”
Representing Consumers’ Perception for Different Brands of Bar Soap

Exhibit 3-13
Perceptual Map Example

- Perceived Quality
- Perceived Price

- Savruga
- CT Fish Market
- Mugg & Bean

- Steers
- KFC
- Mac Donalds
Practical 1 – Group Assignment

Consumer Science: Food Production Management

On Campus Food Preparation Services

• You are a brand positioning consultant.

• Your Job: Positioning the Food Production Management's 'food preparation service' on campus.
  – Position it against the other food catering facilities on campus. Use a perceptual map.
  – You are to stick to the groups that you work with in Ms. Du Toits class. (The random ones... :))
  – You may use your notes from class as a guideline and may ask me questions.
Positioning Strategy – Step 1A

Consumer Science: Food Production Management

On Campus Food Preparation Services

• Attributes of Service:

  This was discussed in class...
Practical 1 – Group Assignment

Consumer Science: Food Production Management

On Campus Food Preparation Services

• You are to complete the following steps in your assignment
  – 1B: Identify a set of possible competitive advantages upon which to build a position.
  – 2: Choosing the right competitive advantages.
  – 3: Selecting an overall positioning strategy.

• By using your notes and the articles that have been handed out. Each number will correspond to a specific section that must be completed.
Practical 1 – Group Assignment

Consumer Science: Food Production Management

On Campus Food Preparation Services

• Introduction
  – #1: Identifying a concept: A short introduction to the business idea/entrepreneurial concept

• Step 1
  – 1A: Include notes from class as a start.
  – 1B: #2: Positioning and Marketing Concept

• Step 2
  – #3: Catering Positionings: How are you going to position your concept?
Practical 1 – Group Assignment

Consumer Science: Food Production Management

On Campus Food Preparation Services

• Step 2 Continued...
  – #4: Differentiation: How will your service be different? Upon which will you build position?
  – #5: Mapping your Competitors positionings: Use a perceptual map to do this and include an explanation underneath.
  – #6: Checking your concept against your skill set. Include the entire capability of the food production facility.
Practical 1 – Group Assignment

Consumer Science: Food Production Management

On Campus Food Preparation Services

• Step 3
  – #7: Testing your positioning: Discuss how you will test your chosen positioning.
  – And also answer the questions that explain why your chosen competitive advantages should be used to build the positioning strategy.

• Conclusion
  – End off by rounding it all up and giving a last sell as to why your positioning strategy will work.
Practical 1 – Group Assignment

• **Remember to ask these Questions:**
  
  – Is that differentiating variable or characteristic desired by consumers?
  
  – Can we sustain the advantage over an extended period of time?
  
  – Can we manufacture and market the product at a price consumers will be prepared to pay?
  
  – Is it profitable?

• If the answers to these questions are yes, the differentiating variable can be described as a competitive advantage and it can (and should) form the basis of the positioning strategy.
Practical 1 – Group Assignment

Consumer Science: Food Production Management

On Campus Food Preparation Services

• Ring bound, typed out nicely with a front cover listing names and student numbers of group members.

• Keep it simple and too the point. But ensure that you cover all elements. About 5 content pages should be enough. Although you may use as many as you like.

• Include a bibliography and needed appendices.

• Due Date: Monday 19 September – Hand in class.