



## POSITIONING

#### **Product Differentiation**

 Most competitive advantages lasts only a short time. Companies therefore constantly need to think up new *value adding* features and benefits to win the attention and interest of *choice rich, price prone* consumers.

### Differentiation

 It is the act of designing a set of meaningful differences to distinguish the company's offering from competitors.

## How can you differentiate?

- Differentiation can be done in various ways depending on the industry and product category.
- Differentiation can occur in one or more of these areas – product, services, personnel, channel, image.

#### **Product Differentiation**

- Form
- Features
- Performance
- Conformance
- Quality

- Durability
- Reliability
- Repair ability
- Style

### Services Differentiation

- Ordering Ease
- Delivery
- Installation
- Customer Training
- Maintenance and repair

#### Personnel Differentiation

- Competence
- Courtesy
- Reliability
- Responsiveness
- Communication

### **Channel Differentiation**

- Trade
- Direct

## Image Differentiation

- Identity what the company wants to project
- Image what the public perceive
- Image can be enhanced by using, symbols, media, atmosphere, events and employee behaviour

## Positioning

- The act of designing the company's offering and image to occupy a distinctive place in the consumer's mind.
- Positioning normally takes one position in the mind. More than one, the company runs the risk of customer credibility and dilution of positioning

## Positioning Strategies

- Attribute
- Benefit
- Use or application
- User
- Competitor
- Price/quality

# Developing and Communicating a Positioning Strategy

- Treacy and Wiersema propose that a business should follow four rules for success
  - 1. Become best at one of the three value disciplines.
  - 2. Achieve an adequate performance level in the other two disciplines.
  - 3. Keep improving one's superior position in the chosen discipline so as not to lose out to a competitor.
  - 4. Keep becoming more adequate in the other two disciplines, because competitors keep raising customers' expectations.

# Developing and Communicating a Positioning Strategy

- Positioning: How many ideas to promote?
  - Unique selling proposition
  - Four major positioning errors
    - 1. Underpositioning
    - 2. Overpositioning
    - 3. Confused positioning
    - 4. Doubtful positioning

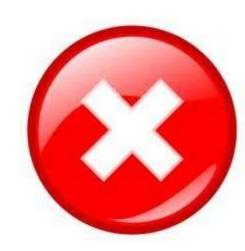
#### **USP**

 This should be exclusive to the product and make a significant relevant impact to the consumer



#### There are various positioning errors, such as-

- **Under positioning**
- **Over positioning**
- Confused positioning
- Doubtful Positioning



## <u>Under</u> positioning

❖ Failing to present a strong central benefit or reason to buy the product.

Occurs when customers cannot readily identify the brand or the brands features. The product must stand out in the mind of the consumer

**Example**: solar lamp

#### <u>over</u> positioning

marketers makes the product too special, so the potential customer group becomes too small.

❖It means that buyers believe that the product is meant for a very select audience because it is premium priced.

Example: Aqua Sure

## Confused positioning

❖By claiming two are more benefits that contradict each other.

❖Toomany benefits or claims, or when the brand attempts to position in too many segments.

**Example**: NeXT computers

## Positioning

• Claiming a benefit that customers will doubt that the brand can actually deliver.

**Example**: Fair and Handsome







## **THANK YOU**



Any questions please?