

OXFORD
Southern Africa

Marketing

Second SA edition
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Chapter 7
Positioning the Firm and its Products

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Introduction

- **What is positioning?**
 - place a firm, product or brand occupies in a consumer's mind relative to competitor's
- It is a "mind game"
- It must be planned
- It must be a unique position
- The marketing mix is used to facilitate a positioning

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Failure to Position

- Undesirable position facing head-on competition
- Undesirable position where there is no demand
- Fuzzy positioning - no distinct features
- No position

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The Key Role of Differentiation

- Differentiation is the cornerstone of positioning
- Criteria for differentiation
 - must be desired by consumers
 - must be sustainable
 - must be affordable by the target market
 - must be profitable
- Differentiation ® competitive advantage ® positioning

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Differentiation in Different Industries

- Volume industries: only a few but very significant differentiation alternatives available
- Stalemate industries: almost no differentiation alternatives and even those are insignificant
- Fragmented industries: many differentiation alternatives but each is small (insignificant)
- Specialised industries: many different ways to differentiate and position and all are significant

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Bases for Differentiation: The Product

- **Product differentiation based on:**
 - features
 - performance
 - durability
 - reliability
 - repairability
 - style
 - reseller brands
 - product range

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Bases for Differentiation: Extra Service

- Extra service differentiation
 - delivery
 - installation
 - customer training
 - consulting service
 - repairs
 - miscellaneous services

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Bases for Differentiation: Personnel

- Personnel differentiation
 - competence
 - courtesy
 - credibility
 - reliability
 - responsiveness
 - communication

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Bases for Differentiation: Image

- Image differentiation
 - symbols
 - written and audio/visual media
 - events
 - atmosphere

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Positioning Bases

- Attribute
- Price and Quality
- Use or Application
- Product User
- Product Class
- Competitor
- Origin

Positioning Bases

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Some Positioning Examples

- Attributes: cell phones, Castle Lite
- Benefits: reduces cavities, Rooibos, safety razors
- Use/application: after dinner mints, Bar One
- User: J&J shampoo for adults as well, Camel for the "real man"
- Competitor: Red Bull, Avis: "We try harder"
- Product class: 4x4, Boland Bank, alcohol free beer
- Quality/price: Mercedes Benz, Woolworths
- Origin: Audi, French wine, Kalahari liqueur

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The Positioning Process

- Four-step approach
 - Identify attributes of importance and place on preference map eg. Fig 7.2 (A)
 - Assess consumer perceptions of competing brands in terms of those attributes and place on product position map eg. Fig 7.2 (B)
 - Superimpose preferences on positions eg. Fig 7.2 (C)
 - Decide whether to position away or close to competitors

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Positioning of a Service OXFORD
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- Although intangible, services can also be positioned
- Two approaches
 - benefits-usage
 - » what needs does it satisfy, when used, how used, who uses it, benefits, specific features
 - service quality dimensions
 - » reliability, responsiveness, assurance, empathy, tangibles

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Positioning Alternatives OXFORD
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- Strengthen an existing positioning
- Search for an unoccupied position
 - Independent newspapers
- Re-branding
- Reposition when:
 - poor original positioning
 - too many competitors have positioned close by
 - consumer tastes and preferences have changed
 - macro-economic variables have changed
 - new technologies can be exploited

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The Repositioning Process OXFORD
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- Similar to position process
 - identify attributes of importance
 - assess consumer perceptions of competing brands in terms of those attributes
 - decide on new positioning
 - assess the potential new position
 - » can it be manufactured?
 - » is it affordable to the target market?
 - » can the firm afford the expense?
 - » will it be profitable?

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Developing a Positioning Strategy OXFORD
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- Positioning strategy must be guided by the following principles
 - desired by consumers
 - distinctive
 - superior
 - communicable and visible
 - pre-emptive and difficult to copy
 - affordable to buyers
 - profitable

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Tools to Facilitate Positioning OXFORD
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- Marketing mix in general but,
- specifically
 - advertising
 - store atmosphere (eg boutiques)
 - pricing
 - employees
 - products (features, ranges)
 - branding
 - slogans

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Famous SA Positioning Slogans OXFORD
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- it lasts 50% longer than any alkaline battery
- everything keeps going right
- no preservatives
- life's a journey - enjoy the ride
- the world's favourite airline

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