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# Market positioning

2017-18

# MARKET POSITIONING

Consumers *categorise* products according to a range of factors (e.g., quality, status, value for money)

*Positioning*: consumers placing products into the categories of their choice

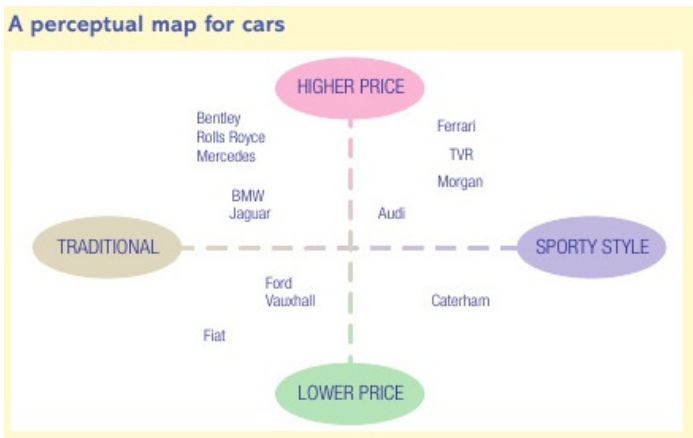
- ▶ The *benefits* offered by the product (e.g., additional safety by some car companies)
- ▶ The *unique selling point* (e.g., shampoos focusing on dandruff)
- ▶ The *attributes* of the product (e.g., M&M's slogan)
- ▶ The *origin* of the product (e.g., Munster, Champagne, ...)
- ▶ The *classification* of the product

# MARKET MAPPING

- ▶ *Positioning* of a brand is influenced by customer perceptions
- ▶ Finding out where a product is positioned in the market  
→ *do market research*
- ▶ Illustrate the results of the market research using a *perceptual map* (or *market map, positioning map*)
- ▶ *What is the number of variables in the following chart?*
- ▶ *What are the limitations of perceptual maps?*

# PERCEPTUAL MAP

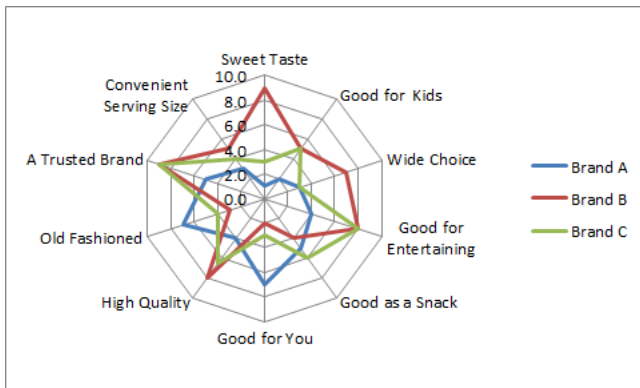
## CARS



# PERCEPTUAL MAP

FOOD

Can be *multidimensional* ...



# COMPETITIVE ADVANTAGE OF A PRODUCT OR SERVICE

*Competitive advantage* can be gained by working on these factors:

- ▶ Product design
- ▶ Product quality
- ▶ Promotion
- ▶ Customer service
- ▶ Delivery times
- ▶ Economies of scale
- ▶ Flexibility
- ▶ Ethical stance
- ▶ Focusing on a particular market segment

# THE PURPOSE OF PRODUCT DIFFERENTIATION

- ▶ Flexible pricing
- ▶ Recognition
- ▶ Extend product range
- ▶ Brand development
- ▶ Overcome competition

## ADDING VALUE TO PRODUCTS AND SERVICES

- ▶ Bundling
- ▶ Customer service
- ▶ Speed of response to customers
- ▶ Packaging
- ▶ Frequent buyer offers
- ▶ Customisation



## KEY TERMS

- ▶ **Added value:** the extra features that may be offered by a business when selling a product, such as high quality customer service, which helps to exceed customer expectations
- ▶ **Competitive advantage:** an advantage that enables a business to perform better than its rivals in the market
- ▶ **Market maps or perceptual maps:** typically a two-dimensional diagram that shows two of the attributes or characteristics of a brand and those of rival brands in the market

## KEY TERMS

- ▶ **Market positioning:** the view consumers have about the quality, value for money and image of a product in relation to those of competitors
- ▶ **Product differentiation:** an attempt by a business to distinguish its product from those of competitors
- ▶ **Reposition:** change the view consumers have about a product by altering some of its characteristics
- ▶ **Unique selling point (or proposition):** the aspect or feature of a product that clearly distinguishes it from its rivals