

PRODUCT POSITIONING STRATEGY IN MARKETING MANAGEMENT

Ph.D. Mustafa KARADENİZ, Nav. Cdr.
Turkish Naval Academy
Director of Naval Science and Engineering Institute
Tuzla, Istanbul, Türkiye
mkaradeniz@dho.edu.tr

Abstract

In today's globalizing and continuously developing economies, the competition among enterprises grows quickly, the market share gets narrower; and in order to gain new markets, companies are trying to create superiority over their rivals by positioning new products aimed at consumer behaviors and perceptions. In this sense, product positioning strategy in marketing management has emerged and now companies conduct studies on this strategy. In this research, product positioning strategy is emphasized and related examples are given.

PAZARLAMA YÖNETİMİNDE ÜRÜN KONUMLADIRMA STRATEJİSİ

Özetçe

Küreselleşen ve sürekli gelişen günümüz ekonomilerinde işletmeler arasında rekabet hızla artmakta Pazar payı daralmakta ve şirketler yeni pazarlar elde etmek için tüketici davranış ve algılamalarına yönelik yeni ürünler konumlandırarak rakiplerine üstünlük ve farkındalık yaratmaya çalışmaktadırlar. Bu kapsamda, pazarlama yönetiminde ürün konumlandırma stratejisi ortaya çıkmış olup halen şirketler bu strateji üzerine çalışmalar yapmaktadırlar. Bu araştırmada ürün konumlandırma stratejisi üzerinde durulmuş ve konuya ilişkin örnekler verilmiştir.

Keywords : *Marketing, Product Positioning, Brand*
Anahtar Kelimeler : *Pazarlama, Ürün Konumlandırma, Marka*

1. INTRODUCTION

Positioning shows the place where existing or to be issued products are put in the market place by the costumers. *Positioning* is the development of the image of a product directly against to the competitor products and other products produced by the company's own. The purpose is management's attention by the recipient to a certain product and to differ that product in favor of the company, compared with similar products.[1]

‘Positioning’ has entered into marketing language in 1982, when “Positioning: The Battle for Your Mind” was written by Al Ries and Jack Trout. In fact, the word was used, previously, as the product’s place in the shop. However, they brought up a new understanding of the term: ‘Positioning is not something you do to a product. Positioning is something you do to the mind of potential customers.’ Volvo says ‘we produce the most secure car’; BMW 'is the last point in cars', and Porsche is 'world's best small sport car'.[2]

Whether in the consumer market or in the industrial market, after selection of a specific section, enterprises should also specify which position they want to be. It is not only the product to position, but also all the staff focused around it. This approach is based on some assumptions: all the goods and brands more or less have objective and subjective characteristics; consumer preferences include one or more characteristic in mind; rival product or brand presentation attributes are assessed according to that characteristics; in other words, that is entirely within the consumer's mind. Examples of objective criteria, size: large-small; weight: heavy-light; strength: be strong-weak; for subjective criteria fashion: fashionable-old-fashioned; reliability: reliable-not reliable. Consumer perceptions are very important here, because when consumers choose between rival presentations, they prefer the most advantageous for them which have the most the important features they expect.[3]

2. HISTORY OF PRODUCT POSITIONING

Positioning is perceived by some researchers as the last stage, after product and image stages, in the historical development of marketing communications. According to this view, the product cycle is more dominant in late 1950's and early 60's, the basic features of this stage are being less competitive, and each product is seen as almost a discovery. At this some stage 'unique sales proposal' (USP) strategy had complete domination. In USP strategy the product features and benefits become the most important stuff in communications themes. Period of image is known to emerge when 'me too' products are developed against the powerful market-leading brands. These new entrant to the market products strived to hold with the market with their image, the company's image is placed on the focus of communication efforts.[4]

Some examples about market positioning or product position in the market can be given: 'Vakko is fashion'; 'Dress from Beymen, and you will be noticed'; Avis, one of the world's famous U.S. rental companies, applied a positioning against its larger rival Hertz, 'in this field we are the second, therefore, we exert more efforts', in such a market that giant cola beverage manufacturers prevail, '7-UP ' firm of the United States, presents itself as '7-UP, un-cola beverage' (highlights its discrepant aspect).[3]

The concept of positioning / perspective was firstly appointed to the marketing communication agenda by Ries and Trout (1972-1978). In 1972 Jack Trout and Al Ries released their articles describing the basic positioning approach in Advertising Age. In 1978 they published an article about 10-year assessment of their approach. Based on these two articles, the concept of positioning features can be summarized under these headings.[4]

Market position of a product in this case, is its relative location in customer's mind among opponent products. Positioning can be formed according to the specific features, benefits or the usage of the product, and also a positioning can be developed as directly against the major opponent or as being different from the opponent. [3]

Strategies that worked in the past have lost validity. Competition is increasing and with improving communication and the increasing, noise communication has become ineffective. In this ambiance, which Ries and Trout call communication jungle, one must be selective and, head towards narrowed goals.

- With increased communication volume, consumers took a defensive-mind position. Lots of information presented are being denied by customers which makes communication ineffective. In general, the consumer mind uses the information which match previous knowledge and experience.

- Positioning, as a new approach, creates a full change of the mind of consumers, so that it brings the acception of what is configured in the consumer's mind and work on this stuff.

- The 'factual expression' in advertising text strategy has lost validity. In 70's, this sense of creativity had no meaning. A basic positioning description must be defined clearly with a poetic and artistic style. 'In positioning period, the key to success is avoiding the wrath of creativity for simple and clear positioning statements. '

- In positioning phase, the importance of the company's and its product's name (brand) will increase even more. The ensured position for the brand is to be protected. [4]

To determine the positioning strategy, first, it is necessary to identify the properties and the images of each of the major rivals completely and correctly. Then, the business will determine its position for its products, at this point, it must put forward the combination of the benefits of customers that are not offered by competitors but are desired by the target market. So, customers will be affected by emphasizing the advantage of buying their company's products, not the opponents'. of them the that why opponents of the customers, not products, to buy their products that are highlighted for their benefit, they will be affected. In other words, in the

Product Positioning Strategy In Marketing Management

beginning, for the goods or services to be presented to the market, it must be determined by the management that 'what kind of differences and superiorities they would have', 'why they should be preferred' against competitors, systematically and as a strategy planning.[3]

Ries and Trout's positioning approach, explains the role of competitors with resembling marketing and war each other. Ries and Trout indicate that without taking competitors into consideration the war of marketing cannot be won. They developed this concept in books ('Marketing Warfare', 'Battle of Your Mind'), and recommended marketers to read war history and famous commanders. Another important assumption of the positioning approach is that many products are perceived/evaluated with others-competitors. At the same time as a result of developing communication, the impact of communication is reduced for the consumers under the bombardment of messages. Additionally, it will not be realistic to tend to consumers who do not demand much information. As a result of all these assumptions, real differences of a product will be revealed with positioning.[4]

The concept of positioning, with its emergence has been a great interest. Today, in marketing communication applications and in academic circles it still has a an importance maintaining its freshness. Ries and Trout's basic approach to positioning has been basis for later developed definitions and approaches and has changed very little.

This general framework of positioning approach is also the messenger of the important position of the brand today. Positioning as a process making marketing functions easy, is a strategic tool that can be applied at macro and micro levels. Positioning is a process that tries to identify consumers' perceptions, attitudes and product use patterns in order to determine the best place for product or organization from the point of ompetitive conditions and company opportunities.[4]

Because product or market positioning is dependent on the attitudes of the target market, marketing management, either tries to change product

specifications according to that attitudes, or tries to change the attitudes of the market. In general, changing goods is easier and cheaper than changing consumers. But sometimes the attitude of the market is so negative that the product may be required to re-position. For example, for Czech "Skoda" brand cars, it was hard to break the impression that they have former Eastern European origin, the company did not want the "bad workmanship" and "unreliable" perception of 'Yugo', 'Lada', and 'Poliski Fiat' cars. Skoda makes so much effort for its customers to realize that Volkswagen bought its company and its cars are very much like of Volkswagen's.[3]

Positioning, especially with the market segment of products, can be defined as placing the product into the consumers' reference frame of product category. Ideally, it is accepted that all marketing / communication plans should include a positioning strategy. This strategy includes,

- (a) Positioning objectives,
- (b) The product's positioning statement
- (c) The positioning of any featured benefit on the target consumers,
- (d) An understanding of this position in the market.

Positioning tries to obtain new positions in the minds of consumers and to move the products into new positions. Thus, developing a superiority over competitors is intended. This is especially important in high competitive conditions and in markets with mobility barriers.[4]

In 1983, when Swatch company of Switzerland produced very colorful, and everyone can buy watches, it changed the concept of "what the customers see" when they look at watches. The company positioned watches as "fashion accessory" and brought up an innovation in the distribution through segmented and high in quality stores. Swatch's success led Timex, Seiko and other firms search on consumer preferences more. For example, in 1996, Timex launched Indiglo watches which have lighted dials in Turkey.[1]

Product Positioning Strategy In Marketing Management

Positioning is the definition of what the products represent for the customers. In markets where competition and competitors are intense, consumers have more options and are more questioning about products. Berkman and Gilson (1987) argues that positioning is beyond a simple concept which highlights a certain benefits of the product, it is an important decision that affects all marketing stages.[4]

3. PRODUCT POSITIONING STRATEGY

A company might claim that it is better from any other company in many ways: We are faster, we're more secure, we are cheaper, we are more comfortable, we are more stable, we are more intimate, we have higher quality, we have better value ... and the list continues. Ries and Trout, however, emphasized the requirement of selecting one of them. Thus, that single point, will be able to stay in the recipient's mind. Ries and Trout considered positioning primarily as a communications application. A product must be identified in the best way to express a sense as for a group of customers. Otherwise it will be positioned poorly and will not be remembered sufficiently. What we remember are the first or the best products tapering.[2]

A positioning strategy consists of 3 steps: to reveal possible competitive advantages to create a positioning, to select the right competitive advantages and to choose a comprehensive positioning strategy. Later, the company should provide effective communication and distribution to market regarding the selected position.[5]

But positioning is not arbitrary. We would not make people believe Hyundai is the last point in cars. In fact, the product should be designed with a planned position in mind; positioning should be decided before production. One of the biggest errors in General Motors' Car Service, is that cars are designed without a distinguishing position. After producing the car, GM, tries to decide how to position the car.

Some companies, instead of a single position, prefer to create a

multi positioning. The pharmaceutical company, could call its medicine, the fastest and most reliable medicine in the market. But then, another competitor could have selected 'the cheapest' position. It can be seen clearly that, if a company is to claim too many superior qualities, it will not be remembered or will not be credible. However, this could work from time to time, like Aquafresh toothpaste, claiming to offer trio benefits: fights with decays, whitens teeth, and provides a cleaner breathing.[2]

Kotler indicates that positioning contains communication actions regarding the development of images of the brands that companies offer. Pre-requisite of creating a successful and a strong brand is 'being different' from competitors. Creating desirable brand image in the minds of consumers requires a coherent and integrated planning of course. According to this assessment, brand positioning can be described as an effort to create an distinctive merit compatible with brand identity elements.[4]

Michael Treacy and Fred Wiersema divided positioning into three main headings (which they call 'merit disciplines'): *product leadership, operational superiority and customer intimacy*. Some customers prefer the company offering the best product of its class, others prefer the most productive company, and many others likes the company which offers the best solution for their needs. Treacy and Wiersema recommends companies to have a leader position in one of the merits and to have a sufficient level for the other two. For a company to be the best in all three discipline might be more difficult and expensive. Fred Garford and Rayn Mathews proposed five possible positioning: product, price, ease of access, added-value services and customer experience. Based on the studies about successful companies, they concluded that a good company sould be leader in one of the mentioned positions, be over the average in another and cope with other companies for the rest positions. Crawford and Mathews believes that a company falls below the optimum value if it tries to be the best in more than two of the positions.[2]

Brand positioning, brand a competitive advantage in the minds of the targeted audience into a position which is the purpose. In this sense,

Product Positioning Strategy In Marketing Management

brand positioning, brand promise of offering the consumer and represents the sum of the features.

A successful brand positioning is the development of the 'added value' which is improved through a remarkable differentiation from competitors. It is extremely important for the 'added value' created by brands to make a sense for consumers. In this sense, positioning is the creation and the presentation of 'added value' based on brand associations.[4]

The most successful positioning can be seen on companies who know how to be unique and very difficult to be imitated. No one could successfully imitate IKEA, Harley Davidson, South West Airlines or Neutrogena. These companies has developed hundreds of custom processes to conduct their businesses. Their external images can be imitated, but not their internal functioning.

The companies which lack a nonpareil positioning, sometimes, may apply to 'number two' strategy. Avis is remembered with these words: 'We are number two. We work harder.' And 7-UP is remembered with 'un-Cola' strategy.[2]

If brand positioning is a strategic approach, it takes a full organization liability. How successful product and identification we get, if we do not position correctly, we can not reach brand value and being a brand ends in failure. For this purpose;

- Different,
- Striking,
- Creative

positioning is required. If you do not have a difference why should you be preferred? From another point of view, positioning is being different due to

its essence. The basic thought is to develop a peculiar, unique approach. An object peculiar to itself is, of course, is different from others. Institutions have hundreds of chances to be different. In a striking and impressive way, it is possible to create a irresistible urge to purchase on consumers.

Ferrari produces its cars by taking the body size of customers just like a dressmaker. Seat is measured for customers' hips, pedal distance is for longness of legs, the ceiling is calculated by the neck. Thus, on the one hand, a production order was therefore carried out with zero inventory, on the other hand, its prestige was risen by postulating customers not to sell the car in a month.[6]

No positioning will last forever. As long as there is a change in consumers, competitors, technology and economy, companies are to re-evaluate their main brand's positioning. Some brands may need to re-position their market share. This must be done carefully. Re-creating your brand may gain new customers but it can also cause the loss of current customers enjoying your brand with its old style. For example, if Volvo emphasizes safety the less and cool style the more, this situation can negatively affect the Volvo enthusiasts with practical intelligence.[2]

Positioning strategy, in general, can be expressed as applications of defining a product and brand to customers and obtaining a specific location against competitors in consumers mind. In marketing management, positioning strategies have an significant place. Because it is only the perception in consumer's mind which is exposed by continuous communication efforts, that defines a brand and makes it different.[7]

Alternatively, a company may claim that it is a member of elite club of its industry's summit companies: Three major car companies, five major accounting firms. They profit from being inside the leadership circle which offer better quality products and services from outsider companies.[2]

This positioning strategy emerges as a result of the modern mentality. Trout and Ries's positioning strategy is based on the view that,

Product Positioning Strategy In Marketing Management

depending on the fast development of technology in the 1970s, especially in advertising strategies, offering different sales promises and creating brand image is inadequate. Brand strategies aim to make the brand take a specific place in the mind of the consumer. There are five basic points for brand strategies:

- a. It is a process which makes marketing functions easy.
- b. Both macro and micro level marketing can be applied
- c. The perceived position for a particular product by consumer can be based on the product's real and physical character, or on image created by the company having no physical presence.
- d. Positioning should be oriented to the consumer.
- e. Positioning will be successful only if it is based on good research. On research, consumer needs to be detected, it should start with the attitudes and the way consumers use products, and must end with revealing how consumers react to a certain position.

Positioning is a form of expression how a certain product or brand is perceived by customers. It is not how products are presented or what is presented. However, for the success of brands, positioning and brand identity must be put forward clearly. Because the brand position and identity are connected in an intricate way in order to quote the differences. Therefore, positioning, a brand component, can be defined as identifying potential competitors, and identity, another brand component, separates brand from others. In short, positioning strategies are used as a promise transfer agent to consumers via brand.[7]

4. TEN MAJOR RULES IN PRODUCT POSITIONING

- a. Establish a definition of positioning,
- b. Keep it simple,

- c. Make it unique,
- d. Excavate product benefits and market needs,
- e. Construct a credible position,
- f. Ensure strong support by starting early,
- g. Follow the market dynamics,
- h. Make positioning visible in all communications,
- i. Quantitatively test alternative positioning options,
- j. Do not test the positioning statement itself.[8]

5. CONCLUSION

Companies developing their positioning strategies should first determine attributes and images of competitor companies exactly and accurately. Then they must designate a positioning strategy for their own produced product. The main purpose is to head towards products that are not produced by competitor companies but are desired by consumers and carry out a positioning strategy in this way. What kind of differences products and services offered to target market have from rival products, their superiorities and preference reasons must be planned thoroughly in the beginning. Because the market share is too narrow and products are abundantly offered to target market, it should be always kept in mind that an arduous competition ambiance would arise and a strategic plan should be put in force accordingly and also brands which had lost their market share must be repositioned.

In further studies, it is thought that it will be proper to make research on brand positioning strategies and example applications.

REFERENCES:

- [1] Tek, Ö.B., 1999. **Pazarlama İlkeleri** , 8. Baskı, Beta Yayınları, İstanbul, P.332.
- [2] Kotler, P., 2005. **A'dan Z' ye Pazarlama**, 1.Baskı, MediaCat Yayınları, İstanbul. P.68-71.
- [3] Mucuk, İ. 2004. **Pazarlama İlkeleri**, 14. Baskı, Türkmen Kitabevi, İstanbul. P.113-115.
- [4] Uztuğ, F., 2003. **Markan Kadar Konuş**, 3. Baskı, MediaCat Yayınları, İstanbul. P.71-75.
- [5] Kotler, P., Armstrong, G., 2006. **Principles Of Marketing**, 11 Edition , Prentice Hall, USA. P. 218.
- [6] Elitok, B., 2003. **Hadi Markalaşalım**, 1. Baskı, Sistem Yayıncılık, İstanbul. P. 63-64.

Product Positioning Strategy In Marketing Management

[7] Aktuđlu, I. K., 2004. **Marka Yönetimi**, 1. Baskı, İletişim Yayınları, İstanbul.
P.122-124.

[8] Robertson, B., May 2005. **Ten Rules Of Product Positioning**, Medical Marketing & Media, ,Vol.40, Issue 5, P.52-58.