

Product positioning in Five Easy Steps

YOU WERE ALWAYS ON MY MIND

Product positioning is what comes to mind when your target market thinks about your product compared to your competitor's products. When you hear Rolls Royce automobile, what do you think? Probably: highest-end luxury and exclusivity. That's their positioning. There's no confusing the positioning of Rolls Royce and Hyundai.

Why is positioning important?

Product positioning is a crucial ingredient in the buying process and should never be left to chance. It's your opportunity to influence the market's perception of your products.

Failure to proactively address product positioning is unlikely to end well. With or without your input, customers will position your product—probably based on information from your competitors, which will not flatter you.

Clear, concise, meaningful product positioning also helps you cut through the relentless advertising and marketing noise of the marketplace. In your customer's mind, product positioning gives your messages some context so they can be better heard and accepted.

POSITIONING CHARACTERISTICS

The goal of product positioning is to keep your product on top of your customers' mind when they're considering a purchase. To be successful, product positioning must achieve three objectives:

- **Differentiate** your product from the competition's
- **Address** important customer buying criteria
- **Articulate** key product (or company) characteristics

Marketing messages and positioning have a lot in common

During the process of generating product positioning strategies, periodically review each one against the following list of characteristics.

Is your product positioning strategy:

- **Single-minded**—does it convey one primary message at a time?
- **Meaningful**—will it connect with the target audience?
- **Differentiating**—does it contrast your strengths against the competition?
- **Important**—is it pertinent and significant to the target audience?
- **Sustainable**—will it resonate with the target audience well into the future?
- **Believable**—will it ring true with the target audience?
- **Credible**—can you clearly substantiate your claims?

Positioning strategies

The following is a list of some established product positioning strategies. Think about your product in terms of each one and see how they fit.

- **Against a Competitor:** Positioning your product directly against a competitor's typically requires a specific product superiority claim. A memorable example is Avis Rental Cars' We're #2. We try harder.
- **Away from a Competitor:** Positioning yourself as the opposite of your competitor can help you get attention in a market dominated by some other product. A famous example is 7-UP calling itself the Uncola.
- **Benefits:** This strategy focuses on a benefit your product provides to your target audience. Examples include Volvo's emphasis on safety and Crest toothpaste's focus on reducing cavities.
- **Product Attributes:** Highlighting a specific attribute of your product can also be compelling. For example, Ritz Carlton hotels focus on luxury; Motel 6 focuses on economy.
- **Product Categories:** Comparing your product to a product in a different category can be an effective way to differentiate yourself. In a soap-compares-itself-to-lotion example, Palmolive dishwashing liquid claims that it softens you hands while you do the dishes.
- **Usage Occasions:** This kind of positioning stresses when or how your product is used by your target audience. Jeep's focus on off-road driving is an excellent example.
- **Users:** Focusing on the unique characteristics of specific users can also be effective. The ...For Dummies series of instruction books are attractive to people who want to learn about a topic from a source that doesn't assume any prior knowledge on the reader's part.

LET'S GET INTO POSITION

Recall that successful product positioning strategies should **differentiate** your product, **address** important customer buying criteria, and **articulate** key product attributes. To achieve all three objectives, you must have an in-depth understanding of:

- How your target market makes purchasing decisions
- How your competition positions their products
- What your product has to offer

These three interrelated elements of the Positioning Triangle must be in balance for you to attain competitive advantage. If you only understand two of the three, you still don't know enough.



Conducting the following Positioning Triangle Analysis will help you develop much more effective product positioning strategies.

Step 1: Understand your target market

Use the Target Audience Profile (TAP) template to gather and interpret this information. Learn which buying criteria your target audience uses:

- Which product features (i.e. size, speed...), if any, do they emphasize?
- Which product benefits (i.e. safety, comfort...), if any, do they emphasize?

List their buying criteria, in order of priority; if you can assign a quantitative weight to each criterion, do so.

Target market buying criteria example (prioritized and weighted)
40% - Color selection
30% - Length of warranty
20% - Service reputation
5% - Makes me happy/feel good
5% - High tech gadgetry

Uncovering this information typically requires primary research. If gathering data directly from your target audience is not feasible, consult with your sales force and industry experts to generate best-guess assumptions.

Step 2: Understand your competition

Conduct primary and secondary research (see On The Mark's Market Research tools and articles) to determine how your competitors are positioning themselves, the strategies they're using, and how successful they've been.

Step 3: Map buying criteria against competitive positioning

Add a column to the right of your list of buying criteria to note each competitor that positions its product against that criterion.

Target market buying criteria (prioritized and weighted)	Competitive positioning
40% - Color selection	Company C
30% - Length of warranty	Company B
20% - Service reputation	
10% - Makes me happy/feel good	Company A
5% - High tech gadgetry	Company B and D

Don't be surprised to discover that:

- Two or more competitors are battling for the same position
- A competitor is trying to position itself on multiple buying criteria (thereby risking muddy product positioning)
- One or more buying criteria are not being addressed by any competitor
- The market share leader is strongly positioned within the top priority buying criteria

Step 4: Assess your product's strengths against the buying criteria

Now add a column to the left of your buying criteria list to write your product's relative strengths. Ask your customers how they rank your various strengths. Otherwise, just use your best judgment.

Your product's strengths	Target market buying criteria (prioritized and weighted)	Competitive positioning
	40% - Color selection	Company C
#2	30% - Length of warranty	Company B
#1	20% - Service reputation	
#3	10% - Makes me happy/feel good	Company A
	5% - High tech gadgetry	Company B and D

Step 5: Analyze the gaps

Review the completed Positioning Triangle analysis to determine if there are any vacant positions in the market. Is there one your product satisfies effectively? Would successfully positioning yourself there yield the returns you seek?

If there are no unfilled positions (or there are but you're not interested in any of them), then you will have to decide which competitor to battle and which position you can most effectively win.

Positioning Triangle Analysis: let's get specific

The above table reveals a variety of positioning opportunities.

1. Company C has positioned itself as having the best color selection, which is not your strong suit. Best bet is not to compete there (even though it is the primary criterion for purchase selection). However, you might consider improving your color selection over the long-term.
2. No one has claimed the best at customer service position yet. This is an attractive situation and one that aligns with your strength.
3. Company B holds the higher priority length of warranty position and the high tech gadgetry position. Are they vulnerable to attack? Have they muddied their position by focusing on two areas? Could you prevail in a head-to-head battle for length of warranty supremacy? Is it worth changing your warranty policies to do so?

Once you have determined where you want your product to be positioned, use all the elements of marketing (communications, pricing, distribution, product features, etc.) to make it happen.

SOME PARTING ADVICE

- The better you understand your market and competitors, the better you will be at positioning.
- Assess your products' positioning routinely to adapt to marketplace changes.