

# ***“IMPACT OF POSITIONING IN MARKETING”***

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by

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## **Introduction**

The evolution of business as an economic activity set the stage for organisations to devise means of getting their products and services across to interested members of the society both corporate and individuals. The benefit accruing to business concerns in terms of revenue generation necessitated the need to sustain the process so that the organisations could continue to derive more revenue and ensure continuity and growth of their businesses.

The frequent interactions brought about by the exchange of goods and services between organisations and the public gave birth to the marketing function in organisations. Marketing, aptly defined as *a social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value with others*, plays a very significant role in the modern management of business. The diversity of people and culture presupposes that the needs and wants of the members of society would vary hence each organisation would normally be expected to chart a course towards designing and implementing its marketing programme to suit the preference of its target market.

Consequently, we begin to think about the need for each organisation to work towards creating for itself, within the market, a position distinct from that of other organisations belonging to the same category or sub-category. Over the years, managers of business have recognised the importance of this thinking and the need to carve a position for any business today still holds true as it did in the beginning.

Any serious organisation that has the intention of realising its objectives and fulfilling the purpose of its existence should pay attention to the position that it occupies in the market both in its own estimation and in the perception of its publics. The reasons for this are not far fetched. Rapid changes taking place all around the world in the form of globalisation, technological development, consumerism and shareholder empowerment are pointers to this fact.

In this segment of the workshop, we shall be exploring the impact of position in marketing. What are the important elements of the business that an organisation should seek a position for? How will an organisation know that it has approached the issue correctly? Why should the organisation really bother about this matter and what are the practical imperatives of this subject? These are some of the questions that we shall strive to provide answers to in the following sections.

## **What to Position**

The substance of any organisation is composed of those elements that enable the organisation to have recognition in the eyes of the society. Empirical studies have shown that most organisations are wont to project the peculiarities of variables such as product, services, personnel, channel or image in an effort to establish distinct positioning of these attributes. *Ries & Trout* [1981] provide a comprehensive definition of positioning as follows:

*“Positioning typically implies the mental image which a product or service projects in a target market in relation to the images of other products or services competing in*

*that market”*

In other words, these authors claim that the process of positioning is what is done to the mind and not to the product itself. *Kotler* [1997] also provides the following definition of positioning:

*“Positioning is the act of designing the company’s offering and image so that they occupy a meaningful and distinct competitive position in the target customers minds”*

Kotler also likened positioning to specific ways of differentiating product or services in order to obtain a competitive advantage. He proceeded by offering the definition of *differentiation* as:

*“The act of designing a set of meaningful differences to distinguish the company’s offering from competitor offerings”*

We can rely on the definitions provided by the above authors to further examine the variables highlighted earlier for the purpose of positioning.

#### 1. **Product and Service**

A product is anything that can be offered to a market to satisfy a want or need. Generally speaking, a product is held out as a tangible thing while service is regarded as intangible. Options open to an organisation for the purpose of positioning a product would entail tinkering with specific elements of the product such as features, performance, conformance, durability, reparability, style

and design. For a service, the synonyms are ordering ease, delivery, installation, customer training etc.

2. **Personnel**

The body of persons employed by an organisation to carry out its various functions is central in maintaining a favourable position for the company. The essential attributes that qualifies for positioning in this regard include competence, courtesy, credibility, reliability, responsiveness and communication.

3. **Channel**

The interdependence of business entities lend credence to the importance of distribution channels. The route by which an organisation makes available its product or service to the consumers will mark it out from the pack. The crucial factors for positioning in this regard are coverage, expertise and performance.

4. **Image**

Positioning of the image of the organisation will entail the alignment of symbols, written and audiovisual media, atmosphere and events with the value proposition of the organisation. These elements must be in total sync with the kind of image that the company intends to project to its customers.

In developing a positioning strategy, one of the best approaches is to employ a systemic process of identifying varying opportunities existing in the market for the company, evaluate the competitive environment and then decide on planned activities aimed at conferring advantage on the

organisation. The following steps are instructive in strategy formulation for the organisation:

### **Current Position**

The starting point for the organisation would be the perceptions that existing and prospective customers have about your product, service, or company. This calls for objective analysis, not wishful thinking. Existing perceptions are important because you cannot change minds easily.

For a start-up organisation, there are no perceptions to overcome. In this case, what is more important is the perception of your potential customer about the competition.

For the existing company however, there is need to research into what both existing and prospective customers view as the key product or service attributes in your category so as to learn their general product or service perceptions about you and the competition. Such an effort would provide the clue as to how the company compare to its competition on key product and service attributes.

### **Desired Position**

In presenting a positioning idea, the company should be guided by some important criteria capable of differentiating the offering of the organisation from the competition. It is imperative that the difference be important, distinctive, superior, communicable, preemptive, affordable and profitable. It could even be an idea that the company already has but which is now presented in a stronger way.

It is important for the company to articulate why the new position is worthwhile. If the new position offers increased market share, an explanation has to be provided. For example, it may be that the new position being touted is more appealing to a larger or faster-growing market segment.

Claiming an idea often requires support. The company has to decide on viable sources of support to whip up in order to make the positioning credible. Some typical sources of support include sales leadership, growth leadership, third-party reviews and customer preference.

## **Competition**

The business landscape is dotted by opportunities of varying degree. Each company has its own strengths as well as weaknesses and for practical purposes the organisation should marshal resources with which to take advantage of the opportunities existing in the market. It is usually advisable to refrain from confronting the leader in one's market. Experience has shown that a smart marketing strategy is to avoid competing against the strength of the competitor and concentrate on its weaknesses. It follows that effort would be geared towards ascertaining the areas where no company has identified and come up with a campaign capable of steering the minds of the customers towards the organisation while ensuring that customers are not disappointed by the company's delivery in this regard.

The most commonly promoted number-one positionings are "best quality," "best service," "lowest price," "best value," "safest," "most customised," "most convenient," and "most advanced technology." We

can see that the coast is really clear for the organisation to select one or a combination of propositions for its marketing campaign.

## **Implementation**

Having identified the position that the company is currently occupying in the market, brainstormed on desired positions and analysed the competitive situation, it becomes imperative for the organisation to embark on the implementation of its articulated plans. Positioning is a cumulative concept and it takes long to establish an optimum positioning.

The variables to be programmed into the positioning agenda include advertising, sales promotion, personal selling, public relations, trade shows and direct mail.

To drive home the positioning theme requires publicity campaign and advertising has proven to be an effective medium through which the public can be attracted to the product or service of the organisation. Both the print and electronic media lend themselves as credible vehicles that the organisation could rely upon to convey its positioning theme to the market. The other programme elements are equally useful and should be orchestrated to deliver the differentiated positioning depending on the business of the organisation and the targeted segment of the market.

In an effort to gain competitive advantage, companies are usually fond of increasing their positioning pitch. This practice often boomerang as an organisation may end up losing focus of its positioning message.

There are four main errors that all organisations should watch out for in communicating its positioning to the market.

- **Underpositioning:** This is a situation where the avowed position of the company creates a vague idea in the mind of the public. Laying claim to what is assumed as a standard feature of a product exemplifies this situation as the consumers may not see anything special in such a position.

- **Overpositioning:** When customers have the impression that the product or service being offered by a company is only available to a restricted class of consumers, there exists a narrow image of the offering in the minds of the public. This problem could create a wedge between the company and its customers.

- **Confused Positioning:** Claim to numerous areas of difference in the company's offering or frequent change of the company's positioning may create a confused image in the minds of customers.

- **Doubtful Positioning:** This error occurs when consumers find it hard to believe the positioning claim of the product's features, price or even the calibre of the company itself. For example, a company might claim to be a high profile company while failing to do those things naturally expected of high profile companies either in terms of its location or designing and pricing of its products.

In trying to solve the positioning problem, the organisation naturally realises the need to blend the legendary "4 P's" popularly known as the marketing-mix. This process of marketing-mix ie. product, price, place and promotion is very crucial as a fore-thought before any organisation could adopt a positioning strategy.

## **Communication**

Having agreed that positioning has to do with what is done to the minds of customers, the role expected of communication is such that exchange of thoughts and messages have to be tailored to the peculiar image and perception of the company. It is always better to introduce prototype advertising or copy platforms so that management can see the strategy come to life.

The position should be visible and crystal clear to the prospect. It should also be believable. Saying it straight often works to the advantage of the company as too much creativity can interfere with your message. For example Volvo is synonymous with "Drive Safely" while BMW adopts "The Ultimate Driving Machine."

As the organisation brings strategy to life, certain problems arise. Does our prospects' perception of our company conflict with our new product strategy? Current pricing may also be inconsistent with your strategy. If you're selling high quality, a low price could undermine your position.

For example, if a company has been so well known with a name in relation to a particular product, the company may have to adopt another name to promote a new product or line of business just to avoid message conflict.

## **Internal Programmes**

The positioning strategy being adopted by an organisation may be such that might need a great deal of inside education to avoid potential problems. If that is the case, it becomes imperative to outline internal communications programmes that should be run either before or in tandem with the company's external programme.

Earlier, we identified the fact that part of the variables that an organisation could position is personnel. Some organisations have found out to their chagrin that failure to properly reorientate staff towards a new positioning strategy, before launching the idea, could backfire as response of personnel to the differentiation posture being pursued by the company have occasionally fallen short of the desired support.

### **Financial Implication**

Any good plan should be capable of being justified on the strength of cost-benefit analysis. So far, we have been able to examine the desirability of maintaining a positioning strategy as well as the prospects and consequences. To optimise the position of the organisation, efforts should be made to analyze what is being spent by you and your competitors for positioning. Every measurable expenditure should be included in the budget with emphasis being placed on positioning expenditures such as advertising, promotions, distribution and sales force.

Occasionally, there may be constraints in the way of management in swallowing big-time budget that usually accompany some of the positioning expenditures highlighted. In such circumstances, avenues open to the smart organisation could be a flier like the "Big Bang" where the organisation will fire a dramatic, one-time shot to get the market's attention. Even though the company can not sustain this, it would not waste money dribbling small programmes out of the market over the year. The company could also consider the "Regional Roll-Out" by concentrating in particular geographical segment of the market or actually moving into an area where competition is not pronounced with its own positioning theme.

## **Conclusion**

In this discourse, we have been able to look at the broad issues of positioning as one of the highpoints of marketing strategy in a competitive environment. Considering the intense competition facing players in virtually all sectors of the economy, with each organisation looking for ways of maximising its opportunities in the market place, the benefits of “right positioning” cannot be overemphasised.

The positioning strategy has proven to be a veritable vehicle for any serious minded organisation through which resources can be channeled to derive benefit from the arrays of opportunities dotting the business landscape.

The various steps and methods highlighted herein should be combined with the native intelligence of the marketer in shaping its company’s attack on competition within its familiar terrain. As we continue to explore ways and means of enhancing our position in the estimation of our individual management as well as in the minds of the customers, it is my wish that we will go about the process in a manner that will excite and delight consumers thus ultimately impacting positively on the image of our industry.

Thank you for your attention.

## **Bibliography**

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