

Positioning

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Market	People or organizations with needs or wants and the ability and willingness to buy.
Market Segment	A subgroup of people or organizations sharing one or more characteristics that cause them to have similar product needs.
Market Segmentation	The process of dividing a market into meaningful, relatively similar, identifiable segments or groups.

Strategies for Selecting Target Markets

Target Market

A group of people or organizations for which an organization designs, implements, and maintains a marketing mix intended to meet the needs of that group, resulting in mutually satisfying exchanges.

Market Targeting Strategies



Source: Marketing Insider

The Importance of Market Segmentation

- ◆ **Markets have a variety of product needs and preferences**
- ◆ **Marketers can better define customer needs**
- ◆ **Decision makers can define objectives and allocate resources more accurately**

Types of Market Segmentation

Geographic Segmentation:

Consists of creating different groups of customers based on geographic boundaries.



Demographic Segmentation:

Consists of dividing the market through different variables such as age, gender, income, etc.



Psychographic Segmentation:

Consists of grouping the target audience based on their behavior, lifestyle, attitudes and interests.



Behavioral Segmentation:

Focuses on specific reactions and the way customers go through their purchasing processes.



THE 4 TYPES OF MARKET SEGMENTATION



GEOGRAPHIC

- Zip code/post code
- City
- Country
- Population density
- Distance from a certain location (like your office or store)
- Climate
- Time zone
- Dominate language



DEMOGRAPHIC

- Age
- Gender
- Income
- Occupation
- Family size
- Race
- Religion
- Marital Status
- Education
- Ethnicity



PSYCHOGRAPHIC

- Values
- Goals
- Needs
- Pain points
- Hobbies
- Personality traits
- Interests
- Political party affiliation
- Sexual orientation



BEHAVIORAL

- Purchasing habits
- Brand interactions
- Spending habits
- Customer loyalty
- Actions taken on a website

Criteria for Segmentation

Substantiality	Segment must be large enough to warrant a special marketing mix.
Identifiability and Measurability	Segments must be identifiable and their size measurable.
Accessibility	Members of targeted segments must be reachable with marketing mix.
Responsiveness	Unless segment responds to a marketing mix differently, no separate treatment is needed.

Competitive Frame of Reference

- Which other brands a brand competes with
- Determines category membership
- Identify target market and competition

help prospects understand what you are and why they should care.

Identifying the Competitors

Analyzing the Competitors

FRAME OF REFERENCE	COMPETITORS
Cola	Pepsi, Thumps up
Carbonated Beverage	7up, Sprit
Soft Drink	Slice, Maaza
Non-alcoholic Beverage	Chocolate milk, energy drink
Beverage	Wine, Beer
Liquid Refreshment	Water, Bisleri
Psychological Refreshment	A walk, Yoga

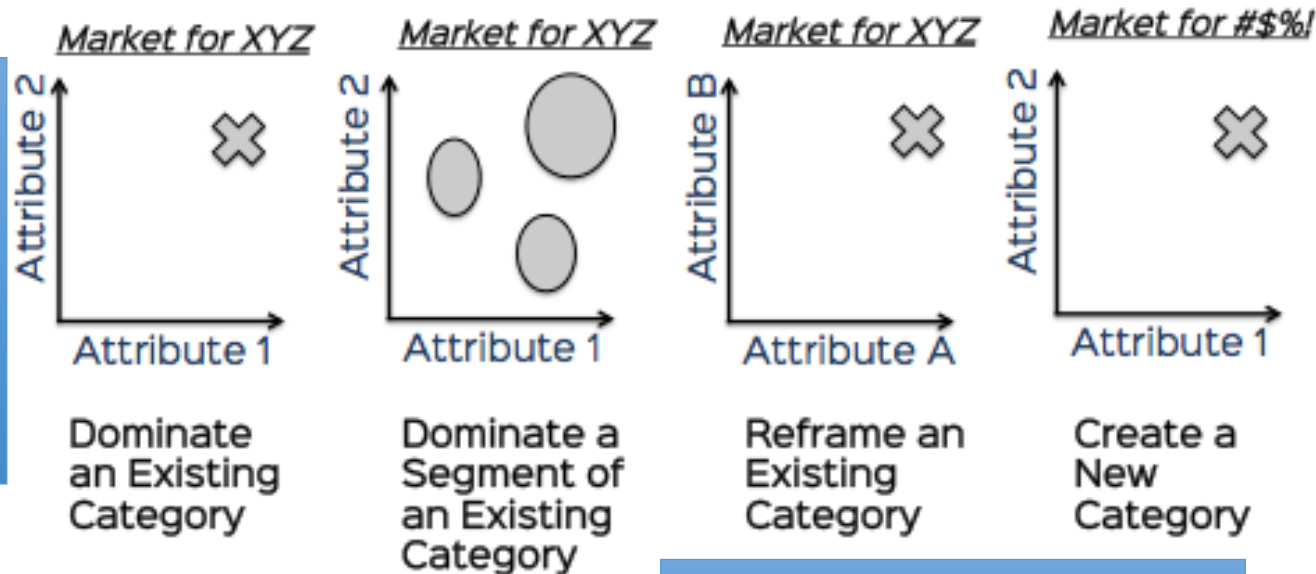
Startup's FOR - Home Baker

- Target Buyers
 - looking for a fancy dessert, either directly at a bakery or food store you will sell to restaurants that serve fancy dinner dessert.
- Competition
 - competing with other cakes, ice cream, pie, and other dinner desserts.
- Pricing
 - likely to charge much more than other desserts, since you'll be sold alongside them
- Product Features
 - product differentiator will need to appeal to the customer (likely high income restaurant goers, or dinner hosts looking to impress guests).

Defining frame of reference

- Why you are the best choice
- Frame product around a sub-aspect

Four Styles of Framing



- For market leaders
- Reinforce the way category is defined
- Convincing you are better than the leader on an attribute

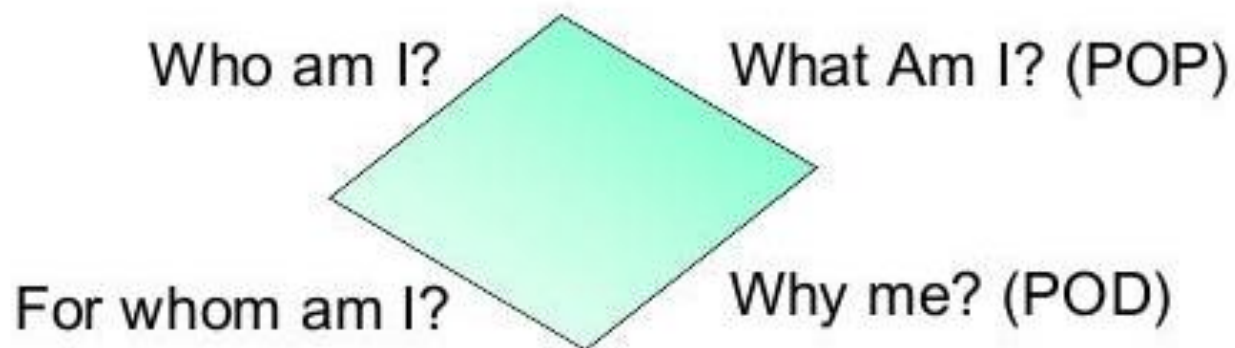
- Create an entirely new frame
- Convincing target market is the challenge

- Change the way market looks at the category
- Highlight your strength and put leader at a disadvantage

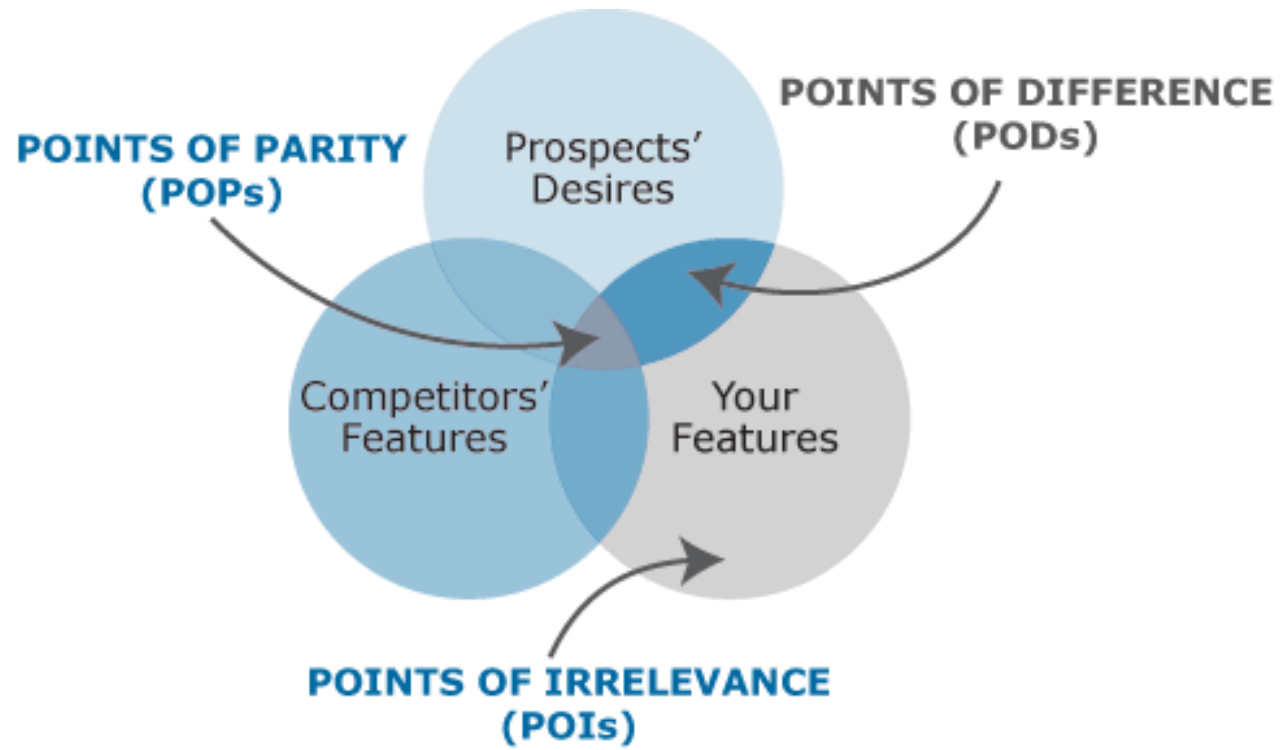


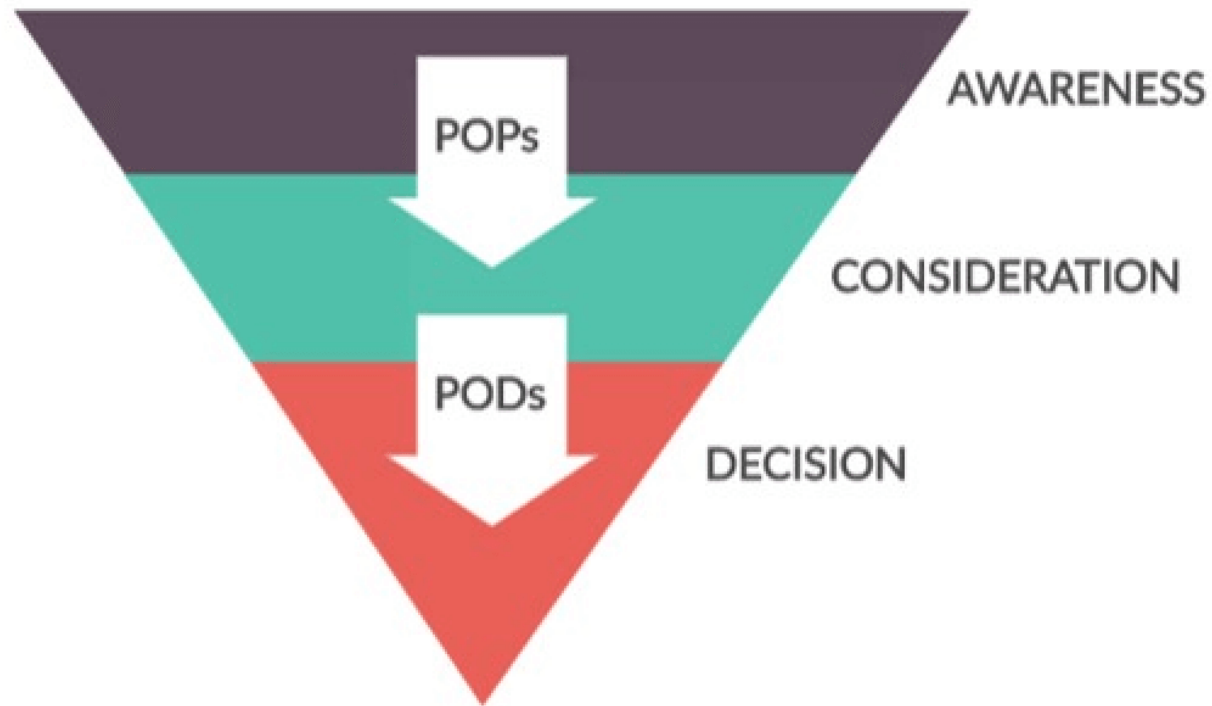
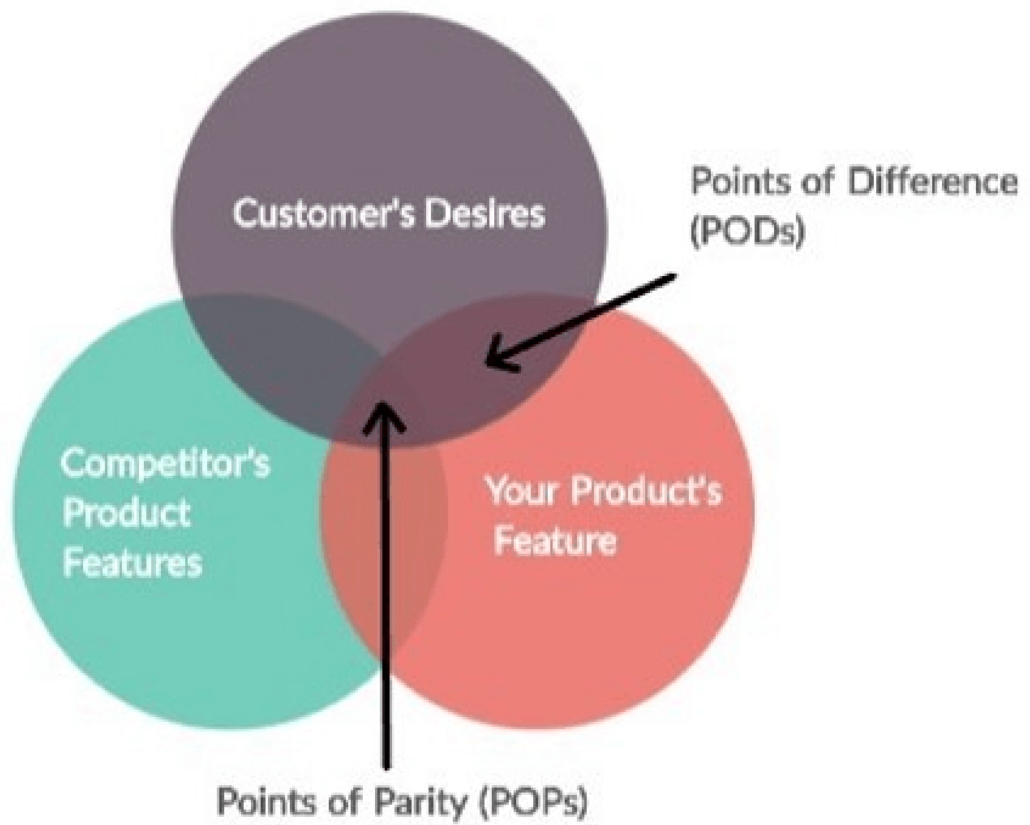
Frame of reference is the starting point for competitive positioning.

- Corporate Identity/ Associative Network Memory model
- Target Consumer
- How the brand is similar to competitor's
- How the brand is different from competitor's.



POP & POD





Points-of-Parity and Points-of-Difference

- Points-of difference are attributes or benefits consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand.
- Points-of-parity are associations that are not necessarily unique to the brand but may in fact, be shared with other brands.
 - Two basic forms:
 - Category points-of parity
 - Competitive points-of-parity

- Category points-of-parity

These are associations consumers view as essential to be a legitimate and credible offering within a certain product/service category.

- Competitive points-of-parity

These are associations designed to negate competitors' points-of-difference.

If a brand can “break even” in those areas where the competitors have failed to find an advantage, the brand should be in a strong competitive position.

- Category Membership

- Consumer categorize the product into a specific group
- The products or set of products with which a brand competes

- Announce category benefits – fundamental reason for using a category

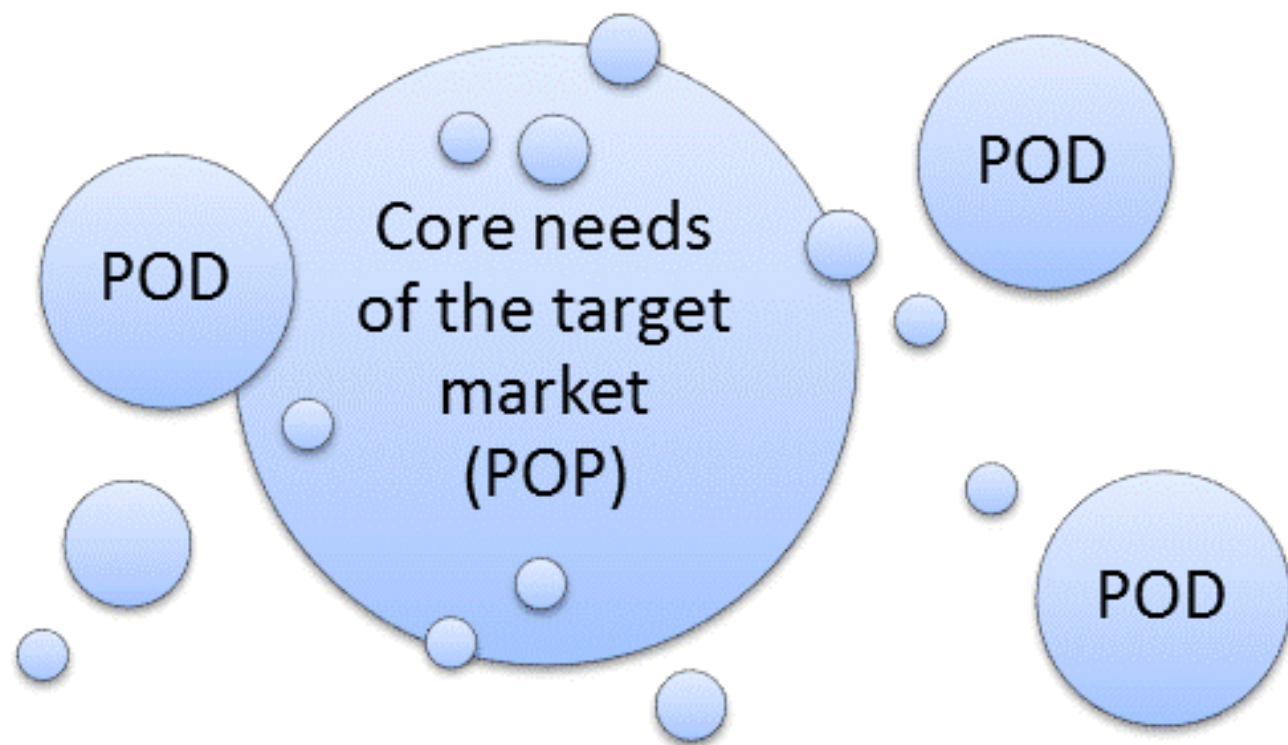
- Comparing to exemplars (well known brands)

- Relying on product descriptor



Amazon Kindle DX Wireless Reading Device Review





POD & POP



POD Ikea

- Customers oriented: Guides and blogs
- Lots of retails
- Swedish design
- Product offering: Flat pack
- Restaurants in retail
- Lifetime guarantee
- Wide range of products
- Mass advertising

POP Muji & Ikea

- Category POP: Home furnishing and House building
- Correlational POP: Low price/High quality
- Sustainable

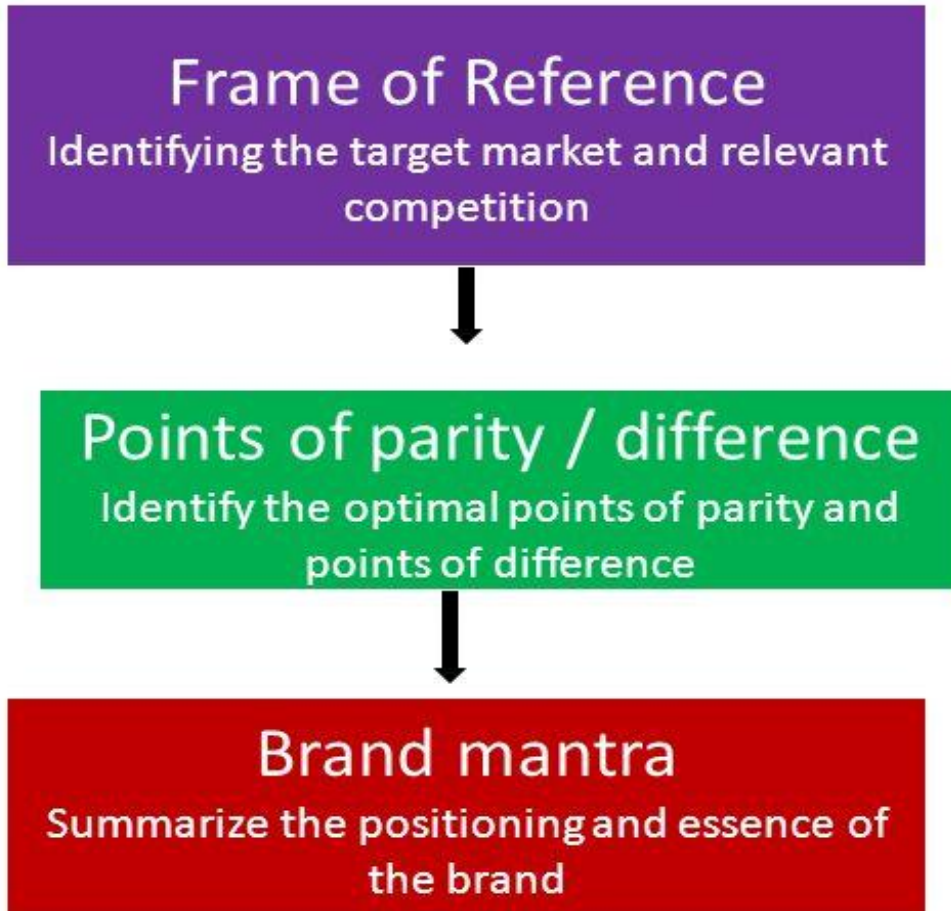


POD Muji

- No brand strategy
- Muji Identity: emotional & self expressive benefits
- Superiority in simplicity: innovations regarding simple products
- Country of origin
- Muji to go
- Word of mouth

Brand Positioning

Positioning requires that marketers define and communicate similarities and differences between their brand and its competitors:



POSITIONING

Target Audience

Their Need

Frame of Reference

Points of Difference & Reason to Believe

1

2

3

4

5

target description

need description

FOR description

POD

Reasons to believe

