

STRATEGY AND ORGANIATIONAL STRUCTURE

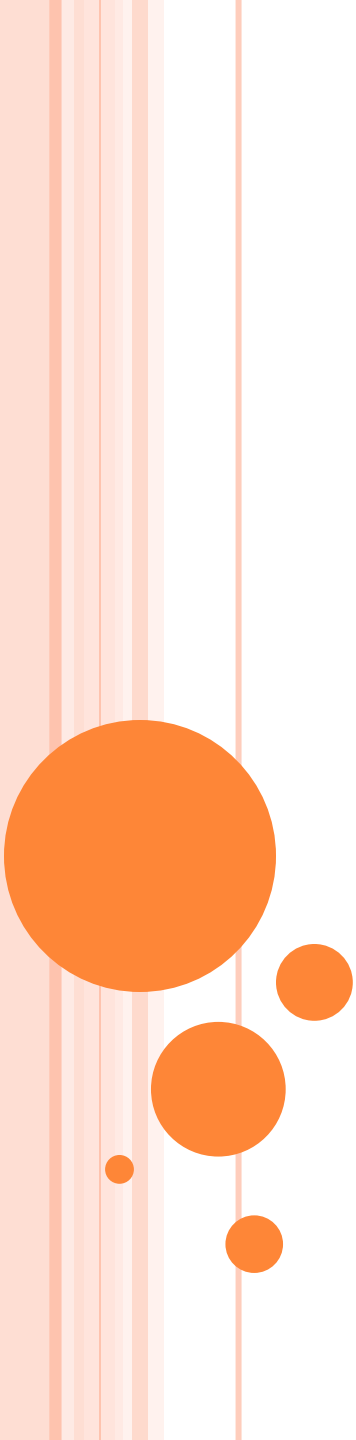
Lecture 8: Market Positioning

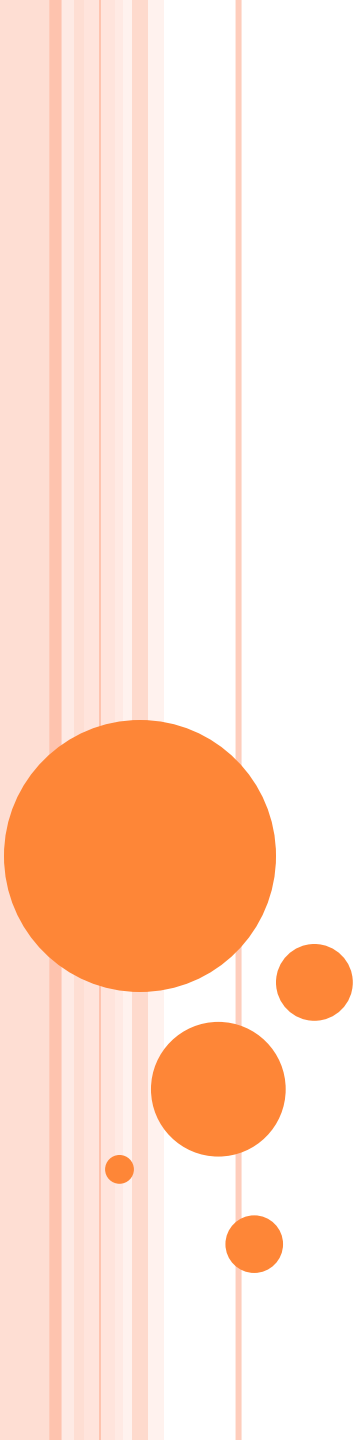
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Target audience: MASTER II students- Strategic Management

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- ❖ After selecting the target market to be served, the marketing strategist decides on the position within the market that the product is to occupy (this is called “positioning”).
 - ❖ That because consumers are overloaded with information about products and services.
 - ❖ So, they cannot re-evaluate products every time they make a buying decision, and to simplify this, consumers organize products/ services into categories, that it is to say they “position” products, and companies in their minds.

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- ❖ Also, consumers do it with or without the help of marketers. That's why marketers don't want to leave their product's position to chance, so, they plan positions that will give their products the greatest advantage in selected target markets.
 - ❖ In doing this, the strategist is stating to customers what the product means and how it differs from current and potential competing products.
 - ❖ So **positioning** means the process of designing an image and value so that the customers within the target segment understand what the



company or brand stands for in relation to its competitors.

❖ And positioning, which leads to distinguish the company from other competitors and attracting attention to it rather than them, can be achieved by:

❑ **Product differentiation:**

❖ a company can differentiate its physical product by offering optional features not provided by competitors.

❖ Or by differentiating their products based on performance, style and design, innovation, durability, repairability, .., etc.



❑ **Service differentiation:**

- ❖ **The company can also differentiate services that accompany the product.**
- ❖ **For example: the speed of the service, or careful delivery, installation, repair services.**
- ❖ **Some companies provide training service, free or paid consulting services.**

❑ **Personal differentiation:**

- ❖ **Through hiring and training employees than their competitors do, also, they need**

to be courteous, friendly, respectful and must be competent and possess required skills and knowledge.

❑ **Image differentiation:**

- ❖ Even when competing offers look the same, buyers may perceive a difference based on company or brand images.
- ❖ Thus, companies work to establish images that differentiate them from competitors and which convey a singular and distinctive message that communicate the product main benefits and positioning.



□ **Value positioning:**

- ❖ **Offers a range of positioning alternatives based on the value an offering delivers and its price.**
- ❖ **Consumers choose products or services that give them the greatest value. It is the answer to the customer's question "why should I buy your brand?". The value propositions can be:**
 - **More for more;**
 - **More for the same;**
 - **The same for less;**
 - **Less for much less;**
 - **More for less.**