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天津外国语大学(天外)  
Tianjin Foreign Studies University  
School of International Business

# Principles of Entrepreneurship

Class starts at 14:00

(Beijing Time, GMT+8)

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# Positioning

## Why It Matters: Positioning

Why create a product or service positioning statement that aligns with a value proposition and a target segment?

## Learning Outcomes

- Define positioning and differentiation, and why they are important to marketing a product or service
- Explain the process of selecting a positioning and differentiation strategy
- Develop and evaluate positioning statements based on defined criteria
- Explain repositioning and the associated risks and complexities of repositioning a product or service
- Describe the process of implementing a positioning strategy



# Outcome: Defining Positioning and Differentiation

What you'll learn to do: define product positioning and differentiation, and explain why they are important to marketing a product or service

Positioning addresses an important question: What do you want to be known for?

The specific things you'll learn in this section include:

- Define positioning and differentiation
- Explain the relationship between positioning and value proposition
- Explain the importance of positioning in executing segmentation and targeting strategy

## Learning Activities

- Theory: Defining Positioning and Differentiation
- Self Check: Defining Positioning and Differentiation



# Defining Positioning and Differentiation

## What Makes You Different and Better?

Positioning is a strategic process that marketers use to determine the place or “niche” an offering should occupy in a given market, relative to other customer alternatives. When company positions a product or service, company answers these questions:

- Place: What place does the offering occupy in its market?
- Rank: How does the product or service fare against its competitors in the areas evaluated by customers deciding what to buy?
- Attitude: How do we want customers to think about this offering and the benefits it offers them?
- Outcomes: What must we do to ensure the product or service delivers on the positioning we select?



# Differentiation

Differentiation is closely related to positioning. Differentiation is the process companies use to make a product or service stand out from its competitors in ways that provide unique value to the customer. Differentiation identifies a set of characteristics and benefits that make a product different and better for a target audience. Ideally these qualities are things that

- 1) customers value when they are evaluating choices in a purchasing decision, and
- 2) competitors cannot easily copy.

When both conditions exist, the offering is more attractive to target customers.

<https://www.istockphoto.com/photo/innovation-standing-out-from-the-crowd-gm1291181797-386362602>



# Interconnected Strategies

Positioning and differentiation are connected in important ways. Effective positioning for a product or service is based on the differentiating characteristics or qualities that make the product/service better than the competition in the minds of the target segment. Positioning and differentiation are strategic activities: marketers work to create a desired position for a product or service in the market, rather than waiting for it to be created by customers, the public, or competitors.

Retail Positioning and Differentiators

Name	Positioning	Differentiators
Wal-Mart	Wide selection of products people want, at the lowest prices	Wide selection; low prices
Target	Trendy, fashionable products at reasonable prices	Continually refreshed, on-trend product selection
Macy's	Preferred "go-to" shopping destination for upscale brands and current fashions.	Broad selection of most-wanted, upscale brands; engaging shopping experience



# Interconnected Strategies



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# Positioning Is a Statement

Positioning is most often articulated as a positioning statement. A positioning statement is one sentence that concisely identifies the target market and what you want customers to think about your brand. This statement should include

- 1) the target market,
- 2) the brand name,
- 3) the key points of differentiation,
- 4) the product/service category or frame of reference in which you are establishing this market position, and
- 5) the reasons customers should believe the positioning claims.





# Same Offering, Different Positioning

Because effective positioning is always linked to a specific target segment, it is worth pointing out that the same basic product or service may be positioned differently for different market segments. When this happens, it is because companies recognize that their target segments are looking for different qualities when they make their purchasing decisions.



<https://www.istockphoto.com/photo/businesspeople-looking-at-market-segment-gm1146964922-309227126>





# Example

For example, the airline JetBlue caters to two “sweet spot” target segments:

- 1) “high-value leisure travelers” and
- 2) “mixed-wallet customers,” who fly for both business and leisure.



# Self Check: Defining Positioning and Differentiation

## Check Your Understanding

Answer the question(s) below to see how well you understand the topics covered in the previous section. This short quiz does not count toward your grade in the class

The process organizations use to highlight the standout qualities of their product or service and the value it brings to a customer as compared to their competition is the definition of:



☒ differentiation

Correct

☐ branding

☐ positioning



# Outcome: The Positioning Process

What you'll learn to do: explain the process of selecting a positioning and differentiation strategy

The specific things you'll learn in this section include:

- Explain the concept of competitive advantage and how it relates to positioning strategy
- Differentiate between product features and benefits
- Explain positioning (perceptual) maps
- Identify common positioning strategies

Learning Activities

- Reading: The Positioning Process
- Video: Starbucks Delivers Community and Connection
- Self Check: The Positioning Process





# The Positioning Process

Getting to the Right Position

Steps of the Positioning Process

1. Confirm your understanding of market dynamics
2. Identify your competitive advantages
3. Choose competitive advantages that define your market “niche”
4. Define your positioning strategy
5. Communicate and deliver on the positioning strategy



# Step 1: Confirm Your Understanding of Market Dynamics

At the start of the positioning process, you need a firm understanding of your target market and answers to the following questions:

- Which product, service, or market category (also called the “frame of reference”) do you plan to use with this positioning?
- Which target segment is your focus for the positioning you are developing?
- What factors do these buyers evaluate when they make a purchasing decision?
- How do these buyers view your competitors in the category?



## Step 2: Identify Your Competitive Advantages

A competitive advantage is some trait, quality, or capability that allows you to outperform the competition. It gives your product, service, or brand an advantage over others in purchasing decisions. Competitive advantage may come from any or all of the following:

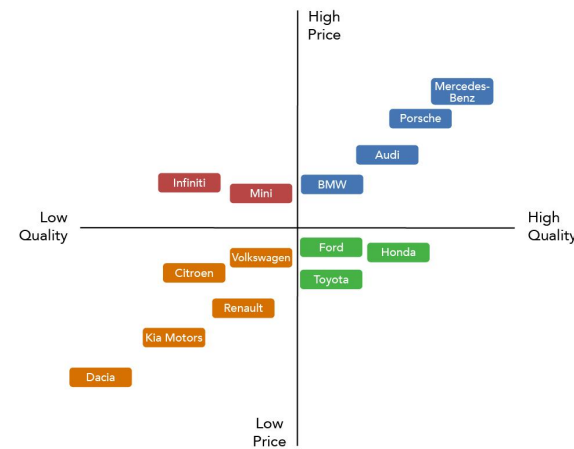
- Price: Something in your production process or supply chain may make it possible for you to provide comparable value at a lower cost than competitors.
- Features: You may provide tangible or intangible features that your competitors do not: for example, more colors, better taste, a more elegant design, quicker delivery, personalized service, etc.
- Benefits: You may provide unique benefits to customers that your competitors cannot match. Benefits are intangible strengths or outcomes your customer gets when they use your offering. For example, time savings, convenience, increased control, enjoyment, relaxation, more choices, feeling better about oneself, being more attractive, etc.



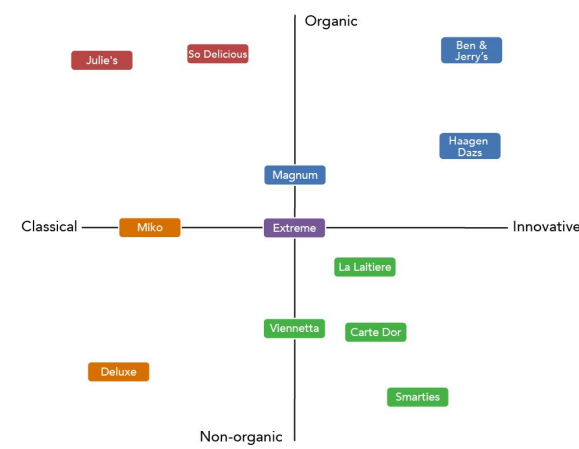
# Step 3: Choose Competitive Advantages That Define Your Niche

Your list of competitive advantages represents a set of possible positioning strategies you could pursue for your product, service, or brand. The next step is to examine how these factors fit into customer perceptions of your broader competitive set. Your goal is to pick a positioning approach that gives you a unique and valued position in the market that competitors are not addressing.

Consumer Perception of Automotive Brands



Consumer Perception of Ice Cream Brands



Source: Sebastien Bellanger, <https://rockstarsbm.wordpress.com/2014/11/23/perceptual-maps/>

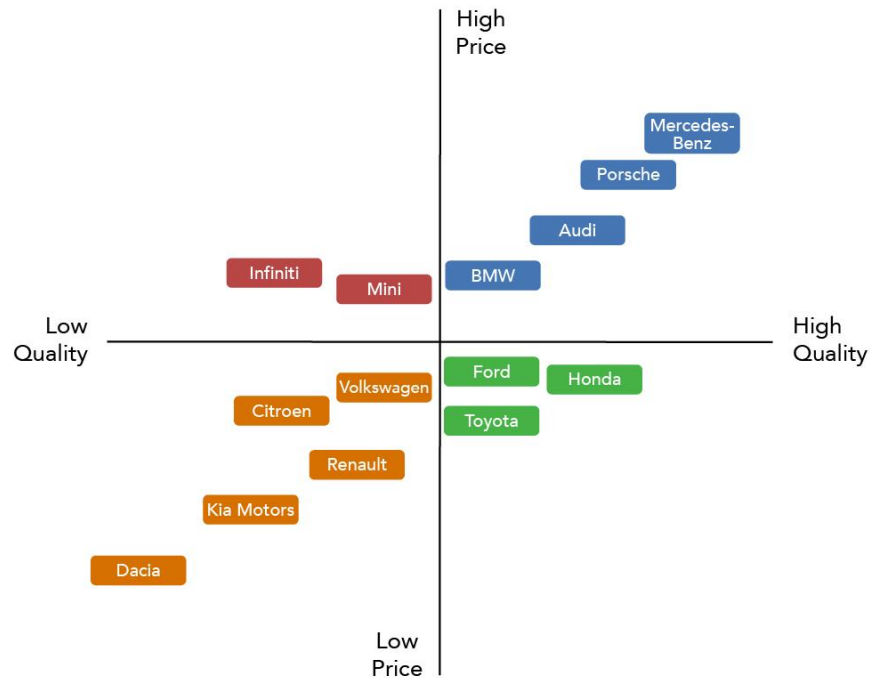
Source: Alexandre Anne, <https://brandauditecream.wordpress.com/2-customer-insight/>





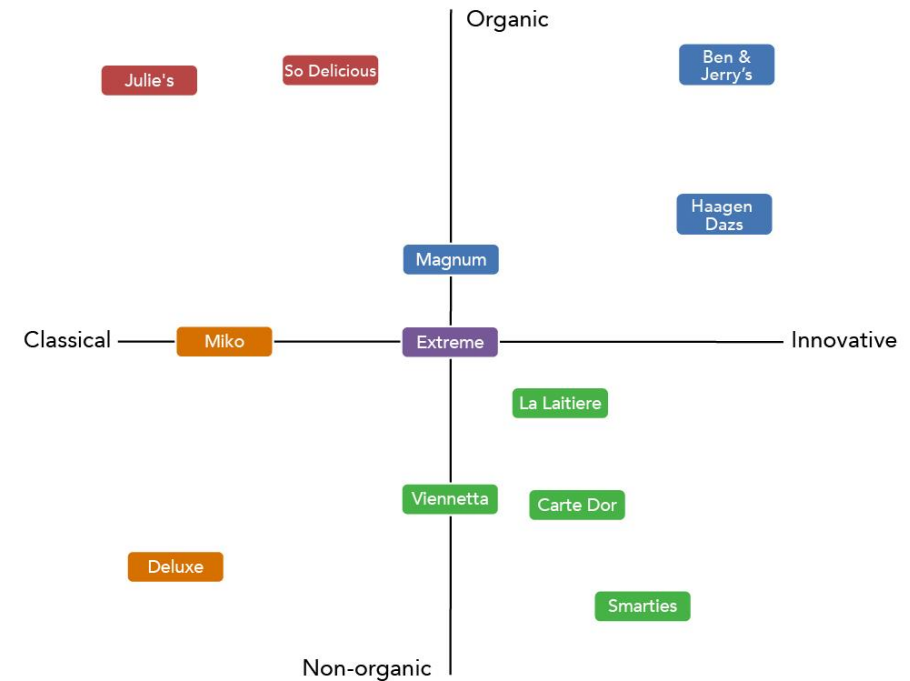
# Step 3: Choose Competitive Advantages That Define Your Niche

Consumer Perception of Automotive Brands



Source: Sebastien Bellanger, <https://rockstarsbm.wordpress.com/2014/11/23/perceptual-maps/>

Consumer Perception of Ice Cream Brands



Source: Alexandre Anne, <https://brandauditecream.wordpress.com/2014/11/23/customer-insight/>



# 5-minute break

## Step 4: Define Your Positioning Strategy

Differentiator	Positioning Strategy	Examples
Category Benefit	Position yourself as "owning" an important benefit and delivering it better than anyone else	Volvo = Safety
		Hallmark = Caring shared Hawaii = Aloha spirit
Best fit for the Customer	Position yourself as an ideal fit for the customer's personality, style, and approach	Red Bull = Extreme
		Guess Jeans = Sexy chic Virgin Atlantic = Ultra cool fun
Business Approach	Position yourself with a distinctive approach to doing business	Jimmy John's = Unbelievably fast TurboTax = Easy DIY

Anti-Competition	Position yourself as a preferred alternative to the competition	Apple = Think different Seven-Up = The Uncola
Price	Position yourself according to pricing: lowest cost, best value for the money, luxury or premium offering, etc.	Wal-Mart = Lowest prices RyanAir = Cheap flights Old Navy = Affordable fashion
Quality	Position yourself according to a quality standard: high quality, best-in-class, or else reliably good quality at a reasonable price	Hearts on Fire = Perfect cut Ritz Carlton = Ultimate luxury



# Step 5: Communicate and Deliver Your Positioning Strategy

The marketing mix provides the set of coordinated tools you use to execute on your positioning strategy. You might think of your positioning strategy as the tune you want your target segment to hear. The marketing mix is how you orchestrate and harmonize that tune, making it a memorable, preferred choice for your target customers.



<https://www.istockphoto.com/photo/stickers-with-4cs-and-4ps-of-the-marketing-mix-on-the-notebook-gm1393639525-449410965>



# Video: Starbucks Delivers Community and Connection

What business is Starbucks really in?

“We wanted to build a third place between home and work,” says Starbucks’ CEO Howard Schultz, as he sits in one of his cafés, “at a time in America when people are hungry for human connection.”



<https://www.youtube.com/watch?v=tnHuGN3umTA>







# Self Check

## Check Your Understanding

Answer the question(s) below to see how well you understand the topics covered in the previous section. This short quiz does not count toward your grade in the class

Fill in the blank with the best response. A competitive advantage is \_\_\_\_\_.

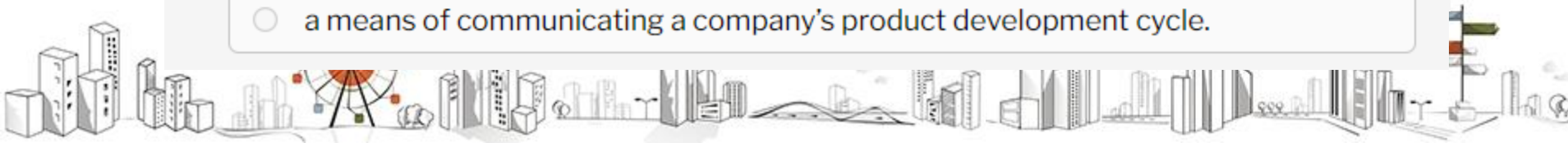


- ☒ a quality, capability, or trait that grants an organization the ability to outperform its competitors.

Correct

- ☐ a tool that helps calculate how different competitors are positioned in the market.

- ☐ a means of communicating a company's product development cycle.



# Outcome: Developing Positioning Statements

What you'll learn to do: develop and evaluate positioning statements based on defined criteria

In this next section, you'll learn a simple formula for creating effective positioning statements. You'll also learn how to evaluate existing positioning statements and decide whether and how they might be improved.

The specific things you'll learn in this section include:

- Describe a standard structure for positioning statements
- Outline criteria for a strong positioning statement
- Recognize good examples of positioning statements
- Create a positioning statement aligned with a value proposition and target audience

Learning Activities

- Reading: Developing Positioning Statements
- Self Check: Developing Positioning Statements



# Developing Positioning Statements



<https://www.istockphoto.com/photo/light-bulb-rocket-taking-off-gm1359000309-432467152>

## A Simple Formula

A positioning statement is one sentence that succinctly identifies the target market and spells out what you want them to think about your brand. This statement should include

- 1) the target segment,
- 2) the brand name,
- 3) the product/service category or frame of reference in which you are establishing this market position,
- 4) the key points of differentiation, and
- 5) the reasons customers should believe the positioning claims.





# Simple formula

It is recommended to use the following straightforward formula for writing positioning statements:

To [target audience], Product X is the only [category or frame of reference] that [points of differentiation/benefits delivered] because [reasons to believe].



# Initial statements

Sun Zhuxuan

For business people's convenience, the MacBook is the only laptop that have the increased battery life to give enough power on a business trip.

LiuZiqian

Apple

The newly launched iphone15 and iphone15pro series, compared with the previous iphone14 and iphone14pro series, its chip has been upgraded from A16 to A17, and the original lighting charging interface has been changed to usb interface, which makes the transmission speed faster. And 15 full range of products with smart island function.

Product Statement:

The whole series of products of iphone15 are mobile communication terminals, which are widely targeted in the target market and customer base, facing the world's smart phone users, product technology upgrading, and in line with environmental protection significance.

王文姗

For fashionistas, Dior Liquid foundation is the only moisturizing liquid foundation that will last forever because of the unique essence added to it.

张博宇

To employees,Luckin is the only coffee that offer different flavors and different from the traditional coffee because of not everyone would like to drink traditional coffee,and luckin coffee offered multiple choices to these people.

maoyuqing

To consumers who are busy at work, McDonald' s make it easier for customers to get foods that satisfies them because McDonald' s pays attention not only to the quality of food and services but also to the quality of infrastructure to enable amazing experiences.

maoyuqing

To consumers who are busy at work, McDonald' s make it easier for customers to get foods that satisfies them because McDonald' s pays attention not only to the quality of food and services but also to the quality of foods

LiuZiqian

Huawei mate60pro is a mobile phone that provides satellite calls, which can meet people's communication needs in extreme environments.

### EXAMPLE #1: AMAZON (CIRCA 2001, WHEN IT SOLD PRIMARILY BOOKS)

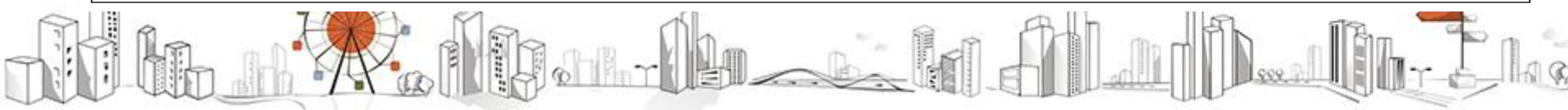
For World Wide Web users who enjoy books, Amazon is a retail bookseller that provides instant access to over 1.1 million books. Unlike traditional book retailers, Amazon provides a combination of extraordinary convenience, low prices and comprehensive selection.<sup>[2]</sup>

### EXAMPLE #2: MOTEL 6

To frugal people, Motel 6 is the alternative to staying with family and friends that provides a welcoming, comfortable night's rest at a reasonable price.<sup>[3]</sup>

### EXAMPLE #3: TIDE LAUNDRY DETERGENT

For cost-conscious moms of large blue-collar families with active children, Tide is the brand of laundry detergent that gets clothes their cleanest and keeps them looking new because "improved" Tide formulation powers out stains while keeping clothes from fading and fraying.<sup>[4]</sup>



## 5-minute break

After getting these extra criteria do you want to make some adjustments to the proposed positioning statements?

## Evaluating Positioning Statements

How do you know when a positioning statement is going to be effective? Obviously, positioning statements should contain all the elements in the formula above, since that information is needed to translate the positioning strategy into a well-developed marketing mix. There are other criteria you should look for, as well. For example, the following:

- Is it tailored to the target market?
- Is it simple, focused, and memorable?
- Does it provide an unmistakable picture of your product, service, or brand?
- Can you deliver on the promise you make?
- Does it provide helpful direction for designing the marketing mix and other decisions?



# Practice: Evaluate These Statements

For the following statements determine whether it's a strong positioning statement based on the formula. Why or why not?

Seminar task





# Self Check

## Check Your Understanding

Answer the question(s) below to see how well you understand the topics covered in the previous section. This short quiz does not count toward your grade in the class

A sentence that summarily describes the target market and defines what a company wants customers to think about its brand is the definition of:

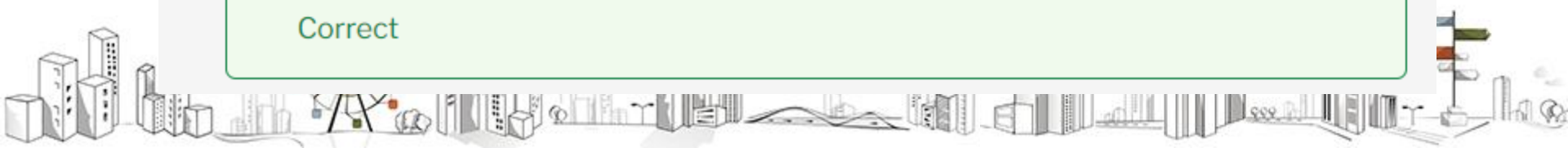
☐ branding statement

☐ product life cycle



☒ positioning statement

Correct



# Outcome: Repositioning

What you'll learn to do: explain repositioning and the associated risks and complexities of repositioning a product or service

Positioning is a powerful tool, but when you position a product, service, or brand, the market could change, market conditions change constantly: customers and competitors.

## Learning Activities

- Reading: Repositioning
- Self Check: Repositioning



# Repositioning

<https://www.istockphoto.com/photo/classic-compass-on-natural-background-gm1253074724-365837779>

## When It's Time to Change Direction

After they are initially introduced to the market, products, services, and brands are constantly being repositioned as a result of changes in competitive and market situations. Repositioning involves changing the market's perceptions of an offering so that it can compete more effectively in its present market or in other target segments.



# Specific factors that can trigger the decision to reposition a product, service, or brand include the following:

- Competition
- Market environment
- Consumer trends
- Internal environment



# The Repositioning Process

The repositioning process is very similar to the original positioning process, but it has a different starting point. The original positioning process focuses on creating a new position or market niche for an offering that wasn't there previously. The repositioning process, on the other hand, evaluates the established position of a product, service, or brand and focuses on how to alter the positioning—and, with positioning, market perceptions—in order to improve competitiveness.





# Repositioning Risks and Pitfalls

While repositioning is quite common, it carries risks and complexities that marketers must consider. Repositioning happens after initial market perceptions have already been established. Effective repositioning isn't just creating something new. Instead, it is trying to preserve what is good from the existing market positions and build or shift thinking toward something new. Repositioning offers the opportunity to make something new and better than what you had previously, but it also has the potential to undermine or weaken market perceptions.



# As you consider repositioning opportunities, try to avoid the following common pitfalls:

- Insufficient research:
- A bridge too far:
- Underestimating “back to basics”:
- Overpromising:
- Confusing positioning:



# Self Check

## Check Your Understanding

Answer the question(s) below to see how well you understand the topics covered in the previous section. This short quiz does not count toward your grade in the class

What triggers a company to realize it is time to reposition a product or service?

- ☐ When a timed product development process is complete
- ☒ When it sees the opportunity or need to improve the market demand for its product or service  
Correct
- ☐ When it has strong demand for a product or service

# Outcome: Implementing Positioning Strategy

What you'll learn to do: describe the process of implementing a positioning strategy

The specific things you'll learn in this section include:

- Adjust the marketing mix to deliver on positioning strategy
- Develop promotion strategy based on new positioning
- Measure effectiveness

Learning Activities:

- Implementing Positioning Strategy
- Self Check: Implementing Positioning Strategy



# Implementing Positioning Strategy

## Putting Positioning into Practice

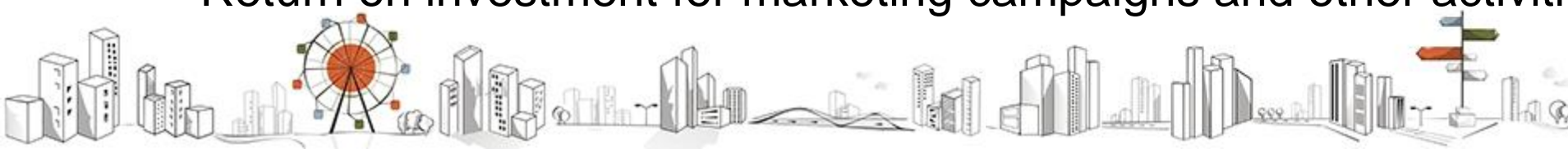
The positioning strategy, embodied in a strong positioning statement, is a touchstone for marketing and brand-building activities as marketers work to align everything, they do in support of this core idea. In simple terms this means aligning the positioning strategy with the marketing mix.





# Persistence Pays

- Sales/revenue
- Number of new/returning customers
- Average spending per transaction
- Brand/product awareness or perceptions
- Favorability toward product/service/brand
- New leads or inquiries from inside and outside your target segments
- Web site traffic
- Social media “buzz”
- Media attention
- Customer satisfaction
- Return on investment for marketing campaigns and other activities





# Self Check

## Check Your Understanding

Answer the question(s) below to see how well you understand the topics covered in the previous section. This short quiz does not count toward your grade in the class

How is a positioning strategy/statement used to inform a company's marketing mix?



- ☒ Marketers use a positioning strategy to direct the marketing mix for a product, service, or brand.

Correct

- ☐ Marketers use a positioning statement to drive only the pricing portion of the marketing mix.

- ☐ Use the positioning statement to shape the company's long-term sales strategy.



# Putting It Together: Positioning

Step 1: Confirm Your Understanding of Market Dynamics

Step 2: Identify Your Competitive Advantages

Step 3: Choose Competitive Advantages That Define Your “Niche”

Step 4: Define Your Positioning Strategy

Step 5: Communicate and Deliver on the Positioning Strategy

