

6.4: Position Your Brand- Why Will They Want It?

LEARNING OBJECTIVES

After studying this section, students should be able to do the following:

1. Define positioning relative to brand differentiation.
2. Use three positioning dimensions to relate to a brand's strategic objectives.

Positioning means developing a strategy to influence how a particular market segment perceives a good or service in comparison to the competition. Positioning increases potential ad effectiveness by clarifying the message. This step is all about defining a space in the mind of the customer—something that your customer thinks of and associates with your product.

It's All Relative

Remember that positioning doesn't just mean what your target market thinks about your product. Rather, it's about how she thinks about it relative to competitors' products—your product is less expensive, performs better, or fits better with the customer's lifestyle. Positioning often relates to a brand's strategic objectives. Looking back at our previous discussion of behavioral segmentation, the advertiser might think about potential customers in terms like these:

- *Does not use* the advertised product category—the company wants to convert nonusers to users (grow the market).
- *Uses a competitor's version* of the advertised product category—the company wants to gain market share at the expense of competitors by creating or capturing *brand switchers*.
- *Uses an alternative version* of your product in the advertised product category—the company wants to **upsell** customers (get them to buy a more expensive version of its product) or migrate them to future product variants.
- *Uses the advertised product*—the company wants to increase the frequency or volume of purchases or reinforce brand loyalty.

Positioning Dimensions

- **Value:** The product reaches price-sensitive customers by being low cost. An example would be Wal-Mart's "Every Day Low Prices." Companies often create *subbrands* to create distinctive positioning for the brand based on price. The Gap, for example, is a mid-price clothing store, while its sister company Banana Republic is a higher-priced clothing store, and Old Navy is the value-priced offering. Similarly, Volkswagen's Skoda brand is known as the low-cost car brand.
- **Performance:** The product is high performing on one or more dimensions that the target audience seeks. For example, if you focus on a **lifestyle or design position**, you appeal to the customer who values the social or aesthetic statement a brand makes—and often what others will think about him or her after the purchase. For example, Chanel is a designer-led luxury brand. The company has identified a new group of customers it wants to target. Chanel calls the group "new wealth"—women who have acquired a significant amount of money at an earlier age than previous generations. These women, with a net worth of over \$1 million, have more cutting-edge fashion tastes. When Chanel CEO Maureen Chiquet strategizes about launching a new perfume to appeal to this customer segment, her watchword is exclusivity. "Let's not be thinking about how big we can make this," she tells her team, "but how exclusive and special you can keep it."
- **Functional:** Solves a specific problem or accomplishes a specific goal for the customer. Tide-to-Go®, for example, solves the problem of removing a stain when there's no time to launder the garment.

Dig Deeper

The average Buick buyer is a man in his midsixties—not the type of consumer inclined to trick out his car with twenty-two-inch wheels, a lowered suspension, and tinted windows. That's why it's a bit of a shock to check out a Buick Lucerne with those modifications on display at a party hosted by General Motors that also featured actress Vivica Fox, known for roles in movies like *Boozy Call* and *Soul Food* and hip-hop star Jay-Z. Buick's sales are plummeting, and the brand is trying to boost them by expanding its appeal among young, urban consumers. How far can a promotional campaign go to radically reposition a well-established brand? What do you predict will be the outcome of Buick's efforts to build some bling into its brand image?

SS+K Spotlight

SS+K's psychographic research revealed that people have very different motivations for accessing news sites. The account team decided to position msnbc.com's offering for one primary target—the News Explorer, who "enjoys the thrill of the hunt" when it comes to finding news.

Video Spotlight

Russell Stevens and the Target Audience

[\(click to see video\)](#)

Russell Stevens described how the agency came to this positioning strategy.

Final Words from Michelle on the STP Process

-----Original Message-----

From: Michelle Rowley

Sent: Monday, July 09, 2007 8:23 PM

To: Lisa Duke Cornell

Subject: msnbc.com

Hi Dr. Duke!

So much to say and such little time though - so I thought I would send you a quick e-mail.

Some things I wish I had hit on include the importance of listening not just to what people say, but to what they don't say. How with planning you need to use the research to build your case, but ultimately there is a small leap of faith you make in the end when you definitively place your stake in the ground about the strategic direction. How it's so important for planners to be curious about things in life in general, not just in advertising, and how that curiosity comes from getting out there and living life, from talking to people and most importantly by reading, reading, reading.

Michelle

Key Takaway

Positioning your product or service to appeal to the needs of a specific group can set it apart from competitors that are also vying for the same consumers. A client's product or service can be positioned relative to the competition along such dimensions as lifestyle, reasons for use, or quality/price tradeoffs. SS+K identified a target segment it called the News Explorer as the best prospect for its client. The typical user is a news junkie who enjoys the thrill of hunting for new information and who wants to dive into the information rather than just scan it. The agency will proceed to develop a brand message that emphasizes how msnbc.com delivers what News Explorers want.

EXERCISE

Marketers must consider three positioning dimensions as they formulate their positioning strategy. List and briefly describe the three positioning dimensions discussed in the chapter.

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