Market Positioning

You would use this approach to understand and manage how customers perceive your products, relative to your competitors.

Projected performance gains

Improved

- Understanding of your competition and their products
- Understanding of gaps and shortfalls in how your products or brand is perceived by customers
- Positioning of your products or brand in the eyes of the customer.

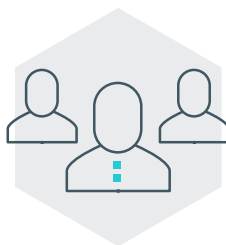## What investment is needed to understand the concept?

DIFFICULTY

Medium

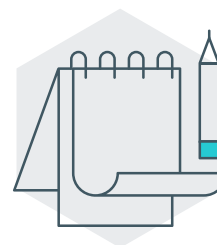Requires some reading around the subject and a structured approach

ACTIVITY

Team

Best results come from a team of sales, marketing and design personnel

EQUIPMENT

None

No equipment needed

Explanation of the concept

Market Positioning is an effort to influence customers' perception of a brand or product, relative to the perception of competing brands or products. It's objective is to occupy a clear and advantageous position in customers' minds. By doing so, there are opportunities to sell more products at a higher profit margin.

Market positioning follows the steps listed below:

1. Draft a Positioning Statement

There are four questions to ask yourself that will give a set of basic facts about the identity you have determined for your company. The positioning statement comes from turning the answers to these questions into a statement.

a. Who are you as a brand and what do you stand for?

b. Who are your target customers and what do they want or need?

c. How will you reliably meet those needs?

d. Who are your competitors and what do you do differently?

2. Compare and Contrast to Identify your Own Uniqueness

Differences between your own messaging approach and communication channels, and those of your competitors reveal openings in the market that your positioning message should address.

3. Competitor Analysis

Investigate and analyse the competition to determine the strengths and weaknesses of your own business measured against the competition. Understanding the differences between a business and its competitors is central to finding gaps in the market that can be filled.

4. Determine Current Position

Determining your existing market position is as important as competitor analysis. This is because you have to understand your own market position to be able to properly compete for your share.

5. Competitor Positioning Analysis

In tandem with the competitor analysis, competitor positioning analysis identifies the conditions of the market that influence how much power competitors are able to exercise.

6. Develop a Unique Positioning Idea

With all the analytical data in hand, you should have a better idea of who you are, who you are not, and who your best audience is. It's time to make a statement about those facts.
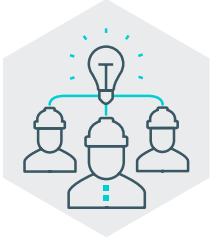
7. Test the Effectiveness of Your Brand Positioning

Testing should consist of qualitative and quantitative data gathering. It may also include focus groups, surveys, in-depth interviews with customers, etc. The results of the testing should then be used to help define your Market Positioning plan.

What action should I take?

1.

Gather a team of employees involved in sales, marketing and design.

2.

Together draft your positioning statement and identify your USPs.

3.

Complete analysis of your competitors and determine your current position.

4.

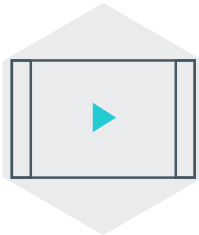Use this data to develop your unique positioning idea.

5.

Test the idea with your target audience and refine the strategy.

Recommended resources

Ries, A. (2001). Postitioning: The Battle for Your Mind. 2nd edition. McGraw-Hill Education. ISBN-10: 0071373586

Marketing: Positioning, Differentiation, and Value Proposition. Brian, K. McCarthy: https://www.youtube.com/watch?v=ugYeT3sxuQw

How to do market research - Research for small businesses: https://www.researchforsmallbusinesses.com/article/how-to-do-market-research

Glossary

Qualitative data: Opinions / views.

Quantitative data: Numerical data.

USP: Unique selling point.