**Chapter 4 Lesson Plan**

*This chapter can be covered in on*e *class period. Or, you may choose to present the market positioning topics, positioning strategies, positioning problems / mistakes, and the creation
of a positioning statement and matrix on day one of a multi-day approach.*

Learning Objectives• Define what positioning is and why it is important to marketers
 • Describe how positioning helps brands and products have greater success
 • Explain how to position products and discuss common positioning problems

Market Positioning

***positioning:*** a strategy for defining and portraying brands or products in ways that cause
the ideal customers to perceive them as the best solution for their needs

The positioning process requires that brands understand for whom their products are ideal. Then the products and communications are optimized to target customers perceiving that those products are the best choice to meet their needs.

**WHY POSITIONING IS IMPORTANT**

Positioning is important because in this digital era customers are bombarded with a continuous stream of promotional messages. This stream of messages is magnified because most consumers are inseparable from the technology platform that is responsible for delivering this advertising stream: the smartphone.

 **IN-CLASS DISCUSSION / ACTIVITY**

Ask students, from the consumer’s perspective, which is the more compelling response to the question, “Why should I buy from you?”

1. Because we’re cheapest
2. Because our product is ideally suited to meet your specific needs

The better answer is “b” and positioning is the best way to answer that question.

Now discuss with students which is the easier answer to give and why (Answer “a”). **TERMINOLOGY**

**position**: the space in the market for which a product is ideally suited, one which a brand hopes to occupy completely.

Also known as “market positions,” positions are created using a planning process that considers the merits of competing products, who the ideal (target) customer is, what the ideal customer needs, and how the “positioned” product uniquely fills the needs of the ideal customer.

**positioning**: the strategic process of developing a market position for a product; involves collaboration among marketing, sales, and product management teams

The output of this process is a product’s market position and a positioning statement.

**positioning** **statement**: a succinct expression of a product’s market position

The positioning statement serves as the foundation for a wide range of marketing activities.
It is developed at the end of the positioning process, once a product’s market position is determined. Positioning statements are not advertising copy or product slogans, but the statements should influence the creation of those materials.

**unique** **selling** **proposition**(USP): an adaptation of the product positioning statement for use in sales dialogues and communications; it conveys the most compelling benefit of the product in terms a customer should easily understand

**DEVELOPING GREAT PRODUCT POSITIONING**

A great product position comes from having good differentiation. From a consumer’s vantage point, when a product or products are indistinguishable from competing products in the market, they have no differentiation.

Positioning products well is important because it helps the target audience understand why certain products are ideal and best for meeting customer needs.

Advantages of creating a unique and better product

 • Customers will pay more for them
 • Customers will develop loyalty towards the brands that sell them
 • Customers will develop resistance to competing product offers
 • Customers will become advocates for the products they love

 *Note: All of these behaviors increase product profitability*When a brand has great product positioning, but lets it slip away, the consequences are devastating.

**IN-CLASS DISCUSSION / ACTIVITY**

 Ask students to think of times that a company has positioned themselves well
 or incorrectly. How did the positioning impact the company? 

# **POSITIONING STRATEGIES**

**Being First**Positioning experts agree that claiming “first” status is a powerful positioning strategy. Products that consumers recognize as the first to provide some functionality or deliver a key benefit enjoy special recognition and status. When anyone or anything is first in some significant accomplishment or capability, the feat is usually accompanied by some amount of free publicity and much higher levels of consumer awareness.

 **IN-CLASS DISCUSSION / ACTIVITY**

 Ask students to look at the following names: *Larry Doby, John Landry, LaVern Baker,
 Ernst Schmied, and Juerg Marmet.* Each of these people were the second ones to
 achieve something significant.

 *Larry Doby*: the second baseball player to break the major league color barrier. Jackie
 Robinson is credited with being first.

 *John Landy*: the second athlete to run a mile in under four minutes. Roger Bannister
 is credited with being first.

 *LaVern Baker*: the second female inductee into the Rock and Roll Hall of Fame. Aretha
 Franklin was the first female inductee.

 *Ernst Schmied and Juerg Marmet*: the second team to summit Mt. Everest. Sir Edmund
 Hillary and Tenzig Norgay are credited with the first successful summit of the world’s
 highest mountain.

 The people / companies that are first are historically more positioned to find glory,
 accolades, and public admiration.

**Positioning as a Follower**The strategy for a product that is a “follower” — meaning other products preceded it to market — is to find a way of being first in something. Usually, there is some, unoccupied niche in which a product can claim first status.

Followers must separate themselves from its direct competitors by carving out their own specific niche. While there are already many “firsts” in product marketing, there is ample room for followers to find an unoccupied niche for a product. The only limit is on the creativity of the marketing team. The ways to find product niches are infinite.

**Repositioning**
Sometimes market conditions change, and the way a product was once positioned no longer works. When this occurs, doing nothing is almost always a death sentence for a product. What brands may choose to do is **reposition** their product or service, helping it to find a new niche in which to compete.

Changing consumer tastes can make product positions obsolete, as can changes in the competitive landscape. Brands will also reposition products to take advantage of a competing solution’s weakness.

Repositioning an offering can take the form of a subtle shift to a major change in what a product or service does for the target customer.

 **IN-CLASS DISCUSSION / ACTIVITY**

Ask students to think of times a company has had to reposition itself or one of its products. Have them discuss their example with a partner. Why was it necessary or advantageous for the repositioning?

Positioning Problems and Mistakes

**PRODUCT AND BRAND POSITIONING INCONSISTENCY**One of the biggest mistakes a brand can make is having *product* positioning that is inconsistent with the *brand’s* position.

Consumers develop an understanding of, and even a relationship with, the brands they use. This understanding is reinforced by the brand’s reputation and all the communications that brands emit, such as advertising. When the brand’s products are positioned in a way that isn’t consistent with the brand itself, it spells trouble. Aligning the positioning and communications
a brand does about itself and its products is essential.

**IN-CLASS DISCUSSION / ACTIVITY**

Ask students to discuss Ford’s strategic decision to stop manufacturing sedans to focus on SUVs and trucks. For background on this strategic decision, see: 

https://www.motorbiscuit.com/ford-exec-says-this-is-why-it-stopped-selling-sedans/

* How does this repositioning align with Ford’s brand strengths?
* How will it change the way people perceive the Ford brand?
* Do you think it makes sense?

**OTHER COMMON POSITIONING ERRORS**

**Under-positioning** occurs when a product has no clear advantage or differentiation, thus failing to convey to consumers an understanding of what makes the product better. The result is that consumers are not given a compelling reason to buy it.

**Over-positioning** occurs when the product has been positioned too narrowly. Buyers will have
a very narrow perception of a product’s differentiation, and a result is often that the size of the target customer group that cares about those benefits is too small.

**Confused positioning** occurs when a product is positioned by claiming too many benefits,
or worse, benefits that are contradictory. The result of confused positioning is that consumers will have difficulty interpreting the benefits and suitability of products.

**Doubtful positioning** occurs when the way a product is positioned touts benefits that are simply not believable or too good to be true.

**Irrelevant positioning** occurs when a product claims benefits or differentiation that no group
of customers cares about.

**Trying to appeal to everyone**occurs when a company tries to incorporate everyone into
its target market rather than focus on a specific segment. The “one size fits all” approach often appeals to no one.

**Positioning via features and technical aspects**occurs when a company decides to position its product by features or technical specifications rather than by the value it creates.

Crafting a Positioning Statement and Matrix

**POSITIONING STATEMENT OVERVIEW**

CREATING A POSITIONING STATEMENT WITH A TEMPLATE
A great way to develop a positioning statement is to use a template, such as the one provided here. The template can help in the development of a first draft positioning statement, one that will get better through collaboration and refinement. To create a positioning statement, use the following template. Draft the text to replace the prompts placed in the parentheses:

For (target audience), product/service is (concise description). It is ideal for (best use
or application) because (primary benefit or differentiation).

 **target audience**: the ideal customer segment of the niche selected for the product
 **concise description**: provide a brief, but complete definition or description
 of what you are positioning
 **best use or application**: describe why the product is ideal for the target
 audience.

 **primary benefit or differentiation**: explains why the product is perfect for the
 intended use or application; this is the part of the statement where the words should give the customer a reason to believe the claims made about the product

IMPORTANT POSITIONING NOTES• A positioning statement is not advertising copy.
 • Good positioning statements are short and succinct.
 • Products that are positioned well occupy a niche uniquely, and the positioning
 statement must, therefore, identify what makes a product different or unique.
 • The best positioning statements are more specific than general.

 **IN-CLASS DISCUSSION / ACTIVITY** Choose a product or service of which most students will have a general knowledge.
 (Examples include the iPhone, Netflix, Yeti coolers, BMX bikes, Rolex watches, etc.)
 Have the class get into teams to develop positioning statements for this product. (You
 can have the entire class work on the same product or divide the class so as
 every two groups work on the same product, allowing for comparison of the two
 groups’ positioning statements.)

 • Discussion question (whether or not the positioning statements are very similar across
 the board for a product or very different): What does this say about how the company
 has positioned the product in the market? (If the student answers are very similar,
 perhaps the product is positioned well, that is the positioning is clear as to product uses
 and differentiation.)

 **DEVELOPING A POSITIONING MATRIX**

When developing positioning for a product, it’s useful to create a positioning matrix to visualize how the product is positioned relative to its competitors. To create a positioning matrix, identify the top differentiators for the product category, and use those differentiators as scales along an X and Y axis as you create the matrix.

USES OF A POSITIONING MATRIX **•** Find openings in the market that represent unoccupied niches. **•** Validating how a product is positioned.

FINAL POSITIONING THOUGHTSThe most creative advertising material, the biggest marketing budgets, or the coolest product features do not guarantee the success of a product in the market. One of the most important things a marketer can do to help ensure the success of a product is to position it well. In doing this, the first step is to define a product’s market position. Once a strong, sustainable market position is identified, it is then necessary to develop a statement that captures that positioning.
A visual form to see your product’s market position is to create a positioning matrix.

The marketing research concepts come into play here as well; researching to learn about the consumer can help you develop your positioning strategy.

**Kahoot! Quiz**

This Kahoot! quiz can be used in a face-to-face or live, remote class.

<https://create.kahoot.it/share/b3659a6d-2d59-4a8b-9bef-4a4ca7c13ca4>

**Online Engagement Ideas**

The Assignment Instructor Guide includes online engagement ideas.