

# MANAGEMENT

## PRODUCT POSITIONING

Positioning is a marketing method for creating the perception of a product, brand, or company identity. The term was coined in 1969 in a paper by Jack Trout and Al Ries. According to them, positioning is not what one does to a product. It is the positioning of the product in the mind of the prospect. Positioning can be based on several things including product features, benefits, use categories, comparing it to another product, and product class dissociation.



### Typically a product positioning process involves the following steps:

- Identify competing products
- Identify the attributes that define the product space
- Collect information from a sample of customers about perceptions of each product
- Determine each products' share of mind
- Determine each products' current location in the product space
- Determine the target market's preferred combination of attributes(referred to as ideal vector)
- Examine the fit between: the positioning of competing products, the position of the product and the position of the ideal vector
- Select optimum position

To be successful, product positioning must enable the product to differentiate from competition, address important customer buying criteria, and articulate key product characteristics.

#### Benefits:

Product positioning is a crucial ingredient in the buying process. Failure to proactively address product positioning is unlikely to end well. Meaningful product positioning helps in cutting through relentless advertising and marketing.

### Example - Positioning Map

