MK 201 Principles of Marketing
Additional Slides on STP

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Additional Slides on

STP

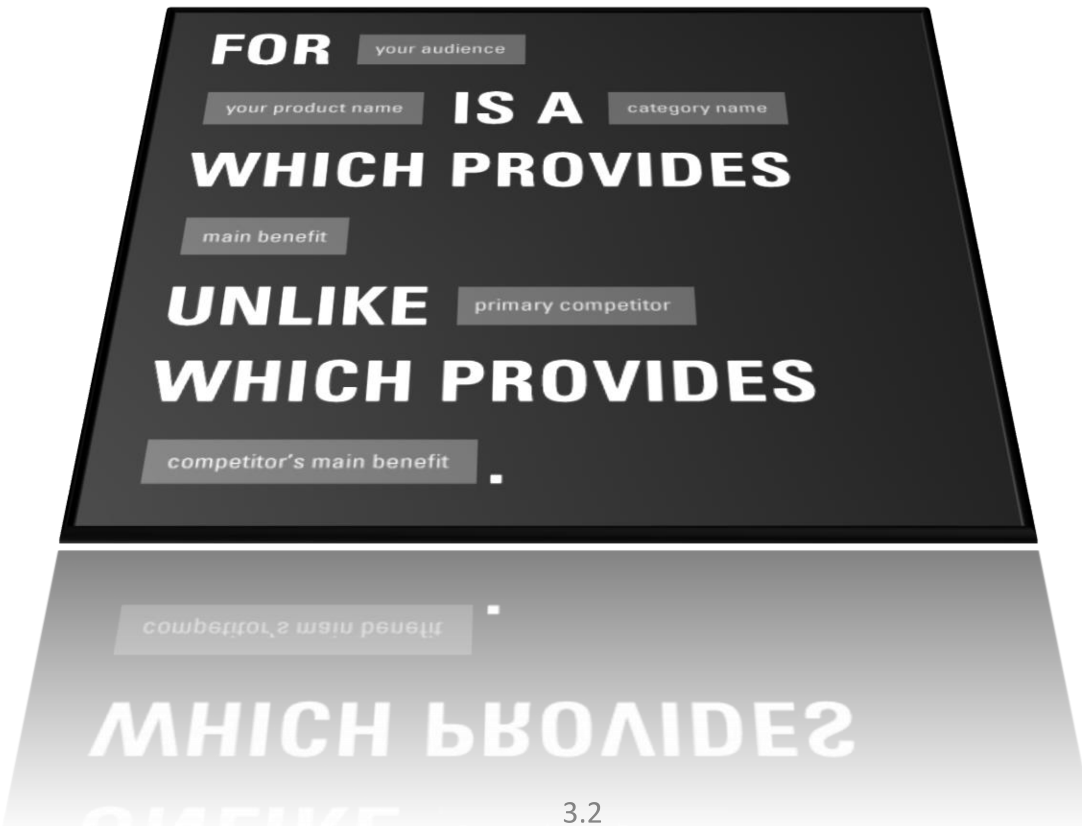
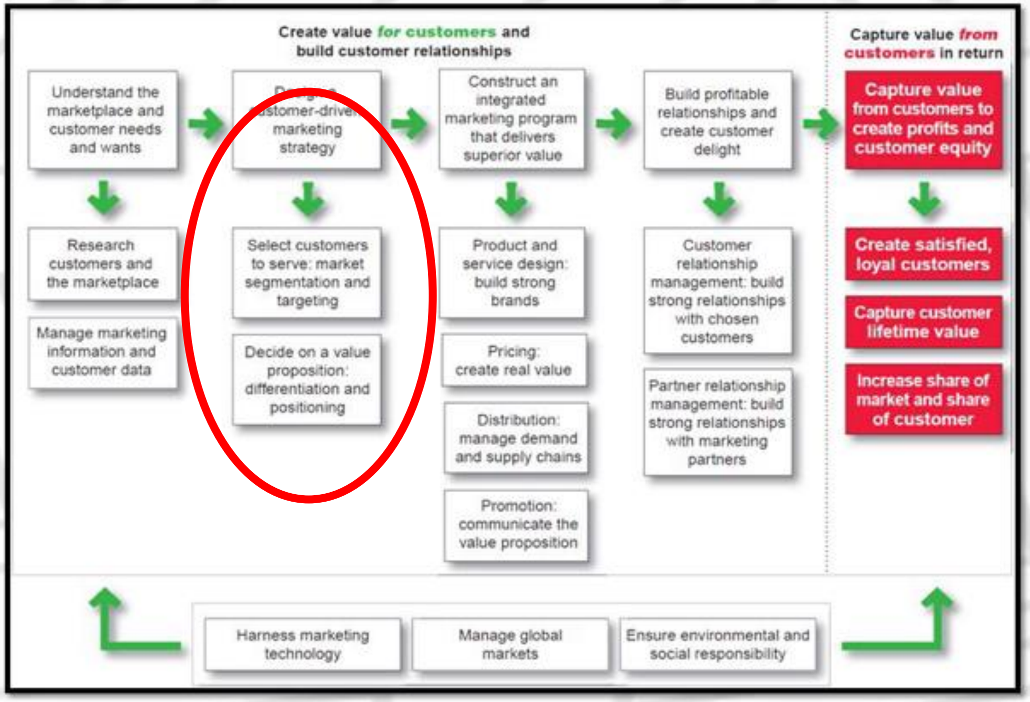


Figure 1.6 - An Expanded Model of the Marketing Process



Brand Positioning

- **Is at the heart of the marketing strategy**

- **“. . . the act of designing the company’s offer and image so that it occupies a distinct and valued place in the target customer’s minds.”**

Philip Kotler

Determining a frame of reference

Marketers need to know:

Who the target consumer is

Who the main competitors are

How the brand is similar to these competitors

How the brand is different from them

Target Market

A *market* is the set of all actual and potential buyers who have sufficient interest in, income for, and access to a product.

Market segmentation divides the market into distinct groups of homogeneous consumers who have similar needs and consumer behavior, and who thus require similar marketing mixes.

Market segmentation requires making tradeoffs between costs and benefits.

Example of the toothpaste market

Four main segments:

Sensory: Seeking flavor and product appearance

Sociables: Seeking brightness of teeth

Worriers: Seeking decay prevention

Independent: Seeking low price

Determining a frame of reference

What are the ideal points-of-parity and points-of-difference brand associations vis-à-vis the competition?

Points-of-Parity and Points-of-Difference

Points-of-difference **(PODs) are attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand.**

Points-of-parity associations **(POPs), on the other hand, are not necessarily unique to the brand but may in fact be shared with other brands.**

Criteria for Segmentation

Identifiability

- **Can we easily identify the segment?**

Size

- **Is there adequate sales potential in the segment?**

Accessibility

- **Are specialized distribution outlets and communication media available to reach the segment?**

Responsiveness:

- **How favorably will the segment respond to a tailored marketing program?**

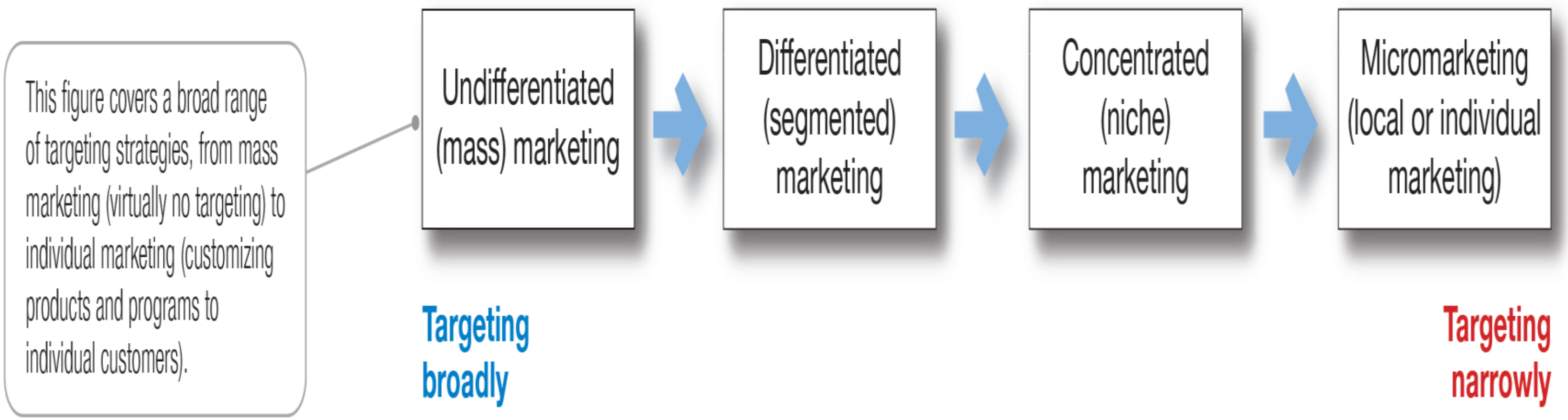
Nature of Competition

- Deciding to target a certain type of consumer often defines the nature of competition

- **<u>Do not define competition too narrowly</u>**
  - Ex: a luxury good with a strong hedonic benefit like stereo equipment may compete as much with a vacation as with other durable goods like furniture

Market Targeting

Figure 7.2 Market-Targeting Strategies.



Differentiation and Positioning

Choosing a Differentiation and Positioning Strategy

A competitive advantage should be:

Important: The difference delivers a highly valued benefit to target buyers.

Distinctive: Competitors do not offer the difference, or the company can offer it in a more distinctive way.

Superior: The difference is superior to other ways that customers might obtain the same benefit.

Communicable: The difference is communicable and visible to buyers.

Preemptive: Competitors cannot easily copy the difference.

Affordable: Buyers can afford to pay for the difference.

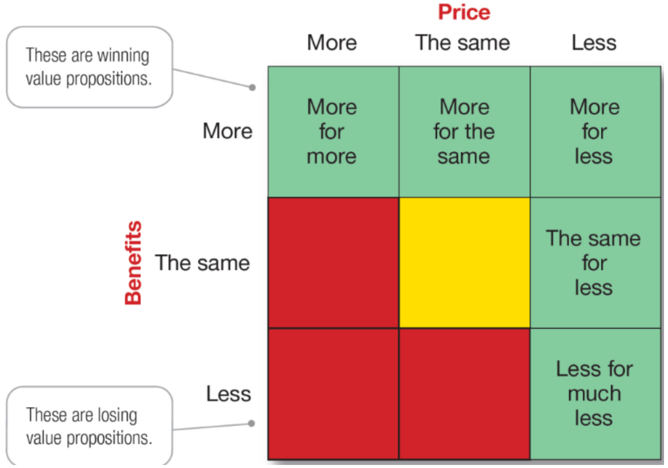
Profitable: The company can introduce the difference profitably.

Differentiation and Positioning

Choosing a Differentiation and Positioning Strategy

Value proposition is the full mix of benefits upon which a brand is positioned.

FIGURE | 7.4
Possible value propositions



Positioning & differentiation

Positioning Statement:

We are *(name of brand).*

We produce *(type of offering)* for *(target consumer)*

This market offering provides benefits that satisfy*(consumer needs)*

Our offering uniquely attracts our target consumer

Because *(source of competitive uniqueness).*

Our benefits differ from competitors' benefits in the following

Way(s): *(points of differentiation).*


24 PACK
12 OZ
VARIETY PACK
GATORADE®
THIRST QUENCHER
ORANGE
FRUIT PUNCH
BERRY
ARTIFICIALLY FLAVORED
12 FL OZ (355 mL)
80 CALORIES PER BOTTLE
NATURAL FLAVOR
EMON-LIME

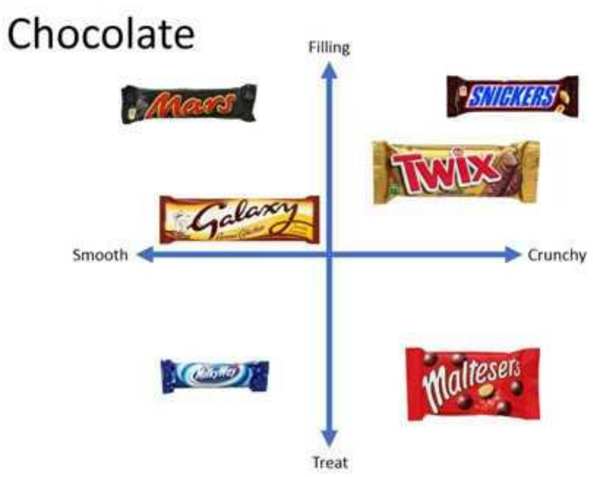
Positioning & differentiation

Gatorade

We are Gatorade. We produce sports drinks for physical activity enthusiasts who consider themselves to be accomplished, but not necessarily competitive, athletes. This market offering provides benefits that satisfy our Consumer's need to quench thirst in a healthy and fun (but not frivolous)way. Our offering uniquely attracts Our target consumer because it is absorbed in the body 12 times faster than water and because it is heavily promoted Using imagery of everyday athletes working up a sweat. Our benefits differ from competitors' benefits in the following ways: fun, scientifically-backed quenching.

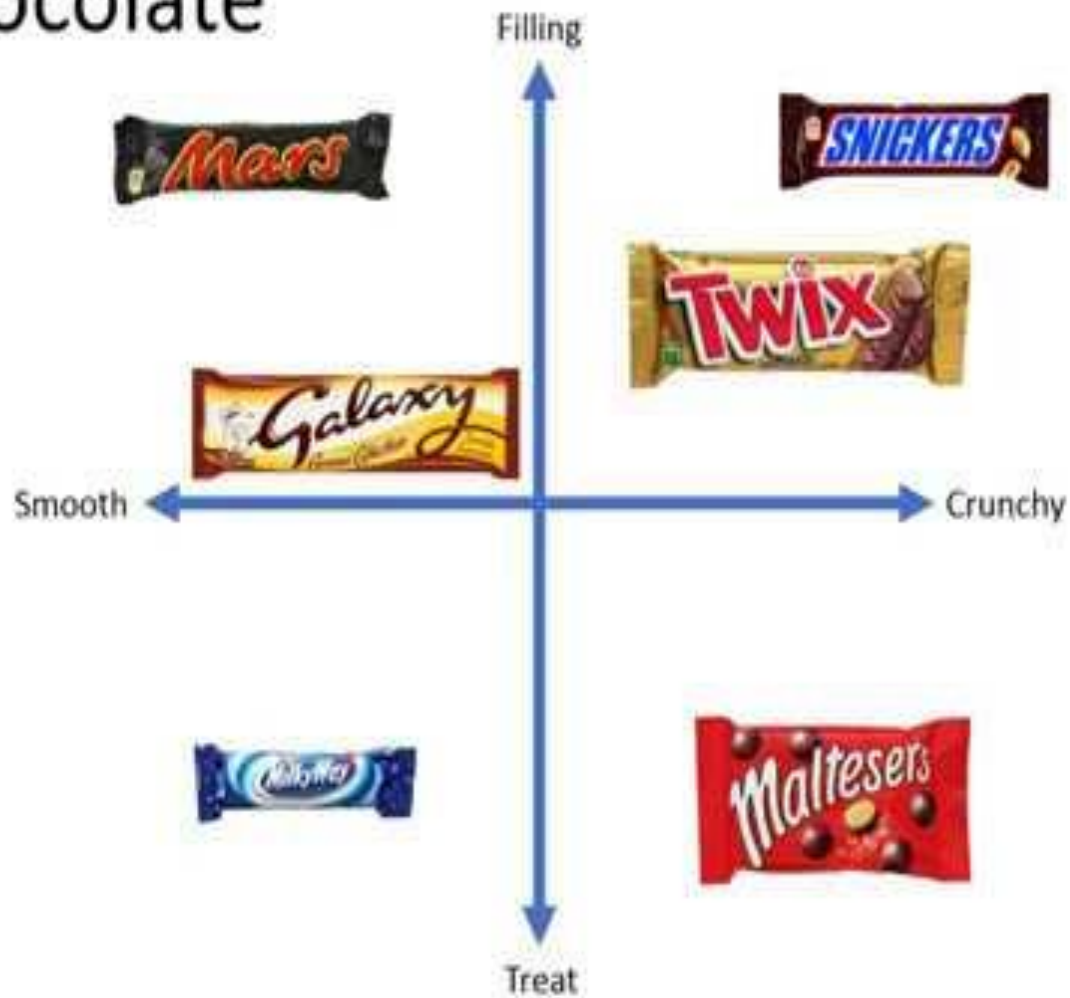
Gatorade | Greatness Starts with G

Gatorade · 17K views · 1 month ago

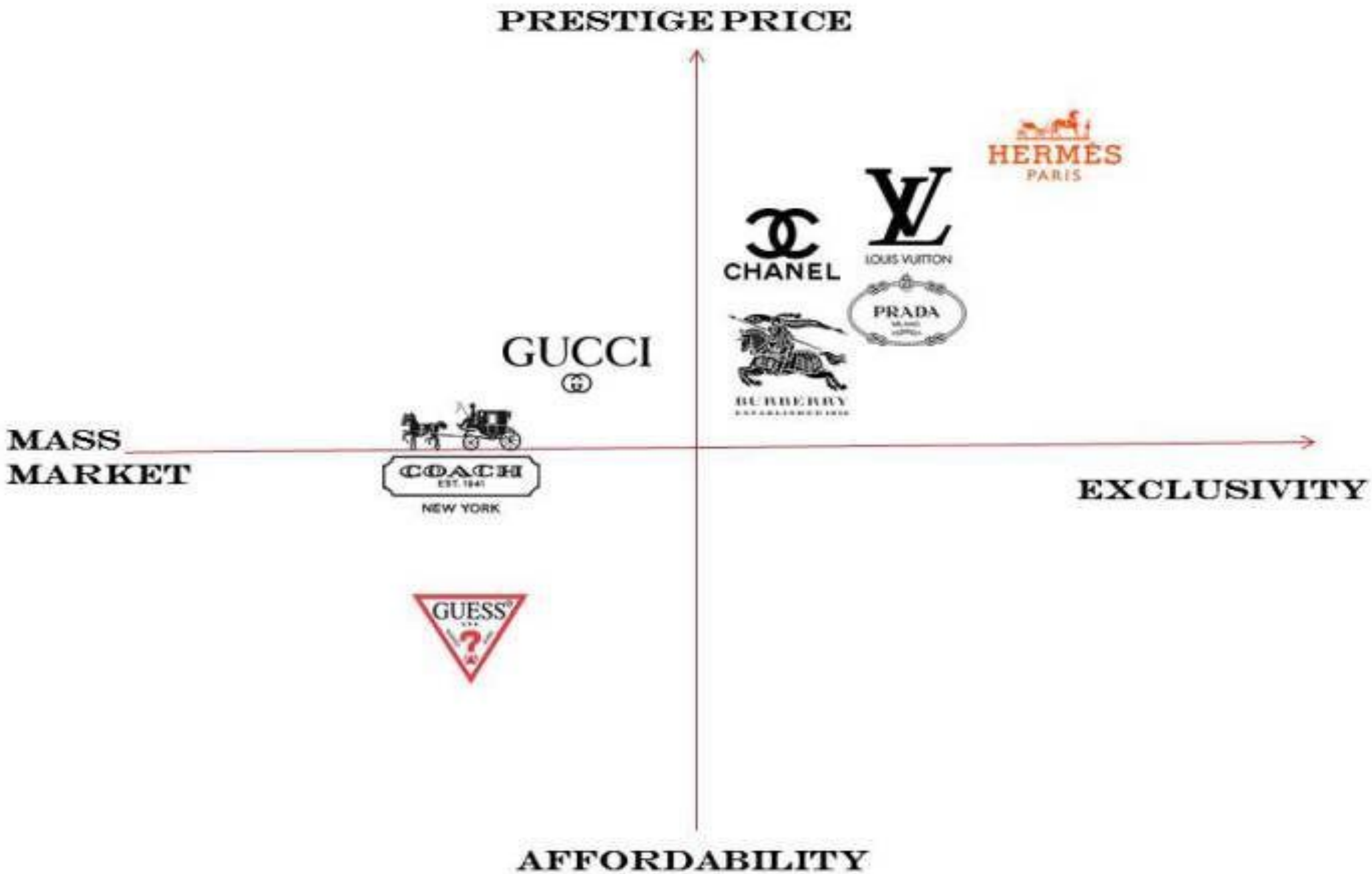


As the **maps** are based on the **perception** of the buyer they are sometimes called **perceptual maps.** **Positioning maps** show where existing products and services are positioned in the market so that the firm can decide where they would like to place (**position**) their product.

Chocolate

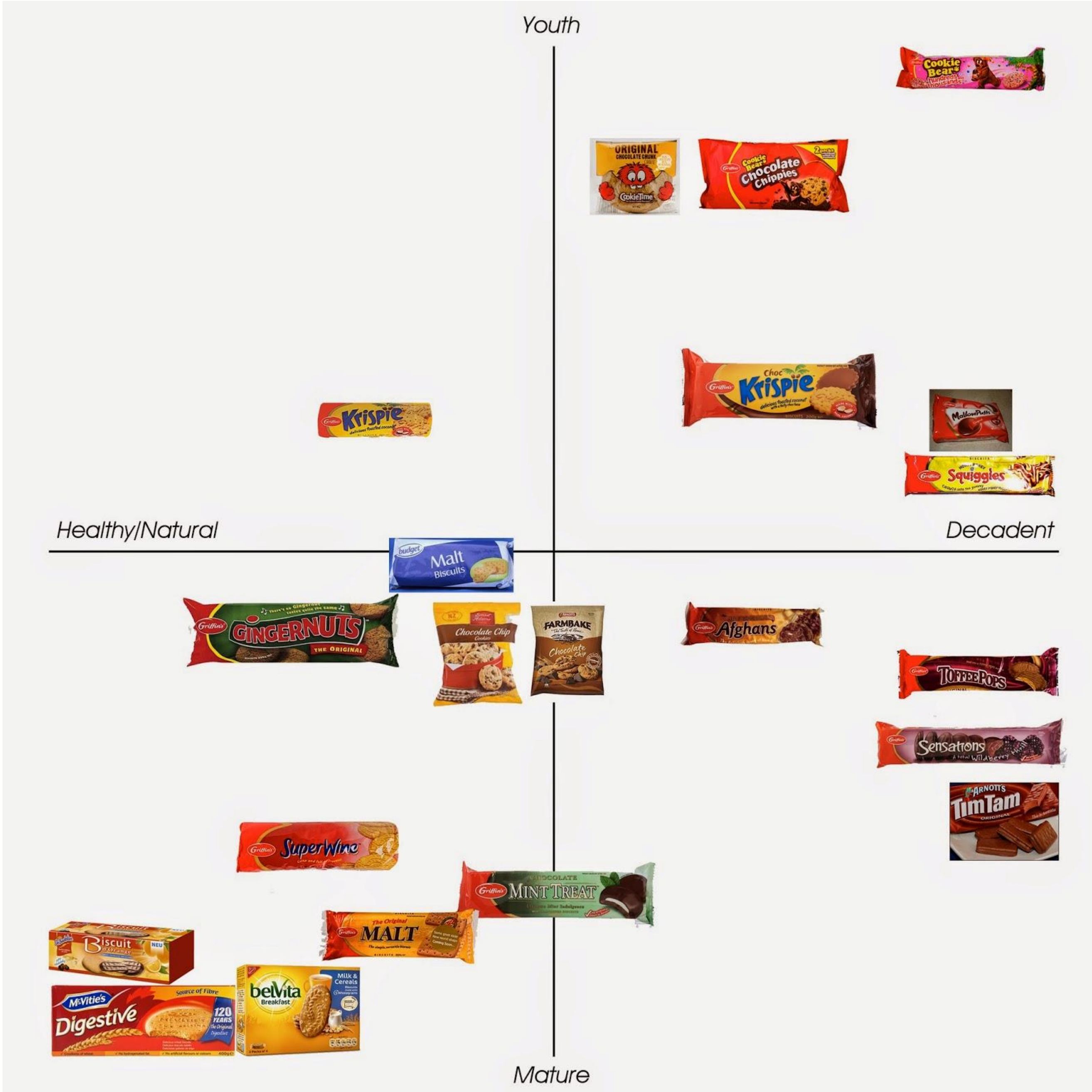

Filling
Mars
SNICKERS
TWIX
Galaxy
Smooth
Crunchy
Maltesers
Treat


High Price
M&S
EST. 1884
next
NEXT.CO.UK
TOPSHOP
ZARA
RIVER ISLAND
H&M
Low Quality
asos
discover fashion online
High Quality
NEW LOOK
boohoo
MATALAN
PRIMARK
Low Price


PRESTIGE PRICE
HERMÈS
PARIS
LOUIS VUITTON
CHANEL
PRADA
GUCCI
BURBERRY
MASS
MARKET
COACH
EST. 1941
NEW YORK
EXCLUSIVITY
GUESS
AFFORDABILITY

Positioning Map - Cosmetics

By-
Cherry Malhotra
PGDM-2



Youth
Healthy/Natural
Decadent
Mature
Cookie Bears
ORIGINAL
CookieTime
Chocolate Chippies
Choc Krispie
Krispie
Squiggles
budget
Malt Biscuits
GINGERNUTS
THE ORIGINAL
Chocolate Chip Cookies
FARMBAKE
Afghans
TOFFEE POPS
Sensations
ARNOTT'S
TimTam
SuperWine
MINT TREAT
The Original
MALT
Biscuit
McVitie's
Digestive
belVita
Breakfast

Position your product or service

in the minds of consumers..

always compare to

competitors

What is Positioning?

- Positioning represents the "Place" a brand occupies in a market segment. (a logical reason for why the target market should buy the product)
- It is the act of designing the company's offering & image so that they occupy a meaningful & distinct competitive position in the **target customers' minds**.'

Kotler (1997)


LOONEY TUNES
"That's all Folks!"