

Positioning

Chapter 14

Unit 4

Performance Objectives:

You will research, read, and discuss examples of other companies' positioning strategies. You will read through and follow the logic of one company's positioning strategy. You will use the same steps to determine a positioning strategy for your company and your products or services.

Evaluation Criteria:

Successful completion of this chapter requires you to:

- 1 Read about "positioning" in business.
- 2 Go online and read one business's positioning strategy.
- 3 Answer questions to determine your company's positioning strategy.
- 4 Write positioning strategy statement.
- 5 Read one business's Unique Selling Proposition online.
- 6 Answer questions about Unique Selling Propositions.
- 7 Write your own Unique Selling Proposition.

Task 1: What is “Position”?

Read through the following information.

Simply stated, your “Position” is how you and your business are perceived in the minds of your customers, potential customers, and the community at large. How you are perceived will have an enormous impact on the success or lack of success of your business. It is important for the small business owner to be actively involved in making sure that the public’s perception is what the business owner wants it to be. “Positioning” is the process you use to ensure that your customers, potential customers, and the community at large perceive your business the way YOU want!

The best way to ensure that your business is perceived the way you want it to be is to adopt a **positioning strategy** that will lead to a **positioning strategy statement** and a **Unique Selling Proposition (USP)**. Your positioning strategy should include:

- What products or services do you offer?
- Who is in your target market?
- Where will your products or services be made, sold, or performed?
- Who are your direct competitors?
- What is unique about your products or services that differentiate you from your competitors?
- Are your prices higher, lower, or the same as your competitors?
- What is your business personality?

Once you have answered all the questions in your positioning strategy then you can craft your positioning strategy statement and USP. Your position statement is simply a summary of all the answers to the positioning strategy questions put into a readable format. It serves to keep both you and your customers clear about your company’s position. Your USP is a single concise statement that describes what is unique or special about your business. It is a unique message about your business versus the competition that you should develop and use consistently in your advertising and promotion.

Once you have established a positioning strategy and statement, they should be the dominant consideration when deciding on all marketing sub-strategies such as pricing, advertising, promotion, packaging, product or service delivery location, public relations, etc.

Once you have established a position, it is important that you stick to that position by referring to your positioning strategy and statement from time to time. Straying too far from your position can have unfortunate consequences. Some products that have failed because the company moved too far from their position have been Pierre Cardin wine, cologne by Adidas, pantyhose by Bic, and bottled water from Coors!

Task 2: Joe's Redhots Positioning Strategy

Click on the following link and read "[Joe's Redhots Positioning Strategy](http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P03_7003)¹." Answer the questions below.

1. What product or service does Joe offer to the public?
2. What is Joe's target market?
3. Where does Joe deliver his products?
4. Who are Joe's competitors?
5. What is unique about Joe's products or business?
6. Are Joe's prices the same, higher, or lower than his competitors?
7. What is the business personality of Joe's Redhots?

¹Joe's Redhot Positioning Strategy: http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P03_7003

Task 3: Your Positioning Strategy

Go through the following list of positioning strategy questions, read the information for each category and then decide on response to each for your business.

1. What products or services will you offer?

In your positioning strategy you should clearly delineate what products or services you will make, sell, or provide. A common mistake many small business owners make is diversifying into products or services that are irrelevant to their target market. If your business is making hand-made scented candles, don't start making and selling bird houses or violins because more than likely they will be irrelevant to your target market!

However, you can add to your product range candleholders, candlesticks, and candle extinguishers. You may even add hand-made soaps and soap dishes, if your target market research indicates relevance.

In the space below, make a list of the products or services that you will make, sell, or provide:

2. Who is your Target Market?

On Page 25, in Chapter 5, you identified your target market. Refer to that and briefly restate your target market below:

3. Where will your products or services be made, sold, or performed?

In the next chapter you will be looking at location in depth. For your positioning strategy you only need to know the type of location. Are you going to be located in a discount mall, regular mall, or specialty mall? Or an uptown or downtown storefront? Are you going to run your business from home or have a store somewhere in the country?

In what type of location will your company be found?

4. Who are your direct competitors?

In Chapter 7 you looked at your competition. Your *direct* competitors are those businesses which make or supply the same products or services in your immediate geographic region. They are the biggest threat to your business's survival. Refer to Chapter 7 and list your direct competitors in the space below:

5. What is unique about your products or services that differentiate you from your competitors?

In Chapter 4, while brainstorming your mission statement, you asked the questions: What makes your product or service exceptional? Why is your company superior to your competitors? Refer to Chapter 4 and list the information, along with any other attributes of your company that you consider unique, in the space below:

6. Are your prices higher, lower, or the same as your competitors?

In Chapter 17 you are going to look at pricing in some depth. For now, simply project which way you think you will go. Are you going to beat the competition by having lower prices? Are you going to match the competition dollar for dollar? Or are you going to make sure that your prices are higher than your direct competitors? (Hint: Don't be surprised if you have to come back and change this part of your positioning strategy after completing Chapter 17.)

Write in the space below whether your prices are going to be higher, lower, or the same:

7. What is your business personality?

An important part of your positioning is the personality your business portrays. The personality you choose for your business should be consistent – every time your company is in contact with a customer, that same personality should be evident. A good example of this can be found at your nearest Motel 6. The Motel 6 chain of motels decided on "honest, simple, fun, humble, unpretentious, and a trustworthy source of good-humored common sense" as its business personality. At other motels, a wake-up call will be cold and impersonal; at Motel 6, you will be awakened by Tom Bodett's voice telling you, "Congratulations, you've just won a lottery for \$20 million. Just kidding, but you did save some money last night, so you can still feel good about getting up and getting back on the road." At every point of contact with the customer the chosen personality is evident.

In the space below write what personality you see your business developing:

Task 4: Writing Your Positioning Strategy Statement

Summarize the information you wrote down for each point in Task 3 in a single, easy-to-read paragraph.

Task 5: Joe's Unique Selling Proposition

Click on the following link and read "[Joe's Redhots Unique Selling Proposition](#)²." Answer the questions below.

1. What is Joe's Unique Selling Proposition?
2. How is his USP different from his positioning strategy statement?
3. Why did he decide on that particular statement?

Task 6: Your Unique Selling Proposition

Click the following links and read the following articles on "[Positioning](#)³," "[Unique Selling Proposition](#)⁴," and "[Another Positioning Case Study – Fargo Gas](#)⁵." Think about your company and brainstorm a single unique statement for your company. When creating your USP, bear in mind the following points:

- What are the unique factors about your business, products, or services that set you apart from your direct competitors?
- Which of these factors are most important to your customers?
- Which of these factors can be most easily communicated to and understood by your customers?
- Which of these factors can your competitors not easily imitate?

²Joe's Redhot Unique Selling Proposition:
http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P03_7005

³Positioning: http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P03_1072

⁴Unique Selling Proposition: http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P03_1012

⁵Another Positioning Case Study – Fargo Gas:
http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P03_1076