

**CLASS: B.Com (SEM VI)**

**PAPER CODE: BCH 6.2 : PRINCIPLES OF MARKETING**

**TOPIC: PRODUCT POSITIONING**

Product positioning is an important element of a marketing plan. Product positioning is the process marketers use to determine how to best communicate their products' attributes to their target customers based on customer needs, competitive pressures, available communication channels and carefully crafted key messages. Effective product positioning ensures that marketing messages resonate with target consumers and compel them to take action.

### **Understanding Customer Needs**

Effective product positioning requires a clear understanding of customer needs so that the right communication channels are selected and key messages will resonate with customers. Product positioning starts with identifying specific, niche market segments to target – not just women over 25 but women from 25 to 30 who work in senior-level management positions, make \$X per year, are single and enjoy sporting activities. The more specific, the better.

In addition to identifying the customer based on demographic and psychographic (personality/lifestyle) attributes, marketers need to understand customer needs, especially relative to the products and services they have to offer, to clearly convey value as part of their marketing plan.

## **Weigh Competitive Pressures**

Marketers must weigh competitive pressures when they are considering the positioning elements of their marketing plans. Effective positioning conveys to consumers why this company's product or service should be preferred over other competitive options based on what the company knows about the target audience's needs. Effective marketing plans clearly identify how the company's products or services are different from competitors' offerings and in what ways.

There is no value in being a "me too" product offering and simply copying what competitors are doing. Marketers must stand out from the crowd in ways that hold value for their target markets.

## **Targeting Communication Channels**

Product positioning helps marketers consider how their offerings are different from others that consumers have to choose from. But it is not enough to know this from an internal perspective – marketers must communicate this to the target audiences. To do this effectively, they must choose communication channels that are designed to connect with their identified target audiences at times when they will be most receptive to these messages.

Consider how automobile manufacturers position their products through communication via television commercials during sporting events, for instance, or how cosmetics manufacturers run full-page, full-color ads in women's magazines.

## Carefully Crafted Key Messages

The final challenge in effective product positioning is conveying the differentiating, value-added aspects of your product or service to your target audience through the communication channels you have selected. These messages are designed to convey how your product is different (and better) than competitive offerings, as well as to address the value-added attributes that are important to your audience. Product positioning is at the foundation of any effective marketing plan because it impacts the ultimate purchase decision.

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