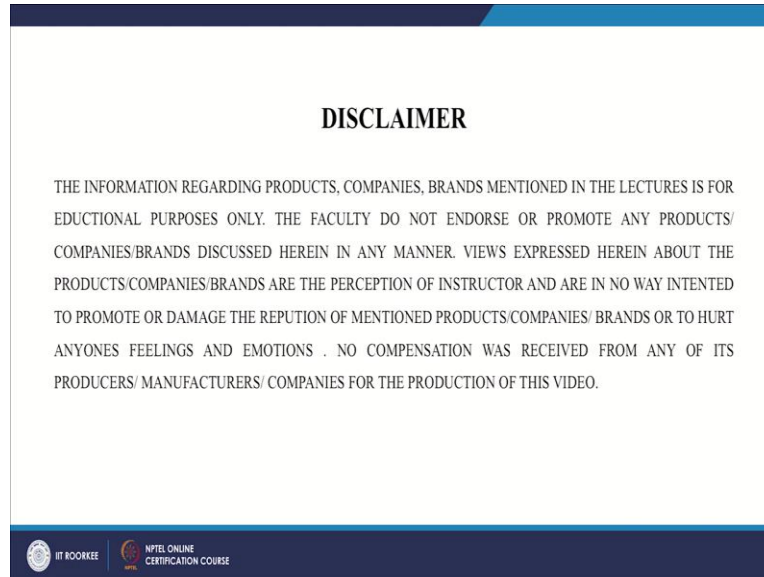


Product and Brand Management
Professor Vinay Sharma
Department of Management Studies
Indian Institute of Technology, Roorkee
Lecture 11
Product Positioning - I

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Hello friends, welcome back to yet another session of product and brand management. As we are progressing and looking at the strategic perspective associated with product and brand management, we are introducing not only concepts, but concepts as strategies, which have applications, which are related to taking product to the customer and establishing the product in the minds of the customers that is what is positioning and we would be talking about this.


Last time you remember, we talked about product differentiation, which is elemental for the customer to realize that she is buying something special with regards to the needs and the money she would be departing with. So, here comes a discussion on positioning and let us try and imagine this with an interesting element of message as well as words, because words, visuals, taglines, which are very important for positioning of a product in the minds of the customers and for this you may refer to my course on Integrated Marketing Communication, which was released in January 2022.

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What is Positioning ?

- “Positioning starts with a product. A piece of merchandise, a service, a company, an institution, or even a person...
- Positioning is not what you do to a product
 - It’s what you do to the mind of the prospect
- You position the product in the prospect’s mind.”
– Ries & Trout

For e.g.
Mysore Sandal -Purity and natural fragrance.
Margo- Herbal(neem).
Dettol- Hygiene.



Source: Ries, A., & Trout, J. (2001). Positioning: The battle for your mind. McGraw Hill.

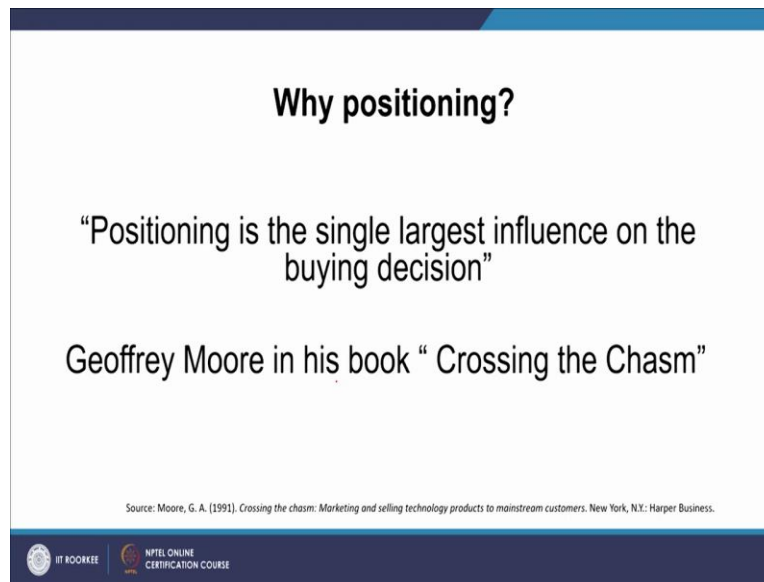
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So, now, you see, what is positioning? Positioning starts with a product, a piece of merchandise, a service, a company, an institution or even a person. Because, when we discuss the definition of product, we discuss these elements. Positioning is not what you do to a product. It is what you do to the mind of the prospect, how you put up that product as an image or image of the product in the minds of the customers. You position the product in the prospects mind. This is you know what Ries and Trout have expressed in their pivotal book on positioning, a very renowned text and you may refer to that and we have also referred to that for this.

So, you see for example, Mysore Sandal - purity and natural fragrance. You know Mysore Sandal soap projects or positions itself with the perspective of purity and natural fragrance. Margo talks about herbal and is associated with neem. So, when you say Margo, neem perspective comes to you and then the health-related benefits of neem also come to you.

So, that is what positioning is you know how it gets established in your mind and we talked about you know elements in differentiation, for example- durability. So, some of the products they might talk of durability, Bangur cement or let us say Goel TMT Saria. So, those kinds of durable elements or some car says dream machine kind of. So, they are putting up an aspiration, but with strength they project the roar of the engine in their advertisements and messages. Then Dettol always has been talking of hygiene, Savlon has been talking of hygiene and so on. So, having this glimpse of positioning, let us dwell into the subject.

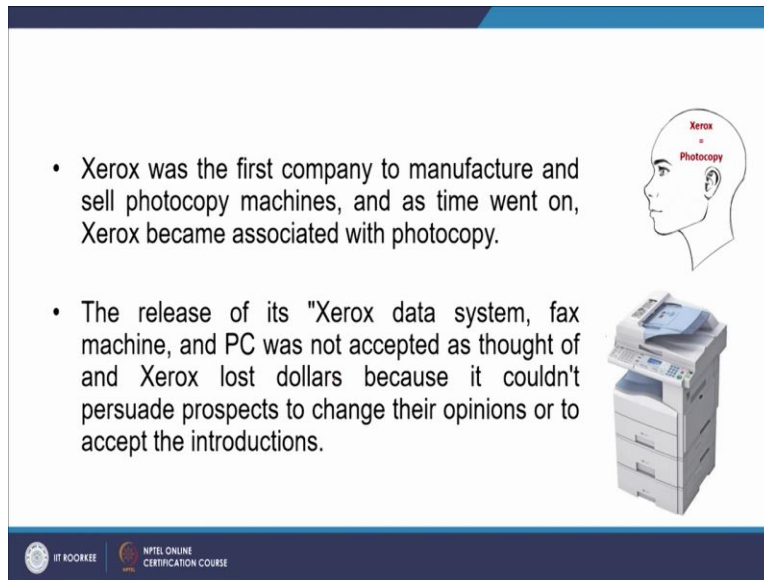
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Now, let us ponder upon this thought, why positioning? Positioning is the single largest influence on the buying decision actually. If you have created an image which gels with the perception, which a customer carries about the kind of product he wants to purchase in a particular category, if that matches then it would be a very smooth transaction and that is what a producer wants, a manufacturer wants and most of all a product and a brand manager wants.

Geoffrey Moore in his book Crossing the Chasm has talked about this. And that is an interesting text also and for you to refer because you see there, it is not possible for me to talk about so many things in as a digression now and then that is why I am referring to different kinds of texts which would be helpful for you to understand and carry forward the understanding of the subject. These are wonderful references.

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- Xerox was the first company to manufacture and sell photocopy machines, and as time went on, Xerox became associated with photocopy.
- The release of its "Xerox data system, fax machine, and PC was not accepted as thought of and Xerox lost dollars because it couldn't persuade prospects to change their opinions or to accept the introductions.

So, you see, Xerox was the first company to manufacture and sell photocopy machines. When you say Xerox, we all know photocopy comes to our mind. And as the time went on, today, Canon also enjoys that kind of opposition and in several other photo copiers. So, but Xerox enjoyed it for a very, very long time.

And in India, they collaborated earlier in earlier days with Modi. So, Modi Xerox became a brand in itself, I remember it was a very respectable kind of machine in every office at that time. And there were specific maintenance engineers coming to different offices to maintain that machine and so on, and that was a capability of an office to have a Xerox machine.

Because there were so many Xerox outlets, commercial outlets, which were working for photocopying your documents day in day out and they were so busy, because everyone had to go to get the document Xerox to a Xerox parlour actually. So, there were Xerox parlours, there were specific entrepreneurs which were created, because of Xerox.

There were specific lease agreements with the buyers and so on. And there was an entrepreneurial model associated with Xerox in India and in several other places, of course, so, you see, Xerox actually positioned itself with the perspective of photo copiers, so vast, so deep that when Xerox they released, their data system, fax machine and PC, that was not much accepted, as thought of Xerox or as thought of basically by customers and Xerox lost dollars,

because it could not persuade prospects to change their opinions or to accept the introductions in other categories.

You see here, I want to emphasize a very important point, that is, Xerox was very successful in positioning their name with reference to a photocopier. Side by side, I am introducing the aspect of that, if something gets fixed in terms of being an image in your mind, the other product with the same name might not generate a desire in the minds of the customer or might not generate a trust that the same name would traverse, travel to the efficiency of the other product in a similar fashion, it had done in the other case. That means, it gets the name, the brand name gets fixed with the products image.

So, sometimes it is beneficial, for example, in case of Patanjali many products of Patanjali you just say Patanjali x, Patanjali y, Patanjali Dant Kanti. So, then definitely you do not have second opinion about that in many cases. So, many cases it works well, many cases it does not work, well, we will talk about it, why it happens, how it happens, we will refer to several kinds of examples in due course of time. But here we are specifically referring to the elements of how successful Xerox was in terms of their positioning of a photocopier in the minds of the customer and what does it means.

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Possible Steps to Position a 'Product'

- In general, the positioning decision has four steps
- Identify alternative positioning themes by consulting the advertising account team, the product team, and past marketing plans.
- Screen the alternatives according to whether each is
 - meaningful to customers
 - feasible given the firm and product resources and customer perceptions
 - competitively sensible
 - helpful for meeting the product objective
- Select the position that best satisfies these criteria and can be sold to the marketing organization.
- Implement programs (e.g., advertising) consistent with the product position selected.

Source: Lehmann, D. R., & Winer, R. S. (2005). Product management. Boston: McGraw-Hill.

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Possible steps to position a product are related to, in general, the positioning decision has four steps. There can be several and I have always been mentioning in front of you that you see as a

student of marketing and product and brand management especially, you can think in terms of adding on several steps from your own side with the help of the understanding you are developing through and through. So, you see here, the first step can be looked upon with reference to identifying alternative positioning themes by consulting the advertising and account team, the product team and the past marketing plans. Product team is very important in suggesting on the perspective around the product.

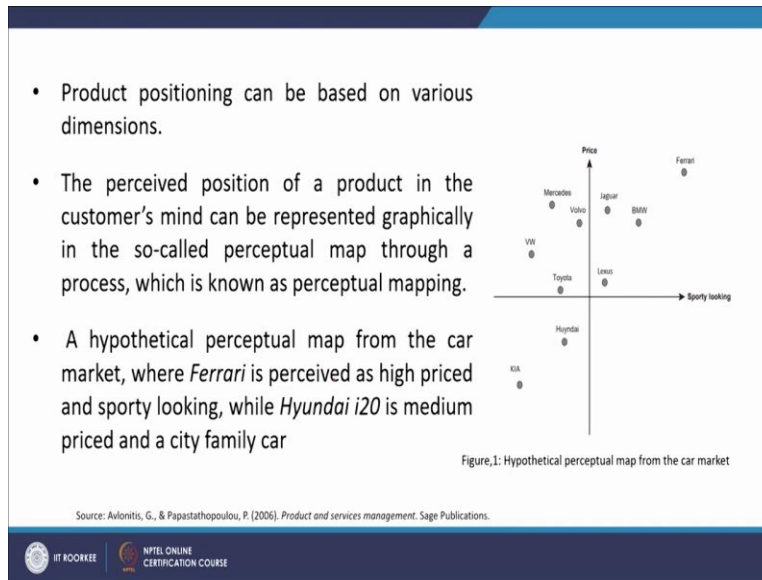
For example, a hairline. No product team would be able to tell you that should it be positioned with reference to the benefits, should it be positioned with reference to the styling, should it be positioned with reference to some other aspect. So, that is how where product team would emphasize and that is what is reflected in the messages then, to screen the alternatives according to whether each is meaningful to the customers and I have been emphasizing upon this meaningfulness element for quite some time, you see meaning of being meaningful is something related to which actually generates meaning for the customer.

So, it can have a differentiation in terms of interpretation for large number of customers. So, here I cannot say that, it is a mathematical kind of an equation in terms of generating a particular kind of meaning, until and unless it is a core product or we are talking of very specific benefits, then, whether, each is feasible, given the firm and product resources and customer perceptions whether, each is competitively sensible and whether each is helpful for meeting the product objective.

The third element is select the position that best satisfied satisfies these criteria and can be sold to the marketing organization. And fourth is implement programs, that is advertising consistently with the product position selected, message gives value to the positioning, which product manager wants to have about his product in the minds of the customers.

For example, if it is 100 CC motorbike, then product manager would tell you that should it be positioned with reference to reliability, durability, ease of use, mileage, low maintenance and what, and then product manager would like to add, the engine efficiency also and we have referred to several examples to elaborate upon that.

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Product positioning can be based on various dimensions. The perceived position of a product in the customers mind can be represented graphically in the so-called perceptual map through a process, which is known as perceptual mapping. I have been referring to two-dimensional planes now, and then and it is such a common art, which we have developed in due course of time in marketing, especially in some and many other disciplines.

So, just to give us a glimpse of the direction, the position where the product lies in terms of quadrant so that we can think of it with two or probably several other dimensions, if you want to add those. So, here this perceptual map is quite helpful. And source is mentioned from where this map has been taken and several other sources are there where you can talk of, we think of perceptual maps and they have projected that well.

You see, it is a hypothetical perceptual map from the car market where Ferrari is perceived as high priced and sporty looking, while Hyundai i20 is medium price and a city family car sort of. If you have created that kind of dimensions in terms of price and sporty looks of a car, you can change those dimensions, you can talk of price and family utility.

So, then you would have probably or let us say Hexa or you can have some other family cars, large family cars, which would be comfortable in this zone. Then you can have some SUV looking vehicles, which have sporty looks also, which are family cars also. For example, XUV 700 that falls under a specific category and quadrant and so on.

And we have been referring to categorization earlier also, when we talked of classification and categorization, you know and then product categories especially. Because you want to look at your product under some category, so that you can talk about that, you know that specific element related to that category and positioning also is deeply related to that kind of a thought process. So, and it actually, this is somewhat driven or sometimes it drives category element of a product positioning.

Positioning; and then one more very important thing which I want to add here is when you say that positioning is creating the image in the minds of the customers, one very important thing which one must remember, at this stage is that, that image which you would like to create in the minds of the customer, is related to your marketing research, which has told you that this is the image customer would like to have about this kind of a product, along with your desire and your understanding as a product manager, who is instrumental in developing this product. So, you may add your value and values to that perspective, which you want to have in the minds of the customer at the end of the day. So, it is an all-encompassing kind of an exercise when we talk of positioning.

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Product Positioning

Perceptual mapping has various applications, such as:

- Positioning by **attribute**: a specific product characteristic or attribute is emphasized, for example, 'Think small' of the Volkswagen 'Beetle'.
- Positioning by **benefits**: emphasis is given to the benefit provided to the customer, for example, 'Boost is the secret of my (our) energy.'
- Positioning by **application**: emphasis is given to the product use, for example, Moov's 'Aa se Aha Tak', 'Move lagakar' (Apply Moov before you sleep).

Source: Avlonitis, G., & Papastathopoulou, P. (2006). Product and services management. Sage Publications.

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Perceptual mapping has various applications such as positioning by attribute, attribute we have referred to already and that is how all those terms are coming, to our use now. So, you see, a specific product characteristic or attribute is emphasized. For example, think small of the

Volkswagen beetle, a very fine car, it is a one of my personal likings. But again, the point is, that is, how they project it.

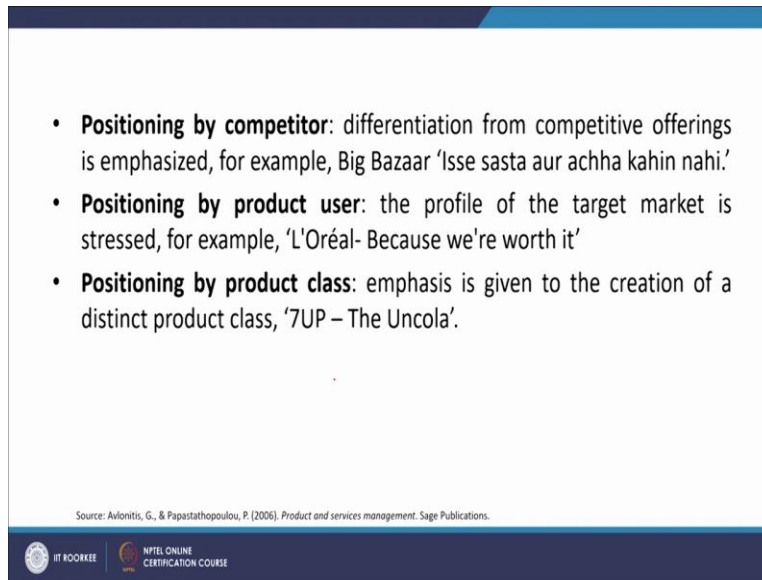
So, it is an efficient car, a wonderful drive, an engineering marvel, since it was developed. And the positioning is related to things, small, the appropriateness of the size for the particular usage of the customers and so on. Then, there are elements of positioning by benefits, emphasis is given to the benefit provided to the customer.

For example, Boost is the secret of my energy. Do you remember Mister Kapil Dev saying that and Mister Sachin Tendulkar, also within that same advertisement since ages it has been coming off when Mister Kapil was a star in Indian cricket, he has always been, he still is a star. And Mister Sachin Tendulkar, was a rising star and both of them they came up in this and all these stalwarts. Mister Sachin, became Bharat Ratna later on.

So, now you see, Boost is the secret of my energy actually, that is the particular level of benefit-based positioning, positioning by application. Now, emphasis is given to the product use. For example, Moov- aah se aah tak, aah means the expression of pain you know. Now, Moov lagakar, apply Moov before you sleep actually. And you see I saw Mister Bachchan talking about Himani fast relief- dard bhagaye chutkule mein, that attracted me towards that kind of Himani fast relief and when I had my shoulder pain, it really worked actually, definitely ingredients are good, and it is a beneficial product. So, that is why it is working.

But I do not know that assurance from Mister Bachchan was actually coupling up with or emphasizing upon the kind of relief I felt was working. Probably it was and that is where positioning comes in, dard bhagaye chutkule mein, kind of it works. Now, and it is not a prescription anyways, it is my personal experience, which I am sharing with you. So, it is a disclaimer that it is personal choice.

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- **Positioning by competitor:** differentiation from competitive offerings is emphasized, for example, Big Bazaar 'Isse sasta aur achha kahin nahi.'
- **Positioning by product user:** the profile of the target market is stressed, for example, 'L'Oréal- Because we're worth it'
- **Positioning by product class:** emphasis is given to the creation of a distinct product class, '7UP – The Uncola'.

Source: Avlonitis, G., & Papastathopoulou, P. (2006). Product and services management. Sage Publications.

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Positioning by competitor; you see differentiation from competitive offerings is emphasized. For example, Big Bazaar says isse sasta or acha kahi nahi. If you are sure of that, if you know that this is would be felt by the customer. And you see this is sometimes an overstatement, but big bazaar was sure of that. So, they came up with this kind of a statement and probably their customers would have felt it.

So, you see, that is where if you are sure of this, many times product do to try to emphasize comparative element but customer does not find it so justifiable they do not find it to be, I should not say trustworthy, but it does not confirms. So, that is why they do not buy this argument.

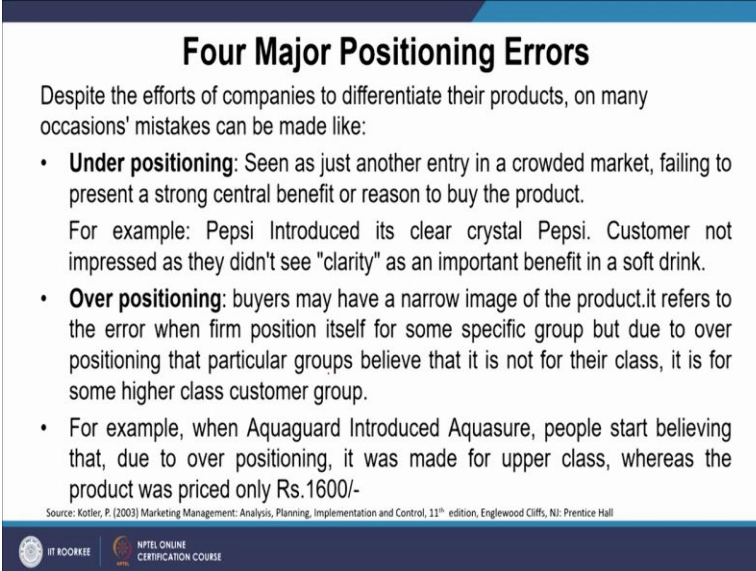
Positioning by product user; the profile of the target market is stressed for example. So, L'Oréal because 'we are worth it' and then that comes, from the side of the changes, which their customers would have expressed in due course of time. Dove also went for such kind of a beautiful campaign, a very emphasizing campaign, which converted this product into a brand in itself.

And that lots of case studies and you see in the field of marketing and business, whenever something is going on well, we take it as a case study and we enjoy it like anything basically in due course of time and Dove case study was discussed in almost all the B schools and one of the topmost B schools in the country, in Department of Management Studies, IIT Roorkee, where I am working.

So, that we discussed here as well. Now, positioning by product class; it is related to, wherein emphasis is given to the creation of distinct product class 7Up. Now, that is also interesting, and you see here we are getting flavour of integrated marketing communication. We are getting a flavour of the taglines.

We are getting a flavour of linguistic relativity, we are getting a flavour of imagination, which companies, product managers thought along with their customer's feedback or customer's insight expressed through a communication managers or creative artists or creators' thoughts actually. So, all these things they are getting in sequence, all together there are some errors related to positioning as well.

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Four Major Positioning Errors

Despite the efforts of companies to differentiate their products, on many occasions' mistakes can be made like:

- **Under positioning:** Seen as just another entry in a crowded market, failing to present a strong central benefit or reason to buy the product.
For example: Pepsi Introduced its clear crystal Pepsi. Customer not impressed as they didn't see "clarity" as an important benefit in a soft drink.
- **Over positioning:** buyers may have a narrow image of the product. it refers to the error when firm position itself for some specific group but due to over positioning that particular groups believe that it is not for their class, it is for some higher class customer group.
For example, when Aquaguard Introduced Aquasure, people start believing that, due to over positioning, it was made for upper class, whereas the product was priced only Rs.1600/-

Source: Kotler, P. (2003) Marketing Management: Analysis, Planning, Implementation and Control, 11th edition, Englewood Cliffs, NJ: Prentice Hall

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So, let us spend few minutes on these errors. See despite the efforts of companies to differentiate their products, on many occasions, mistakes can be made, like under positioning. Now, it is very interesting and how do we know that. You see, the point is whenever we try to start positioning our products, at that particular moment, we start actually tracking the positioning intensity exercise and effort we are making.

Because that is the only methodology that means, we start interacting with the customers in whose mind we are putting up the image of our product. And it is very simple for example, you talk to a small child about a particular fairy tale projected in a book. Now, immediately the child would express that how well the child liked that fairy tale.

For example, a particular movie. So, a cartoon character, for example. So, we immediately start getting to know and then we start customizing our message, before it fixes up as an image. Here, one must remember that image does not get formed instantaneously, almost all the times, I would say there are a few exceptions, but image does not get formed instantaneously.

So, it takes lots of time and it takes lots of time to get away as well. So, we have to be conscious on both the things and when it is getting formed, we have to follow the formation process of that image actually. So that it forms well. And it actually gels as I said, with the perception, which customer wants to carry about that kind of a particular product. For example, darr ke aage jeet hai, Mountain Dew actually, in their story, you know and then marketing the product, they have tried to change or I should say reposition the product for a different or vast kind of an audience or target market in due course of time.

But somehow their customer actually tried and projected and suggested that they should remain where they are in terms of the positioning and they came back with this- darr ke aage jeet hai, which is very successful. Mountain Dew as we all know is a very high selling product. So, see under- positioning is seen as just another entry in a crowded market, failing to present a strong, central benefit or reason to buy the product.

For example, Pepsi introduced its clear crystal Pepsi customer not was not impressed as they did not see clarity as an important benefit in soft drink. This is taken from several articles which came up about Pepsi I am not sure of the exact reason customer would have expressed in terms of the clarity, but somehow positioning did not work. That is a simple kind of a point of discussion. I am not denouncing Pepsi's effort or Pepsi's product basically here.

But again, the point is, that this is just an indication that this and if this would have worked, we would have said that clarity message has actually worked. And many times, you see, when we go for retrospective analysis, it becomes evident to us that this would have been the reason. Probably, it might not have been the reason actually. It is our understanding that that was the specific reason and so on.

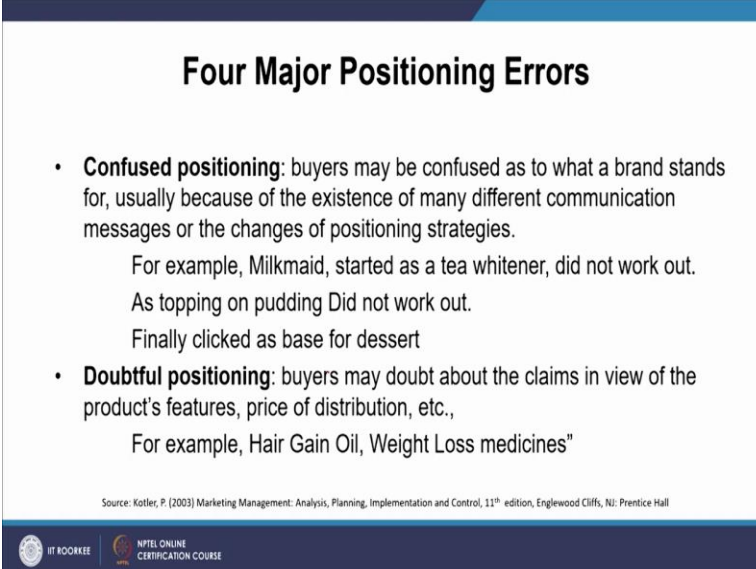
So, it is a matter of discussion and I am just putting an example in front of you over positioning. Buyers may have a narrow image of the product, it refers to the error when a firm positions itself

for some specific group, but due to over partitioning that particular group, believe that it is not for their class, it is for some higher-class customer group and so on.

And there have been several products which have been introduced with kind of a projection, I remember of, a fabric or shirting and shooting advertisement, which actually projected that to be meant for with a high paying capacity. And although, the price of the product was not so high. So, in reality, it was actually meant to project itself for people who want to pay less or who want to purchase a fabric for a common usage, I should say, anyone who can purchase that.

But somehow it mixed up and it could not do so well. Again, as I am saying at this moment, when you look at that retrospectively, you can point out at positioning perspective, although probably there would have been other reasons responsible for that as well, but the message is clear that positioning is an important element.

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Four Major Positioning Errors

- **Confused positioning:** buyers may be confused as to what a brand stands for, usually because of the existence of many different communication messages or the changes of positioning strategies.
For example, Milkmaid, started as a tea whitener, did not work out.
As topping on pudding Did not work out.
Finally clicked as base for dessert
- **Doubtful positioning:** buyers may doubt about the claims in view of the product's features, price of distribution, etc.,
For example, Hair Gain Oil, Weight Loss medicines"

Source: Kotler, P. (2003) Marketing Management: Analysis, Planning, Implementation and Control, 11th edition, Englewood Cliffs, NJ: Prentice Hall

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Confused positioning; do not take it as a technical term, it is a term which has been used by several authors and we have referred to the source here. So, we are referring standard books here. Now, you see confused positioning is where buyers may be confused as to what a brand stands for, usually because of the existence of many different communication messages or the changes of positioning strategies.

It has happened in case of several products related to milk or many times automotive we have seen that it was projected in a particular fashion and somehow and I remember there was a

motorbike launched in India long back wherein different colours of the motorbike was, they were projected, several attempts were made to project that motorbike, which was definitely a fairly good vehicle. But somehow it did not work.

There were several products by many automotive manufactures which were actually related to best of the brand ambassadors also and very good products at the launch levels, but somehow could not sustain the sales level in due course of time and you can just think of those and you can just count on those and you can just go into the history of how somehow it did not connote the kind of expectation customer wanted to have about that kind of product.

Doubtful positioning also is there when buyers may doubt about the claims in view of the products features, price of distribution and so on and it happens many times in case of hair gain products or weight loss products and so on. I tell you one thing very honestly, these products, the product manager wants you to use these products and work upon the prescription associated with these products. That means that is how you will maintain the usage of these products and that is how you will work along with these products.

We feel that we will put hair gain products and keep on going the way we have been in terms of not carrying our hair that much, and we will save our hair. Believe me, I have kind of sort of seen people who have not enjoyed that. And although do not look at me like that I have not used any hair gain oil till now. It is a natural loss which I am going through.

So, and weight loss I have seen many people trying weight loss prescriptions and care products and not working along with that and then blaming the products so that is kind of and I am not denouncing any customer here and not denouncing any person here, it is just a personal observation and many times an element of experience.

But, the message that I want to bring in front of you is that positioning is related to the image which the product manager wants to create in the minds of the customers on the basis of the research he would have gone through, wherein customer would have told that this product should be projected as this, that is what I expect out of this product.

And then the creator puts up a message in association with that. So, I will leave you with the thoughts which we have discussed in this session around positioning, I will be coming back to you with several other elements which are very important in terms of positioning with some case

studies or let us say short stories, and then I would be putting up some elements which are, let us say, which will elaborate your view regarding positioning basically, a non-linear view related to positioning, so bear with me till then, goodbye.