



Positioning a Brand on the Market

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Abstract: *Brand positioning is a process of creating an impression of a brand in the consumer's awareness using different strategies, including prices, promotion, distribution, packing and competitiveness. Positioning is an act of modeling the offer and reputation of a company so that it can specially position itself in the consumer's awareness on a target market. In order to create a positioning strategy, a brand's unique characteristics need to be identified and what differentiates it from the competition needs to be determined. Positioning calls for the identification of a target market, the identification and analysis of the competition and a brand's optimal points of parity and points of difference. Competition can be researched from the point of view of the industry (branch) and from the point of view of the market itself. Brand mantras are used to position a brand, indicating what the brand offers and for what reason it is superior in relation to other competitive brands. While standard brand positioning models are based upon detailed consumer, company and competition analyses, there are also newly appearing creative approaches to brand positioning, such as storytelling or a journalistic brand chronicle.*

1. INTRODUCTION

Brand positioning is a process of creating an impression of a brand in the consumer's awareness so that the consumer can connect a brand with something specific and desirable, which differs it from the rest of the market. Positioning is "an organized system of finding out a window in the mind using different strategies, including prices, promotion, distribution, packing and competitiveness" (Ries and Trout, 2001). In one word, brand positioning relates to the "target consumer's" reasons for which he or she opts for that particular brand, not another one. In order to create a positioning strategy, unique brand characteristics need to be identified and what differs it from the competition needs to be determined. The possible steps which may be used to clarify a company's position on the market are as follows:

1. to determine the current position of a brand,
2. to identify direct competitors,
3. to understand how competitors have positioned their brands,
4. to compare the company's own position with the competition with the aim of determining the company's own unique characteristics – points of difference,
5. to develop a value-based positioning idea,
6. to devise a positioning statement which communicates the values of the brand to consumers in relation to the main competitors, and
7. to test the efficiency of the positioning statement.

The positioning statement defines who it is intended to (target consumers), the market, it states the promise the brand makes and the reasons for consumer, i.e. user trust. So, at the time when it was

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only engaged in selling books, the Amazon.com company used the following positioning statement: “For users throughout the world who enjoy books, Amazon.com is a book retailer enabling them current access to over 1.1 million books. Differently from traditional book retailers, Amazon.com offers a combination of exceptional conveniences, low prices and an enormous choice.”

Positioning requires the identification of the target market, the identification and analysis of the competition and optimal points of brand parity and points of brand difference. Positioning is an act of modeling the offer and reputation of a company so that it can specially position itself in the consumer’s awareness on the target market. In other words, the goal is to “embed” a brand in buyers’ minds in order to make the maximum increase in benefits for the company.

2. IDENTIFYING COMPETITORS

The competition identification implies the determination of the competitors with whom companies are competing on the market. So, Pepsi Cola is the biggest competitor to Coca-Cola, the Bank of America is the biggest competitor to Citigroup, Apple is the biggest competitor to Microsoft, and so forth. The competition accelerately responds even to the companies which are the first to launch a new, but profitable, product by often introducing a cheaper or innovated product. For that reason, it is necessary that competitors’ activities should constantly be monitored and analyzed.

Research in the competition can be done from the point of view of the industry (branch) and from the point of view of the market itself (Shocker, 2002). A branch comprises a set of the companies offering a product or class of products which are closely interrelated. From the point of view of the market, competitors are companies satisfying the same consumer needs.

3. ANALYZING THE COMPETITION

Apart from identifying competitors and their strategies, it is also necessary to determine what every competitor seeks on the market and what initiates their respective behaviors. For that purpose, the past of such competitors, goals, the management, and the current financial situation are analyzed. The competition can be analyzed by means of a SWOT (strengths, weaknesses, opportunities and threats) analysis or some other similar analyses. A company should identify competitors also using industrial (branch) and market analyses. In the competition analysis, it is important that the points of difference and the common points in relation to competitors should be determined.

4. THE IDENTIFICATION OF OPTIMAL POINTS OF PARITY AND POINTS OF DIFFERENCE

The competition’s reference framework defines the associations consumers use in order to estimate points of parity, i.e. points of equality, and points of difference. Points of difference (PODs) are the characteristics or benefits of a product or service which establish a connection between the buyer and the brand, with respect to which they believe they will not find any such with competitors, i.e. which are estimated as unique for the brand by buyers. Points of difference are determined by the three criteria: desirability, deliverability and difference. Buyers or users consider a brand to be desirable if they may benefit from it in this or that way. Deliverability implies a company’s ability to maintain the association with the brand in buyers’ thoughts, which is a

special challenge for fashion industry companies, such as Fendi or Prada. Being different from the competition implies the ability to achieve associations in buyers with the fact that the brand is different from and superior to competitors. Having these three characteristics creates a point of difference creating in buyers' minds a feeling that Louis Vuitton bags are the most elegant or that Energizer batteries last longest. Differently from points of difference, points of parity (POPs) are associations with the characteristics or benefits that can also be found with other brands within the same category, as is the case with beer producers. Some consumers opine that light beer can never have such a good taste as full-taste dark beer can, but there will have to be a sufficiently good taste to constantly be bought by buyers.

The final result of positioning reflects in the successful creation of a value proposal, i.e. the reason for which the target market should buy a particular product. Table 1 shows the ways in which three companies, namely Perdue, Volvo and Domino's, have defined their respective value proposals in relation to their target buyers, benefits and prices (Kotler and Keller, 2012).

Table 1. The examples of the value proposals

Companies and products	Target buyers	Benefits	Price	Value proposal
Perdue (chicken meat)	Chicken meat buyers to whom quality is important	Softness	10% premium	Softer yellow chicken meat at a medium-high price
Volvo (caravan)	Well-off families to whom safety is more important	Durability and safety	20% premium	The safest and the most durable caravan in which you can drive your family
Domino's (pizza)	Pizza lovers wanting conveniences	A quick delivery and a good quality	15% premium	A good hot pizza delivered at the door within 30 minutes at a moderate price

Source: Kotler and Keller (2012)

Points of parity are the common values between a brand and its competitors, and those values are the common denominator defining the whole category.

However, errors are sometimes made in positioning. Some of them are as follows:

1. under positioning, which occurs when the consumer has a vague and unclear idea of a brand,
2. over positioning, which occurs when the consumer's brand awareness is too limited,
3. confused positioning, which is a scenario when the consumer has a confused opinion of a brand, and
4. double positioning, the situation when the consumer does not accept the brand postulates.

Issues pertaining to the creation of a strong, competitive brand and its positioning can also appear due to the fact that the many characteristics or benefits that make points of parity and points of difference are negatively intercorrelated. Contradictions can be as follows:

1. "cheap" versus "of the highest quality",
2. "powerful" versus "safe",
3. "a good taste" versus "low caloric value",
4. "strong" versus "refined",
5. "present everywhere" versus "exclusive", and
6. "diverse" versus "simple".

Unfortunately, consumers most frequently want to use up both negatively intercorrelated characteristics to the maximum, such as *cheap* and *of a quality*. For the reason of that fact, companies are often forced to balance in-between those extremes.

5. BRAND MANTRAS

Brand mantras are means for brand positioning which indicate what a brand offers and for what reason it is superior in relation to other competitive brands. Brand mantras are most frequently phrases consisting of three to five words indicating the brand essence and providing employees, associates and users with pieces of information about a product or service. Because of that, a brand mantra is said to be an expression of the heart and soul of a brand. They are the most efficient when they include a brand's points of difference and when they indicate what makes a brand unique.

According to (Kotler and Keller, 2014), a good brand mantra should:

1. constantly maintain a good communication with product and service users,
2. be short, fresh, figurative and unforgettable, and
3. inspire.

Consumers most easily perceive differences related to product or service types, as is the case with modern watches of different colors manufactured by the Swatch company. Companies' brands on the market can differ from one another according to the quality of their employees, since the employees who are better trained render a more superior service. For example, the Singapore Airlines company enjoys exceptional reputation for the most part due to their stewards and stewardesses. Companies can build strong, persuasive brands which are to the advantage of consumers' social and psychological needs.

6. THE EMOTIONAL CREATION OF A BRAND

The rational quality of a brand comprises the three dimensions: the quality of a product, the quality of a service, and the quality of the distribution, whereas the advertising style, the brand image, the manufacturer's state brand and the seller's personality are the emotional dimensions of a brand. Both rational and emotional dimensions of a brand exert a positive influence on buyer satisfaction and brand loyalty (Elsässer and Wirtz, 2017).

Both the head and the heart have their own respective roles in product or service positioning. Consumers make rational decisions, having the need which they want to satisfy estimating the quality or price of a product or service, on the one hand, whereas on the other, they make decisions led by their emotions. For the reason of that fact, companies frequently also aspire to improve their advantages on the market by exerting an emotional impact on consumers. The emotional creation of a brand is becoming an ever more important way of connecting with buyers and differing from the competition. Research found that women were not only buying the Mederma scar treatment product for physical treatment, but also to raise their self-confidence. An emotional reaction to a brand depends on brand authenticity. Brands considered to be authentic and original, such as Johnson & Johnson, can provoke trust, attachment and strong loyalty. Brands which successfully emotionally differ from each other can also be very lucrative, financially speaking. There are those who consider that the three factors (strong corporate culture focused on people, a different philosophy and communication style, and a persuasive emotional fishhook) are important for the emotional side of a brand (Gobé, 2001).

7. ALTERNATIVE APPROACHES TO BRAND POSITIONING

Standard brand positioning models are based upon detailed consumer, company and competition analyses. In recent years, however, new creative approaches to brand positioning have appeared.

Brand positioning through storytelling is one of the alternative ways to position a brand. Creating a brand through storytelling is based on the metaphors which are connected with people's remembrances and associations, stories about a brand using words and metaphors simultaneously being especially important, establishing a connection between the consumer and a brand, the common points with a brand, the visual brand language or expression, the way how a story is empirically expressed, i.e. how a brand has aroused feelings and the role a brand plays in consumers' lives (Ringer and Thibodeau, 2018). The concept of "the primeval creation of a brand" perceives a brand as the complex elements of conviction. Different brands, such as Google, MINI Cooper, Starbucks or Apple, have "the primeval code" or the DNA echoing in their consumers' minds and arousing their passion and zeal. The seven elements making up the conviction system or the primeval code are the story about the creation, faith, the icon, the ritual, the holy words, a behavior towards nonbelievers, and a good leader (Hanlon, 2006).

The approach to brand positioning referred to as the "journalistic brand chronicle" is based on the attitude that marketing experts should constantly be sending different messages to different market segments (children, teenagers, youth, grown-up persons, parents, elderly persons), differently during breakfast, lunch, dinner, during the working hours, weekends or on business trips, just as the same is done every day by journalists in journals, magazines and other media. In that manner, potential buyers as per target groups would constantly be informed about everything that is going on about a brand (when and where it can be bought, at what prices, which discounts are available, when sales are organized, which novelties/innovations are being introduced, and so on).

8. CONCLUSION

Positioning requires the identification of a target market, the identification and analysis of the competition and optimal brand points of parity and points of difference. The identification of the competition implies the determination of the competitors with whom companies are competing on the market. For that reason, it is necessary that competitors' activities should constantly be monitored and analyzed. In analyzing the competition, it is important that points of difference and common points in relation to competitors should be determined. Points of difference are the characteristics or benefits of a product or service which connect buyers with a brand, for which they trust that the same will not be found with competitors, i.e. those which buyers consider to be unique for a brand. Points of difference are determined by the three criteria: desirability, deliverability and difference. Differently from points of difference, points of parity are the associations with the characteristics or benefits that can be found in other brands, too, i.e. they represent the common values between a brand and its competitors. Brand mantras are a means to position a brand indicating what it is a brand offers and for which reason a brand is superior in relation to other competitive brands. Standard brand positioning models are based upon detailed consumer, company and competition analyses. In recent years, however, new creative approaches to brand positioning, such as storytelling and the journalistic brand chronicle, have emerged.

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