

THE PROCESS OF DEVELOPING THE CONCEPT OF POSITIONING

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The article considers theoretical aspects of positioning determination and reveals the nature of product positioning in the market. The method of the process of developing the concept of positioning using a number of steps is substantiated. These steps are applicable to products and services in the domestic and international markets. The positioning of the products forms the basis on which the marketing strategy is built.

Key words: positioning, market, consumer, product, segmentation, conception.

An important step in the selection of the direction of company's activity marker orientation consists in the determination of the product's position on certain market segments. The position of the product – this is the opinion, above all, of a certain group of consumers of the target market – segments with respect to the most important properties of the product. Jack Trout points out that the positioning is the “operation on the minds of potential customers” [7, p.55]. It should be noted that he was the first person who introduced this term in marketing terminology.

First of all, we consider the theoretical aspects of the positioning concept. We can emphasize three main approaches to the interpretation of the term “positioning”: the positioning as a strategy, the positioning as a concept, and the positioning as a set of activities.

Positioning as strategy: Jean-Jacques Lebel determines the positioning strategy as the “elaboration of the company's project and message about it” [5, p.32]. This should allow the company to attract the attention of the target audience. Philip Kotler notes that the positioning is a strategy, and defines it as the action on the formation of the company's offer and its image, aimed at to win the recognition of the target group of consumers [2, p.123].

Positioning as a set of activities

According to Jacques Landrevi, Julien Levy and Denis Lindon, the positioning is the policy of company's influence on the customer's perception of its offers [4, p.5].

Tim Ambler considers that the positioning is a set of tools which held at the creation of the brand's image, and this image shall differ more advantageous as possible from the rival's brand [1, p.21].

Positioning as conception: Jack Trout notes that it is important to build the positioning on a strong conception; this will allow emphasizing the company through the rivals [6, p. 256]. David Krevens determines that the conception of positioning as statement of the essence of the company's offer indicating the ability of the organization to satisfy the needs and preferences of the consummators [3, p.45]. The conception of the company's positioning shall proceed from the reasons why the consumers will prefer to deal with it, and not with its rivals, and to transmit these reasons on the target audience.

In other words, the *concept of the positioning* is a statement of the essence of the company's offer, taking into account the needs of the target segment, the expectations of other public groups and the benefit considerations for the company.

The authors of the book "Merkator" [4, p.89] mark that when choosing the statement of the concept is necessary to consider three points.

1. The shape of the positioning should be simple, clear and understandable
2. The theses in which the company expresses its positioning should be attractive, original and credible.
3. As an important positioning characteristics it should be stated its effectiveness and duration of impact, which is only possible when it is possible only with an allowance of segment's potential to which it is directed.

According to the author, we can draw the following conclusion: the positioning is quite complex concept that is not limited to the process of developing the concept and choice of positioning strategy, but it should also include a set of measures that will ensure the product a competitive advantage from the point of view of the targeted consumers.

The main factors that determine the position of the goods on the market are price, quality, design, discount, before and after-sales service, product and company image, etc.

Positioning includes a set of marketing items, by which people are taught that the product is designed specifically for them. This may be a variety of positioning methods:

- the method based on the realization of certain advantages of the product and satisfaction of specific needs;
- the method based on the positioning through a particular category of consumers who already bought the goods or by comparing the product with competitors' products;
- the method of goods positioning on a particular segment of the market through the organization of efficient advertising and sale promotion.

The development of new product conception of positioning in the minds of the buyers or repositioning of an existing product on the market comprises a number of steps. Various authors define this process in different ways, even the number of steps varies.

For example, J. Graham. Huley identifies three positioning phase [7, p.65].

These steps are applied to goods and services in domestic and international markets, on new and existing goods.

In his turn, Khrutsky V.E. divides this process into 7 steps [8, p.10]:

Step 1: to determine the appropriate set of competitive products

At the company or the business unit level, such analysis helps define how the company in whole or the business unit is positioned relative to their competitors. At the level of product category analysis examines the perception of buyers of goods types which they can be considered substitutes, satisfying the same basic requirements. To evaluate the position of the new product on the market, the marketer has to get an idea of the buyer's perception of a new product with respect to possible interchangeable goods on various attributes defining it, which corresponds to steps 3 and 4, the positioning process.

Step 2: to determine defining attributes

The positioning can be based on a number of attributes, which include the desired characteristics or gains.

The question is how a marketer can find out what product parameters are defining attributes. This task typically requires some market research. According to the results of such studies are based perceptual maps that depicted the investigational product with the help of the most important parameters in the eyes of consumers.

Assessing the market position of various products, consumers are doing it from the point of view of its benefits, advantages. Therefore, any company should seek out reserves providing additional benefits and welfare to its customers, whether it concerns the higher quality of goods and services or providing them at cheaper prices.

Analysis of potential sources of provision of greater value to customers can be carried out with the help of so-called value chain. The value chain includes all activities of the company (chain links), aimed at creating value for the customer. In the classical model of the organization of these activities are included the development, production, marketing, sales and support of its products. These activities are grouped into five main types (input logistics –ensuring the manufacturing operations with all necessary; manufacturing operation – the release of the finished products; input logistics – handling of finished products; marketing, including marketing, and services) and four support activities (company's infrastructure – provision of good administration, finance, planning, human resource management, technological developments, procurements

involving the acquisition of all necessary for the conduct of the main activity). The supporting types of activities are related to the conduct of main activities. Its mission is to verify the costs and output parameters of each of the nine types of activity and finding ways to improve them. By comparison of these data with those of competitors are identified the ways of winning competitive advantages. For each chain link there is a question: "Do we create value for the customer by the most efficient method in terms of cost?"

And so every activity should be analyzed from the point of view of the provision of goods to the consumer, and determination in what costs this will come.

This brings us to Step 3.

Step 3: collect information concerning the consumer's perception of the competitive goods

Having defined the set of competing goods, the marketer needs to find out which attributes are crucial for the analysed target market and product category. Also, he must figure out how various products in a set of competitive products are assessed by the customers on these attributes. Usually, this market knowledge is collected primarily through qualitative research, such as interviews with focus groups, conducted in order to identify the defining attributes. This is followed by a quantitative analysis, such as consumer survey regarding their perception, to collect information about how competing products are evaluated on individual attributes. This is followed by a quantitative analysis, such as consumer survey regarding their perception for the purpose of collection of information about how competing products are assessed on individual attributes.

Step 4: to analyse the current position of the products in the competitive set.

Whether positioning process is directed to new product, not yet introduced to the market, or repositioning of product that already exists, it is important to provide a clear understanding of the positioning of products which have been identified as belonging to the competitive set (see. step 1). A useful tool for the achievement of this goal is a positioning grid, also called perceptual map.

As the parameters in the elaboration of the positioning maps, you can choose different pairs of characteristics describing the investigational product. Often these couples are chosen according to the result of the consumer's survey, for example, according to the following pair of characteristics: the level of sweetness and quality of packaging.

But not all products or trademarks exist in the minds of most consumers. Many, if not all the trademarks are memorized poorly or are not remembered at all by consumers. For example, over the past 10 years it has been presented more than 200 new non-alcoholic beverages, most of which buyers did not notice or did not remember [7, p.56]. Therefore, the first step in the conquest of the trademark with a distinctive position is the creation of brand information. For the achievement of this goal, the trade mark must be strongly associated with one or more ideas on buying decisions. The distinctive position is most easily achieved by creating a close relationship between the trademark and a limited number of attributes. The determination of attributes, on which the positioning of the products will be based, is the basic result – process of the positioning.

Step 5: to determine buyers' the most preferred combination of attributes

There are several methods by which the analysts can determine the consumer's preferences and include them in the positioning analysis. For example, the respondents who participated in the survey may be asked to invent a perfect product which has an ideal combination of attributes (from the buyer's point of view). Then, the respondents are asked to rate their perfect product and the existing products according to a number of attributes.

Another method of assessing consumer's preferences and compromises between them, a statistical method called joint analysis. The customers are asked about their preferences for various real or hypothetical products, each of which has attributes which are systematically changed. By analysing the resulting data, a marketer can find out which of several attributes are more important than others. Then, these results can be used during the conduct of positioning analysis.

Step 6: to examine the correspondence of possible positions of the consumers' needs and the attractiveness of the segment

An important criterion in the determination of the market segments is the difference in the benefits that are looking for different buyers. Due to the fact that the differences between the ideal points of buyers reflect the differences in the benefits that they are looking for, the analysis of market positioning can simultaneously identify specific market segments, as well as the perceived position of different trademarks. When the ideal points of buyers are grouped into two or more locations on the map of commercial space, the analyst can consider each group a separate market segment. For analytical purposes, each group is represented by a circle, which contains most of the ideal points for this segment; the size of the circle reflects the relative share of buyers within a particular segment.

Step 7: to draw up a report about positioning or the value of the offer for the administration developing the marketing strategy.

The final decision on how to position a new trademark or reposition the existing one, it should be defined both by the analysis of the target markets and the results of the analysis of market positioning. The selected position should comply with the preferences of a particular market segment and take into account the current position of competing trademarks.

Provided that there is no real distinction between the products as in the case of so-called products of “me too” or differential outputs for the user, it is difficult to achieve success. Furthermore, some ethical problems may arise. When it is determined the desired product positioning, it is good to fix it, so those who are responsible for development and implementing the marketing strategy to have a clear understanding of what is planned in relation to the product and how it will be positioned in relation to the other products from the competitive set. For this purpose, usually two approaches are used. According to the classical approach, it is written a report about the positioning. A newer approach, which takes a growing number of companies, includes the drawing up of the value proposition in respect of the goods.

It is important that the positioning report or value proposition to be outlined the benefits that consumers receive the goods, rather than the characteristics or attributes of the product itself or inexplicit or doubtful and banal statements about the high quality and excellent service. Under the benefit, we mean almost measurable results which the consumer will receive from the use of this product in comparison with the others.

Therefore, the positioning report or value proposition in the literal sense is the basis on which the marketing strategy is built.

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