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Marketing in the Global Environment

Week Five | Lecture One

POSITIONING: WHERE YOU STAND IN THE MARKETPLACE

You've developed a new product. What's next?

If you're like most businesses, you tell customers about the remarkable features of your product. When product features are compelling enough to bring customers in the door, that kind of *look what I've got* strategy makes sense.

But when you are fighting for market share, particularly against a dominant company or product, a different strategy may lead to better results. You may try to reposition your product within the customer's mind.

Think of what pops into your head when you recall the best computer maker, the best car, the best school. Whatever comes to mind for you, these organizations have worked hard to create a *perception* that their product is the best.

THE POWER OF PERCEPTION

We all apply some rough ranking to products, putting them on a kind of ladder of preference. You rank the product you buy every day versus the product you buy for special occasions. Most consumers will only rank two or three products, with all the others grouped together as also-rans (not a place you want to be). Note that people's perceptions of the best brands may have little to do with which are actually the best or even which sell the

best. Brands that occupy one of the top two positions on a ladder have a tremendous advantage.

There are many ways to achieve this kind of positioning, based on attributes, benefits, uses, and quality. But for simplicity's sake, let's look in depth at one frequently used method to move your product up the ladder of preference: positioning your company in relation to a competitor. We'll start with a few examples of strategies that have worked.

An example of competitor positioning from a few years ago is the "I'm a PC, and I'm a Mac" TV ads. Two guys are talking on screen: one is dressed in jeans and looks like a young Steve Jobs. The other, dressed in a stodgy brown suit, resembles an overweight Bill Gates. As they discuss the merits of the PC versus the Mac, the Gates character is always bringing up and defending the PC's shortcomings, such as speed and security, while overtly trying to show the Jobs character that the PC is better. The end result, of course, is that the PC always comes across as inferior to the Mac.

[Visit <https://www.youtube.com/watch?v=C5z0la5jDt4> to view]

These ads are effective for three reasons:

1. They use humor to make the ad attractive to viewers while softening the attack;
2. Apple never attacks the PC directly, but rather allows the PC to bring up its own shortcomings;

3. Each ad focuses on only one advantage of the Mac and one disadvantage of the PC.

The overall impact of more than a dozen ads was overwhelmingly negative for the PC's image.

The ads were so effective that Microsoft launched its own set of "I'm a PC" spots, featuring various types of people who use a PC to counteract the positioning that Apple had created.

[Visit <https://www.youtube.com/watch?v=HrmF-mPLybw> to view]

Another classic example, from a few years further back, is Listerine versus Scope. Listerine dominated the mouthwash market when Scope was first introduced. Scope marketers could have simply used a *me too* approach, advertising that "Scope stops bad breath," a claim that Listerine already used. Instead, Scope focused not on the consumer problem that its product cured, but rather on the consumer problem its competitor caused. Listerine's weak spot was the antiseptic smell it left on people's breath.

Scope skewered Listerine with the slogan *medicine breath*. Scope took millions of dollars away from Listerine with those two words and positioned itself in consumers' minds as the *fresh breath* mouthwash. The lesson: look for a problem, no matter how small, that your competitor's product or service causes as it solves the buyer's primary problem. Then, exploit that weakness.

Tylenol used the same positioning strategy when it was an unknown painkiller in a marketplace that Bayer aspirin dominated. Tylenol didn't just claim to stop headache pain, thus going head-

to-head with Bayer. Instead, it found a small weakness—the problem aspirin caused while it was curing a headache. Tylenol discovered a small but significant number of users who said aspirin caused stomach irritation. Doctors also said aspirin sometimes caused hidden stomach bleeding. It was a huge opening for Tylenol to exploit with better positioning.

Think of your dominant competitor as a large castle. Rather than a frontal attack (the *me too* approach), look for the small door around back that's been left unguarded. Tylenol did just that. Its ads trumpeted a constant message: “Did you know aspirin is proven to cause stomach irritation and even hidden stomach bleeding?”

After creating the fear of hidden stomach bleeding, its ads offered a substitute that relieved pain and didn't upset the stomach—new Tylenol. Through this strategy, Tylenol positioned itself ahead of Bayer in the minds of consumers worried about their health, and took a sizable share of Bayer's market.

HOW TO SUCCESSFULLY POSITION YOURSELF AGAINST A COMPETITOR

As we've seen, some tried-and-true lessons apply. The following are steps to take in developing a competitor-positioning strategy:

- 1. Analyze your chief competitor's product for a back-door vulnerability.**

Ideally, focus on a feature your product doesn't have. Study a competitor's website and advertising messages. Pore over research. And, most importantly, talk to customers.

Stolichnaya vodka ads once emphasized that its competitors' vodkas were distilled in Pennsylvania, Indiana, and Connecticut. By emphasizing the U.S. origins of competitors, Stoli made many consumers feel they were getting an inferior product, just because it wasn't real Russian vodka. Most attempts at competitor positioning simply point out a fact consumers may have overlooked ("Did you know that . . . ?"). They take a concerned, matter-of-fact approach. Some of the most successful positioning delivers a knockout punch with humor. They don't make it personal, or nasty.

2. List all the potential problems with your competitor's product.

Look at matters from the viewpoint of the consumer. For each item on the list, ask yourself, could this problem create a fear among consumers that they would seek to reduce by buying an alternate brand? Remember, you're trying to take your competitor's place on the ladder inside the consumer's mind.

3. Create advertising messages that emphasize your competitor's problem.

The problem may be physical, social, or psychological. Because people generally care what others think about them, a social approach is often effective. The Scope ads began with people talking about a Listerine user as "old

medicine breath" behind his back. Many people never gave a thought to medicine breath until repeated advertising viewings caused them to think of it as a problem.

4. Show how your product does everything your competitor's does, but without the problems.

The end of every Scope ad basically said, "We've got a mouthwash that stops bad breath—and makes your breath smell fresh! And look how fresh breath attracts romantic partners!" Coupling a fear-based appeal with a desire-oriented message is often tremendously powerful.

5. Try to move up a new ladder in the consumer's mind.

Scope and Tylenol focused on one particular problem that made their competitor vulnerable in the minds of some consumers. They took market share by creating their own related ladder in consumers' heads and putting their product on the top rung. Tylenol became the first choice of that subset of headache sufferers who worried about stomach irritation.

Scope was the choice of those who wanted fresh breath. Another good example is NyQuil, which created a related ladder in the cough syrup market that it called "nighttime cough syrups," and then claimed the top spot.

6. Keep at it.

In today's world, commercial messages are extremely hard to pound into the heads of consumers—they are exposed to over

3,000 of them every day. It takes constant repetition over time. Emphasize the same message over and over, month after month, until your sales figures show you've moved up the ladder. Use research to reassure yourself that you have focused on the right positioning, then give your strategy time to work. Remember, you are creating an image of your product, as well as your competitor's, that will be around for a long time. One reason the Mac versus PC ads were so effective is that they played repeatedly, using new spots to keep up audience interest.

7. Look at your own product.

Where are you vulnerable to attack? Could a competitor position you out of a big chunk of your sales? You are vulnerable somewhere. Find the open door in your castle walls and lock it. By the way, your weakness could also be your assumptions. Hershey, king of chocolates, thought it was so well known, it didn't need to advertise. By the time it noticed that Mars was outcompeting it with M&Ms, it had lost millions and the top spot in candy making.

While this is a brief look at only one aspect of the complex strategy of positioning, used properly, these ideas can offer powerful techniques for grabbing market share from your competitors—and keeping it.