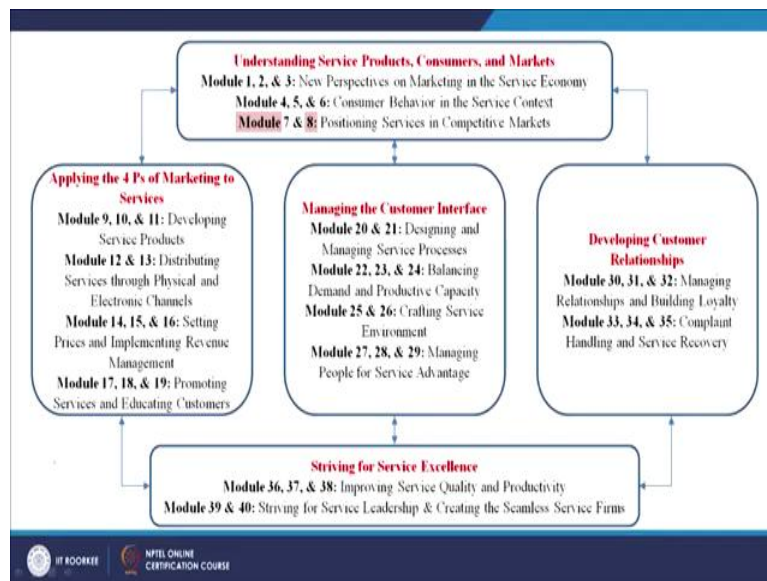


Services Marketing: Integrating People, Technology, Strategy
Professor Zillur Rahman
Department of Management Studies
Indian Institute of Technology, Roorkee
Lecture 08
Positioning Services in Competitive Markets Part II

Welcome to this course on Services Marketing and we are talking about the first section, that is understanding service products, consumers and market and we have started discussing about positioning of services in competitive market.

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Module 7 and module 8, they are dedicated to this Positioning Services in Competitive Markets. We have seen about segmentation, targeting and positioning in module 7.

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POSITIONING SERVICES IN COMPETITIVE MARKETS

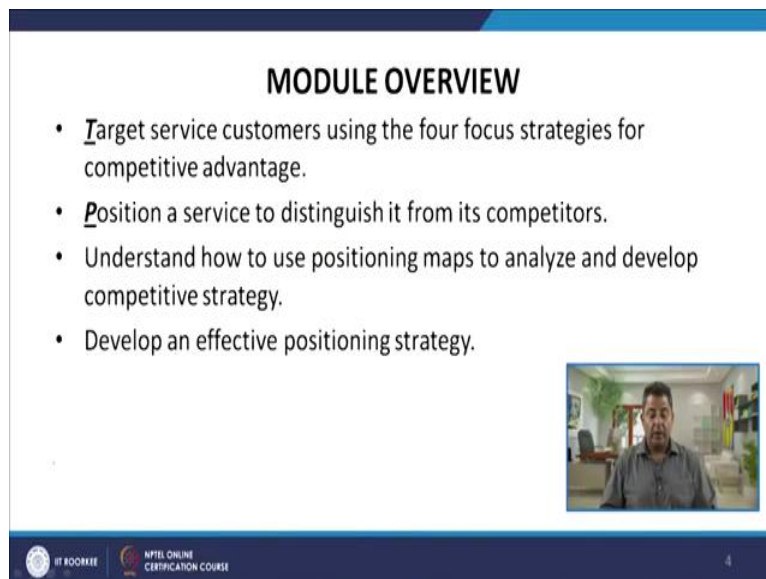
MODULE - 8

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Now, let us discuss about the module 8. And we are continuing with this topic of positioning of services in competitive markets.

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MODULE OVERVIEW

- Target service customers using the four focus strategies for competitive advantage.
- Position a service to distinguish it from its competitors.
- Understand how to use positioning maps to analyze and develop competitive strategy.
- Develop an effective positioning strategy.

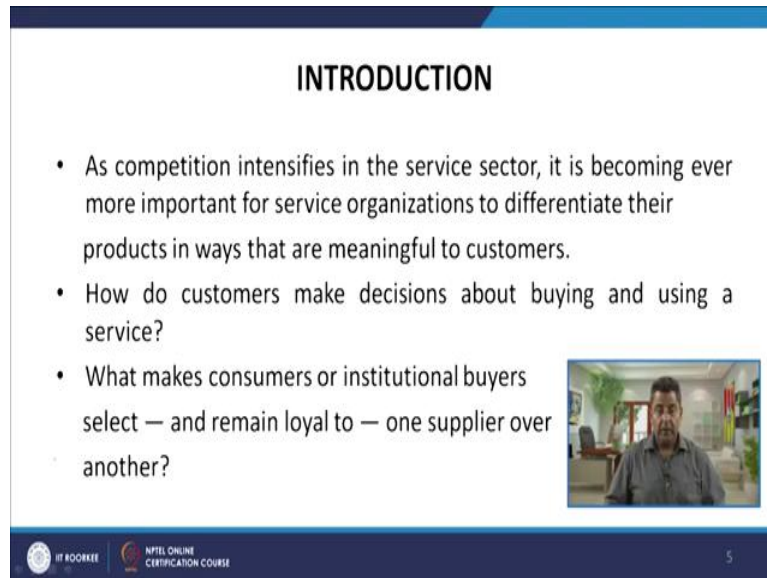
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So, we will talk about how to target service customers using the four focus strategy for competitive advantage. So, first is, how do we go about targeting the service customers and then position a service to distinguish it from competitors. So, in this module, we will be more concerned as we were concerned, more concerned with segmentation in the 7th module, in this 8th module we are concerned with targeting and positioning. Then we will understand

how to use positioning maps to analyze and develop a competitive strategy, and thereafter, we will develop effective positioning strategy.

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INTRODUCTION

- As competition intensifies in the service sector, it is becoming ever more important for service organizations to differentiate their products in ways that are meaningful to customers.
- How do customers make decisions about buying and using a service?
- What makes consumers or institutional buyers select — and remain loyal to — one supplier over another?

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To introduce this module, as competition intensifies in the service sector, it is becoming ever more important for service organizations to differentiate their products in ways that are meaningful to the customers. So, as I have mentioned earlier in the module 7 also, it is not only about differentiation, but it is about meaningful differentiation, meaningful to the customers. How do customers make decision about buying and using the services? What makes consumers or institutional buyers select and remain loyal to one supply over another?

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TARGETING SERVICE MARKETS

- Service firms vary widely in their abilities to serve different types of customers well.
- Hence companies *focus* their efforts on those customers they can serve best — the *target segment*.

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So, service firms vary widely in their abilities to serve different types of customers well. Hence companies focus their efforts on those customers they can serve best, so that is called as the target segment. Because the different companies will have their different capabilities and resources, so their ability to serve different types of customers is different. Therefore, the company should focus their efforts on those customers that they can serve the best and then they become the target segment.

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TARGETING SERVICE MARKETS

- **Focus-** In marketing terms, *focus* means providing a relatively narrow product mix for a particular target segment.
- Service firms identify the strategically important elements in their service operations and concentrate their resources on them.
- The extent of a company's focus can be described along two dimensions: market focus and service focus.



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Now Focus, in marketing terms, focus means providing a relatively narrow product mix for a particular target segment. So, we are talking of focus, so the company should their efforts on those customers that can, that they can serve the best. So, now let us understand what this focus is. Focus for us means providing a relatively narrow product mix for a particular target segment. Service firms identify and the strategically important element in their service operations and concentrate their resources on them.

So, the service firms they have to identify, what are the important elements in their service operations and then concentrate their resources on them, so that those, they are the best or they provide the best to the customer so far as that particular element of their service operation is concerned. The extent of a company's focus can be described along two dimensions: that is the market focus and service focus.

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CUSTOMER-DRIVEN SERVICES MARKETING STRATEGY

- *Market focus* is the extent to which a firm serves few or many markets.
- *Service focus* describes the extent to which a firm offers few or many services.
- These two dimensions define the four basic focus strategies.



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So, market focus is the extent to which a firm serves few or many markets. And service focus describes the extent to which a firm offers few or many services. So, market focus is the extent to which the firm decides whether to serve few or many markets. And what they do in each market, that is a service focus that describes the extent to which the firm offers few or many services. These two dimensions define the four basic focus strategies.

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BASIC FOCUS STRATEGIES FOR SERVICES

Breadth of Service Offerings

	Wide	Narrow
Few	1 Market focused	2 Fully focused (Service and market focused)
Many	3 Unfocused (Everything for everyone)	4 Service focused



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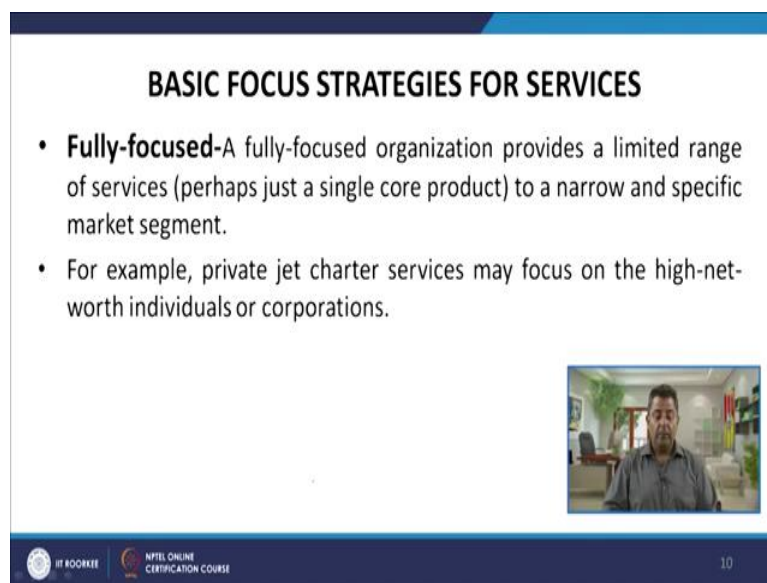
So, on the X axis we have the breadth of service offerings, it can be wide or narrow, and on the Y axis we have number of markets that are served. So, the markets can be, the markets

served can be few or many. So, when the breadth of service offering is wide and the number of market served are few, so that is market focused. In this first quadrant. When the breadth of service offering is narrow and the number of market served is also few, so that then it becomes fully focused, that is service and market focused.

When the breadth of service offerings is wide and the number of markets that they serve is many, then it becomes unfocused. It means everything to everyone or nothing to everyone. Because nobody knows what it is offering, whether it is for me or it for others. When the breadth of service offering is narrow and the number of markets that are served are many, so that is service focused.

So, in the first quadrant you have market focused, in the fourth quadrant you have service focused. In the third quadrant, we have this fully focused, in the second quadrant we have this fully focused and the third quadrant, it is unfocused.

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BASIC FOCUS STRATEGIES FOR SERVICES

- **Fully-focused**-A fully-focused organization provides a limited range of services (perhaps just a single core product) to a narrow and specific market segment.
- For example, private jet charter services may focus on the high-net-worth individuals or corporations.


U P K O O K K E NPTEL ONLINE CERTIFICATION COURSE 10

Now, fully focused means, a fully-focused organization provides a limited range of services, perhaps just a single core product to a narrow and specific market segment. For example, private jet charter service may focus on the high net worth individuals or corporations. So, they know what they want to do and for whom, so that makes them fully focused.

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BASIC FOCUS STRATEGIES FOR SERVICES

- Developing recognized expertise in a well-defined niche may provide protection against would-be competitors and allows a firm to charge premium prices.
- An example of a fully focused firm is Shouldice Hospital.
- The hospital performs only a single surgery (hernia) on otherwise healthy patients (mostly men in their 40s to 60s).
- Because of their focus, their surgery and service quality are superb.



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Developing recognized expertise in a well-defined niche may provide protection against would-be competitors and allow a firm to charge premium prices. So, in this case, when they are serving a niche in a better way, then it also leads to better return on investment and better profits. An example of a fully focused firm is Shouldice Hospital.

This hospital performs only a single surgery that is hernia on otherwise healthy patients. These patients are mostly men in their 40s to 60s. Because of their focus, their surgery and service quality are superb. So, they provide the same kind of service to the men between 40 to 60 and the basic product is single surgery, surgery for hernia and that is what makes their service quality as superb.

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BASIC FOCUS STRATEGIES FOR SERVICES

- There are key risks associated with pursuing the fully-focused strategy.
 - The market may be too small to get the volume of business needed for financial success.
 - The firm is vulnerable should new alternative products or technologies substitute their own.



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So, these are the key, there are some key risk also associated with pursuing a fully-focused strategy. Now, the problem here is that the companies are focusing on niche segments, niche markets. So, the market maybe too small to get the volume of business needed for the financial success. The firm is vulnerable should new alternative products or technologies substitute their own. So, because they are so much focused, so as soon as an alternative product comes or technology comes, so they may lose their competitive advantage.

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BASIC FOCUS STRATEGIES FOR SERVICES

- **Market-focused-** In a market-focused strategy, a company offers a wide range of services to a narrowly defined target segment.
- U.K based Rentokil Initial, a provider of business to business services, has profited from the growing trend in outsourcing of services related to facilities maintenance.
- Which has enabled it to develop a large range of services for its clients.

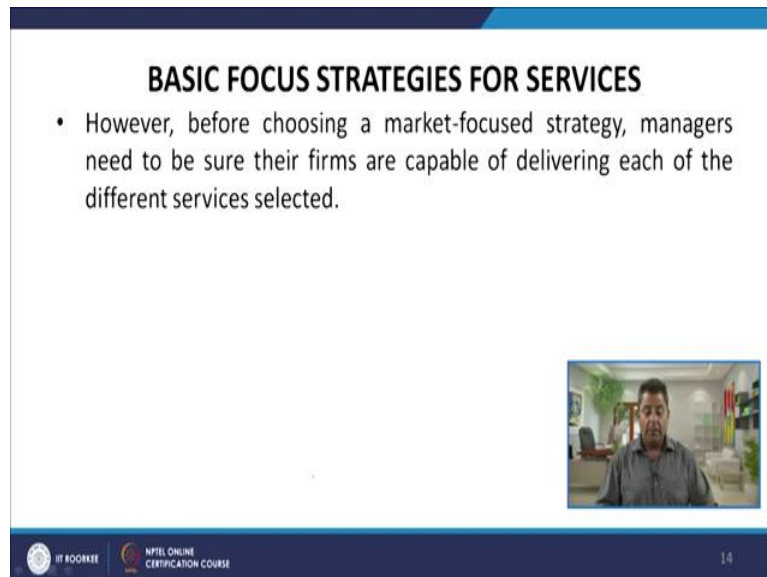


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Another of the basic focused strategy is that of market focused. In a market focused strategy, a firm offers a wide range of services to a narrowly defined target segments. UK based

Rentokil Initial, a provider of business to business services, has profited from the growing trends in outsourcing of services related to facilities maintenance. Now, which has enabled it to develop a large range of services for its clients.

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BASIC FOCUS STRATEGIES FOR SERVICES

- However, before choosing a market-focused strategy, managers need to be sure their firms are capable of delivering each of the different services selected.

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However, before focusing and however before choosing a market-focused strategy, managers need to be sure their firms are capable of delivering each of the different services selected. So, here the problem is that, when you are offering a wide breadth of services to a narrow number of markets that you serve, then the problem is that managers they should be sure that their firms are capable of delivering each of the different services they select, because now you have a wider portfolio services to be offered, so the managers have to make sure that each service, they have the resources and capabilities to provide to deliver every service.

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BASIC FOCUS STRATEGIES FOR SERVICES

- **Service-focused**- Service focused firms offer a narrow range of services to a fairly broad market.
- Starbucks coffee shops follow this strategy, serving a broad customer base with a largely standardized product.
- Other examples (e.g., Lasik eye surgery clinics, or LinkedIn)



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The third option that a company can have is service focused. So, service focused firms offer a narrow range of services to a fairly broad market. Starbucks coffee shops follow this strategy, serving a broad customer base with a largely standardized product. So, there is one product or one service that they offer to a broad range of customers. Other examples include the Lasik eye surgery clinics, or LinkedIn.

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BASIC FOCUS STRATEGIES FOR SERVICES

- **Unfocused**- Many service providers fall into the unfocused category, because they try to serve broad markets and provide a wide range of services.
- The danger with this strategy is that unfocused firms often are “jacks of all trades and masters of none”.
- Public utilities and government agencies fall into this category.
- Other example may include some departmental stores.

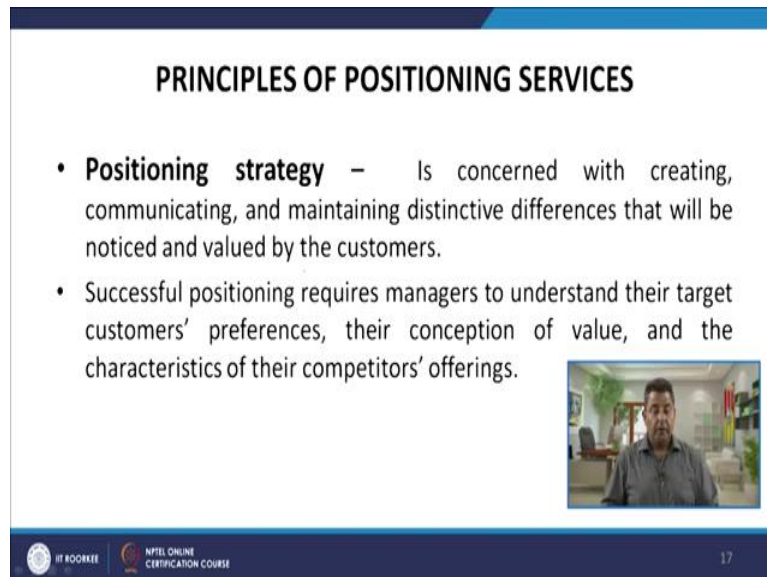


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The fourth type of the focused strategy is unfocused, that is everything for everyone. So, many service providers they fall into the unfocused category, because they try to serve broad markets and provide a wide range of services. The danger with this strategy is that unfocused


firms often are jacks of all trades and master of none. Public utilities and government agencies fall into these categories. Other example may include some kinds of departmental stores, so they carry lot assortment of goods and anybody can come and buy those.



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PRINCIPLES OF POSITIONING SERVICES

- **Positioning strategy** – Is concerned with creating, communicating, and maintaining distinctive differences that will be noticed and valued by the customers.
- Successful positioning requires managers to understand their target customers' preferences, their conception of value, and the characteristics of their competitors' offerings.



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Now, look at the principles of positioning strategy. Positioning strategy is concerned with creating, communicating and maintaining distinctive difference that will be noticed and valued by the customers. So, we are worried about creating, communicating and maintaining. What distinctive differences, distinctive differences, differences which are different from competitors and they are, they will be noticed as well as valued by the customer.


So, this is the three things that positioning strategy does is to create, communicate and maintain distinctive differences that will be noticed and valued by the customers. If the differences are noticed and not valued, then they are worthless. If they are valued and not noticed then again they are, this does not lead to positioning strategy.

So, successful positioning requires managers to understand their target customer preferences, their conception of value and the characteristics of their competitor's offering. So, only in, only that will enable the companies to create, communicate and maintain distinctive differences that will be noticed and valued by the competitors, otherwise that will lead to nothing.

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PRINCIPLES OF POSITIONING SERVICES

- **Positioning Principles (Jack Trout):**
 - A company must establish a position in the minds of its targeted customers.
 - The position should be singular, providing one simple and consistent message .
 - The position must set a company apart from its competitors.
 - A company cannot be all things to all people
 - it must focus its efforts.




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The principles of positioning as given by the famous positioning expert, Jack Trout. A company must establish a position in the minds of its target customers. The position should be singular, providing one simple and consistent message. The position must set a company apart from its competitor. And a company cannot be all things to all people, so it must focus its efforts.

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PRINCIPLES OF POSITIONING SERVICES

- The concept of positioning provides specific answers to the following six questions:
 1. What does our firm currently stand for in the minds of current and potential customers?
 2. What customers do we serve now, and which ones would we like to target in the future?
 3. What is the value proposition for each of our current service offerings, and what market segments is each one targeted at?



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The concept of positioning provides specific answers to the following six questions: the first question in this series of six question is: What does our firm currently stand for in the minds of the current and potential customers? What customers do we serve now and which ones



would we like to target in the future? What is the value proposition for each of our current service offerings and what market segments in each one targeted at?

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PRINCIPLES OF POSITIONING SERVICES

4. How does each of our service products differ from those of our competitors ?
5. How well do customers in the chosen target segments perceive our service offerings as meeting their needs?
6. What changes do we need to make to our service offerings in order to strengthen our competitive position within our target segment(s)?




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

How does each of our service products differ from those of our competitors? How well do customers in the chosen target segment perceive our service offerings as meeting their needs? What changes do we need to make our service offerings in order to strengthen our competitive position within our target segments? So these are the three, these are the six important questions that need to be answered when we are talking of positioning.

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PRINCIPLES OF POSITIONING SERVICES

- One of the challenges in developing a viable positioning strategy is to avoid the trap of investing too much in points of difference that can easily be copied.
- As researchers Kevin Keller, Brian Sternthal, and Alice Tybout note: “Positioning needs to keep competitors out, not draw them in”.



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Now, one of the challenges in developing a viable positioning strategy is to avoid the trap of investing too much in points of differences that can easily be copied. So, now, one basic rule of thumb is that, you invest in points of differences and then that will lead to, lead the company to have a great kind of positioning strategy.

But, do keep in mind that investing in those points of differences which can be easily copied, so there is no point in investing in them, because they can be copied by anyone and all your, all the investments in that will go waste. So, so your positioning strategy should be based on those points of differences, which are not, which cannot be easily copied by the competitors.

So, as researchers Kevin Keller et cetera note, positioning need to keep competitors out, not draw them in. When your points of differences are easily copied, then you are drawing the competitor in. Therefore, you have to invest in those points of differences, which cannot be easily copied, so as to keep the competitors out.

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USING POSITIONING MAPS TO PLOT COMPETITIVE STRATEGY

- Positioning maps are tools to visualize competitive positioning along key aspects of its services marketing strategy.
 - to map developments over time, and to develop scenarios of potential competitor responses.
- Developing a positioning map — a task sometimes referred to as perceptual mapping — is a useful way of representing consumers' perceptions of alternative products graphically.



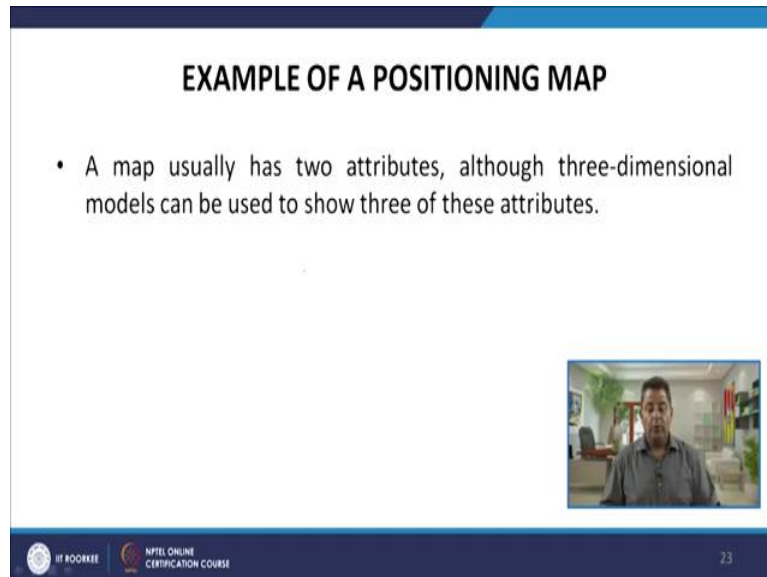
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Now, how to use positioning map to plot this competitive strategy. So, positioning maps are tools to visualize competitive positioning along key aspects of the services marketing strategy. So, now we have to visualize the competitive positioning along the key aspects and for that, we are using competitive, positioning maps to map development over time and to develop scenarios of potential competitor responses.

We develop a position map or developing a positioning map is a task sometimes referred to as perceptual mapping. And it is a useful way of representing customer perceptions of

alternative products graphically. So, anything that is represented graphically becomes easier to understand. So, these perceptual maps, they gave us this kind of positioning maps or they are also called as perceptual maps. So, these maps they gave us this advantage of mapping customer perceptions graphically.

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EXAMPLE OF A POSITIONING MAP

- A map usually has two attributes, although three-dimensional models can be used to show three of these attributes.


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So, a map usually has two attributes. There can be more attributes but usually there are two attributes. Although three-dimensional models can be used to show three of these attributes. So, usually there are two attributes, but then we can use three-dimension attributes to show these attributes. But then as you increase the number of attributes, it becomes difficult to chart out a positioning map.

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EXAMPLE OF A POSITIONING MAP

- The hotel business is highly competitive, especially during seasons when the supply of rooms exceeds demand.
- The degree of luxury and comfort in physical amenities will be one choice criterion.
- Others may include attributes like location, safety, availability of meeting rooms and a business center, restaurants, a swimming pool and gym, and loyalty programs for frequent guests.




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So, let us look at example of this positioning map. The hotel business is highly competitive especially during seasons when the supply of rooms exceed the demand. The degree of luxury and comfort in physical amenities will be one choice criteria. For example, other may be to, other may include attributes like the location, safety, availability of meeting rooms and a business center, the restaurant, a swimming pool and a gym and loyalty program for frequent guest.

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EXAMPLE OF A POSITIONING MAP

- Let's look at an example, based on a real-world situation of how to apply positioning maps.
- Managers of The Palace, a successful four-star hotel, developed a positioning map showing their own and competing hotels, to get a better understanding of future threats to their established market position in a large city that we will call Belleville.
- Its competitors included eight four-star establishments, and The Grand, one of the city's oldest hotels, which had a five-star rating.



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Let us look at an example based on the real-world situation of how to apply the positioning map. Managers of The Palace, a successful four-star hotel, developed a positioning map

showing their own and competing hotel, to get a better understanding of future threats to their established market positions in a large city that we call, that we will call Belleville. Its competitors include eight four-star establishment and The Grand, one of the city's oldest hotel, which had a five star rating. So, this is the background of this example that we are, we will consider.

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EXAMPLE OF A POSITIONING MAP

- To better understand the nature of the competitive threat, the hotel's management team worked with a consultant to prepare charts that displayed The Palace's position in the business traveler market both before and after the entrance of new competition.
- Four key attributes were selected for study: room price, level of personal service, level of physical luxury, and location.



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And to better understand the nature of the competitive market, competitive threat, the hotel management team worked with a consultant to prepare charts that displayed the palace's position in the business traveler's market both before and after the entrance of new competition.



Four key attributes were selected for study. So, this is a real life example that I am giving here. So, the four key attributes that were selected for a study are the room price, level of the personal service, level of physical luxury and the location.

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EXAMPLE OF A POSITIONING MAP

- Two positioning maps were created to portray the existing competitive situation.
- The first (Figure 1) showed the 10 hotels on the dimensions of price and service level.
- The second (Figure 2) displayed them on location and degree of physical luxury.



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Now, two positioning maps were created to portray the existing competitive situation. The first which will come in figure 1, showed the 10 hotels on the dimensions of price and service levels. And the second, that will come in figure 2 displayed them on location and degree of physical luxury.

So, in the first figure, the two dimensions are that of price and service levels and in the another, in the next map, location and degree of physical luxury are taken. So, that way we are, we have been able to incorporate four different attributes, price and service level and location and the degree of physical luxury.

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EXAMPLE OF A POSITIONING MAP







Figure 1 Positioning map of Belleville's principal business hotels: service level versus price level



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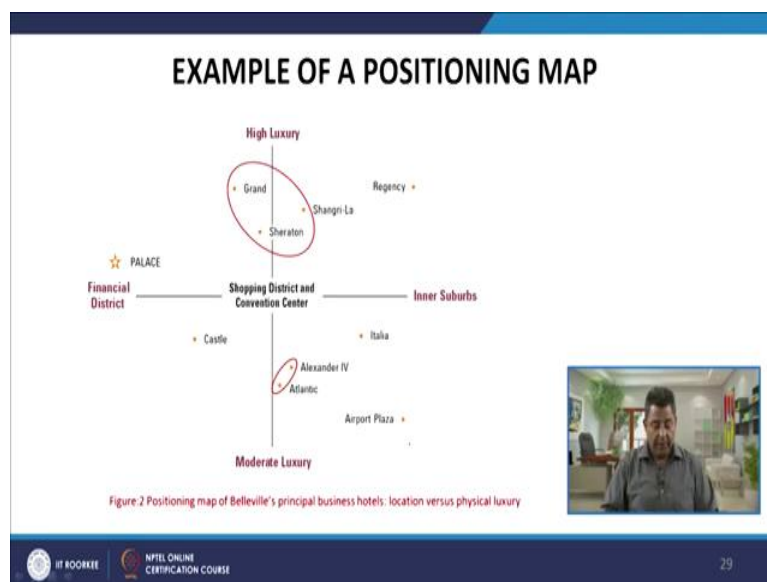
Now, this is the positioning map that or the perceptual map that concerns to this example. So, now on the Y axis, we move from expensive to less expensive and the X axis move from moderate service to high service. Now, you see that there are different hotels that are grouped together and they have a red circle over them.

So, this Castle and Alexander and Airport Plaza they are put together and their category is that they have moderate service and they are less expensive. While here, where we are talking about the New Grand and Mandarin and Marriot and Continental, they are in this area we just termed as expensive and high service.

Then you have this Regency here. Now, you see that Palace is here, that is, it is considered to be fairly expensive and it is somewhere very near to 0, so far as moderate service or high service is concerned.

So, now you see that it is not at all there in the section of high service, the services offered by it are considered to be more of moderate service, but then it is expensive. So, this is what I was talking about. It is this place that they are talking about. So, now, what to do in this situation? This is one action and here you require no action.

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Another of this perceptual map is on the basis of luxury and the location. So, now it varies from high luxury to moderate luxury and from inner suburbs to the financial district. So, again, now you see that the Grand and the Sheraton they are, Shangri-La they are here. Here

Alexander and Atlantic they are here and the Palace is here. Now, Palace is considered to be high on luxury and it is there in the financial district. While this Airport Plaza is in the inner suburb and they are of moderate luxury.

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EXAMPLE OF A POSITIONING MAP

- A quick glance at Figure 1 shows a clear correlation between the attributes of price and service.
- Hotels that offer higher levels of service are relatively more expensive.
- The shaded bar running from upper left to lower right highlights this relationship, which is not a surprising one.



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EXAMPLE OF A POSITIONING MAP





Figure 1 Positioning map of Belleville's principal business hotels: service level versus price level



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So a quick glance at figure one, let us look at the figure one again. So, this is the figure one. A quick glance at figure 1 shows a clear correlation between the attributes of price and service. Hotels that offer higher level of service are relatively more expensive. And the shaded bar running from upper left to the lower right highlights this relationship which is not a surprising one.

Now, let us look at the relationship again. So, this bar, so when it is high service, so it is high price, it is high priced, when it is low service so they are less expensive.

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EXAMPLE OF A POSITIONING MAP

- At the top end, the four-star Regency is close to the five-star Grand.
- In the middle, The Palace is clustered with four other hotels, and at the lower end, there is another group of three hotels.
- The Palace appears to be charging a lot more (on a relative basis) than its service level would seem to justify.
- However, since its occupancy rate is very high, guests seem willing to pay the going rate.



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EXAMPLE OF A POSITIONING MAP





Figure 1 Positioning map of Belleville's principal business hotels: service level versus price level



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At the top end, the four-star Regency is close to the five-star Grand. In the middle, The Palace is clustered with four other hotels and at the lower end there is another group of three hotels. The Palace appears to be charging a lot more on a relative basis than its service level would seem to justify.

So now look at this. So, they, their service, they offer a moderate level of service but then their charges are to a, more towards expensive. So, that is the problem with them. So, the


Palace, therefore the Palace appears to be charging a lot more and obviously that is on a relative basis, than its services level would seem to justify.

However, since its occupancy rate is very high, guests seem, the guest they are willing to pay the going rate. So, if this may not be of much concern to the company as is shown in the positioning map, that because the occupancy rates are very high so the customers are willing to pay higher prices for a moderate service.

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EXAMPLE OF A POSITIONING MAP

- Figure 2 shows how The Palace is positioned relative to the competition on location and degree of luxury.
- The Palace occupies a relatively empty portion of the map.
- It is the only hotel in the financial district — a fact that probably explains its ability to charge more than its service level (or degree of physical luxury) seems to justify.



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Now, figure 2 shows how The Palace is positioned relative to the competition on location and the degree of luxury. The Palace occupies a relatively empty position on the map. It is the only hotel in the financial district, a fact that probably explains its ability to charge more than its service levels or degree of physical luxury seems to justify.

So now the advantage with The Palace is that in the second figure it lies on a relatively empty position and that also justifies, because it is only hotel in the financial district. So, maybe because of their location they are able to charge more prices and not because of the services.

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DEVELOPING AN EFFECTIVE POSITIONING STRATEGY

- Basic elements to writing a good positioning statement.
- And we use the LinkedIn example to illustrate them.
 - **Target audience** — the specific group(s) of people that the brand wants to sell to and serve (e.g., professionals as primary target customers, and employers and advertisers as secondary target audiences).
 - **Frame of reference** — the category in which the brand is competing .
(e.g., in the social networking space).



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So, how to go about developing an effective positioning strategy? The first thing is the basic element to write a good positioning statement and we use the LinkedIn example to illustrate them. The first is the target audience. The specific group of people that the brands want to sell to and serve, for example, professionals as primary target customers and employers and advertisers as secondary target audience. So, that is the first thing to define your target audience.

The second is to define the frame of reference, the category in which the brand is competing. Is it a social networking site? If yes, then the brand, this brand is competing with other social networking sites, so this is what is called as the frame of reference.

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DEVELOPING AN EFFECTIVE POSITIONING STRATEGY

- **Point of difference** — the most compelling benefit offered by the brand that stands out from its competition.
- Example- (LinkedIn)
 - Largest network of professionals and recruiters to help advance your career.
 - Develop your business acumen, industry knowledge, and personal development.




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What are the point of differences? The most compelling benefit offered by the brand that stands out from its competitors. Again, we are talking of this LinkedIn example, largest network of professionals and recruiters to help advance your career. Develop your business acumen, industry knowledge and personal development.

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DEVELOPING AN EFFECTIVE POSITIONING STRATEGY

- Reason to believe — proof that the brand can deliver the benefits that are promised.
- Example- (LinkedIn)
 - Our network is many times bigger than that of our nearest competitor.



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DEVELOPING AN EFFECTIVE POSITIONING STRATEGY

- Basic elements to writing a good positioning statement.
- And we use the LinkedIn example to illustrate them.
 - **Target audience** — the specific group(s) of people that the brand wants to sell to and serve (e.g., professionals as primary target customers, and employers and advertisers as secondary target audiences).
 - **Frame of reference** — the category in which the brand is competing .
(e.g., in the social networking space).



DEVELOPING AN EFFECTIVE POSITIONING STRATEGY

- **Point of difference** — the most compelling benefit offered by the brand that stands out from its competition.
- Example- (LinkedIn)
 - Largest network of professionals and recruiters to help advance your career.
 - Develop your business acumen, industry knowledge, and personal development.




Now, what are reasons to believe, proof that the brands can deliver the benefit that are promised. So, we started with first defining the target audience, then the frame of reference, that is, who are the competitors, what are the points of differences and the reasons to believe those point of differences that is proofs that the brand can deliver the benefit that they are promising.



Let us continue with the LinkedIn example. Our network is many times bigger than that of our nearest competitor. So, that is the reason to believe. Reason to believe on this point of differences, that is we offer you the largest network of professional recruiters to help advance your career and develop your business acumen, industry knowledge and personal development.

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DEVELOPING AN EFFECTIVE POSITIONING STRATEGY

- Developing a positioning strategy can take place at several different levels, depending on the nature of the business in question.
- Among other multi-site, multi-product service businesses, a position might be established for the entire organization, for a given service outlet or for a specific service offered at that outlet.
- There must be consistency between the positioning of different services offered at the same location.



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So, developing a positioning strategy can take place at several different levels, depending on the nature of the business in question. Among other multi-site, multi-product service businesses, a position might be established for the entire organization for a given service outlet or for a specific service offered at that outlet.



So, there must be consistency between the positioning of different services offered at the same location. So, the services are different and they are offered at the same location, but the positioning will be different because that will what make you charge different from different customers.

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DEVELOPING AN EFFECTIVE POSITIONING STRATEGY

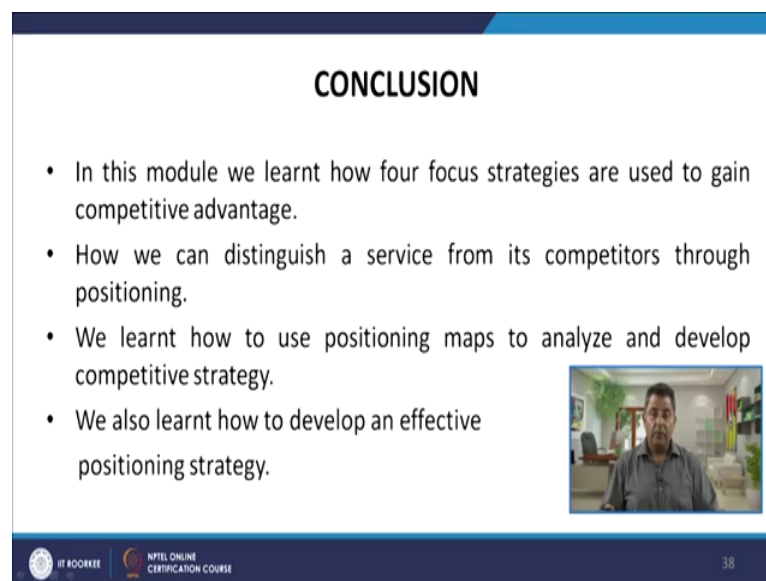
- The outcome of integrating the 3 Cs and the STP analyses is the positioning statement.
- Positioning statement defines the desired position of the organization in the marketplace.



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So, the outcome of integrating the 3 Cs and the STP analysis is the positioning statement. So, we, based on this 3 Cs we have done this segmentation, targeting and positioning and the outcome of this will be the positioning statement. So, it defines the desired position of the organization in the marketplace. And marketplace consist of consumers. So, positioning statement, it defines what are the desired position of this organization in the mind of the consumers.

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CONCLUSION

- In this module we learnt how four focus strategies are used to gain competitive advantage.
- How we can distinguish a service from its competitors through positioning.
- We learnt how to use positioning maps to analyze and develop competitive strategy.
- We also learnt how to develop an effective positioning strategy.

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To conclude, in this module we have learnt four focus strategies and used to gain competitive advantage. So, first thing that we have done is to see the four focus strategy that can be used to gain a competitive advantage. Then we have seen how we can distinguish a service from its competitors through positioning.

We learnt how to use positioning map to analyze and develop a competitive strategy. So, then we have seen those perceptual maps, so there are two dimensions on each of these perceptual maps, and then we have learnt how to use those perceptual maps or positioning maps to analyze, and then based on this analysis develop a competitive strategy.

And then we have also learnt how to develop an effective positioning strategy. So, there are these four components that need to be carried out for developing effective positioning strategy.

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DEVELOPING AN EFFECTIVE POSITIONING STRATEGY

- Basic elements to writing a good positioning statement.
- And we use the LinkedIn example to illustrate them.
 - **Target audience** — the specific group(s) of people that the brand wants to sell to and serve (e.g., professionals as primary target customers, and employers and advertisers as secondary target audiences).
 - **Frame of reference** — the category in which the brand is competing .
(e.g., in the social networking space).



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The first is you have to decide on your target audience, then you define on the frame of reference, that is, in which category the brand is competing, who are the competitors. So, first is the target audience, the second is who are the competitors.

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DEVELOPING AN EFFECTIVE POSITIONING STRATEGY

- **Point of difference** — the most compelling benefit offered by the brand that stands out from its competition.
- Example- (LinkedIn)
 - Largest network of professionals and recruiters to help advance your career.
 - Develop your business acumen, industry knowledge, and personal development.



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The third is what are your point of differences.

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DEVELOPING AN EFFECTIVE POSITIONING STRATEGY

- Reason to believe — proof that the brand can deliver the benefits that are promised.
- Example- (LinkedIn)
 - Our network is many times bigger than that of our nearest competitor.



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And the fourth is why would customer believe on what you are saying.

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CONCLUSION

- In this module we learnt how four focus strategies are used to gain competitive advantage.
- How we can distinguish a service from its competitors through positioning.
- We learnt how to use positioning maps to analyze and develop competitive strategy.
- We also learnt how to develop an effective positioning strategy.



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

So this is how we develop an effective positioning strategy.

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And these are the three books that we have used to make this module. Thank you.