

26. What Is Product Positioning? Repositioning?

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Understanding how a product is perceived in the marketplace is essential for any business aiming to succeed in a competitive environment. The concepts of product positioning and repositioning serve as strategic tools that help companies shape and adapt their brand image, influence customer perceptions, and ultimately drive sales. While they are interconnected, these terms represent different stages and approaches in a product's lifecycle. This article delves into the definitions, importance, strategies, and examples of product positioning and repositioning to provide a comprehensive understanding of their roles in marketing.

What Is Product Positioning?

Definition of Product Positioning

Product positioning refers to the strategic process of establishing a product's identity and value in the minds of target consumers relative to competing products. It involves crafting a unique perception that highlights the product's benefits, features, and value proposition to meet the specific needs or desires of a defined market segment.

In essence, positioning is about answering the question: "How do we want our target customers to perceive our product?" Successful positioning ensures that the product occupies a distinct and advantageous place in the consumer's mind, influencing their purchasing decisions.

The Importance of Product Positioning

Effective product positioning offers numerous benefits:

- **Differentiation:** It helps distinguish a product from competitors by emphasizing unique features or benefits.
- **Targeted Marketing:** It allows businesses to focus their marketing efforts on specific customer segments.
- **Pricing Strategy:** Proper positioning can justify premium pricing or enable competitive pricing strategies.

- **Brand Loyalty:** Clear positioning fosters strong brand associations and customer loyalty.
- **Market Clarity:** It provides clarity to internal teams about the product's value proposition, guiding marketing and sales strategies.

Key Elements of Product Positioning

To develop effective positioning, marketers consider the following elements:

1. **Target Audience:** Who are the primary consumers?
2. **Market Category:** What industry or category does the product belong to?
3. **Unique Selling Proposition (USP):** What makes the product unique?
4. **Benefits:** What problems does the product solve or needs does it fulfill?
5. **Competitive Advantage:** How does it compare to competitors?

Strategies for Product Positioning

Market positioning strategies can vary based on the company's goals and market conditions. Common approaches include:

- **Position by Product Attributes:** Highlighting specific features or qualities (e.g., durability, design).
- **Position by Benefits:** Emphasizing the benefits or solutions provided (e.g., convenience, cost savings).
- **Position by Use or Application:** Showing how and where the product is used (e.g., outdoor equipment).
- **Position by User Category:** Targeting specific user groups (e.g., professionals, students).
- **Position by Competition:** Positioning against competitors by highlighting superior aspects.

What Is Repositioning?

Definition of Repositioning

Repositioning involves altering a product's existing position in the minds of consumers. It is a strategic response to changing market dynamics, competitive pressures, or shifts in consumer preferences. Essentially, repositioning aims to modify the perceptions associated with the product to better meet current market needs or to open new market segments.

Repositioning may be necessary when a product is no longer performing well, or when the company seeks to refresh its brand image to stay relevant.

Reasons for Repositioning

Companies may choose to reposition their products due to various factors:

- **Market Changes:** Evolving customer preferences or demographic shifts.
- **Competitive Pressure:** To differentiate from new entrants or existing competitors.
- **Product Evolution:** When a product is updated or modified.
- **Brand Image Issues:** To overcome negative perceptions or outdated associations.
- **New Market Opportunities:** Entering new segments or geographic markets.

Types of Repositioning Strategies

Repositioning strategies can be classified based on the focus:

1. **Horizontal Repositioning:** Changing the product's image or perception without significant changes to its features or benefits (e.g., rebranding to appeal to a different demographic).
2. **Vertical Repositioning:** Improving or downgrading the product's perceived quality, value, or status (e.g., repositioning a luxury product to be more affordable).

3. **Market Repositioning:** Targeting a different customer segment or geographical market.
4. **Competitive Repositioning:** Shifting the product's position relative to competitors, often through differentiation or redefining value.

Process of Repositioning

Repositioning involves careful planning and execution. The typical steps include:

1. **Research and Analysis:** Assess current perceptions, market trends, and competitive landscape.
2. **Identify Need for Repositioning:** Determine if repositioning is necessary and what goals to achieve.
3. **Develop Repositioning Strategy:** Decide on the new positioning approach and messaging.
4. **Implementation:** Adjust marketing, branding, packaging, and other elements to reflect new positioning.
5. **Monitor and Adjust:** Track market response and refine strategies as needed.

Examples of Product Positioning and Repositioning

Examples of Successful Product Positioning

1. Apple iPhone: Positioned as a premium, innovative smartphone with a focus on design, user experience, and ecosystem integration.
2. Volvo: Positioned as the safest vehicle brand, appealing to safety-conscious consumers.
3. Dove: Positioned as a brand that promotes real beauty and self-esteem, differentiating from traditional beauty brands.

Examples of Repositioning in Action

1. Old Spice: Transitioned from a brand associated with older men to a trendy, humorous brand appealing to younger audiences through bold advertising campaigns.
2. McDonald's: Repositioned itself to emphasize healthier options and sustainability initiatives in response to changing consumer health concerns.
3. Nintendo Wii: Repositioned gaming to appeal to a broader audience, including families and casual gamers, moving away from traditional gaming consoles targeted at core gamers.

Challenges in Product Positioning and Repositioning

While these strategies can be highly effective, they also come with challenges:

- **Brand Dilution:** Overreaching or inconsistent repositioning can confuse consumers.
- **Cost:** Repositioning often requires significant investment in marketing and branding.
- **Resistance to Change:** Internal resistance or customer pushback may occur.
- **Measuring Success:** It can be difficult to quantify perception changes and their impact on sales.

Conclusion

Product positioning and repositioning are fundamental components of strategic marketing. Proper positioning helps a product carve out its niche in the marketplace by creating a compelling and differentiated perception among target consumers. Repositioning, on the other hand, is a vital tool for adaptation, allowing businesses to stay relevant amidst changing market conditions, competitive landscapes, or consumer preferences. Both require thoughtful analysis, clear objectives, and consistent execution. When done correctly, they can significantly enhance a product's success, brand strength, and overall business growth. Understanding these concepts enables marketers and business leaders to craft effective strategies that resonate with consumers and secure a competitive advantage in their industries.

Frequently Asked Questions

What is product positioning in marketing?

Product positioning refers to the strategic process of establishing a brand or product's image and identity in the minds of target consumers, highlighting its unique benefits and differentiators to stand out from competitors.

How does repositioning differ from initial product positioning?

Repositioning involves changing the existing perception of a product in the market, often to target a new audience or adapt to changing market conditions, whereas initial positioning is establishing that perception when the product is first launched.

Why is product repositioning important in a competitive market?

Repositioning allows companies to stay relevant, address shifting consumer preferences, combat declining sales, and differentiate from competitors, ensuring sustained growth and market relevance.

What are common strategies used in product repositioning?

Common strategies include altering the product's features or benefits, changing target markets, adjusting branding and messaging, or modifying pricing and distribution channels to better align with new consumer needs.

When should a company consider repositioning its product?

A company should consider repositioning when sales decline, market conditions change, consumer preferences shift, or the current positioning no longer aligns with the company's goals or competitive landscape.

What are potential risks associated with product repositioning?

Risks include confusing or alienating existing customers, increased marketing costs, misjudging the new target audience, and failing to achieve the desired perception change.

How can a company effectively communicate a repositioning strategy?

Effective communication involves clear messaging that highlights the new value proposition, consistent branding across channels, and engaging existing and new customers to understand the reasons and benefits of the repositioning.

Additional Resources

26. What Is Product Positioning? Repositioning?

In the highly competitive landscape of modern business, understanding how products are perceived by consumers is crucial for success. Product positioning and repositioning are strategic concepts that play a vital role in shaping a product's identity within a market, influencing consumer perception, and ultimately driving sales. These strategies enable companies to differentiate their offerings, target specific customer segments, and adapt to shifting market dynamics. This article explores the definitions, importance, processes, and best practices surrounding product positioning and repositioning, providing a comprehensive guide for marketers, entrepreneurs, and business leaders aiming to optimize their product strategies.

What Is Product Positioning?

Product positioning refers to the strategic process of establishing a product's identity in the minds of target consumers relative to competing offerings. It involves crafting a unique image and value proposition that resonate with a specific audience, enabling the product to stand out in a crowded marketplace. Effective positioning ensures that potential buyers understand the key benefits and differentiators of a product, influencing their purchasing decisions.

The Core Elements of Product Positioning

Successful product positioning hinges on several critical components:

1. Target Audience Identification

Understanding who the ideal customers are – their needs, preferences, behaviors, and pain points – is foundational. Precise segmentation allows marketers to tailor their messages effectively.

2. Unique Selling Proposition (USP)

This is the distinctive feature or benefit that sets the product apart from competitors. The USP should be compelling, clear, and aligned with customer priorities.

3. Competitive Analysis

Analyzing competitors' offerings helps identify gaps and opportunities, enabling the creation of a positioning statement that highlights the product's advantages.

4. Positioning Statement

A concise, strategic declaration that encapsulates the product's target market, key benefits, and differentiators. For example: "For busy professionals seeking quick, healthy meals, our product offers nutritious, ready-to-eat options that save time."

Approaches to Product Positioning

Companies can adopt various positioning strategies based on their goals and market circumstances:

1. Attribute-Based Positioning

Focusing on specific features or qualities, such as durability, speed, or design. Example: A smartphone positioned as the "fastest in the market."

2. Benefit-Based Positioning

Highlighting the primary benefits delivered to the customer, like convenience or cost savings. Example: A cleaning product marketed for its powerful stain removal.

3. Use or Application Positioning

Targeting a particular use case or scenario where the product excels. Example: A sports shoe designed specifically for trail running.

4. User-Based Positioning

Targeting a specific consumer group. Example: Luxury watches aimed at high-income professionals.

5. Competitor-Based Positioning

Positioning relative to competitors, either by emphasizing superiority or a niche focus. Example: An airline branding itself as the most eco-friendly.

The Importance of Product Positioning

Effective positioning offers numerous benefits:

- Differentiation: Clearly distinguishes a product from competitors.
- Customer Clarity: Helps consumers understand what the product offers and why it's relevant to them.
- Brand Loyalty: Consistent positioning fosters trust and emotional connections.
- Pricing Power: Strong positioning can justify premium pricing.

- Market Penetration: Facilitates entry into new markets by clarifying value propositions.

The Process of Developing a Product Positioning Strategy

Creating an impactful positioning strategy involves several stages:

1. Market Research and Consumer Insights

Gather qualitative and quantitative data about customer needs, preferences, and perceptions. Techniques include surveys, focus groups, and competitor analysis.

2. Segmentation and Targeting

Identify specific segments most likely to benefit from and appreciate the product. Focus on those with the highest potential for engagement.

3. Define the Value Proposition

Articulate what makes the product unique and valuable to the target segment. This involves highlighting features, benefits, and emotional appeals.

4. Craft the Positioning Statement

Develop a clear, concise statement that guides marketing messaging and branding efforts.

5. Implementation Across Touchpoints

Ensure that all marketing channels – advertising, packaging, customer service, digital content – reflect the positioning consistently.

6. Evaluation and Adjustment

Continuously monitor market response and adjust positioning strategies as needed to stay relevant and competitive.

Repositioning: When and Why?

While initial positioning sets the foundation for a product's market identity, circumstances often necessitate repositioning – the process of changing how a product is perceived. Repositioning is a strategic response to evolving market conditions, competitive landscapes, or internal business shifts.

Common Triggers for Repositioning

- Market Changes: New competitors, technological advancements, or shifts in consumer preferences.
- Brand Revitalization: Refreshing the brand to appeal to a new audience or to reinvigorate interest.
- Product Evolution: Upgrades, new features, or different uses that alter the

product's appeal.

- Negative Perceptions: Addressing misconceptions or outdated images that hinder sales.
- Entry into New Markets: Tailoring messaging to different geographic or demographic segments.

Strategies for Repositioning

Repositioning can be achieved through various tactics:

1. Adjusting Messaging and Branding

Refining the core message to better align with current market realities or target audiences.

2. Modifying Product Features

Enhancing or changing features to meet new customer needs or preferences.

3. Changing Price Points

Altering pricing strategies to appeal to different segments or to reflect repositioned value.

4. Re-Targeting Marketing Channels

Utilizing different media or platforms to reach new audiences.

5. Rebranding

Updating visual identity, logos, or brand voice to modernize or change perception.

Best Practices in Positioning and Repositioning

To maximize effectiveness, companies should adhere to best practices:

- Customer-Centric Approach: Always prioritize understanding and addressing customer needs.
- Consistency: Maintain consistent messaging across all channels.
- Authenticity: Ensure that the positioning reflects the actual product experience.
- Data-Driven Decisions: Use market research and performance metrics to guide strategy.
- Flexibility: Be prepared to adapt and refine positioning as markets evolve.

Case Studies: Successful Positioning and Repositioning

Apple Inc.

Initially known for personal computers, Apple repositioned itself as a

lifestyle brand centered around innovative technology and sleek design with products like the iPhone and iPad. Their consistent focus on simplicity and elegance helped establish a strong market identity.

Old Spice

A traditional men's grooming brand repositioned itself from a mature, utilitarian image to a humorous and youthful brand through clever advertising campaigns, appealing to a new generation of consumers.

Netflix

Transitioned from a DVD rental service to a streaming giant, repositioning itself as a leader in original content production, which significantly expanded its market presence.

Challenges in Positioning and Repositioning

While strategic positioning can yield competitive advantages, it also involves risks:

- Consumer Confusion: Inconsistent messages can dilute brand identity.
- Market Resistance: Customers may resist change if they're loyal to the original positioning.
- Costly Transition: Repositioning efforts require investment in marketing, branding, and sometimes product development.
- Competitor Response: Rivals may counter repositioning with their own strategies.

Successful navigation requires careful planning, clear communication, and ongoing evaluation.

Conclusion

Product positioning and repositioning are dynamic, strategic processes that influence how consumers perceive and engage with a product. Effective positioning creates a unique space in consumers' minds, emphasizing the product's benefits and differentiators. Repositioning, when necessary, allows companies to adapt to market shifts, competitive pressures, or internal changes, ensuring continued relevance and growth.

By understanding these concepts and implementing best practices, businesses can craft compelling brand narratives, foster loyalty, and achieve sustainable success in ever-changing marketplaces. Whether establishing a new product or revitalizing an existing one, strategic positioning remains a cornerstone of effective marketing.

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