

wbs

WARWICK BUSINESS SCHOOL
THE UNIVERSITY OF WARWICK

For the Change Makers

Dr Scott Dacko

Warwick Summer School Communication and Marketing

Strategic Positioning Dr Scott Dacko

Strategic Positioning

Objectives:

- Understand further the varied marketing strategy benefits of clear positioning
- Understand in greater depth and be able to critically evaluate issues and opportunities associated with corporate social responsibility

Strategic Positioning

- ◎ A Strategic position should be:
 - First, strategic
 - The face of the marketing strategy
 - Defined relative to competitors and to the market
 - Logically and/or emotionally resonant with customers and relevant to the market

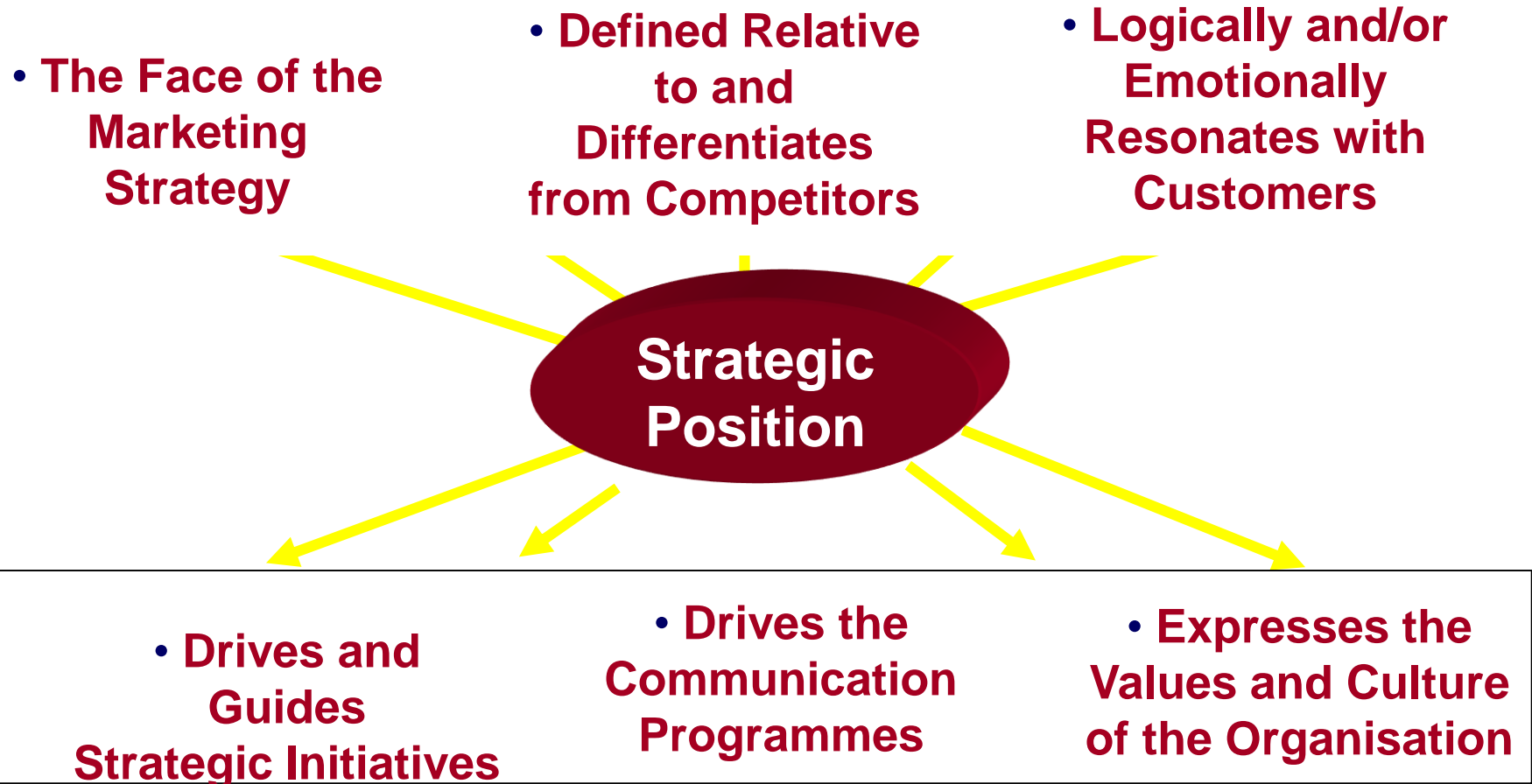
Strategic Positioning

◎ A Strategic position should be:

- First, strategic
- The face of the marketing strategy
- Defined relative to competitors and to the market
- Logically and/or emotionally resonant with customers and relevant to the market



Strategic Positioning







- **The Face of the Marketing Strategy**

- **Defined Relative to and Differentiates from Competitors**

- **Logically and/or Emotionally Resonates with Customers**

Strategic Position

- **Drives and Guides Strategic Initiatives**

- **Drives the Communication Programmes**

- **Expresses the Values and Culture of the Organisation**

PHILIPS



PHILIPS



PHILIPS
sense and simplicity

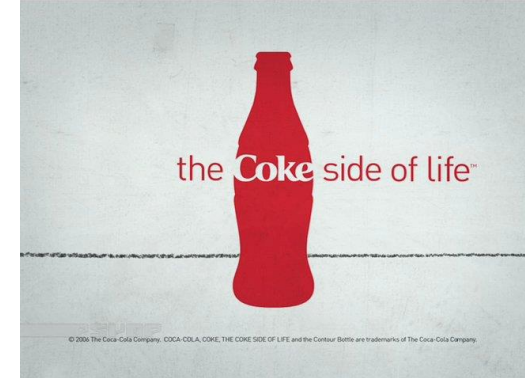
- **The Face of the Marketing Strategy**
- **Defined Relative to and Differentiates from Competitors**
- **Logically and/or Emotionally Resonates with Customers**

Strategic Position

- **Drives and Guides Strategic Initiatives**
- **Drives the Communication Programmes**
- **Expresses the Values and Culture of the Organisation**







- **The Face of the Marketing Strategy**

- **Defined Relative to and Differentiates from Competitors**

- **Logically and/or Emotionally Resonates with Customers**

Strategic Position

- **Drives and Guides Strategic Initiatives**

- **Drives the Communication Programmes**

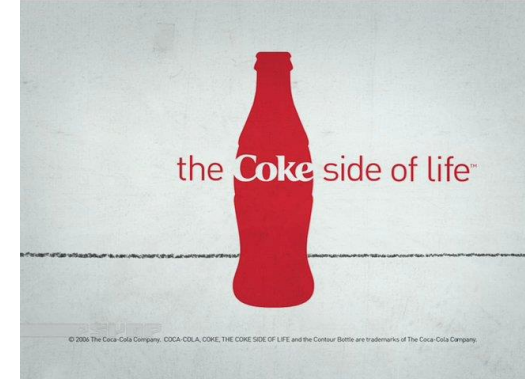
- **Expresses the Values and Culture of the Organisation**



- **The Face of the Marketing Strategy**



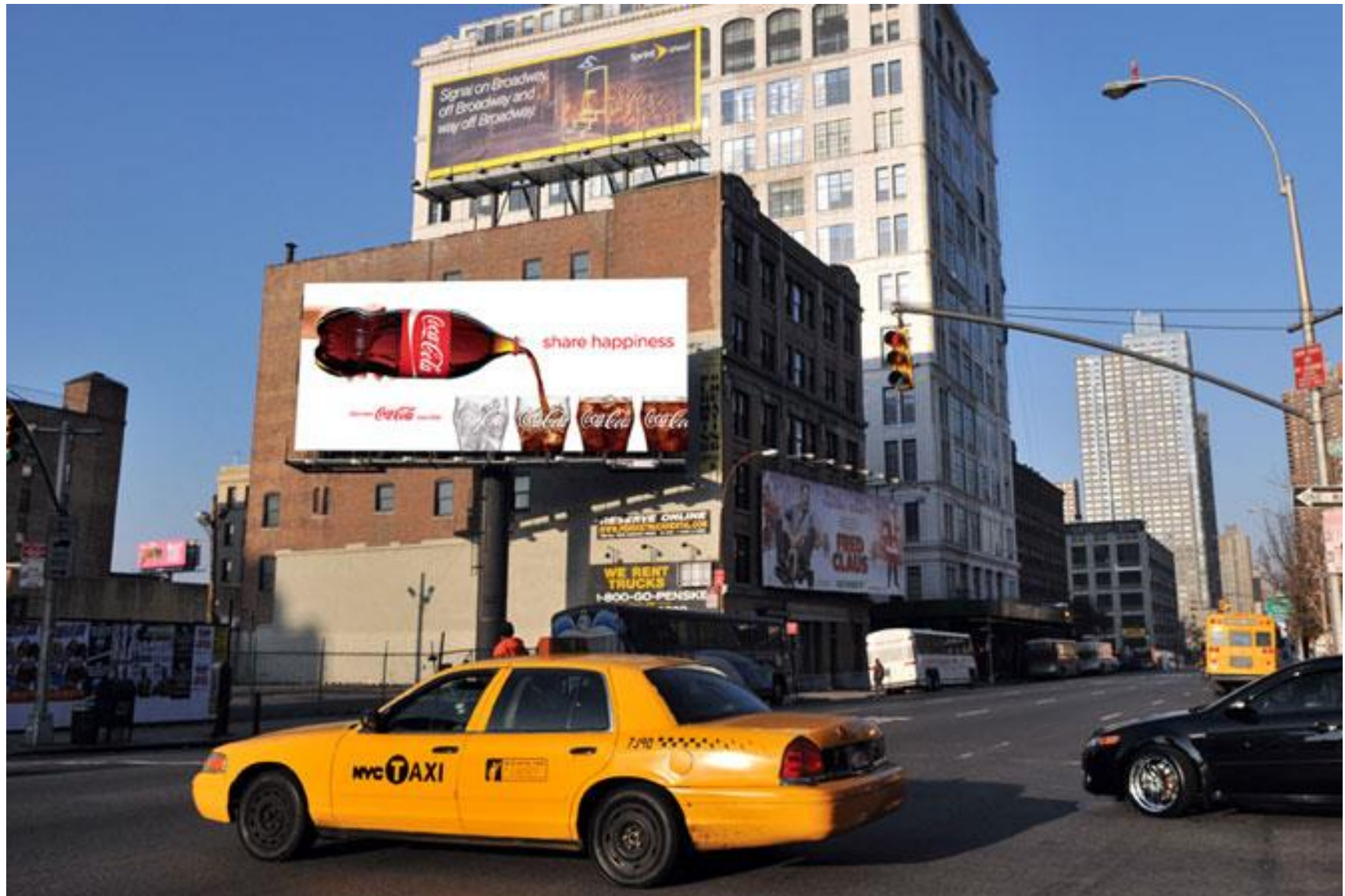
- **Defined Relative to and Differentiates from Competitors**



- **Logically and/or Emotionally Resonates with Customers**

Strategic Position

- **Drives and Guides Strategic Initiatives**
- **Drives the Communication Programmes**
- **Expresses the Values and Culture of the Organisation**





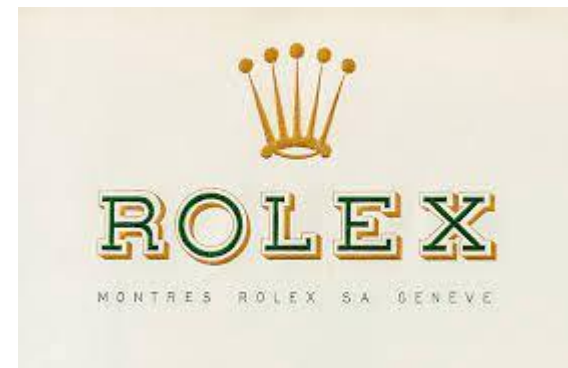


Strategic Positioning Options

- ⦿ The quality player with a defined product space
- ⦿ The value option
- ⦿ The innovator
- ⦿ A narrow product or product category focus
- ⦿ A target segment focus

Strategic Positioning Options

- ⦿ The quality player with a defined product space
- ⦿ The value option
- ⦿ The innovator
- ⦿ A narrow product or product category focus
- ⦿ A target segment focus



Strategic Positioning Options

- ⦿ The quality player with a defined product space
- ⦿ The value option
- ⦿ The innovator
- ⦿ A narrow product or product category focus
- ⦿ A target segment focus



Strategic Positioning Options

- ⦿ The quality player with a defined product space
- ⦿ The value option
- ⦿ The innovator
- ⦿ A narrow product or product category focus
- ⦿ A target segment focus



Strategic Positioning Options

- ⦿ The quality player with a defined product space
- ⦿ The value option
- ⦿ The innovator
- ⦿ A narrow product or product category focus
- ⦿ A target segment focus



Strategic Positioning Options

- ⦿ The quality player with a defined product space
- ⦿ The value option
- ⦿ The innovator
- ⦿ A narrow product or product category focus
- ⦿ A target segment focus



Additional Strategic Positioning Options

- ▣ A product attributes focus
- ▣ Product line scope
- ▣ Self-expressive benefits
- ▣ Personality
- ▣ Competitors

Additional Strategic Positioning Options

- ▣ A product attributes focus
- ▣ Product line scope
- ▣ Self-expressive benefits
- ▣ Personality
- ▣ Competitors



Additional Strategic Positioning Options

- ▣ A product attributes focus
- ▣ Product line scope
- ▣ Self-expressive benefits
- ▣ Personality
- ▣ Competitors



Additional Strategic Positioning Options

- ▣ A product attributes focus
- ▣ Product line scope
- ▣ Self-expressive benefits
- ▣ Personality
- ▣ Competitors



Additional Strategic Positioning Options

- A product attributes focus
- Product line scope
- Self-expressive benefits
- Personality
- Competitors



Additional Strategic Positioning Options

- ▣ A product attributes focus
- ▣ Product line scope
- ▣ Self-expressive benefits
- ▣ Personality
- ▣ Competitors



**For years, Avis has been telling you
Hertz is No.1.**

Now we're going to tell you why.

We're No. 1 because we're better at helping you get to where you're going.

Are you where you need it.
The first step in renting a car is getting to the car. Here's how that works for you to do that quickly and cheap. We're at more major airports in the United States.

What kind of service will you get?
In Thousand Oaks, to Los Angeles and everything in between. And in more than 400 other cities for a more if you travel a lot, we've even got something to ease your job. The Shuttle, U.T., 24/7. If you know what cars are all about, you'll know what it can do for you.

and you want to rent a car, you have to have an idea of the size. Usually, in any one of 2,000 U.S. cities, we offer you a car that's just what you need.

The major reason we made it where we are today is because we're the world's largest private vehicle rental company.

department, by individual, and by blood type if it'll help you.

And now about trying hard.
No. There's no such thing. That's what?

Strategic Positioning Options



Corporate Social Responsibility

◎ “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a voluntary basis.”

-- Commission of European Communities, 2001

Positioning on Corporate Social Responsibility

◎ Achievable via **Green Marketing**:

“Marketing strategies and activities that emphasise sensitivity to environmental impact.” (Dacko, 2008)

◎ Also called eco-marketing, eco-centric marketing, environmental marketing, environmentally responsible marketing, responsible marketing or sustainable marketing

◎ Appeals to environmentally conscious consumers



Positioning on Corporate Social Responsibility

◎Achievable via **Social Marketing**:

“Marketing concerned with influence on the voluntary behaviour of individuals and the promotion of personal and societal welfare.” (Dacko, 2008)

◎Also called idea marketing, responsible marketing, social idea marketing, social cause marketing or socially responsible marketing

◎Emphasises behavioural change interventions where consumers act primarily out of self-interest



Positioning on Corporate Social Responsibility

◎ Achievable via **Ethical Marketing**:

“Marketing concerned with conformance to morally acceptable standards of conduct.” (Dacko, 2008)

◎ Also called responsible marketing or sociomarketing

◎ Emphasises evaluations of marketing decisions and outcomes from an ethical standpoint as opposed to one of simple legality

◎ Influenced by the values, attitudes, and beliefs of marketing decision makers



**We care for people and
planet**

Positioning on Corporate Social Responsibility

⊙ Achievable via **Cause-Related Marketing**:

“A marketing approach whereby an organisation associates itself publicly with a particular cause, demonstrating support for it through activity that may include the donation of time, money, or expertise.” (Dacko, 2008)

⊙ Also called cause marketing or social cause marketing

⊙ Broadly co-aligned with corporate philanthropy but can also be based on pure commercial gain

⊙ Can enhance image among current and potential customers



Positioning on Corporate Social Responsibility

⊙ Achievable via **Macromarketing**:

“Marketing focused on issues relating to the broader environmental influences on societies and economies.”

(Dacko, 2008)

⊙ Quality of life, societal well-being, and sustainable consumption receive primary focus in terms of how marketing-led actions influence current and future levels

⊙ Perspective assists with considering the longer-term consequences of marketing actions

Positioning on Corporate Social Responsibility

◎ May or may not require **Demarketing**:

“Marketing aimed at discouraging customer demand.”
(Dacko, 2008)

◎ Involves the application of marketing principles to curtail purchase and use of particular products and services considered undesirable from a societal perspective

- Undesirable due to scarcity in supply
- Undesirable due to spillover effects

◎ Requires a deep understanding of consumer behaviour



SAVE WATER. SAVE LIFE.

NHS

EVERY CIGARETTE HARMS YOUR BABY

Cigarettes restrict the essential oxygen supply to your baby. So their tiny heart has to beat harder every time you smoke. Quit for you and your baby with the free NHS support services explained on our DVD.

To order your free Support DVD, call the NHS Pregnancy Smoking Helpline
0800 169 9 169
or visit www.nhs.uk/smokefree

SMOKEFREE

Yet, Marketing Management Orientations Vary

◎“An organisation’s conceptualisation of the way that marketing should be managed to achieve its organisational goals.” (Dacko, 2008)

◎Five distinct philosophies: product concept, production concept, selling concept, marketing concept, and the societal marketing concept:

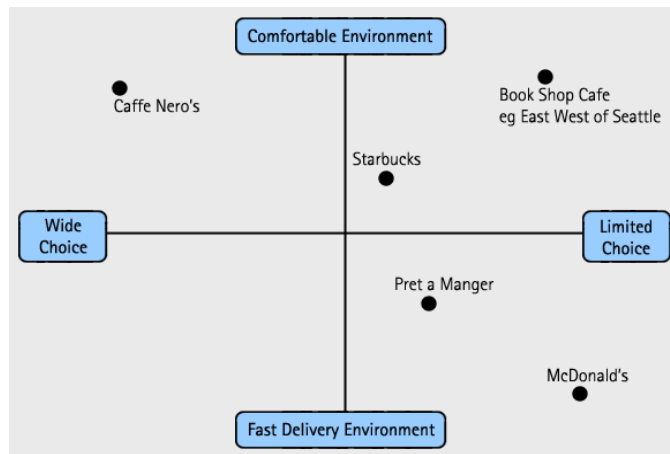
“the view that the organisation should determine the wants and needs of a firm’s target market and satisfy customers more effectively and efficiently than competitors in a way that considers, company, consumer, and societal interests and ultimately, seeks to maintain or improve the well-being of consumers and society.”

CSR: A Summary

- ❑ CSR-based marketing strategies and capabilities represent new kinds of resources for positioning
- ❑ Reflecting behavioural norms established by buyers is increasingly mandatory
- ❑ Openness and transparency increasingly expected
- ❑ Failure to conform or exceed “standards of behaviour” may undermine strategic positioning
- ❑ Company beliefs increasingly reflect societal values
- ❑ CSR can be considered a critical dimension of new business models

Perceptual Maps

Using a Perceptual Map to determine competitive Position: Eg. Coffee Marketplace



Warwick Business School

wbs.ac.uk

- Map on attributes which matter to customers
- How congested is your "position"
- Not all gaps offer potential value propositions
- Should we launch a coffee shop which offers wide choice and a fast delivery environment?

Brand Positioning Exercise

Try to create a perceptual map using two key dimensions valued by customers for one of the following:

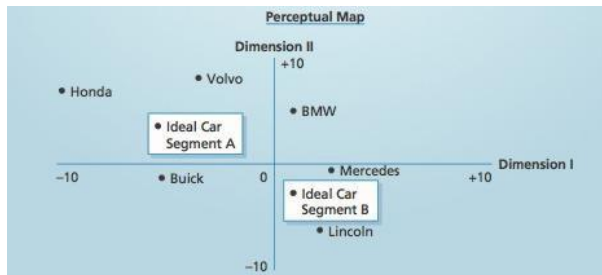
- Toothpaste
- Luxury fashion brands
- Healthy meal deliveries

Creation of Perceptual Maps

- @ In practice, both qualitative and quantitative methods are used.
 - ▶ Qualitative – Focus Groups
 - ▶ Quantitative – Multidimensional Scaling techniques

- @ Once the positions are identified, decisions are made to either support the current position or reposition the brand

Questionnaire Example – MDS (Multidimensional Scaling) for Positioning



A business can use a variety of multidimensional scaling programs to create a perceptual map, such as the one shown above. In this example, inter-brand differentiation is graphed in two dimensions.

Competing Alternatives	Degree of Perceived Differentiation										
	Very Similar					Very Different					
Mercedes—Volvo	0	1	2	3	4	5	6	7	8	9	10
Mercedes—Lincoln	0	1	2	3	4	5	6	7	8	9	10
Mercedes—Honda	0	1	2	3	4	5	6	7	8	9	10
Mercedes—Buick	0	1	2	3	4	5	6	7	8	9	10
Mercedes—BMW	0	1	2	3	4	5	6	7	8	9	10
Mercedes—Ideal A	0	1	2	3	4	5	6	7	8	9	10
Mercedes—Ideal B	0	1	2	3	4	5	6	7	8	9	10
Volvo—Lincoln	0	1	2	3	4	5	6	7	8	9	10
Volvo—BMW	0	1	2	3	4	5	6	7	8	9	10
Volvo—Buick	0	1	2	3	4	5	6	7	8	9	10
Volvo—Honda	0	1	2	3	4	5	6	7	8	9	10
Volvo—Ideal A	0	1	2	3	4	5	6	7	8	9	10
Volvo—Ideal B	0	1	2	3	4	5	6	7	8	9	10
Lincoln—Honda	0	1	2	3	4	5	6	7	8	9	10
Lincoln—BMW	0	1	2	3	4	5	6	7	8	9	10
Lincoln—Buick	0	1	2	3	4	5	6	7	8	9	10
Lincoln—Ideal A	0	1	2	3	4	5	6	7	8	9	10
Lincoln—Ideal B	0	1	2	3	4	5	6	7	8	9	10
BMW—Honda	0	1	2	3	4	5	6	7	8	9	10
BMW—Buick	0	1	2	3	4	5	6	7	8	9	10
BMW—Ideal A	0	1	2	3	4	5	6	7	8	9	10
BMW—Ideal B	0	1	2	3	4	5	6	7	8	9	10
Buick—Honda	0	1	2	3	4	5	6	7	8	9	10
Buick—Ideal A	0	1	2	3	4	5	6	7	8	9	10
Buick—Ideal B	0	1	2	3	4	5	6	7	8	9	10
Honda—Ideal A	0	1	2	3	4	5	6	7	8	9	10
Honda—Ideal B	0	1	2	3	4	5	6	7	8	9	10

Discussion

- What is the positioning of Tesla?
- Which markets is it targeting?
- Is the positioning the same globally?
- What challenges does it face in maintaining this positioning strategy?

Strategic Positioning: A Summary

- ❑ Firm's strategic positioning and assets and competencies for growth must be assessed relative to each opportunity
- ❑ The challenge: Developing and pursuing initiatives to strengthen the firm's strategic positioning and grow