Chapter 9
Creating Positioning and Dealing with Competition

Chapter Questions
• How can a firm choose and communicate an effective position?
• How are brands differentiated?
• How do marketers identify primary competitors and analyze their strategies, objectives, strengths, and weaknesses?
• Should a company compete as a market leader, challenger, follower, or nicher?

Positioning

Positioning is the act of designing the company’s offering and image to occupy a distinctive place in the mind of the target market.

Value Propositions

Perdue Chicken
• More tender golden chicken at a moderate premium price

Domino’s
• A good hot pizza, delivered to your door within 30 minutes of ordering, at a moderate price

Defining Associations

Points-of-difference (PODs)
• Strong, positive associations with a brand that consumers believe they could not find to the same extent with a competitive brand

Points-of-parity (POPs)
• Associations that are not necessarily unique to the brand but may be shared with other brands

Conveying Category Membership

• Announcing category benefits
• Comparing to exemplars
• Relying on the product descriptor
PODs

Desirability Criteria
- Relevance
- Distinctiveness
- Believability

Deliverability Criteria
- Feasibility
- Communicability
- Sustainability

Differentiation Strategies
- Product
- Personnel
- Channel
- Image

Product Differentiation
- Form
- Features
- Conformance
- Durability
- Reliability
- Repairability
- Style
- Design
- Quality

Services Differentiation
- Ordering ease
- Delivery
- Installation
- Customer training
- Customer consulting
- Maintenance and repair

Personnel Differentiation
- Competence
- Courtesy
- Credibility
- Reliability
- Responsiveness
- Communication

Channel Differentiation
- Coverage
- Expertise
- Performance
Image Differentiation

- Symbols, colors, slogans
- Atmosphere
- Events
- Brand contacts

Identity and Image

Identity
The way a company aims to identify or position itself

Image
The way the public perceives the company or its products

Five Forces that Determine Market Attractiveness

- Suppliers
- Buyers
- Substitutes
- Competitors
- Potential new entrants

Industry Concept of Competition

- Number of sellers and degree of differentiation
- Entry, mobility, and exit barriers
- Cost structure
- Degree of vertical integration
- Degree of globalization

Industry Concept of Competition

- Pure monopoly
- Oligopoly
- Monopolistic competition
- Pure competition

Analyzing Competitors

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengths</td>
<td>Weaknesses</td>
</tr>
</tbody>
</table>
Strengths and Weaknesses
• Share of market
• Share of mind
• Share of heart

Focusing the Attack
• Strong versus weak
• Close versus distant
• Good versus bad

Six Types of Defense Strategies
• Position
• Flank
• Preemptive
• Counteroffensive
• Mobile
• Contraction

Other Competitive Strategies
- Market Challengers
- Market Followers
- Market Nichers

Market Challenger Strategies
• Define the strategic objective and opponents
• Decide who to attack
  • Market leader
  • Market equals that are underperforming
  • Small firms

General Attack Strategies
• Frontal attack
• Flank attack
• Encirclement attack
• Bypass attack
• Guerilla warfare
Market Follower Strategies
- Counterfeiter
- Cloner
- Imitator
- Adapter

Table 9.4 Market Niche Roles
- End-user specialist
- Vertical-level specialist
- Customer-size specialist
- Specific-customer specialist
- Geographic specialist
- Product specialist
- Product-feature specialist
- Job-shop specialist
- Quality-price specialist
- Service specialist
- Channel specialist

Balancing Orientations
Competitor-centered  Customer-centered