

# Positioning as Marketing Strategy

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**Annotation.** Positioning is one of the key marketing strategies. It was worked out as a response to the so-called “advertising noise” which appeared in mass-media in the second half of XX century and now is used by many successful companies all over the world. The core idea of positioning is that perception of products is more important than their objective characteristics. One of the advantages of the strategy is its universality. A number of ways of applying positioning in different market situations is also set out in the article.

**Key words:** Positioning, marketing strategy, repositioning, market leader, marketing communications, advertising.

How to make a product recognizable in the modern world, when people are overloaded with information? The conception of positioning can help you solve this problem.

The conception was worked out by J. Trout and A. Ries. They started their career in the Advertising Department of “General Electric”. They became outstanding specialists in marketing and began scientific research in this sphere.

Exploring the history of marketing communications, Trout and Ries found out that the emergence of the positioning strategy does correspond to the common evolution of marketing.

In 1950s marketers attempted to make a unique commercial offer emphasizing the features of their products. However, they faced the problem of copying and changed the strategy. Advertisers endeavored to build up a reputation for their company or goods and services. At the same time the new ways of transmitting information were developing, and the size of advertising market was growing. Thus, the level of “advertising noise” increased very much and people’s consciousness became irresponsive to applications from ads and commercials. Trout and Ries took the challenge. As a result they invented the strategy of positioning. In 1972 their article “The Era of Positioning” in which the new conception was described made a splash.

What is positioning?

It can be defined in the following way: the process of influencing people’s consciousness to form a definite perception of goods or services and to place them on the proper position in human minds.

Critics claim that both success and failure of the company depend on quality, price, safety of its products or services and other similar factors. In response Trout and Ries say that customers “see what they want to see”. In practice it means that consumers estimate goods and services according to the established perceptions of them. Their actual characteristics are secondary. Trout and Ries consider positioning the only way of promotion in our “super-communicative” society where the main goal of advertisers is not to spread ads and commercials but to introduce a brief and capacious image of an advertised object in people’s minds.

The authors of the conception under consideration are convinced that a firm can find an appropriate way of positioning in almost all situations.

It goes without saying that the best situation occurs when a company is the first to enter a market or to produce goods and services. In this case it will be the first one to take a position in customers’ consciousness. Trout and Ries figure out that “pioneers” show the best economic results in the long-term period. Companies which are the second often succeed, too. Other

firms have to face the difficulties to position themselves and to prosper. For example, the first is “Coke”, the second is “Pepsi”, but what is the third? The first is “Colgate”, the second is “Blend-a-med”, but what is the third?

Let us imagine that in our minds we have a staircase for each kind of products, and on each stair of it we place a product of a definite trademark. Market leaders take the highest position on the staircase. How can other products achieve it? There are some options.

The first option is to admit the fact that it is very difficult to catch up with the leader, all you can do is to connect your image with it in some way. For instance, “7-Up”, a producer of soft drinks, represented itself as “not Cola”.

The second variant is to try to dislodge the leader. Unfortunately, it is almost unreal as leaders occupy a stable position in consumers` consciousness. Most likely, you just spend a lot of money on promotion but do not achieve any noticeable result.

The other option is to find a market gap and to fill it. Having chosen this tactics, you establish a new product category, create a new “staircase” and get all the advantages of the pioneer. To give an example, in the first half of XX century automotive concerns produced only long-body cars. In 1950s “Volkswagen Beetle” gained huge popularity as the first compact car. It turned out that small cars could meet the needs of the majority of customers.

The last but not the least option is to reposition your rival. This tactics was used by “Predo”, a company that entered the American market of sauces. It positioned its sauces as thick ones. Sauces of “Ragu”, the current market-leader, were automatically repositioned as liquid sauces. According to their preferences, customers chose between “Predo” and “Ragu”. If you want to apply repositioning you should pay special attention to legal peculiarities because repositioning can be referred to comparative advertising which is forbidden in some countries.

Since 1970s, when the concept of positioning was developed, the new ways of communication and transmitting information have appeared. Advertising has become even more intensive and marketers have to strive even more to make their products remembered. So the strategy of positioning, which is about 45 years old, does not lose its relevance. On the contrary, it is becoming more and more significant and is getting strength every year.

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