

THE NEW POSITIONING

The Latest on the World's
#1 Business Strategy

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MAIN IDEA

Positioning means to concentrate on an idea -- or even a word -- that defines the company and its products in the minds of consumers, and to avoid the temptation to try and be all things to everybody.

Every product or service has attributes that appeal to the marketplace -- for example, price, quality, taste, value, ingredients, etc. A company that is positioned will select one of these attributes and align everything it does behind delivering in that specific area. Over time, the consumer will begin to mentally associate that company with the attribute whenever that product is mentioned.

Companies that utilize positioning have a strong edge in the marketplace, because they can focus their marketing messages to drive home one consistent theme. When a company does that successfully and consistently over a period of time, it comes to own that category in the mind of the consumer. In other words, when the consumer thinks of that product category, only one company comes to mind. That's the ultimate objective of positioning.

Part 1 -- The Theory of Positioning Page 2

Positioning is a game businesses play in a crowded marketplace to make their product stand out from everyone else's products. Positioning is played not in the marketplace but in the mind of the consumer. The most important facts to remind yourself about the positioning process are:

1. Minds are limited in the amount of data they can process.
2. Minds hate confusion or complexity and love simplicity.
3. Minds are insecure -- emotional rather than rational.
4. Minds don't change, so reclaiming an old idea works.
5. Minds can lose focus, so never try line extensions.

Part 2 -- Positioning Tips and Techniques Page 4

To position a product or service effectively, try these techniques:

1. Develop a good way to describe your product in words. The mind works by what it hears.
2. The single most important marketing decision is what to name the product or service.
3. If, for whatever reason, you're stuck with an unsuitable name, try sub-branding.
4. Positioning really starts with naming the product category into which your product or service fits.
5. Avoid too much research -- it will only confuse and obscure. Instead, trust your instincts.
6. Public relations is an excellent way to position a product or service. Use it wisely.
7. The key to getting action is to get the right people in the room. It rarely ever happens.
8. The six pitfalls that can sink a positioning program are:
 1. It seems too obvious
 2. It seems to cut off options for future growth.
 3. It's cute rather than telling it like it is.
 4. It doesn't make the would-be-heroes look good.
 5. A focus on short-term results, not long-term success.
 6. A failure to keep going with what is working already.

Part 3 -- Positioning Case Studies Page 7

In the current business climate, companies that lose sight of their markets quickly lose business opportunities. The reasons companies can fall into this trap include:

1. Technology is rapidly changing and evolving.
2. Consumer attitudes can shift quickly.
3. The global economy increases competition.
4. Company executives are gaining more skills.

Therefore, the challenge for many companies is not simply positioning, but to reposition their companies for the challenges ahead. Usually, that will require a back to basics approach and getting everyone in the organization pulling in the same direction.

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