

What does positioning mean in marketing?

A [positioning](#) strategy is a set of actions and processes that are designed to improve the image and visibility of a brand, company, or product.

Product managers should plan for how people in the market will think about their product, as truly the only product positioning that counts is what your customers think as the product has a life of its own. If a customer isn't thinking about it, your product doesn't occupy that position.

Successful positioning strategies not only focus on where the product is today but how the product could potentially progress to where you would ideally like it to be in the near future.

Businesses use marketing to communicate their market position to customers and influence their perception of the brand's products or services. Marketing establishes the brand identity, influencing consumer perceptions of its position in the market relative to the alternatives available from competitors.

“Positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.”

(Ries & Trout, 2001)

Check out our vetted and tested [positioning template](#), approved by the likes of **Microsoft**, **Klue**, and **Facebook**. This resource will help you streamline your processes and perform to your optimum potential.

Plus, if you're looking to enhance your positioning credentials, *even more*, [Positioning Certified](#) is packed with key learnings that'll improve your knowledge.

Positioning vs messaging

Positioning outlines why your product is unique in comparison to market alternatives. Messaging describes to your target segments what you'll do to deliver on the promises made in your positioning statement.

Positioning vs value proposition

A value proposition is different from positioning because they're a promise you make to your customer and describes the benefits your product or service will bring your customer.

Positioning vs differentiation

Positioning refers to acquiring space in the mind of the consumer. On the other hand, differentiation is a tactic commonly used by companies to make their offering stand out and appeal to their target market more effectively.

Positioning vs branding

Branding is when a company creates a specific image of a product via the combination of logos, taglines, slogans, and various advertising strategies.

For example, Nike has the tick, the 'Just Do It' slogan, and a range of inspirational advertising campaigns. On the other hand, positioning focuses more on the way that a product is viewed by the consumer in comparison to other brands.

What are the types of positioning?

You can position your product by:

- **Customer needs:** Knowing your target market and how you will fulfill their specific needs.
- **Product price:** Positioning your brand/product as competitively priced
- **Product quality:** Positioning your brand/product as high quality:
- **Product use and application:** Associating your brand/product with a specific use
- **Competitors:** Positioning your brand as better than your competitors

What is the meaning of market positioning?

Market positioning is a strategic exercise we use to establish the image of a brand or product in a consumer's mind.

This is achieved through the four Ps: promotion, price, place, and product. The more detailed your positioning strategy is at defining the Ps, the more effective the strategy will be.

What is the importance of market positioning?

Positioning can make or break a product, do it right and you'll have a receptive audience, confident they've made the right decision despite a slew of other options. Do it wrong and you'll be lucky if your product registers with consumers at all.

Market positioning is integral to your company's branding and how your target market perceives you.

It should embody your core values and communicate your principles to customers. Forming a successful product positioning strategy is one of the most fundamental elements of marketing because it allows your business the opportunity to differentiate itself from its competitors.

Well-executed product positioning also helps internal teams such as sales, marketing, and customer success in delivering exciting customer experiences, oftentimes leading to an upturn in [customer retention](#) and stronger [advocacy programs](#).

How market positioning helps you connect with customers

The objective of market positioning is to get customers to view your product and brand as the leader in your respective market.

When market positioning is well executed and completed correctly, this opens up the opportunity for you to connect with your customers. People are interested in purchasing products that resonate with them. If consumers think your product is capable of delivering the benefits they're looking for, then the likelihood is they'll buy your product ahead of others that are available.

April Dunford, Founder of Ambient Strategy, explains how to [master positioning for growth](#).

Examples of market positioning

- A ladies' shoe company might position its products as a status symbol,
- A fast-food chain that serves sandwiches might position itself as the healthier fast-food option, or
- A car company might position itself as the safest option for a family.

What is a brand positioning strategy?

Brand positioning is when a company positions its brand in the mind of its customers.

What are the 3 levels of brand positioning?

There are three types of positioning strategies: comparative, differentiation, and segmentation.

Comparative positioning

Comparative positioning is when a company compares its product or service with alternatives that are available to its target demographic.

This helps establish their USPs and highlights their value when compared with other companies on the market.

Differentiation positioning

Differentiation positioning is when a company focuses on features that can't be copied by a market rival, i.e. they use the feature to 'differentiate' themselves from competitors.

This approach is useful because it allows companies to earmark a particular feature they're able to offer, that others cannot.

Segmentation positioning

If a company is targeting more than one target audience, segmentation positioning is beneficial, as it helps address the specific needs of each group.

What is the importance of brand positioning?

Brand positioning plays an important role in helping you stand out from other companies offering similar products.

Brand positioning examples

- Pepsi vs Coca-Cola
- Starbucks vs. Caribou Coffee
- Netflix vs Apple TV
- Zoom vs Microsoft Teams

What is product positioning?

Product positioning is a strategic exercise we use to find a product or service's place in the market. Positioning defines what makes your product different from the others on the market so you can focus on messaging and effectively explain its value to potential customers.

What are the 4 main components of a product positioning statement?

A positioning statement can be split into four segments: the target, the category, the differentiator, and the payoff.

1. **The target** - It's important to establish the target before you begin working on your marketing activity. The target market ought to be based on essential criteria including demographics, geography, psychographics, pains, customer needs, and so on.
2. **Category** - When prospective customers are evaluating a purchase, they need a frame of reference. You need to outline the category in which your brand will be competing. For example, technology, fashion, etc. Providing context for your customer will help establish brand relevance. gives the brand relevance to the customer.
3. **Differentiation** - When writing a positioning statement, include a solitary point of differentiation; it's regarded that multiple benefits or features shouldn't be included as differentiators for your product. This is because the unique features or benefits of your product/service will support the main differentiator.

Remember, don't use a bold claim that your product is the "the global leader" as your point of differentiation. Instead, explain in detail *why* you're the global leader.

Also, ensure you differentiate your product from your customer's perspective and not a business angle. While having a healthy market share or a large turnover may appeal to *you*, this *isn't* relevant to your customer.

4. The payoff - This part of your positioning statement is the differentiation with the needs or goals of the target market.

Here, it's essential to communicate to your target personas exactly how your differentiator will address their user needs.

To reinforce our earlier point, a successful positioning statement hinges on an in-depth understanding of your target market. Any understanding needs to be based on bona fide market research - never rely on internal assumptions.

Positioning vs narrative design

Product positioning contextualizes a product's value for customers so they can understand what it brings to the table. Narrative design is when companies create a story for a product in an attempt to engage a buyer persona.

Marcus Andrews explores the differences between the two in an article in which he suggests [why narrative design will replace brand positioning](#).

What are some examples of product positioning?

Now we've covered product positioning in some detail, let's take a look at it in action. Below are a few examples of businesses that have successfully positioned themselves into a gap in the very same market as their competitors.

Delta & JetBlue

When Delta stopped serving peanuts and reduced their legroom, JetBlue entered the market and positioned itself front and center as the airline with gourmet snacks and ample legroom.

Chipotle & Taco Bell

Although both of these brands essentially sell Mexican fast food, Chipotle entered the same market, competing with quality instead of price. One of the company's adverts stated, "We're not afraid to say we're real chickens." A tagline that positioned the brand as superior in quality to its rival, Taco Bell.

Bumble & Tinder

Bumble was positioned as a dating app that empowers women. After the founder had a negative experience with some of the men on Tinder, she designed the app so that only female users could initiate first contact. Bumble has now also expanded beyond dating and allows users to seek friendship or professional connections.

The Coca-Cola Company & Mother Energy Drinks

This is a slightly different example in that Coca-Cola was essentially fighting against its own positioning of a product in the market, but it's a great lesson in repositioning.

In 2006 Coca-Cola launched the Mother Energy drink into the Australian market.

The launch campaign was pretty successful, however, the taste of Mother Energy Drink just wasn't as good as the leading competitors, and repeat purchases were low.

Due to its already high brand awareness and no doubt how much they threw at marketing the brand, Coca-Cola decided to reposition the product. They completely changed the packaging, increased the size of the can, and improved the taste of the energy drink.

The relaunch of the product featured the line – “New Mother, tastes nothing like the old one.” They didn't shy away from the fact the drink was performing poorly and even poked a bit of fun at themselves in the process.

Ultimately, they successfully repositioned an energy drink that now competes with the two leading energy drinks in the market – V and Red Bull.