

## THE ART OF POSITIONING MADE SIMPLE

I must make an up-front declaration here:

I have unilaterally tweaked the definitions/ concepts discussed below to make sense of them all. You won't necessarily find equivalent definitions anywhere – and that is actually point. Most marketers use these concepts any way they like – and often interchangeably. Not even good marketing textbooks devote any time to explaining the relationships and linkages between these concepts.

As always, definitions and clarity of concept is only relevant to the extent that it contributes towards understanding and better communication. As long as you use it the same way all the time and people understand what you mean and there is no ambivalence, then any definition will do.

To explain the difference between so many confusing and overlapping concepts in marketing, consider this hypothetical scenario: You run a retail store that sells directly imported home ware.

There are many competitors – from the dollar shops, to the big furniture retailers.

How do you find a niche, communicate that to your customers in such a way that you have a sustainable business?

A basic understanding of the various (related) marketing concepts has practical benefit.

We know that successful brands are successful businesses, but because we do not appreciate the difference and the linkages between the various concepts, we fail to build good brands. (Colours, names and logos come should come last, but usually that is where businesses start.)

### #1: What is Point-of-Difference?

- Point-of-Difference describes how you differ from your competition. It is synonymous with Competitive Advantage.
- Your POD usually emerges as part of the process of evaluating your business using the SWOT framework.
- Your USP is not your POD.
- Your POD leads to your Positioning.

A POD could easily be strategic, logistical or even internal differences. Your POD provides you with a competitive edge. You must find out what your POD is – and then how you leverage that into a consumer advantage.

**For example:** In our hypothetical example we have identified the POD as 'access to overseas markets'. This competitive advantage allows you to position yourself as a low cost provider OR position yourself



as being able to supply a different range or you could position yourself as quicker/easier/saver of time etc.

## #2: What is Positioning?

Positioning is how you want your customer to think of you. (Your 'position' is the space you occupy in the mind of the customer.)

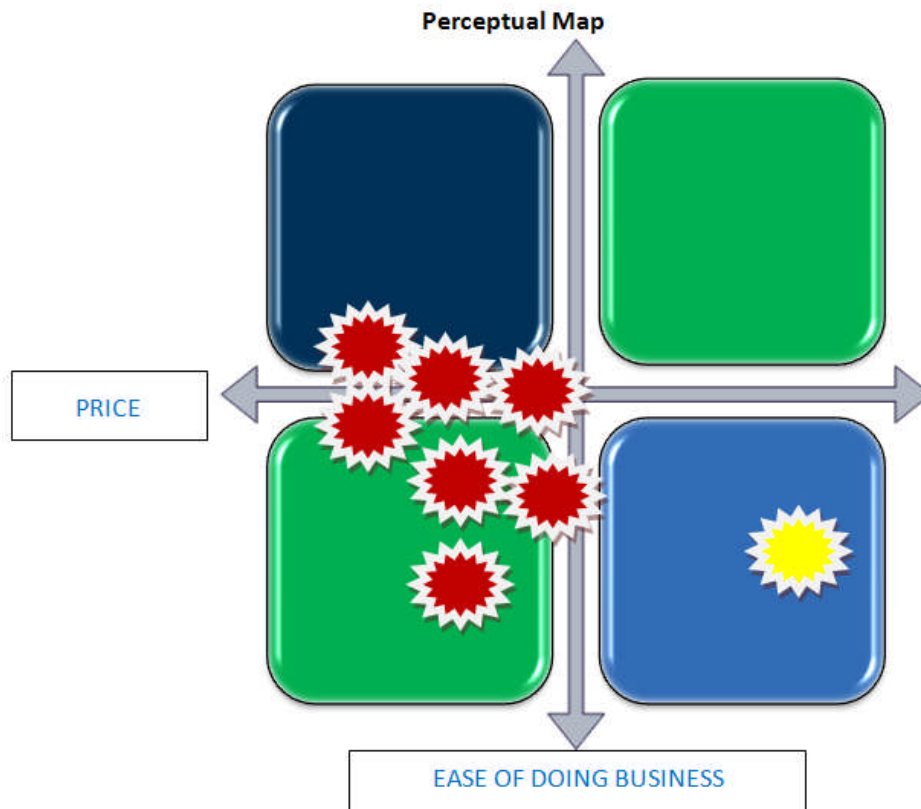
- Positioning is not point of difference; it is not your USP or your value proposition.
- Positioning is what marketers do in order to get their customer to think of the product.

### For example:

Consider how the following products have 'positioned' themselves:

- The go to place for... birthday cards
- The drink to get if you are thirsty and hungry
- The car to buy if you like driving

In order to conduct a positioning exercise, we usually recommend it is done on a two-dimensional matrix.



One axis of your positioning matrix (or perceptual map) is PRICE. The other must be decided. Both axes are scaled from LOW – HIGH (not indicated on the matrix) in the usual way.

How you arrive at that particular decision is a result of your strategic thinking and marketing analysis. (Read the definitions below to see the inter-relationships.)

The yellow dot represents your retail store and the other red dots the competition. The acid test of a positioning exercise is this: Unless you have some 'white space' between you and the competition, you are swimming in shark-infested seas and the blood in the water will turn the blue ocean red.

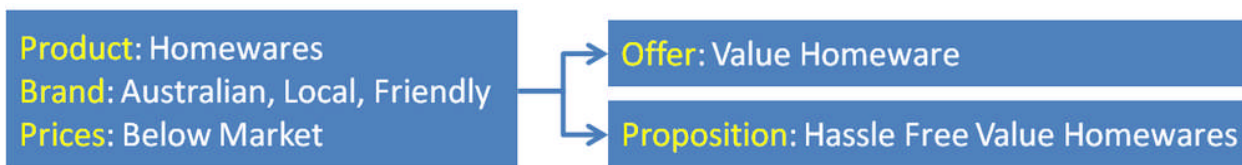
**For Example:**

In the graphic above, we selected 'ease of doing business' as the positioning attribute based on our Point of Difference; but there are several options to choose from.

Selecting the right positioning attribute is the KEY STRATEGIC decision you make in your marketing. [This post contains further explanation](#) and some more practical examples – including an explanation of why Apple’s success can be attributed to clever positioning.

**#3 What is Proposition?**

Proposition is the overlap and combination of the Product X Price x Brand.  
 Your Product x Price is your OFFER.  
 The OFFER + BRAND = your PROPOSITION.  
 Value Proposition is tautological concept – because a proposition always contains a value (price) component.



Every business has a proposition; and that is essentially a description of the business model. The strategic question a business must ask itself is whether there is a market for its proposition. This is the reason why you formulate your proposition.

In this example, the business owner must ask itself:  
 Is there a market of people who want to buy value homewares easily, without hassle? (Or is that wishful thinking?)

#### #4. What is Unique Selling Proposition?

USP is also a redundant concept. A proposition is always made/ offered/ presented to the market, so it is by design 'for sale' so calling it a selling proposition is unnecessary. It's a bit like saying you have a four-wheeled car.

The fact that your proposition must be 'unique' is essentially unattainable in the new economy where consumers are globally connected. Any advantage from a 'sales' proposition perspective is temporary at best.

Your POD, on the other hand, is something that differentiates you from the competition and allows you to gain a competitive advantage which can be leveraged into a unique (free from competition) position.

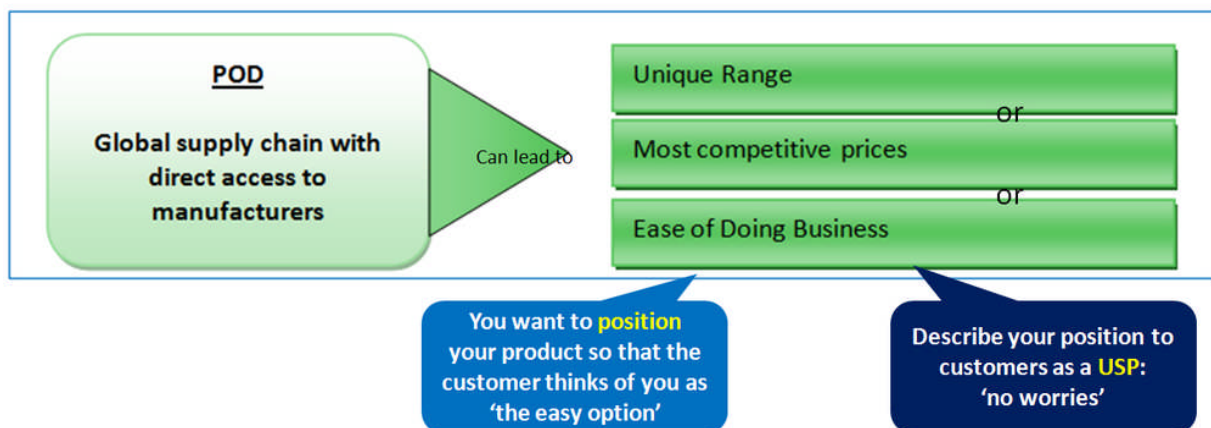
Any proposition is potentially unique anyway if you consider that a proposition incorporates your brand – which is hopefully unique.

USP is simply how you would describe your positioning statement to a customer. Whenever you do this, you will verge on pushy selling – so use with caution.

Your BRAND PROMISE should be executed in such a way that you don't need to push a USP down any customer's throat anyway.

Inter-relationship between all these concepts is explained in this graphic below.

#### To Summarise



In our hypothetical example, this retailer created the following typology of marketing concepts:

- Product >>> Home wares
- Brand Essence >>> Australian, Local, Friendly (Laid-back, Aussie style)
- Prices >>> Below Market
- Offer >>> Value Home ware
- Proposition >>> Hassle-free, Value Homewares
- Positioning statement >>> The Easy Option
- USP >>> No worries

You will now be able to create a brand that is different, sustainable and effective.



Now you have created the framework to develop your BRAND. The brand should reflect and communicate these strategic marketing decisions:

- Brand Essence can allow you describe the brand attributes.
- Positioning can be translated into a Tagline: 'Nothing is too much trouble at AussieStyle'. (A tag line or a strap line is a consumer –friendly expression of how you want consumers to think of you and that is why advertising agencies like to use it in the communications.)

You don't start with a logo and work from there.

You start with the market, identify the opportunities and evaluate your strengths and weaknesses in the context of those opportunities.

You then take your major strength and articulate that into a Point of Difference which becomes or is your key competitive advantage.

You don't change your tagline unless you change your positioning.

You don't change your positioning unless your POD is annihilated by circumstance and you consequently have to find new 'space' to occupy.

Just because you become bored with a brand does not mean you should change. Get a hobby instead.

Kind Regards

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