

INTRODUCTION TO POSITIONING



MAKE IT EASY FOR CUSTOMERS
TO CHOOSE YOUR BUSINESS



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THE POSITIONING TOOLKIT

Does your team lack focus?

Do different parts of your business speak different languages?

Is your brand, culture, or market presence unclear?

Positioning ties it all together: culture, marketing, and focus. It creates clarity that makes your business stand out in a crowded market.

Success isn't about being well known; it's about being known for something: quality, low prices, customer service, expertise, speed, or specialisation.

The real question: why should customers choose you?

The Positioning Framework helps define that focus and drive the changes needed to win.

Introducing Positioning

Positioning is sometimes seen as strategic marketing. But while marketing is often about what you say, positioning is also about what you do.

In a world crowded with messages and overloaded with information, focusing on what you deliver is the only way to be heard.

Positioning also means having a distinct place in your market. This is not just external research.

It starts with an internal focus—deciding what you want to create. Only then can you assess opportunities and refine your strategy.

BEFORE YOU BEGIN

This eGuide shows how to use Positioning to grow your business.

It asks key questions to help you choose your market position, shape a strategy, and achieve a strong return on investment.

Benefits of Positioning

Positioning helps you see where you and your competitors stand, and where you want to be. You will learn:

- Your current market position
- How this affects business performance
- How to design a strategy to reach your desired position

A clear framework lets you target both commercial outcomes (measurable results) and cultural outcomes (behaviours, emotions, and ways of working).

Key Terms

- Framework: A tool for better decisions and outcomes
- Positioning: Defining your competitive place in the market
- Context: The purpose or filter for decisions; in Positioning this is Focus
- Product: What you sell (product or service)
- Service: How you deliver your product to clients



WHAT TO EXPECT

Specific questions this document will guide you through include:

- Whether you are a Product or a Distribution business
- Whether you are primarily positioned around Product, Price, Market or Service
- Whether you want your clients to have a relationship with your Product or your Company proposition
- Whether you want to communicate, and have clients make their purchasing decision, in a Thinking, Feeling, or Knowing space
- Whether your business is aligned Up, Down, or Neutral
- What your One Word position is, and how it relates with the other words to create an Elevator Pitch
- Where your business is placed on a Market Matrix, and
- What your specific Positioning Strategy will be achieving

When do I need Positioning?

Use the Positioning framework to:

- Identify your competitive position in the market
- Plan where you would like to be positioned
- Select One Word that defines your position
This then provides a filter for all decisions, by all team members, so your distinct position comes through in every action



THE MAGIC NUMBER

Here's a quiz to demonstrate why Positioning works.

Q: Name the four highest mountains in the world.

A: 1st - Everest, an answer most people remember.
2nd - K2, not as memorable (though the number 2 helps!).
3rd - Kangchenjunga.
4th - Lhotse, most people don't remember past the first two.

Q: Name the four longest rivers in the world.

A: 1st - The Nile.
2nd - The Amazon.
3rd - The Yangtze.

Unless this is of specific interest or has very recently been relevant in your life then you, like almost everybody else, will have difficulty remembering the answer to the next question..

Q: The 4th longest?

A: The Mississippi.

How about a question closer to home.

Who is the leading business in your industry and your market? Number two? Number three? If you had to think, imagine what clients unfamiliar with your industry experience.

You may have heard that 95% of people doing a Google search will only look at the top ten options. When they rely on personal recall they rarely go past number three.

This is a point worth repeating

Your clients are unlikely to remember more than the first three accounting firms, take-away restaurants, or whichever industry you happen to be in. And when they want to make a simple purchasing decision, they don't explore beyond those three.

Positioning is about making your message so simple that in your target market you are remembered as one of those three. Only then will you have the opportunity to compete.

That is the opportunity you have before you.

WHAT IS YOUR CURRENT POSITION?

Every business must sell, build a product or service, deliver it and service customers. Most businesses do these operational management tasks well and will want to create more profit and more growth. But improving sales or building things more effectively is not the whole solution for growth.

Before a company can market itself, the management must decide on the proposition to take to market, i.e. their Positioning. Once you are clear about your Position, your company can design the marketing to support it.

Who are you?

The key question behind any Positioning strategy is an understanding of what you stand for, who you are. Being able to answer this question succinctly enables you to clearly and consistently articulate that aspect of your business. This will improve sales opportunities, identify potential acquisitions, mergers and JV opportunities as well as enabling distribution, build and PR.

The first part of the Positioning exercise is for the business to identify how it is positioned today. The following process will enable you to identify the relevant questions.

Choose your primary position

Identifying your current Position and then, if necessary, choosing your new Position begins by answering four questions:

1. Are you a Product or a Distribution company?
2. Are you best recognised for your Product, Price, Market, or Service?
3. Are you remembered for your Company or your Product proposition?
4. Do customers purchase you in a Thinking, Feeling, or Knowing space?

Distribution				Product			
Market		Service		Product		Price	
Product	Company	Product	Company	Product	Company	Product	Company
Think		Feel		Know			

HOW TO USE POSITIONING IN YOUR BUSINESS

One Word

For Positioning to be successfully implemented, for it to be readily applied to areas of your business as diverse as culture, marketing and focus then it needs to be summed up in a something brief enough for your whole team to remember at all time: One Word.

Ideally you are looking to identify One Word that encapsulates your business. For example, Volvo chose 'Safety', whereas Rolls Royce chose 'Luxury' and Jaguar chose 'Style'.

So how do you choose your one word? Begin with a brainstorming session, alone or with your team. Write down all the words or short phrases that describe what you do. These might be things like 'innovate' or 'respect our customers'.

Record each one under one of those four headings - Product, Price, Market or Service. Once the initial list is complete, specifically address each one, i.e. how would you describe your Product, etc.

Some columns may have more words in their list than others. You now want to choose just One Word in each column that best describes who you are and what you deliver to your customers.

For example, the low-cost airlines example we used earlier might end up looking like this:

Product	Price	Market	Service
↓	↓	↓	↓
Basic	Budget	International	No frills
Older planes	Low cost	Families	Minimal
Economy class only	Cheap	Budget	Pay for extras

HOW TO USE POSITIONING IN YOUR BUSINESS

In a thorough Positioning Project, you may want to complete a similar exercise with your external relationships, including current and former clients, even competitors and suppliers.

The One Word for your business is the word you have selected in your Primary Position column. Make sure your whole team agrees that this is what you stand for. This word has now become a focal point. When your team filter all their decisions through that word, then you will ensure that **what you say** and **what you do** are powerfully aligned.

All **Four Words** can be incorporated into a brief explanation of what your business does and what makes it distinctive. Every person in your business needs to communicate a consistent message based on these words.

This is achieved by creating an 'Elevator Pitch'. In other words, if you met somebody in an elevator, could you clearly communicate your position with them in the thirty seconds it takes for the elevator to reach your floor?

For example:

"We are the low-cost airline for no frills, budget travellers, looking for the cheapest way to reach their international destination."

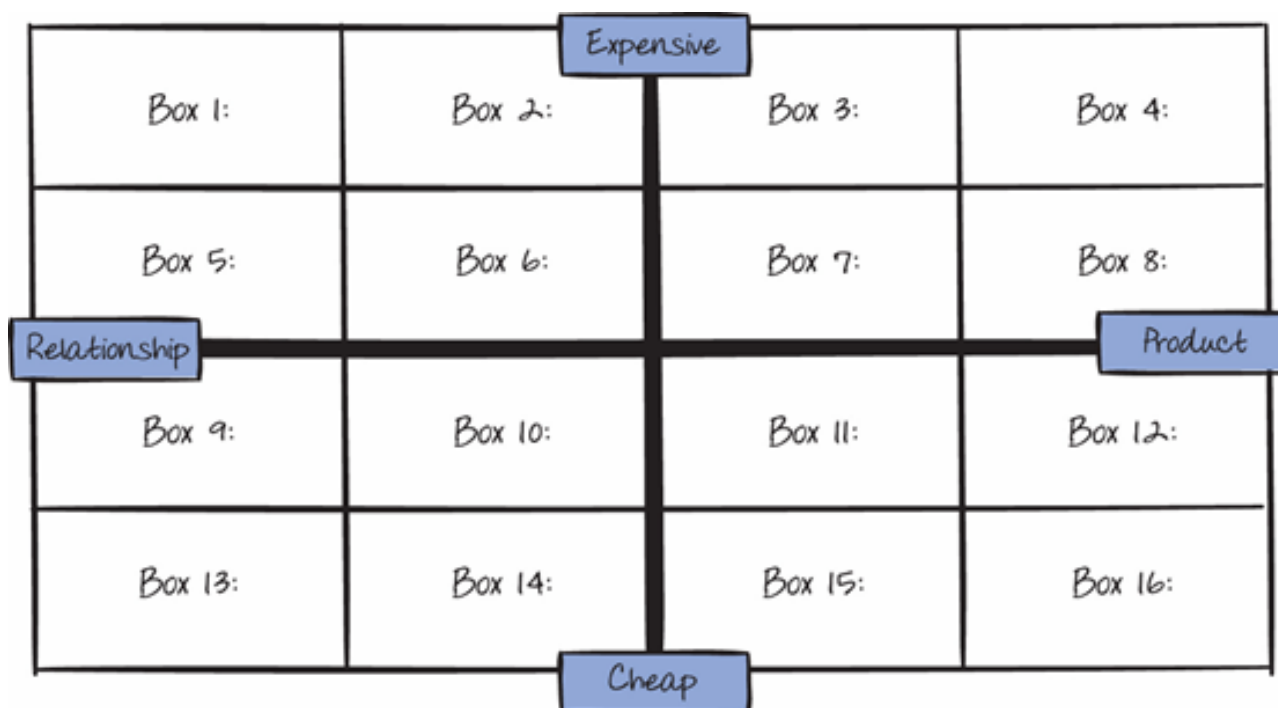
Turn those four words, and any other key elements, into one or two sentences. When everyone in your team can communicate that message authentically and consistently, your business reputation will grow.

The relationship between Positioning and Marketing

We've already stated that Positioning sits above Marketing. While marketing is what you say, Positioning (filtered through the One Word) is also what you and your team do in your business.

The Positioning Word or Words don't have to be used in marketing. It's a decision individual companies make, so don't feel you need to shoehorn them into your marketing messages.

INDUSTRY ANALYSIS AND MARKET MATRIX



Completing an Industry Analysis will allow you to map your business and its competitors to show the different messages that are being communicated in the marketplace.

If all the competition is positioned in a similar way, the customer is only left to choose on price. However this gives you a great opportunity to position yourself differently.

The first step is defining the market in which you and your competitors operate. A Market Matrix has two axes; up and down, and side to side. This allows the market to be split into 16 Boxes.

So what axes do we use? This depends on the criteria your clients make their decisions on.

In most markets, the vertical axis is price, from Cheap up to Expensive. The horizontal axis has Relationships on one side, Product on the other. This separates businesses that are known for their great product (often Product or Price positioned) from those who build great relationships with clients (often Market or Service positioned).

Map your business on the one above or create your own. Price is normally a factor in purchasing decisions. Some common examples for the other axis are 'Specialised Market or Product' versus 'General Market or Product'.

INDUSTRY ANALYSIS AND MARKET MATRIX

To complete this exercise, begin by listing all the competitors you can think of. Potential clients will compare you with alternative suppliers, so your position is determined relative to your competitors.

With that list, start marking on the Matrix where each of those businesses sits. Are they high or low priced? Are they focused more on the product they deliver or the relationships they build? The pricing element is probably the easiest to discover, but to determine whether your competitors are Relationship or Product based, you may need to review their marketing message. Their website is usually a great place to start, and you can also enquire within the industry.

Mark them on the matrix. As you complete the exercise, some of these may move around. Don't forget to include yours! Where is your business positioned today?

Examining the Matrix

Looking at the Matrix, what can you see? Are some of the boxes crowded? Are some empty? Are you crowded in with several competitors, or in a box by yourself?

You can decide to change your position, away from a crowded box or into a box which you feel has more opportunities. Be aware that moving more than one box in any direction is a radical plan, which can be exciting but usually comes with more risk.

If you do move, you need to ask what changes this means for your business. For example, becoming more expensive may mean upgrading your office to reflect your premium position. If you decrease your price, you may need to reduce costs to maintain profitability.

If you moved along the other axis, how can you improve your product or focus more on building relationships across your organisation? You will need to review the Positioning exercises from above, although the Positioning decisions and One Word agreed earlier will usually guide a move, rather than be changed because of one.

Sometimes, you will identify a Gap in the Market, a box where nobody else is sited. You need to be certain that there is a Market in the Gap. It's possible nobody else is positioned there because, in your industry or area, there is limited or no demand for that combination.

POSITIONING STRATEGY

You now have a strategic choice to make. This depends on how strongly that word describes your business today, which box you want to position yourself in, and how well your position is understood by external parties.

There are five options to consider when choosing the appropriate Positioning strategy for a business. The options are:

1. You are not sure what your position is – **Create a Position**
2. No clear Position – **Build a Position**
3. You have a Position but it is not what you want – **Rebuild a Position**
4. You have a Position but it is not aligned within the business – **Align a Position**
5. You have a clear and aligned Position that is not being used – **Leverage a Position**

You will now have selected:

- Whether you are a Product or a Distribution business
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You've completed a snapshot of your Introduction to Positioning

Here's what to do next:

1. Use this document to start the process of setting your business's position in the marketplace.
2. Contact Michael Osborne at Business First Associates to get help copperfasten your position and use this to help grow, fund and exit your business.



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POSITIONING

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