

CHAPTER 3: Market positioning

1. Product and market orientation

- **Product Orientation** : business focuses on the production process and the product itself. It puts most of its effort into developing and making products that it believe consumers want and which will sell well.
- **Market Orientation** : business that is market orientated is one that continually identifies, reviews and analyses consumers' needs. It is led by the market. Market-oriented approach consumers are central to a firm's decision making

2. Market positioning

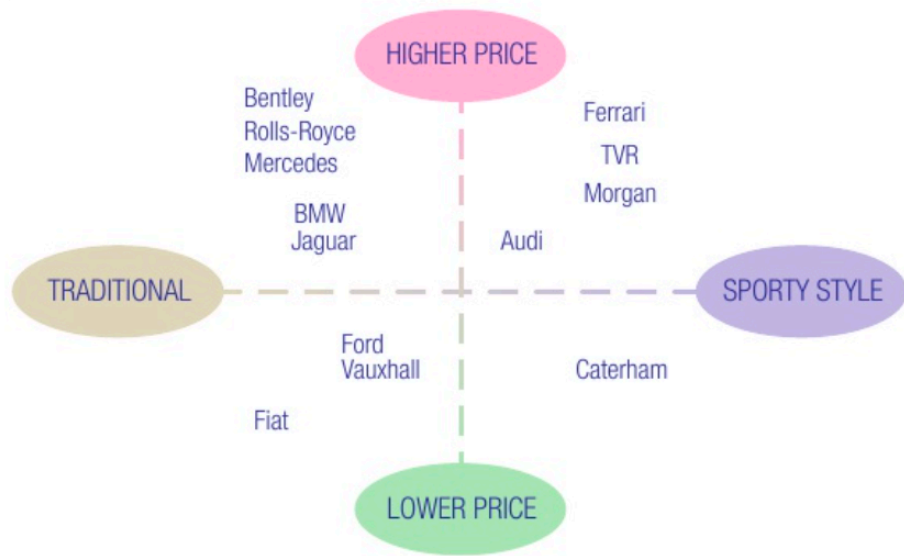
Market positioning : is concerned with the perceptions consumers have about products. Often position a business's products in relation to those its competitors.

For example,

- The benefits offered by the product
- The unique selling point
- The characteristics of the product
- The origin of the product
- The classification name of the product

3. Market mapping

: The positioning of a brand is influenced by customer perception rather than those of business .



(Figure : Pearson Business International Advanced level Student book1)- Positioning on car)

4. Market segmentation

: Market can be divided into different sections. Each segment is made up consumers that have similar needs.

For example,

- **Geographic segmentation** : different customers groups are likely to have different needs eg. Demographic segmentation : It is common for business to divide market according to age, gender, income, social class etc
- **Psychographic segmentation** : It can separate market according to attitudes, opinions and lifestyle

Eg. Sport products

- **Behavioural segmentation** : attempts to segment markets according to how consumers relate a product. Eg. Usage rate, Loyalty, Time and date of consumption

Benefits of market segmentation

- 1.) Businesses that produce different products for different market segments can increase revenue. E.g. airlines charge first class passengers many times more than they charge economy passengers for the same flight.
- 2.) Customers may be more loyal to a business that provides products that are tailored specially to them.
- 3.) Businesses can avoid wasting promotion resources by not targeting products at customers that do not want it.
- 4.) Some businesses can market a wider range of goods to different customer groups. For example, many car manufacturers have several different models, each of which is targeted at a different segment.

5. Competitive advantage of a product and services

: a business is likely to be more successful if it can gain a competitive advantage in the market place. It is a set of unique features of a company and its products that are perceived by consumers as significantly and superior to the competitors. A business can develop a competitive advantage in many ways
Eg. Product design, Delivery time, Ethical stance etc

6. Adding value to the products and services

: This means that the business provides extra features for the customer that go beyond their standard expectation.

: eg. Customer services, Speed of response to customers, Packaging, Customisation. Etc.