#### Developing Brand Positioning Strategies

In order to be successful, a marketing plan must be strategic. One way to be strategic is to develop a brand positioning strategy that clearly articulates a brand’s appeal and value to customers. A brand is something that a consumer will pay more for than he or she would pay for a commodity in the same category. For example, a supermarket in the United States might sell one lemon-lime soda for 50 cents a can. Right next to that lemon-lime soda display is a commodity soda—perhaps a generic brand that carries the supermarket's name—that sells for 25 cents a can. The strength of the first soda’s brand lies in how often customers are willing to pay that extra 25 cents to purchase the more expensive brand. The difference between the two prices—25 cents—is the value of the first brand, which, according to one estimate might be worth at least $70 billion over time to an organisation (Ries and Ries, 2009).

In more academic language, a brand is a set of assets (and liabilities) linked to something such as a name or symbol that adds to (or subtracts from) the value provided by a product or a service (Aaker,1996). Brand equity is the added value endowed by the brand name (Farquhar et al. 1991) or, in other words, the value of trust between a consumer and a company. Why do these assets develop around a brand, however? Why do certain customers value one brand over another? Most likely it is because an organisation was able to position the brand to customers in such a way that it meets their needs, whether it conveys a message of quality or whether it evokes feelings such as excitement or safety.

For your Shared Activity, you will bring the concepts of brand positioning and digital marketing to bear on the development of a new brand positioning strategy for a product that fits logically within your chosen Final Project brand’s product line. As an exercise in developing your digital marketing knowledge, consider how you would communicate the new brand positioning strategy using digital marketing strategies. The brand positioning strategy must include digital marketing strategies.

 **Segmentation and Product Proposition**

In the previous unit, you explored the role of market research in marketing strategies. One role of market research is to determine customer receptivity to new products. In this unit, you examine whether your new, fictitious product is right for your target market by going into more detail in STP strategies.

Many strategies are available within the umbrella terms of segmenting and targeting, including the following:

* **Differentiation**: Targeting different groups of customers and using different strategies for different groups (e.g. computer retailer places newspapers advertisements for home users, professional magazine advertisements for business professionals and small businesses).
* **Concentration**: Serving one of several potential segments of a market (e.g. computer retailer targets only businesses and ignores home users).
* **Atomisation**. Breaking down the market to the smallest detail, often to the individual customer.

Strategies should be chosen based on their appropriateness or functionality for the brand proposition being developed. It is also important to have a good understanding of organisational capabilities when selecting strategies. Of the strategies just listed, for example, one is effective for organisations with only limited resources, whereas another is best employed by organisations marketing high-cost items. Do you know which is which? Your Readings and research will yield this necessary information as you create a segmentation, targeting and positioning strategy with your colleagues.

####  Marketing Audits Using SWOT Analyses

A marketing audit analyses current marketing objectives and evaluates how well certain tactics are working to reach these objectives. It is composed of essentially two elements: an internal and an external analysis. Both attempt to capture how well an organisation is doing in terms of the skills, tactics and strategies used in marketing its products or services. Once this baseline is established, an organisation can develop a plan of action (Jobber and Ellis-Chadwick, 2013).

One tool for synthesizing information gathered through a marketing audit is a SWOT analysis. SWOT stands for strengths, weaknesses, opportunities and threats. This information is typically portrayed as a matrix in which each category is listed in its respective cell to give a quick overview of a business’s strategic position (Jobber and Ellis-Chadwick, 2013). For example, an organisation might list a strength as being one of the first to develop a particular product, such as Amazon’s Kindle, one of the first e-readers. Numerous other similar e-readers, such as Barnes and Noble’s Nook, quickly threatened Amazon’s market edge.

A SWOT analysis is a strategic tool that should not be viewed in a vacuum with only marketing in mind; an organisation’s other business operations, such as its production and staffing capabilities, also affect and are affected by marketing strengths.

**Creating an Effective Marketing Mix**

In the Shared Activity, you conducted an informal marketing audit on the organisation you chose for your Final Project. Such an audit helps organisations understand whether they are positioned to effectively market their products, including whether they have the right marketing mix.

One of the key areas examined in a marketing audit is how well the organisation makes use of its marketing mix for a product or brand. Typically, a marketing mix is composed of a group of attributes known in the field of marketing and brand management as the four P’s. Traditionally, these Ps are: product, place, price and promotion. These P’s were chosen to reflect the most critical aspects of any marketing strategy, specifically the following:

* Is this the right product for the targeted consumers? (product)
* Is it being sold or marketed through the right channels? (place)
* Is it priced effectively so as to maximise profits? (price)
* Is its message being communicated effectively? (promotion)

In recent years, to better capture certain organisational offerings, other P’s have gained recognition, including: process, people and physical evidence (Jobber and Ellis-Chadwick, 2013).

Brand effectiveness may also be analysed in terms of Ps. Dillon et al. (2001) proposed that brands can be analysed based on two components: brand-specific associations and general brand impressions. Brand-specific associations refer to ‘features, attributes, or benefits that consumers link to a brand and that differentiate it from the competition’ (Dillon et al., 2001: 417).

This concept has been further refined by Lee et al. (2008), who have proposed a useful model for brand analysis that looks at brand-specific associations, general brand impression and brand commitment.

Because, for your Final Project, you will be proposing a new product that will fit with an organisation’s brands and product line, it is important that you know how to apply insights on marketing and brand audits in practice.

If you have already completed your Shared Activity, information gleaned from that activity may be helpful as you develop a more effective marketing mix for your proposed product.

#### Using a PESTLE Analysis

No product or brand exists in a vacuum. An organisation must have a full understanding of not only its internal environment, but also of the external environment surrounding its products and brands. For the purposes of this unit, the external environment will be divided into the distant and near environments (also known as macro- and microenvironment or distal and proximal). The distant and near environments are associated with two analysis models respectively: the PESTL (political, economic, social, technological and legal) or one of its many variations and the Porter’s 5 Forces model. It is essential to analyse both the distant and near environments in order to make informed decisions about the market for products and brands. An external analysis may also be used for control and evaluation purposes throughout a product’s life cycle.

In the field of marketing, the distant environment is perceived as being composed of broad forces. These forces are often grouped together for analysis under some variation of PESTL. Some models also include an additional E for environmental which, in this case, refers to environmental issues such as pollution or ‘green’ strategies rather than an organisation’s internal and external environments. Growing environmental concerns across the globe are such that it is highly recommended that this factor is included. In addition to providing context for a marketing campaign, considering environmental factors may provide a competitive advantage by appealing to customers’ growing desire to associate themselves with environmentally-aware organisations and products. Other versions with similar areas of analysis include SLEPT, STEEPLE, EPISTEL and so forth. Each of the PESTLE forces is briefly described in this unit’s Unit Introduction, accompanied by some questions that organisations should attempt to answer through analysis. These forces are also addressed in more depth in the Readings.

For this Shared Activity, you will conduct a PESTLE analysis on your featured organisation and brand, which will become the focus of your Final Project.

Imagine that the organisation you chose is in the decision phase of determining where to market new products and has selected one international market to research.

 **Increasing Competitive Advantage**

So far in this module you have explored strategic approaches to marketing, from aligning marketing and business strategies to segmenting, targeting and positioning to creating new brand propositions and analysing both internal and external environments to create marketing mixes. One of the main goals for all of these strategic efforts is to enable organisations to get and keep their competitive advantage in order to thrive.

Attaining and sustaining competitive advantage takes more than just satisfying customers. Consider some food group you particularly like, such as bread. You may like several different types of bread and not really care who makes it. Most types of bread satisfy you, and you purchase whatever is on sale. Several companies that make bread are therefore satisfying you as a customer, but none have a competitive advantage over you. Then along comes a bread company that catches your attention. The naan, the challah, the white, the rye—they are all so delicious! Or perhaps it is not the best bread you have ever had, but it is good quality for the price. Suddenly, this bread company has captured your loyalty. Multiply your own consumption by thousands of bread eaters with similar needs, and the bread company has most likely managed to attain a competitive advantage. Its bread not only satisfies you, but it satisfies you more than the bread made by its competitors.

For this unit’s Individual Assignment you will develop strategies for your chosen brand that will foster a competitive advantage for your proposed product.