



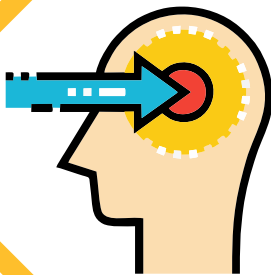
Information Booklet

Sales and Marketing

12

POSITIONING YOUR BUSINESS

for SMEs



Introduction

Small and Medium Enterprises Development Authority (SMEDA) works under the Ministry of Industries and Production, Government of Pakistan and was established in 1998 with the objective to propel economic growth through development of SMEs. SMEDA serves as an SME strategy-advisory body for the Government of Pakistan and facilitates partners in meeting their SME development agendas.

SMEDA envisions growth of a globally competitive SME sector (in Pakistan), through creating an enabling environment and support services for increase in the national economy. SMEDA strives to achieve this vision by providing assistance in employment generation and value addition to the national income, through development of the SME Sector, by helping increase the number, scale and competitiveness of SMEs.

National Business Development Program for SMEs (NBDP) is a project of SMEDA which intends to provide hands-on support services to SMEs. The aim of this business development support provided by NBDP is to advance new businesses and improve efficiencies in existing SME value chains to empower them to contend in global market. NBDP expects to facilitate around 314,000 SME beneficiaries over the period of five years.

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Objectives

- To explain the concept and importance of positioning.
- To elaborate the role of positioning in capturing a market niche and developing impression.
- To elaborate steps involved in the process of positioning strategy.

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a Learning About Business Positioning

Positioning is about creating value proposition which can be expressed in numerous forms including product benefits, features, style and value for money.

Product positioning is used to communicate products' attributes to the target customers through carefully crafted messages based on customer needs in a competitive environment.

Business positioning is the means by which the owner develops a product and brand image in customers' minds, and improve their perception about the experience they will have if they choose to buy the offered product or service. One can positively influence the perceptions of chosen customer base through strategic promotional activities and by carefully defining the marketing mix.

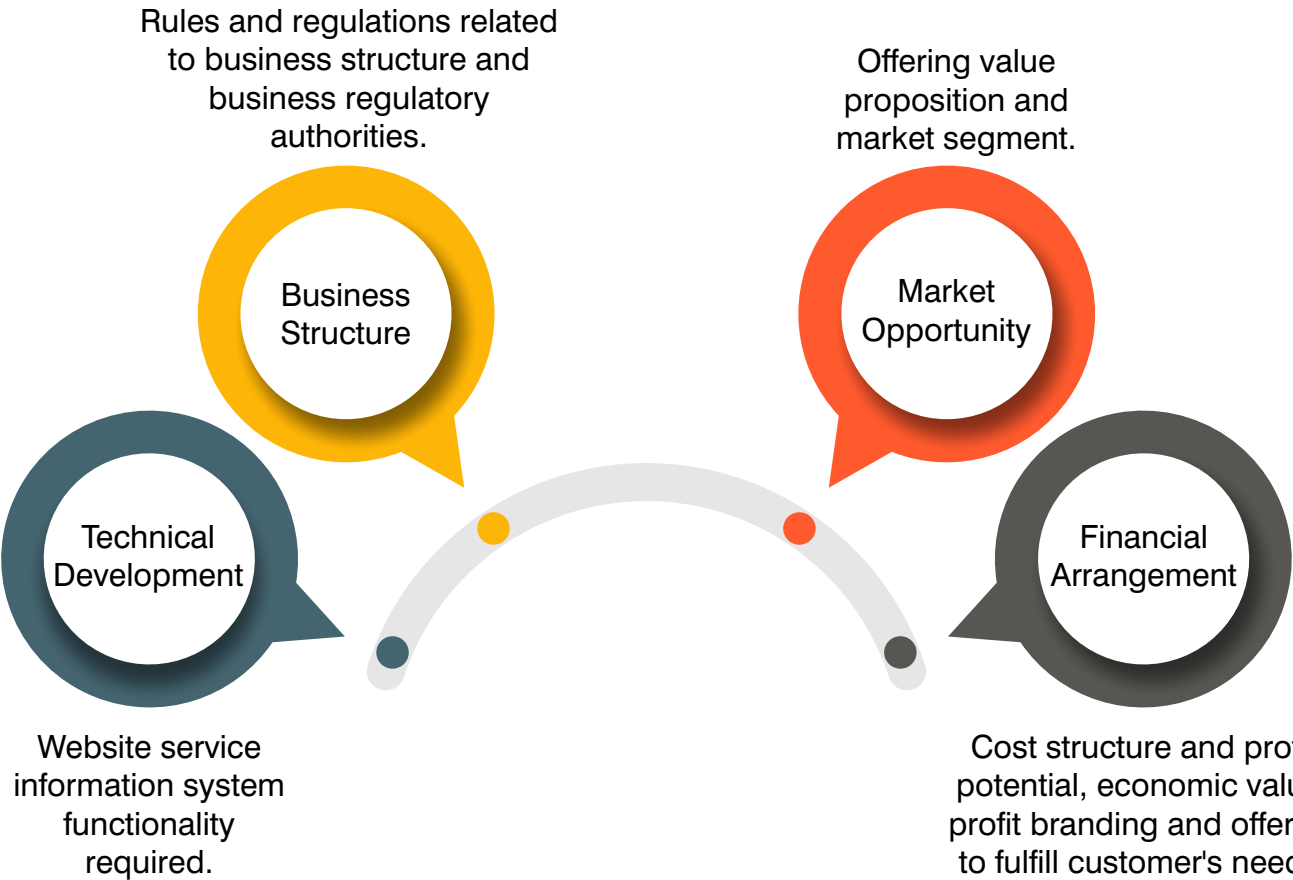
For effective positioning, one needs to:

- 1

Have a good understanding of competing products and the benefits that the target market seeks.
- 2

Identify a differential advantage with which the required benefits will be delivered to the market effectively against competition.

BUSINESS POSITIONING



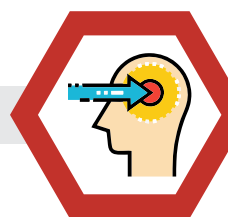
b Different Types of Market Positioning

Market Positioning is the process of defining and defending the stated position of value for products and services relative to the competition. These stated positions can cover any aspects of the marketing mix including customer needs, customer service, branding, product development, price, promotion, advertising, distribution and sales etc. Promoting any of these aspects of products and business in relation to competition are referred to as Market Positioning.



1. Customer Needs

Identifying target customers and how one will fulfill a set of needs. This can include functionality and experience or any other aspect of customer need as the business may identify and relate it to competition. This may include convenience, terms of sale, design, durability or any other aspect related to the product. The advertisement of steel bars emphasizing on the strength of the Mughal Steel for safety of one's children is an example of using the (strength) functionality as a market positioning tool.



2. Customer Perceptions

Finding a way to capture the imagination of the target customer. For example, a cosmetic brand that does good things for the environment and communities and tells the story in a compelling way. Or any other catchy story about the product like the products of Daali Earthfoods which is an organic product line or the AHAN products which are made in villages.



3. Brand Recognition

Promoting basic visual symbols and information such that customers recognize the business in a crowded market. It can be done through brand storytelling, which is used to promote brand identity. This story telling technique is used to communicate the information with emotions. The example of working women in Thar by Engro Foods is an example. Appointing brand ambassadors with real life achievements and media recognition like Waseem Akram for Ariel detergent is a good example.



4. Pricing

In price positioning process, a business adapts the price which reflects the position it wants its products and services to represent in the market. If one wants his/her product to be differentiated by price, they would fix the price in a way that it leads the market. There are four basic price strategies, variations of which are used in the industry. The basic strategies include premium, skimming, economy or value and penetration. Apart from the four basic pricing strategies there are other variations based upon their combination. Price of a plate of traditional Pulao, food portion served at Savour Foods is an example of economy and value pricing as anyone having gone to Savour will admit that it is a good “value for money price” at Savour.



5. Quality

Often the only way to avoid intensive price competition is to offer superior quality that the target customers strongly prefer. However, for some businesses quality is more like their winning point and the ability to provide quality to charge higher than the competition is their hallmark. Quality of ingredients used, rarity of production and better craftsmanship or superior customer service experience can be some measures of good quality, leading to premium pricing.



6. Convenience

Customers gravitate towards products and services that make life easier. This can include location, usage and terms. For example, the convenience of an e-commerce site with extensive product variety, low prices, easy ordering and free returns. Convenience is a great attraction for customers and can be a very competitive tool for the business. It is a great utility based upon the principle, that the customer will want to purchase where there is least effort involved. Business models that are built on the premise of ease of transaction succeed.



7. Customer Service

Being more friendly, diligent and responsive than the competition is another sure fire winner. If the business is a retail store, it should try to recall names of its regular customers, it will give them a sense of importance. Similarly, if one is managing a hotel or restaurant try to show courtesy to the accompanying ladies and elderly with a special offer or comfortable seat.

C Developing and Writing a Positioning Statement and Strategy

Write a positioning statement initially with internal focus only, Later on, use the same for external use such as developing the marketing collateral. Crafting a positioning statement that can be used as an external marketing guide to start with, would require several revisions.

Start a positioning statement as follows:



i. Prominent Features of Business

Provide a list of features that are unique to the business or assist to stand out or the ones that are significantly important for the sustainability of the business. One needs to articulate the benefits and values he/she can bring to customers. It will help in creating emotional responses through these values and benefits, which can be used as a powerful marketing tool.

Find some Unique Selling Proposition (USP), if possible, otherwise look for the points of differentiation to outshine the competition to be included in the brand statement.



ii. Current Market Standing

Identify current standing in the market, if one is a leader or an early follower or laggard and if one is a new startup or an established entity. It is important to understand what people understand when they discuss the brand. One may conduct surveys to get market feedback. Another key factor in brand positioning strategy is identifying market competitors. This is where one needs to create a difference by providing something unique and useful for customers to remember.



iii. Business and Economic Landscape

Determine the economic and business landscape. Business landscape gives an insight into competitive businesses and their details. It further entails the general business environment as well as business environment specific to the industry. It also provides a detailed outlook on whether the market is encouraging new investment or there are barriers to entry.

Knowing the
unique selling
point

Being aware of
what is changing
and why

Knowing the
competition

Embracing
innovations



iv. Customer Feedback

Obtain customer feedback. Customer feedback can be about the business, operations, customer service, products, advertising, sales return etc. One may need to take a dual approach of finding it through direct conversation and through structured feedback interview and surveys.



v. Resource Allocation

The position with regard to resource allocation. What are the preferences for resource allocation for business development plans, inventory stock or operations management and capacity building of employees etc., if any. Any information about resource allocation in the business is good news to the market and customers.



vi. Implementation

Determine the implementation status of business development plans, inventory stock or operations management and capacity building of employees etc. A status report or a positive indication in this regard is considered a very positive sign for the business.



vii. Feedback

This entails how one takes feedback from the employees, and customers? Is it regular, with intervals, sporadic or one follows a stay aloof policy? Is the feedback loop complete with some kind of analysis of feedback or it is simply written pages of comments from customers? Does one has a customer response module CRM? All of these are important considerations for business reputation. Reflecting customers feedback in reports and advertising collateral has a very strong appeal and a positive customer feedback, particularly comments of appreciation are considered testimonials for the business.

d Business Positioning Strategy Template

The way to go about market positioning statement is creating a structure which enables capturing the value proposition in relation to the competition. Positioning statements are more focused, and are created after one has developed their business' value proposition. It identifies only the primary customer benefits and points of competitive differentiation as follows:

- 1 Select the target customer group that needs to be focused.
- 2 Identify a list of needs target customer group has that one plans to meet.
- 3 List product's/service's benefits that clearly or nearly meet these needs.
- 4 Match the lists of customer needs and product/service benefits to complete the following statement.
- 5 "When this customer group thinks of my product or service, I want them to think: _____."
- 6 Evaluate positioning statement by making sure it is simple, clear, and consistent.
- 7 Get the word out to everyone by consistently communicating the positioning message in everything the business does for this customer group.
- 8 The customer himself does the real positioning by paying attention and deciding to buy the offered product/service. What one does have control over is assessing what positions exist in the customer's mind and then determining which of those one has the best chance of occupying and defending based on their own strengths.

Create a Brand Positioning Statement

Target Customer

What is the demographic and attitudinal description of customers your brand is attempting to attract & appeal?



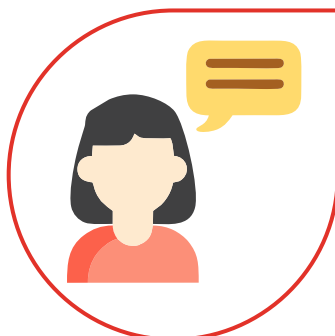
Market Definition

What category is your brand competing in and what is the context of the brand?



Brand Promise

The most compelling unique benefit to your target customers that your brand can own in comparison to others.



Reasons to Believe

What is the most compelling evidence that your brand delivers on its brand promise?



We could probably have few examples to explain all of this:

Rules of Positioning Statement

Your positioning statement should be your internal marketing guideline for:

- ☑ **Who** your primary market is
- ☑ **What** you want to communicate to your primary market
- ☑ **How** you want to position your brand
- ☑ The **Value** you want your customer to see in your brand over other brands



Positioning Statement Template

For _____ , _____ is the _____
(Target) (Brand) (Category)

that is the _____
(Unique selling point)

so they can _____
(End benefit)

because _____
(Reasons to believe)



Conclusion

In business positioning, an image for the product is created by the marketing department based on its intended audience. This is made using price, product, place and promotion. At the point when customers visit the business site, see a promotion, or look at the Twitter page, each bit of content should be communicating the business' core beliefs and brand. This is the place the positioning statement and strategy acts the hero. It works like a guide for assessing whether choices about strategy, marketing campaigns, product design, and so on are in accordance with the business.



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