

Advanced Branding For Small Businesses.

Chapter2: Developing A Solid Brand Positioning.

Chapter2, Takeaway:

Positioning

For a business to attract the right customer it must position itself correctly in the marketplace for that specific type of customer.

If a brand discounts its product heavily then it should not expect to attract premium customers, two different groups of customers with two different interests, one looks for convenience and affordability, and the other looks for individuality and superiority.

A brand should rely on the 4P's of marketing to create a cohesive positioning that makes the business act as a whole rather than broken pieces.

Understanding the 4P's of marketing:

The 4P's are product, price, placement, and promotion are the core skeleton of positioning.

They must work together hand in hand to deliver a consistent message to the customer within the entire brand image.

Let me explain to you a little bit about what these 4P's mean:

- **Product:** the quality and perceived value of the product which includes its ingredients, materials, function, and design.
- **Price:** the price point of your product. Is it cheap, on a budget, or at a premium price?
- **Placement:** the distribution channel of your product which includes luxury retail stores, general merchandise retailers, online stores, and online retailers.

- **Promotion:** how you promote and associate your product; is it associated with a luxurious image or sold at deep discounts?

Let's look at an example of a perfume product presented in two different positions.

- Product

Dior: they make the ingredients of [Dior Perfumes](#) of high-quality natural and scientifically proven chemical materials. The design of the bottle and the packaging are beautifully made to be perceived as a premium perfume product.

Commodity brand: they make the ingredients out of cheap alcohol and chemical components; the bottle is poorly designed and made of inferior quality glass bottles.

- Price

Dior: priced in the range of \$65 to \$300 per bottle.

Commodity brand: priced in the range of \$5 to \$9 per bottle.

- Placement

Dior: sells at [Dior](#) website and retail stores or luxury retail stores such as [Sephora](#).

Commodity brand: sells at [Walmart](#), [Carrefour](#), and general merchandise retailer.

- Promotions

Dior: luxury fashion magazine, celebrities partnership, fashion show, and T.V Commercials.

Commodity brand: deep discounts, buy one, get one for free.

To send the right message to the right customer, the 4P's of a brand have to align together to attract the right customer.

You rarely see that a customer visits [Walmart](#) or [Carrefour](#) to buy a [Dior](#) perfume and expect to get it at a 50% discount.

Dior's message is: if you appreciate high-quality perfume associated with high-status people and not affordable by most of the general public then [Dior](#) must be your choice.



© Dior

This is called clear positioning and it delivers clear expectations for the customer.

A customer who associates themselves with that positioning would buy that product, if they don't they would not consider it.

[Dior](#) has developed a targeted buyer persona, built a brand image around it then communicates it clearly through marketing tools such as advertising associated with celebrities, luxurious retail store design, and fashion shows.

How to position your business

The goal of positioning is to differentiate your brand in the eye of the customer from the rest of the market and attract the right customer that matches your brand offering.

There are different ways for a brand to itself however in this book we are going to focus on four major types of brand positioning.

1. Positioning by price

One of the major types of positioning is to clarify the expectation of pricing of your brand, for example when you head to [Walmart](#) or [Carrefour](#) you expect to buy certain types of cheese brands that you would not find at a premium supermarket, and vice versa.

The best approach for small businesses to position their brands in terms of pricing is to be affordable to a specific group of people within a specific income range or a spending budget.

Say for example that you create a skincare product, you are not going to compete with [Nivea](#) at a low price of \$7 because you won't have the resources to produce mass quantities and cheaply distribute your product.

And even if you wish to sell the product at the price, people would have more trust in the [Nivea](#) brand.

You also wouldn't have enough margins to market and promote your product, therefore the lowest priced strategy isn't made for small businesses.

On the other hand, you wouldn't also compete with a high premium brand such as [Skinceuticals](#) at a price point of \$125 because you also don't have the resources to compete on product quality, product presentation, and high-end distribution channels.

Therefore a small business needs to find a group of people with a specific need that is unmet by commodity brands but sold at a high price from a premium brand then fill that gap by developing an affordable product which we call it low-premium brand.

Since a small business doesn't have to invest in creating a luxurious image it should be able to produce a product that solves the problem and sell it at an affordable price for a low-premium customer of \$40 to \$65.

When a group of people with acne skin issues are not satisfied with commodity brands that sell a product at \$7, and can't afford high-end brands that sell products at \$125.

If you come up with an effective solution and sell it within the range of \$35 to \$55 that's almost a 50% discount off the premium brand with similar results.

This group of customers if you communicate your message right would find it affordable to try your product in comparison to a high-premium brand.

2. Positioning by function

Different types of people have different challenges to solve over their lifetime. A brand that positions itself by function is a brand that focuses on serving a specific group of people with a specific functional challenge.

MARIO BADESCU SKINCARE

ACNE REPAIR KIT

Whether it's a surface blemish, under-the-skin bump, or all of the above, we have an acne solution for you.

- DRYING LOTION: 1.5 fl. oz. (42 mL)
- BUFFING LOTION: 1.5 fl. oz. (42 mL)
- MARIO BADESCU DRYING CREAM: 1.5 fl. oz. (42 mL)

Sponsored ⓘ

Mario Badescu Acne Repair Kit

★★★★★ 378

\$46⁰⁰ (\$46.00/Count)

✓prime Get it as soon as **Tue, Mar 9**

FREE Shipping by Amazon

Amazon

Say for example if you are an average customer and want to buy cookies then you find tens if not hundreds of products with different flavors and price points.

But what if you have a medical condition and can't enjoy regular cookies and only can eat gluten-free cookies, now the options are limited.

A brand that wants to differentiate itself from the commodity market is a brand that develops high-quality gluten-free cookies and expands it into an entire brand that solely focuses on serving people with this specific medical condition.



© Schär

3. Positioning by style

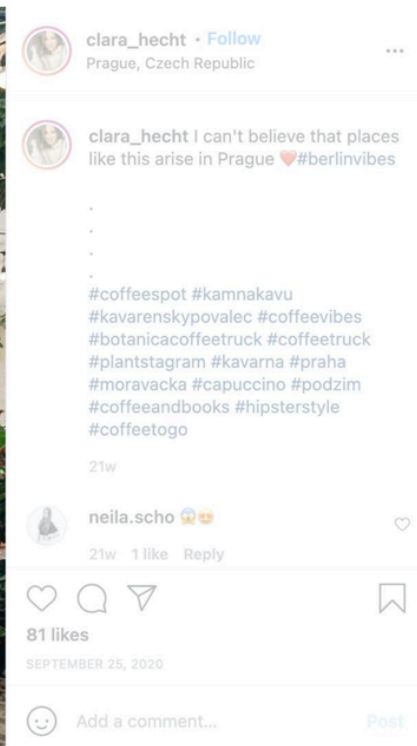
Different people are attracted to different themes, and genres.

To attract people that identify themselves with a specific lifestyle then you have to design and position your brand to talk to that kind of customer.

The visual language of a brand that attracts customers who are into a minimal lifestyle will differ in its shapes and patterns from a brand that attracts people into a classical or organic and spiritual lifestyle.



Botanica coffee truck



- The best positioning for a small business is to compete in the **low-premium category**, which means that the brand sells products and services **directly to the customer** who cares about value and quality rather than serving customers who care about low-price or hyper-expensive and inflated products and services.

Chapter2, Assignment1:

Your assignment for this week is to study three different brands in the same industry but with different positioning then identify the following:

- How does each brand position itself in terms of price, function, and style.
- How does each brand leverage the 4p's of marketing to attract the right customer?
- Who does this brand is made for? Can you identify the customer demographics, appearance, or psychology?
- Can you find videos or images that describe the customer of each brand?

Free stock videos and images:

- [Pexels](#)

Chapter2, Assignment2:

Your second assignment is to design your brand positioning

Step1. Identify your target customer demographics, appearance, and psychology.

Step2. Research and find the market price for the low-premium price range of your product.

Step3. Decide on how you would position your brand both in terms of price, function, and style.

Step4. Use the 4p's of marketing to position your brand to the right customer.