

Positioning:

**How Advertising
Shapes Perception**

© 2004 Learning Seed
Voice 800.634.4941 Fax 800.998.0854
E-mail info@learningseed.com
www.learningseed.com

Summary

Positioning: How Advertising Shapes

Perception uses ideas from advertising, psychology, and mass communication to explore methods marketers use to shape consumer perception. Traditional persuasion methods are less effective in a society besieged by thousands of advertising messages daily. Advertising today often does not attempt to change minds, it seldom demonstrates why one brand is superior, nor does it construct logical arguments to motivate a purchase. Increasingly, advertising is more about positioning than persuasion.

The traditional approach to teaching “the power of advertising” is to borrow ideas from propaganda such as the bandwagon technique, testimonials, and glittering generalities. Although these ideas still work, they ignore the drastic changes in advertising in the past ten years. Advertisers recognize that “changing minds” is both very difficult and not really necessary. To position a product to fit the consumer’s existing mind set is easier than changing a mind. Consumers today see advertising more as entertainment or even “art” than as persuasion.

Positioning means nothing less than controlling how people see. The word “position” refers to a place the product occupies in the consumer’s mind. Positioning attempts to shape perception instead of directly changing minds.

Positioning works because it overcomes our resistance to advertising. The harder an ad tries to force its way into the prospect’s mind, the more defensive the consumers become. Nobody likes to be told how to think. As a result, advertising is used to position instead of to persuade.

Script Excerpts

Introduction:

Once, advertising persuaded people to buy things. Products said, “here’s why you should buy me.” “I’m better than Brand X.” It worked. Advertising spread into every available space. Perhaps it worked TOO well. Today we have to ignore most advertising or be overwhelmed. We are buried in commercials not because advertising is so powerful, but because it has lost its power to change minds. We no longer finds ads credible.

How many ads can you remember from yesterday? How many did you believe? When was the last time an ad made you BUY something? Ads entertain, they’re fun to watch, they might even be an art form, but they’ve lost some of the power to persuade. But that doesn’t mean they don’t WORK.

What is Positioning?

Increasingly, ads today POSITION instead of PERSUADE. Positioning is an attempt to change perceptions instead of minds. To “position” a product is to shape how people see it.

The Positioning of Pork

About twenty years ago (1987), pork producers noticed people were eating less pork. They discovered many people considered pork a “fatty food to be avoided.” That was its *position* in the public eye.

They also noticed many people viewed chicken and turkey as healthy meats. They knew pork was now bred to be leaner and that some cuts had about the same fat content as chicken or turkey. How could they tell the public? They produced a campaign calling pork “the other white meat”.

The pork producers used public relations, sponsored research, and created events that made the news. Advertising was only one part of the positioning campaign. Positioning does not require a change in the product, only a change in how people SEE the product. One product can change positions over time.

The Positioning of Yogurt

In the 1950s few Americans ate yogurt. Most positioned it as “a weird food eaten by foreigners”. Yogurt was for “health food nuts”, but not the general public.

In the 1970s Dannon launched a humorous ad campaign to position yogurt as a healthy food, humorously suggesting it might help people live longer.

By the 1980s Americans ate thirty-five times as much yogurt as they did in the fifties. Yogurt was firmly positioned as a “normal” part of the daily diet – at least for ADULTS. But that position left out kids. In 1999, less than 30% of kids ages 6-12 ate yogurt. So yogurt makers introduced new products to re-position yogurt as a child-friendly food.

Yogurt’s position changed from an almost unknown foreign food, to a health food, to a mainstream food for adults, to an everyday food even for kids. Each re-positioning gained a larger market.

If, back in the 1980s, Dannon had tried to PERSUADE people they should eat yogurt because it’s “good for you” it would probably still be a specialty food in health stores.

The Positioning of Milk

Fresh milk was NOT a common drink during the nation's first hundred fifty years. Most dairy products were eaten mainly as cheese and butter.

Unrefrigerated milk caused many illness in the 19th century and drinking it was controversial. Even today, much of the world does not drink fresh milk.

The perception of milk as a food children need and as nature's "perfect food" is one built by milk producers through years of advertising and public relations. Milk IS nutritious and DOES add needed calcium to the diet. But not all healthful foods gain space in the "brain box" labeled "good foods to eat daily."

The Positioning of Soft Drinks

Another food that has changed its position drastically over time is the carbonated soft drink. Soft drinks were first sold not as refreshments, but as medicine.

Back in 1876 Hires Root Beer was positioned as a mix of sixteen wild roots and berries that would "purify the blood and make rosy cheeks." Dr. Pepper (even the name hints at its medical past) was first sold as a way to "aid digestion and restore vim, vigor, and vitality." Both Coca-Cola and Pepsi Cola were invented by pharmacists and sold in drug stores.

Americans today drink nearly a gallon a week of flavored sugar water thanks to years of re-positioning from the "medicine" box to the "everyday refreshments" box.

But there's no guarantee that carbonated soft drinks will maintain that position. That's one reason Coca-Cola already owns many brands that are not carbonated soft drinks -- to benefit from future re-positioning of water and juices.

Positioning By Statement

The most straightforward type of positioning is simply to make a direct statement.

IT'S NOT TV, IT'S HBO — *HBO* tells you NOT to put HBO in that box labeled “television programs.” They want you to think “what’s on HBO?”, not “what’s on TV.”

ZEST — Fresher than Soap

Zest here tries to position itself as a non-soap.

ENTERPRISE CAR RENTAL

Enterprise suggests here that renting a car is not merely for a vacation or business trip. Instead, it positions itself as a form of temporary ownership.

FROZEN MEALS

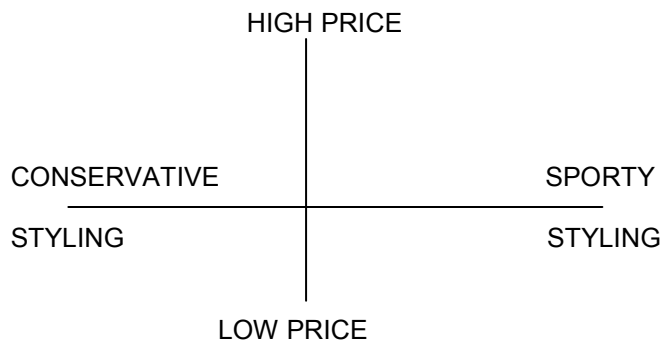
Frozen food makers want you to think of its food as “home-style” and “made from scratch.” They want to change the position of frozen meals from “something to serve when you can’t cook,” to “home cooking.”

POSITIONING BASED ON MARKET RESEARCH

Market research is the study of consumer perceptions. Marketers use surveys and invite volunteers to “focus groups” to talk about their “feelings” for the product.

Perceptual mapping is another form of market research. People are asked to compare brands on a variety of attributes. After the survey is tallied, the results are shown graphically in what is called a perceptual map. A blank perceptual map is shown on the following page.

Consumers are asked to place various brand names (of autos in this case) on the map according to how they perceive the car in terms of price and styling.



POSITIONING BY MARKET SEGMENT

Cereals are positioned to appeal to a market segment. Fruit Loops for kids, Healthy Advantage Granola for the nutrition conscious, and Quaker Oatmeal for health conscious women. The key is not that the products are different, but that consumers see them differently.

At first, the only foods positioned for kids were breakfast cereals and candy, but marketers quickly realized that kids influence what mom buys at the grocery so they positioned both new and existing foods into children's "cool to eat" box. Today, hundreds of "kid foods" fill grocery shelves. Gatorade was originally created for the University of Florida "gators" as a fluid replacement. But through clever promotion and contracts with sports teams, the drink (now owned by Pepsi) was re-positioned as a drink for young, active people."

Gatorade was joined by other brands of "sport drinks" and moved from being a fluid replacer for athletes into that "refreshment" box -- a multi-billion dollar market.

POSITIONING BY EMOTIONS, MAGIC, AND STORIES

Michelin uses emotion to position tires not as “something you put on a car,” but as “something you buy to safeguard your family” -- more as insurance than a mere auto part.

One line of Pepperidge Farms cookies is positioned as a European luxury item using city names such as Bordeaux, Verona, Milano, and Brussels. They position another line of cookies using themes of tradition, and home made goodness. The label announces, “simple, comforting,cookies that taste like they came right from mom’s cookie jar.” Even the name “Pepperidge Farm” suggests cookies baked by grandma in a country farm kitchen instead of on an assembly line in a huge factory.

Many products....use magical, animated “bubbles” as a story line. The magical bubbles are like servants who do the work for you.

Other marketers give products a personality to bring them to life and create a memorable position.

POSITIONING BY SOCIAL APPROVAL

It’s human nature to assume that if lots of other people like something, I might like it too. So brands often position themselves as one that lots of people use -- positioning by social approval. Ads for plays or movies sometimes show “regular people” saying how much they enjoyed the show.

Social approval explains why marketers claim their product is the most popular, the best selling, or simply #1. Social approval helped position diamonds as a “symbol of everlasting love.” Without social approval, diamonds are just another shiny, hard rock.

PRODUCT DIFFERENTIATION

In products from soft drinks to soap, competing brands are quite similar – even identical. Positioning encourages consumers to see differences where few exist.

Many bottled water drinkers are loyal to one brand, yet tests reveal most consumers cannot distinguish bottled water from city tap water. In fact, much bottled water IS city tap water. Like yogurt, which was re-positioned from a foreign health food into an everyday food, water was re-positioned from something from the faucet into something in a bottle that you buy.

Today we spend over six BILLION dollars a year to drink bottled water. The differences in brand perception are driven by positioning. *(At least 25% of U.S. bottled water is treated municipal water.)*

Aquafina and Dasani brands are owned by Pepsi and Coca-Cola respectively. Aquafina positions itself as youthful and edgy while Dasani's appeals more to health and family values – mirroring the positioning for Pepsi and Coke. Advertising helps the consumer “see” the waters as different.

POSITIONING AGAINST THE COMPETITION

Often, advertisers position a product in terms of competing brands. Apple often advertises to position itself as an easy-to-use alternative to Microsoft's Windows. Nabisco Shredded Wheat positions itself as the cereal (unlike other brands) with nothing added....

Claiming a product is “environmentally friendly” or “natural” implies that competing brands are in some way polluting or “unnatural”.

RE-POSITIONING EXISTING PRODUCTS

Entire industries can be re-positioned. Oil companies can improve their public perception by re-positioning themselves as “energy companies.” Lumber or paper companies can reposition themselves as tree farmers or forest managers to change public perceptions.

The organic food industry can position itself as a healthier alternative to “regular” food, while positioning ordinary food as somehow inferior.

Campbell’s and others position themselves as part of the “food-as-medicine” trend. General Mills positions Cheerios as a way to lower cholesterol – a new position for an old brand.

Several margarines position themselves as having benefits beyond taste and traditional nutrition.

Pepto-Bismol re-positions its pink liquid as for more than upset stomachs – to expand the market.

Kiwi growers attempt to position kiwi as a part of breakfast. The name “kiwi” is itself a word chosen by its growers as a positioning tactic. Its original name? Chinese gooseberry.

A shoe and bag manufacturer who uses plastics instead of leather could position the products for those concerned about the welfare of animals – a sizeable market segment.

POSITIONING BY PRICE

A brand can position itself effectively by price. In many product categories one or two brands claim the high price position, seeking those consumers who connect quality with a high price tag. Grey Poupon mustard and Evian bottled water sell for 50% or more than competing brands. That high price is part of their positioning.

One of the most used strategies is to occupy the position of “least costly. A few airlines clearly take the position of the low priced way to fly.

IHOP positions its breakfast by price point, leaving the “upscale breakfast” position to others.

TJ Maxx positions itself as a bargain choice., while Wal-Mart positions itself with “everyday low prices.”

NAMES AS POSITIONING

The name of a product can, in itself, be a positioning tactic. Some names tell the prospective customer why to buy it – Beautiful, Slim Fast diet drink, Close-up toothpaste, Die-hard batteries, or Head and Shoulders, for example.

A breakfast bar or candy bar, with a few changes, can become instead a NUTRITION bar. A “meal bar,” turns a snack into a meal substitute.

Even a candy bar can be re-named a “Fast Break” in order to position it as a “time out” to avoid negative connotations of the word “candy.”

POSITIONING BY A UNIQUE ATTRIBUTE

Volvo holds the “safety position” for cars, even though other automakers produce cars just as safe. Say “safe car” and most people respond “Volvo.”

Even shape can help position a product. White Castle’s square hamburgers (and castle-like building) have set it apart for decades.

Without its distinct shape, Animal Crackers would be just another boring cookie. Alpha-Bits cereal would be just another grain and sugar mix without its distinctive shape.

Match the positioning statement with the tactic below:

- A. Repositioning
- B. Positioning by price
- C. Positioning by unique attribute (color, shape, package, etc.)
- D. Positioning by Market Segment
- E. An example of market research
- F. Positioning by emotions, magic, stories and giving products a personality.
- G. Positioning by social approval
- H. Positioning against the competition
- J. Positioning by name (name of product also positions it)

- 1. _____ Pepto-Bismol - not just for upset stomachs.
- 2. _____ Family Dollar, Dollar General, and Dollar Tree stores
- 3. _____ The Pillsbury Doughboy
- 4. _____ Milk: Nature's perfect food
- 5. _____ White Castle - the square hamburger
- 6. _____ I Can't Believe It's Not Butter
- 7. _____ It's not just a restaurant. It's a night out.
- 8. _____ Chewing Trident can actually help fight cavities.
- 9. _____ Focus Groups.
- 10. _____ 20 weeks on the *New York Times* best seller list
- 11. _____ Perceptual mapping
- 12. _____ We won't be undersold.
- 13. _____ Quaker's "Women's Nutrition" cereal
- 14. _____ Ford - the spirit of freedom
- 15. _____ The most read newspaper in the Midwest
- 16. _____ High protein meal bar
- 17. _____ It's not water - it's fitness in a bottle.
- 18. _____ Handyman in a bottle
- 19. _____ YoSquirt - Pink yogurt in a squeezable bottle
- 20. _____ Pain relief without the risk of upset stomach
- 21. _____ Two pizzas for the price of one - Tuesday special!
- 22. _____ Now in a cool blue geltab
- 23. _____ Take Zantec. Why wait for a prescription?
- 24. _____ The grapefruit snack - it's not just for breakfast.
- 25. _____ VitaLife - for active Seniors

SUMMARY SHEET

1. POSITIONING BY STATEMENT

The simplest positioning strategy is to simply state the position: "It's not TV, it's HBO" (To move HBO out of the "television programming" box.)

2. POSITIONING BASED ON MARKET RESEARCH

Marketers conduct opinion surveys, use focus groups, and construct perceptual maps in order to determine how consumers currently "position" their brands or products.

3. POSITIONING BY MARKET SEGMENT

Cereals are pitched to a specific market - for kids, for the nutrition conscious, for women. More and more foods today have "kid friendly" versions.

4. POSITIONING BY EMOTION, MAGIC, AND STORIES

Michelin uses emotion to sell tires as "family protection" instead of as an auto part. Pepperidge Farm tells a story about its cookies. Many ads bring products to life via animation to give them a personality.

5. POSITIONING BY SOCIAL APPROVAL

Products claim to be "best selling", "most popular," or simply "number one."

6. PRODUCT DIFFERENTIATION

If competing brands are quite similar, positioning creates differences in consumer's minds where none exist. Perceived differences are just as valuable to marketers as actual product differences.

7. POSITIONING AGAINST THE COMPETITION

Claiming a product to be "natural" or "environmentally friendly" positions competing brands as "unnatural" or "toxic."

8. MOVING EXISTING PRODUCTS INTO NEW POSITIONS

Oil companies can become "energy managers." Lumber companies can re-position themselves as tree farmers. With slight modifications, candy bars become energy bars.

9. POSITIONING BY PRICE

Many products claim the "lowest price" position; others make a high price part of their identity.

10. POSITIONING BY NAME

Beautiful, Slim Fast diet drink, Close-up toothpaste, Die-hard batteries, or Head and Shoulders shampoo are examples of products that claim a position in their names.

11. POSITIONING BY A UNIQUE ATTRIBUTE

Shape, color, or a package can give a product a mental position.

Color helps to differentiate product positions. Prell's green shampoo is widely recognized. The Yellow Pages is a clever way to establish a phone listing as a unique brand. UPS even uses the term "Brown" as a self-applied label.

A strong position is to be NEW. But how can an established brand be both familiar AND new? One way is to keep the existing name and change some attribute -- a color, shape, taste, flavor, size, in order to re-use that magic positioning word NEW.

ANSWERS TO POSITIONING QUIZ ON FOLLOWING PAGES:

**1—A, 2—B, 3—F, 4—A, 5—C, 6—J, 7—A, 8—A, 9—E, 10—G, 11—E, 12—B, 13—D,
14—F, 15—G, 16—J or A, 17—A, 18—F, 19—D, 20—H, 21—B, 22—C, 23—H,
24—A, 25—D.**