

The Strategy of Position as a Key to Success



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ABSTRACT

In the beginning of the eighties when a kind of trade revolution began, there were first serious attempts to develop the strategy of positioning in trade. Practically, there were attempts to synthesize the differentiation strategy based on competition (the objective is to have more successful and profitable offer than the competitive one) and the segmentation strategy based on consumers (the objective is to create a unique package offer for a desired, target segment of consumers). The first attempts to theorize the concept of positioning in trade can be found ten years later after it developed among producers. Thus the emphasis in the positioning strategy of commercial enterprises is placed on the specific position directed at the specific competitors. With the development of the market, globalization and information revolution, commercial enterprises were increasingly growing, gaining strength and internationalizing their position. Traditional marketing strategies gain importance only when modified and adapted to local markets. The motto “Think globally, act locally” becomes more important with the development of a strategy which is unique in its structure - the strategy of positioning. “French Open”, a worldwide successful tennis tournament as one of the products of French Tennis Federation, is an example of profitable and well-done strategy of positioning.

Introduction

The fact that strategic positioning is much more present in life than it can be seen by mere observation is a reality. This is due to the fact that strategic positioning is not only important but crucial for *success* in the present-day context, not only for the success of a product, company, magazine, individual, but of a region and country as well. When I say *success*, I think of a long-term, stable success, the one which is secured, always growing and expanding, regularly supervised and controlled, success filled with imagination and work. Success for the future.

The most important lesson about marketing strategies is that marketing is not about satisfying consumers at any price. Marketing is about HOW to satisfy the consumer and make a profit. Therefore, a strategy, which originally means “the art of the general”, becomes a synonym for “an important means in your business, and not an objective”.

There are many definitions of marketing strategy. Two of them have made an impression on me as they are the most comprehensive and precise of all. *“Marketing strategy reflects the company's best opinion as how it can most profitably apply its skills and resources in the market. It is inevitably broad in scope. The plan which stems from it will spell out action and timings and will contain the detailed contribution expected from each department. Thus marketing strategies are the means by which marketing objectives will be achieved and are generally concerned with the four major elements of marketing mix as follows: product, price, place and promotion. Formulating strategies is one of the most difficult parts of the entire marketing process. It sets the limit of success. Communicated to all management levels, it indicates what strengths are to be developed, what weaknesses are to be remedied and in what manner. Marketing strategies enable operating decisions to bring the company into the right relationship with the emerging pattern of marketing opportunities, which previous analysis has shown to offer the highest prospect of success.”* (McDonald). And: *“The concept of marketing strategy can be reduced to two important elements: deciding upon investment in market production, which covers production-market business strategy, investment intensity determined by the strategy and distribution of resources in a complex business system. This is how the sustainable comparative advantage is achieved in the market competition. This key concept implies clearly defined knowledge and abilities, means and resources, certain objectives,*

business policy in a certain area and the creation of conditions for synergy." (Aaker)

What should definitely be taken into account when analyzing the term of marketing strategy is whether it can be applied in practice as only then does it confirm its positions? Therefore, you should remember: Marketing strategy is a process whereby an organization transforms its business objectives and business strategy into marketing activities and profit. Formula "3 x 3 = that's you" means that you need to combine very seriously and carefully your marketing mix package, unique selling proposition and point-of sale material if you want to create a long term successful strategy of positioning. The strategy of positioning is defined at three levels:

- *At the level of product* - guidelines are defined for an effective design of a product according to the dimensions consumers find relevant. Market research of a product is actually directed at identifying important dimensions by which consumers distinguish certain brands so the further development would improve the performances of your product.
- *At the level of marketing strategy* - positioning represents the support for coordinating the entire marketing mix. By defining the existing and desired position, you determine the course of action for advertising campaigns, pricing policy and terms of payment, interior design of points of sale...
- *At the level of business unit* - positioning requires that management provide adequate resources. In order to ensure successful positioning in the market, appropriate attention should be devoted to the implementation of the positioning strategy. In this sense, it is essential to provide necessary market research, resources within each individual instrument of the marketing mix, financial funds, as well as adequate organizational structure and atmosphere among the staff.

As a first conclusion, you must memorize a following: from a marketing point of view, *positioning is a technique by which marketers try to create an image or identity for a product, brand or company.* It is the "place" a product occupies in the given market as experienced or perceived by the target group." Product positioning is an "image" in consumer's mind of your products or services. When you conclude what you want, you must define your business objectives on the long-term period. The strategy of

positioning itself is about defining the way and means to reach your objectives.

The Strategic Positioning: Yesterday, Today, Tomorrow

Strategic positioning today, when you are overwhelmed by tens of thousands different pieces of information from the very morning, when you wake up, until the moment when you have to decide on a holiday destination or university for your child or a new business partner. Strategic positioning is positioning at the level of consciousness. Nowadays, this is crucially important at every step you take or every choice you make during the day. In the world of positioning, it is said with good reason: "You become a winner by going with a winner."

If you can understand that the strategy of positioning, i.e. the ways and means you need to accomplish assigned objectives or your plan and program, is not what you have done for your product or company but *what you have done to the consumer's mind about the perception of your product or company*, you will be on the right track. Track to long-term success. Why? Well, because the ingredients are elements which are the same for all - the secret is in the recipe.

Yesterday

In the beginning of the eighties when a kind of trade revolution began, there were first serious attempts to develop the strategy of positioning in trade. Practically, there were attempts to synthesize the differentiation strategy based on competition (the objective is to have more successful and profitable offer than the competitive one) and the segmentation strategy based on consumers (the objective is to create a unique package offer for a desired, target segment of consumers).

The first attempts to theorize the concept of positioning in trade can be found ten years later after it developed among producers. Thus the emphasis in the positioning strategy of commercial enterprises is placed on the specific position directed at the specific competitors. At the same time, attempts are made to overtake the market of the main competitors with a so-called special offer. The special offer, as an expression of a developed sales-political activity of commercial enterprises, can be seen in the structure of product and service portfolio, as well as in so-called special manifestations, terms of sale, brands and the like.

With the development of the market, globalization and information revolution, commercial enterprises were increasingly growing, gaining strength and internationalizing their position. Traditional marketing strategies gain importance only when modified and adapted to local markets. The motto “Think globally, act locally” becomes more important with the development of a strategy which is unique in its structure - the strategy of positioning.

Positioning is a marketing strategy that simultaneously starts from consumer analysis and competition analysis. The aim is to examine the consumers and determine the characteristics of the offer that enable the most favourable position of your enterprise in relation to the competition. Positioning, as a concept, was created as a result of natural evolution and contains previous knowledge but also a new idea how the knowledge should be applied.

Tomorrow

As long as a marketing strategist carefully listens to consumers and provides everything they want, there will be progress. Difficulties occur when you have to determine what consumers want. This should be simple, but it is not. Markets are more and more saturated, competition is bigger so organizations try to take a special, protected position, which will enable them to defend the area where they make profit. Therefore, it is not enough to know what consumers want, but WHAT EXACTLY they want. For a strategist, change is now a factor number one. The speed at which changes occur nowadays is huge. It seems to us that we have not become accustomed to something and yet we have to provide something new. And nowhere are changes so striking as in the market.

Strategists have to predict future needs of the consumer if they want their organization to survive. However, the phenomenon of fast changes and uncertainties is often explained as the end of one cycle and the beginning of the new one. Therefore, here is a piece of advice: keep listening carefully to the market!

It is very important that a strategist - consultant or manager – is aware of global events, trends in the world and their region, cash flows as well as local business policies. According to many economic analysts, the present day situation is as follows:

- it seems that many fundamental changes are under way in the world.

- in the “new age” or in the period of “falling line”, as value attitudes of an individual show, it is more important to satisfy spiritual needs than physical needs.
- in the period after the Second World War, a need for logical, rational was emphasized more than ever. The main emphasis is on the technology and truth of “scientific methods”.
- in this age of technology and mechanics, many of us have lost a sense of the emotional and the intuitive, which is an important component of human spirit.

Although there is not a sure way to achieve success in those new and unknown markets, there are several lessons of experts - strategists:

- Sudden and frequent radical changes depreciate the experience we have. This means that organizations which were successful in the past, in the then circumstances cannot expect to achieve results in the future using the same technique. Unfortunately, many theories on business are just a schematic diagram of the former positive experience. Therefore, you should perceive the main business activities, such as strategy and planning, in new light and reexamine their value.
- Among the first authors who realized the necessity of changes in the attitude to the issues of strategy was Mintzberg, who says that strictly defined and systematic way of developing the entire business corps and marketing strategy is no longer acceptable in the conditions of more adaptable and fluid present day markets. He also says that such a way is acceptable only in the conditions of stable markets, so when fast changes occur, more effective are « necessary strategies », which are actually the formulation of the real situation in the market. He differentiates between the « strategy of sustaining », which refers more to sustaining in stable than in changeable conditions, and the « craft strategy », which is designed by combining strictly defined necessary strategies and enables you to find true balance between controlled and more adaptable behaviour.
- A possible solution could be to determine the general direction which should be taken. You should start from the objective and the strategy, which are specific enough to indicate what an organization should focus on, and yet loose enough to enable maneuvering in changeable conditions.

From A to Z in Strategic Positioning Process

Research of the market is a key starting activity in designing a successful strategy of positioning.

What is important to realize is that a marketing strategist does not have to be completely versed in the mechanism and techniques of contemporary market research, but it is necessary for a strategy that an expert has a clear idea of what can and cannot be achieved by research. The difference between the terms «data» and «information» is even more significant. Data is basically the raw material for research of the market. On the other hand, information is best described as something that eases the receiver's uncertainty (about something). It is very important to differentiate between the two since all available data about the market or market activities is of no use to a market strategy. Only by collecting practical and important information can you reduce doubts and uncertainty to a minimum and make practical and effective plans for the future.

The Process of Research of the Market means research in five stages: defining the goal or the problem of research, elaboration of the research plan, data collection, data analysis and overview of the findings, and define them as a portfolio that will form the basis for your future strategy of positioning.

Marketing package offer is a basic result or product of a marketing strategy.

The dosage and use of certain elements of the familiar '4 + 2 = 6P' marketing mix model is of crucial importance for long-term and stable strategic positioning (by professor Kotler, these are: product, price, promotion, placement, public opinion and policy). This is due to the fact that positioning is the perception of the consumer's or customer's consciousness in relation to the given category.

In the last ten years, I have added and practically used in my work the seventh element or "7P = *personality*" in addition to the above-mentioned marketing mix elements. It simply proved that if the strategy of positioning is not conceptualized by the principle "*from micro to macro*" and "7P" model, in a long-term perspective, its implementation can be brought into question. In fact, it is very important to define *personality* as a group of the creator's characteristics (the originator of a concept) to the final personality of consumers, customers, buyers or citizens. This is due to the fact that everything about strategic positioning begins and ends at the

level of human consciousness: words, colors, tastes, scents, music...all this serves the purpose of advancing sales.

I would like to underline that analyzing production and sales strategies of positioning of world leaders, you come to a conclusion that non-material or intangible aspect, i.e. product value, is increasingly emphasized. Thus when buying a product, you acquire status, acquire a new philosophy of life, entertainment or socializing, create a style of dressing or consuming and so forth. Various elements of the marketing mix and marketing management – product policy, pricing policy, promotion and placement policy – are marketing policies that a strategist should combine into a solid whole before implementing them in the market. An important strategic aspect of the package is to enable all elements to be together and appear acceptable from the consumer's viewpoint.

USP is the essence of your strategy of positioning.

It is a marketing message that should provide the consumer with the answer to the question: Why should I buy your products and not your competitors' products? Or: Why should I do business with you and not with your competitor? You should bear in mind that, as practice shows, a company can have several USPs for more different portfolios. The company then makes sure that one, unique or top USP is a message that in the best way explains to the consumer or business partner that working with you or buying your products is something special.

There are several characteristics of USP you should bear in mind when formulating your USP:

1. It is one sentence.
2. It should be legible and understandable.
3. It should be correct and plausible.
4. In that sentence, there is always only one word that emphasizes the *uniqueness* of your offer, way of business or a certain product.

Before defining of the USP, you should analyze the current situation in the market in the following way:

1. Focus on niches, i.e. find and clearly define the target group you are addressing. The question you should ask yourself is: What *exactly* do you sell or offer?
2. Fill in the gap in the market, i.e. do an analysis to determine which segment of the offer is not covered by competitors

and highlight it in your USP.

3. Concentrate on the aspect of “satisfaction from using a product or service”.
4. Point out how your products or services can solve a «problem» or satisfy a «need» of consumers of a specific target group.
5. You must analyze what the competition is doing in the market.
6. Tell the consumers or users of your services how they benefit from you, that is from using your products.
7. Make your USP «measurable». Time and price are two measurable « qualities » of an offer. Pay attention to them.

There are two important benefits that you yourself make by clearly and precisely defining your USP: first, it clearly distinguishes you from the competition in the eyes of both present and potential consumers or users of your services, and secondly, it makes your team focus on keeping the promises given through the USP by helping it to improve its internal performances, i.e. resources.

POSM or Point-of-Sale material as a third part of 3 x3 formula of strategic positioning.

It has a very important role in the implementation of the strategy of positioning, especially in the first phase, i.e. in the phase of presentation of a new product. For positioning strategists, POSM is of great importance for two reasons: firstly, it costs and secondly, you should know when and how much to “dose” it. From the aspect of its purpose, POSM is divided into several groups:

1. Classic POSM: business cards, envelopes, memos, flyers, posters, key-rings, pens...
2. Standard promotional POSM: T-shirts, caps, bags, glasses, umbrellas...
3. Exclusive POSM: leather agendas, sets, wine, champagne, typical strong drinks in exclusive packaging, sometimes combined with certain delicacies, vases of special glass...
4. Specialized POSM: tents, presentation boards, CDs in special packaging and with special content, compasses...
5. VIP POSM: a range of selected, often unique, exclusively made series of promotional material (clothes, sports clothes, jewelry and the like) which is worn by exclusive promoters purposely selected.

The higher quality and cost of making POS material, the more important its role becomes and vice versa. They range from the classic and standard ones, whose aim is to make consumers remember the name of a company or product, to exclusive and specialized POSM, which should make a member of target group see the quality of service offered by the company, its significance in the market...Therefore, all who deal with designing and/or implementing the strategy of positioning at local level should specify which type of standard POS material is the most acceptable for target audience of the local market. As POS material burdens the price of a product, it should be dealt with in a calculated way. Its role in USP is combined, that is in a package with other more important advantages that a company point out as its "uniqueness of the offer". POS material is not only a display material, it is much more than that. You should know that for some campaigns, POSM is designed by the whole teams of professional groups: psychologists, designers, music editors, photographers...

If you do not have a strategy which is clear, specific, realistic and, above all, applicable to your enterprise or product, you become a ship without a rudder. Even the weakest of winds can blow you away from your goal.

"French Open", a Worldwide Successful Case

Thus the example I want to give as one of the most representative in the world of sport strategic positioning is a story that started with a visionary – *Jean-Rene Lacoste*, the most famous French tennis player ever. He was one of the four French musketeers with whom the saga called Roland Garros tennis tournament or the French Open began. It did begin as a personal vision, but it was continued and maintained by the whole French tennis federation and the state of France. Yes, the Roland Garros tennis tournament is a story about a successful strategy of positioning and it is set in the country known for centuries by perfumes, cheese, wine and the city of Paris. Still, the last week of May and the first week of June are noted down as important dates in many calendars.

Why is the strategic positioning of the French Tennis Federation so successful? So successful that one of the four world Grand Slam tournaments has the annual income which is a business secret. Because its destiny was settled 100, or more precisely, 80 years ago, when the stadium

for the future was being built and France began to realize the importance of sport and sports tourism in the positioning of its name in the world map of interest.

The secret of success is certainly in the following:

- **Tradition** based on two personal names: *Roland Garros*, the famous French pilot who was the first make a non-stop flight over the Mediterranean and *Jean-Rene Lacoste*, a tennis player who created one of the most influential and most expensive sports brands - Lacoste. To cherish the traditional values of sport, health and life vitality is what the French consider a true success.
- **'2Q+1C' expertise of the top management portfolio:** Quality + Quantity + Continuity
- **Famous sponsor pool:** BNP Paribas Bank (30 years), Peugeot (25 years), Perrier, IBM, FedEx, Nescafe, Moet & Chadrone Champagne, ...
- **Press committee:** the press committee, comprising ten members of the French Sport Journalists Federation (USJSF) elected each year during the tournament by the entire press body, examines accreditation requests and ensures a well-run press operation.
- **One of the biggest media department in the world of sport:** 3,000 media representatives
- **Point-of-sale material:** brilliantly designed and adapted to all types of purchasing power. It turned a small "corner" shop from the beginning of the eighties into a real supermarket selling RG¹ branded products. All the sponsors and partners of the FFT² participate each year with newly designed collections especially made for the RG tournament.
- **Tenniseum** - the first class multimedia museum and the first of its kind in the world. It stretches over 2,200 m sq and comprises: an exhibition hall, multimedia centre, two halls for theme exhibitions and a media library. Each year, exhibitions are adapted to the celebration of an event, jubilee, IT achievements or players themselves.

¹ Abbreviation for Roland Garros

² Abbreviation for Fédération Française de Tennis (French Tennis Federation)

- **Special qualities:** the Clay Court + Tennis ball especially designed for Roland Garros to be faster. Since 1981, three trophies have been awarded each year to the players during the Roland Garros tournament: the *Prix Orange (Orange Prize)*, awarded by spectators to the most sportsmanlike player, the *Prix Citron (Lemon Prize)*, awarded by both spectators and the journalists' association to the player with the strongest character and personality and the *Prix Bourgeon (Bud Prize)*, given by journalists to the tennis player revelation of the year.
- **Focus on continually innovative refreshing solutions** in all fields by the government and top management. This year, when the Forum in Davos was concluded with the words: *The Green is Gold*, a special attention has been devoted to recycling old tennis balls that will no longer be used. A specially designed recycling machine was installed at the very Roland Garros stadium, which marked a new, *green era* of French tennis.
- **Complete and comprehensive structuralization** of not only players' base and sponsor pool but of visitors - spectators and media support as well. Crucial step, strategists would say.
- **Fight against Ambush marketing:** The most important legal team in the French and perhaps one of the greatest in the European world of sports, is the very legal team of the French Tennis Federation, headed by Rhadames Killy, which achieves enviable results fighting against the expansion of Ambush Marketing. Their example as well as the methodology they apply encourage other organizers of big sports events (e.g. Tour d'France) to prevent illegal campaigns of those brands which do not want to pay for advertising but are very interested in advertising themselves and making profit through the Tournament. This is a very important activity which requires the coordination of legal and top management in order to give results.
- **Woman's Play Support program** which proffer a possibility and chance to woman, ex-tennis player, to be active and after professional tennis carrier. Sometimes they choose to be a part of FFT "Extra-Talented group" as a coach, sometimes to work with children, sometimes they choose to be a press consultant in the Media department.

M&P Formula of Success 1

Media and Partner Pool combination is the first secret formula for the long-term success of the Roland Garros strategy.

Some of the partners have supported the Tournament for more than 30 years and each year media partners expand the RG offer to wider audience. There is something for everyone in the *Two-Weekly Offer*:

- **Thirteen hospitality areas**, available on a daily basis or for the whole fortnight
- **Daily hospitality areas:** the Open Club, the Slam, the Grand Slam, Salon Mousquetaires, Salon Paris, Tennisium Breakfast. These are all “à la carte” offers, leaving you free to choose which days and how many guests you wish to invite. The daily hospitality areas are your chance to enjoy the French Open to the full while still being free to choose what you want and when you want it
- **Hospitality areas for the whole fortnight:** the Village, N’1 Court, N’2 Court, the Executive Club, the Circle, Gallery B. These areas are highly exclusive and much sought after, and perfect for companies to entertain their guests in a luxury setting throughout the whole two weeks of the tournament.

M&P Formula of Success 2

Media and Players combination is the second secret formula for successful strategic positioning. Why? Because viewers like when famous people report from sports events as they color them with their charisma and success. Thus, the doors of the 2008 RG were open to many former sportists who would, either as professional consultants or commentators of their national TV stations, liven up the broadcast: Arancha Sanchez, Justin Henin, Bjorn Borg and others. The most successful was certainly Mats Wilander, who was engaged by the French TV station, TF 2/3 and whose 30-minute long reports from the French Open were broadcast by Eurosport itself. At the end of every day, there was professional interpretation of the Roland Garros events called “*Gem, Set, Mats*”, which proved to be brilliant and increased the ratings by 40%. Now, more and more tennis players are willing to try themselves in this kind of professional continuation of their careers (naturally, no longer as tennis players but as

active media partners). This is again something introduced in the world of tennis by the Roland Garros management.

Another brilliantly designed *post-play program* for players and media makes it possible for many players and journalists to enjoy their stay in Paris after a strenuous and quite demanding play i.e. work program. Karaoke, multimedia museum presentations, ingenious fashion show, group visits to cult French castles and restaurants - all this is dedicated to his majesty, the Player.

This is perhaps why the secret of the French Open tournament is so seductive, always in harmony with everyone, with its goal set high and the strategy which tends to win over and over with its methodology.

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