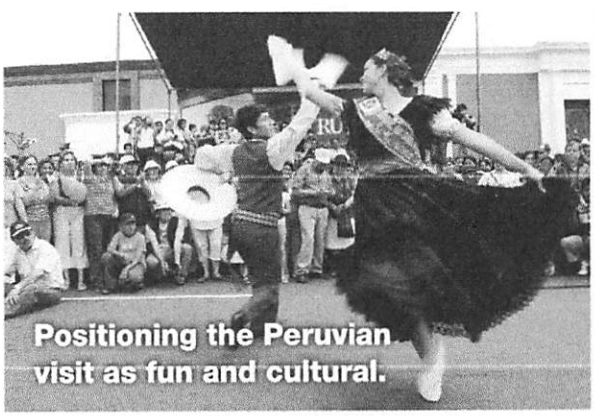
Branding *from* China

Chinese self-pride is growing with China's global importance, so the Chinese are beginning to build brands:

- They want to export their Chery cars and their Haier refrigerators.
- They're creating Chinese-centric social media: Youku.com is their YouTube, Dangdang is like Amazon, RenRen is like Facebook, and Jyayuan.com is a dating site.
- They're reaching out globally and branding their country as the "World's Safest Tourist Destination."
- Finally, to enhance brand equity and positive brand associations, they're trying to be socially responsible: in bringing telecom to rural villages, cutting energy use in vehicles, building foundations for orphans, etc.

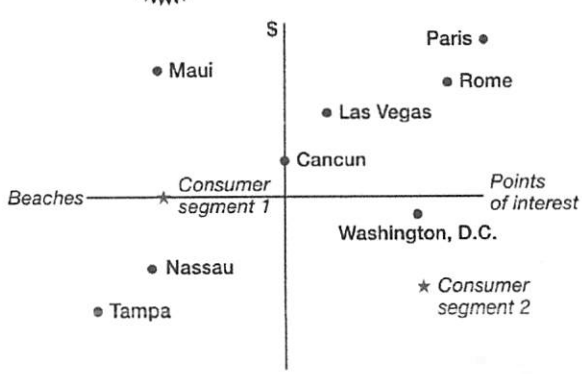


Positioning the Peruvian visit as fun and cultural.

© Abraham Nowitz/National Geographic Image Collection/Alamy Limited.

Figure 5.2 is a perceptual map of cities in which a large, global hotel company has resorts.[3] The company wants to know more about its customers' travel needs because they're trying to redesign some of their vacation packages. The dimensions equivalent to north-south/east-west are perceptions of whether the city is a relatively expensive or inexpensive place to visit, and whether the destinations allow investigations of cultural tourism and related activities, or serve primarily as a place to soak up sun and decompress.

FIGURE 5.2 Positioning via Perceptual Maps



© Cengage Learning

This perceptual map tells us about the positioning of these cities vis-à-vis the dimensions of expense and activity. Paris and Rome are seen as places that have lots to see and do, but they're relatively expensive. Nassau and Tampa are perceived as beach trips that are relatively affordable.

Given that these maps capture perceptions, one question in the mind of a marketer is always, Is my brand optimally positioned? Or, is my intended position the one that customers perceive? For example, this hotel company had spent a lot of money on an advertising campaign trying to make potential travelers aware of the many cultural offerings of Nassau. That is, the company was trying to move the Nassau position farther to the right. It doesn't look like they were too persuasive.

The map also identifies two customer segments. This survey was conducted on the company's typical traveler, and the sample was obtained from visitors to all its hotels. That is, the perceptions are those of their current customers, not of their potential customers, who might belong to a different segment. The hotel is known for being "reasonable" in its rates, and so it tends to attract younger crowds who don't have quite the deep pockets of older travelers. As you might imagine, the hotel likes having a youthful appeal (or position!) but realizes that it's somewhat unfortunate that it's also drawing people with less money. Probably older, wealthier travelers would agree that Paris is more expensive than Tampa, but they could afford it and would travel there nevertheless. The hotel's repositioning might also consider an ad campaign that emphasized its reasonable rates even in destinations known to be more expensive.

The customer segments on the perceptual map offer another diagnostic to the company about what's going on in the marketplace. The first customer segment is very well served: They are looking for beaches and cheap trips, and the company has hotels in both Nassau and Tampa to cater to those tourists. The second customer segment, however, is seeking more to do on their holiday, yet still hoping for reasonable rates. The company has less to offer them, although perhaps they can play up Washington, D.C.

Figure 5.3 offers a different kind of perceptual map. It contains descriptors for a single service provider, a health club. Patrons have rated the gym on a number of qualities: the convenience of the location, the variety of the machines it offers, having enough new machines so that there's never a long wait, and finally whether the staff is helpful, friendly, and

5-1 What Is Positioning, and Why Is It Probably the Most Important Aspect of Marketing?

We know how important it is to segment the market and decide on a target; we've seen the S and T in STP.[1] In this chapter, we turn to positioning.

Positioning has many physical elements, but even more perceptual ones. It's about identity: who your brand or company is in the marketplace vis-à-vis the competition and in the eyes of the customer. Once you see who you are, you can determine who you want to be.

> "What is your 'position' in the market space? How do customers see you?"

Positioning comprises much of a marketer's responsibilities. It requires

- >> designing a product with benefits that the target segment will value. (How do you want your customers to think about your brand?)
- >> pricing it so that it's profitable yet seen as valuable. (How high a price can you command for your brand?)
- >> building distributor relationships to make the market offering available. (Where do customers go to find your brand?)
- >> communicating all of this to the customer through an array of promotional activities (what do you say about your brand?).

In other words, positioning involves all the marketing mix variables. This chapter kicks off the rest of the book. We'll discuss the concept of positioning in this chapter, and we'll see the details of the marketing mix activities in the chapters that follow.

We begin by discussing the concept of positioning via perceptual maps. We then see the positioning matrix, which will give us a framework in which to understand the marketing mix 4Ps (in subsequent chapters). We close with guidelines for writing a positioning statement.

5-1a Positioning via Perceptual Maps

They say a picture is worth a megabyte of words. Marketers and senior managers like to see graphical depictions of where their brands are and where their competitors are in the minds of their customers. These pictures help us envision how customers think about our brand and give us initial answers to many questions: What are our strengths and weaknesses? What are those of our competitors? Even though we think of certain companies and brands as our competitors, do customers view things the same way? Who do they think are our closest substitutes for the benefits they seek when they're buying in this product category? Perceptual maps provide these pictures.[2]

Figure 5.1 depicts a perceptual map of hybrid car models. Brands depicted as points in the map close together are those perceived as similar (e.g., Lexus and Lincoln), whereas brands farther apart are seen as more different (e.g., Prius and Telsa). The north-south, east-west directions are perceptual, and in this map they may be interpreted as the quality of the car and the relative expense.

The brand managers and corporate headquarters of all of these firms would probably not be surprised by these results, in that they indicate that customers view Lexus and Lincoln as the most interchangeable, at least among this set of brands. In comparison, the Tesla and Prius are not competing with each other. We also see information on customer segments. Segment 1 is situated near Lexus and Lincoln, and these models would predict that one of these two cars would be the segment's first choice. The segment might not be loyal to Lexus over Lincoln, or vice versa, but either is preferred over the Telsa or Prius.

Customer segment 2 is at the lower right, where there are few brands. Holes in perceptual maps offer intriguing possibilities for new market opportunities. In this case, we might not wish to pursue the opportunity: These customers seek luxury at inexpensive prices. A car company might not find this position profitable or the image desirable. (It's hard to be convincing that one provides luxury at base prices.)

FIGURE 5.1 Competition in Perceptual Maps