



Products Positioning on a Heterogeneous Market

Liviu NEAMȚU*, Adina-Claudia NEAMȚU**

ARTICLE INFO

Article history:

Accepted March 2012

Available online 30 April 2012

JEL Classification

F1, M, O1, P4.

Keywords:

Strategy, Segmentation,
Positioning, Differentiation,
Focusing

ABSTRACT

Analyses realized on markets showed in time that these are not amorphous masses of buyers but are formed of different divisions that we can often find under the name of market segments. Market can be divided in more segments of request composed of buyers, instinctively in the search of the same characteristic of the products. The liability of the firm is that of defining well the segments and serves them well with perfectly adapted products. Business positioning on well-defined segments of consumers leads to a relationship optimization between the business field and consumers. The present study takes into discussion positioning strategy, from the 4 proposed business strategies. We have tried to underline the fact that the correspondent or defective model for issuing and application of the positioning strategy determined the success or the failure at the level of the entire firm.

© 2012 EAI. All rights reserved.

1. Introduction

For a vast market that often does not correspond only to a geographic area restricted to a single country border but extends to globally, is becoming increasingly difficult for a brand or registered mark to assert. Many products are born failures from the start of their design, due to the fact that they have not defined a target audience and are not built around a model asked by this public.

This study aims to identify those elements that allow closeness for the designed product with the desires of specific buyers segments. It is important to distinguish the positioning process to avoid future confusions between this approach and some others such as differentiation. We also have highlighted the link with segmentation process, which precedes positioning process. We hope so, through this article, to give a coherent picture of the positioning process, as the business strategy, especially in the conditions that the market becomes more heterogeneous and consumers increasingly diversified. Creating a concrete model, by which firms implement positioning solutions, is the purpose of this study which starts on necessary concepts and continues with the steps to achieve a business position that offers product closeness for the final beneficiaries.

The paper is divided into a few lines of approach:

- correlation of the market segmentation process with the positioning strategy;
- location of positioning strategy into assembly of available strategies of firms;
- implementing model of a positioning strategy through some phases.

Although the positioning strategy was often subject to scientific analysis, is still a poor use of terms and insufficient clarification of the model to follow in such a strategy.

Often it is discussed of products and services positioning on the market as a solution of their differentiation at the level of a well defined market. This way, some authors use synthetic expressions like "market segmentation and product differentiation" associating market segmentation with the assignment of a product for each segment of the market. Since the '80s, the main authors from the marketing literature made confusions concerning the two terms: positioning and differentiation, as remarked by the researchers from the field of marketing-management [8]. This way, some authors [11], [21], [29], [31] described differentiation as being a solution for products positioning on certain consumption segments, and others [1], [12], [18] considering that segmentation represents a self-solution completed by a differentiation processes. Due to this period resulted a relative ambiguity of the two terms. Hence it is realized a superposition of the two concepts that, even having common elements of definition, are still different.

The product differentiation strategy consists in selling, on the market, of a product that is different from the one of the direct and indirect competitors, not realizing and offering some numerous variants of the product. Otherwise said it is wanted the realization of a "distinctive" contradistinction at the product or service offered by the company, with the purpose of creating "something" perceives as unique at the level of industrial sector or market [19]. By this action, the company manages to create a monopoly of the product, lingering in an advantageous competitive position due to the fact that image, conception, function and

* University "Constantin Brancusi" from Targu-Jiu, Faculty of Economical Science and Business Administration, Department of Management-Marketing-Economics. Email addresses: professor.neamtu@yahoo.com.

services that the product realized cannot be found in the offer of a competitor. Customers would become permanent and the market party cannot be big, but constant, maintained firmly. All the strategy of differentiation resides in maintaining customers even in the conditions of price difference required for the offered distinction, as differentiation leads to a supplementary value for the purchaser, a functional or psychological value determining the customer to accept and pay a higher price in rapport with the price of the products realized by other companies in the same sector.

The strategy of product positioning consists in selling the product on a segment of the totally relevant market (the relevant market representing the totally market segment of a product that the company delimited to serve it and which is faced by other competitive companies) [20].

A company desiring to act on the entire market of a business knows the fact that normally cannot satisfy the entire request. The request is composed of heterogeneous segments even in the conditions of one product. That is why there will always be competitors and products concurrent on the markets able to satisfy better certain segments of the request than own offer of a company. The essence of a positioning strategy is based on detailed knowledge of request and its component segments, even based on knowing competitor products, having success on the market and the offer of other products and services better adapted to these segments of the request [9], [14].

Generally, firms might aim identifying most attractive sectors of the research, no matter if these can be found on the international market [15] as well as common characteristics of some close request segments [19]. This process is seen by Philip Kotler as marketing STP - segmentation, targeting, positioning. Companies use more and more the so-called marketing-target as essence of the strategy of business positioning. This helps producing companies to identify, in exact manner, the main segments of request and to establish the most profitable market niche. To this marketing-target it is added a competitive analyze due to strategic management through which is realized the competitive offer for these segments and the intensity of the competition in conditions of entering on these market segments.

Conceptions concerning business strategies and marketing have developed so that in the present there is a separation of the **positioning concept** as a distinctive strategy as part of strategic solutions of the company.

The positioning strategy supposes the following of three successive implementation phases:

1. market segmentation, namely the identification and definition of those consumers segments requiring products and distinctive services in respect with other segments;
2. the election of the target market, namely of that or those markets that are most convenient and profitable for company's business;
3. market positioning by determining and offering the best products and best actions of business support on the request segment, desired.

2. Models and Methods

Markets heterogeneity and market structuring solutions

Analyses realized on these markets showed in time that these are not amorphous masses of buyers but are formed of different divisions that we can often find under the name of market segments [13], [20], [18], [19], [26], [31]. Even so, we do not speak about the same type of divisions because we take into account different criteria of market division. In the same time, as part of the market we have here request segments as well as categories, classes and consumers groups. But how can we make the difference between these types and to which of them shall we address to? To find the answer we have to take a look on the market to identify two essential coordinates:

- The degree of homogeneity-heterogeneity of the preferences;
- the level of diffusion-grouping the consumers.

The position on the two coordinates of the entire market can situate it in rapport with the preferences and the consumer's position (fig. 1). These are defined this way:

1. *The homogeneity – heterogeneity axis:*

- Homogenous markets - in which consumers have the same preferences in rapport with a certain product or technology and the market is not formed by natural segments. We still find certain standard consumption classes, that specialists name **consumers classes**. Trademarks desiring to enter on this market would be placed somewhere in the center of the market with an average offer.
- The heterogeneous markets situated at the other extremity, where there are preferences and different desires at the level of the entire spectrum offered by a certain technology. In this case, on the market exists a great number of consumers segments wanting intensely to be distinguished as position on the market (here arises the necessity of offer positioning). The first trademark entering on the market would be positioned in the center as characteristic of the products and services to have a more comfortable position and the following arrived on that market would have to elect between a central position alongside the first competitor in case possessing a great capacity of competition or a marginal position, in the hope of attracting customers with the greatest dissatisfactions, in rapport with the products of the competitor situated in the center of the market. In time, competition would be unfolded on all positions offered on the market.

2. Diffusion-grouping axis:

- Diffuse markets would be characterized by the existence of a multitude of needs of the individuals. These needs and implicitly their titular are dispersed inside the market, being hardly identified inside some compact groups, situated in the same physical space. However, needs are similar for consumers having the same age, gender, training characteristics, forming demographic structures or **consumers categories** having a migration space and which can be met at a given moment. Competitors acting on the market would attempt to develop an offer for the average class that ulterior, easily, might extend and for premium class or, on the contrary for the basis class;
- Markets grouped are formed of homogenous preference groups called **buyers groups**. These groups are situated in the same physical space of the market, tending to form districts, zones, distinctive areas. The first or the most powerful competitor would have to elect between a focusing on a group of the market denoting the highest opportunities. In time, the first competitor might realize a strategy of multi-focusing through which can be addressed to several groups by a large scale of products and services.

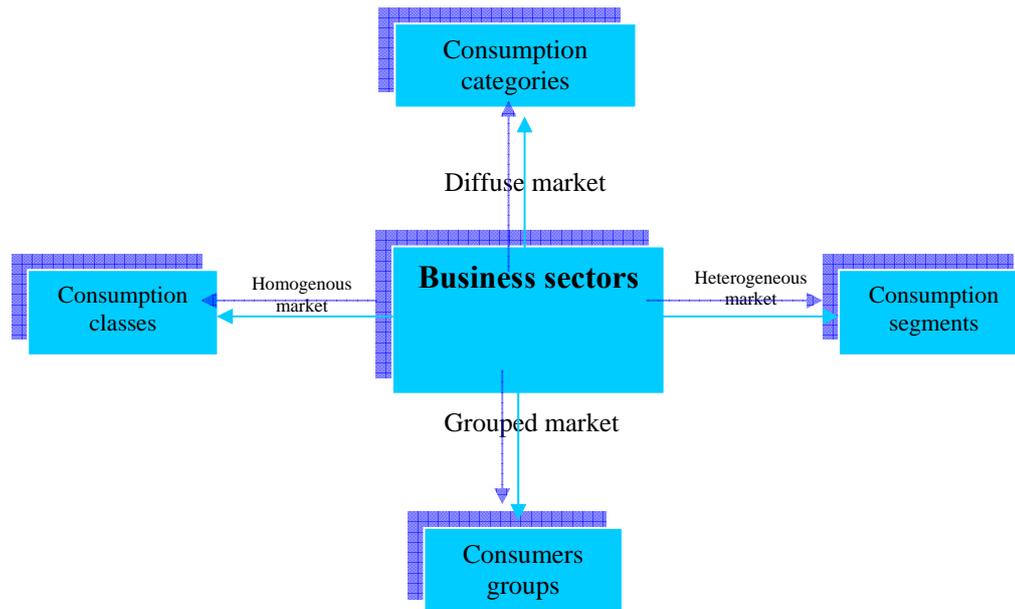


Figure 1. Main market types

Consumption segments, personal desires and cultural values

Market can be divided in more segments of request composed of buyers, instinctively in the search of the same characteristic of the products. The search of these characteristics in products, observed by consumers is influenced by certain **specific or personal desires** which should be satisfied. The lack of these characteristics makes that most of time the product be unnecessary or at least having a reduced values in rapport with the requested price.

Let's take as an example a market formed of a number „n” of buyers. Each separate **buyer** represents a **segment** of the market with unique needs and desires. Also, each buyer wants for first to use technology before having an option for a product. A town inhabitant wants the displacement with a transportation mean. In rapport with the social and personal factors would realize a certain option either as a personal transportation mean or for a paid transportation. In case he would elect a personal transportation means would have to face a new challenge. In this case, he would be on the second level of selection; where in rapport with the personal characteristics would elect a family auto vehicle, off -road vehicle, small class or luxury vehicle. In the last pause of his selection, the buyer would decide on the mark. This selection is the most difficult taking into account that psychological factors and the price-unit rapport that is perceived for each separate mark.

In the context of the given example there can be identifies as part of a market, some buyers interested of the transportation capacity, fuel consumption, superior performances, safety in transportation and others. The delimitation of some more and more detailed characteristics of the technologies makes that one with their evolution and that of the offer to be diversifies also the number of buyers segments whose desires are more and more complex, requiring the inclusion in more segments or the definition of a newer segment of the market.

A market with numerous market segments attracts generally more competitors at the offer level, being obvious the fact that is difficult for one competitor to satisfy by its products all segments. As the segment is larger and in a reduced manner defined by personal desires, the more it would be “attacked” by several

competitors. Concerning exclusivist segments with a reduced number of purchasers characterized by more complex needs, there will generally be more competitors on the market. These segments are named in a generic manner market „niches” [21].

Positioning, in rapport with segments discovered on a market can be also conceived as a diversity to correspond to several well-defined segments, with an important potential. No option of integration should be forgotten, from options of integration from segments with simple needs to segments with complex needs. Most of the companies are oriented as part of the own business units towards a diversity or integration of the products on several segments of request for better face competition that might be installed on a certain sector of the business field. Examples are numerous starting from the hotels sector where more companies have hotels chains addressed to several segments of tourists. Also, in the field of alimentary products there are continuous lines specific to some buyers segments.

As previously predicted, market segments are determined by a specific desire that is specifically defined at the level of a greater or smaller number of individuals. In the initial conceptualization phases, has been developed the idea that these desires are present, characterizing persons positioned in a pre-established segment of cultural nature [1], [7], [11]. On the way, it has been proved that numerous desires are characteristic to several categories of segments of the request, being so realized common products for either categories or created small differentiated between products offered on segments [8], [19].

Most of the initial segmentation efforts have been realized in an undifferentiated manner on economic, geographical or technological aspects [18]. Most recent researches have proven that segmentation has a behavioral basis, powerfully based on cultural and social patterns [16], [24], [20], [19], [15].

Segments can be identified in rapport with certain desires from the cultural mixture of population, meanwhile buyers categories are dependent on individual values, the consumption classes are generated by group values (fig. 2).

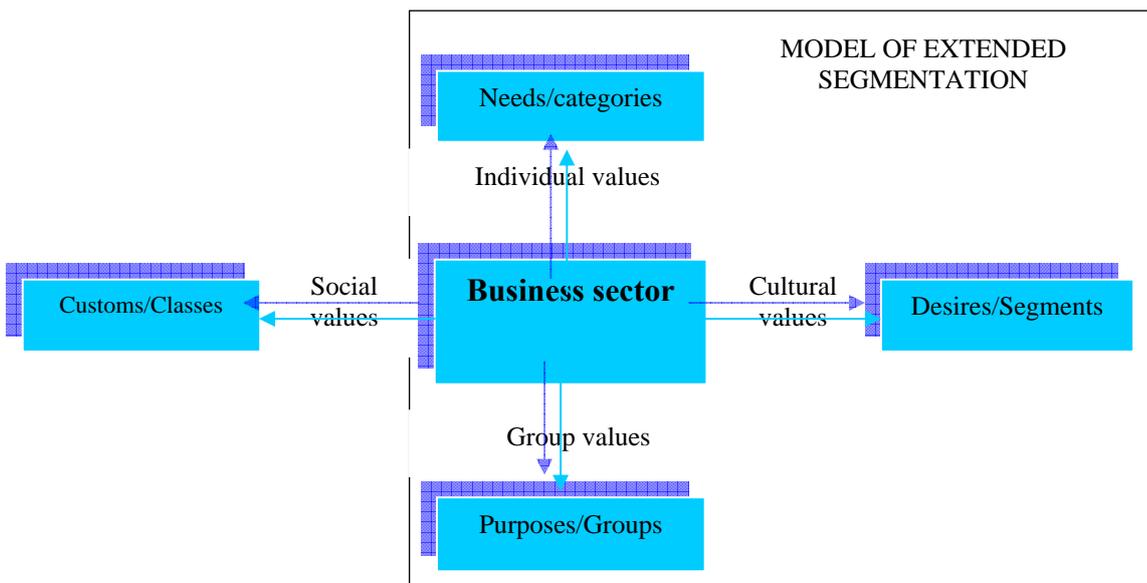


Figure 2. Market approach in rapport with motivations and consumption values

Observing figure 2 we notice that a consumer situated in a certain segments can be concomitantly in a consumption category or, on the contrary, in a consumers group. As part of each category of cultural values, can be identified a great diversity of individual values, as part of each group can be identified several cultural values of the buyers, reasons for which companies aim in common, either the couple **categories-segments**, or the one **groups-segments**. The cultural values taken into account at the calculation of the request segmentation are to a great extent from the following categories: interests, self-opinion, aspirations, personal values etc.

Identification of the market segments supposes a procedure realized in three phases:

- Obtaining information. The most frequently used procedure is the one of the *investigation* but also *exploratory interviews* or *motivation studies* to analyze needs (consumption categories), attitudes (consumption segments) and behavior (consumers groups). At the level of investigation, the realization of the questionnaire would be structures on questions bringing information on the utility of the product or of products scale. Hence, important is: knowing the characteristics of the products and of the importance granted, cognition enjoyed by different marks, attitude in respect to the concurrent and substitutes products, the characteristics of the subjects.

- The analyze of the results requiring, initially a scaling (measurement) of the results and ulterior the application of some vectorial analyze methods (varied).
- Definition of the request segments. This classification of the consumers segments would be realized in correlation with groups or categories of consumers to which these segments belong, being more a matrix group/segment or category/segment. The pattern of the matrix would be realized depending on the characteristics of the business and of the products addressed to the market.

The segmentation procedure of the market should be transited periodically and segments should be re-evaluated appearing some modifications in the structure of the markets.

3. Stages positioning strategy

The situation of positioning as part of the market strategies

Positioning is part of the category of the business strategy of the companies besides strategies like: differentiation strategy, focusing strategy and cost leader strategy, as observed in figure no. 3. From the graphical model of figure no. 3 it is evident that firms might elect on the OX axis between a strategy of the leader cost or positioning, as on the OY axis might elect between a differentiation strategy and a focusing one. From the model it results that on an axis the company can follow only one of the two strategic variants, so the firms might attend a volume strategy based on costs and small prices for standard products or a positioning strategy able to offer products adapted for all desired and segments existent and identified at the level of the market, but with relatively small prices.

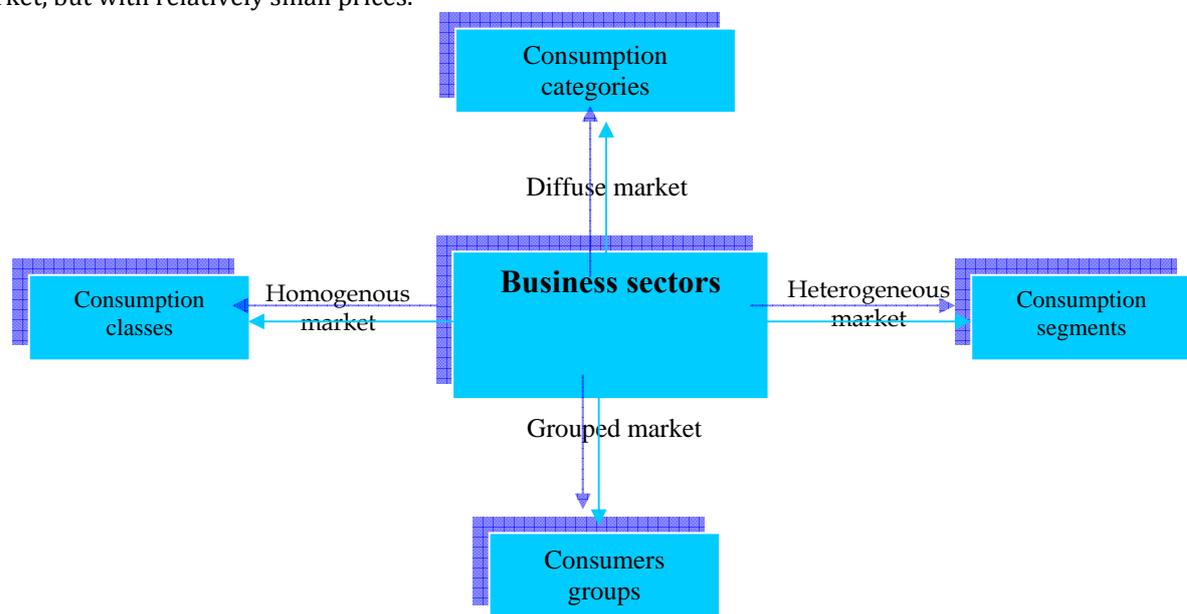


Figure 3. The 4 market strategies for a business field

Positioning is applied when the firm does not want or sufficient resources to attack the entire market in the business field. In these conditions it is obliged to identify the most profitable segments in term of the incomes generated by these. Concurrently, the company should be permanently in the research of the niche segments that should not be occupied by other competitors. The liability of the firm is that of defining well the segments and serves them well with perfectly adapted products. On this model the firm might propose an extended scale of products for different segments of consumers.

Business field qualification

The application of a positioning strategy should be realized in conditions where the business field is capable to fulfill certain elementary conditions. Among these, the most important is the one concerning segmentation possibilities offered by the business field. In case a business field is relatively compact offering few market segments or the differences between segments are most of times insignificant, positioning on these markets is inefficient, positioning on these markets is inefficient and less competitive offering great possibilities of attack from the competitors. The cultural identity (of segment) of the purchasers is also weak, being capable to generate a powerful migration of the buyers from one segment to the other and their faint fidelity. More, necessary efforts for satisfying and maintenance of a segment are extremely expensive, generating supplementary costs making unprofitable and profitless that activity (business). In these conditions, the business sector would be dominated by firms aiming a cost leader strategy of volume activities fighting to offer the smallest prices on that market.

When, on the contrary, differences between consumers segments are significant in applying the positioning strategy is the most indicated and efficient, applying a meaningful competitive advantage (figure

no.4). In this situation, firms might have an increased control on the buyer by a firm and unique position in rapport with its needs. Migration of the buyers is minimal and fidelity is accentuated. Also, the perception on the global values of the product or the service is more favorable offering in rapport price-quality more favorable for a seller than for a buyer (figure 4).

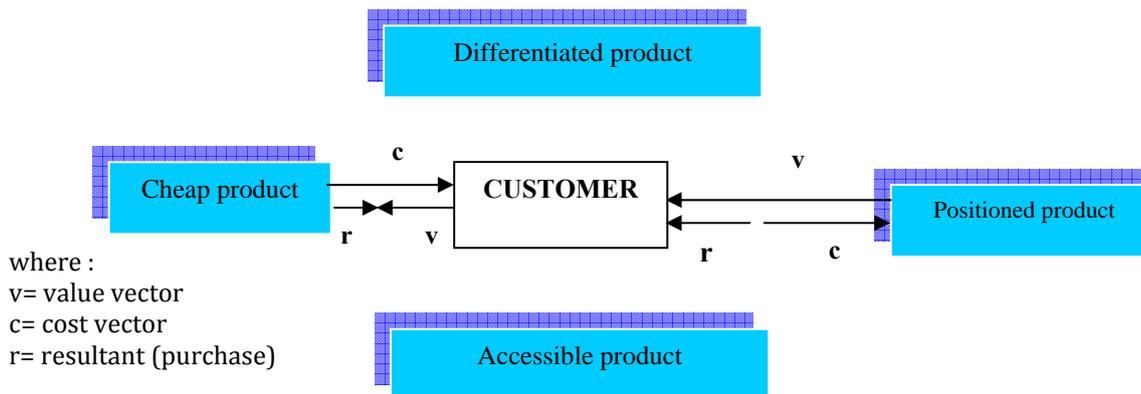


Figure 4. Rapport cost value in stimulating purchase

Concerning the positioned product, the consumer is attracted initially by its value from which he decreases the cost perceived, resulting a desire of purchasing. In case the cost perceived is higher, the resultant can be negative, the desire to buy being implicitly negative or of rejection type. Concerning the politics of the cost leader, the client perceives as motivation the reduced cost from which it is decreased the value of the product (minuses perceived) resulting at the level of purchase desire.

Other situations in which is indicated the use of the positioning strategy are the following:

- when there are different usages of a product or different usages of the entire technology;
- when no other firm attempts to be specialized on the market segment aimed by the firm;
- when the resources of a firm are limited at the level where it is not possible the approach of business volume;
- when newly arrived on a large market, having to face the competition of some powerful and stable competitors at the level of the entire industry;
- when not having opportunities of stable integration in a value chain (supplier-producer-customer) important of the market;
- when not having massive strategic capacities of innovation and aim the observes the ensemble characteristics of the products and services of the industry, bringing differences in rapport with their average values.

Election of a market segment

This phase should be traversed with maximum attention, observing the attractive character of each segment of consumption on the market. The central element of business strategies is represented by the use of a maximum profitability of a business, in the conditions of the external environment conjecture, but in rapport with internal opportunities (weak point, strong points, diagnosis analyze, economic analyze). To this extent, important are the profit and the percentage of profit in rapport with prices (incomes). The degree of profitability is determined based on value-cost rappers from the economic analyze on the costs and quality of the products and services. In rapport with all indicated, the biggest advantages are given by business oriented on consumption segments allowing the use of some high margins of the profit, or by the business oriented on segments with a high number of consumers involving volume solution and activities with reduced costs, granting the modality of obtaining some high commercial margins, in the conditions of some average prices.

There is still the possibility of obtaining a high total profit and in case volume activities allow a large basis of collecting profit even if its percentage is reduced. In this case it is necessary the exploitation of the entire market by a politic of cost leader.

It is obvious the fact that studying and electing target-segments is like a process through which is determined, by measurements and prognosis, the attractive character of a target market. This thing supposes the concomitant determination of the dimensions and their degree of increasing segments like the degree of risk or uncertainty in the future.

As a conclusion, the most attractive segments on the market are considered the ones in which value is high, alongside consistent profit margins ensuring an appreciable profitability of the business. Business orientation in these conditions can be realized predominantly towards a politics of segmentation of the markets and a positioning of the products or of services to extreme forms like „niche” strategy.

Global type, larger International markets encourage the development of such business systems of „niche” type [15]. Most of the firms having business on large national or international markets, due to the heterogeneity of market, make an appeal to the strategy of business positioning. Hence, has been encouraged the development of some brands of products or services or commercial brands, sometimes developed in parallel with group brands. Eloquent samples can be taken in all fields; such an example being the Johnsons baby brand with products specialized for small babies or Head & Shoulders brand for young persons, as part of the group brand Johnsons. Also, some businesses can be positioned, as well as group brand, in a certain segment of buyers, like have done brands as Mercedes or Porsche, in the automotive field.

The analyze of competitors and the level of competition

Concerning competition analyze according to Porter model [27], [28], it is necessary to be taken into account the fact that it can be realized only at the level of the business realized on certain consumption segments and not at the level of the entire firm. This is due to the fact that in the competition from one business field are involved firms operating exclusively in a larger business field.

At the level of direct competition should be taken into consideration the competitors existing on the market (firm representatives belonging to profile industry) as well as lateral competitors to the business field (firms belonging to other closed industries, possessing similar competences).

In the same way the threat of the products in competition (substitution) might come from products or services in the business field or outside it or even outside the industry of the business unit.

The negotiation force of the specific buyers in a segment might also be a risk factor for the positioning strategy on a segment. In rapport with it, an important request in the business positioning strategy is represented by the concomitant orientation to several segments through a line of extended products. This portfolio diversification, as part of a positioning strategy is possible under 3 forms:

- a) *Multiple positioning* – activities of research-development, in the approached field of business, capable to offer a great variety of products and services able to be traded to several segments;
- b) *Positioning -Differentiation* – the firm’s projection and production units are capable to realize groups of products or services in order to interest several segments of the request. Also, these groups of products should be realized, most of times in a large scale of differentiation from one segment of request to the other;
- c) *Positioning- Focusing*– the sales activity is capable of trading several segments of the request covered in that field of business.

These aspects are explicitly presented in figure 5.

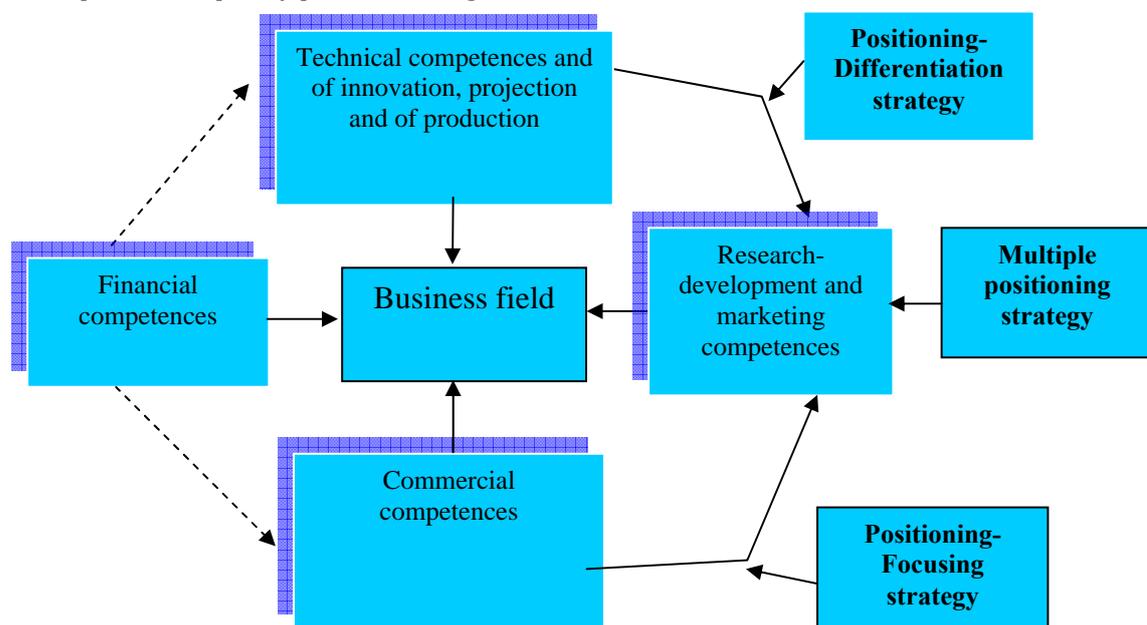


Figure 5. Operational competences close to positioning politics

Once entering in a strategy of positioning by diversification at the business level, in order to attract several request segments, would be extended the competences in the technical field for a better product differentiation, in the financial field, for a minimal business focusing, reaching even financial competences able to ensure an equilibrium at the costs level. So would be improved the following aspects: realizing scale economy, increasing the degree of using existent capacities, accentuation of the product and services differentiation, costs reduction, transfer of knowledge and experiences between segments, aspects having a positive influence on global performances of the company and at the business level.

The importance of winning some competences up to costs level is given by direct competition that exists between the politics of the cost leader and the positioning politics. In case costs increase more in rapport with

the perceived value, consumers would be oriented to fast towards other products. This way they would elect either towards a product or differentiated service or accessible or simply towards a cheaper product, in case products or services positioning or differentiation is very weak.

Obtaining some competences or a global competition does not belong to an efficient management and operational system but also to some coordination, decisional and organizational structures able to ensure the efficiency, profitability and productivity of the business. For example, the coordination process of the activities due to serve, concomitantly several segment, can be more difficult due to the complexity of the operations and, in numerous situations, as a result of the lack of certain strategic planning competences, the positioning strategy might fail by involving some high supplementary costs. In this case, the cost-value rapport is not longer acceptable or is adequate only to serving certain segments. The role on the profitability of the business strategies, of all competitive factors is presented, graphically, in figure 6.

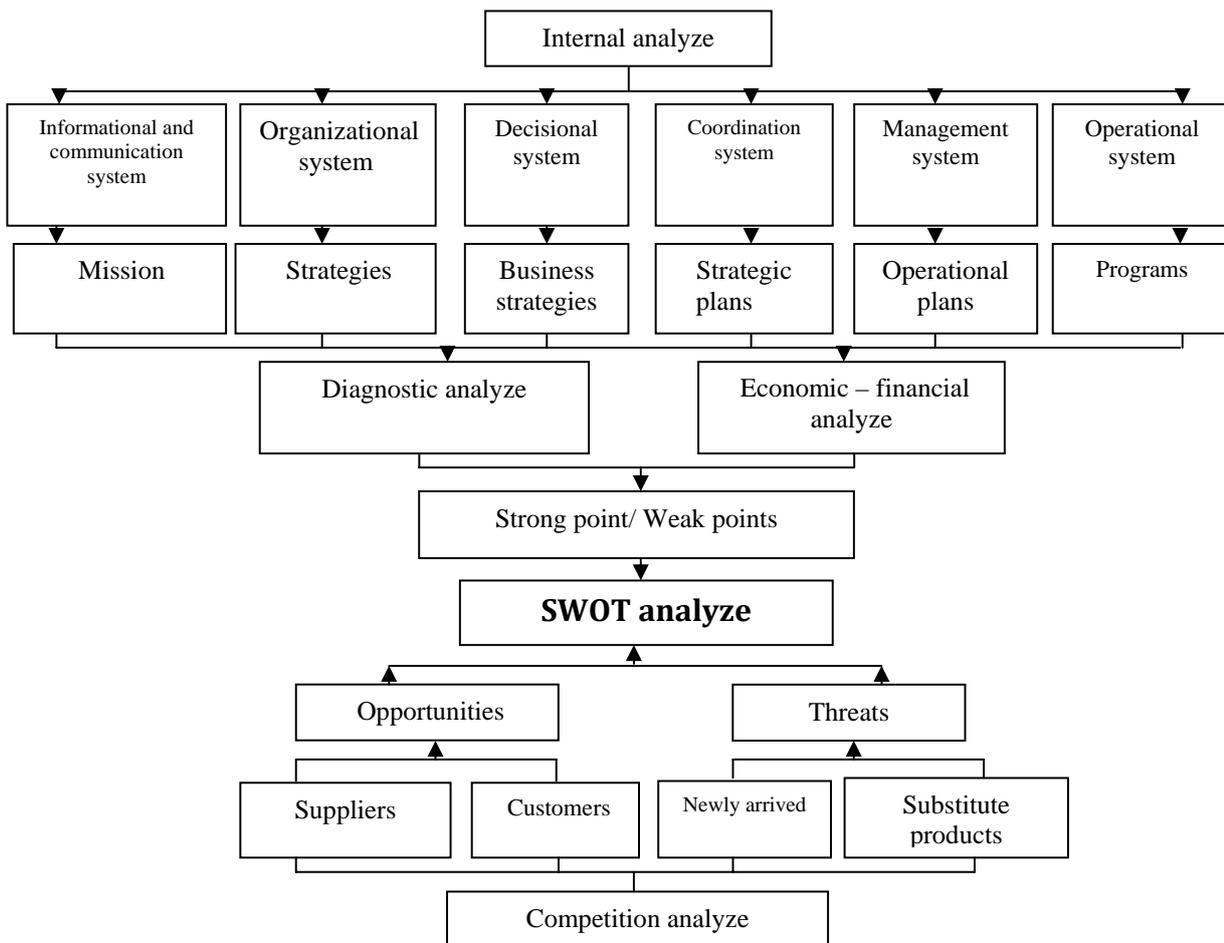


Figure 6. Analyze of the influence factors on business strategies

Business positioning and protection

Business positioning on well-defined segments of consumers leads to a relationship optimization between the business field and consumers (figure 7). This strategy leads to a reduction of the pressure manifested from buyers and to their bigger addiction on the products offered as a result of their identification with the product starting to define. This way, a firm might hope to obtain, in a certain business field, a better profitability by increasing the purchase percentage and by maintaining a high enough profit margin.

On the other side there should not be excluded the fact that products and services lose from the differentiation value on the market. The differentiation in respect of the general products for the entire market should not be made as referring to some professional products but more like some products adopted as dimension, color, functionality, etc. directed to some customers with desires and pretensions that are sometimes individualized. Concomitantly appears also a high enough cost value determined by efforts to attract consumers and to give a higher relative utility of the products and services offered. A product offered to a segment of buyers that is well-defined, has a generally high value on the market than a product with a general use in all segments of users.

Once followed a strategy of positioning appears the risk of appearing new competitors in the business field and which might lead satisfaction also in this field. The solution is given by the extension of a fidelity

system, served by an excellence marketing and powerful adaption of the products up to the system of production at command.

In respect of the newly concurrent products, substitute products or even cheap products, it is necessary to maintain an image of the supplementary value that the product brings by its adaption to all manifested desires of the consumer, no matter what these are. The competitive fight might become one of the most intense between the ones electing a strategy of positioning and the ones electing a volume one (cost leader).

The most reduced control is on suppliers, which most of times are not specialized in a certain field. Being about a segment type request, they are inclined to satisfy it, only in supplementary price conditions. That is why, prices can be sometimes high enough able to offer a better competition opportunity to competitors appearing on the market with smaller prices and standardized products, with a general character.

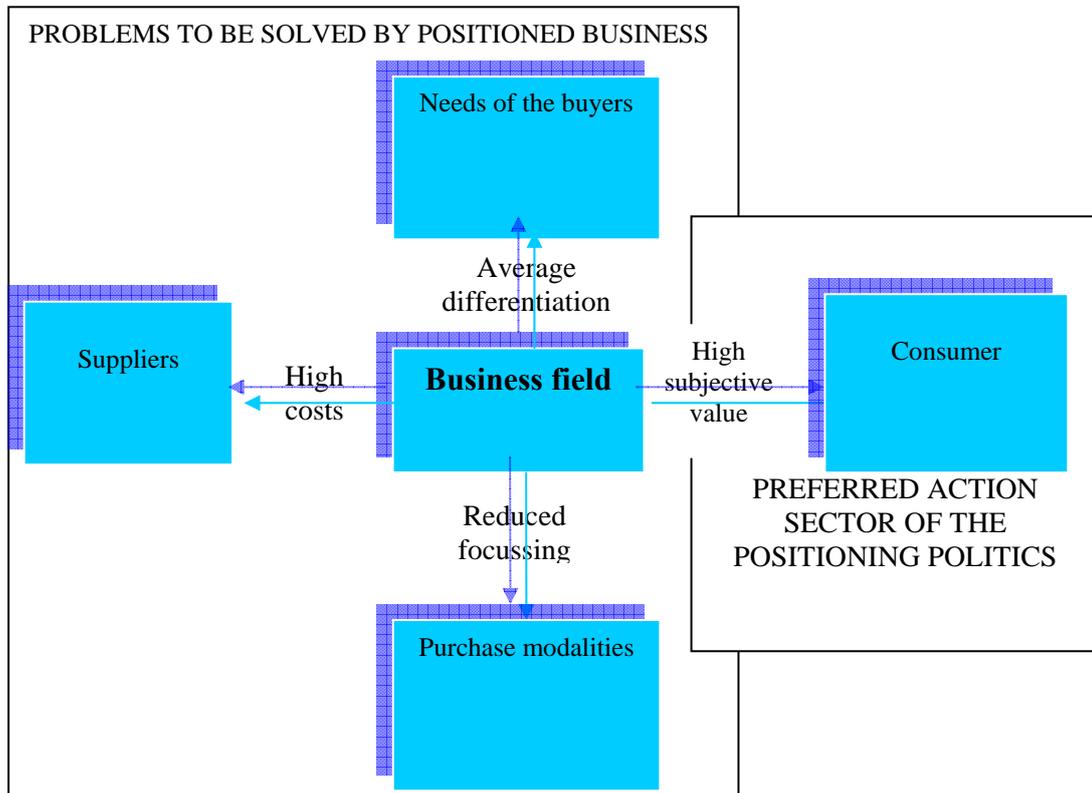


Figure 7. Advantages and disadvantages in positioning strategy

We cannot speak about a lack of experience in the costs field, when activation in a field might lead to the so-called “experience basis”, represented by the elementary duties of the business. Rational combining of several basis of experience where producer might have a cost advantage on its competitors might lead to business success, in rapport with that direct competition on the market segment.

Sometimes a firm considers that its specific resources and aptitudes allow it to offer, at a price inferior to the “great competitors”, that product or service that is generally interesting only for a part of the market. In these conditions, big firms might consider this segment as being insufficiently attractive, in case operating on the entire market or might be able to attack the segment by a politics of prices reduction of by a repositioning of the offered product or service. Small firms wanting to attack this segment should take into account this reaction of response of the big firms to avoid intense competition and losing the business.

Concerning the positioning strategy, most important is that the business of the company, by its products or services, might reach a high level of performances as part of the value chain as supply and quality of the raw material and as well as technical and productive value (added value), managerial value and commercial value. This chain of the value should finally lead to a cumulated brand with a stable position on that market by trading basis and availability of the product among buyers.

Maintenance by positioning strategy depends on the capacity of a firm to maintain the competitive advantage in the value sector, especially, but also to realize an efficient costs politics (to be seen figure 8).

So, the most efficient reactions should be connected to the reactions of the consumers, of the potential competitive firms and of the competitive products. The competitive advantage is in tight connection to the possibilities of the firm:

- to defend the competitive position, conquered as part of one or more segments of the profile industry, represented by products or services offered on the market. These products or services are generally

concentrated or competed directly or indirectly by products of other firms, no matter if the firm in discussion is or is not in competition with it. The imitation danger is more powerful as the temptation of the sector is higher, and the success of the positioning strategy is more powerful.

- to raise barriers at the entrance or exit on/ from the market of that segment of other firms. The intense fight at the entrance on a business segment can raise important difficulties to a small company wanting to enter the already consolidate market of an already installed firm. The offensive attitude of a firm offering a product positioned might make a new competitor think , so that this newly come would think twice before taking the decision of facing the company already installed. Sometimes even the defensive politics of a small firm from a segment might un-stabilize a new competitor having a higher competitive force than the one already installed in the business segment;
- to elect market segments with a big volume of the business, able to allow firm to obtain some high incomes, turnovers or profits in rapport with the average of the industry. More, should be selected those markets not threatened on long or average term by the reduction of the dimensions until the critical threshold, below which they become unattractive or their dissolution in general markets.
- to manage the relationship with the suppliers but also internal operational processes able to generate supplementary costs. In parallel with cost management, the firm should develop marketing competences of the prices to succeed the forecast of the “correct price” in order to ensure a value-cost rapport to induce and maintain the purchase desire.

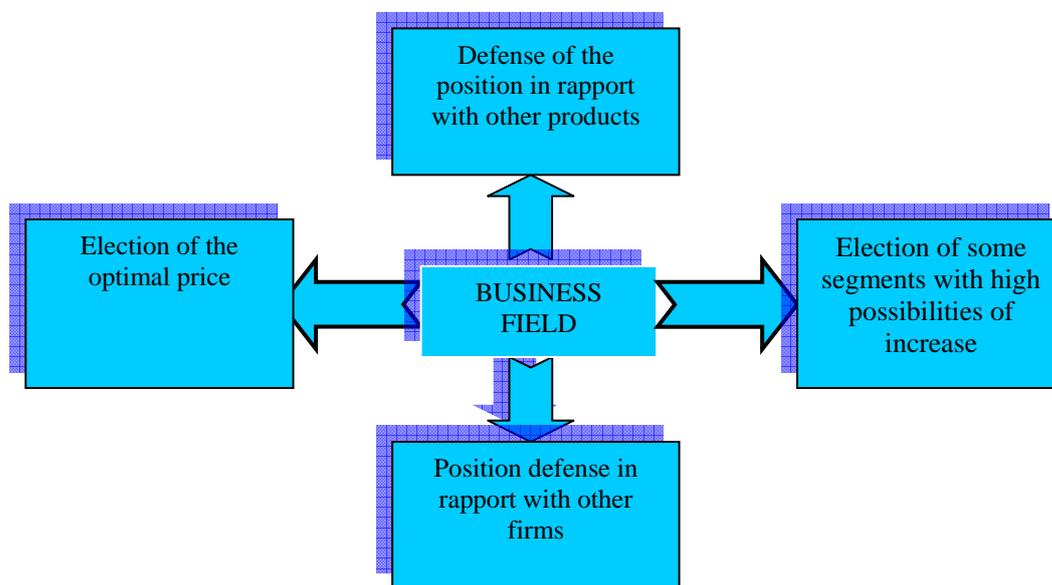


Figure 8. Competitive reaction as part of the positioning politics

4. Conclusions

The enunciation of a positioning strategy would not be realized at the level of the entire company, but directly at the level of the unit of strategic businesses. Even so, within the present study we have tried to underline the fact that the correspondent or defective model for issuing and application of the business strategy determined the success or the failure at the level of the entire firm. From the methodology of positioning, as presented, can be established specific conclusions concerning, for example, the fact that the profitability of a business unit depends in the efficient application of some strategies concerning its products, as well as correspondent equilibration of the activities and resources assigned to obtain some key competences like research-development, marketing as well as some competences of commercial and production-operations type.

Businesses strategy operates the ensemble strategy of the organization (corporative strategy), namely it mentions details concerning the modality in which the organization should act to address to the market with business portfolio, possessed. It is obvious that the positioning proposal appears as a necessity for the businesses realized on the markets, which are very heterogeneous and the business portfolio of the company should be distributed by well-delimited segments of these markets. Specific indication of each business and of the segments associated to these businesses allows a particularization of the global portfolio strategy and allows, as well, understanding the ensemble strategy of the firms, by most of its components, including the clarification of those parts of the strategy aiming specific functional areas.

The option for a positioning strategy should be realized from the set of 4 business strategies by the election of the markets (segments) and the products by correlation, model underlined also in figure no. 9 of the quadripolar model of the business strategic options.

		PRODUCT TYPE			
		Standardised	Distinctive		
MARKET EXTENSION		Strategy of product differentiation	Strategy of market segmentation	Limited	
		Volume strategy	Focused, offensive and defensive strategy	Total	

Figure 9. Quadripolar model for business strategy

Even if the present study takes into discussion as business strategy, we can conclude that any other business strategy, from the 4 proposed, can prove to be really benefic for the company on condition of be judicial established, correctly implemented and consequently attended. Also, these business strategies, including positioning, should be encouraged creation and maintaining in perspective the competitive advantages for the company in the concurrence fight on the market. In case positioning these competitive advantages allow a better presence of the firm on the specific market of a business in which operates and increases selling force and the one facing the other competitive firms.

Synthesizing, firms aiming as part of a business entering a positioning politics, would take into account some actions of strategic interest:

- market research and meticulous segmentation;
- very efficient research-development;
- profit objectives superior to the increase;
- very intense communication and very influent functional managers.

The common denominator of all mentioned competitive advantages, no matter the attended strategy for achieving and maintaining them, resides in creating a viable, high enough segment of buyers, interested in purchasing products or services offered by the company, as they perceive them as having a superior global value.

References

1. Abell, Derek F.; Hammond, John, S. (1979) – *Strategic Marketing Planning*, Prentice-Hall, Englewood Cliffs, NJ.
2. Allenby, G.M.; P.E. Rossi (1999) - *Marketing models of consumer heterogeneity*. *Journal of Econometrics*, Vol. 89, No. 1-2, pp. 57-78.
3. Buell, Victor P. (1984) – *Marketing Management – A Strategic Planning Aproach*, McGraw Hill Book Company, New York.
4. Busch, Paul S.; Houston Michael J. (1985) – *Marketing – Strategic Foundation*, Richard D. Irvine, Homewood, IL
5. Cravens, David W. (1982) – *Strategic Marketing - Richard D. Irvine, Homewood, IL*
6. Darlymple, Douglas J.; Parsons, Leonard J. (1983) – *Marketing Management*, John Wiley&Sons, New York.
7. DeLozier, Wayne M.; Woodside, Arch (1979) – *Marketing Management – Strategies and Cases*, Charles E. Merrill, Columbus, OH.
8. Dickson, Peter R.; Ginter, James L. (1987) – *Market Segmentation, Product Differentiation, and Marketing Strategy*, *Journal of Marketing*, Vol. 51, pp. 1-10.
9. Dobson, Gregory; Kalish, Shlomo (1988) – *Positioning and Pricing a Product Line*, *Marketing Science*, Vol.5, pp. 107-125.
10. Enis, Ben J. (1980) – *Marketing Principles*, Goodyear Publishing Co, Santa Monica, CA.
11. Evans, Joel R.; Berman, Barry (1982) – *Marketing*, Macmillan Publishing, New York.
12. Guiltinan, Joseph P.; Paul, Gordon W. (1985) – *Marketing Management - Strategies and Programs*, McGraw Hill Book Company, New York.
13. Grover, R., Srinivasan, V. (1987) – *A simultaneous approach to market structuring and segmentation*, *Journal of Marketing Research*, Vol. 24, pp. 139-153.
14. Gruca, Thomas S.; Klemz, Bruce R.(2003) – *Optimal new product positioning: A genetic algorithm approach*, *European Journal of Operational Research*, Vol. 146, pp. 621-633.
15. Hassan, Salah S.; Craft, Stephen H. (2005) - *Linking global market segmentation decisions with strategic positioning options*, *Journal of Consumer Marketing*, Vol. 22, No. 2, pp. 81-89
16. Helsen, K.; Jedidi, K.; DeSarbo, W.S. (1993) – *A new approach to country segmentation utilizing multinational diffusion patterns*, *Journal of Marketing*, Vol. 57, October, pp. 60-71.
17. Hughes, David J. (1978) – *Marketing Management – A Planning Aproach*, Addison Wesley Publishing Company, Reading, MA
18. Kotler, Philip (1984) – *Marketing Management – A Planning Aproach*, Prentice-Hall, Englewood Cliffs, NJ.
19. Kotler, Philip; Armstrong, Gary; Saunders, John; Wong, Veronica (1998) – *Principles of Marketing*, Prentice-Hall, Englewood Cliffs, NJ.
20. Lambin, J.J. (1997) - *Strategic Marketing Management*, McGraw-Hill, London.
21. Mandell Maurice I.; Rosenberg, Larry J. (1981) – *Marketing*, Prentice-Hall, Englewood Cliffs, NJ.
22. Moorthy, Sridhar K. (1984) – *Market Segmentation, Cannibalization, and Timing of Product Introduction*, *Marketing Science*, Vol. 3, No. 4, pp. 288-305.

23. Moorthy, Sridhar K. (1992) – *Market Segmentation, Self-Selection, and Product Line Design*, *Marketing Science*, Vol. 38, No. 3, pp. 345-359.
24. Nachum, L. (1994) - *The choice of variables for segmentation of the international market*, *International Marketing Review*, Vol. 11, No. 3, pp. 54-67.
25. Neamțu, Liviu (2009) – *Management Strategic – Principiile Succesului*, Editura Academica Brâncuși, Târgu-Jiu.
26. Neidell, Lester A. (1983) – *Strategic Marketing Management – An Integrated Approach*, Penn Well Books, Tulsa, OK.
27. Porter Michael (1980) - *Competitive Strategy: Tehniques for Analysing Industries and Competitors*, The Free Press, New York.
28. Porter Michael (1985)- *Competitive Advantage. Creating and Sustaining Superior Performance*, The Free Press, New York.
29. Pride William M.; Ferell O.C. (1985) – *Marketing*, Houghton-Mifflin, Boston.
30. Ries, A.; Trout, J. (1986) - *Positioning: The Battle for Your Mind*, McGraw-Hill, New York, NY.
31. Stanton, William J. (1981) – *Fundamentals of Marketing*, McGraw Hill Book Company, New York.