

THE POSITIONING STRATEGY – THE CASE OF ELPRECO COMPANY

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Abstract: To make a concentrated positioning, a company has to decide the number and the time of the differences to promote for the target clients. A company can subscribe to the idea that the positioning can be made on a double advantage, if that company pretends it is good regarding the two attributes. The intention is to find a niche of specialization within the target segment. This paper will analyze the position strategy, taking as example the case of Elpreco Company.

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1. INTRODUCTION

The advantage of solving the problem related to positioning is to permit the company to solve the marketing mix problem. The marketing mix – product, price, distribution and promotion refers to the establishment of the tactical details of the positioning strategy. Thus, a company that occupies a high quality position knows that it has to offer high quality products, to perceive a high price, to spread its product throughout distributors with reputation and to advertise in quality journals. This is the way in which a credible image regarding the superior quality is promoted.

2. THEORETICAL ASPECTS REGARDING THE POSITIONING STRATEGY

The companies can differentiate among them, together with the products and brands. Even in the case of a basic product, the company has to take into consideration the fact that its mission is to transform an undifferentiated product into a differentiated offer. Every difference has a potential to create costs for the company and advantages for the clients. As a result, the firm has to carefully choose the ways to differentiate from the competition. A difference has to be applied if it satisfies the following criteria [1]:

- It is important: the difference assures an appreciated advantage to be very valuable by a sufficient number of users;
- It is distinctive: the difference is not offered by others or it is offered distinctively by an organization;
- It is superior: the difference is superior to other way of obtaining the same advantage;
- It can be communicated: the difference can communicate and is visible for the customers;
- It is new: the difference can be easily copied by the competition;
- It is accessible: the buyer can afford to pay the difference;
- It is rentable: the company will find that the introduction of the difference will bring profits.

The positioning must be based on knowing the way in which the consumers define the value and choose the products among various different offers. It consists in following a three stage way [2]:

1. The company has to identify the possible existing differences between its products, services, the employees and its image and, those of the competition.
2. The company has to consider some criteria in order to choose the most important differences.
3. The company has to focus on target markets, thus differentiating from the competition.

There are a lot of positioning possibilities of a product, but among these, the product represents the most important one with its distinctive characteristics [3]:

- The attributes – it takes place when a company is positioning itself with the aid of an attribute;
- The advantages – in this case, the product are positioning as leaders taking into consideration an advantage;
- The usage/ application – it supposes the product positioning as being the best for a certain usage or specific application;
- The users – it supposes the product’s positioning as being the best for a certain group of users;
- The competition – in this case, the product is positioning as being the best, in a certain way, compared to an indicated competitor;
- The category of product – the product is positioning as leader for a certain category of products;
- The quality/ price – the product is based on the idea that it offers the best quality/ price report.

For a product positioning there are certain rules that must be obeyed [4]:

- a) *The position acknowledgement due to the brand when we don't speak about a new product.* This acknowledgement can be achieved by the brand images study and, in particular, “the perception map”.

The multidimensional analysis of the global similarity perceptions has an objective to identify the similitude between the brands that are part of the known assembly, suited for a group of products, beginning with a visual presentation of the similitude between the brands and this, without formulating, any hypothesis regarding the similitude and dissimilitude causes.

The hypotheses that stand at the basis of similarity multidimensional analysis are:

- Any product or brand is perceived by an individual as a combination of characteristics and attributes that correspond to the advantages searched by the buyer.

We will find here the notion of product seen as a “package of attributes”.

- These attributes mentally serve as comparison criterion of the brands that take part in the known assembly;
- If every of the “K” characteristics is geometrically represented through an axis, that is a dimension within a space with K dimensions, every brand or object can be represented within a space throughout a point whose coordinate will be the evaluations of this product for every characteristics

The multidimensional similarity analysis appears on perceptual maps, where every brand is represented throughout a point, the distance between points measuring the smaller or higher degree of similarity perceived by the persons that respond to a questionnaire.

The stages that have to be followed during this analysis are [5]:

1. The analyst obtains throughout an interview a classification of the similarities between all the brand pairs that are part of the known assembly of the persons that answer.

2. A triangular matrix is then obtained in which every element is a simple ordinal measure that lets us classify the brand pairs throughout the increasing similarity order.

3. For N compared brands, we have $N(N-1)/2$ different similarity classifications.

4. The constant analysis in researching a geometrical representation of this classification data, so as the dimensions number to be as small as possible and the calculated distances' order within this space must be respected, as well as the possible observed original distances order.

5. Currently, we depart from the arbitrary configuration in „N-1” dimensions for which it is measured the “lack of monotonicity”, that is the distance between the observable and non-observable strings. This distance is measured by the “stress” coefficient

6. To ameliorate the adjustment, a heuristic approach is used. Throughout attempts and errors, it is followed to reconstitute the initial classification and to obtain the best adjustment. The number of dimensions and errors are successively reduced, repeating the heuristic procedure for every stage. Finally, the configuration of the wanted number of dimensions is retained, having the best adjustment of the initial data

7. When the best configuration is finished, it remains to make an interpretation of the retained dimensions, so as to discover the sub-adjacent macro-characteristics which structure the global perceptions.

This analysis presents the following inconvenient:

- When the number of brands to be evaluated is large, the duty of the ones that respond becomes very heavy;
- The interpretation of the axis is not always obvious and demands, in general, complementary information.

The advantages of the similarity multi-dimensional analysis are:

- The method preserves the multidimensional character of the market perceptions;
- The dimensions, which are the perception criteria are not imposed „a priori”;

- The entering data are simple non-metric data of classification, easily to be observed, especially when the number of objects to be bought is not too big.
- b) The acknowledgement of the positions obtained by the adjacent brands.
- c) The decision making regarding the position to be obtained.
- d) The evaluation of this position's interest.
- e) The analysis of the product or brand's individuality components.
- f) The estimation of the degree of vulnerability of this position.
- g) The supervision of the clarity and coherence of the research position.

Once the positioning is defined, the duties notebook is made in some examples needed also for the research and development compartment, that of the operational marketing and the advertising creators who are those who will present this position in communication axis

The choice of the final positioning is made then when the analyzed attractiveness and competitiveness conclusions will be known. [6]

3. POSITIONING STRATEGY OF THE COMPANY ELPRECO

The most representative defining of the positioning is the place that a product occupies in the consumer's mind. The consumers classify, put, and group every product in their mind, depending on different criteria. The Elpreco Company desires that the place the company occupies to be closer to the immediate memory and, at the same time, the brand's perception to be positive. In other words, the positioning is the act of the projection of the offer and enterprise's image, so as it occupies a distinct place in the target consumers' minds

To realize a correct positioning we have to precisely establish the parity and differentiation points.

A. Choosing the parity points

The parity points are not necessary specific to the brand, but they can be shared with other brands. They have the role to classify the firm into a category of products. The parity points of category represent necessarily, but not sufficiently, the conditions for the brand choice. They exist minimal at the level of generic product. For instance, the clients have to know that Elpreco makes concrete products. The parity points would be the name abbreviation:

Elpreco: prefabricated concrete elements.

The differentiation points are qualities or benefits that the consumers associate with the brand, positively evaluated. The consumers also believe that they can not find them within the same measure at a competing brand.

The differentiation points could represent the durable competitive advantage reflection, which is linked, in part, by a firm's attitude to acquire an advantage by the supply of a superior value on the market, for a prolonged period of time. Even if the concept of durable competitive advantage is somehow larger than that of the differentiation points – the durable competitive advantage could be based on business politics such as the human resources – underlines the importance of the products differentiation in a certain way.

B. The choice of the differentiation points

The most important criterion in choosing the differentiation points are: the consumers take into consideration the differentiation points as being desirable and the consumers to be convinced that the company has the capacity to supply them. If both reasons are fulfilled, the differentiation points have the potential to become a powerful, unique and favorable brand association. Everyone of these reasons, the desirability and capacity to be realized, are a number of specific criteria, that we will study as follows.

Desirability criteria. It had been found that there are three essential criteria of desirability for the differentiation points: the relevance, the distinctiveness and the credibility which the marketing specialists have to evaluate from the consumer's perspective. Only by the fulfillment of these three criteria, it will be possible that the differentiation points serve as a viable positioning alternative.

The relevance: The target consumers have to take into consideration that the points of differentiation are relevant and important.

The distinctness: the target consumers have to take into consideration the differentiation points as being distinctive and superior. When the marketing specialists approach a category with established brands, the challenge is to determine a viable basis for differentiation. Sometimes, the differentiation point is one in which the brand dominates the competition, but this fact is not important for the consumers.

The credibility: a brand has to offer a credible and attractive reason to be chosen, from other options. Maybe the simplest approach is to focus on a unique attribute of the product

The criterion of the feasibility – if the three criterion of the feasibility are fulfilled (the criteria on feasibility, transmission and durability), then the positioning has the potential to be solid.

The feasibility: Can the firm truly create the differentiation points? The product and marketing have to be projected in a manner that sustains the wanted association. It is obvious much easier to persuade the consumers of a certain thing linked to the brand, which they were not conscious about or they didn't remark, than to change the product and try to convince the consumers of the value of these changes.

The communication: The key problem in communication is the consumers' perception towards the brand and the resulted brand associations. It is very difficult to create an association that is not in accordance with the current owned information by the consumer and in which, the consumer doesn't believe in, from various reasons. What real evidence of the "proofing points" can the marketing specialists communicate as support, so as the consumers truly believe in brand and the wanted associations?

The durability: is the positioning defensive and difficult to be attacked? If these were the situations, then it is probable that the positioning lasts many years. The durability depends on the interior engagement and the usage of the resources as well as the exterior market forces

The positioning has to be powerfully differentiated, so as to be efficient. These three considerations in the development of an optimal positioning are aligning to the three perspectives on whose basis any brand must be evaluated and these are the consumer, the company and the competition. The desirability is determined by the consumer's point of view, the realization is based on the company's own capacities and the differentiation is determined taking into consideration the competition. [7]

Consumer	Enterprise	Competition
Desirability	Realization	Differentiation

Figure no. 1 The perspectives of brand evaluation

As a result, the positioning can be expressed throughout two or three words that respond to the already enounced criterion. For Elpreco, we propose the following differentiation points:

Elpreco: performance, modernity, life style

C. A firm's offer repositioning – a viable solution for the positioning errors

Today, the products quantities that exist on the market are diverse, so that's why, if a firm wants to make use of the advertising and diminish the access in the mind of potential consumers, it will use the main marketing strategy suited for this case, "the competition repositioning".

Because there are so few available niches, a company has to create its own niche throughout the repositioning of the competitors situated on the positions from the potential consumers' minds. In other words, to introduce a new idea or product in somebody's mind, you have to, in the first place, eliminate the ancient one. [8]

Immediately an idea drops, it becomes ridiculous simple to impose a new idea. Most of the time, the people will search for a new idea to replace the empty place

The essence of a positioning program is to remove a concept or a person that already occupies that position.

For a positioning strategy to function, an affirmation about the competition's product has to be made and that affirmation to determine the potential consumer to change its opinion, not regarding the company's product that makes the positioning, but regarding the competition's product.

In the past, the advertisements for every product were created without any reference to the competition's advertisements. In other words, you have to study the product and its characteristics and then you have to create advertisements that inform the clients and the potential consumers of the offered benefits of these characteristics. It is no big difference if the same attributes were also offered by the competition.

The traditional method demanded to ignore the competition and to proceed so as every affirmation seemed to be made to prevent their attacks. The maintaining of a product that was owned by the competition was not only considered of bad taste, but also an uninspired strategic move.

However, within the position rule, the rules are reversed. To establish a position, you are often obliged not only to specify the competitors' name, but, at the same time, to ignore an important part of the ancient rules in advertising.

4. CONCLUSION

In the major cases, the potential consumer already knows the benefits of the product's usage. To advance within the classification of its mind, you have to establish a relationship between your brand and the brands that already have certain positions within the classification

On the other hand, even if they proved to be very efficient, the repositioning programs aroused dissatisfactions. The advertising specialists disapprove the usage of these types

An old fashion advertising creator gave the following explication: "The times have changed. The advertising specialists are not happy only to advertise their products based on their qualities. Now they prefer to tell at what extinction their product is better than any other. The situation is deplorable and the television is the only offensive factor, because it presents product's images that are often denigrated under the eyes of million of people. There should be laws to restrict this type of marketing that has no ethics". [9]

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