



Service Positioning



Learning Objectives

What are **4 focus strategies** for services?

Principles of service positioning.

What are the **positioning strategies** followed by different players in service industry?

Concept of **Repositioning** in Services.

Construction of **Positioning/ Perceptual maps** for Competitive analysis of Services.

Four Focus Strategies for Services

- **Focus:** Providing a narrow product –mix for a particular market segment.
- **Service focus:** Extent to which a firm offers few or many services.
- **Market Focus:** Extent to which a firm serves few or many markets.

		BREADTH OF SERVICE OFFERINGS	
		NARROW	WIDE
NUMBER OF MARKETS SERVED	MANY	Service Focused	Unfocused (Everything for Everyone)
	FEW	Fully Focused (Service & Market Focused)	Market Focused

Service Positioning-Principles

Trout and Ries suggest a six-step question framework for successful positioning:

1. What position do your service currently own?

2. What position do you want to own for your service brand?

3. Whom as a competitor you have to defeat to own the position you want.

4. Do you have the resources to do it?

5. Can you persist until you get there?

6. Are your tactics supporting the positioning objective you set?

Service Positioning- 4 Principles



A company must establish a **position** in minds of its customers.

The position should be **singular**, providing **one simple and consistent message**. (eg. Domino's)

The position must set the company apart from its **competitor**. (eg. Flipkart.com)

A company cannot be all things to all people- it must **focus** its efforts.

Positioning Strategies

BASIS FOR POSITIONING	EXAMPLE
1. ATTRIBUTES	Airtel DTH for picture quality or other features 
2. PRICE & QUALITY	Flipkart- “Payment on Delivery”
3. COMPETITORS	“ You better take your Visa card because they don’t accept American Express.”
4. USAGE OCASSION	Dominos- “ Khushiyon ki Home Delivery” 
5. USER	On-line ticket Booking for internet users
6. PRODUCT CLASS	HDFC- Home Loan, Muthoot Finance- Gold Loan

Service Repositioning

Repositioning involves changing the position a firm holds in a consumer's mind relative to competing services.

This may be necessary to:

encounter competitive attacks,

eg. Pizza Hut's **Hot Dot Promise**

in competition to Domino's 30 min. delivery promise.



remain attractive and appealing to current customers

or target new and additional segments.

Perceptual maps as positioning tools

Perceptual Maps or Positioning Maps- A graph of how customers perceive competing services.

It helps managers to identify the most critical attribute of competitive services from customer's perspective.

Provide a visual picture of service's unique characteristics,

identifying the nature of competitive threats and opportunities,

and highlighting the gaps customer and management perceptions.

Perceptual maps as positioning tools

A perceptual map is usually limited to two attributes.

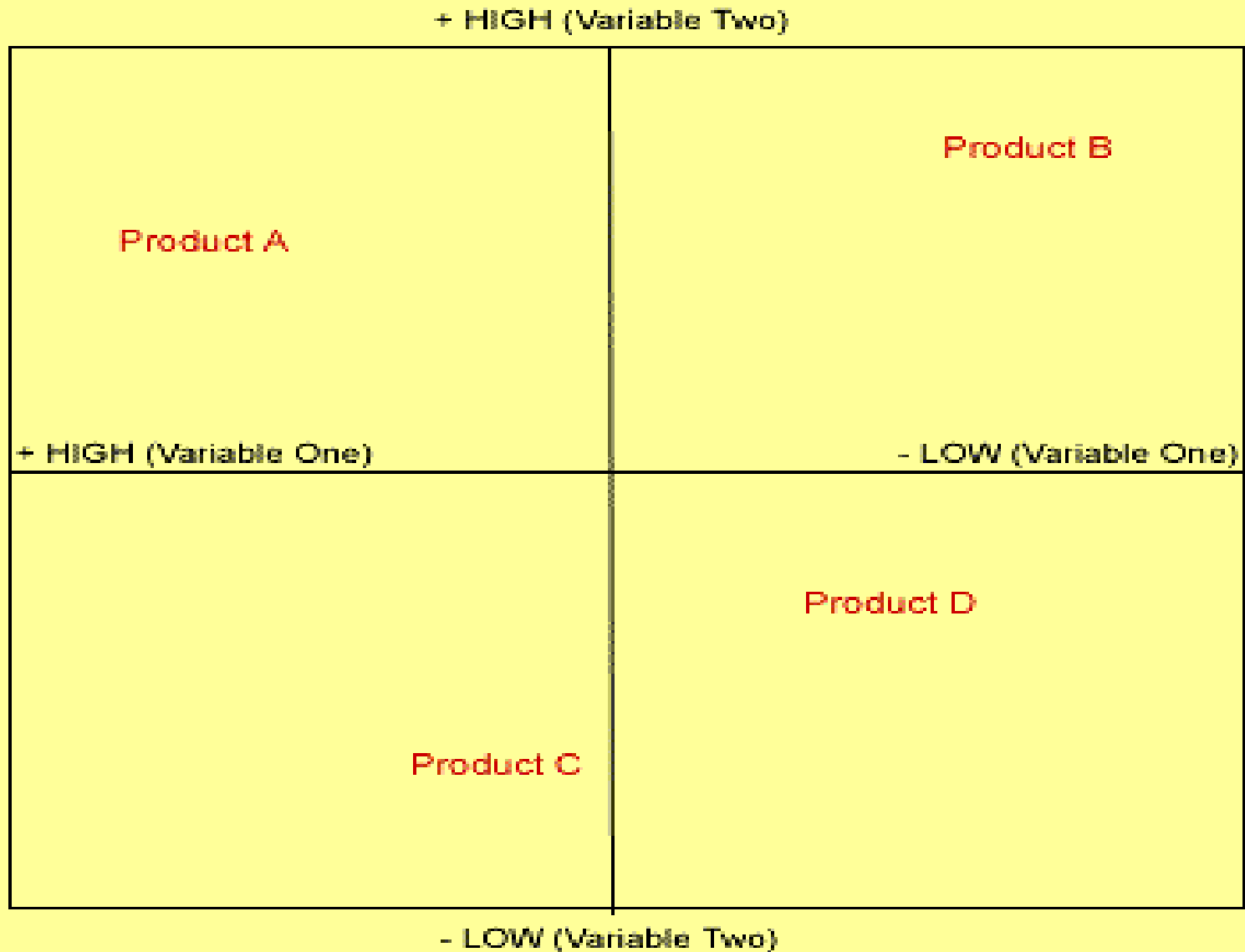
Some commonly used attributes are:

Price

Quality

Type or frequency of use

Service characteristics that offers a unique benefit



A Positioning Map

Activity# 3

- Select any one service industry of your choice and prepare a perceptual map for major players of that industry on any two relevant attributes as perceived by you as a customer to that service.