

Segmentation, targeting and positioning

[Business](#), [Marketing](#)



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Positioning is a key tool for any organization for establishing an effective marketing plan. It pervades the vital process of marketing mix and enables a company to gain a greater competitive advantage along with a large market share. Therefore, it needs to be given optimum priority while planning for the marketing strategies. Furthermore, positioning is an art and a science that provide key to win the customers' loyalty and retain their confidence.

Usually, products are positioned based on the needs and the wants they often fulfill, or on the benefits they provide to the respective customers. In relation to this context, it can be observed that Louis Vuitton (LV) positions its products on the basis of fashion and the latest trends. Louis Vuitton's products are designed by keeping in consideration the latest trends in the market and the prevailing fashion that enable its customers to explore the upcoming trend based offerings and quality products. Essentially, Louis Vuitton's products are designed for the elite and wealthy customers who want to associate themselves with the quality, branded and fashionable products. Notably, the positioning strategy for the products can also be done against the competitors whose products are of great demand in the market place. This technique is considered to be very effective where the company strives to communicate and to convince the customers that its products or brands are better or equal with the pre-established strong competitors. Primarily, the goal of this strategy is to differentiate and to position the company's products in such a way that the customers start believing that these products are better or at par with those of the competitors. Positioning

strategy is associated with the close comparison of the company's products with its competitors' products. The company can also position its products away from its competitors. Usually, in this strategy, the company attempts to represent its products as being superior and better than those of its competitors. However, it requires lots of effort and expenditure for implementing such strategies. The company has to invest more in promotion activities in order to inculcate within customers that its products are of superior quality and much better than those of its competitors. It requires the company to carefully analyze the strengths and the weaknesses of its competitors as well as its own at the market place and to frame its positioning strategy accordingly. Another product positioning technique includes positioning against product classes. The product class positioning strategy is adopted to relate the company's products with certain class of products (Kotler, Brown, Burton, Deans & Armstrong 2009). Conceptually, Louis Vuitton's offerings are better known for their fashionable products; thus, their positioning strategy is primarily based on positioning strategy away from its competitors. The company has been able to sustain a market position as a high quality luxury product manufacturer. The major competitors of Louis Vuitton are Gucci, Chanel, Prada and Coach, among others (Luxury Education Foundation 2011). However, over the years Louis Vuitton has been able to sustain its positioning strategy, making it distinct from its competitors' products, and it has been recognized as the world's one of the best luxury as well as fashionable and reputed product providers to its widely spread varied customers. Consequently, its customers are willing to pay premium prices for its quality luxury products and they often attach a

feeling of pride when they purchase Louis Vuitton's products (Karadeniz 2009). Perceptual Map A perceptual map is essentially based on how the potential buyers perceive the company's products or offerings. Based on the above study, the perceptual map of Louis Vuitton is constructed below:

According to the above constructed perceptual map, Louis Vuitton's products have been categorized on the basis of four criteria, namely highly effective and high cost, ineffective and high cost, ineffective and low cost and finally, low cost and highly effective. However, based on the above study, it is possible to categorize Louis Vuitton's product or brand to be highly effective and high cost product/brand. It is observed that its competitors such as Gucci can be positioned in the similar quadrant as Louis Vuitton. However, Coach and Prada can be placed in the quadrant of high effective and comparatively low cost as compared to Louis Vuitton (Slide Share Incorporation 2012). Thus, from the perceptual map, it can be concluded that Louis Vuitton's products are designed for those customers who are relatively wealthy, belonging to elite section of the society. The products of Louis Vuitton are quite expensive but are designed according to the recent trends that have been successful in attracting large numbers of customers towards the wide range of offerings. References Karadeniz, M 2009, ' Product Positioning Strategy in Marketing Management', Journal of Naval Science and Engineering, vol. 5, no. 2, pp. 98-110, viewed 24 August 2012, . Kotler, P, Brown, L, Burton, S, Deans, K & Armstrong, G 2009, Marketing, Pearson Australia, Australia. Luxury Education Foundation 2011, Parsons the New School for Design, Columbia Business School, viewed 3 September 2012, .

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