

# Positioning and differentiation strategies marketing essay



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With increased competition, organizations are seeking to enhance their brands' competitiveness through effective positioning in which differentiation has become a crucial element. UnitedHealth Group and WellPoint Inc. Group have been identified as two organizations in health care industry for analysis of their application of positioning and differentiation strategies. The analysis notes the best strategies' application as well as compares and contrasts their application by the two organizations.

## Body

### Organizations Overview

UnitedHealth Group is a parent company to various health insurance and health care service organizations. It is the second largest publicly traded US Company in health insurance providing health care services worldwide in health care consulting, specialty services and healthcare management.

(UnitedHealth, 2013a) On the other hand, WellPoint Inc. Group is among the largest health benefits organizations in the US with over 36 million members in its affiliated health plans as well as 67 million being served by its subsidiaries. It offers a wide range medical services and products. (WellPoint, 2013a)

### Positioning Strategies

Positioning strategies refers to the applications used by organizations in defining their services and products to customers' minds against the competitors' brands. (Karadeniz, 2009) In that respect, effective positioning involves considering the target market, the difference with competitors, how

the difference can be communicated to customers and the value of the difference to the customers. (Manhas, 2010) In this respect, the two organizations employ positioning strategies that seek to identify and address brands' positioning and differentiation from comparing brands, identify opportunities for potential markets to introduce new brands and reposition the existing ones as well as identifying the underserved segments that the existing brands serve. (Gwin & Gwin, 2009) It also entails engaging in effective communication with the target market. (Kardeniz, 2009)

UnitedHealth and WellPoint position their services to customers depending on transaction factors, availability, pricing and benefit factors. (Kotler & Keller, 2006) The positioning strategies applied include positioning within the market through differentiation of a products and services and positioning through the creation or establishment of new markets from the competitors. (Mita & Bettman, 1989)

In this consideration, UnitedHealth Group positions itself as an organization with all connections relevant to the healthcare including that of right doctors and patients, right patient data and physicians, right information and consumers as well as between patients and their needed medicine. The organization has also established itself as the national exchange center for essential information and as a leader in healthcare technology system. A good example is the organization's Health Coverage through which it directly provides various health insurance plans for students, families and individuals aged below 64 years through Golden rule Insurance positioning itself as a preferred service provider for the target segments. (UnitedHealth, 2013a)

On the other hand, WellPoint seeks to make health care easier through improvement to their system as well as improving the clients' health care access. The organization uses health affiliated companies and health care plans to drive innovation, empower customers as well as control health care costs positioning itself as an efficient service provider. (WellPoint, 2013a)

### Differentiation Strategies

In a bid to establish competitive advantage, UnitedHealth and WellPoint deliver services that provide valued features of quality, reliable delivery and flexibility. (Spencer, Joiner & Salmon, 2009) They achieve this through the application of various types of differentiation including service differentiation, price differentiation and niche offers that establish segments which are different from the mass market. In addition, they carry out differentiation through added services as well as through communication with target segments. (Grimm & Malschinger, 2010)

In that respect, United Health seeks to position itself through added services and innovation. An example is the Health4Me mobile application that offers consumer health information regarding benefits, registered nurses' information as well as physicians and hospital locations. UnitedHealth's cancer care is also differentiated in transaction through a payment model that bundles payments to ecologists ensuring continuity of the patients care as well as improving their healthcare quality. In addition, UnitedHealth's iPlan integrates health reimbursement accounts with high deductible health plans which expand the ordinary plans to include employer group's health savings accounts. The organization also has differentiated service delivery

through its care coordination which channels resources directly to physicians and consumers eliminating the prior authorization. (UnitedHealth, 2013b)

On the other hand, WellPoint applies some differentiation to its service delivery to position itself as an effective health care service provider. Some of the differentiation strategies applied include its collaboration with IBM to establish the IBM Watson application program that helps doctors analyze huge volumes of data and get results in less than three seconds enhancing the organization's ability to deal with complex cases. The organization also provides its clients with an online feedback tool through which they provide feedback on their experiences with physicians as well as rate their services. In addition, WellPoint provides a virtual enrollment center which provides customers with a platform to engage the organization's employees as well as access benefit plans, healthcare plans and prescriptions information. (WellPoint, 2013b)

Thus each organization seeks to position itself as a preferred health care service and benefits provider. To achieve this UnitedHealth seeks to focus on the target market's needs of healthcare information by offering differentiated service which has more information provided as added services and through healthcare education from Optum insights. On the other hand, WellPoint seeks to position itself as an organization whose services are easier and effective to access. This is done through the various innovations aimed at making consumer experiences as efficient as possible. However, both organizations have some similar strategies in their focus on effective utilization of healthcare data to position themselves as efficient providers of services based on informed decisions. This is clearly visible in <https://assignbuster.com/positioning-and-differentiation-strategies-marketing-essay/>

UnitedHealth's utilization of its large healthcare data while WellPoint utilizes the IBM Watson application program to access and analyze healthcare data. (WellPoint, 2013b)

## Conclusion

The analysis has demonstrated effective positioning as crucial in establishing successful brands that are capable of effectively competing in the face of increasing rivalry in the healthcare industry. Differentiation has also come out as a key element of positioning strategies as it seeks to set an organization's brand apart from the competitors through various differentiation strategies. In conclusion, UnitedHealth Group and WellPoint Group have been demonstrated to be applying some similar positioning and differentiation strategies as well as contrasting strategies in a bid to set their brands as unique compared to the competing brands.