

Workshop paper for the EIBA conference 2003.

27 October, 2003.

**A re-evaluation of global positioning frameworks:
Integrating the Anglo-Saxon and German Literatures.**

Fernando Fastoso*, Jeryl Whitelock**

** Management Research Institute, University of Salford, Salford M5 4WT, UK.*

*** Professor of International Marketing, Centre for Research in Marketing and Strategy, University of Salford, Salford M5 4WT, UK.*

Abstract

Since Levitt's (1983) landmark article the issue of standardisation/adaptation in global marketing has been dealt with extensively in the literature. Much of this debate has concentrated on the standardisation of advertising, that is both international advertising strategy as well as execution. Little attention, however, has been paid to the positioning concept at an international level although the positioning decision is nowadays seen as a core decision in marketing. This paper discusses the global positioning concept and critically analyses the existing models for the choice of a global positioning strategy found in both the Anglo-Saxon and German literatures. The paper comes to the conclusion that there is a need for a comprehensive, integrated model for the global positioning strategy decision.

Keywords: Global Positioning, Global Marketing.

Introduction

This paper re-visits the issue of international/global positioning by integrating literature from different national backgrounds, as called for, for example, by Holden (1998). Holden claims that the language of international marketing literature has traditionally been English

but that it would be advisable for international marketing researchers to integrate sources from other linguistic and cultural backgrounds since only in this way would international marketing be rendered truly international. This paper is based on works from the Anglo-Saxon and the German literatures and thus goes some way towards responding to the call for integration of international marketing knowledge. It introduces the positioning topic by proposing two definitions of the positioning concept, the traditional and the current understanding of the term. Secondly, the paper takes a brief look at the global marketing issue, its definition and its aims. Finally, it considers the topic of international product positioning by presenting a definition, aims and discussion of strategic frameworks for international product positioning strategies. The paper concludes that the issue of global product positioning has not been explored in a comprehensive manner and that further research is therefore needed.

Positioning¹ defined: traditional vs. current view

The product positioning concept was introduced by Jack Trout, an American advertising manager, in 1969 and further developed by him and his partner, Al Ries (see Trout, 1969; Trout and Ries, 1972; Ries and Trout, 2001). According to these authors:

“Positioning starts with a product. A piece of merchandise, a service, a company, an institution ... But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.” (cf Ries and Trout, 2001).

The origin of the concept lies in the information overflow resulting from advertising in highly competitive and saturated markets. Because of this excess of information, consumers are not capable of assessing products every time they make a buying decision. Therefore, they organise products in categories with respect to each other, i.e. they *position* products in their

¹ Originally, the concept was called “product positioning”. Therefore, this paper utilises the terms “product positioning” and “international product positioning” in order to maintain a unified terminology, even if “brand positioning”, “international brand positioning” or even “international global positioning” would be the more suitable terms.

perception. The position of a product or brand derives thus from the perceptions, impressions and feelings which consumers have for a brand compared to the competition (Kotler *et al.*, 1999; Ries and Trout, 2001).

The traditional positioning definition states that positioning a brand (or a company, country or person) means profiling this brand on the basis of brand attributes of consumer salience with the aim of inducing consumer choice for this brand (cf Quack, 1997). In the last decade, however, the positioning concept has evolved. Michman (1991, p. 65) criticises Ries and Trout for limiting the concept to the psychological positioning of a brand in the consumer's perception. In his view, this limitation leads to degrading positioning to a simple communication strategy when it is, in fact, a central marketing decision.

Nowadays, consumers associate strong brands with clear ideas and images. Because of growing competition companies, more than ever, need to build strong brands in order to ensure market success. Therefore, the positioning question has become the core decision in marketing (Tomczak and Roosdorp, 1996; Esch, 2001). According to Tomczak and Roosdorp (1996, p. 26) positioning is the leitmotiv for the quantitative and qualitative definition of the marketing mix. Its main aim, they state, is to position an offer in the consumer's perception in a way that enables a lasting and profitable uniqueness with respect to competition. Through the right positioning, they conclude, it is possible to satisfy the relevant needs of the target group with tailored offers better than the competition.

Thus, the positioning concept evolved in the past three decades from an advertising aim to a central marketing decision. Interestingly, Aaker and Shansby (1976, p. 56) had stated very early in the history of the term that the positioning decision could often be crucial for a company or brand. In this way, they were the first to recognise the importance of the concept beyond the boundaries of advertising.

Global marketing

Quack (1995, p. 6) defines international marketing as

“The management of a company orientated towards international markets and their environment.”²

This author proposes different stages in international marketing³, as shown in Figure 1.

Figure 1: Stages in international marketing

Stages in international marketing	Characteristics
Export marketing	Selling products to clients outside of a company's home market with, however, no systematic orientation towards the foreign clients' needs.
Marketing for foreign markets	Selling products to clients outside of the home market and adapting the offer towards these clients needs.
Multinational marketing	Selling products to clients outside of the home market with an orientation of the company activities towards the respective market but with no central coordination of activities between the different national markets.
Global marketing	Orientation of all marketing activities towards the world market and central coordination of these activities.

Source: Quack, H. (1995). *Internationales Marketing*. Vahlen, Munich, p. 6.

² “Eine an länderüberübergreifenden Märkten und deren Umfeld orientierte Unternehmensführung.“ (translated by the authors).

³ Wind, Douglas and Perlmutter (1973) proposed a similar scheme, the so-called E.P.R.G. scheme, to classify a company's orientation towards internationalisation. According to it, the stages in the evolution of international operations are: ethnocentrism (home-country orientation), polycentrism (host-country orientation), regiocentrism (regional orientation), and geocentrism (world orientation).

Global marketing is thus the most highly developed stage of international marketing. For Johansson (1997, p. 14) the global marketing concept stresses product standardisation and integration of company activities.

The aims of global marketing are discussed by several authors (cf Akhter, 1994; Johansson, 1997; Kreutzer, 1990; Quack, 1995; Douglas and Craig, 1995). Firstly, global marketing seeks to achieve integration benefits (e.g. higher market power through size and internationality of a company), “cross-fertilisation” through national divisions working together, as well as knowledge transfer with respect to product and communication concepts. Furthermore, global marketing also leads to efficiency gains through the unification of planning processes, human resources management programmes and marketing programmes, resulting in a unified level of knowledge within the company. Besides, global marketing leads to a harmonisation of brand and company images. This has several benefits, for example when dealing with global retail partners. Moreover, a global company can learn from the leading markets and thus put competitors more easily under pressure. Finally, global marketing helps to diversify risk, especially of a financial nature.

International product positioning

Meffert (1988, p. 262) characterises international product positioning as a positioning concept valid for all markets. He adds, however, that national adaptations are possible as long as the adaptation degree does not endanger the “core-image” of the brand (Meffert and Bolz, 1999, pp. 176). Similarly, Quack (1997, p. 24) states that international product positioning consists of a broad-positioning valid for all markets plus a fine-positioning that takes into account specific national aspects of the product, the market, its people, etc. Douglas and Craig (1995, p. 189) define the decisions that concern positioning and target segments as core-decisions of entry in international markets. Meffert (1988, p. 292) further claims that a unified international product positioning strategy is the main requirement for the implementation of a global brand strategy.

The main aim of international product positioning is the achievement of efficiency gains in international brand strategy through the creation of an international brand identity. These gains can stem from image enhancement, for example, through internationality in the case of prestige-orientated products (Waltermann, 1989, p. 67). A unified international product positioning can increase profit and market share by allowing economies of scale in the positioning and communication planning processes. Further synergies can be achieved by the combination of resources from different national markets, a steeper learning curve, and know-how transfer to all national subsidiaries (Waltermann, 1989, pp. 69-).

From the consumers' point of view, international product positioning has an identification function since it leads to the association of a brand with a concrete product promise across national boundaries. In the face of international mass media sports events and mass travel, a unified positioning strategy can strengthen brand awareness, image and consumer preference (cf Winram, 1984).

Frameworks for International Product Positioning Strategies

A number of authors from both the Anglo-Saxon (Domzal and Unger, 1987; Douglas and Craig, 1995; Alden *et al.*, 1999) and German (Waltermann, 1989) traditions have presented frameworks to aid the development of international product positioning strategies. Four such frameworks are presented and discussed here.

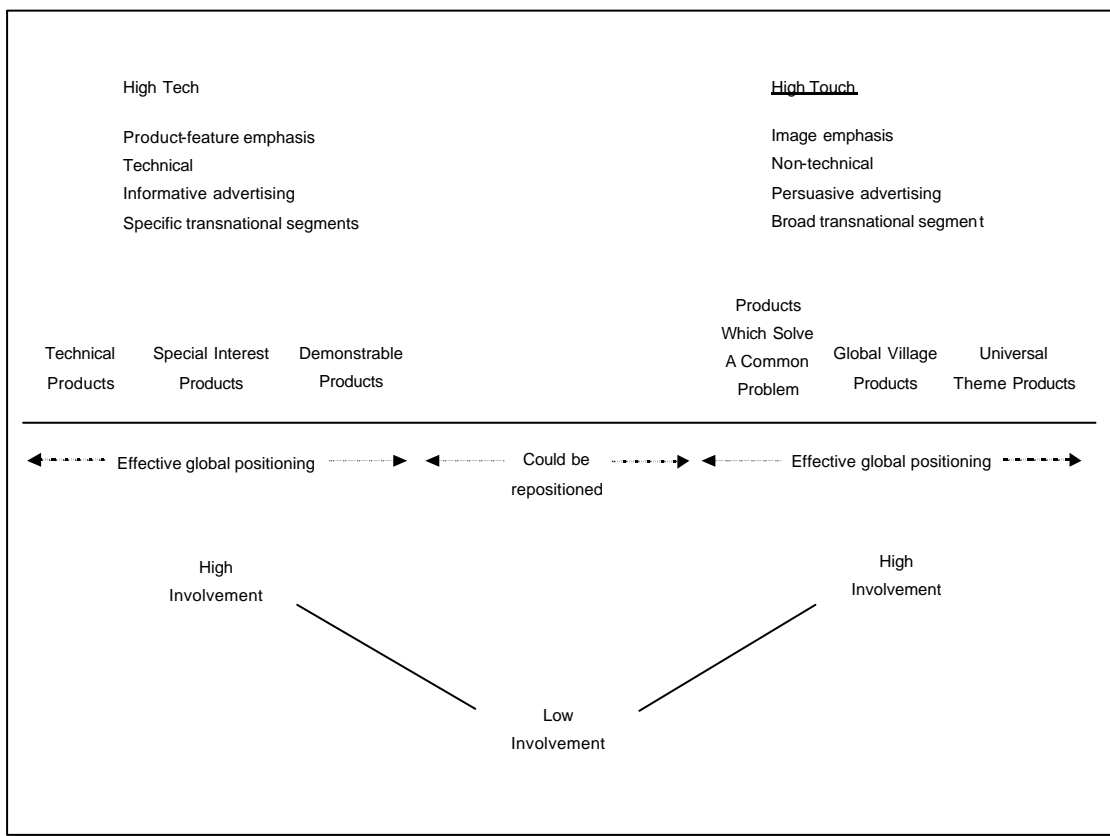
Domzal and Unger (1987) propose a global product positioning continuum for the Global Market, as shown in Figure 2. According to these authors there is evidence that world brand success may depend on product type so that world brand standardisation appears most feasible when products approach either end of what they call the "high-tech/high-touch" spectrum. This dichotomy is explained by the fact that:

"As the world embraces technology, it also demands products that prevent alienation and encourage interaction with others." (Domzal and Unger, 1987, p. 28)

The authors state that **high-tech product positioning** focuses on concrete product features. Buyers of these products, e.g. computer hardware, may require considerable product information to make their decision. In contrast, **high-touch product positioning** emphasizes image as opposed to specific copy points and tends to use more emotive appeals. This positioning emphasises non-technical, persuasive effects, e.g. for perfumes.

There are, as the authors state, products that fall into more than one category on the high-tech/high-touch continuum. Marantz stereo equipment is positioned as both high-tech (in its product quality) and high-touch (in the romantic atmosphere it creates through its aesthetic design). Such positioning may be optimal because it offers the needed balance between the technical and the personal.

Figure 2: Global Product Positioning Continuum



Source: Domzal, T. and Unger, L. (1987). "Emerging Positioning Strategies in Global Marketing". *The Journal of Consumer Marketing*, Vol. 4, No. 4, Fall, pp. 23-40.

However, the authors go on to state, the real test for their model is for the so-called mid-spectrum products, i.e. those products that do not fit into either category such as undifferentiated products, low-involvement products, or products in culture bound categories like food or personal care which require a great deal of adaptation at local level. They recommend that these mid-spectrum products be moved either towards the high-tech pole (e.g. by using product demonstration or finding a product benefit that is recognised globally) or the high-touch pole (e.g. by using universal themes or human emotions).

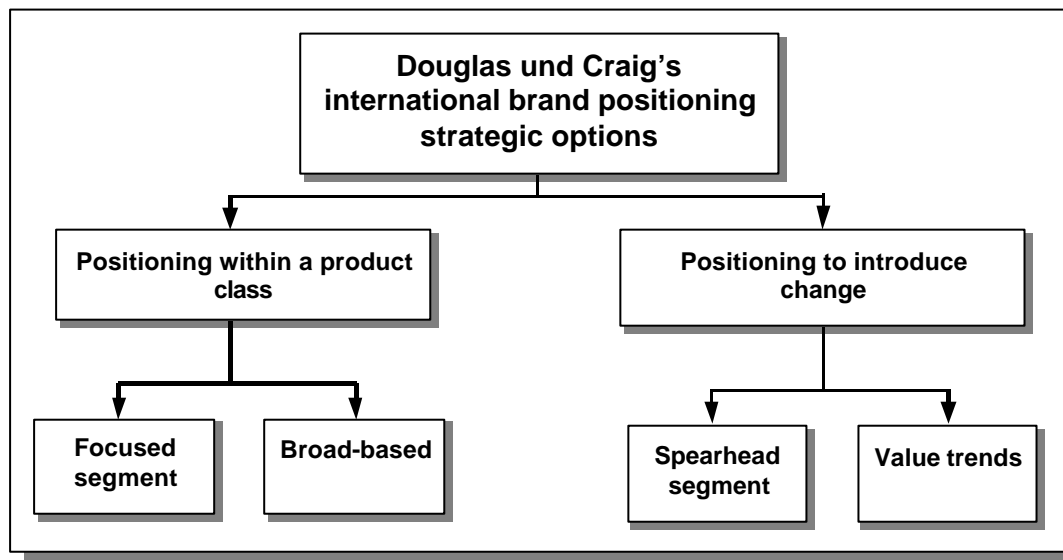
A second approach is **Alden, Steenkamp and Batra's (1999)** Global Consumer Culture Positioning framework (GCCP) based on semiotics theory. These authors claim that because of globally shared meanings a global culture has emerged and that therefore certain product categories have become signs of global cosmopolitanism and modernity (e.g. air conditioners, CDs, the hamburger, business suits) while others remain of local nature. Their framework focuses on the use of verbal, thematic, and visual signs in advertising to associate the brand with global, foreign, or local consumer culture, i.e. GCCP, FCCP or LCCP, as found in their study of international advertising from seven countries of the Western and Asian world.

A GCCP strategy is defined as one that seeks to identify the brand as a symbol of a given global culture. Examples of brands that have used this strategy are Sony, which positioned one of its products as appropriate for people around the world, or Benetton, whose slogans emphasize the unity of humankind. A LCCP strategy is defined as a strategy that associates the brand with local cultural meanings. E.g. Chevy Trucks and Dr. Pepper soft drinks, which have been positioned in American advertising as part of the American way of life. A FCCP strategy, finally, is defined as a strategy that positions the brand as symbolic of a specific foreign consumer culture. For example, Gucci in the USA is positioned as a prestigious and fashionable Italian product.

The authors concede that it is possible for a product to be positioned with elements from different categories but this mixture may confuse consumers and/or create a negative brand attitude. The essence of the authors' proposition is that international product positioning will be most successful if it can associate a brand with a global customer culture.

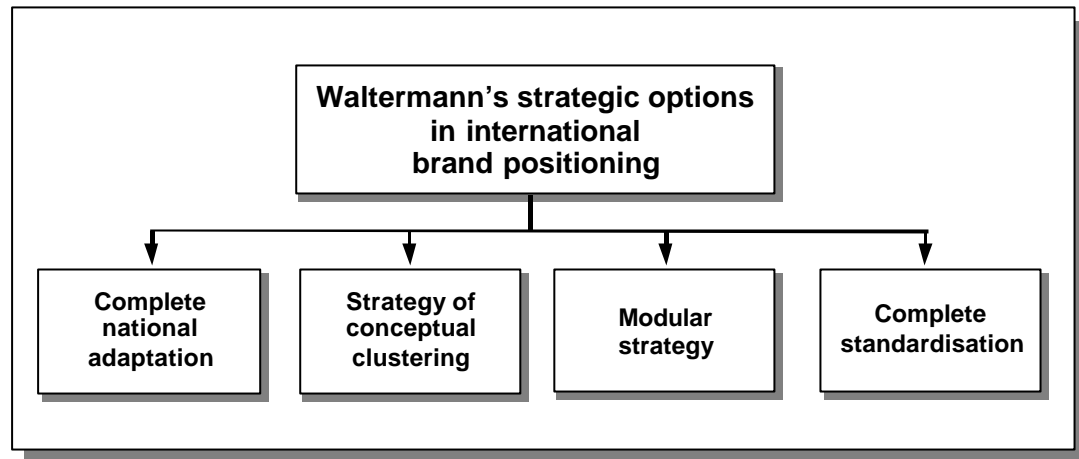
Douglas and Craig (1995) propose two basic international product positioning options: a) positioning within a product class, and b) positioning to introduce change (Figure 3). In the case of positioning within a product class they further differentiate two options: a) focused-segment positioning, or b) broad-based positioning. These two options are then further divided depending on whether the positioning followed is the same as the one in the home country or has been modified. Positioning to introduce change is also divided into spearhead-segment-positioning (which describes the targeting of a market segment to be used to enter the market and from which to later penetrate it) and positioning according to value trends, i.e. the establishment of positioning based on a social trend.

Figure 3: Douglas and Craig's strategic options in international product positioning



Source: adapted from Douglas, S.P. and Craig, C.S. (1995). *Global Marketing Strategy*. McGraw-Hill, New York *et al.*, pp. 200-.

Finally, **Waltermann (1989)** proposes four international brand positioning strategies: a) complete standardisation, b) complete national adaptation, c) a modular positioning strategy (i.e. a core international positioning strategy supplemented by national aspects for each country), or d) a strategy of conceptual clustering (where similar markets are clustered together and every cluster receives a specific international positioning strategy). The latter two options are mixed forms of the former two extreme alternatives (Figure 4).

Figure 4: Strategic options in international positioning

Source: Waltermann, B. (1989). *Internationale Markenpolitik and Produktpositionierung*. Service, Wien., pp. 73.

Evaluating positioning frameworks

A critical evaluation of positioning frameworks demands the definition of criteria on which to base the evaluation. The question that arises is therefore: “What should a positioning framework deliver?”. Authors of positioning frameworks, such as the ones presented in this paper, usually claim that their frameworks will help practitioners in defining a strategic positioning, in this case at an international level. As the positioning process consists in establishing a link between a brand and a certain attribute this paper proposes that a good international positioning framework should support practitioners in finding appropriate attributes to position their products at an international level.

A thorough analysis of the frameworks presented here has brought to light that not all of them can really deliver such support. All the frameworks can certainly help practitioners to analyse a certain market situation with respect to positioning strategies, i.e. to assess what positioning strategies are being followed in a certain market, but not all of them can really help a company searching for an answer to the question “Based on the situation analysis: How should we now position our brand internationally?”. This paper therefore proposes a differentiated analysis of the frameworks with respect to their effectiveness at aiding practi-

tioners in the analysis of a situation and/or on the definition of a new suitable positioning strategy.

Critical evaluation of the presented frameworks

Domzal and Unger's (1987) framework has strong similarities with Kroeber-Riel's model for "national" positioning strategies (see e.g. Kroeber-Riel and Esch, 2000; Esch, 2001) since the authors propose a differentiation between high-tech (cognitively highly involving) and high-touch (emotionally highly involving) products as a continuum on which to position brands internationally. The difference between the models is Kroeber-Riel's proposition that there can be a positioning strategy aiming merely at achieving the "topicality" ("Aktualität") of the brand (i.e. active brand awareness) while Domzal and Unger claim that low-involvement products need to be moved towards either the high-tech or high-touch end of the continuum.

Domzal and Unger's model has the advantage of recognising the existence of different kinds of involvement: a cognitive involvement and an emotional involvement (see Laurent and Kapferer, 1985; Kroeber-Riel and Esch, 2000; Esch, 2001)⁴. In doing so, the model proposes either to use hard facts about a product in order to position it or to endow it with emotions. Furthermore, the broad aim of "emotionalising" or "informationalising" low-involvement products appears to be a sensible and in practice more effective way to create awareness for the brand than the "topicality positioning" proposed by Kroeber-Riel.

Notwithstanding its conceptual strenghts, Domzal and Unger's model poses some implementational problems. The first relates to the non-exclusivity of its proposed categories. The authors locate e.g. Pepsi-Cola in the group of high-touch *products that solve a common problem*

⁴ In contrast to the vast majority of positioning and advertising strategy propositions, Laurent and Kapferer (1985) suggest that there is not one single involvement. They talk about an involvement profile which consists of four facets: a) the perceived importance of the product, b) the perceived risk associated with the product purchase, c) the symbolic or sign value attributed to the product, its purchase or its consumption (i.e. the psychosocial risk as opposed to the functional risk described under b)), and d) the hedonic value of the product, its emotional appeal and its ability to provide pleasure and affect. The authors claim that the involvement concept has been oversimplified in marketing literature.

and Coca-Cola in the group of *global village products*. Marlboro, for instance, appears in two groups at the same time: in the *global village products* as a truly American brand and in the *universal theme products* as a brand appealing to heroism. Since the categories are claimed to differ in their high-touch intensity (i.e. *global village products* are “higher-touch” than *products that solve a common problem*), a double categorisation for the same item should not be possible. Furthermore, there appears to be confusion in the model regarding the terms “positioning strategy” and “advertising theme” as can be seen in the group of products that are positioned through a common theme, i.e. advertising theme. A positioning strategy will surely influence the choice of an advertising theme but the advertising theme is not a strategy in itself. Thus, it may be suitable for a perfume’s advertising to appeal to the universal theme of “materialism” but the choice of the advertising theme will not be the strategy but an execution of that strategy. Finally, the model proposes that low-involvement products be moved towards either the high-tech or high-touch ends of the continuum, which can appear to be a difficult task to achieve when it comes to product categories with a very low consumer involvement.

Despite its implementational drawbacks Domzal and Unger’s framework can be seen as not only useful for situation analysis but also for positioning strategy definition. The framework enables the latter as it proposes the choice of either a high-tech or a high-touch positioning for a brand depending on the product category in question. In this way, the framework can help practitioners to recognise suitable positioning dimensions for their brands.

The GCCP framework by **Alden, Steenkamp and Batra’s (1999)** adds a cultural component to international positioning strategy. The authors tested their model empirically and found that the majority of products are positioned mainly on one dimension, i.e. GCCP, LCCP or FCCP. The main point made by them is that it is important to look at the cultural component of a product or brand in order to choose the right positioning strategy for it and that products associated with a global consumer culture will have the best chances for implementing a global positioning. However, the model does not offer real strategies for solving the positioning problem since it limits itself to the cultural level of positioning. In this way, the most suitable cultural orientation for a brand may be based on global, foreign or local culture. However, this realisation is too broad to really help managers define a new position-

ing strategy. Therefore, this framework is good for situation analysis of positioning strategies in a given market but not precise enough for new positioning strategy definition.

Douglas and Craig's (1995) strategic framework takes into account marketing strategic aspects for categorising the international product positioning options by considering e.g. whether the company wants to use the initial segment as a spearhead segment to later penetrate a bigger market. By categorising positioning strategies according to whether the product is positioned within a product class or whether the positioning “introduces change”, i.e. establishes a new product class, this framework can surely aid practitioners in analysing a given market situation with respect to positioning strategies. This differentiation, however, will probably not help practitioners substantially when it comes to a new strategy definition as the framework does not explain on which factors this basic decision should depend.

Finally, **Waltermann's (1989)** model addresses the key question, “To what degree should international product positioning be sought?”, in a systematic way and thus adds a new dimension to positioning strategy definition. Apart from the extremes of *complete standardisation* and *complete adaptation*, Waltermann proposes a strategy of *conceptual clustering* (i.e. different regional positioning strategies) and a *modular positioning strategy* (general core-positioning concept plus varying national elements). In this way, Waltermann's framework makes a further contribution to aiding practitioners not only in undertaking situation analysis but also in positioning strategy definition as it shows the different ways in which a strategy could be transferred internationally.

Figure 5: International positioning frameworks and their capabilities

Framework	Situation analysis of positioning strategies	New strategy definition
Domzal and Unger (1987)	Yes	Yes, partially
Alden, Steenkamp and Batra's (1999)	Yes	No
Douglas and Craig (1995)	Yes	No
Waltermann (1989)	Yes	Yes, partially

Discussion and further research

This paper presents four frameworks for international/global positioning from both the Anglo-Saxon and German literatures. The fact that these frameworks differ in their characteristics, premises and conclusions shows that there is a need for more thorough research in this field. Each of the frameworks considers only one precise aspect of the international/global positioning decision: the regional orientation of global positioning as proposed by Waltermann, the cultural dimension as proposed by the GCCP-framework, the marketing strategic orientation in Douglas and Craig's framework, and the high-touch/high-tech decision as defined by Domzal and Unger.

After a thorough analysis of the frameworks, this paper arrives at the conclusion that these frameworks can all help practitioners in analysing a given situation in an international market with respect to the positioning strategies followed. When it comes to new strategy definition, however, only two frameworks prove partially useful. First, Domzal and Unger's framework can aid practitioners in defining the broad direction of suitable positioning dimensions, i.e. either high-tech or high-touch. Waltermann's framework then helps by showing up which basic options there are for transferring the dimensions found across borders, i.e. complete standardisation, complete localisation (no transference), modular strategy or conceptual clustering. As a result, it is suggested that a combination of both frameworks will offer the best results in practice for the time being.

For academics, however, the analysis presented in this paper shows that a comprehensive model for global positioning is still needed. This model should encompass all aspects of the international/global positioning process addressed by the single frameworks presented here - i.e. strategic, cultural and regional orientation, implications caused by product type, etc. - but it should also solve the methodological drawbacks recognised by this paper. In this way, the new framework would not only enable a sound situation analysis to be undertaken but would also provide a comprehensive definition of international positioning strategy alternatives in a given case.

References

- Aaker, D.A., and Shansby, J.G. (1982). "Positioning your product". *Business Horizons*, May-June, pp. 56-62.
- Akhter, S. H. (1994). *Global Marketing*. South Western College Publishing, Cincinnati, Ohio.
- Alden, D.L., Steenkamp, J-B., Batra, R. (1999). "Brand Positioning Through Advertising in Asia, North America and Europe: The Role of Global Consumer Culture". *Journal of Marketing* Vol. 63, January, pp. 75-87.
- Domzal, T. and Unger, L. (1987). "Emerging Positioning Strategies in Global Marketing". *The Journal of Consumer Marketing* Vol. 4, No. 4, Fall, pp. 23-40.
- Douglas, Susan P. and Craig, C. Samuel (1995). *Global Marketing Strategy*. McGraw-Hill, New York *et al.*
- Esch, F-R. (2001). *Markenpositionierung als Grundlage der Markenführung*. In: Esch, F-R. (Ed.). *Moderne Markenführung. Grundlagen. Innovative Ansätze. Praktische Umsetzungen*. Gabler, Wiesbaden.
- Johansson, J.K. (1997). *Global Marketing*. Irwin, Chicago *et al.*
- Holden, N. (1998). Viewpoint: international marketing studies – time to break the English-language strangle hold? *International Marketing Review*, No. 15, Vol. 2, pp. 86-100.
- Kotler, P.; Armstrong, G.; Saunders, J., and Wong, V. (1999). *Principles of Marketing. European Edition*. London.
- Kreutzer, R. (1990). *Global Marketing – Konzeption eines länderübergreifenden Marketing*. Deutscher Universitätsverlag, Wiesbaden.

- Kroeber-Riel, W. and Esch, F.-R. (2000). *Strategie und Technik der Werbung. Verhaltenswissenschaftliche Ansätze*. Kohlhammer, Stuttgart.
- Laurent, G., and Kapferer, J.-N. (1985). „Measuring consumer involvement profiles”. *Journal of Marketing Research*, Vol. 22, February, pp. 41-53.
- Levitt, T. (1983). *The Globalisation of Markets*. Harvard Business Review, Vol 61 No 3, pp. 92-102.
- Meffert, H. (1988). *Strategische Unternehmensführung and Marketing*. Gabler, Wiesbaden.
- Meffert, H. and Bolz, J. (1998). *Internationales Marketing-Management*. Kohlhammer, Stuttgart.
- Michman, R.D. (1991). *Lifestyle Market-Segmentation*. Praeger, New York.
- Quack, H. (1995). *Internationales Marketing*. Vahlen, Munich.
- Quack, H. (1997). *Internationale Werbekonzeption: Entwicklung and Realisation*. In: Weidner, Lutz E. (Ed.). *Kommunikationspraxis*. Landsberg am Lech, Germany.
- Ries, A., and Trout, J. (2001). *Positioning. The battle for your mind*. McGraw-Hill, New York.
- Tomczak, T., and Roosdorp, A. (1996). *Positionierung – Neue Herausforderungen verlangen neue Ansätze*. In: Tomczak, T., Rudolph, T., Roosdorp, A. (Eds.). *Positioning. Kernentscheidung des Marketing*. St. Gallen.
- Trout, J. (1969). „Positioning Is a Game People Play in Today’s Me-Too Marketplace”. *Industrial Marketing* June.
- Trout, J., and Ries, A. (1972). “The Positioning Era Cometh”. *Advertising Age*, April 24, pp. 35-38.

Waltermann, B. (1989). *Internationale Markenpolitik and Produktpositionierung*. Service, Wien.

Wind, Y., Douglas, S.P., Perlmutter, H. (1973). "Guidelines for developing international marketing strategies". *Journal of Marketing* Vol. 37, April, pp. 14-23.

Winram, S. (1984). "The opportunity for world brands". *International Journal of Advertising* Vol. 3, No. 1, pp. 17-26.