Positioning Test With Segmentation

Category: *Kitchen Appliance System*

Methods: *Positioning Test, Market Segmentation, Latent Class Cluster Analysis*

Summary

A major consumer-packaged-goods (CPG) company and a large appliance manufacturer have jointly designed a system to deliver a superior finished product, compared to traditional ways of preparing the product. The client wanted to know how to position the new appliance system against their competition.

Strategic Issues

The appliance manufacturing industry has revenues of $25 billion. The top-25 appliance manufacturers control 95% of the market. This new system would be marketed under a new brand name and would compete against a similar product that has a slight lead in entering the marketplace. In order to be successful, this new appliance system needs to be positioned to best communicate meaningful consumer benefits, and yet also must separate this system from a competitor that has recently introduced a similar system.

Research Objectives

The overall goal of the research was to identify a positioning for our clients' system that was both compelling and sufficiently different from that of the competitor, to allow it to hold a different position in consumers' minds.

Research Design and Methods

Decision Analyst designed research to test multiple positionings for the new product, along with a blinded version of the competitor's positioning. Research was conducted online using 400 consumers from Decision Analyst's American Consumer Opinion® panel. Latent class cluster analysis was used to segment consumers based upon their responses to a battery of behavioral and attitudinal statements. The resulting clusters were then analyzed in terms of the consumers' responses to both the competitive positioning and the potential positionings for our client, in order to determine not only the most compelling positionings, but also those that would maximize perceptual distance from the competition.

Results

By using this segmentation technique the client was able to select a positioning that was attractive, ownable, and used for the product's successful launch.

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