

# Classic Case Study: What is Positioning?

## Introduction

In this video-based task, you will review an ad for McDonald's UK where they are promoting the competitive advantages of their McCafé offering, as compared to visiting a "trendy" coffee shop.

This is considered a classic case study for marketers as it clearly shows the concepts of positioning and differentiation, because of its excellent execution.

## The Role of Positioning and Differentiation

As you most likely know by now in your studies, positioning and differentiation are essential strategies in marketing that help a brand define its unique value in the marketplace and distinguish itself from competitors.

Effective positioning involves creating a specific perception in the consumers' minds that reflects the brand's benefits (that are of value to the target market) relative to its competitors.

As key part (or component) of positioning is differentiation. Differentiation is the highlighting and communicating the unique attributes of a brand that make it superior to, or different from, competing brands.

Both concepts are important. Positioning is the overall messaging of the benefits, role, and "solutions" of the brand - which includes both points-of-parity, or POPs (= similarities to other brands) - as well as the advantages of the brand relative to competitors - known as points-of-difference, or PODs (= differences and superiority to other brands).

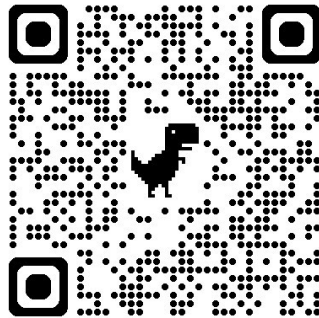
## The UK McCafé Ad

Below you will see the actual TV ad for McCafé UK. When you view it you should note:

- how the ad contrasts the simplicity of McCafé coffee and its with the complexity often associated with hipster and other trendy coffee shops
- how it portrays McCafé as a no-nonsense option that focuses solely on quality coffee, without any frills or fuss
- that the ad uses a side-by-side visual and verbal comparison to highlight the overly complicated - and unnecessary - approach to modern coffee culture
- in particular, it emphasizes McCafé's straightforward approach for consumers who value simplicity, as highlighted by the ad's tagline of "*Great tasting coffee, simple*".

## The UK McCafé Video

Here is the McCafe TV ad to review, then address the questions underneath.



### Student Discussion Questions

1. Who is the primary target market for the TV ad? Is it existing McCafé customers OR customers of hipster/trendy coffee shops?
2. Why does this ad appeal to the target market? That is, what is the key "benefit" that the ad is communicating for this target market?
3. Therefore, based on your Q1 and Q2 responses, is this ad designed as a customer acquisition OR a customer retention campaign?
4. Based on the ad, what is the overall positioning being communicated by the ad?
5. Split your positioning description (from Q4) into points-of-parity and points-of-difference?
6. Why is it necessary for a brand's positioning to include BOTH points-of-parity and points-of-difference? Why not just have points-of-parity only OR points-of-difference only?