

The Unclear Positioning Strategy: Useful Unclear Positioning in the Market

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Abstract: Unclear positioning is often seen as a flaw in marketing strategies, yet it can be beneficial for products like watches, cars, and luxury items that serve both practical and status-symbol functions. These products can be positioned ambiguously to appear as high-end offerings. This article examines the utility of unclear positioning by addressing four key areas: (1) the specific aspects of a product's positioning that can remain ambiguous, (2) the types of products that can benefit from unclear positioning, (3) the consumer psychology underlying unclear positioning, and (4) the potential application of unclear positioning strategies in emerging markets. This research provides valuable insights for companies in developing effective market positioning strategies, utilizing case studies and statistical analysis to demonstrate the efficacy of unclear positioning. This article shows product with high quality and mix attribution, come from companies with the already had regional and brand image can be benefit from the unclear positioning, since consumers are drawn to products that help them obscure their social status, offering them a sense of higher psychological ownership and happiness.

Keywords: Positioning Strategy, Unclear Positioning, consumer behavior, case analysis, social class.

1. Introduction

Consumers have long been exposed to a consumerist society, products from different sources are available, and the average disposable income has shown a great increase. So consumers may not be satisfied with normal goods and will want to increase their social class by buying high-end products, for example, watches, cars and luxuries. However, most of them are much more expensive for normal people to afford, so they will want to figure out things that look like luxury or high-end products. And this offers a good opportunity for marketing, especially for products like watches and cars, which can be used as both a tool and an ornament to show social class. They can use an unclear positioning strategy to make a terminal product in a high-end product. The rationale of the chosen subject has no contradictions because brand positioning should be addressed not only as a marketing issue but as an important general economic and even social task for the company [1]. The economic environment influences the shopping trends of consumers, and the unclear positioning strategy is a result of the marketing scheme created by it. This can satisfy the vanity of the crowd with a lower cost, which is a win-win for both companies and consumers. Not every product can use the unclear position, there

are four requirements for those products: (1) High quality. (2) already had brand recognition. (3) Mix attribute. (4) already had a regional image.

This article aims to discuss the use of unclear positioning in: (1) the specific aspects of a product's positioning that can remain ambiguous, (2) the types of products that can benefit from unclear positioning, (3) the consumer psychology underlying unclear positioning, and (4) the potential application of unclear positioning strategies in emerging markets. This paper provides a new marketing strategy.

2. Already had brand recognition and image

2.1. Already had regional image

Country-of-origin information with other multi-uses in the consumer decision-making process. Thorelli et al.'s research indicates that warranty and country-of-origin cues do have significant effects on perceived product quality [2]. So the image of a certain region will influence a product's image. People tend to value Japan's products as well, and clothes in France are fashion. Germany was rated higher than the United States. England, Japan, and the United States shared second place. The same study revealed that Japan was rated closely behind the United States when considering service, delivery, and performance. The participants in this study further ranked Japan as providing superior goods at the lowest price [2]. These images may be based on historical reasons or certain countries' policies and natural environments. Using the already existing image of a region or country can be efficient to attract consumers, by adding related information about trustworthy and highly recognized countries. Adding English to the package of domestic goods, adding Japanese to the camera, and adding the resource of the ingredient, like milk from New Zealand. Through language or resource showing, consumers will think of the product as more high-end, and ignore the fact that the products are only terminal goods. As shown in Figure 1, some of the main cognitive (green) and socio-affective (orange) factors that can facilitate the formation of false beliefs when individuals are exposed to misinformation. Not all factors will always be relevant, but multiple factors often contribute to false beliefs [3].

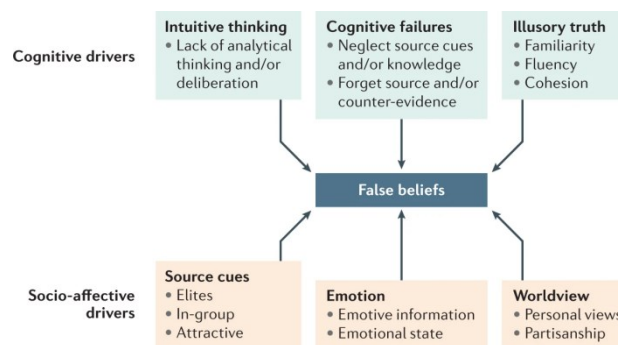


Figure 1: Drivers of false beliefs [3].

2.2. Already had brand recognition and image.

Brand awareness affects brand loyalty, and brand loyalty affects repurchase intention [4]. High brand recognition and image are needed, and the image of the brand needs to contain innovation, high quality and top companies. It does not matter in which industry they gain a high reputation. The trust of consumers and the fixed image of the brand are the important parts. With a high reputation, unclearing the product position will be easy, since some people already attribute those brands as high-end brands.

3. The requirement of the products

3.1. High quality

To increase sales domestically and perhaps in most postindustrial countries abroad, it will be essential for companies to recognize that consumers expect quality goods and have developed well-formulated perceptions concerning the ability of some nations to produce them [5]. The quality of products plays a crucial role. High quality is fundamental for a product to maintain its position. Without high quality, consumers will not choose to buy them and the difference between true products and high-end products will increase, making it a huge gap that cannot be explained by marketing schemes.

3.2. Mix attributes

The mix attributes require the product to be used as a simple tool, and at the same time, it can approve the social class, for example: watches, cars and luxuries. For a watch, it can be used as a tool to remind people of the time, but there is also a luxury brand in it, making it a good way to prove your social class. Just as mentioned before, consumers are not satisfied with normal goods and will want to increase their social class by buying high-end products, but most of them are too expensive to afford. As a result, those high-quality watches with an unclear position will gain priority, since consumers can buy a “high-end” product at the price of terminal goods.

4. Case study of increase positioning

4.1. Apple watch

In the watch market, the pricing strategy of the Apple Watch is remarkable, with its price range (approximately \$200 to \$1000) covering most of the mid-to-high-end market. The price segmentation in the watch market is very pronounced: basic watches are merely for telling time, priced very low (\$40-\$100); mid-to-low-end decorative watches (\$100-\$200); mid-to-high-end watches (over \$1500); and ultra-high-end watches have virtually unlimited prices. From high-end watches onward, a watch is not just a tool for telling time or decoration, but a symbol of social status. Consequently, the market severely lacks mid-range watches, and the pricing of the Apple Watch fills this gap, almost monopolizing the entire mid-range watch market. Besides, Apple Watch also catches the trend of the electronic watch, which is the most popular type of watch.

Another impressive aspect is the blurred positioning of the Apple Watch. It is hard to classify it strictly as either a mid-range or a mid-to-high-end watch. This blurred positioning allows the Apple Watch to differentiate itself significantly from other smartwatches (which, in fact, mostly fall into the mid-to-low-end category). The primary market demographic for the Apple Watch is people under 30, but its user base spans various social strata. Many high-society individuals use the Apple Watch, which makes lower-society individuals aspire to blur their social status by purchasing an Apple Watch. Their mentality can be summarized as follows: the Apple Watch is priced relatively high, and coupled with Apple's high-end brand image, just owning an Apple Watch can display a portion of their financial capability. However, since many upper-class individuals also purchase it, the brand's positioning is blurred into the mid-to-high-end range, allowing consumers to buy a mid-to-high-end watch at a mid-range price, and conveniently obscure their social status—what's not to like?

Finally, the collaboration between Apple Watch and Hermès further blurs its positioning as a mid-range watch, leading more people to perceive it as a mid-to-high-end watch, and some even consider it a high-end watch. The purpose of this collaboration is not about sales but about blurring the product's positioning. This marketing tactic is truly ingenious. The Apple Watch has successfully

utilized brand effects and consumer psychology to create a perfect pricing and marketing strategy, making it a paragon.

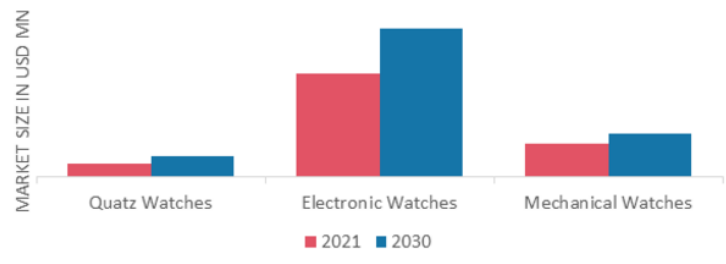


Figure 2: Watch Market by category 2021& 2030 (USD Million) [6]

4.2. Coach

Coach successfully blurs the line between luxury and high-end brands through its clever market positioning strategy. Coach's products are priced relatively high (approximately \$300 to \$1000), but lower than top luxury brands like Louis Vuitton and Chanel. This pricing strategy attracts consumers who desire a luxury experience but have a limited budget. By offering high-quality, classic designs, Coach positions itself as a high-value, high-end brand. This blurred market positioning strategy not only enhances the brand's overall image but also expands its influence in the mid-to-high-end market.

4.3. Consumer psychology

Consumers feel happier when they have higher psychological ownership over an item after consumption. Furthermore, consumers anticipate greater happiness from a product before consumption due to increased psychological ownership through customization. This effect is mediated by the satisfaction of basic psychological needs [7]. Consumers prefer foreign brands when their socially oriented motives are made salient. This stems from domestic brands better manifesting self-focused intangible attributes, whereas foreign brands are superior in other-focused intangible attributes [8]. Consumers feel happier when they buy things that are unclear to their social class, since they gain a higher level of psychological ownership, and are sometimes attracted by the brand culture.

5. Conclusion

Unclear positioning, often seen as a marketing fault, can be advantageous for products like watches, cars, and luxury items that serve both practical and status-symbol functions. This essay explores how unclear positioning can transform a terminal product into a high-end one by examining key aspects of positioning, suitable products, consumer psychology, and its application in emerging markets.

Unclear positioning leverages regional images, brand recognition, high quality, and mixed attributes to transform terminal products into perceived high-end goods. This strategy satisfies consumer vanity at a lower cost, benefiting both companies and consumers. The nuanced global strategy, as suggested by Hamel and Prahalad, is essential for success in international markets, with unclear positioning being a key component.

Watches, especially, exhibit this duality effectively. The Apple Watch spans a price range covering mid-to-high-end markets, filling a gap in the mid-range watch market. Its blurred positioning appeals to a wide demographic, including both high and low societal strata, thereby elevating its perceived status. Collaborations with luxury brands like Hermès further enhance this effect, making the Apple Watch appear more high-end. Similarly, Coach blurs the line between luxury and high-end brands with its pricing and high-quality products, appealing to consumers seeking a luxury experience at a

relatively lower cost. This strategy enhances Coach's brand image and expands its influence in the mid-to-high-end market.

Consumer psychology plays a crucial role in the success of unclear positioning. Consumers are drawn to products that help them obscure their social status, offering them a sense of higher psychological ownership and happiness. Foreign brands, often seen as superior in intangible attributes, cater to this desire, making them attractive options for consumers aiming to elevate their social standing. A nuanced global strategy, as suggested by Hamel and Prahalad [9], is essential for success in international markets, with unclear positioning being a key component. This approach satisfies consumer vanity at a lower cost, benefiting both companies and consumers.

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