Market Mapping

It helps to identify key features which characterise consumers within a market. Once having identified key characteristics you can place every brand on a grid. This will reveal where the competition is concentrated, it may highlight any gaps in the market.

^ examples of fast-food market map.

**Cost** and **differentiation** (Setting yourself apart from competitors) would give you a **competitive advantage**. Having a competitive advantage enables the producer to set the price without worrying about the competition.

**Product Differentiation**

A differentiated product is one with a unique feature. If the differentiation is strong enough then consumers won’t look at other brands when making a purchasing decision. The product needs a unique selling point.

**Creating Product Differentiation**

- Actual differentiation with benefits to consumers.
  - Unique design that’s aesthetically pleasing.
  - A unique product function.
  - Unique taste.
  - Ergonomic factors – easier to use.
  - Superior performance.
- Creating differences that only exist in the mind of the consumer.
  - Created by persuasive advertising through brand image.

**Purpose of Product Differentiation**

- Insulate the product from the competitive market.
  - Therefore, they control their market position and their sale.
- It enables the business to increase its prices if costs go up in order to protect its product margins.
  - The higher the product differentiation, the lower **price elasticity**.