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Emerging Framework of De-Positioning Competitors

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SBM
STRATEGIC BRAND MANAGEMENT
MASTER PAPERS

Emerging Framework of De-Positioning Competitors

Eric Eichinger, Felix Ekman & Andrea Lo Dolce

Abstract

Purpose – The purpose of this paper is to combine positioning and de-positioning theory to identify an emerging framework for different methods of successful market change.

Methodology – A look at case studies of successful de-positioning with roots in a literature review of the schools of positioning. The approach has been to look at the market- and brand-oriented schools of positioning to find models that are applicable to de-positioning.

Findings – De-positioning can be structured into a three-step process that is universally applicable to scenarios including rhetorical-, Blue Ocean- and resource-based forms of de-positioning.

Research limitations – Only successful de-positioning efforts have been evaluated. Further research could use the framework to analyse failed attempts.

Practical implications – The framework can be used by practitioners as a starting point to evaluate de-positioning and its consequences on market perceptions and competition. It also implies that competition engages in a change strategy in response to a product or service innovation.

Social implications – De-positioning is not broadly discussed and analysed by many researchers, although its disruptive potential can be successfully applied to all kinds of outlets. It has a relevant impact in the society and the market, due to its ability to change position in the customers' minds.

Originality – The case studies used help to integrate existing research on positioning to create a structured framework applicable to various de-positioning strategies.

Key words – De-Positioning, Positioning, Brand-Oriented Positioning, Market-Oriented Positioning, Schools of Positioning, Apple, Tesla, Southwest Airlines

Paper type – Research Paper

Introduction

Problem Formulation

Literature review has shown that researchers who focus on positioning usually only mention de-positioning as a side-note, if at all. This means that academic material on this concept is scarce. However, de-positioning is ever increasing, as fierce competition and globalization are on the rise. More and more companies are forced to use de-positioning tactics to pave their way in the market and differentiate themselves from the competition. Nevertheless, the (vast) consequences of de-positioning concerning market perceptions and counter-attacks from competitors have not been the subject of much attention. For this reason, we address this lack of literature and strive to contribute to the general theory of de-positioning.

Aim

We aim at analysing different positioning theories, proving that drawing a common framework of de-positioning is possible and that companies that embark on this process, apart from different behavioural

attitudes and risk-taking characters, apply a specific and universal de-positioning strategy.

As we start analysing the different cases of de-positioning, we want to provide the reader with a picture of the similarities among the de-positioning processes attempted. The emerging framework shall serve as a foundation for de-positioning theories, used for future research and act as a basic guideline for marketers who are attempting to de-position their competition.

Method/Approach

We are looking at the scarce theory available on de-positioning. The approach is to combine it with existing positioning and brand theory to develop a general framework that can be applied to a wide variety of de-positioning attempts. We then attempt to apply this framework on case studies to show how they are applicable in real market scenarios. These examples have been selected to reflect various options of de-positioning, relating to several schools of positioning by Rude and Koch (2014). The case studies directly relate to situations where the market has been changed by an actor and competitors have had to follow suit.

Theory Review

Positioning

Brands represent both *intangible assets,* with a need to work in conjunction with other material assets (*tangible*) to make sense of their nature, as well as *conditional assets*, since they cannot exist without the support of a product or a service (Kapferer, 2012). The online Oxford Dictionary (n.d.), defines the adjective intangible as "*unable to be touched; not having physical presence*". This is of high relevance in the following analysis conducted, because of the basic nature of positioning, which takes place in the customer's mind. The fact that a brand is unable to be touched implies that everyone involved in the brand management process has the role to stimulate other senses involved during the brand experience. Exactly like human beings, brands have their own tone of voice/sound (Apple Macbook start-up theme), their own taste (unique taste of Nutella) and an overall defined personality and identity.

Kapferer (2012) suggests that in order to clearly describe the brand identity, the following questions need to be answered:

- What is the brand's particular vision and aim?
- What makes it different?
- What needs is the brand fulfilling?
- What are its values?

Identity, unlike brand image, is on the sender's side. The company's role is to specify a brand's meaning, aim and self-image, but the receivers will be the ones decoding the message and extracting its meaning (Kapferer, 2012). While a customer's positive perception of a company brand can bring to repeated purchases and customer loyalty, a negative one will not only hinder a purchase, but also increases the chances of negative brand image spread on the market, which creates more space for the competition.

In addition to building a brand identity, a company must also take a position in the marketplace concerning its products or services provided. Keller (2008, p.98) illustrates the market positioning concept as the "act of designing the company's offer and image so that it occupies a distinct and valued place in the target customer's minds". In addition to the previous definition, Keller (2008 p.107) suggests that "arriving at the proper positioning requires establishing the correct points of difference associations and points of parity associations".

He illustrates the *points of difference associations* as "attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand", while the *points of parity associations* are "points that are not

necessarily unique to the brand but may in fact be shared with other brands". Thus, as competition is one of the keywords of positioning, many choices are made based on comparison and skimming, instead of unreflected selections; a company operating towards a market segment has to perform benchmark analyses to have an overview of which brands have already conquered the customer's minds in that specific sector.

Furthermore, Kotler and Keller (2012) add the dimension of a *competitive frame of reference* as importance for understanding and analysing the market in which the brand operates. This is closely linked to the decision on which customers to target and which competition the brand has within a certain segment. The reason for doing this is to determine which category the brand is a member of. This means identifying the closest competitors that offer products that can be seen as close substitutes to the company's own products (Kotler and Keller, 2012, p. 299). This also goes together with the product characteristics mentioned previously to form a frame of understanding. Thus, through these analyses, it is possible to identify what strengths and weaknesses the company possesses in terms of both its brand positioning and product.

Even though the brand positioning concept differs from the brand identity one, they are interconnected: "It is the degree of freedom between identity and positioning that enables a brand to change over time [positioning] while still remaining itself [identity]" (Caperer, 2012, p.157). If the brand is positioned in the right "location" in order to satisfy a specific market segment, then the customers have no reason to look somewhere else, considering the product's feature and the brand's emotional connection as the perfect fit for him/her.

De-Positioning

While there is an abundance of academic literature on positioning, its sub-category of de-positioning has largely been neglected and is only slowly getting attention from scholars around the world. One possible explanation is that due to the increasing globalization, practitioners have only recently fully embraced the idea of applying the strategy of de-positioning in order to remain competitive in the market. As Ghauri and Cateora (2014, p. 198) explain: "The market is no longer responsive to old strategies because there are simply too many companies, too many products and too much communication and information in the market." This problem certainly paves the way of such emerging strategies like de-positioning. What is more, not only have the circumstances increased the need for de-positioning, but the concept as a whole has long been regarded as illegitimate, unethical, deceitful (Kelly, 1999) and as a form of "breaking the rules" (Edge, 2005). One can argue that this is also an explanation for the lack of research done on the subject - it is simply looked down upon.

The Oxford Dictionary of Marketing defines (competitive) de-positioning as "a set of actions attempting to change the beliefs of buyers about the attributes of a competitor's product" (Doyle, 2011). This "change of beliefs" means pushing away one's competitor from their desired position to one that is more beneficial to the own company (Rojas-Méndez et al., 2013). It is about making room for your own brand and ensuring that it will be difficult for the de-positioned competitor to catch up (Anderson, 1994; Kelly, 1999). A successful de-positioning attempt will, as a consequence, require the competitor to re-position itself to once again appear favourable in the eye of the consumer. Wang and Shaver (2014, p. 1585) established the term *competition-driven re-positioning*, where "the expected benefit at the destination location is greater than the benefit at the current location." Thus, we can identify

three key steps that characterize the de-positioning process:

1. The initial de-positioning effort, which is induced by the "aggressor", i.e. the organization that wants to alter the position of a competitor.
2. The successful attempt of de-positioning will then change the perception of the competitor's positioning in the consumers' minds in an unfavourable way.
3. The competitor will be required to respond, either by counter-attacking or by re-positioning.

What are the means to de-position a competitor? What tools, what strategies can be applied to play down a rival? The most traditional form of de-positioning is the use of rhetoric, such as comparative advertising (Doyle, 2011). In doing this, a brand will more or less explicitly compare itself to one or more competitors and point out in which aspects it is better than them. However, as this approach can naturally create a hostile environment in the market, some countries like the United States, as well as the European Union, restrict the use of comparative advertising. Hence, it is only allowed if these advertisements are truthful and not misleading (European Union, 2006; Villafranco, 2010). On a more general note, in their five schools of positioning, Urde and Koch (2014) classify such rhetorical techniques to de-position a competitor as *Wordplay*. Their schools are aligned on a spectrum ranging from market-oriented forms of positioning ("Outside-In"), to more brand-oriented ones ("Inside-Out"). This Wordplay metaphor, which is a more market-oriented than brand-oriented approach on this spectrum, argues that not only will a competitor be de-positioned through rhetoric, but this action will simultaneously affect the positioning of one's own brand in the mind of the consumer. Thus, marketers need to be cautious, as every strike against a competitor will also reflect in the own brand's identity and position. Similarly, Kelly (1999, p. 83) emphasizes that such a "poke in the chest" requires a thorough understanding of the situation and the resources at stake, so that the tables will not turn on the aggressor.

Apart from the traditional de-positioning effort through the use of words, marketers can also force their competitors to re-position themselves through being innovative and, even more important, disruptive. Being disruptive means creating new markets or new market segments (Bower and Christensen, 1995), who will subsequently invade existing ones and force the participants in these markets to react to the new threat (Christensen, 1997) - either by actively responding or, as a last resort, leaving the market and using their assets elsewhere. The three phases of de-positioning that have been mentioned above also apply here: The aggressor, i.e. the disruptive company, wants to shake the established perceptions up. This results in an altered way of how consumers look at the market and the products or services the purchased so far. It goes without saying that the competitors are forced to make a move towards the new scenario. In the schools of Urde and Koch (2014), this mode of (de-) positioning is represented by the *Wild-Card Poker* metaphor, which incorporates equal parts of market and brand-orientation. Just like a wild card is meant to "liven up a game" (Urde and Koch, 2014, p. 484), so is disruption a tool to break deadlocked structures. A similar metaphor is the blue ocean strategy, which has been introduced by Kim and Mauborgne (2005). It serves as distinction from the red ocean concept. While the red oceans have witnessed many battles in fierce competition, and have thus been dyed blood-red, the blue ocean concept refers to markets that are still untouched for the most part and thus allow the innovator to surpass its competition.

Finally, we argue that de-positioning can also stem from the inside rather than the outside. Using resources and capabilities to simply outperform and displace competitors can effectively change market percep-

tions. Returning to the positioning schools as discussed by Urde and Koch (2014), this is represented by the *Chess* school. There, we see a stronger focus on brand-oriented positioning with a more inside-out focus than the previous schools. That being said, there are still prominent elements of market-orientated positioning, giving it a broader appeal and including an outside-in strategy. The metaphor of positioning as chess comes from the strategic emphasis that this school teaches. Like a game of chess, it is about studying the moves and strategies of the adversary, and executing strategic moves to out-manoeuvre the opponents on the market. The school takes a look at the market and industry in which it is operating and analyses the forces and situations within (Porter, 1980, 1985). Porter further focuses on the strategic importance of a competitive position on the market as the leading factor of the strategy, which gives the Chess School this outside-in strategic facet. This has been applied by companies as longer term strategic planning for their brands. The companies have then looked at their current positions and brand portfolio to develop and implement strategies over several years (Urde and Koch, 2014). The goal of the Chess School is to develop a strategy for the longer term to better fit core competencies and capabilities within a business and the branding strategy of the company.

The following chapter's scope will illustrate how these theories can be applied to the business world by examining defined case studies of successful de-positioning efforts.

Case Studies

Apple

As Urde and Koch (2014) explained, the *Wordplay* metaphor emphasizes the act of playing with words (rhetoric) by advertising a brand or a product, to eventually reach a desired brand association and simultaneously de-position the competition.

Apple Inc. has always proven its disruptive force in innovative goods to the world since its early years. First the Mac in 1984, which introduced a new graphic interface to the users. Then, the iPod in the 2000s together with iTunes, to easily access and search songs or albums to download from a huge music database. In 2007, the world witnessed the introduction of the revolutionary iPhone and the App Store. Finally, in 2010, Apple introduced the iPad as an indirect competitor of the PCs (Techland, 2013). The disruptive abilities of the company did not only stop on innovative products. By watching the Apple's advertising campaigns, it is noticeable that the company managed to successfully combine concepts of rhetoric and contrast effects to alter existing brand associations in people's mind, and, according to Urde and Koch (2014), "enhance the company's own brand while simultaneously de-positioning the competitor".

As mentioned before, Doyle (2011) explains how comparative advertising might de-position a competitor, by highlighting weaknesses and portraying a different image of them in people's mind. When we compare something, we observe, judge, and pay attention to the different features or aspects of what we are evaluating. The contrast effect is explained on the online website Wise Geek (n.d.) as: "a phenomenon where people perceive greater or lesser differences than are actually present as a result of prior or simultaneous exposure to something with similar base characteristics, but different key qualities". Apple, through its campaigns, has always depicted itself as a young unique "hero" in the PC industry and compared the company with the "bad" competitors in the arena, using the "weapon" of advertisement to defeat them and alienate them. Three specific communication campaigns proved Apple de-positioning process, first against IBM, and later against Microsoft.

The "1984" ad promoting the release of the Macintosh, inspired by the famous George Orwell novel 1984, is considered

the greatest commercial in the history of the Super Bowl (Lowendmac, 2014). In the advertising, a mindless crowd of people is shown while being brainwashed by the all-seeing Big Brother. They wear the same grey uniforms, shaved heads and the gender is quite dubious. The rebel, who dares defying the tyrant, is depicted as a young athletic girl, dressed in bright colours, that uses a sledgehammer to put an end to the speech, and as Curt's Media (ned) describes it, "a refreshing burst of fresh air would pass over the masses as they literally saw the light". When the ad finishes, an introduction to the Macintosh is shown, which makes it seem as the Macintosh itself extinguished the tyranny, promising a different future (A.C. Lowry, 2011). The metaphor of the commercial is that of a futuristic reality, in which people have no power to speak up regarding technology: the story will be written by the PC industry (USA Today, 2004).

The powerful contrast effect in the ad is obvious between the tyrant and the young runner, as well as in the opposite colours adopted, which aims at displaying the market scenario of 1984. On one side, the is the suited, serious and non-smiling business man from IBM and other PC industries, and on the other side there is Apple Inc., a start-up run by young, creative and innovative minds, striving to be distinctive in the crowded market of computers (Business Insider, 2014). The drones in the ad represent the customers that silently agree upon a doomed and authoritarian reality in the technology world. It goes without saying that no one in the world likes the idea of being a standardized version with no unique traits compared to other human beings. As described on A.C. Lowry (2011), "the commercial makes the viewer feel like if they don't have the upcoming Macintosh computer then they are just another drone in the crowd and in no way unique". That is exactly what Apple wanted to be seen as, the position they wanted to take in the market and people's mind: unique, breaking free, strong and juvenile - a courageous rebel. It was a time of ambiguity toward technology, seen by people as accessible to experts and geeks only, in fact, the ad was aiming exactly at giving computers a user-friendly image and not evil, and as Adweek (2011) claimed, "the goal was to democratize technology, telling people that the power was now literally in their hands". IBM PCs models got defeated by Apple's Macintosh, abandoning the line in 1987 (Old Computers, 2015).

Right after the successful "*1984*" campaign, Steve Jobs resigned from Apple in 1985 after a struggle with the board of directors. He returned to Apple on February 1997 and declared himself "Interim CEO", with the intention of reanimating a company one step away from bankruptcy and with poor brand equity (Bloomberg, 2011). He set a 17 days' deadline for TBWA/Chiat/Day, an American advertising agency, to complete what was going to be considered one of the most successful campaigns in the history of advertising (Creative Criminals, n.d.). The slogan they presented, "Think Different", was perhaps a reference to the IBM slogan "Think", highlighting once again the distinctive position Apple Inc. wanted to assume in the market. The campaign included both a TV commercial and outdoor billboards, showing a variety of historical characters such as Albert Einstein, Ghandi, Pablo Picasso or Richard Branson - all considered by Apple to be geniuses, rebels and leaders.

As the new century started, Apple launched another series of commercials that reinforced its message and position: the famous "I'm a Mac, I'm a PC" (Business2Community, 2014). This time, the series of campaigns were not made against IBM, but against Microsoft. The ads juxtapose a young guy dressed in a casual style, representing the Mac ("Hello, I'm a Mac.") with a man wearing a formal suit like any other businessman, introducing himself as a Microsoft Windows PC ("And I'm a PC"). The ad takes the form of a 30-seconds parody, in which Mac's superior features ridicule and win over the slow, weak and unreliable performance of the

PC. Apple continuously remarked the "easy-to-use" aspect of a Mac compared to the heavy and slow PC, as explained on Matthews on Marketing (2012) "Apple was easy. PC was hard". Seth Stevenson from the online platform Fast Company (2014) once questioned the audience: "Would you rather be the laid-back young dude or the portly old dweeb?", focusing on the different personalities of PC customers and Mac ones. As Nevid from Fast Company (2014) suggests, Apple reached exactly the market segment that looks at a Mac and thinks: "That's me". PC users might enjoy their computers, but seldom look at them and think the same. The results of the campaign impressed the market with an increase of 42% market share during the whole run of the commercials (Matthews on Marketing, 2012). In 2010, Adweek even declared "Get a Mac" to be the best advertising campaign of the first decade of the new century (Adweek, 2011). The commercials ended in 2009 with a total of 66 ads, and given the bad image Apple spread toward Windows' PCs, Microsoft didn't stand silent, responding with a counter-advertisement, showing people from all over the world, with different backgrounds and age, saying: "I'm a PC, and I am not alone", showing the world that PCs were not only for old-fashioned businessmen. (Hubspot Blogs, 2015).

As said at the beginning of this section, Apple has always mixed successfully innovative products with outstanding commercial campaigns. The company showed through its Wordplay approach that it takes directness and risk-taking to make such a remarkable and challenging switch in people's mind. It is a bet with people's image on the company and the competition.

Tesla

As we start looking at Tesla Motors, billionaire Elon Musk, the driving force behind Tesla, walks up on stage at the corporate headquarters of Tesla in Fremont California to announce the shipping of the Model X car to customers. This marked a milestone in the company's development, as it went from being a single product company to a multi-product company (Tesla Motors, 2015a). What brought the company to this point was seen as an unlikely bet and an endeavour that had been doomed to fail from the start. The somewhat eccentric billionaire who made his money co-founding PayPal had just a few years earlier saved the company from going into bankruptcy (Bloomberg, 2015a). Tesla is unusual, as it has managed to perform a disruptive de-positioning on the marketplace through its innovative approach and market skimming strategy. Its success can be attributed to usage of the Wild-Card Poker metaphor, which, as mentioned previously, incorporates equal parts of market and brand-orientation (Rude and Koch, 2014). When analysing Tesla's strategy from a Wild-Card Poker perspective it is also useful to draw on Blue Ocean theory (Kim and Mauborgne, 2005) as it is closely linked to the concept.

Tesla has never made it a secret what their strategy for market entry and future development has been, which makes its current position even more interesting. Tesla boldly announced their intentions in 2006 to enter the car market when few people were seeing it as a good idea to enter such an established market. But Tesla saw a Blue Ocean possibility in an uncontested market in which traditional car makers would be rendered irrelevant (Kim and Mauborgne, 2005). They laid out their plans for the world to see and react to. On their website, they wrote about their plan to first create a sports car to raise awareness of what electric vehicles could do. Then to use that experience and profits to build a second, more affordable car and then use the know-how and profits acquired from that second car to build an even more affordable car. All whilst establishing an electric distribution/charging network and ridding the world of its dependency on fossil fuels (Tesla Motors, 2006). This statement of intent could be seen as one of the first missed opportunities for the established actors on the market to act against Tesla. It

can also be seen as a clear strategy from Tesla's part to follow the Blue Ocean strategy and to create and capture new customers and demand (Kim and Mauborgne, 2005).

Tesla went on to successfully build their first mass production car, the Model S, which it has used successfully to push acceptance and adaptation of electric vehicles on the market. Instead of following a traditional approach like some did before Tesla, i.e. to produce hybrid or small electric vehicles, it took the Blue Ocean strategy to heart and looked at the need on the market and the strengths of it brand. It had already its uncontested waters and established a strong brand when it came to differentiation through technology and electric vehicles with its first sports car, the Roadster (Kim and Mauborgne, 2005). It had then used this platform to showcase the advantages of the technology and to build awareness of the brand. By doing so, they had built on the market-orientation and brand-orientation strengths from within and outside of the company (Urde and Koch, 2014). By utilizing a strategy of high-end disruption, it has managed to unsettle a traditional market where companies' strengths have been leapfrogged and turned obsolete (Forbes, 2015a). Traditional strong car manufacturing has been identified as the ability to develop great engines and the strong engineering around it. With Tesla's entry into the market, all of this has now been rendered obsolete. With electric cars using far fewer moving pieces, the focus on manufacturing has shifted and it has left traditional car manufacturers scrambling as they don not have the factory and engineering expertise to deal with this new technology (Forbes, 2015b). The success of Tesla can be seen when looking at the year-to-year growth of car deliveries and their steady path towards their goal of an affordable mass-produced electric car. The company has grown its deliveries every quarter since its inception and it's up 46% from last year with a delivery rate of 11 532 vehicles for Q2 2015 (Tesla Motors, 2015b).

It can now be seen that the attempt to de-position its competitors has become successful, as the public perception of electric vehicles and especially the Models S has grown too. This second step of our framework to de-positioning can be exemplified by looking at the recent success stories in the media, especially the influential car magazines, where it has been awarded best car multiple times. It has also become the benchmark on which all other new cars are measured against (Consumer Reports, 2015). It can also be seen in discussions regarding the recent Volkswagen pollution scandal, where several media outlets asked the question if this would push the adoption rate of electric vehicles. This forces traditional car manufacturers to react, as they are more susceptible to being associated with a non-green image (Bloomberg, 2015b). Tesla has also made use of this particular situation as Elon Musk went out in interviews with the media and saying that "what Volkswagen is really showing is that we have reached the limit of what is possible with diesel and gasoline" (Huffington Post, 2015). This is a clear attempt to position traditional cars as unfavourable in consumers' minds.

We can now see the third key step in the de-position stages taking shape. From manufacturers being sceptical about producing electric vehicles in different categories than the low-end approach, it has now swung around. The previous approach had been by Chevrolet (Volt) and Nissan (Leaf) to produce cheaper and more accessible cars for the masses (Forbes, 2013). The problem there has been that the technology has not been there to attract the mass market, even if by volume they are selling more than cars than Tesla. The issue has mainly been that the battery technology that is powering all electric vehicles has not been scalable or financially viable yet for affordable solutions on the lower end. Here, Tesla is aiming to again leapfrog the competition by investing in their own manufacturing of batteries as to make use of economies of scale and to secure a steady supply (Tesla Motors,

2015c). The biggest threat has come from competitors that now have started counter-attacking Tesla at their market. Brands such as Porsche have introduced models that will compete directly against the Model S with their Mission-E. On the SUV side of the market, Tesla's newly announced Model X will get direct competition from, amongst others, Audi's E-Tron Quattro SUV (Audi USA, 2015). This would directly threaten Tesla's Blue Ocean strategy, as it would force it to move from a previously uncontested blue water of high-end electric vehicles into a field that becomes dyed blood-red from the competition, with large traditional manufacturers now entering the electric market. Tesla's hope would then lay in its ability to continue to innovate, especially in areas surrounding charging and distribution, but also in manufacturing and battery technology.

Southwest Airlines

Similar to Tesla, Southwest Airlines (SWA) has forced competitors to react and re-position themselves since it first entered the market in 1971 (Southwest Airlines, 2015a). But while Tesla did so by introducing brand new technology, Southwest's secret to success was, and still is, far more basic - it simply figured out which resources to use in order to appeal to the market. This is the combination of Inside-Out and Outside-In approaches (Hooley et al., 1998) that are reflected in Urde and Koch's (2014) *Chess* School mentioned earlier. By aligning its business and brand strategy, SWA has succeeded in not only being profitable every year since its foundation (Boguslaski et al., 2004; Southwest Airlines, 2015b), the airline has also managed to stay ahead of its competition and forced them to respond to its actions (Boguslaski et al., 2004). The resources SWA uses to gain these competitive advantages can be classified into two categories: Hard resources, such as airports and airplanes used and other factors that have a direct influence on the price charged; and soft resources, such as the internal treatment of employees and customer service. These two categories shall now be further analysed.

Hard Resources

Southwest Airlines only uses one single aircraft type to fly its passengers to their destination: the Boeing 737 (Boguslaski et al., 2004). Since SWA only focuses on short, mostly domestic flights (Southwest Airlines, 2015c), it simply does not require bigger airplanes. And by relying completely on one type of aircraft, Southwest can save an extensive amount of money when it comes to spare parts, maintenance and pilot training (Boguslaski et al., 2004).

Furthermore, SWA saves money by avoiding the hub-and-spoke system and offering point-to-point transportation instead. This means that the airline does not have a specific airport that serves as the main point-of-origin for most of its flights (e.g. Frankfurt for Lufthansa), but it rather connects two destinations non-stop. As a consequence, Southwest Airlines often favours secondary airports (for example Chicago Midway instead of O'Hare, or New York La Guardia instead of John F. Kennedy), which are typically less congested and charge lower facility charges (Richards, 1996). Not only do these actions aid in keeping costs low, these smaller airports also perform better in terms of delays, as the lower amount of flights going in and out of them every day decreases the chances of schedule disruptions. This allows Southwest to provide quick-turn service, which Boguslaski et al. (2004) identified as one of the company's key competitive advantages.

These hard factors, that allow Southwest to cut costs, are certainly important for the airline's positioning in the market as a low-cost carrier. And in terms of positioning, this focus on being the "one true" cost leader in the market (Hooley et al., 1998), would have sufficed, especially in the early days of the company. But for Southwest, this was not enough. The fact that the airline also provides outstanding service shows that SWA was not merely looking

to fill a gap by offering low prices when it entered the market - it de-positioned the established network carriers when it showed that taking good care of your passengers does not need to be expensive. This "soft" aspect will now be further discussed.

Soft Resources

One of the most important resources Southwest capitalizes on is Internal Marketing. This means that the airline treats its employees just like it would treat its customers (Czaplewski et al., 2001) - as a matter of fact, SWA even states that while it puts a great emphasis on customers, its employees always come first (Milliman et al., 1999). As a result, the customers feel that the airline's employees are deeply connected with the brand and think of the company as a family (Bunz and Maes, 1998; Miles and Mangold, 2005), which can only have a positive effect on the perceived service. Furthermore, treating its employees well also has an effect on Southwest's employer brand. With the lowest turnover rate in the industry (Czaplewski et al., 2001), the airline is regularly ranked as one of the best companies to work for (Forbes, 2010), allowing it to pick the best and most motivated candidates from a large pool of applicants (Czaplewski et al., 2001) - this again has an important effect on service quality. Southwest Airlines simply understood that in the service industry, your employees are a brand's most valuable assets (Miles and Mangold, 2005). This is why the flight attendants are encouraged to try out new ideas, such as rap-singing the safety instructions, and they are not afraid of failure, as Southwest accepts it as a "natural and forgivable occurrence" (Bunz and Maes, 1998, p. 164).

The entry of Southwest Airlines into the domestic airline business in the US has changed the passenger's perceptions about the market and its competitors substantially. The main point here is that Southwest has effectively de-positioned established network carriers, such as United Airlines or American Airlines, by teaching customers that high service does not require a high price - as co-founder Herb Kelleher put it, they are offering "more for less, not less for less" (Hallowell, 1996, p. 515). Thus, the positioning of such acclaimed airlines as service-oriented was no longer valid. Not only is Southwest offering great (if not better) service, it does so at an unbeatable price. The airline has also altered the general perceptions when it comes to means of transportation, as Southwest is also aiming to compete against the car (Boguslaski et al., 2004; Hallowell, 1996). Through its market entry and low-cost fares, the company has taught the consumer that they can also use the plane in situations where they else had driven by car.

The competitors reacted extensively to Southwest Airlines establishing itself as a low-cost, service-oriented alternative. Morrison (2001) found that Southwest had a possible impact of 94% on the domestic US market - be it through direct competition on the same route, by offering a route that is perceived as a suitable substitute or even by mere potential entry of Southwest into a route. Through these three competitive threats, SWA has forced competitors to lower airline fares by $12.9 billion in 1998 - 20% of the whole airline market. This "Southwest Effect" (Boguslaski et al., 2004) leads to lower ticket prices while simultaneously increasing the amount of passengers on the respective route. This shows just how heavily the competitors are forced to react and re-position themselves in response to Southwest Airlines.

Of course, there have been attempts to imitate the company's strategy, but most of them have not sustained for long. Since these focused mostly on operational aspects, such as only using one airplane type, they failed to consider that it is the combination of all the hard and soft resources that were able to cause this disruptive depositioning (Gittell, 2005). This underlines that SWA's resources are sustainable and inimitable, which helps to create entry barriers in their business model (Hooley et al.,

2001). For example, Delta launched a "no-frills" airline called Delta Express, U.S. Airways introduced the MetroJet and United founded "Shuttle by United" in order to compete against Southwest in the low-cost segment. All of them have been discontinued not too long after their introduction (Boguslaski et al., 2004). Shuttle by United, for example, was introduced in 1994 after Southwest had entered the Californian market and decreased United's market share in that region by 16%. This new airline imitated SWA heavily, for example by only using one aircraft type, minimizing turnaround time and limiting meal options (Kimes and Young, 1994). However, it was re-integrated into United Airlines after merely 7 years, as it simply could not keep up with Southwest (Miles to Memories, 2015).

In summary, Southwest Airlines showed that by building a strong brand through its employees and combining it with a low-cost business strategy, the company has managed to not only position itself according to the Chess school, but to effectively de-position its competition.

Conclusion

In this paper, we were able to establish a three-step framework that can be applied to different forms of de-positioning attempts: it all starts with an initiative by an aggressor, which aims at challenging the competition. Subsequently, perceptions about established views in the market are altered and disrupted. Finally, competitors are, as a consequence, forced to react through re-positioning or counter-attacking.

Hence, we showed that Apple de-positioned its competitors through advertising and slogans, which resulted in daring the market to be rebellious and different, assisting in the discontinuation of IBM computers' production and forcing Microsoft to start a counter-attack campaign. Tesla is currently de-positioning its competitors by introducing electric cars to the mass market, proving to consumers that being environmentally friendly does not need to be costly. Traditional car companies are currently struggling to catch up. Finally, Southwest succeeded in a genius strategy of combining its resources, teaching the market that great service and low-cost do not require a trade-off. Several attempts of other airlines to copy this strategy have failed (See Fig. 1).

What are similarities between these three market giants? Is there a general explanation as to why these companies have successfully de-positioned their competitors, which can confirm the relevance of the framework established in this paper? What sticks out is that Apple, Tesla and Southwest Airlines all orbit around charismatic and visionary leaders. Be it Steve Jobs, Elon Musk, or Herb Kelleher, they dare to be different and to break the rules - not afraid to dream and to act out of the box. In fact, these characteristics are common prerequisites to effective de-positioning: when starting an attack on a competitor, it is essential not to fear failure by placing too much emphasis on the present market scenario. Rather, one should focus more on the present vision and identity that will eventually shape the future of the market, and even society. This eventually brings us back to the mix between market- and brand-orientation that needs to be considered when engaging in de-positioning.

The main contribution to existing theory of is that this three-step model we established can be applied to many different forms of de-positioning. Thus, we have introduced a link that connects traditional and rhetorical de-positioning with more sophisticated scenarios like market entry or resource-based strategies.

A limitation of this paper is that only successful de-positioning attempts have been analysed. Further research could use this model to look at companies that failed in de-positioning their competitors and study the best strategic steps to prevent such circumstances.

De-Positioning Framework			
1 Initial De-Positioning by Aggressor	De-Positioned IBM and Micro-soft through Advertisements and Slogans	De-Positions Competitors through Introducing Electric Cars for the Mass-Market	De-Positioned Competitors through Strategic Combination of Resources
2 Change of Perceptions in the Market	Dared the Market to be Rebellious and Different	Showed Consumers that Being Eco-Friendly Does not Need to be Costly	Taught the Market that Low-Cost and Great Service are not Mutually Exclusive
3 Reaction by Competition	Helped in Driving IBM out of Hardware Market; Micro-soft Started Counter-Attack	Traditional Car Makers are Struggling to Catch Up	Several At-tempts of Imitation by Competitors Have Failed

Fig. 1 – Summary: Applied Framework

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