





1 Giordano could achieve its differentiation in the Hong Kong market through:

- **Product differentiation:** Giordano produces high quality casual wear in simple and basic styles. This helps the company project a unique and clear positioning in the mind of its customers.
- **Service differentiation:** Giordano has long focused on quality customer service. It can be regarded as a pioneer in introducing a high standard of customer service in the Hong Kong casual wear market segment. Indeed, this standard has subsequently been followed by other competitors.
- **People differentiation:** Giordano emphasises the importance of staff training to maintain its high level of customer service. As a result, all of the company's salespeople are very polite and helpful as well as well-equipped with product knowledge.
- **Image differentiation:** Through decades of effort in maintaining good product and service quality, Giordano has already built up a very favourable image (e.g., simple and basic product style with high quality, reasonable prices and good customer service) among the Hong Kong public. This hard-earned image constitutes the company's sustainable competitive advantages.

2 Most Hong Kong consumers consider McDonald's as a leading fast food chain in selling hamburgers and French fries.

**A positioning statement for McDonald's may be:** A leading multinational fast food chain store, with an unrivalled reputation for providing customers with the highest quality fast food items and friendly customer service at reasonable prices.

- 3 Positioning refers to the process by which a company creates an image for its product, and then projects this image in the minds of its target consumers. This process helps the target consumers better realise the unique benefits that the company can offer when compared with its competitors.

Good positioning can help the company differentiate its products from other competing ones. It also helps target consumers recall the product easily and provides the company with guidelines in formulating its corresponding marketing strategies.

For example, HSBC has positioned itself as an international bank but with sufficient 'local' knowledge to serve customers from almost every part of the world (i.e., the World's Local Bank). This positioning helps the bank build confidence among customers in different geographic markets due to its understanding of local customers' needs. It also attracts companies with international operations to use services from HSBC due to its international or global banking network.