CHAPTER ONE
THE OVERTURE

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THE PROBLEM

The proposed research work studies the market positioning strategies followed by the corporate sectors in the post liberalisation period in the passenger car segment. Through an empirical survey of existing literature, experience of Indian Corporate Sectors manufacturing passenger cars and from the perception of the passenger car customers/users, it seeks to analyse the effectiveness of the market positioning strategies followed by the marketers in the passenger car segment in India in the post-liberalisation period.

To understand the problem, we are essentially required to focus are the basic concept of marketing and Kotler [1] takes this fundamental view of marketing—'a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others'. This definition of marketing rests on the core concept of needs, wants and demands. Needs are basic, while wants are for specific products, and become demands when backed by purchasing power. Value, cost and satisfaction are the three factors governing the customer's choice consideration. If there are 30 product offerings that can satisfy a need, and a person has information about 10 of them, he takes into his 'Consideration Set' those few alternatives that meet his cost and other criteria and choose that particular product which would maximise his satisfaction as a function of his perceived value. Following the choice of a product, an exchange between two agencies takes place and becomes a transaction at the point when the price of that exchange gets fixed. A satisfactory transaction may lead to build a lasting relationship between seller and buyer.
Thus, needs and wants are at the root of marketing process. The organisation identifies the customer’s needs and wants and recognises that markets are segmented and marketing efforts are focused towards these segments. In 1950s, the concept of market segmentation became widely accepted and with the notion that developing a marketing mix should be preceded by selection of a segment or focus on a target market customers, gave the marketer guidance in selecting an appropriate marketing mix. However, in the late 1950s or early 1960s marketers, particularly those in consumer package goods business, came to realise that the process of planning marketing programmes had omitted a crucial decision making variable—“the competition”. A marketer might properly select a target market and then develop a marketing mix to meet the needs of the target market, but the product fails in the market place because a competitor is already satisfactorily meeting the needs of the target customer group. This suggested a further decision making step: design a marketing mix that not only meets the needs of the target market, but does so in a way that is seen as distinctive and hopefully superior to the solution offered by the competitors. In this way, consumers will see brand as occupying a ‘Position’ in the market place that is distinctive from competitive positions.

In present day, the concept of position is not confined to customer packaged goods business only; rather it has extended to consumer durable goods as well as industrial goods. Consumer durables are aggressively positioned by the marketers to perceive the product/brand distinctive and superior to the consumers. A brand can be positioned based on its functional attributes and benefits as well as on the non-functional or emotional associations. As the market matures, the product appearance and functional differences gradually disappear, and non-functional or emotional
associations to differentiate the product/brand become important. In fact positioning is a proper blend of functional attributes and non-functional or emotional associations that make the brand's essential differences in comparison to other products or brands.

Recognising the importance of positioning to differentiate a product/brand of an enterprise from the competing products, sincere efforts have been made in the research endeavour to identify the positioning strategies followed by the Indian corporate sectors in the post liberalisation period in the passenger car segment, to evaluate the degree of contribution of functional and non-functional parameters that constitute the market positioning strategies and also to find out the positioning strategies that may work well in near future in the passenger car segment in Indian context. As the positioning strategies are directed to polarise the mind of customers towards buying behaviour, an effort has also been made in the research study to find out the relationship between market positioning strategies and customer perception, attitude and ultimate buying behaviour.

RECAPITULATION OF LITERATURE

The concept of positioning is relatively new and there is no common accepted definition of the term. Many thinkers belonging to various disciplines conducted researches on different dimensions of positioning. The scholars have concluded very safely that as competition increases, differentiating a brand from the competing brands become important and thus positioning is a key concept.

Peter R. Dickson and James L Ginter [2] (1987) used traditional and contemporary approach to lessen the confusion between market segmentation and
product differentiation. Many marketing thinkers describe product differentiation as
alternative to market segmentation and some describe it as complement or means of
implementing market segmentation. Marketers generally define demand (Q) for a
particular product is a function of price (p) and the product characteristics of the
offering, \( x_1, \ldots, x_n \). These product characteristics include both physical product
attributes and non-physical attributes. The nature of the functional relationship (F) will
depend on consumers' taste, competitive product offerings and other marketing factors
such as disposable personal income. Thus, the relation is \( Q = F(p, x_1, \ldots, x_n) \);
where as the traditional economic concept of demand curve \( Q = F(x_1, \ldots, x_n, p) \).
In this model demand is a function of price, given a specified set of fixed product
characteristics. This equation states, if product characteristics are changed to match
more closely the consumers' ideal point, the quantity demanded is more for each price.
The two demand curves do not co-inside perfectly. Under common economic
consumption there is full consumer information, in contrast the marketing literature
recognises only partial information as \( x_1, x_2, \ldots, x_n \) are viewed as perception of
product characteristics. The demand function (F), and the product perception vector
\( (x_1, x_2, \ldots, x_n) \) actually determine the response to a firm's marketing effort.
Demand function is the theoretical basics for market segmentation definition.

Baker, J. Michael [3] (1998) highlighted that the objective of segmentation is to
disaggregate the total market into viable sub-markets, targeting decide which of the
segments one is going to compete and the positioning is to decide how one intend to
differentiate oneself from other firms serving the same segment. Perceptual map of the
segment shows how competitors compare their products in terms of chosen dimensions.
The author is of the opinion that users'/ buyers' status, loyalty, marketing factor
sensitivity, purchase situation and occasion, need of customers, benefits sought, attitude and perception of customers and product preference are some of the means in the hand of the marketers to position their brands in the target segment.

Randal, Geoffrey [4] (2001) is in the opinion that the concept of positioning is to position brand in the mind of the customer, relative to the customers and in a way that points out key differences. It is preferable if the position is unoccupied by other brands, and that, it is preferred by the consumers. The advantage of positioning is that, it makes sure that the maker think about the way consumers see the brand and placing the brand in the consumers' mind place in relation to the competitors.

Marcony, Joe [5] (2001) considers positioning as a new approach to communication. It is closely related to association and image concepts. Position of a product can mean to conjure an image or association in a mental frame of reference, to physically place it in a particular section of store or to make it available through a related service where one may expect to find it. Positioning of a product is not the same as advertising; it is the positioning statement that sought to help differentiate the brand among other products in its category.

Graham Hankinson [6] (2000) equates positioning as one of the approaches to define a brand. The essence of the approach is to use marketing mix to establish a reputation or position, as the number one in the market. The success of this approach is identification of a gap in the market that allows a brand to claim the number one position. This approach focuses the whole marketing mix on the effective communication of the distinctive features of the brand to an identifiable market segment.
Sally Dibb [7] (2000) expressed that positioning provides a link between the target marketing strategy and the marketing mix that is developed. It represents the image or perception that the business will communicate to customers. The image is backed up by a combination of product name, packaging, design, styling, price, promotion and distribution. Positioning is also affected by customer perceptions of the company behind the product. The author is of the opinion that customer first assign a position to the best known or market leading brands. This positioning is usually the standard against which other brands are compared. As positioning is based on customer perception, businesses do not have total control over it. However, businesses with realistic expectations should take an active role in shaping all-important perceptions. Planning a positioning requires a combination of honesty, common sense and a clear process.

Chematony, de. Leslie and Malcolm, Mc Donald [8] (1999) argued that often the added values to a product is emotional values, which customers might find difficult to articulate. These values are given to a product through the marketing mix of product, packaging, promotion, price and distribution. All these elements of the mix can be used to develop a distinctive position in the customers’ mental map of the market. The customers see commodity markets, competing products, as occupying virtually identical positions and thus to all intents and purposes are substitutable. The more distinctive a brand position, the less likely that a customer will accept a substitute.

Y L R Moorthi [9] (1999) promulgated that positioning a brand consist of firmly fixing a brand in the minds of consumers using some relevant benefit as the binder. The author is of the opinion that almost anything and anybody can be positioned
whether it is a product or a political party or a church or a ski resort. This is because positioning itself is in the psyche of the customers rather than in the product.

Susannah Hart and John Murphy [10] (1998) studied that a brand is a combination of the perception, sensations and satisfaction derived from the brand consumption and form the consumer’s beliefs about the brand. The positioning of the brand is the promise of what it offers to the consumer in both functional and psychological benefits and thus, it is based on essence of the brand. The authors believe that positioning is composed of product attributes, product benefits, brand relationship, brand personality, essential message and unique selling proposition.

Kevin Lane Keller [11] (1998) summed up that arriving at positioning for a brand requires decision in four areas: target market, nature of competition, point-of-parity associations and point-of-difference associations. The first two define the frame of reference for the brand and later two create the exact location of the brand in consumers’ minds. Point of difference is judge on the basis of desirability from consumers’ prospective and deliverability from firm’s perspective. Point of difference associations is unique to the brand and the customers evaluate favorability of a brand. It may be based on associations like attribute, benefit or attitude. The more abstract and higher the associations, the more likely it is to be a sustained source of brand equity.

Eberhard E. Scheuing [12] (1989) viewed that positioning is an attempt by the marketer to place a product in a desired location on the buyers’ perceptual map. It is important to position a product in such a way that it compares favourably with competing brands. This means management not only strive for competitive
distinctiveness but also aim to match buyers perception of an ideal product in this category.

David W. Nylen [13] (1990) investigated that positioning decision requires three interrelated steps: market segmentation, target market, and deciding how the product should be presented so as to differentiate it in the consumers mind from competitive products. These decisions are dependent upon situation analysis. For making positioning decision needed information on attribute of the product particularly those that represent differentiating features, size and growth of market segments, positioning of competitive products and the needs and benefits derived by target customers. The positioning decision defines how the marketing mix must be formulated to achieve competitive superiority in the eyes of the target market consumers.

Iain Ellwood [14] (2000) narrated a structured way of creating brand position. Brand position briefly express summery of the rational and emotional benefits of the brand. It should include the target customers, product benefits, the desired action and the criteria for attaining that brand and those benefits. The proposition should clearly express the key elements of the promise, the relevance and salience to the customer, the believability of the claim and the criteria to attaining the promise either competitive or factual. This helps to organise what the brand is really offering, to whom and in what format, and the criteria for access.

Orville C. Walker, Harper W. Boyd and Jean Claude Larreche [15] (1999) explained that as positioning is concerned with differentiating a firm’s product from those of the competitors, the ideal situation is for a product to be clearly superior in terms of those dimensions important to the target customers. More frequently,
companies are successful on the basis of exceeding on one important attribute and having parity on the remaining dimensions. Given the growing parity of physical attributes between competitors, more and more companies are attempting to differentiate themselves on the basis of services attached to the product. The authors have identified thirteen associations on which positioning can be based on. These are: features, benefits, usage, parentage, manufacturing process, ingredients, endorsements, comparison, pro-environment, product class, price – quality and country or geographic area.

In the book 'Branding in Asia' [16] (2000) the author Paul Temporal narrated that positioning is the core of competitive strategy. Branding is really positioning. Unless a brand has a position, it has no unique value in the minds of consumers. Positioning is strategic in nature, it seeks a sustainable competitive advantage, and it is the means of management of perception and it determines brand’s image and reputation. The author has identified 12 needs and benefits on which the positioning strategies are based on: features and attributes, benefits, problem solving, competition, aspiration, usage, value or price, personality and emotions. Some strategies naturally go together like attributes and benefit; aspiration and emotions. It is also said that positioning is the outward expression of a brand and presents the identity and personality to the outer world, and the reality therefore is that a brand can only have one true position. This is why deciding on the brand positioning strategy is such an important part of brand management.

Ramanuj Majumdar [17] (1998) is of the opinion that positioning indicates the place the brand or product occupies in a given market. It refers to a certain mental perception of the offerings. There are four distinct variables that affect the position of a
given product. These are: the product itself, the company behind it, the competition and the consumers. The author has identified eight positioning strategies that have worked well in the Indian market scenario. These are: positioning by specific product attributes, distinct benefits to users, specific usages, for a user category or application, product class association, price/quality, by lifestyle of users, and positioning by reference groups.

J. Paul Peter and Jerry C Oslon [18] (1999) analysed that the key objective of positioning strategy is to form a particular brand image in consumers’ minds. This is accompanied by developing a coherent strategy that may involve all of the marketing mix elements. The authors identified five approaches to positioning strategy, namely, positioning by attribute, use or application, product user, product class and by competitor.

Subroto Sengupta [19] (1998) viewed positioning as perception it brings about in the mind of target customer and it reflects the essence of the brand in terms of its functional and non-functional benefits. The author has examined various strategies available in the hands of managers for differentiating a brand from its competitors. The question, ‘who am I?’ deal with the origin of the brand and provide the option of positioning reference to its corporate identity and brand endorsement. The answer to the question, ‘what am I?’ relates to the capabilities of the brand and it leads to four basic strategies: category related positioning, benefit related positioning, positioning by emotions, based on usage occasion and price quality positioning. The question, ‘for whom am I?’ brings about the strategy of positioning a brand for a carefully chosen target segment where it best fit and has competitive advantage. The question, ‘why
me?’ create a distinct and persuasive perception of a brand and the reason why one select a brand may lead to positioning by attribute and positioning by competitor.

Luck, J. David, OC Ferrell and George H. Lucas, (Jr) [20] (1989) stated product positioning is the place a product occupies in a given market as perceived by a target segment of the market. Projection attributes and benefits that provide an image in the buyer’s mind are crucial in positioning. The product’s position actually refers to the buyer’s concept of the product relative to their concept of competitive brands. The authors identified seven ways to position a product, (i) Positioning a specific product feature, (ii) a benefit, (iii) for specific usage, (iv) for a user category, (v) against another product, (vi) product class dissociation, and (vii) hybrids.

Cravens, W. David [21] (1997) explained that positioning indicates how the firm would like its product or brand to be perceived in the eyes and minds in the market target customers. Positioning strategy is based on the positioning concept, that is, meaning of the product or brand derived by the target market. The author has identified three basic positioning concepts, these are: functional, symbolic and experiential. These positioning concepts indicate how management wants to position the brand relative to competition. Positioning strategy is the combination of marketing mix strategies used to portray the positioning concept to the target buyers. Determination of positioning strategy involves a combination of management judgment and experience, trial and error, some examination and, some field research.

The author Roger J. Best [22] (1997) reviewed that based on target customer needs, a business must develop a product position that is some way different and superior to competitors’ product positions. In price sensitive market this generally
requires a low price, as target customers do not value other sources of differentiation. For markets, in which differentiation is possible and valued by target customers a variety of differentiation strategies are possible. Product, service and brand image differences that are meaningful to target customers and superior to competitors. The author is of the opinion that a combination of attractive product positioning and target marketing effort creates an integrated marketing mix strategy.

The authors Lehmann, R. Donald and Rusell S. Winer [23] (1997) stated positioning entails a specific statement of how the product differs from the competition in the mind of specific set of customers. It encompasses, customer targets, competitor targets and some product attribute(s) by which differentiation will occur. Even if the competition is not explicitly mentioned in any of the product's communication programmes, it is still important to consider which competitors are the primary targets of the strategy. The authors identified two core strategies that define the differential advantages to be communicated to the target customers. These are: cost/price differential advantage and differentiation based on product offering / service feature. Product offering / service feature can include psychological as well as functional benefits. Generally five areas for differentiation are used, namely, quality, status and image, branding (brand name and their values communicated to the customers), convenience and distribution channels. Differential advantages are not always based on actual or physical product differences; often they are base on perception of the customers.

J S Panwar [24] (1997) viewed that individual's perception is based on his attitude, belief, experience and exposure. A product is perceived the way the consumer feels about it. Marketing is a battle of perceptions, not the products.
Positioning is not synonym for product differentiation or unique selling proposition (UPS) but more than these. Proliferation of brands, dwindling brand loyalties, diminishing price differentiation between segments and competition from multinational brands are the main reasons in the Indian market context that call for positioning of a brand. The author has identified five variables for positioning brands that may prove effective in Indian context. These are: (a) corporate or brand identity, (b) differential benefit offered by the brand, (c) characteristics of the target audience, (d) a UPS or an attribute unique to the brand and (e) direct comparison of a brand with other brands.

Ennis, F. Beaven [25] (1986) brought out that marketing of competitively similar products in the same product category traditionally based upon advantages in pricing, delivery systems, and the quality of service rendered to the customers. However, these advantages tend to be short-lived depending upon how quickly competition matches them. This give rises to importance of positioning that distinguishes the product from competitive alternatives. The author is of the opinion that the first step of positioning is to identify the basic frame of reference, that is, the category or segment in which the brand is to compete. The next step is to select the specific selling message to promote the product within the category. The author identified four types of selling concepts as: actual product attributes and benefits, price and value differences, unique product applications and unique packaging innovations. Positioning concept based on exclusively on attributes tends not to be persuasive and one may consider the use of consumer positioning concepts. Within product positioning concept there are four types of selling ideas, namely, selective target audience, unique usage occasions, image or personality and unclaimed generic benefits. The most
common technique is to use a consumer-positioning concept as its major point of difference and to support this claim with a product-positioning concept.

Upshaw, B Lynn [26] (1995) sees brand equity consists of brand valuation and brand identity, and brand identity is a product of a brand's positioning and personality. Positioning is the strategic genesis of the marketing mix. In positioning there is a great deal of subjective interpretation and a high degree of risk involved in choosing one positioning over others. According to the author alternative positioning come in a variety of shapes and sizes. These includes: feature driven prompts, problem / solution prompts, target driven, competition driven, emotional / psychological, benefit driven, aspiration and value positioning. Searching for positioning requires both logical analysis and intuitive creativity. Customers and prospects make purchase decisions based as much as emotions as on logic because that is the way they live their lives. The search for the optimum positioning by the marketing team begins with thorough review of what they know about their prospects and the brands, and a careful assessment of the alternatives.

Crawford, C. Merle [27] (1994) is of the opinion that positioning is an ingredient of total strategy. Product, brand, price, promotion, and distribution must all be consistent with the positioning statement. The author identified two broad alternatives of positioning categories, namely, position to an attribute (a feature, a function, or a benefit) and positioning to use surrogates (or substitute). The author identified nine alternatives of surrogate positioning. These are: nonpareil (the product has no equal, it is the best), parentage (where it comes from, who makes it, who sells it, who performs it and so on), manufacture (how the product is made, the process, ingredients, design etc), target (the product is for whom, rank (it is the best selling
product), endorsement (people use respect say it is good), experience (its long or frequent use attach to its desirable attribute), competitor (it is just or almost like another product that you know and like), and predecessor (comparable is some way to an earlier product you liked). It is stated that positioning drives the entire programme and there should be contingency positionings in place in case the one used flops.

Philip Kotler [28] (1994) described that each firm want to promote few differences that appeal most strongly to the target market. A firm does so by developing a focused positioning strategy, which the author simply called as positioning. The author advocated that there are at least seven positioning strategies available, these are: attribute, benefit, use / application, user, competitor, product category and quality / price positioning. The author recommended that it is not only important to develop a clear positioning strategy; it must also be communicated effectively, to the target market.

Jean Jacques Lambin [29] (1993) summed up that positioning is mostly relevant when coupled with segmentation analysis, which requires a positioning by segmentations instead of single positioning for the total market. Positioning strategy is the operational way to implement a differentiation strategy. The author has described six alternative bases for positioning. These are: positioning on product features, benefits or problem solution, specific usage occasion, user category, against another product and product class dissociation.

David A Aaker [30] (1991) reckons that a brand association is anything linked in memory to a brand. The associations not only exist, but also have a level of strength. Brand association and image represent perceptions, which may or may not reflect
objective reality. Association creates value to a brand by differentiating it from others, help to process or retrieve information about the brand, create positive attitude and providing a specific reason to buy. Brand positioning strategies are based on brand associations and the author has identified eleven types of associations. These are: product attributes, intangibles, customer benefits, relative price, use/applications, user/customer, celebrity/person, life style or personality, product class, competitors and country/geographical area. Brand positioning strategies are based on brand associations and all these associations can be used for positioning a brand in the respective target market and product category.

The author Jain, C Subhash [31](1990) viewed that positioning is placing a brand in that part of the market where it will have a favourable reception compared to competing products. The product should be so positioned that it stands out from competing brands and it tells customers what the product stands for, what it is, and how the customers should evaluate it. Positioning is achieved by marketing mix variables, especially through design and communication. Some product positioning can be achieved on the basis of tangible differences, with many others intangibles are used to differentiate and position products. The author identified six different approaches to positioning: (a) positioning by attribute (i.e., associating a product with an attribute, feature, or customer benefit), (b) positioning by price/quality (i.e., price/quality attribute in so pervasive that it can be considered a separate approach), (c) positioning with respect to use or application (i.e., associating the product with a use or application), (d) positioning by the product user (i.e., associating a product with a user or class of users), (e) positioning with respect to product class (i.e., positioning of a
soap as a bath oil product rather that a soap), and positioning with respect to competitor (i.e., making a reference to the competition).

Chan Su Park and V Srinivasan [32] (1994) developed a new survey based method for measuring and understanding a brand's equity in a product category. The authors measured brand equity as the difference between an individual consumer's overall brand preference and his brand preference on the basis of objectively measured product attribute levels. As sources of brand equity the approach divides brand equity into attribute-based and non-attribute based components. The attribute-based component of brand equity captures the impact of brand building activities on the consumers' attribute perceptions. The non-attribute based component of brand equity captures brand associations unrelated to product attribute. The survey based results revealed that, of the two components of brand equity, the non-attribute based component appears to play a more dominant role in determining a brand's equity and the impacts of brands equity on its market share and profit margin are substantial.

Kevin Lane Keller [33] (1993) presented a conceptual model of brand equity from the perspective of the individual consumer, defined as the differential effort of brand knowledge on consumer response to the marketing of the brand. A brand is said to have positive consumer-based brand equity if consumers react more favourably to an element of the marketing mix for the brand than they do to the same marketing mix element when it is attributed to a fictitiously named or unnamed version of the product or service. Customer-based brand equity occurs when the consumer is aware of the brand and holds some favourable, strong and unique brand associations in memory. Building brand-equity requires creating a familiar brand name and positive brand image. The indirect approach to measures brand equity evaluates brand knowledge to
asses the potential sources of brand equity. The direct approach measures the effect of brand knowledge on consumer response to elements of the marketing mix.

Richard C Leventhal [34] (1996) explained that today's brands face more demanding customers, fragmented demand, complex technology, multiple media and proliferated distribution channels. All these create a new challenge to the companies. In such situations 'right to brand' goes to the company that differentiates its value, controls the core asset to deliver the value and owns the consumer relationship in the most efficient way. Brand name and brand image is key to create the core assets. A company that has control over the core assets is in a position to dominate the market.

The company that is closest to the consumers is often best placed to build sustainable relationship, with consumers. Advertising is one of the ways to build customer relationship, however an advertisement is one way and non-personal communication. Branding models include not only what the brand is, but also how it is developed and maintained. Choosing a branding model is not simple for a company. The company that successfully chooses a winning model will earn the right to brand and a handsome share of the market surplus to boost.

Hugh, J Davidson [35] (1976) enumerated what makes a consumer brand successful and the common reasons for failure of most consumer brands. The author examined more than 100 brands covering 38 product categories and concluded that successful brands usually display three characteristics: the significant price or performance, significant difference from existing brands and new untried ideas. It was observed that the 'me too' brands are mostly the failure brands. The author identified six reasons for failure of most of the brands. These are: (a) unreal time pressure, (b) no clear target, (c) lack of courage by the managers, (d) vested interest, (e) arrogance (f)
absorption in the process. The author advocated that a brand must answer two basic questions; is there any sound reason for customers to buy the new brand rather the one they are already using? And will the new brand make money for the company? An executive will resist any new brand idea that fails to answer these two questions.

Davis M Scott [36] (2000) viewed positioning as internal direction of an organisation to execute strategies externally in the market place. It should drive all the brand asset management strategies as well as revenue and profit streams of an organisation. It is necessary to look a brand’s position on a regular basis to ensure that the brand is still relevant to the target customers, customer shifts, market trend and dynamics, and company goals and objectives. The author recommended five positioning screens, namely, value, uniqueness, credibility, sustainability and fitness that help to determine if positioning to be updated. Brand positioning is customer driven and thus analysing customer data such as customer needs and wants, brand’s strength and weakness, core competencies, growth goals and competitive directions are important.

Keller Lane Kevin [37] (1999) explained that shifts in consumer behaviour, competitive strategies, government regulations and other aspects of the marketing environment can affect the fortunes of a brand. The firm itself may engage in a variety of activities and changes in strategic focus or direction that may necessitate adjustments in the way that its brands are being marketed. Effective brand management requires protective strategies designed to maintain brand equity in the face of change in marketing environment and changes in strategic focus or direction of the company. Effective brand management requires taking a long-term view of marketing decisions. Being consistent in managing brand equity may require numerous tactical shift and
changes in order to maintain the proper strategic thrust and direction of the brand consistency be viewed in terms of strategic direction. The key source of brand equity is its enduring value and these brand associations stand be guarded and nurtured carefully.

In developing positioning alternatives of a company David A Aaker [38] (1995) studied that it is useful to determine the image and brand personality of the major competitors. Weakness of competitors on relevant attributes or personality traits can represent an opportunity to differentiate and develop advantage. Strength of competitors on important dimensions may represent challenges to exceed them or to outflank them. So, it is important to know the competitive profiles of major competitors before proceeding. Competitor image and positioning information can be deduced by studying a firm’s product, advertising, packaging action of the company. It is important to find what are the associations? What if the business were a person? What kind of person? What visual imagery, or activities are associated with the business? What is its essence?

Shocker, D. Allan, Rajendra K. Srivastava and Robert W Ruekert [39] (1994) mentioned that innovative product losess its competitive edge and the ability to command price as soon as competitors are able to duplicate or counter its capabilities. Thus, marketers must differentiate its product, not only to go ahead, but also to stay there. The authors have examined five major environmental forces that influence the market behaviour of a brand. These are: (a) globalisation of competition and greater openness of the market, (b) the impact of technological charges, (c) the increased power of distributors and the evaluation of channels, (d) investors expectations and
brand equity, and (e) the changing consumer markets. It can be seen that the forces manifested by the producers or distributors and by the buyers. Buyers seek products and services better suited for their purposes, producers in turn learn what is being offered by the competitors and what prospective buyers will purchase, and distributors willingness to carry and promote specific brands and in turn transfer some of the equity to the brand.

C, Whan. Park, Bernard, J. Jaworski and Deborah J Maclnnis [40] (1986) presented a normative framework, for selection, implementing and controlling a brand image over time. Long-term success of a brand largely depends on marketers' ability to select a brand meaning prior to market entry, operationalise the meaning in the form of image and maintaining the image over time. The most important factor influencing the selection of brand concept is consumer needs. The functional needs solve consumption related problem and the symbolic needs fulfill internally generated needs for self-enhancements, role position, and group membership or ego identification. The other factors influencing the selection of concept are macro-environment trends, the firm's internal environment, it's mission and resources. The relationship between a brands concept and image must be managed throughout the life of the brand for all the three stages of introduction, elaboration and fortification. When the value of the brand concept changes the firm has the option to reposition the brand or to remove the brand from market and introduce a new brand whose concept is consistent with market trends.

In the book 'Differentiate or Die: Survival in Our Era of Killer Competition' the authors Jack Trout and Steve Rivkin [41](2000) advocated that there in no such thing as a commodity, only people who act and think like commodities. Differentiation is the most important strategic and tactical activities in which companies must constantly
engage. The authors explained that quality, customer orientation, creativity, price is hardly differentiating ideas. Differentiation takes place in the mind of customers. Being first in getting into the mind of customers with a new idea or product or benefit, attribute ownership, leadership that establishes the credential of a brand, heritage that make a product stand out, marketing specially that makes a company expert in one area, being latest in the market with new and better product are some of the differentiating ideas that are essential for survival.

The authors Ricky Wilke and Judith Lynne Zaichkowsky [42] (1999) referred counterfeiting as a direct copy to a brand and imitation is only borrow or copy of some aspects or attributes of the original. When imitation adds value to the original product by better distribution or superior quality at lower prices, it is meaningful to the customers. However, if the innovators could not at least recover the cost of product development, then there would be no incentive to invest in innovations. The authors examined the issue of imitation from marking point of view and its effect on society and brand equity. They are of the opinion that high quality imitators are not a problem to the society and may even benefit the market by providing more choice and competition. Equal quality imitators are only beneficial if they are sold at lower price. Poor quality imitators may not be a problem to the society when customers can easily judge themselves that the imitation is inferior. The two issues that damage the brand and its equity are whether the customers are aware of the copying and the quality and value of the copy. When the customers are misguided or misled about the origin of the product regardless the quality or value, the brand equity is in danger of being destroyed.

Donald R. Lehmann and Yigang Pan [43] (1994) in an empirical investigation explored the impact of new brand entry on consideration set membership. The study is
based on the premises that consideration set is that set of brands being considered at a prior stage in the choice process. Consumers are more likely to include brands in the consideration set that are clearly superior to other brands and choose a brand when it dominates another brand in the set. Brands that are positioned close to each other (assimilated brand) is easier to process and hence receive more consideration than brands positioned less closely to each other (Sub-typed brand). Study on 332 subjects and 18 products revealed that becoming dominated or extreme after entry reduces consideration but that becoming dominating does not increase consideration. Assimilation helps weak brands and hurt strong brands. And also, a compromise position has a positive impact when the market is small and a negative one when the number of brands in the market increases to the extent that it is hard to stand out in the crowd.

Graham J Hooley and John Saunders [44] (1993) have identified two generic roots to create competitive advantage: cost leadership and differentiation. The cost leadership as a strategy is internally focused. Differentiation on the other hand is a market-based strategy that focuses on giving customers greater value. Differentiation strategy is route to effectiveness while cost leadership is concerned with efficiency. Hence, for competitive success, differentiation is the starting point. The authors developed a matrix of alternative generic positions and positioning strategies. Generic positions provide the four basic alternatives: consolidation, latent position, deposition and membership position. Within each generic position, the positioning strategy determines the means by which each of the product’s positions is communicated. Six positioning strategies, namely, positioning by attribute, price-quality, competition,
application, user portraits and product class association have been identified by the authors which communicate the product's position to the customers.

Jack Trout and Al Ries [45] (1991) in the article, 'Positioning Cuts through Chaos in Marketplace', warned that in the era of positioning if one wants to be successful, he can not ignore the competitors position, nor can he walk away from his position. The competitor's image is just as important as its own. The leader owns No 1 position in the prospects mind and one cannot compete head on against market leader. Today almost all companies have become market oriented and thus knowing what the customers want is not enough; to be successful today a company must be competitor oriented. A company must look for weak points in the positions of its competitors and then launch marketing attack against these weak points. The authors are of the opinion that in future, marketing plans would not be simple and not be called as marketing plan but a competitive plan or a battle plan and it will examine competitive strength and weakness, as well plan of action to exploit or defend against them. Companies will have to learn when to attack, defend, and flank their competition and when to resort to guerilla warfare.

Weinstein and William [46] (1999) elicited that customers express value primarily based on combination of quality, service and price (QSP). These three sets of ingredients are the core elements of value proposition. The triad provides the business philosophy for the organisation, guides all strategic decisions and ultimately affects business performance. The author identified nine price-value relationships, which help to determine the efficiency of value pricing. This price-value grid ranges from high quality – high price (premium) through high quality – low price (super value) to low quality -high value (rip off) relationship. Along with QSP value winner companies also
use image, innovation and in tangibles to strengthen their value statement. Marketers try to create synergy among all the components to achieve differentiation and secure competitive advantage.

Vijay Vishwanath and Jonathan Mark [47] (1999) studied the profitability of premium brands in 40 categories of consumer goods and observed that both market share and the nature of the category of product market in which the brand competes drive profitability. If a category is composed largely of premium brands, then most of the brands in the category are or should be quite profitable. Developing the most profitable strategy for a premium brand, therefore, means re-examining market share targets in the light of brand’s category. It means, managers must think about brand strategy along two dimensions at the same time, firstly, the category dominated by premium brands or value brands and secondly, is the brand’s market share is low or high? The author have devised a matrix using the dimensions of ‘premium degree of category’ and ‘relative market share’ to map the position of any premium brand within any of the four quadrants: (i) the hitch-hiker, (ii) the high road brand, (iii) the low road brand, and (iv) the dead end brand. Each quadrant has different implications for a brand’s profit potential and each quadrant requires a different strategy. The matrix also helps managers to understand the dynamics of portfolio of products.

Manohar U. Kalwani, Chi Kin Yim, Heikki J. Rinne and Yoshi Sugita [48] (1990) developed a model to understand how customers use price information in choosing among alternative brands within frequently bought product categories. They used a two stage modeling procedure. The first stage investigates how expected prices are formed. In the second stage, brand choice is assumed to depend on the brand’s retail price and whether or not that price compares favorably with the brand’s expected price.
Analysis of scanner-panel data revealed that customers react more strongly to price losses than price gain, and customers price expectations are not a function of past price alone, but are influenced also by contextual variables like frequency with which a brand is promoted, economic conditions, customer characteristics and the type of store shopped. The authors also observed that the frequency with which a brand is promoted has a negative impact on its expected price; implies that though promotions help to increase the short term sales of a brand, they may erode the long term profitability of the brand if used too often.

Mary Jo Hatch and Majken Schultz [49] (2001) brought out that in recent years corporate brands has become enormously valuable assets. However, creating a corporate brand is a complicated process and a company must align three essential interdependent elements: vision, culture and image for successful corporate branding. Vision, culture and image are intricately interwoven and one needs to conduct gap analysis concurrently. It is necessary to identify where the strategic stars fall out of line and take necessary steps to align the starts. The managers have to find exactly what images stakeholders have of the company and its products, bring vision in line with the image, and to align organisational culture that could support the vision and give the images credibility. When corporate vision and culture are aligned with the images, the corporate brand can become a real powerhouse.

Erich Joachimsthaler and David A Aaker [50] (1999) tried to explain that it is possible to build a strong brand without mass media advertising. Managers of brands in Europe have found that communication through traditional mass media has been ineffective, inefficient and costly. As a result, many European based companies have long realised on alternative communication channels to create product awareness,
convey brand associations and develop loyal customer bases. Alternate brand building methods like sponsorship, publicity stunt, press coverage etc., have been successful in building strong brands in Europe. The authors recommended that the managers should study the brand building methods of companies outside their industry and outside their country as well and it is particularly important to have a brand campaign to ensure that the brand identity is being delivered consistently across multiple media.

Kalra, Ajay and Ronald, C. Goodstein [51] (1998) stated that advertising is traditionally viewed as a method of differentiating the brands in the market. Many of today’s advertisements fail to differentiate brands. In fact may advertisements associate brands as more alike, rather than distinctive. The authors examine the link between advertising and price effect and proposed that this relationship depends on the specific advertising positioning strategy employed by an advertiser. The findings of study imply that advertising effectiveness must be measured at both brand and category levels. Although comparative advertising might enable a premium brand to charge a higher price, this benefit must be balanced by awareness that consumer are also likely to become more sensitive to price in the category because of the mention of an overall similar competitors.

Peter A. Dacin and Daniel C Smith [52] (1994) used laboratory experiments and survey method to examine the effects of brand folio characteristics on consumers confidence and favorability of their evaluations on subsequent brand extensions. The experiment-based findings indicated that the number of products affiliated with a brand was positively related to consumers’ confidence and favorability of their evaluations of the quality of an extension of the brand. The experiment and survey based results also supported that as portfolio quality variance decreases, a positive relationship between
number of products affiliated with a brand and consumers' confidence in their extension evaluations emerges.

In the article 'The Brand Relationship Spectrum' David A. Aaker and Eirich Joachimsthaler [53] (2000) added to the knowledge of positioning by identifying four relationships between endorser and endorsed brand. The driver role between the endorser brand and endorsee brand drive the purchase decision and use experience. A shadow endorser brand is not connected visibly to the endorsed brand but many consumers know about the link. This strategy provides some of the advantages of having known organisation backing the brand, while minimising any association contamination. In token endorser strategy the endorser brand usually a master brand, involved in several product market context, which is substantially less prominent than the endorsed brand. This strategy provides some reassurance and credibility while still allowing endorsed brands maximum freedom to create their own associations. In linked brand name strategy, a name with common elements creates a family of brands with an implicit or implied endorser. This provide the benefit of a separate name without having to establish a second name and link it to a master brand strong endorsement strategy a brand is endorsed by another strong brand, usually organizational brand. Endorsement by an established brand provides credibility and substance to the offerings.

Allan J. Magrath [54] (1999) emphasised that a brand, whether weak or strong plays a strategic role in creating, sustaining or even reducing a company’s success. Strong brands boost earning, stock prices, customer loyalty, corporate reputation and employee pride. In contrast, a languishing brand can depress the employees marketing it and the shareholders observing its decline and shake the
confidence of customers. That is why marketers should always be thinking about stretching their brand, or exploring new opportunities to generate revenue and increase awareness and preference. The author identified four ways to stretch a brand: First, horizontally across assortment, categories and market. Second, vertically by price quality association, from luxury to premium and from mid market to budget positioning. Third, by extending brand reach by finding new channels of distribution. Fourth, by ensuring that brands endure by updating them and continually re-establishing their relevance. The author recommended that the pace of business today is much faster and firms do not have the luxury of managing a one-dimensional brand. Mastering brand stretching strategies can make a difference in the competitive market.

Tulin Erdem [55] (1998) stated that the transfer of quality perceptions is the key in umbrella branding. Multi product firms can take advantage of their reputation for quality by using the brand name of an established product for a new experience good. Umbrella branding may enhance the effectiveness of marketing programmes by informing consumers about the quality of new products. The author studied the process by which consumers' quality perceptions of a brand in a product category are affected by their experience with the same brand in a different category. The results revealed that the umbrella brands that can be highly co-related would increase the expected quality and utility for extension of a high-quality parent. However, umbrella branding is not a guarantee for a successful extension. It is also observed that consumers are risk averse and uncertainty about product quality and the associated perceived risk decreases consumers expected utility. Thus, umbrella branding also increases expected utility by decreasing consumer risk.
David A Aaker [56] (1997) examined the pros and cons of vertical extension of a brand. When the market turns hostile, managers are often tempted to extend their brands vertically, that is, to take their brands into a seemingly attractive market above or below their current positions. Before making such a move, the managers should ascertain whether the reward would be worth the risks. In general, the author recommended to avoid vertical extension whenever possible. There is an inherent contradiction in the very concept because brand equity is built in large part on image and perceived worth, and vertical move can easily destroy those qualities. Still, certain situations demand vertical extensions, and the author examined both winner and the looser in the game. The author advocates evaluating and reevaluating the opportunities and risks, study the brand’s position, its strength and weakens, its message and to proceed with caution.

Reddy K Srinivas, Sushan L Holak and Subodh Bhat [57] (1994) examined that line extension (the use of an established brand for a new offering, in the same product class or category) and brand extension (the stretch of the established franchise to a different product class) are the two obvious options followed by the companies to reduce the risk of failure of a new brand. The author studied using 75 line extensions of 34 cigarette brands over 20 years period to investigate the relative effect of brand extension, and on the market share of brand line extension. The major finding of the study showed that, (i) line extension of strong brands are more successful than extension of weak brands, (ii) line extension of symbolic brands enjoy greater market success than those of less symbolic brands, (iii) line extensions that receive strong advertising and promotional support are more successful than those extensions that receive meager support, (iv) firm size and marketing competencies also play a part in
an extension’s success (v) early line extensions have helped in the market expansion of the parent brand, and (vi) incremental sales generated by line extensions are more than compensate for the loss in sales due to cannibalisation.

Akshay R Rao and Robert W Ruekert [58] (1994) attempted to develop an understanding of the phenomenon of joint branding situation and explore the reasons for such alliance. The authors are of the opinion that sellers often convey their quality levels through market place signals and by the brand name. If one brand name on a product gives a certain signals of quality, then the presence of a second brand name on the product should result in a signal that is at least as powerful as the signal in the case of the single brand name. When the unobservable quality of a product is suspect; brand alliance provides reassurance about the true quality of the product. Brand alliance also conveys information about the enhancement of attributes available in a product. In evaluating brand alliance options the authors developed a decision template based on importance of primary brand and secondary brand. The template consist of four cells, namely, generic, primary, secondary and joint. The cells explain the situation of primary brands single-handed contribution, the primary brand’s contribution to its partner, the secondary brand’s contribution and secondary brand’s contribution to its partner. The template answers the questions of what are the benefits of a brand alliance relative to going it alone.

Chris Lederer and Sam Hill [59] (2001) are of the opinion that in the past most brands succeeded or failed on their own merits of quality, positioning and the appeal of advertising campaigns in the market place. But present day interweaving of brands are changing the rules of brand management. It is becoming more complicated as it requires close attention to the complex interaction between the brands of different
companies. The authors developed a three-dimensional brand molecular portfolio model as a new mapping tool that reflects the way brands actually appear to the customers. The map is constructed by the use of different size, colour and location of atoms to indicate different characteristics of brands. The size, colour, location of the atoms and links indicate different aspects of the brand portfolio. The three-dimensional model interprets how the image of the brand is shaped by the brands that are tied to the lead brand and how the brand is perceived by the customers. This interpretation suggests the marketing strategy and the advertising strategy for the lead brand for competitive advantage.

In the paper John A Quelch and David Harding [60] (1999) mentioned that present day there are more private labels on the market than ever before. Over a period the quality of private-labels have improved and in many categories quality of private-labels are at par with national brands. Private-label brands are eventually a matter of concern for the national brands. The authors have identified two important points, which the manufactures must consider to recognise the threat. First, private-label market share generally goes up when the economy is suffering and down in stronger economic periods. Second, manufactures of brand-name products can tamper the challenge posed by private-label goods, and they can control it. The increased strength of private-labels does not mean that national brands are dead. They are still alive and healthy. Still the purchase process favor brand name and it provides a solid foundation to build advantage. National brands still have value for retailers.

Brain Wansink and Jennifer Marie Gilmore [61] (1999) conducted a research study to revitalise the mature brands by advertising new usage situation. The authors conducted in depth interview with 34-experienced brand managers and 402 adult
consumers to investigate three key questions: (i) what new usage will revitalise an old brand? (ii) How do consumers learn of new uses for old brands? and (iii) how can new usage be most effectively communicated? Findings of the research work revealed that consumers use brands in different ways for three practical reasons: convenience, effectiveness and cost. It is also observed that people learn about new uses for old brands either through referral-based learning (parents, friends, spouse or self) or through media based learning (packaging, magazine, television, or books). The key to effectively advertising a new use for old brand was found to lie in making this new use appear similar to existing uses of the brand but not overly so. The quickest means to increase usage frequency is to position the brand as a substitute for products in the other categories.

Irene M. Herremans, John K Ryans and Raj Aggarwal [62] (2000) recognised the fact that in the present day marketing expenditure is a significant component of the cost structure of a company. Therefore, accountability of marketing is important. Expenditure on brand building not only be effective, mangers must also know which of them are most efficient. The focus of the research was on advertising component of the marketing support on brand value. The authors observed that the advertising expenditure and brand value do not always move in the same direction. The high efficiency brand enhances firm’s domination and strong relationship between advertising expenditure and brand value. In the case of low efficiency brands the relationship between brand value and advertising expenditure are less clear. For brand future unknown category it appears reaping benefits from past investment or some other marketing support increases brand value. In the case of brand deterioration firms less than desirable trend between advertising expenditure and brand value observed.
For brand neglected category the firm is no longer supporting its brand through advertisement. The model has relied only one measure to predict a company’s brand and ideally the measurement system should attempt to consider all elements in this process.

Chematony, de Leslie [63] (2001) described that brand in often interpreted in terms of positioning. The author explained three characteristics of powerful brand positioning strategy. Firstly, it should be centered ideally on one functional attribute or if necessary a couple. The more attribute included makes it difficult to register in customers’ mind. Secondly, there should be a balanced perspective, evaluating what the customer register about the brand, then fine tune the brand until there is a better alignment between the intended positioning and the resultant positioning. Thirdly, the brand positioning should focus on functional benefits valued by customers, rather than those valued by the organisation. The author described a matrix to evaluate the effectiveness of brand positioning strategy based on extent to which the organisation emphasises a benefit and extent to which the benefit from the attribute is important to the customers. High value of both the parameters described as market-oriented outlook by the organisation.

David A Aaker [64] (1996) observed that most businesses restrict their measure to brands in the immediate product class and market of interest. Expanding the product to multiple product classes and markets has significant practical value. The author has identified ten sets of measures that drive the brand equity in the relevant product market. The measures can be groped into five categories, the first four categories, that is, brand loyalty, perceived quality, associations and awareness, represent customer perception of the brand. The fifth category includes two sets of market behaviour
measures, namely, market share and price and distribution indices, which represent market-based information. The ten survey instruments measures the strength of brand in the product category in a market. Managers should also consider the relevancy of the instruments over markets and countries and modify the measures accordingly.

Kevin Lane Keller [65] (2000) studied the world’s largest brands and identified ten common characteristics in these brands. These characteristics form the brand report card. The report card helps the managers to identify the areas that need improvement and the areas in which the brand is strong. Constructing report card of competing brands can give a clear picture of their strength and weakness. The ten characteristics the author identified are: (a) the brand excels at delivering the benefits the customers fully desire, (b) the brand stays relevant, (c) the pricing strategy is based on customers’ perception of value, (d) the brand is properly positioned, (e) it is consistent, (f) the brand portfolio and hierarchy make sense, (g) it makes use of and coordinates repertoire of marketing activities to build equity, (h) the brand’s managers understand what the brand means to the customers, (j) it is given proper support, and the support is sustained over the long run, and (k) the company monitors sources of brand equity. The author is of the opinion that building strong brand means maximizing the ten characteristics. However in practice it is a difficult task.

Pierre Berthon, James M. Hulbert and Leyland F. Pitt [66] (1999) stated that the use of brand has been central to marketing for more than a century. All areas of business gradually structuring themselves along brand and product lines, making brand managers responsible for the success of single brands or categories of products. The authors are of the opinion that the changes in brand management system are inevitable, especially with regard to the functions that brands perform for buyers and sellers
engaged in a marketing relationship. The pressure for such change may be due to influx of information technology, changing customers’ values, brand proliferation, brand dilution and influence of trade customers. The authors visualised three possible scenarios for the future, referred to as the evolutionary, the intermediate and the revolutionary and focused on brand management aspects in the three scenarios. They are of the opinion that marketing structure should move from a brand management structure to a customer based structure in which the brand manager almost become a staff function.

George S Low and Ronald A Fullerton [67] (1994) studied that marketing function is changing but the brand manager system has not changed much keeping in view of dynamic marketing environment. The authors are of the opinion that the brand manager system can survive with significant modifications. The brand manager system would be positioned with entrepreneurial flexibility, creativity and relationship building skill that are key success factors today. The brand managers should function as entrepreneurs by removing hierarchical layers and giving more responsibility and authority to pull together resources for brand development.

THE CONCEPTUAL FRAME

Brand

John Philip Jones wrote [68], “A brand is a product that provides functional benefits plus added values that some customers value enough to buy.” David Arker [69] however goes a step further in his definition suggesting, “A brand is distinguishing name and/or symbol (such as a logo, trademark or package design) intended to identify
the goods or services of either one seller or a group of sellers and to differentiate those goods or services from those of competitors. According to the American Marketing Association [70], a brand is a “name, term, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition”. These definitions suggest that the key to creating a brand is to choose a name, logo, symbol, package design or other attribute that identifies a product and distinguishes it from others. These different components of brand, which identify and differentiate it are called brand elements.

However, Graham Hankinson [71] is of the opinion that there is no accepted definition of a brand. There are only sets of perspectives that share a significant degree of agreement. These different perspectives can be grouped into six categories. Visual or verbal approach emphasise that it is the name that is lived on and not the products. Some brands are instantly recognisable by their packaging, others by their symbols. The positioning approach communicated by other commentators focus on the need to establish a unique position in the consumer’s mind that distinguishes a brand from the competition. The essence of the positioning approach is to use the marketing mix to establish a reputation or position as the number one in a market. Brand building approaches emphasise that, building of an image is the main purpose of branding. It is the symbolic aspect of the brand that comes to the force. The need to build a relationship between the consumer and the brand is at the heart of this approach. Frazer [72] quoted, “The effort to differentiate the brand is psychologically rather than physically based”. Value added approaches based upon the notion of a brand as an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant unique added values, which match their needs most closely.
Perceptual appeal approaches distinguishes different aspects or components of a brand each offering a different sort of appeal. Proponent of this approach suggest that there are three sorts of inter related appeal and each brand has a different blend of the three - an appeal to the senses, an appeal to reason and an appeal to the emotion. This approach allows a more precise examination of a brand’s anatomy. Personality based approaches emphasise on brand’s personality. The brand personality can be simply stated as a shorthand way of describing the nature and quality of the consumer response to a brand. Just like people brands are imbued with personalities that go beyond the more simple concept of an image. Personality attributes are generally identified by market-research findings.

Thus, from the above discussion it can be seen that there is no well-accepted definition of brand and different philosophers viewed a brand differently. For the purpose of this study we consider a brand is a composite concept consisting of the visual aspects, symbolic aspects, essence, appeal, personality and focus on the need to establish a unique position to the customers and differentiate it from the other competing products.
Brand equity

One of the most popular and important marketing concepts emerged in 1980s was the brand equity. This concept has been defined a number of different ways for different purposes resulting in some confusion with the term.

David A Aaker [73] has defined brand equity as “a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to the firm's customers”. Thus the assets or liabilities to underlie brand equity, they must be linked to the name and/or symbol of the brand. If the brand’s name or symbol should change, some or all the assets or liabilities could be affected and even lost, although some might be shifted to the new name and symbol. The assets and liabilities on which brand equity is based will differ from context to context. A brand’s assets and liabilities can be grouped into five categories: brand loyalty, name awareness, perceived quality, brand associations and other proprietary brand assets (e.g., patents, trade mark and so on).

Lynn, B, Upshaw [74] has divided brand equity into two regions, namely, brand valuation and brand identity. Brand valuation refers to those factors that have direct bearing on the worth of the brand, including financial assets – both tangible and ‘good will’. Brand identity on the other hand refers to that part of the equity that reaches outward to offer benefits that makes it more attractive as the object of a possible purchase. Brand identity is the product of brand’s positioning and personality. The identity facets of the brand are directed towards its customers and prospects.

Rajendra Srivastava and Allan D Shocker [75] noted brand equity sub sums brand strength and brand value. Brand strength is the set of associations and behaviors
on the part of brand’s customers, channel members and parent corporation that permits the brand to enjoy sustainable and differentiated competitive advantage. Brand value is the financial outcome of management’s ability to leverage brand strength via tactical and strategic actions.

Keller, Lane Kevin [76] defined brands equity from the perspective of the customer. Customer based brand equity is defined as the differential effect that the knowledge has on consumer response to the marketing of the brand. A brand is said to have positive customer-based brand equity when customers react more favourably to a product. Brand equity arises from difference in consumer response. If no differences occur than the brand name can essentially be classified as a commodity or generic version of product. The differences in consumer response are as a result of consumers’ knowledge about the brand. Thus brand equity ultimately depends on what resides on the mind of consumers. The differential response by consumers is reflected in perception, preferences and behaviour related to all aspects of marketing of brand.

In this study we have accepted the definition of David A Aaker and defined brand equity as the assets and liabilities linked to a brand that add to the value provided be a product or service to a firm and to a firm’s customers. Brand loyalty, awareness perceived quality, brand associations and other proprietary brand assets are the constituents of brand equity.
Brand Association

A brand association is anything linked in memory to a brand. If we consider a product or service, it could be linked to a character, for example, a name, a symbol, a consumer segment, a feeling such as fun, a product/service characteristic, an object an activity etc.

According to David A Aaker [77] brand association has a level of strength. A link to a brand will be stronger when it is based on many experiences or exposures to communications. The strength of brand associations is critical determinants of what information will be recalled by consumers and therefore affects their brand decisions. Direct experience creates the strongest brand association as long as consumers know how to interpret their experiences. The next strongest associations are likely to be formed on the basis of word-of-mouth or non-commercial source of information. Company – influenced source of information such as advertising are often likely to create the weakest associations and thus may be the most easily changed. Associations represent bases of purchase decision and brand loyalty.

Marketers may not be equally interested in all associations. Marketers are primarily interested in these associations that directly or indirectly affect buying behaviour. Marketers are also interested to identify the strength of associations. David A Aaker has identified eleven types of associations: association based on product attributes, customer benefits, intangibles, relative price, use/application, user/customer, celebrity/person, life-style/personality, product class, competitors and country/geographical area. These associations provide the basis of positioning. In fact
positioning is closely related to the associations and image concepts except that it implies a frame of reference, and the reference point usually being competition.

The power of brand association lies on how it demonstrates the value of the brand. Davis, M. Scott [78] explained the power of brand by the Brand-Value-Pyramid. Features and attributes are at the bottom of the pyramid and it implies features and attributes are easier to deliver, but least meaningful and can be most easily imitated. Product benefit is at the middle of the pyramid. Which indicates how functional and emotional benefits provide value to customers. Belief and values association lie at the top of pyramid, means that emotional, spiritual and cultural associations are most meaningful and most difficult to initiate. These are also harder to deliver. Brands at the top of the brand value pyramid enjoy incredible customer loyalty, an ability to charge price premiums and ability to sell new products and services through the brands endorsement.

For the purpose of this research work considered brand association is anything linked to the brand, may be tangible or intangible in nature.

**Brand personality**

Brand personality is what distinguishes one brand from another brand or a particular brand from a product. It is important for a brand to have a unique personality without which it might otherwise go unnoticed. Unless a brand has an enduring personality, it cannot sustain. Consumers find it easy to deal with brands that have strong personalities, because it is easier to remember them.
Moorthi [79] has classified the definitions of brand personality into three groups: emotional-centered definitions, human-centered definitions and others. Emotional-centered definitions contend that brand personality is the emotional component of a brand. These definitions see brand personality as the emotional link between the brand and the consumer. Sengupta [80] views brand personality as the symbolic aspect of brand. Upshaw [81] defines 'strategic personality' of a brand as the outer face of a brand, its total characteristics most closely associated with human traits. Human-centered definitions ask the question “what happens when this brand becomes a human being?” Both emotion-centered definitions and human centered definitions emphasise the intangible aspects of the concept of brand personality. David, Aaker [82] sees brand personality as the set of human characteristics associated with a brand. Human characteristics might be demographic traits, such as gender, age, and socio-economic class. The human characteristics may also be personality traits like warmth, sentimentality etc.

Like human being, a brand can have a complex personality. Studies have shown that observed differences between the brands can be explained by five personality factors, namely: sincerity (honest, wholesome cheerful, down to earth), excitement (daring, spirited, imaginative, up-to-date), competence (reliable, intelligent, successful), sophistication (upper class, charming), and ruggedness (outdoorsy, tough). Each factor of the five personality traits provides texture and descriptive insight regarding the nature of the personality trails. These fifteen factors of personality ingredients suggest strategic options.

Aaker [83] suggests three models of brand personality, namely, the self-expression model, the relationship basic model and the functional benefit representation
model. The premise of the self-expression model is that for certain group of customers, some brands become means to express a part of their identity. That is self-expression is the motive behind the consumption of certain products and services. The self-identity can be their actual identity or an ideal self to which they might aspire.

The relationship model suggests there is a relationship between the brand-as-person and the customer, that is, analogous to the relationship between two people. The brand customer relationship can also be based on a functional benefit just as two people can have business relationship. One important relationship between brand and customer is friendship link.

Brand personality can play a more indirect role by being a vehicle for representing functional benefits and brand attributes. The functional benefits are generally supported by visual symbol or image. A brand personality that represents a functional benefit may be relatively ineffective if it lacks a visual image established in the customer’s mind. The product attribute would be much less convincing without the personality behind the product. It is usually easier to create a personality that implies a functional benefit than to communicate directly that such benefit exists.

Kapferer’s [84] concept of brand personality is also similar to Aaker’s model. According to him, brand personality is the brand’s character that we can identity it with a person. The easy way to bestow personality on a brand is to provide it with a spokes man, a star or an animal. However, a question always engages the attention as to what matters more, the overall personality of the brand or the individual attributes and benefits of the same. It is not easy to answer the question. It may be speculated that if
the brand lasts long enough in the market, its personality becomes more important than the individual attributes.

David Arnold [85] treats “essence” to be synonymous with brand personality. Essence is the basic idea behind the brand. When a brand is configured, it is important to get its essence first. The essence translates into benefits. These benefits should be concerted to specific attributes. Ultimately these benefits and attributes form the brand anatomy.

Most of the definitions of brand personality, whether it is human-centered or emotion-centered depend a little much on the intangible aspects of a brand. Intangible aspects are important, but the tangible aspects of the brand cannot be ignored either. Thus, it is important that tangible aspect of the brand should be included as well in its personality. For the purpose of the study the definition of brand personality as given by Moorthi [86] that ‘brand personality is the sum of all the significant tangible and intangible assets of a brand’ has been accepted. It is to be noted that everything tangible and intangible about a brand is not included in the personality. Only the significant elements, which could be called the assets of a brand, would merit inclusion.

**Brand Image**

Kotler [87] defined image as the set of beliefs, ideas and impression that a person holds of an object. Image is the way the public perceives the product. The company designs its identity in order to shape the public image. Kapferer [88] also expressed similar view about brand image. He thinks that brand image is on the receiver’s side. The image refers to the way in which customers decide the entire signals emerging from the product, services and communication covered by the brand,
while the identity is on the sender's side. Identity specifies the brand's meaning, aim and self-image. Image is the result and interpretation of brand identity.

Aaker [89] viewed brand image as a set of associations, usually organised in a meaningful way. An association and image both represent perceptions, which may or may not reflect objective reality.

Christina Restall [90] proclaimed that, in many markets there are no real differences among the competitors. So one begins to explore a more emotional level and this is where the brand personality comes in. Brand image refers to rational measurements like quality, strength, and flavor. Brand personality explains why people like some brands more than others even when there is no physical difference between them. Thus Christina Restall considers brand personality as being made of the emotional associations of the brand and brand image of its physical features and benefits.

Davis, M. Scott [91] described that brand image has two components; the associations customers ascribe to the brand and the brand's persona. Brand associations help one to understand the benefits the brand delivers to the customers and the role it plays in one's life. Brand persona is the description of the brand in terms of human characteristics. This also helps one to understand better the brand's strengths and weaknesses as well as best ways to position it. Moorthi [92] viewed that many may not evaluate the company or even the product while evaluating a brand. Blind test conducted for soft drinks, instant coffee and perfumes revealed that the consumers could not really differentiate the brands when the names were concealed from them. Brand features and information obviously affect brand image. It is also argued that
brand image has three components: product attributes, consumers benefit and brand personality. Sengupta [93] considers brand image is the totality of the brand in the perception of the consumer. It includes impressions about its physical features and performance, impression about functional benefits from using it; impression about kind of people who use it; the emotions and associations aroused by it, the imagery and symbolic meanings it evokes in the consumer’s mind.

From the above discussion, we may say that the brand personality is the sum total of all the significant tangible and intangible assets that a brand possesses. And brand image is how the consumers perceive the brand. In order words, brand personality is the cause while the brand image is the effect. In this study we have considered the brand image as the totality of the brand in the perception of the customers’ benefits, performance, personality emotions, associations and symbolic meaning it projects to the customers mind.

**Brand Identity**

As a person’s identity serves to provide direction, purpose and meaning for that person, a brand’s identity similarly provides direction, purpose and meaning for the brand. Brand identity is the driver of one of the four main ingredients of brand equity i.e. brand association which is heart and soul of a brand. David A Aaker [94] defined “Brand identity is a unique set of brand associations that the brand strategist aspire to create or maintain. These associations represent what the brand stands for and imply a promise to customers from organisation members”. The brand identity generates value proposition and credibility. The brand identity model suggested by Aaker consists of four perspectives, namely, brand-as-product, brand-as-organisation, brand-as-person
and brand as symbol. The brand identity model described by Kepferer [95] consists of five interrelated elements: physique, personality, culture, self-image, reflection and relationship. By physique Kapferer means what others refer to as function and is wider than the mere physical characteristics of the brand. Brand physique is brand’s tangible added value. Aaker and Kapferer expressed personality dimension in a similar way. The culture dimension symbolises the organisation, its country-of-origin and the values it stands for. Self-image is what customers think of him. Self-image is the target’s own internal mirror. It is the internal version of the reflection. Reflection is the consumer’s perception of what the brand stands for; it means what the brand appears to be aimed at. Many reflections are aspirational, they show the sort of person that the user would like to be or aspires to be like. Relationship is the handshake between the consumer and the organisation. The brand customer relationship is characterised by trust, dependability, understanding and caring. In most product markets, people buy repeatedly and they develop relationship with the brand over time. It is clear that establishing a relationship between brand and its use is healthy and positive. In short, it could be said that both Aaker and Kapferer describe brand identity similarly though they assigned different labels to the details. It is also important to note that both Aaker and Kapferer describe brand personality as the subset of brand identity.

Lynn B Upshaw [96] stated in the broadest sense brand identity is the configuration of words, images, ideas and associations that form a customer’s aggregate perception of a brand. The identity is brands unique fingerprint that makes it one of its kinds. Kapferer called this as ‘meaning’. The most important part of brand identity is that it lives entirely in the mind of the beholder. An identity is not what a marketer creates, but what consumers perceive has been created. A brand’s messages
are received through a series of filters that exist within each consumer's life. What settles into his brain is the only true identity the brand has created.

From the above discussion one can see that all the marking philosophers have almost the same view on brand identity. However, they have used different terms in their models to define the elements. We also consider brand identity is the whole fabric of how a product or service is seen by the constituencies. The functional and emotional aspects, personality, culture, self image, reflection, relationship and personality constitute the total identity and hence the perception of a brand.

Positioning

Positioning is a comparatively new marketing concept, which to this day appears to be both confusing and confused concept. Many thinkers equate positioning to the market or segment in which the brand operates. Ennis. F, Beaven [97] defined positioning as, "identification of an exclusive niche in the market or the creation of a unique perception of the product that satisfies an unfulfilled consumer need and that serves to distinguish the product from competing alternatives". To some positioning is the attribute or benefit of the product. Hardy, Kenneth. G [98] expressed positioning as, "very simply, positioning is defining the package of benefits relative to competition that will be offered to particular target segments." In the word of Harrison, Tony [99], "the ‘position’ a product or service is said to occupy is the extremely simplified persona that the product represents in the mind of a typical consumer. It is the sum of those attributes normally ascribed to it by consumers". To some positioning and differentiation have the same meaning. Crawford, C. Merle, [100] described, "once a target market has been selected the new product marketers must differentiate their items
from products already offered to the target group. This differentiating is called positioning the product and is now in widespread use.” To others positioning is same as the brand’s image, personality or identity. Holmes, H. John, [101] focused positioning as, “.... a definition of a products position would be the perceived image consumers have of one product in relation to the perceived image of (i) similar products marketed by competing firms, and (ii) kindred brands which might be offered by the innovating firm.” Some marketing philosophers have defined positioning same as strategy. According to Ayer’s Dictionary of Advertising Terms [102], “positioning is the art and science of fitting the product or service to one or more segments of the brand market in such a way as to set it meaningfully apart from competition.” Cravens, W. David and Charles, W. Lamb [103] looked on positioning as, “...positioning to indicate how our marketing programme is perceived by the buyer relative to the programmes of our key competitors.” O’Shaughnessy, John [104] acknowledged, “The word ‘Position’ and ‘Positioning’ can often be confusing. They are used in many different ways. Positioning is defined as fitting the product to the segment where product performance and appeal most correspond,” A large number of thinkers are of the opining that positioning is the customer’s perception of the product or service. Day, S. George, [105] considered “product positing refers to the customer’s perceptions of the place a product or brand occupies in a given market.” Beckman, Kurtz, Boone [106] have also expressed similar view and stated that, “Product positioning refers to the consumer’s perception of a product’s attribute, use, quality and advantages and disadvantages in relation to competing brands.” In the words of Hehman, Raymond. D [107] “positioning a product is as the consumer thinks of it. Since the consumer is the ultimate user to the product, the consumer’s perception of the product is what your product really is.”
In fact the word positioning was popularised by two advertising specialists, Al. Ries and Jack Trout [108] and in their words, “positioning starts with a product, a piece of merchandise, a service, a company an institution or even a person. But positioning is not what your do to the product; it is what you do to the mind of the prospect. That is, position of the product is in the mind of the prospect”. Ries and Trout dealt with psychology of positioning a current brand in the consumers mind. Many thinkers referred the definition of Ries and Trout as psychological positioning. It is the game of mind, that is positioning is psyche of the customers’ rather than the product.

Philip Kotler [109] expressed positioning as, “Positioning is the act of designing the company’s offer and image so that it occupies a distinct and valued place in the target consumers’ minds.” Kotler viewed that positioning has much to do with tangible aspects of a product to capture a position, that is, emphasis is on real positioning. Psychological positioning must be supported by real positioning, it is not just a mind game.

Positioning calls for the company to decide how many differences and which differences to promote to the target customers many marketers advocate promoting only one benefit to the target market, which Rosser Reeves referred as Unique Selling Proposition (UPS), for each brand and stick to it. Besides single benefit positioning many marketers also advocate double benefit positioning and triple benefit positioning.

Panwar JS [110] expressed that positioning in any sense is not synonymous for product differentiation but something more than that. Though differences may be used as the basis for positioning, but it is more concerned with perceived association and image of the brand in relation to other brands. As positioning being a perception, it is
highly influenced by the target person’s own attitude, beliefs and expectations. Positioning is not the Unique Selling Proposition (USP) either; a product offer can be positioned even without a UPS.

Ramanuj Majumdar [111] further clarified that by physical constitution two brands of a product may be identical, yet they could be perceived differently. Conversely, two brands may be dissimilar in terms of their physical characteristics yet they could be perceived as similar if their differentiation characteristics are considered unimportant.

For the purpose of this research work, it is accepted that 'position' of a brand is its perception among target consumers. The perception is based on its functional attributers and benefits as well as on the non-functional or emotional associations it has. As positioning is the perception of customers, it is coloured by the target consumers’ own attitude, belief and experience, thus leading to the fact that different segments may perceive the same brand in different ways. The three most important points of the concept of positioning that emerges from the above discussion are: (i) the position of a brand is the perception it brings about in the mind of a target consumer, (ii) this perception reflects the essence of the brand in terms of its functional and non-functional benefits in the judgment of that consumer and (iii) it is relative to the perception, held by the consumer, of the competing brands, all of which can be represents as points or positions in the perceptual space and together, make up a product class.

THE PROCESS OF POSITIONING

The process of positioning a brand can broadly be divided into four district components: the product class or the structure of the market in which the brand will
compete, market segmentation and targeting, perceptual mapping, and brand attributes and benefits.

These four components of positioning concept are so closely interwoven and, thus be considered together for positioning of a brand.

**Product Class**

It is important to define the boundaries of competition by clearly specifying the product category in which the brand is to compete. A product class or product market can be defined as set of products and brands that are perceived as substitutes to satisfy some specific consumer need. A brand has to be positioned in the consumer’s mind at a place reserved for that product category, otherwise it may end up competing with brands with which it never intended to compete. The product class or product category in which the brands will operate is not easy to specify because of fluid nature of product market boundaries. Confusion about the product class occurs when the companies define product categories for their brands based on physical attributes or manufacturing technology, whereas the consumers look for need gratification. Consumer does not go by or care for boundaries of product categories created by the marketers. Therefore, the end use of the product should define its product classes as consumer judgment of similarity and substitution form the basis for defining a product market or product category. Deciding the product class in which the brand will operate is vital and strategists have to decide whether to compete broadly within conventional product class or with only some segment of the conventional product class or to attract users from some other product class.
Consumer Segmentation

Positioning is the target consumer's perception. Thus, it is absolutely necessary to define the target consumers clearly. Positioning and segmentation are inseparable like two sides of a coin. Segmentation specifies the need and profile of different subsets. In today's competitive environment, a brand has to be aimed at some specific segment(s). Thus, it is imperative to understand the characteristics, needs and aspirations of the target consumer.

Positioning can begin only after identification of the target segment. One cannot even think of positioning a product or a brand without defining the target segment. Selecting the target market for which the brand is designed and positioning the brand must be considered together as integrated part of one strategy. Integrated because just as a brand must be positioned to appeal to a target consumer segment, a consumer segment too would respond to a brand that occupies the position preferred by it.

Perceptual Mapping

Perceptual mapping is theoretical basis of positioning. It helps to make the concept operational. A perceptual map is a diagrammatic representation of the consumer's mind in which a firm can visualise the position of its own brand vis-à-vis other competitive brands as it identifies the dimensions that differentiate consumer's perception about various competing brands.

Perceptual map only tells where a brand is positioned in the mind of the prospect in relation to other brands. This is not enough, it is also important to know the preference of the given consumer segment in a particular product category or product
market. Consumers can express such preferences only in terms of benefits. What benefits the consumers expect from the product, how important these benefits are to them, which benefits they want more, - these data when plotted gives the 'ideal point' in the perceptual map. Preference map measures the gap between the position of the brand as actually perceived and the preferred or ideal position of its target segment. This helps to discover the vacant position in the market structure and this leads to various strategy decisions.

Knowing the ideal point or preferred position of the target segment a company can judge, whether the brand needs to be brought closer to the ideal point or to change the target consumer’s perception of such an ideal point and bring it closer to the position of the existing brand, or to launch a new brand to match the preferred position or ideal point.

**Brand Attributes and Benefits**

Consumers do not accept a brand so easily. A very simple and common question often asked by the consumers is, “What is there for me?” The brand must offer some benefit, which is important to the consumers. A consumer can only allot a position in his mind to a brand whose benefits are meaningful to him. He compares and places the brands in relation to their desirable benefits.

**POSITIONING STRATEGIES**

The goal of a positioning strategy is to create a position that is attractive to target customers and create a good source of cash flow for the business. Achieving a
certain level of market-share is the key factor in the success of a marketing strategy and it directly depends on the strength of company's product positioning and market effort. This means that a weak product position with strong marketing effort or a strong product position with weak marketing effort will fail to deliver a designed level of market share. To be successful, a business needs both.

Based on target customer needs, a business must develop a product position, that is, in some way different and superior to competitors' product positions. In a price sensitive market, generally low prices as source of differentiation is valued by target customers. For markets in which differentiation is possible and valued by target customers, a variety of differentiation strategies are possible. Product differences, service differences and brand image differences are meaningful to the customers and offers differentially superior to competitors can create a more attractive product position.

Many customers are not seeking the lowest price, and many are willing to pay a higher price for products that deliver important customer benefits. Differences in product durability, reliability or performance can attract customers who are seeking products in these areas. Thus starting with the target customer needs, a business can seek to develop an attractive product position by differentiating their product on a product difference that is meaningful to target customers.

Brand benefits such as strong association with prestige and status are important to many target customers, and these are the basis of product positioning. A strong brand enhances positive evaluations of a product's quality, maintains a high level of product awareness and provides a consistent image or brand personality. Thus brand
image or personality can be an important source of differentiation and positioning strategy.

There are many strategies for positioning brands, and many of these can be formed into powerful combinations. Companies have learnt to harness the power of positioning by using a combination of two or more positioning strategies. Some naturally go together, like features and benefits are so close that they are inevitably combined.

Positioning by Attribute

Probably the most used positioning strategy is to associate a product with an attribute, feature or characteristic \[112,113,114,115\]. Developing such associations is effective because when the attribute is meaningful, the association can directly translate into reasons to buy or not to buy a brand. The brand must distinguish itself from the competitors on an attribute that is meaningful, relevant and valuable to the customers.

The positioning problem is usually to find an attribute important to a major segment and not already claimed by a competitor. The identification of an unmet customer problem can sometimes lead to an attribute ignored by the competitors. Marketers endow the product with some unique feature or benefit that makes it superior to competition. This unique feature becomes the clinching reason why the ‘support’, as it is called – to claim the consumers preference \[116\]. The golden rule for selling is, marketer is to be clear what is for sale. The advantage of positioning by attribute or feature is that the marketer never wanders too far from the core what is for sale \[115\].

It is always tempting to try to associate a brand with several attributes, so that no selling argument or marker segment is ignored. A positioning strategy that involves
too many product attributes can result in a fuzzy, confused image and sometimes contradictory. The use of several attributes can work well when they support each other.

Features and attributes are not really sustainable in the long term. Although feature may yield a short-term competitive advantage, they are unlikely to be totally and indefinitely unique. However, positioning using this strategy can be advantageous for innovative companies that constantly produce goods with innovative features. A company can own market leadership position with an innovative feature approach [117].

**Positioning with respect to Benefit**

Consumers tend to cluster around some benefits. Some consumers cluster around one benefit; other consumers would cluster around other benefits. This enables differentiation in a product market and has been well documented as ‘Benefit Segmentation’ [118]. Most product attributes provide consumer benefits. Thus there is a one-to-one correspondence between the two. However, whether the dominant association is a product attribute or a customer benefit can sometimes be pivotal. The difference is important in the development of associations [119]. When positioning is based on a specific feature of a product, the objective is or should be to position it in terms of the benefit flowing from that feature or attribute. Consumers buy benefits and not features.

A well-made product would usually offer more than one benefit. Promises of multiple benefits, however, tends to get lost because they create vague and diffused
imprint in the minds of consumers. Successful consumer products promise one or at the most two benefits and brand franchises are created around those specific benefits.

A brand is a composite entity, composed of functional or tangible benefits and non-functional or emotional benefits. The position which the consumer gives to the brand in his or her mind represent his or her perception of the brand in terms of its functional or non-functional benefits. Studies revealed that a non-functional or emotional benefit could be a powerful association even for products like computers. A psychological benefit will be more effective if it is accompanied by a rational benefit.

Positioning by Price-Quality

Price quality positioning is one the most powerful positioning concept. The consumer looks at the product in a category, at different levels of price, offering different standards of quality and decides which price-cum-quality level is most suitable for a given need. In a heterogeneous market, consumers have different expectation of quality, and this offer opportunity for greater price quality satisfaction and positioning [120].

Positioning with respect to relative price is complex. In some product classes, there are five well-developed price levels e.g., budget, economy, mid range, luxury and super luxury. The brand usually needs to be clearly in only one of the price categories. The job is then is to position its offer away from others at the same price point [121]. In today’s market, there no longer exists such a thing as a bad product. The notion of cheapness is not synonymous with poor quality, but on the contrary implies ‘value for
money'. One extreme of the strategy is high quality product at high price and at the other end there is low price and acceptable quality brand. A consumer is satisfied with value for money brand that he purchases. This brand positioning strategy requires cost leadership or the ability to be one of the industry's, lower-cost producer.

When a consumer is satisfied with the value-for-money brand that he has purchased, he is likely to feel reinforced in his decision when the advertising for the brand creates an image that places the brand above its perceived rung on the price quality ladder. In this situation, the tangible product gives the target consumer 'value for money' and satisfies the consumer.

**Positioning with respect to use or application**

Positioning by usage or application is a strong differentiating strategy. This strategy implies associating a product with a use or application [122]. By employing this strategy well, it can virtually pre-empt that particular usage. The marketer has to find out a strong usage position, sit on it and make it the brand's domain. A selective usage position may turn out to be quite profitable if the brand attracts an adequate number of consumers and the brand dominate the position.

Positioning by usage strategy is also adopted when a brand wishes to expand its market by creating and occupying other usage positions. This happens more often with mature brands where the existing market by usage has reached near satiation [123].

Products can have multiple positioning strategies, although increasing the number involves obvious difficulties and risks. Often a positioning-by-use strategy
represents a second or third position for the brand, a position that deliberately attempts to expand the brand’s market [124].

**Positioning with respect to Product Class/Category**

Positioning with respect to product class or category is a positioning strategy based on product’s functional capabilities. When an existing product category is too crowded to take the same basic product, at times it is convenient to position the product in another category, provided the attributes of the product matches consumers expectation from that category. The brand than be perceived by prospects in a different light. Sengupta, Subroto [125] termed this positioning strategy as, ‘macro positioning’ or ‘intersect positioning’.

This is an effective positioning strategy especially when introducing a new product [126]. The category-related positioning decision determines the product market in which the product will operate. It defines the competition. Generally the marketer selects a category where there are no strong competitors making the brand a ‘me too’ product. The category is chosen with a belief that the product has a long-term future in that category.

Once the category has been chosen in which the brand will operate, the marketer should suitably modify the product and other elements of the marketing mix to match the category. The functional feature of the product, the packaging form, the distribution channel must mesh more closely with the position. The ‘Maruti Van’ was initially positioned as a Van. It was to compete against Bajaj and Standard Vans. Consumers tended to identify the van as a light commercial vehicle rather than a passenger car. The major problems appeared to be an unclear positioning or a
communication gap in the market place. Brand personification test carried out by the Maruti Udhyog Limited (MUL) revealed that ‘Maruti 800 Car’ associated with a cat or rabbit and the majority of the respondents perceived ‘Maruti Van’ as a larger cat. Thus, the Maruti Van derived its identity from the Maruti Car. The problem was to give the vehicle an independent identity and clear positioning. The distinct quality of space and versatility formed the basis for the positioning strategy. First the van was given a brand name ‘Omni’ and the ad projected, ‘The most spacious car on the road’. Its competition was with other cars like Ambassador or Fiat and indeed the Maruti car itself.

**Positioning by Corporate Identity**

Generally in the case of consumer durables, a tried and trusted corporate identity or source becomes a household name for some products [127]. A product comes from a company and every company has its own history. Generally the stronger the company profile, the better the image of its products. Company’s name plays a vital role in successfully launching a product and eventually creates the product position in the market [128]. Positioning by corporate identity concerns the corporate credentials of the brand. The prospect is urged to think of the brand in terms of its origin, its family tree and the birthplace from which it comes. Positioning by corporate identity can give the brand a competitive advantage.

Positioning on the basis of corporate identity increased in the second half of 1990. The trend is likely to continue. The trend has been evidenced in the growth in the amount of money devoted to corporate advertising rather than product or services advertising. One of the main reasons of positioning on the basis of corporate identity is
that, as the brand is becoming a global brand, there have been pressure from stock markets around the world that have forced companies with significant brand portfolios to raise their profiles as owner of these brands [129]. If a company is creating and maintaining a corporate brand, then the culture of the company has to be appropriate to the essence of the brand.

An interesting phenomenon witnessed, of late, by Indian market is the extension of successful consumer brands or corporate names to quite un-related field of financial services, such as consumer and corporate credit, leasing and merchant banking. Presently Onida, Videocon, Reliance, Ashok Layland, and many more financial comprise operating in the ever-increasing financial services market. These newly emerged firms derived their strength from the equities of their brand names developed over the years [130].

**Positioning by Target Audience**

Target segment for a brand and its position as being inseparably linked like two sides of the same coin. The dimensions used by the firm to segment the market, are also valid for positioning the brand [131,132]. The market segment selected by a firm is made up of consumers with more or less identical needs and expectations and have some important similar characteristics. Thus the consumer's response to product and brand offerings is also likely to be similar. One of the most effective ways to send out a positioning prompt that reflects who buys the product [133].

This strategy can be used in two ways [134]. One way may be described as one brand having many faces if there is multi segment audience. It is typically used by brands with line extensions, like Nike, Reebok and Adidas in the sports-shoe market.
There is a generic corporate brand positioning but individual products aimed as specific sports users are targeted with appropriate sponsorship and endorsement deals. The second way of using this strategy is to find a specific segment and giving it precisely what it wants. The most commonly used bases for segmentation are: demographic variables like age, income, sex, occupation and education; benefits or satisfaction sought by the consumer from the product or brand; uses rate and pattern (like heavy, medium, light users etc.); and intangible psychological variables such as lifestyle, personality, social class etc.

In this positioning strategy the brand managers' obvious choice would be that segment for which the brand seems to be just right and will be better preferred to any competing brand.

**Positioning by Brand Endorsement**

When a brand has proved very successful in one product category, the marketers often exploit the strength of the name for entering in another product category. Positioning by corporate identity and positioning by brand endorsement answers to many of the consumers query like, who are you? Do I know you? [135]. C Merle Crawford, C. Merle [136] referred this positioning strategy as 'Parentage', because it answers where the product comes from, who makes it, who sells it, who performs it and so on. Crawford identified three ways of parentage positioning as 'brand', 'company' and 'person'.

In 'parentage' strategy some of the practical questions that arise are, 'how much of parentage?', and "how much of offspring?" In such situation, marketing
managers has to find the right balance between parentage and offspring. This can be quite a dilemma for the marketing managers. How much parentage positioning will give the new brand a good start against competition and how much of it will swamp the identity and prevent the prospect from recognising a new and different offering.

**Positioning by Competitor**

Aggressive marketing companies try to add to their brand a clinching advantage through some unique feature. Positioning by competitor that is positioning through comparison with the main competitors is another way to demonstrate brands superiority.

By definition, positioning deals with how a brand is viewed compared to its most obvious competitors, so the idea of a competition driven positioning might seem redundant. However 'judge me by my rival' approaches have cropped up between and among many competitors. Some of these positioning prompts draw their credibility as much from what their competitors are not as they do from what they are [137].

In most positioning strategies, the frame of reference, whether explicit or implicit is one or more competitors. In some cases the reference competitors can be the dominant aspect of the positioning strategy. It is useful to consider positioning with respect to competitors for two reasons [138], first the competitor may have a firm, well-crystallised image, developed over many years, which can be used as a bridge to help communicate another image referred to it. Second, sometimes it is not important how good customers think you are; it is just important that they believe you are better than a given competitor.
Positioning with respect to a competitor can be an excellent way to create a position with respect to a product characteristic, especially price quality. Products that are difficult to evaluate often use an established competitor to help the position task.

One form of positioning with respect to a competitor is through the use of competition advertising, in which a competitor is explicitly named and compared on one or more product characteristics. We see a growing amount of comparative advertising in India especially in passenger car segment.

Trout and Ries [139] talked about four ways to fight a marketing warfare.

**Defensive Warfare**

It is only the market leader who should consider playing defence. However it must be considered that the companies don’t create leaders, customers do. It is whom the customers perceive as the leader that defines a true category leader. The best defensive strategy is to have courage to attack oneself. Because of its leadership position, the defender owns a strong point in the mind of the prospect. The best way to improve the position is by constantly attacking one’s own position. In other words, the leader strengthens his position by introducing new products or services that obsolete his own existing product. Competitors constantly struggle trying to catch up and thus, always out of balance. Attacking oneself may sacrifice short-term profits, but it has the fundamental benefit. It projects market share, the ultimate weapon in the marketing battle. Any leader that hesitates to attack itself usually loses market share and ultimately market leadership.
The principle of defensive warfare is that the strong competitive move should always be blocked. The marketing warfare takes place inside the mind of the prospect. Thus it takes time for an attacker to make an impression in the mind of prospect. That is the time the leader should block the move of the attacker. But the leader must move rapidly before the attacker gets established.

**Offensive Warfare**

Offensive warfare is the game for the No.2 or No.3 company in the given field. That is a company strong enough to mount a sustained offensive against the leader.

The principle of offensive warfare is the consideration of strength of the leader's position. The No.2 and No.3 company should focus on the leader, the leader's product, sales force, pricing, the leader's distribution etc. What the leader owns a position in the mind of the prospect. To win the battle of the mind one must take away the leader's position before it can substitute his position. However, it is not easy for a No.2 company to keep this concept in focus.

The attacker must find a weakness in the leader's strength and attack at that point. Weakness in the strength implies a weakness that grows out of strength; it is an inherent part of the strength. Price is not always a weakness.

**Flanking Warfare**

Flanking is the most innovative way to fight a marketing warfare. A good flanking move must be made into an uncontested area. It is not necessary that a flanking move requires a new product, but it is necessary that some element of newness
or exclusivity must be there. The prospect must put the product into a new category. The flanking company must be the first to occupy the category or segment. Flanking skill required exceptional foresight. The reason is that in a true flanking attack, there is no established market for the new product or services.

The tactical surprise ought to be an important element of the plan. The most successful flanking moves are the ones that are totally unexpected. The greater the surprise, the longer it will take the leader to react and try to cover. However, in most cases test marketing and too much research disclose flanking moves.

Many companies achieve their initial marketing targets and then they move resources to other endeavours and quit after they are ahead. The best time to build a strong position is in the beginning, when the product is new and exciting and the competition is scarce or running scared. It is important to use the marketing weight to get the new product off the ground, before the leader can cover and the product get overwhelmed by a parade of 'me too' products. The main form of flanking warfare is low price. The trick is to cut cost in areas where customers would not notice or do not care (the no-frill approach). For many products, high price is a benefit. The price adds credibility to the product. The other forms of flanking strategy may be flanking with small size (as in the case of SONY Walkman), flanking with large size and flanking with distribution etc.

**Guerilla Warfare**

The small companies in the land of giants can flourish by guerilla warfare technique. In guerilla form of marketing warfare, the size of the competition is important and all marketing tactics directed towards competition. In guerilla warfare, it
is important to find a segment of the market small enough to defend. It could be small geographically or in volume or some other aspect difficult for a larger company to attack. In this strategy no matter how successful one becomes, but never act like a leader.

A guerilla company generally does not have any formal organisation structure and as far as possible there is all line and no staff personnel. The lean organisation increases the quickness of guerilla characteristics. It takes advantage of its small size to make quick decision.

A guerilla is to be prepared to bug out at a moment’s notice. A guerilla company does not have the resources to waste on a lost cause. It should be quick enough to give up. It should take full advantage of its flexibility and small size.

There are many forms of guerilla warfare strategies. There are geographic warfare strategies in that almost any national product or service can be attacked locally. In demographic guerilla tactic, it is to appeal to a specific segment of population, created by carrying out a specific category by age, income, occupation etc. There is industry guerilla strategy, in that a guerilla company concentrates on a specific industry. In product guerilla strategy a guerrilla company markets with unique one-of-a-kind product to a particular segment. Some guerilla companies adopt the strategy to serve the high end of the market.

**Positioning Based on Brand Personality**

Positioning based on brand personality can be the most powerful of all the strategies if correctly formulated and executed. The basis behind the strategy is to
project personality characteristics as part of brands identity, which people will find attractive. The personality may contain characteristics similar to those possessed by the target customer group or those, which they aspire to have or be with [140]. Every person possesses a personality and a life-style that is rich, complex and vivid and distinctive as well. But a brand – even a machine such as a car- can be imbued by customer with a number of very similar personality and life-style characteristics [141].

A good brand has both rational side and emotional side. On the rational side, the promise tends to be based around quality and tangible items. This is vital because all strong brands possess outstanding quality. On the emotional side, the promise is usually something special – a set of associations or intangible benefits – that differentiate a brand from others. Building powerful brand is creating and developing the emotional associations, that attract consumers, and this is best done by adding personality to the brand. Therefore, success of positioning based on brand personality largely depends upon careful selection, development and management of brand personality. It is the brand personality that can develop the presence of the product / brand and provide the unique point of difference. Just as with human beings, presence along is not enough. A person can be present in any given situation without making any impact or attracting notice. It is the personality that defines his individuality – the ability to stand out in a crowed. If we substitute the crowed with the market place overwhelm with competing products, the brand with strong personality will stand out in the market.

It is the personality of a brand that can appeal to the four functions of the mind that is thought, feeling, sensation and intuition. There are about two hundred words that
describe personality characteristics and that can be used for incorporating personality into brands [140].

An interesting point arising out of research that people tend to prefer brands that fit in with their self-concept. Every one has views about themselves and how they would like to be seen by others. They like personalities that are similar to them or to those whom they admire. Thus, creating brands with personalities similar to those of a certain group of consumers will be an effective strategy. The closure that brand personality of one which they admire or aspire to, the greater will be willingness to buy the brand and the deeper brand loyalty.

There are various ways of creating brand personality. One way is to match the brand personality as closely as possible to that of the consumers or the personality that they like. The process demands: (a) define the target customers, (b) find out the need, want and like of the target customers, (c) build a consumer personality profile, (d) create product personality to match the profile. This profile approach aims at reinforcing the self-concept of the consumers and their aspirations. This approach is ideal for brands that adopt market niche strategy, and can be successful if the market segment has high degree of homogeneity.

There are other ways of determining brand personality characteristics, such as through staff consultation surveys, brainstorming and so on. Some characteristics may be created by the company founder.

The brand personality must evolve slowly and not to be subjected to rapid or frequent changes. Consumers like consistency and predictability when they develop a relationship with a product / brand.
A brand's personality must not be too complex. It is often questioned how many personality characteristics a brand should have. There is no definite answer to this question, but it is generally acknowledged that there should not be more than seven or eight characteristics, beyond which it becomes very difficult for the manufacturer to project the personality without confusing the consumers. It is generally accepted to focus on three or four personality characteristics and establish them well in people's mind. Limiting the number of personality characteristics does not restrict the brand's performance.

**Positioning by Emotions**

People buy products to satisfy some physical or material needs. But once the most basic and primitive needs are met, people look to products for some other rewards as well. As people graduate from the basic need level to somewhat higher standard, more and more products must offer not only physical or functional satisfaction, but psychological or non-functional rewards as well. The concept of Maslow's hierarchy of needs is relevant in this context. The non-functional values of brands must satisfy social and esteem needs.

The brands have symbolic meanings was known to academics and practitioners over 40 years ago. Quite often this symbolic meaning was referred to as 'brand image'. No matter how rational our world may be we are still emotional animal. Often the symbolic behavior may be more important to the individual than the functional benefits provided by the brand.
When differentiated, positioning based on physical features and functional benefits becomes less feasible and less persuasive, one has to look for differential advantage on the basic of non-functional or emotional and psychological values of the brand.

Emotion is very strong in every individual even though emotional feelings may sometimes be repressed. Emotion has more impact on positioning. Even white good products like washing machines, automobiles are realising the importance of emotion in positioning their products.

Most branded products have a physical as well as symbolic character. At the heart of our buying activity is the urge to match our self-image with the image of our most preferred or favoured brand. Thus, in positioning a brand with its non-functional values, that is, positioning with its symbolic meaning the marketer must ensure that the symbolism helps to support the self concept of the target consumer. All the elements of the marketing mix must communicate to the target prospect the desired clues for consumer perception and thus create the desired symbolic meaning for the brand [142].

Positioning by emotion strategy is often used by companies either on its own or in combination with other strategies. It is powerful because emotion sells. Sometimes it requires the inclusion of an appeal to the rational, the logic side of consumer thinking in order to attract enough of the target population. Many companies have understood the value of romantic, sensual emotion, sex, music, aspirations, nostalgia, humor and many others and is growing the brand through this positioning strategy. These communication techniques are used in appealing to the emotional drive of consumers. However, it is to
be kept in mind that the interpretations of emotional imagery may vary from country to country.

Commercial Positioning

The concept of commercial positioning introduced by Ennis F Beaven [143]. This concept is also known under the name, “The Big Advertising Idea’ [144]. The concept involves the execution of the selling idea in its final presentation to the consumer, not the selection of idea itself. Marketing managers are aware that other equally good products quickly follow new products. Virtually the attributes and benefits of all these imitative brands are similar to existing competition or characteristics and selling ideas of existing competition can be easily duplicated by potential competition.

A marketing practice is to assume that the product or selling concept will be duplicated if it is a market success. Thus, it is instrumental for the original sponsor of the idea to protect or insulate it from the competitive imitations.

The principle of commercial positioning concept involve the creative execution of selling ideas in advertising, packaging and promotion materials, whose purpose are: (a) effectively communicate the product’s selling idea to its end customers, (b) endow the idea with long-term exclusivity and distinctiveness through the style or format of its presentation technique. This can be accomplished in several ways. In advertising the image or perception of the brand is created through casting, the musical scores, the situation presented or by optical effect. It can also be achieved by creating a line of advertising copy that uniquely sums up the brand’s basic selling idea. The same result
often can be achieved through brand's name and its package design. For products already introduced into the market, the use of a qualifying statement in support of the established name can be equally effective. These devices are all parts of an executional format having the same objective of communicating a positioning concept that will endure against competitive imitation.

The view of Ennis F Beaven is creative execution and protecting this selling idea-cum execution against competitive duplication through copyrights and trademarks. It is not certain in India that we can protect the creative execution for a selling idea through trademarks and copyrights. However, it is a fact that reputed ad-agencies and advertisers follow the conventions of not deliberately imitating the creative execution of a competitive brand.

PASSANGER CAR AND ITS CLASSIFICATIONS

Passenger Car

In Motor Vehicle Act 1988 [MVA] [145] there is no terms as 'Passenger Car', the nearest term is "Motor Car", and it is defined as, "motor car means any motor vehicle other than a transport vehicle, omnibus, road-roller, tractor, motor cycle or invalid carriage". Thus, to understand what a motor car means, it is necessary to understand how the terms motor vehicle, transport vehicle, omni-bus, road-roller, tractor, motorcycle and invalid carriage are defined. The Indian standard IS-14272 (Part I): 1995 [146] described 'Passenger Car' as, "A motor vehicle which on account of its design and appointments is intended mainly for carriage of persons and their luggage." It also defines 'motor vehicle' as, a self propelled vehicle used on road or off-road which is not rail borne and which is normally used for / carriage of persons and /or
Passenger car comes under M1 category of motor vehicle. The M category is defined as, “motor vehicle having at least four wheels used for carrying passengers”, and M 1 category (within M category) stated as, “vehicles used for carrying passengers and comprising not more than nine seating positions including driving seat. This includes forward control vehicle having steering wheel located in forward quarter of the total length of the vehicle”.

For the research study we shall consider a passenger car as defined in the IS-14272 (Part I): 1995.

**Classification of Passenger Car**

The two basic parameters that are usually the criteria for segmentation of automobile in the Indian market are the size and the price of the vehicle. Of this, the price also varies quite a bit due to the optional equipments and accessories available with different variants. Some of the basic categories that are present in the passenger car segment in India are as follows:

(a) **Class A (Minis):** This class includes models like Maruti 800 and Omni. This class also refers to as the Sub Rs 2.5 lakh cars.

(b) **Class Sub-B (Sub Compacts):** This class also refers to as Rs.3-4 lakh segment. This class includes models like the Maruti Zen, the Wagon R, the Daewoo Matiz and the Hyundai Santro.
(c) **Class B (Compacts):** This class includes models like the Fiat Uno, and the Tata Indica. In most cases, class Sub-B and class B are considered together in Rs 3-5 lakh segment, as far as competition is concerned.

(d) **Class C-1 (Small Sedans):** This class include models like the Maruti Esteem, the Fiat Siena, the Ford Ikon and the Hyundai Accent.

(e) **Class C-2 (Medium Sedans):** This class includes the Hindustan Motor’s Lancer, the General Motor’s Opel Astra, the Honda City and the Maruti Baleno.

(f) **Class D (Large Saloon):** This class includes the models like the Hindustan Motor’s the Contessa and the Tata Estate.

(g) **Class E (Luxury Saloon):** This class includes the luxury brands like the Mercedes.

The four classes C-1, C-2, D and Class E are sometime loosely called ‘Luxury Car’ range. This luxury car range is again divided into two halves, - with Maruti Esteem, Ford Ikon, Hyundai Accent, Daewoo Cielo, Opel Corsa falling in the bottom layer and the Opel Astra, Honda City 1.5, Lancer and Baleno in the upper range.

Apart from these cars, there are new bread of Sports Utility Vehicles (SUV), Multi Utility Vehicles (MUV) and Multi Purpose Vehicles (MPV). These are now parts of the passenger vehicle segments. The categories of these classes are as follows: -

(a) **Sports Utility Vehicles:** This class includes models like the Tata Siera, the Tata Safari and the Mahindra & Mahindra Armada.

(b) **Multi Utility Vehicles:** This class includes models like the Mahindra and Mahindra Commander and the Tata Sumo.
(c) **Multi Purpose Vehicle:** This class includes the models like the Voyager, the Mercedes Van and the Toyota Qualis.

Recently, the Society of Indian Automobile Manufacturers (SIAM) has come out with a revised segmentation of passenger car based on engine size. According to the revised segmentation advocated by SIAM, passenger cars with engine capacity up to 999 cc will comprise the ‘A’ segment; 1000 cc to 1300 cc- ‘B’ segment; 1300 cc to 1600 cc- the ‘C’ segment, while 1600 cc plus will be categorised in the ‘D’ segment. However, it is said that this type of segmentation gives certain players unfair advantage. For example, Maruti Udyag Limited with both the Maruti 800 and 800 cc Alto comprising under the ‘A’ segment and would be a clear leader of the segment. While the 1400 cc Tata Indica will fall in the ‘C’ segment and would appear to be the leader in the ‘C’ segment.

The passenger car segmentation is a dynamic process and constant re-segmentation is taking place in the Indian passenger car market. Besides price and size of car, presently price-value equation is being established. New benchmarks are being created.

For the purpose of the research study, the passenger car market is divided into the following three segments:

**(a) Compact Car Segment:** This class include brands like the Maruti Zen, the Daewoo Matiz, the Hyundai Santro, the Tata Indica etc., having price range from Rs.3 Lakh to Rs. 5 Lakh.

**(b) Mid Size Car Segment:** This class include brands like Maruti Esteem, Fiat Siena, Hyundai Accent, Ford Ikon and Daewoo Cielo / Nexia etc. having price range from Rs.5 Lakh to Rs 7 Lakh.
LIBERALISATION POLICY AND AUTO INDUSTRY INDIA

The decade of the nineties began with economic and industrial policy reforms. Indian moved away from, controls and regulations towards liberal and automatic approvals and market forces. There has been a two - way change, one a shift in direction and the other pace of change. The economic reform is a total break with the past, promising the end of bureaucratic red tape and licenses and the beginning of deregulation, economic and trade liberalisation and privatisation. The key goal of the reform policy is how to support and promote private sector efforts and involves foreign enterprise and technology to attain internationally competitive cost structure and quality performance. The reform enabled India to make a U turn.

Till July 1991 Public Sector Undertakings (PSUs) dominated the market. PSUs were insulated against competition. The administrative perspective of the government controlled their management policies and chronically non-performing enterprises were supported through burden on budget.

Government of India announced the new industrial policy in July 1991. The main aim was to introduce liberalisation with a view to integrate the Indian economy with the world economy. In the new industrial policy, government abolished industrial licensing for all industries except specified 18 industries. These specified industries would continue to be subject to compulsory licensing for reasons related to security and
strategic concerns, social reasons, hazardous chemicals, environmental reasons and items of illicit consumption.

In April 1993, the Cabinet Committee on Economic Affairs decided to remove three more items from the list of 18 industries reserved for compulsory licensing. These three items are motorcars, white goods (which includes refrigerators, washing machines, air conditioners etc) and raw hides, skins and patent leather. The basic purpose of de-reservation on these three items is to increase the flow of investment in these industries.

It is important to note that very few government regulations or direct controls were imposed to restrict entry. Only import duties and excise duties are the main levers to control the transition. The passenger car segment was liberalised in terms of entry, but the removal of excise concession made the passenger car segment the most heavily taxed among all segments. Initially government examined case by case for every new entrant and imposed conditions, but subsequently in June 1995 introduced company specific route of Memorandum of Understanding (MoU). Under the MoU, every new car manufacturer who imports ' Completely Knocked Down Kit' (CKD) or 'Semi Knocked Down Kit' (SKD) is required to submit import, export and indigenisation plan for five-years period. Even the MoU system is not free from defects. For example, the distinction between CKD/SKD kits and components is still not quite clear. The effective tax rate of CKD/SKD kit and components differ substantially (CKD/SDK 96 per cent and component 61 per cent) leading to uncertainty and confusion. There is no clear and transparent definition of local content. Although government's clarification has resolved many of the ambiguities, however it still leaves many loopholes.
The agenda of reforms is not yet complete. The areas in which reform processes are effective also require further action. Further liberalisation points will cover the areas of trade and industrial policies, reforms in the financial sectors, laws and procedures that impede competition raising various ceilings, removal of bureaucratic bottlenecks etc. There is a need to increase the pace of reform.

GLOBALISATION

Globalisation is best described as a process of deepening internationalisation. The major actors in the global economy, firms and governments, are both impacted by this process and also have helped to shape its development. So far as firms are concerned, internationalisation has been an uninterrupted process of increasing significance and intensity since 1950s. Three aspects of this process are particularly noteworthy.

First, an increasing number of firms have been involved in international production. Leading firms from all major capitalist countries have followed the example of US and UK and have become more and more international in their scope, utilising not only international trade but also direct foreign investment, and other forms of international production such as licensing, international joint ventures, and sub contracting.

Second, there has been a sectoral widening of international production. Thus, during 1960s, the most rapid growth of international production took place in manufacturing, since then it has been the service sector that has experienced the most rapid growth in internationalisation. This tendency has been most prominent in banking.
and financial services. Other business, related services such as advertising and accountancy have also experienced growing internationalisation.

Finally, it is important to note that international business activities have experienced qualitative and quantitative expansion. These qualitative changes related to the increasing process of intra-firm integration of international business activities. Most firms have changed from being international to being more multinational or even global in their internal organisation. An international firm is one for whom its domestic market is on predominant importance and which views international business as a way of further exploiting assets and capabilities developed for the domestic market. A multination firm treats foreign markets as being equally important to the home market. A global firm makes little distinction between foreign and domestic markets.

Although direct participation in international production is still confined to a relatively small number of firms, the process of internationalisation nevertheless impacts all firms. For one thing, firms in almost all industries face direct competition from international rivals. As an example, the majority of firms in the fast food industry are very small with only local marketing horizons; however, the most competition faced by such firms comes from global firms such as Mc Donald of Pizza Hut. Further technological change is breaking down industry boundaries and; as a consequence, firms experience (unexpected) competition whose origin is often from outside their domestic market. For example, traditional postal business is increasingly being impacted by electronic mail and other computer network services.
COMPETATIVE ADVANTAGE

Competitive advantage may be secured through differentiation of the organisation and or its product and services in some way in order to gain preference by all or part of the market over its competitors. This may result in higher market share and or margins than competitors. In general competitive advantage will be obtained through offering higher customer value. It is argued that there is not common meaning of “Competitive Advantage”, it being used interchangeably with ‘Distinctive Competence’ to mean relative superiority in skills and resources, or with ‘positional superiority in the market’, as providing greater customer value, which yields high market share.

Resource based theories argue that there are two related sources of competitive advantage: (a) assets, i.e., the resource endowments the business has accumulated (e.g. investment in the scale, scope and efficiency of facilities and systems, brand equity etc.) and (b) capabilities, defined as “the glue that brings these assets together and enables them to be deployed advantageously. Capabilities differ from assets in that they cannot be given a monetary value. They are so deeply embedded in the organisational routines and practices that they can not be traded or imitated”. They include skills and processes, and are often tacit. They have some similarity to the core competencies, except that these are seen as the capabilities, which support multiple businesses within an organisation.

It is said that two capabilities are particularly critical to competitive advantage, namely market sensing capability, which is the ability to detect changes in the market and to anticipate the possible responses to marketing actions that may be taken; and customer linking capability, which embraces the “skills, abilities and processes needed
to achieve collaborative customer relationships. It is important to establish a competitive advantage, which is sustainable, i.e. not easily eroded by environmental changes, or imitated by existing or potential competitors.

CONSUMER PERCEPTION

Consumers are continually exposed to a multitude of stimuli from companies, the environment and other people, and they endeavour to make sense of visual stimuli through the perceptive process – which may be defined as the result of interaction between stimuli and individual / personal factors.

The perceptive process is subjective and individuals tend to select, organise, and interpret stimuli and information according to existing beliefs and attitudes, which in turn influence consumer reaction, attitudes, and behaviour. Further, there are limits to the number of stimuli that consumers can pay attention to and comprehend at any one time and so the receptive process becomes selective. In fact, consumers have selective exposure to stimuli, selective perceptions (and sometimes distortion) and in turn selective retention and selective decision-making. In addition, perception changes as needs and motives change, as more stimuli become available, and as a function of increasing experience of consumers.

OPERATIONALISATION OF THE CONCEPT

In the pre-liberalisation period government controlled the car industry in India. The quantities to be manufactured and even the price to be charged were decided by the government. At that time very few brands of cars were available in the market. The
Indian customer had to choose one from the three available brands, the Ambassador, the Fiat and the Standard. During this period the demand of car was much more than the supply and practically there were no competition. Even there was no marketing outlook by the marketers. In such scenario simple marketing strategy was sufficient and worked well.

After liberalisation of the passenger car segment in 1993 many global players like General Motors, Ford, Honda, Mitsubishi, Hyundai, Daimler-Chrysler entered in the passenger car segment and suddenly the compact car segment and the mid size car segment were full with the world class brands. Introduction of a number of brands in the Indian car market led to intense competition. To meet the challenges of competition positioning of the brands in the respective segment became utmost important. And therefore, for the purpose of the present research endeavour our concept of positioning in relation to passenger car segment will include all the positioning strategies followed by the MNCs and in total we have isolated the following twelve positioning strategies:

- Positioning by attribute.
- Positioning with respect to benefit.
- Positioning by price quality.
- Positioning with respect to use or application.
- Positioning with respect to product class / category.
- Positioning by corporate identity.
- Positioning by target audience.
- Positioning by brand endorsement.
- Positioning by competitor.
- Positioning based on brand personality.
• Positioning by emotions.
• Commercial positioning.

FOCUS OF THE STUDY

The economic condition of the country is changing very fast especially after the liberalisation policy adopted by the government of India. Many Multinational Companies (MNCs) have established their products in the Indian passenger car market and many more are gaining their roots in India. Thus, competition in the passenger car market has increased and this trend of increasing competition is expected to be more in near future.

Till now no worthwhile study has been carried out on market positioning of passenger cars in the changing economic environment in Indian context. In this research work, the researcher has made an attempt to study the market positioning of few passenger cars in the present economic scenario.

The study is to ascertain the market positioning strategies that are considered effective to influence the customers towards buying behaviour. The market positioning strategies were studied in the eight selected industrial enterprises, namely, the Maruti Udyog Limited, the Daewoo Motors India Ltd., the Hyundai Motor India Ltd., the Tata Engineering and Locomotive Company Limited, the Ford India Ltd., the General Motors India Ltd., the Hindustan Motors Ltd., and the Honda Siel Cars India Ltd. The study covers twelve popular brands covering four brands each in three-passenger car segments namely, compact-car-segment, mid-size-car segment, and the luxury car segment. Though the study is mainly directed to examine the market positioning
strategies of MNCs, enterprise like the Tata Engineering and Locomotive Company Limited (TELCO) has been included as it occupies a distinct place in the passenger car segment in India. For this study, Maruti Udyog Limited (MUL) has been considered a MNC, though it is not truly a MNC.

The study is further intended to examine the extent to which the functional and non-functional or emotional parameters contribute to the positioning strategies, and a comparative analysis of the market positioning strategies followed by the passenger car marketers in the changed Indian economic context.

THE OBJECTIVES

This study intends to accomplish the under mentioned objectives:-

- To examine the significance of positioning in the changed economic scenario.
- To assess the focus of the corporate sectors on positioning in the changed economic scenario.
- To analyse the existing market positioning strategies that are followed by the Indian corporate sectors in the present economic scenario.
- To evaluate the effectiveness of the present market positioning strategies which are being followed by the marketers.
- To make a comparative analysis of the presently executed market positioning strategies.
To recommend more viable and meaningful market positioning strategies which may work well in the present market conditions in India.

LIMITATIONS OF THE STUDY

Every effort has been made to focus the study around the chosen objectives. An attempt has also been made to conduct the study in a precise and accurate manner. But any study at individual level is bound to suffer with certain limitations and constraints. The following is the brief account of the noteworthy limitations and the conclusions and suggestions of the study should be considered in the light of the same.

- The research is the endeavour of individual research scholar who certainly had constraints in terms of time, financial resources and authority.

- The market positioning strategies are complex and multi-dimensional factors are involved and marketers have reservations to impart all the information on the subjects.

- It may be mentioned that in the study whatever inferences have been drawn, are based primarily on perception of the respondents. Absolute figures on positioning strategies and customers ultimate buying behaviour could not be included to substantiate our conclusions due to non-availability of relevant information with the enterprises covered by the study. As a matter of fact, the record that is needed for making such computations is not maintained by the enterprises at all.
Apart from the primary data, secondary data has also been used in the study. Thus, the study may also suffer from the inherited limitations of the secondary data.

The study is confined for a selected sample size in selected geographical area, so it may not cover the universe, but the generalisation has been rationalised on the basis of the sample of the study i.e. excluding Fiat India Automobiles Ltd. and Daimler-Chrysler India Pvt. Ltd., all other marketers operating in the Indian car market have been included in the sample.

**THE UTILITY**

The proposed investigations and the commensural findings shall be of interest to the academicians and researchers on one hand, and the corporate managers of the passenger car manufacturers in India on the other. To the academics, it would highlight the role played by the various market positioning strategies towards customers perception, attitude and ultimate buying behaviour. Alike studies covering large sample or studies based on absolute statistics relating to positioning strategies and ultimate customer buying behaviour could be undertaken by other research scholars on the subject in future so to test / support the findings of the study.

Clearly, this study should help the corporate managers of passenger car manufacturers in general and those of the selected organisations investigated in this study, in particular in resolving a series of problems such as selection of appropriate functional attributes and non-functional or emotional association under differing situations in the market positioning strategies. Analysis of such information will at least
give some idea of strength of the brand and the effect of the positioning strategy on brand equity. Systematic collection and analysis of data over a period of time also may enlighten the organisation on brand equity.

**ORGANISATION OF THE STUDY**

The study is divided into seven chapters. The chapter First, 'The Overture' introduces the subject with the help of a brief description of the nature of the problem, review of existing literature, conceptual frame, focus of the study, the objectives, limitations and the utility of the study. The chapter second, covers the universe of the study, selection of observational units, sources and methods employed for collection of data, pattern of analysis, statistical tools employed and variables involved in the study. The chapter three, examines the significance of positioning and to assess the focus of the corporate sectors on positioning in the changed economic scenario in India. Chapter Four analyses the existing market positioning strategies that are followed by the Indian corporate sectors in the present economic scenario. Chapter five, evaluates the effectiveness of the present market positioning strategies that are followed by the marketers, and make a comparative analysis of the presently executed market position strategies. Chapter six, recommends the more viable and meaningful market positioning strategies that may work well in prevalent market conditions in India. Major findings and the recommendation of the study have been summarised in the concluding chapter seven.
NOTES


83. ibid, pp 153-170.


99. ibid, P-289.


102. ibid, p-288.

103. ibid, p-288.

104. ibid, p-290.

105. ibid, p-289

106. ibid, p-288.

107. ibid, p-289


