CHAPTER III

BRAND POSITIONING: A THEORETICAL FRAMEWORK

Positioning is not what is done to the product but what is done to the consumer's mind, through various communications. A brand's position is a set of associations the consumer has with the brand. These may cover physical attributes, lifestyle, user image etc. A brand's position in a consumer's mind is relative concept that refers to a comparative assessment by the consumer of how this brand is similar to or different from the other brands that compete with it.

In this backdrop, this chapter presents a theoretical framework of brand positioning. The chapter is divided into four sections. The first section presents a conceptual foundation of brand positioning covering the concept, significance and process of brand positioning. The second section deals with the role of various groups (entrepreneurs, consumers, dealers and competitors) in brand positioning. The third one discusses the nature and rationale of brand positioning in white goods. The fourth section presents a snapshot of the various approaches to the study of brand positioning in white goods sector adopted in this study.

Section I

Brand Positioning: Conceptual foundation

To compete successfully in today's competitive markets, mass marketing is no longer a viable option for most companies. Mass marketing is a strategy where the seller treats the total market as a single segment. The company develops a single product for the mass audience; it develops one pricing structure, one distribution system for its products and it uses a single
promotional programme aimed at the entire market. But this is not a successful strategy. Marketers must therefore, attack niche markets that exhibit unique needs and wants through market segmentation. The overall objective of using a market segmentation strategy is to improve the company’s competitive position and better serve the needs of the consumers.

The object of positioning a brand is to cause consumer to feel that there is no completely satisfactory substitute for a brand. The consumer should be so satisfied with the product that he should think that there cannot be any substitute in place of this brand. Just segmentation involves the decision to aim at a certain group of consumers but not others, positioning involves a decision to stress only certain aspects of a brand and not others.

The term "brand" should be interpreted in the broadest possible sense. The brand name is the centre by which the entire marketing mix is built up. It can incorporate all the marketing efforts together either in the consumer’s mind or in the marketing programmes. It gives advertising and promotional support in order to make the product recognizable and to create consumer patronage. A brand identifies the product for a buyer and gives the seller a chance to earn goodwill. A well promoted name, which has earned a reputation in the market, is very difficult to compete with. The physical existence of a brand is no assurance that it has a position in the consumer’s mind. A product to exist in the competitive market has to firstly be placed in the images of consumer’s perceptions. In other words, consumer perceptions are the images consumers have of products, both a company’s and competitors. Product positioning enables the firm to map its offering in terms of consumer perceptions and desires.

Positioning, therefore, starts with our understanding or mapping of a prospective consumer’s mental perceptions of products. It is as though the
consumer has drawn his or her own mental map of his or her various wants and needs and has given different points on that map to different products and brands to satisfy those needs. The strategy must therefore be to create a perception for the brand in the prospect's mind so that it stands apart from competing brands and approximates much more closely to what the consumer wants.\(^1\) Hence, Thomas Muller has rightly said that brand positioning as, 'the marketing decisions and activities that shape and maintain a specific brand's image-based on key attributes, and relative to competing brands-in the consumer's mind.'\(^2\) Strategically, brand positioning forces the marketer to define the strengths and shortcomings of a new or existing brand (vis-à-vis competing brands), to identify the position which the brand will occupy in consumers' minds in terms of attributes important to the target market and to specify how the elements of the marketing mix will be used to develop or maintain the chosen brand position. Brand Positioning helps to establish a brand in people's minds so that consumers can recreate its image, qualities and degree of desirability when thinking about it or when needing to make brand choices in the market.

**There are four major benefits of market segmentation analysis and strategy:**\(^3\)

- designing responsive products to meet the needs of the marketplace
- developing effective and cost-efficient promotional tactics and campaigns
- gauging the company's market position - how the company is perceived by its consumers and potential consumers relative to the competition
- fine-tuning current marketing strategies.
Process of Brand Positioning

Brand positioning is a technique that involves a systematic process which is mandatory for every company to follow if it has to establish itself as a leader in the market.4

Step I: Understanding of the consumers perception of products

Positioning research starts with the study of the market to identify the factors which are important to various users of the product category. First, investigate what consumers do with the products. Knowing the purpose for which the product is used would help the brand to come out with additional features so that it creates a value for the product.

Step II: Create a perception for the brand in the prospect’s mind

The seller can create a perception for his brand through product differentiation. Product differentiation occurs when in the eyes of consumers one firm distinguishes its product from competitive brand offered in the same aggregate market. Through differentiation, an organisation creates the perception that its product is better than the competitor’s brand. In addition, it can also reduce price competition. A seller differentiates its product either by changing some appearance feature of the product – the package or colour, for eg., by using a promotional appeal that features a differentiating claim.

Step III: Renting mind’s space

In this step, the brand is projected to occupy the prospective consumer’s mind and constantly be reinforced that they are the best among the various options available for the consumer. If the brand gives all that is asked by the consumer, one can be sure that it would create an indelible niche in the black box of the consumer’s mind. Brand positioning is what we do to the mind of the prospect. That is
we create and build up brand equity, which is the perceived value of the product positioning in the minds of consumers.

Step IV: Fine tuning the position

Marketing programmes should be aimed at identifying prospects and turning them into consumers. A positive word-of-mouth from a satisfied consumer often works better than the best advertisement, especially in case of high-involvement products and services. The marketing function in any organisation is expected to perform the job of tuning an unaware person into a satisfied user. The fine tuning mechanism includes the following steps:

Unaware → Aware but Knowledgeable → Occasional User → Satisfied Regular user

Step V: Pre-requisites of successful brand positioning

There are seven qualities that help to make a successful brand positioning

1. Relevance: Positions that do not focus on benefits that are important to people or that do not reflect the character of the product will fail. Often in their search for differentiation, marketers seize upon some attributes in their product which is different, but in reality it is of little concern to consumers. This ultimately leads to the failure of the product. It is very essential that the product should have relevance to be accepted by the consumers. Relevance can be interpreted as the benefit perceived by the consumer.

2. Clarity: A position should be easy to communicate and quick to comprehend. Clarity aspect of the brand emphasises on effective communication. Whatever that has to be communicated to the consumer
should be simple. This can only be done when the marketer states the benefits clearly.

3. Distinctiveness: If a brand's position lacks distinctiveness, i.e., it should be unique to distinguish itself from other brands. By developing strong and consistent images, well-regarded brands generate hidden assets or brand equity that gives them distinct advantages. The most important assets of any business are intangible — including its base of loyal consumers, brands, symbols and slogans and the brand's underlying image, personality, identity, attitudes, familiarity, associations and name awareness. These assets are a primary source of competitive advantage and future earnings.

4. Commitment: Once a position is adopted, it takes commitment to see it through, in the face of criticism and pot shots. There should be no looking back or backing out from the race to brand positioning.

5. Patience: To find a position in the market one has to have patience to see the success of the product for some period of time. Had Procter and Gamble (P&G) lost patience after two or three years, someone else would be enjoying the profits of this powerful brand position. Procter and Gamble (P&G) with various brands and various products were facing with massive competition. They could succeed because of their patience to live in the market.

6. Courage: Adopting a strong brand position requires bravery. By strong brand position we mean that the product has no other substitute and the consumer will not opt for any other brand. To compete among brands is to have courage to fight for the strong position. e.g., Pepsi and Coke are good examples of strong brands that use new marketing strategies to excel each other in the market.
Thus, it is clear that a product to exist, it must find a place in an individual consumer's perception of the world of products around him or her. This perception is subjective governed by the individual consumer's values, beliefs, needs, experience and environment. This is the core theme of Brand Positioning. The spatial distance between the points in the consumer's mind reflects the subject's perception of similarity or dissimilarity between products and brands.

Section II

The role of various groups in brand positioning: An overview

In positioning a brand, the entrepreneurs have a major role to play. They can make a successful brand positioning only if they know their consumers, dealers and even their competitors.

Below are mentioned the role of entrepreneurs, consumers, dealers and competitors:

1. The role of entrepreneurs: Entrepreneurs normally learn about their competitors' strengths and weaknesses through secondary data, personal experience and hearsay. But they can also increase their knowledge by conducting primary marketing research covering consumers, suppliers and dealers. They can carry out a consumer value analysis, asking consumers what benefits they value and how they rate the company versus competitors on important attributes. The aim of a consumer value analysis is to determine what benefits target consumer's value and how they rate the relative value of various competitors' offers. The major steps in consumer value analysis are discussed below:

   i. Identify the major attributes that consumer's value.
   ii. Assess the importance of different attributes.
iii. Assess the company’s and competitors’ performance on different consumer values against their rated importance.

iv. Examine how consumers in a specific segment rate the company’s performance against a specific major competitor on an attribute-by-attribute basis.

v. Monitor consumer values over time.

Besides, to produce and offer the best product, the company should also study the consumers' perception and the dealers' perception.

2. The role of consumers: Consumer perception is a mental process whereby a consumer selects data or information from the environment, organizes it and then draws significant meaning from it. This in turn is determined by certain physical cues such as taste, smell, size and shape. In absence of first hand experience with the product, consumers assess its quality on the basis of these clues or indicators such as price, brand name, promotion, display, retail outlet and so on.

It would be wise for the company to know the consumer's perception through proper research and come with a product that would suit their requirements. This itself paves way for the success of a brand.

3. The role of dealers: The major part of the marketing the product is facilitated by the dealers. Infact the dealers create strong positioning for a brand by addressing the attributes to the consumers. It is through them, the communication passes from consumer to the manufacturer and from the manufacturer to the consumer. Dealers search for new marketing strategies to attract and hold consumers. Dealers use the normal promotion tools i.e., advertising, personal selling, sales promotion and public relations to reach consumers. The manufacturer depends on the dealers to know the trends and shopping patterns of the consumers. This
would enable the manufacturer to position the products (brands) according to the needs of the consumers.

4. The role of competitors: A wise entrepreneur should know his competitor and offer a competitively differentiating product. Studying the competitor helps the company to compare the advantageous features of their products. Marketing managers need a deep understanding of a given competitor’s actions and reactions. Understanding the reactions of competitors gives the company clues on how best to attack competitors or how best to defend the company’s current positions.

Section III

Brand positioning in white goods sector: Nature and Rationale

White goods include household appliances like refrigerators, washing machines, microwaves, gas stoves, mixer-grinders, ceiling fans, water heaters, air-conditioners, dishwashers etc. White goods are also durable goods that are used over an extended period of time and that normally survive many years. Marketing of white goods involves different concerns as a wide range of brands are available in the market. Buyers who expect to use the product over the course of several years will be concerned about the product’s reliability and perhaps the seller’s willingness to service the product. Because white goods tend to be relatively costly, consumers tend to spend time researching these purchases.

To position white goods strongly, there are five foundations or guidelines that would create an impact for the brand in the market. White goods can be positioned on the bases of any of following variables: 5
1. Corporate or brand identity

2. A differential benefit offer by the brand

3. Characteristics of the target audience

4. A USP or an attribute unique to the brand

5. Direct comparison with other brands.

1. Positioning by Corporate/Brand Identity: A brand may use the credentials of its corporate identity to position itself as distinctly superior product. Scores of brands use their corporate names or brand extended names to establish their lineage. Well established companies such as Philips, Godrej, BPL, LG and Kenstar often use their corporate names to leverage position. We find multiple extensions of successful brand names such as Onida, Videocon and many more companies.

2. Positioning on differential advantage of the brand: The differential benefit the brand offers may form a basis for distancing it from other brands and securing a unique position for it. These differences are not always real or based on some functional benefits. It is possible for a brand to position on certain emotional or non-functional benefits such as smart, trendy, modern, exciting or fashionable. Product differentiating based on an actual benefit is often derived from some outstanding feature not offered by any other competing brands.

3. Positioning by target audience: The market segment selected by a firm should comprise consumers with more or less identical needs and expectations, so that the brand may be positioned on dimensions befitting the characteristics of that segment. The most-commonly used bases for segmentation are:

   - Demographic variables such as age, sex, income, occupation and education
- Generic and specific need sought by the consumer from the product/brand
- Usage rate and pattern
- Intangible psychological variables such as lifestyle, personality, predisposition and social class

Brands can be positioned on dimensions related to these variables. The most convenient – but not necessarily the most effective – way to position a brand is on demographic dimensions.

4. Position by some unique feature or a Unique Selling Proposition (USP): A brand may be positioned on some unique feature not offered by any other competitor. But in this case, the unique feature or the USP has to be real tangible feature and not an emotional or non-functional benefit.

5. Position by comparison: Positioning is the act of defining the brands in the perceptual space of the consumer’s mind vis-à-vis other competing brands. Positioning a brand on the basis of a direct comparison with other brands is known as positioning by comparison. The strategy for such positioning is usually implemented through comparative advertising.

Section IV
Approaches to the study of brand positioning in white goods sector

The approaches to the study of brand positioning of white goods adopted in the present study are portrayed in chart 3.1
Chart 3.1 - Approaches to the study of brand positioning in white goods sector

**APPROACHES TO THE STUDY OF BRAND POSITIONING IN WHITE GOODS SECTOR**

1. **Consumers' perception**
   - I. Profile of the consumers
     1. Age
     2. Income
     3. Sex
     4. Brands owned
   - II. Analysis of perceptions of the users of Refrigerators, Washing Machines, Mixer-grinders, Gas stoves
     1. Brands owned
     2. Satisfaction level of users
     3. Brands considered for fresh purchase
     4. Ranking of attributes by the consumers
   - III. Analysis of perceptions of the users of Microwave ovens
     1. Brand ownership
     2. Acquaintance of microwave ovens
     3. Brands recalled from advertisement
     4. Influential factors arousing interest in microwave ovens
     5. Awareness of features
     6. Preference of product attributes
     7. Perception of the best brand

2. **Perceptual Mapping**
   - I. Identification of key attributes
   - II. Testing of hypotheses
   - III. Perceptual Mapping of Brand Positioning of Refrigerators, Washing Machines, Mixer-grinders, Gas stoves and Microwave ovens

3. **Dealers' perception**
   - I. Overall analysis
     1. Income group of consumers
     2. Persuasion by dealers
     3. Promotional schemes offered
     4. Best buying time of customers
     5. Sales performance of white goods
   - II. Productwise analysis
     1. Brands available with the dealers
     2. Brands most sought after by consumers
     3. Dealers' preference of brands
     4. Sales performance of brands
     5. Preference of attributes
Conclusion

Positioning provides formidable defence against imitation and competitive aggression. A well-positioned brand is strengthened by its overall image and strong associations which must be supported by appropriate ongoing communication. The succeeding chapters unfold the arena of brand positioning in white goods with an indepth focus on the analysis of consumers’ perceptions, perceptual mapping and dealers’ perceptions.
References


