CHAPTER ONE: INTRODUCTION

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1.1. INTRODUCTION

Brand is one of the most valuable intangible assets of any organization. Hence it is imperative to manage it well to maximize its returns. The end-result of creating a successful brand fundamentally rests with the customers. Organizations can do their best to create a successful brand, but the question is whether customer also perceives the same about the brand. The marketing activity linked with the brand tries to influence the customer's mind towards the brand. This creates a customer disposition and behaviour towards the brand (McAllister and John, Dec 2004). The customer then starts relating the brand with his environment.

Perceived Brand Symmetry is the aggregate perception a customer holds about the brand’s differentiation in a product category. At higher brand symmetry, the brand differentiation in a product category would be low. On the other hand, if the customer perceives major differences between the brands in a product category, then the brand symmetry is low. Consumer good firms today are facing the biggest challenge of falling into high brand symmetry zone. This could lead to huge loss in brand equity. The classic case is of Marlboro in 1993. Philip Morris acknowledged that market share of Marlboro was going down and newer brands were emerging as market winners which many had not even heard of. The reason cited was ‘Marlboro was not able to distinguish enough in consumers mind’. In April 1993, the market reacted extremely and about $13.5 billion was wiped out from market capitalization of Philip Morris. The market thought that if this can happen to Marlboro, other brands can also fall to brand symmetry. As fear grew, this led to a chain reaction with share prices of Proctor & Gamble, Coca-cola, Gillette, and PepsiCo came down tumbling (Economist – 1993).
Marketing professionals have long acknowledged the importance of brand differentiation (John Beath, Yannis Katsoulacos, 1991). Quite often when the brands profit margin drops, the reason is attributed to consumers perceived brand symmetry. Many of the professionals believe that the reason of existence of different market structures is due to the extent to which products are differentiated.

Advertising has a very important role to play in creating concepts such as 'brand uniqueness'. Rosser Reeves in 1961 wrote a book on advertising ('Reality in Advertising') which was considered to be the textbook on advertising during those days. He believed that the purpose of advertising is to sell. He insisted that an advertisement or commercial should show off the value of a product, not the cleverness of a copywriter. His most typical ad is probably that for Anacin, a headache medicine. The ad was considered grating and annoying by almost all viewers but it was remarkably successful, tripling the product's sales. In 7 years, the 59-second commercial made more money than the movie Gone with the Wind had in a quarter-century. His ads were focused around what he called the Unique Selling Proposition, the one reason the product needed to be bought or was better than its competitors. Kanter (1981) and Stellt (1977) also supported the idea that the purpose of advertising is to counter brand symmetry. Due to two reasons, brand managers fear from brand symmetry:

1. It is believed that in case of high brand symmetry, consumers will start looking at the next most important attribute in a brand (which is price). Consumer could become more price sensitive, forcing the brand to encounter price elasticity. To survive, the brand price needs to be reduced, hitting its margin and profitability.
2. It is also believed that brand loyalty is inversely linked with brand symmetry. High brand loyalty gets translated into higher brand equity which is generally difficult to create when brand symmetry perceptions are high in the market. Since brand symmetry impacts brand profitability in long run, it is imperative to manage it well.

Brand managers need a tool to measure brand symmetry\(^1\) for making appropriate decisions.

\(^1\) The three terms Brand Symmetry, Brand Uniqueness and Brand Differentiation have been used interchangeably through the report. They all have the same meaning.
1.2. STATEMENT OF THE PROBLEM

Competition is very high in today's marketplace. Every organization is therefore determined to differentiate their brands and service offerings compared to their competitors. In effect, everybody is trying to have unique features in their brand and market them. If organizations want to succeed in this space, they need to assess their brands honestly else similar me-too brands are out there in the market which can destroy their entire marketing efforts. Brands suffering from symmetry syndrome will find it difficult to survive in the market after some time.

No marketing manager would like their brand to be seen as a commodity. In fact the whole concept of marketing is based on selling the brand which can be differentiable. It is generally argued that goods and services are differentiable. Few argue that this is applied only to consumer goods however even in industrial goods and services, they can be distinguished.

Having emphasized enough on the significance of brand differentiation, the important factor is to measure the differentiation through a tool. Presently there is no concept or methodology available which can measure the brand differentiation amongst the competing brands. The present research is focused on developing a tool which can be used to measure brand uniqueness through a concept called 'Brand Symmetry Index'. With a brand uniqueness measurement tool at their disposal, the brand managers can know how their brands are performing in the marketplace. Is it being viewed the same way as it has been positioned through various marketing communication channels? How much is it being differentiated compared to other brands?
Considering the above discussion, it is imperative that the brand managers should have a practical tool to measure their brand differentiation score in comparison to their competitor brands. If the brand is not able to distinguish itself in the marketplace than the marketing communication strategy is probably not effective. This needs to be investigated. Considering that in mind, the research is focused on developing a brand differentiation measurement model.
1.3. REVIEW OF LITERATURE

A lot of scholarly research has gone into brand attributes such as brand loyalty, popularity, uniqueness, quality etc leading to brand success. A review of some of the related articles is summarized below.

In research paper 'Product Differentiation Advantages of Pioneering Brands', Richard Schmalensee (1982), presents and explores a relatively simple market model in which rational buyer behavior in the face of imperfect information about product quality can give long-lived advantages to pioneering brands. In the basic model, brands enter sequentially, and consumers are initially skeptical about their quality. When consumers become convinced that the first brand in any product class performs satisfactorily, that brand becomes the standard against which subsequent entrants are rationally judged.

Raj (1985) in his paper 'Striking a Balance between Brand 'Popularity' and Brand Loyalty' investigated the relationship between a brand's share of users and its loyal franchise. Using Target Global Index (TGI) data on consumer purchase habits covering 1,000 brands in 86 product classes, it is found that brands with a larger share of users have proportionately larger fractions of loyal buyers. These results are useful in the allocation of resources between the enlargement of a brand's base of users and the development of users' loyalty.

Krishnamurthi and Raj (1988) in their research paper 'A model of brand choice and purchase quantity price sensitivities', presents a methodology from the limited-dependent variable literature to model the dependence between the choice and quantity decisions. The focus is on
the role of price in the choice and quantity decisions. When choosing among alternatives, it is argued that consumers consider prices of all the competitive brands.

Morris Holbrook (1992) in paper ‘Product Quality, Attributes, and Brand Name as Determinants of Price: The Case of Consumer Electronics’ proposes and illustrates an approach to measuring one aspect of brand equity, viewed as a price premium and defined as the increment that a brand name contributes to the price of a product above and beyond that justified by its quality (where quality is determined by assessment of the relevant attributes, features, or characteristics).

Thomas Semon (1993) in his paper ‘Consider brand loyalty and response styles in customer satisfaction research’ suggests the inclusion of brand loyalty and response styles in customer satisfaction research. The author suggests that many of the brand-switch triggers are based on communications rather than personal experience.

Gregory, Rashiand Ken (1994) in their research article ‘Meaningful Brands From Meaningless Differentiation: The Dependence on Irrelevant Attributes’ deliberates that conventional product differentiation strategies prescribe distinguishing a product or brand from competitors' on the basis of an attribute that is relevant, meaningful, and valuable to consumers. The authors examine how meaningless differentiation can produce a meaningfully differentiated brand.

In paper ‘The role of quality-tier loyalty on consumer price sensitivity for frequently purchased products’ Sivakumar (1995) examined the role of quality-tier loyalty on consumer price sensitivity for frequently purchased
products. The result that consumers loyal to high quality brands are less price sensitive than consumers loyal to low quality brands appears to be intuitively appealing if a positive correlation between price paid and income is assumed – that is higher income customers are willing to pay a higher price for their purchases.

**David A. Aaker (1996)**, author of paper ‘Building Strong Brands’ has developed a comprehensive brand identity planning model. At the heart of this model is a four-fold perspective on the concept of a brand. To help ensure that a firm’s brand identity has texture and depth, Aaker advises brand strategists to consider the brand as a product, an organization, a person and a symbol. The purpose of this system is to help brand strategists consider different brand elements and patterns that can help clarify, enrich and differentiate an identity.

Another research on brand familiarity was conducted by **Kent and Allen (1994)** in the paper ‘Competitive Interference Effects in Consumer Memory for Advertising: The Role of Brand Familiarity’. The study focused on brand familiarity’s role in increasing ad memorability and moderating competitive interference. Their findings suggest that established brands have important advantages in advertising: Consumers would be more likely to recall ad information, and their memory should be less affected by exposure to competitors' ads.

**Ned Anschuetz (1997)** in research paper ‘Point Of View: Building Brand Popularity: The Myth of Segmenting to Brand Success’ explores on the popularity of brand name products and the myths associated with brand success. The author concludes by saying that the only way to increase the
number of frequent buyers of a brand is to increase the brand's overall popularity.

**Dwane Hal (1999)** in research article 'Brand Endorsement, Popularity, and Event Sponsorship as Advertising Cues Affecting Consumer Pre-Purchase Attitudes' has discussed the ability of three advertising cues: third-party product endorsement, brand popularity, and event sponsorship and its affect on consumer perceptions with regard to product quality, uniqueness, manufacturer esteem, and corporate citizenship. Results suggest significant main effects for both endorsement and sponsorship cues, with endorsement affecting perceived quality; uniqueness, and esteem, and sponsorship affecting only citizenship.

In another research on brand image, brand attitude and perceived quality, **Low and Lamb (2000)** in their paper 'The measurement and dimensionality of brand associations' conceptualized brand associations amongst the three attributes. Findings confirm the efficacy of the brand image protocol and indicate that brand associations differ across brands and product categories. The latter finding supports the conclusion that brand associations for different products should be measured using different items.

**Gil Bashe (2001)** in paper 'Emotion: The New Brand Integrator' discussed about emotion as an integrator of brand with the customer. The article reports on the efforts of pharmaceutical executives to focus on consumers' needs, value of customer relationship management, significance of integrating a brand emotion ingredient in a marketing strategy, challenge of maximizing total brand assets and elements of successful marketing and sales campaigns.
Simon and David (2001) through their paper ‘Measuring and managing brand loyalty’ argued that in grocery brands, both brand commitment and brand support were found to be necessary and sufficient conditions for loyalty to exist. Based on this measure, four consumer purchasing styles were identified and characterized as ‘loyals’, ‘habituals’, ‘variety seekers’ and ‘switchers’. The strategic implications of segmenting grocery markets on this basis are discussed in both the context of the marketing of brands and managing brand equity.

Alan Mitchell (2002) in the paper ‘Brand values alone do not create satisfaction’ discussed the role of customer satisfaction in the success of a business. Difficulty experienced by companies in raising satisfaction levels; Presentation of the research findings on consumer satisfaction at the Marketing Forum; Factors to the declining satisfaction levels of consumers are discussed.

Pieters et al. (2002) in their research paper ‘Breaking through the Clutter: Benefits of Advertisement Originality and Familiarity for Brand Attention and Memory’ used a stochastic model to study the influence that ad originality and familiarity have on consumers' eye fixations to the key elements of advertisements - brand, text, and pictorial - and how the information extracted during eye fixations promotes memory for the advertised brand.

In the research paper ‘How Brand Reputation Affects the Advertising-Brand Equity Link’, Arjun Chaudhuri (2002) has deliberated on the effect of brand reputation on brand equity. A model of the process of brand equity is proposed that depicts brand reputation as a mediator of
the effect of brand advertising, brand familiarity, and brand uniqueness on brand equity outcomes.

Romaniuk and Sharp (2003) in their paper ‘Measuring brand perceptions: Testing quantity and quality’ discussed about the brand image and its importance. The authors empirically tested three hypotheses about the relationship between brand perceptions and loyalty. They found that (a) there was little evidence that any particular attributes are more related to customer loyalty than any others nor (b) that there were specific brand positions that were uniquely associated with higher loyalty.

Keller (2003) in the article ‘Brand Synthesis: The Multidimensionality of Brand Knowledge’ discussed about the significance of brand knowledge to drive brand equity. The author summarizes the conclusion by saying that adopting broader, more holistic perspectives that synthesize the multidimensionality of brand knowledge is critical to advance branding theory and practice, both in general and with brand leveraging in particular.

David Aaker (2003) in his paper ‘The Power of the Branded Differentiator’ has explored different types of branded differentiators, the pros and cons of developing them internally versus looking outside for them and questions about managing these brands within brands.

John Harter (2004) in his research paper ‘How Brand Loyalty Affects Product Differentiation’ examined the effects of brand loyalty on the amount of product differentiation. The paper models brand loyalty in
three different ways: fixed switching cost, difference in switching cost, and consumer preferences to change.

**Veloutsou et al. (2004)** in their research article ‘Are the determinants of bank loyalty brand specific?’ discussed the attributes of brand loyalty in banking industry. The author summarizes by saying that depending on the bank, different drivers could influence in a dissimilar manner the formation of loyalty and therefore further research is needed to generalize the suggested models.

**Kevin (2005)** in concept paper ‘Advertising your unique selling proposition’ advises to focuses on the use of effective advertising to create an equity position in the marketplace. The author concludes by saying that effective advertising can be a powerful part of a company’s marketing plan, and it is an important investment in the company. When done correctly, the company can generate between 10% and 30% more growth than a similarly sized competitor that does not advertise.

**Bennett and Rundle-Thiele (2005)** in their research paper ‘The brand loyalty life cycle: Implications for marketers’ discusses the brand evolution. This paper proposes a brand loyalty life cycle and draws implications for marketers. The brand loyalty life cycle is thought to comprise five eras of brand loyalty: the birth of brand loyalty, the golden era of brand loyalty, latent brand loyalty, the birth of multi-brand loyalty, and the final era of declining loyalty.

In research paper ‘Effects of consumer perceptions of brand experience on the web: Brand familiarity, satisfaction and brand trust’, authors **Hong-Youl and Helen (2005)**, have attempted to investigate several
questions that have been left unanswered in recent studies of consumer behaviour in the context of internet-based marketing. Its focus lies in addressing the issue of whether there is a direct relationship between brand experience and brand trust or whether there is an indirect relationship via satisfaction or brand familiarity.

Another article by Lisa Lockwood (2005) named 'Powering Brands with Emotion' highlights the message delivered by Kevin Roberts, CEO worldwide for Saatchi & Saatchi, at the Ninth Annual WWD/DNR CEO Summit held on November 2-4, 2005, in New York. Roberts said few brands in the fashion industry truly connect with the customer in an emotional way. According to him, people crave relationships and every brand can be charted on a love-respect axis with high respect and high love being the ideal.

Romaniuk and Bogomolova (2005) in their research paper 'Variation in brand trust scores' discussed brand trust as a key aspect of brand relationships, brand personality and brand equity. The authors find that generally there is little variation in the trust scores for competing brands that cannot be explained by usage biases in perceptual responses.

Bill Etter (2005) in the article 'Loyalty Leverage' discussed that loyalty metrics are the key measure of brand health, for firm's brand and for competitive brands. Marketers need a new strategy for moving at risk customers off the bottom of the loyalty ladder - different from the strategy for moving neutral customers to the top. The Loyal/At Risk profile can be used as a powerful point-in-time strategic measure for choosing between retention and acquisition strategies.
**Keiningham et al. (2005)** in their paper 'The brand-customer connection' analyzed the benefits of consolidating brand and customer-centric measures to marketing efficacy. Brand-centric marketing can be thought of as manipulating the elements of the marketing mix to improve brand equity. In contrast, customer-centric marketing largely focuses on efforts to improve customers' perceptions of their experiences relating to an organization's products or services or the organization itself.

**Tsao and Chen (2005)** in their research article 'Exploring Brand Loyalty from the Perspective of Brand Switching Costs' tried to establish link between brand loyalty and brand switching cost. The perspective of brand switching costs is adopted to propose that the level of loyalty to a brand is determined by the ratio of competitive brands to imitation brands and the degree of brand differentiation. It is suggested that the level of consumer loyalty to a specific brand is affected not only by the buyer's perceptions of the value of the brand to the buyer but also by the market structure, such as the number of competitive and imitation brands and the degree of brand differentiation in the market.

**Rajesh and James (2005)** in their research paper 'The Role of Brand Parity in Developing Loyal Customers' investigated the relationship between brand loyalty and brand similarity (a.k.a. parity). Perceived brand parity is the belief in the consumers mind that major offerings in a product category are similar. The article presents the results of a study indicating that high parity perceptions inhibit a company's ability to develop loyal customers. With a differentiation strategy, advertising should be used to fight parity perceptions. However, with a low price strategy, parity perceptions should be fostered in an attempt to discourage brand loyalty.
Suh and Youjae (2006) in their research paper ‘When Brand Attitudes Affect the Customer Satisfaction-Loyalty Relation: The Moderating Role of Product Involvement’ investigates on the attitude accessibility and stability theories to examine the moderating role of product involvement in the customer satisfaction - loyalty relation. Structural equation modeling shows that customer satisfaction has both direct and indirect effects on loyalty, whereas ad attitudes and corporate image have only indirect effects through their mediating influence on brand attitudes.

Heath et al. (2006) in their paper ‘Brand Relationships: Strengthened by Emotion, Weakened by Attention’ explored the way in which advertising builds brand relationships. Behavioral research by Watzlawick, Bavelas, and Jackson (1967) suggests it is the emotional not the rational content in communication that drives relationships. The results confirm that favorability toward brands is strongly correlated with emotional content in advertising, but not with factual content. However, learning from psychology indicates that high attention weakens the effect of emotional content, so the implications are that advertising aimed at building strong brand relationships might be more effective if processed at lower levels of attention.

Mahim et al. (2006), in their article ‘Framework of Ethical Brand Positioning’ discussed ethical and cross-cultural issues in brand positioning. Five basic elements of brand positioning - Brand Identity, Brand Image, Brand Personality, Brand Awareness, and Brand Communication are identified. This paper is based on the core idea that ethics can be used as a product differentiator and can create a strategic advantage. The framework emerges after studying top ten Indian brands in India in different sectors.
Joseph and Xavier (2006) in their research article ‘Your Loyalty Program Is Betraying You’ critically analyze the loyalty program concept. Even as loyalty programs are launched left and right, many are being scuttled. What is so hard about making a simple loyalty program work? Quite a lot, the authors say. The biggest challenges include clarifying business goals, engineering the reward structure, and creating incentives powerful enough to change buying behavior but not so generous that they erode margins. Additionally, companies have to sort out the puzzles of consumer psychology, which can result, for example, in two rewards of equal economic value inspiring very different levels of purchasing.

Jenni and Elise (2007) in their research paper ‘The relationship between unique brand associations, brand usage and brand performance: analysis across eight categories’ have explored the link between brand uniqueness and brand performance. The results indicate presence of unique associations was not positively related to past usage or a stronger brand preference. A brand’s share of unique associations was also poorly correlated with current brand share.

Punniyamoorthy and Prasanna (2007) in the article ‘An empirical model for brand loyalty measurement’ discussed about an empirical model for measuring brand loyalty in English newspapers. The model has been built based on the factors found which influence loyalty.

Ramaseshan and Hsiu-Yuan (2007) in their research paper ‘Moderating effects of the brand concept on the relationship between brand personality and perceived quality’ investigated the moderating effects of the brand concept on the relationship between brand personality and perceived quality. Findings reveal that among the five
brand personality dimensions studied, excitement and sophistication were the most strongly associated with perceived quality.

In paper 'Brand competition in CPG industries: Sustaining large local advantages with little product differentiation', Bart Bronnenberg (2008) argues that in direct competition between national brands of consumer packaged goods (CPG), one brand often has a large local share advantage over the other despite the similarity of the branded products. The main result of the analysis is a relation between varying degrees of product similarity and equilibrium outcomes of local share advantages. The result finds that asymmetric quality positioning and associated local share advantages emerge especially when competing brands are objectively similar.

In the article 'Measurement and Validity of Jennifer Aaker's Brand Personality Scale for Colgate Brand', Bejoy and Sekar (2008) discussed a viable solution for establishing the distinctiveness of a brand is through brand personality. This study focused on measuring the brand personality of Colgate and exploring the model validity of Jennifer Aaker's Brand Personality Scale. A validity check of the scale using Factor Analysis was done towards the end which indicates that the number of dimensions of Brand Personality is 13 and about 10 items of Jennifer Aaker's Brand Personality scale are not applicable in the Indian situation.

Thamaraiselvan and Raja (2008) in their research 'How do consumers evaluate brand extensions-research findings from India', elaborated on brand extensions and how consumers evaluates them. This study primarily focuses on how consumers evaluate brand extensions for FMCG (Fast Moving Consumer Goods) and service product categories in Indian
market conditions. The study establishes the relationships among similarity fit, brand reputation, perceived service quality and perceived risk in extended product categories through appropriate multivariate analysis.

**Bhimrao (2008)** in the concept paper ‘Building brand identity in competitive markets: a conceptual model’, tried to identify important elements of brand building based on literature review and case studies of successful brands in India. As per the author, brand-building effort has to be aligned with organizational processes that help deliver the promises to customers through all company departments, intermediaries, suppliers, etc., as all these play an important role in the experience customers have with the brand.

**Jooyoung et al. (2008)** in their research paper ‘Antecedents of True Brand Loyalty’ examined a model of six latent constructs and proposed that true brand loyalty can be explained as a result of five distinct antecedents: brand credibility, affective brand conviction, cognitive brand conviction, attitude strength, and brand commitment.

**Anand et al. (2009)** in their article ‘Dettol: Managing Brand Extensions’ discussed the case of a parent brand and its subsequent extensions into different product categories. To achieve fast growth and leverage the strong brand equity of Dettol, Reckitt Benckiser India Limited (RBIL) rolled out a number of brand extensions. Some of these extensions such as Dettol soap and Dettol liquid hand wash became phenomenal successes, but most others failed to perform. The case deals with the questions of why some extensions achieve great success while others fail miserably.
In the research article ‘Brand Relationships and Switching Behaviour for Highly Used Products in Young Consumers’, Arvind and Nivedita (2010) discussed about Consumer-brand relationships. This is an empirical study focusing on the brand relationships amongst young consumers in the age range of 13 to 25 years in an emerging economy. The results indicate that (i) young consumers do form relationships with brand(s) on all the six dimensions of consumer brand relationship that have been postulated in the literature, (ii) family has a relatively stronger influence than peers on brand switching behaviour and (iii) consumers do compare price irrespective of how strong the brand relationship is.

Tanmay et al. (2010) in their article ‘Marketing Mix Elements Influencing Brand Equity and Brand Choice’ discussed a model which could identify the effects associated to brand equity of the passenger car industry in India. The study examines the effects of marketing activities on the brand equity, in which a survey was performed to gather data from ten shopping centers in India. The study employs the Structural Equation Model to analyze the data wherein it indicates that cultural differences of consumers exhibit the impact of marketing to the brand equity development.

Shobha et al. (2011) in their research paper ‘Determinants of Consumer Attitudes toward Brand Extensions: An Experimental Study’, discussed about brand extension concept and its acceptance with consumers. Results of the study indicates that attitude toward the parent brand is the strongest factor influencing extension evaluation, substantiating the efficacy of extension.
Mehir and Bipasha (2011) in their research paper ‘Relationship between Marketing Efforts and Sales of Consumer Brands: An Empirical Study in India’, examined the relationship between the marketing efforts of firms, how much time and money, they put into the marketing of particular products and the returns they get from these products. Results suggest that there exists a constant return to scale of sales (in units) to marketing efforts for both the brands under study.

After reviewing the related articles from last two decades, it was concluded that little research has been performed in developing a perceptual concept/model to measure brand uniqueness. This further emphasizes the need to carry out this research and develop a model to measure brand uniqueness. The model is called as Brand Symmetry Index score. The model can assist in marketing communications and provide brand managers a tool through which they can measure brand uniqueness score.
1.4. NEED FOR THE STUDY

In the marketplace, differentiation is the key. Any marketer – be it a producer, intermediary, seller or an agent – consistently tries to offer something different than what is being offered in the market. Even generic products and services such as salt, wheat, rice, hair salons, and telecom services tries to woo customers with their differentiation messages.

The usual opinions about commodities are that they are highly price sensitive. A little lower price can increase the sales. In ideal economics world, the price volume sensitivity exists. However this hardly happens. In the real world, there are other factors apart from price wars which can impact sales.

Having emphasized enough on the significance of brand differentiation, the important factor is to measure the differentiation through a tool. The present research is focused on developing a tool which can be used to measure brand differentiation through a concept called ‘Brand Symmetry Index’. The idea is to investigate brand attributes which are closely associated with its success and then perform various multivariate interdependent analyses to study the relationship between them.

With a brand uniqueness measurement tool at their disposal, the brand managers can know how their brands are performing in the marketplace. Is it being viewed the same way as it has been positioned through various marketing communication channels? How is it different than its peers as perceived by the consumers? These inputs are critical for brand
positioning which in turn is based on the following four strategic questions:

i. What is my identity?
ii. Why do I exist?
iii. For whom I exist?
iv. Why will they choose me?

i. **What is my identity?** This question is connected with the corporate identity and credentials of the brand. The customer is prompted to think about the brand’s origin, its corporate group, its corporate culture, its family and siblings. The idea is to connect the brand with something which is already popular, respected and accepted in the market.

ii. **Why do I exist?** The question relates to brand’s purpose of existence. The answer usually lies in its functional capabilities. The benefits to customers can be attributes such as brand’s price, quality, usage, occasion, time and any other offering which is sufficiently distinguishable.

iii. **For whom I exist?** The question is about finding the target audience of the brand. Market segments can be categorized by various factors and some of them are listed below:
   - Demographics: Age, income, gender, education, occupation and location
   - Behavioural: Usage pattern, volume, timing, and place
   - Benefits or satisfaction sought
   - Psychographic: Life Style, personality, and social class
The manager has the flexibility to decide on the market segment in which the brand would be positioned. The obvious choice will be that segment which has the potential need by target customers.

iv. **Why will they choose me?** The question relates to the distinguishing feature which the brand has to offer than the competitors. Why will the customer prefer the brand? Is the brand differentiation really the driving factor or is it just marketing gimmick? What are the risks associated with the positioning strategy? Will the customer understand the positioning message? Will they remember brand’s Unique Selling Proposition?
1.5. OBJECTIVES OF THE STUDY

1. To analyze the industry overview of life insurance and oral care sectors of India.

2. To analyze the Brand Positioning Strategies of leading brands of the country and understand the communication dynamics.

3. To understand, review and define the attributes for 'Brand Success'.

4. To develop the concept and algorithm related to Brand Symmetry Index. Use the algorithm to develop the best model fit to measure Brand Symmetry Index and interpret the results.

5. To analyze the relationship between the following brand and customer attributes
   1. Brand Attribute ‘Unique’ and Customer Age
   2. Brand Attribute ‘Unique’ and Customer Gender
   3. Brand Attribute ‘Unique’ and Customer Type
   4. Brand Attribute ‘Loyalty’ and Customer Age
   5. Brand Attribute ‘Loyalty’ and Customer Gender
   6. Brand Attribute ‘Loyalty’ and Customer Type
1.6. RESEARCH METHODOLOGY

Research Methodology is the strategy for a study and the plan by which the strategy is to be carried out. It specifies the methods and procedure for the collection, measurement, analysis of data. For the purpose of this research, research design has been described below:

RESEARCH DESIGN

The research is conducted in two phases:

SURVEY ONE: Survey on brand attributes to study which brand attributes are more important in determining brand success. The idea is to group similar brand attributes together and converge on a list of smaller number of attributes for second survey. It is

Sample Size : 200
Sample Description : Academicians (Management Faculty members in Bangalore)
Sampling Technique : Convenience Sampling
Survey Tool : Questionnaire (Refer Appendix A)
Measurement Period : March 2008 to August 2009

Statistical Techniques Used

Scale Reliability Test
Cronbach's alpha measures the internal consistency or reliability of the questionnaire. It can be written as a function of the number of test items and the average inter-correlation among the items. A
Cronbach’s alpha value of above 0.6 is generally considered as acceptable.

**Variable Cluster Method (Using Centroid Technique)**

It is a variable reduction technique. Similar variables are grouped in one cluster. An attempt is made to create disjoint set of clusters. Variables within the cluster exhibit similar characteristics as compared to those from other clusters. The number of clusters to be created is predefined. Splitting criteria for cluster creation is dependent on the number of clusters to be created.

**Variable Cluster Method (Using Eigen Value Technique)**

It is also a variable reduction technique. Similar variables are grouped in one cluster. An attempt is made to create disjoint set of clusters. Variables within the cluster exhibit similar characteristics as compared to those from other clusters. Splitting criteria for cluster creation is predefined. Number of clusters to be created is dependent on the splitting criteria.

**Exploratory Factor Analysis**

Exploratory Factor Analysis or simply Factor Analysis is a statistical method used to find a small set of unobserved variables (also called latent variables, or factors) which can account for the covariance among a larger set of observed variables (also called manifest variables). A factor is an unobservable variable that is assumed to influence observed variables.

Statistical Software Used: SAS\(^2\)

\(^2\) SAS – Statistical Analysis Software by SAS Inc
**SURVEY TWO:** After selecting distinct brand attributes from survey one, survey two is conducted to investigate attribute inter-relationships. The final objective is to develop a model on Brand Symmetry (uniqueness being the proxy variable for symmetry).

Sample Size : 500  
Sample Description : Students / Salaried Class / Housewives / Businessmen from Bangalore city  
Sampling Technique : Convenience Sampling  
Survey Tool : Questionnaire (Refer Appendix B)  
Measurement Period : March 2008 to August 2009

**Statistical Techniques Used**

**Scale Reliability Test**  
Cronbach's alpha measures the internal consistency or reliability of the questionnaire. It can be written as a function of the number of test items and the average inter-correlation among the items. A Cronbach's alpha value of above 0.6 is generally considered as acceptable.

**Exploratory Data Analysis**  
Descriptive Statistics such as Mean, Minimum, Maximum and Standard Deviation is computed to understand the attribute behaviour and outliers.

**Correlation Matrix**  
Correlations between variables are computed to understand variable dependency on each other before building the model.
Correlation coefficient $r$ will always be between -1.0 and +1.0. If the correlation is negative, we have a negative relationship; if it's positive, the relationship is positive.

**Multicollinearity**

Multicollinearity is a problem of not being able to separate the effects of two or more variables on an outcome variable. If two variables are significantly alike, it becomes impossible to determine which of the variables accounts for variance in the dependent variable. As a rule of thumb, the problem primarily occurs when independent variables are more highly correlated with each other than they are with the dependent variable. One of the most common tests for diagnosing collinearity problems is Variance Inflation Factor. Variance inflation factor (VIF) measures the impact of collinearity among the independent variables in a regression model on the precision of estimation. There is no cut-off value for VIF as such. The minimum value of VIF is 1. Lower VIF indicates low collinearity.

**Heteroscedasticity**

In regression analysis, heteroscedasticity means a situation in which the variance of the dependent variable varies across the data. Heteroscedasticity complicates analysis because many methods in regression analysis are based on an assumption of equal variance. Care should be taken while interpreting the results.

**Chi Square Test of Independence**

This statistic is used to test the relationship between two variables. Chi Square value is computed from the data and compared to the
Chi Square table value to arrive at the decision of accepting or rejecting a null hypothesis (null hypothesis states the condition that there is no relationship between the two variables)

**Multi-Regression**
Multi-Regression is one of the common statistical techniques used to predict a dependent variable on the basis of continuous independent variables. R-Square value is usually checked for model fitness.

**Logistic Regression**
Logistic regression can be used to predict a dependent variable on the basis of continuous and/or categorical independents and to determine the percent of variance in the dependent variable explained by the independents; to rank the relative importance of independents. The impact of predictor variables is usually explained in terms of odds ratios. The odds ratio is the ratio of the odds of an event occurring in one group to the odds of it occurring in another group, or to a sample-based estimate of that ratio.

**Hosmer and Lemeshow Goodness-Of-Fit Test**
The Hosmer-Lemeshow test is a commonly used test for assessing the goodness of fit of a model and allows for any number of explanatory variables, which may be continuous or categorical. Null hypothesis states the condition that the model fits the data (i.e., there is not much difference between predicted and actual probabilities). Researchers would like to accept the null hypothesis.

Statistical Software Used: SAS
1.7. HYPOTHESES

The following quantitative assumptions have been postulated to be tested in the research. The logic of null hypothesis is based on the concept that no relationship exist between the parameters unless proved otherwise. The hypothesis would be tested using non-parametric chi-square test. The NULL and ALTERNATE hypothesis has been framed as below:

**Hypothesis 1**

- NULL: There is no relationship between Customer Age and Brand Attribute ‘Unique’
- ALTERNATE: There is a relationship between Customer Age and Brand Attribute ‘Unique’

**Hypothesis 2**

- NULL: There is no relationship between Customer Gender and Brand Attribute ‘Unique’
- ALTERNATE: There is a relationship between Customer Gender and Brand Attribute ‘Unique’

**Hypothesis 3**

- NULL: There is no relationship between Customer Type and Brand Attribute ‘Unique’
- ALTERNATE: There is a relationship between Customer Type and Brand Attribute ‘Unique’

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3 Donald Cooper, Pamela Schindler, 'Business Research Methods', TMH, 6th Ed, Chapter 17, Page 523
Hypothesis 4

- NULL: There is no relationship between Customer Age and Brand Attribute 'Loyalty'
- ALTERNATE: There is a relationship between Customer Age and Brand Attribute 'Loyalty'

Hypothesis 5

- NULL: There is no relationship between Customer Gender and Brand Attribute 'Loyalty'
- ALTERNATE: There is a relationship between Customer Gender and Brand Attribute 'Loyalty'

Hypothesis 6

- NULL: There is no relationship between Customer Type and Brand Attribute 'Loyalty'
- ALTERNATE: There is a relationship between Customer Type and Brand Attribute 'Loyalty'
1.8. SCOPE OF THE STUDY

1. The scope is limited to the following two sectors (one each from Product and Service): Life Insurance and Oral Care

2. Brand used for survey are limited to the following:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Brand Code</th>
<th>Brand Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance</td>
<td>1</td>
<td>LIC</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>2</td>
<td>ICICI Prudential</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>3</td>
<td>SBI Life</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>4</td>
<td>HDFC Standard Life</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>5</td>
<td>Bajaj Allianz</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>6</td>
<td>Birla Sunlife</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>7</td>
<td>Max New York Life</td>
</tr>
<tr>
<td>Oral Care</td>
<td>1</td>
<td>Colgate</td>
</tr>
<tr>
<td>Oral Care</td>
<td>2</td>
<td>Close-up</td>
</tr>
<tr>
<td>Oral Care</td>
<td>3</td>
<td>Pepsodent</td>
</tr>
<tr>
<td>Oral Care</td>
<td>4</td>
<td>Dabur Red</td>
</tr>
<tr>
<td>Oral Care</td>
<td>5</td>
<td>Vicco</td>
</tr>
<tr>
<td>Oral Care</td>
<td>6</td>
<td>Cibaca</td>
</tr>
</tbody>
</table>

(Source: Survey)

3. Survey Area: Bangalore city (being cosmopolitan, generalization of research results would be easier across segments and markets).

4. It should be noted that the intent of the study is to develop the BSI model and validate the algorithm/modeling process. The BSI score computed for a brand is at one point in time and replicating the study may not give the same score again.
1.9. LIMITATIONS OF THE STUDY

It is important to mention that the scope of this study only focused on investigating the relationship between customer attributes and brand symmetry (though a very important one). The study is limited to the symmetry perception of sampled customers only. The research however does not reject other possible links between specific attributes or combination of attributes and customer behaviour. For example:

- Customers may give higher priority to some attributes than others in deciding their choice and response.
- Particular brand positioning may be more valuable for acquiring new customers and hence the customer response being influenced by it.

The above areas of research would definitely be of good value. Apart from this, it can also happen that the attribute importance for a customer can alter the effect on brand loyalty or brand symmetry. Though at aggregate level, the effect appears to neutralize each other. Considering this, looks like attribute importance is not very significant at aggregate level. However attribute importance may have some vital inferences at the customer level, hence the need to carry out further investigation.

Sample size of 500 (for phase two) is representative only. A higher sample size of 1000 units was desired but later reduced due to size of the questionnaire. Survey area selected is Bangalore. Rural population is not been considered for this survey.
For generalization of the research, it is recommended to replicate and extend the model across a broad range of products and markets (including urban and rural) especially in the area of Consumer Packaged Goods (CPG). This is important considering the paper ‘The measurement & dimensionality of brand associations’ by Lamb and Low (2000) in which it is argued that level of brand knowledge and experience may contribute to deviation in results across different product categories.
1.10. CHAPTER SCHEME

Chapter scheme along with their brief details is given below.

Chapter One: Introduction
This chapter contains general introduction to the concept of brand positioning and differentiation followed by topics on statement of the problem, literature review, need for the study, objectives of the study, research methodology, hypotheses, scope of the study, limitation and chapter scheme.

Chapter Two: Theoretical Aspects Related to the Study
This chapter summarizes the literature from last twenty years used to discuss brand success factors and related attributes. It also defines the concept of Brand Symmetry Index and its computation logic.

Chapter Three: An overview of Insurance and Oral Care Industry
This chapter contains discussion on the industry overview of Insurance and Oral Care sector.

Chapter Four: Indian Brands - Positioning Analysis
This chapter discusses the Toothpaste brands and analyzes their success factors. It also deliberates on the positioning strategies adopted by some of the leading Indian brands.
Chapter Five: Data Analysis

This chapter reports the statistical test and its findings. Survey one results are reported along with test results of variable clustering, exploratory factor analysis. Survey two results related to brand symmetry index score is reported for both life insurance and oral sector brands.

Chapter Six: Summary of Findings, Suggestions and Conclusion

This chapter summarizes the study findings and provides various actionable suggestions. The chapter ends by providing research conclusion.