BRAND MANAGEMENT

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STRATEGIC BRAND MANAGEMENT

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STRATEGIC BRAND MANAGEMENT

PART 3: BRAND EQUITY AND BRAND VALUE

PART 3: BRAND EQUITY AND BRAND VALUE

Introduction

As already discussed the importance of brand management can never be under estimated in this discussion we discuss many more points relating to brand in this block.

This part is divided into three chapters discusses about the Basics of Brand Equity and Brand Value under chapter 8, whereas chapter 9 discusses about brand positioning whereas chapter 10 discusses about the brand Repositioning. The points that have been discussed over here are how to Use Storytelling to Promote Your Brand, how we can Generate a Premium Effect, we have even discussed in the block the Various Types of Brand Innovation, How we can leverage the Sale of Brand, Key Factors for Success in Brand Extension, Examples of Successful and Unsuccessful Brand Stretching, The Various Types of Brand Architecture: Product-Brand, Branduit, Range Brand, Umbrella Brand and Endorsement Brand. On the other hand in unit 2 we will discuse Brand Positioning, Market Segmentation and Positioning, Developing a Positioning Strategy, Brand Positioning Strategies and How it Works, Introduction of an international Brand – Case Study and at last we will discuss in chapter 10 Successful Repositioning, Nine Types of Repositioning, etc.

This part is going to be of great help for the readers in learning and understanding the concept of brand in a much better way.

Objective

After learning this, you will be able to understand:

- Story telling for brand promotion.

- Brand Innovation and its types.

- Factors responsible for success in brand extension.

- Brand architecture and its kind.

- Brand Positioning.

- Market Segmentation.

Brand Equity
and Brand
Value

- Brand Positioning Strategies.

- Repositioning.

Structure

Lesson 8: Basics of Brand Equity and Brand Value

Lesson 9: Brand Positioning

Lesson 10: Brand Repositioning

LESSON 8: BASIC OF BRAND EQUITY AND BRAND VALUE

Unit Structure

8.0   Learning Objectives

After learning this unit, you will be able to understand:

- The importance of story telling for brand promotion.

- Types of Brand Innovation.

- Key factors for success in brand extension.

- Various types of brand architecture.

8.1 Introduction

Brand equity is a critical part of building a business, and companies that successfully build one understands just how important it is to the bottom line. However, it takes time, patience, and a great deal of effort to build positive brand equity as you'll learn in my new series, Brand Equity Basics.

Brand equity is a phrase used in the marketing industry which describes the value of having a well-known brand name, based on the idea that the owner of a well-known brand name can generate more money from products with that brand name than from products with a less well known name, as consumers believe that a product with a well-known name is better than products with less well-known names.

–The tangible and intangible value that a brand provides positively or negatively to an organization, its products, its services, and its bottom-line derived from consumer knowledge, perceptions, and experiences with the brand.‖

— Susan Guneli

–The value of a brand. From a consumer perspective, brand equity is based on consumer attitudes about positive brand attributes and favorable consequences of brand use.‖

— American Marketing Association us.

8.2 How to Use Storytelling to Promote Your Brand

Brand storytelling isn't a new concept, but with the explosive growth of social media and content marketing, the opportunities to tell stories as part of direct and indirect brand marketing initiatives have become a strategic priority.

Marketers have been telling brand stories for years through advertising, in-person brand experiences, and so on, but the art of writing those brand stories as effective pieces of online content is a challenge that few are trained to do. That's because the best brand storytellers understand the critical elements of fiction writing, which are skills that few marketers have been formally trained to do.

Today's strongest marketing team will have room for new roles like the data architect and the brand creative content director. While the former position focuses on all that big data has to offer, the latter focuses on increasing consumer emotional involvement in the brand through social media and content marketing stories as well as on weaving the brand storyline into offline brand experiences and marketing initiatives.

Following are five secrets that brand storytellers understand and use to intrigue, engage, and connect emotionally with consumers. These secrets include a mix of branding fundamentals and fiction writing basics. Together, they can help you craft compelling brand stories for your own content marketing and integrated marketing efforts.

1. Speak truthfully

Honesty and transparency are important in brand storytelling. Yes, you're crafting ―stories,‖ but they need to be rooted in the reality of your brand, products, and industry. In other words, even brand stories must adhere to the three primary steps of brand-building: consistency, persistence, and restraint. If your brand stories are inconsistent, they'll confuse consumers who will turn away from the brand in search of another that meets their expectations for it in every interaction. Be creative but don't stray too far from your brand promise. Confusion is the number one brand killer.

2. Infuse personalities into stories

Brand stories are not marketing materials. They are not ads, and they are not sales pitches. Brand stories should be told with the brand persona and the writer's personality at center stage. Boring stories won't attract and retain readers, but stories brimming with personality can.

3. Create characters your audience will root for

Brand storytelling requires that you create characters your audience will like and cheer for. That doesn't mean you're required to create fictional characters or brand mascots to tell your stories. While characters like Allstate's Mayhem can be very effective in presenting brand messages and stories in a variety of ways, you don't need to create a fictional mascot to tell brand stories. For example, create buyer personas and tell stories from their perspectives. Tell stories from your employees' points of view or from a third-person point of view. The important thing is to create characters that enable your audience to become emotionally connected to them to such an extent that the audience wants to follow their character arcs.

4. Include a beginning, middle, and end

Fiction stories follow a structure that includes a beginning, middle, and an end. Your brand stories should follow a similar structure. In the beginning, you need to open strong and establish your story setting and the characters. The middle should set up your main character's problem and present conflicts that get in his or her (or its) way before him or her (or it) can find resolution in the end. This is your character's story arc, and you need to take your reader along for the ride. If they enjoy the ride, they'll stick around, tell other people about it, and come back again and again.

5. Don't give it all away

Make sure your brand stories are page turners' by focusing on the use of perpetual marketing in your efforts where one piece feeds off of the next. Leave your audience wanting more, and they'll come back again and again. Consider using ‒Watch This Space‖ hooks on your website or Facebook Page, or try releasing teasers via Facebook, email, or Pinterest. Perpetual marketing tactics offer the perfect opportunity to include offline and mobile marketing in your brand storytelling initiative too.

As with all brand building efforts, your goal is to surround your consumers with brand experiences (including stories), so they can self-select how they want to interact with your brand. Give them multiple ways to enjoy your brand story, and you'll find yourself moving closer to achieving your brand marketing goals.

Check Your Progress 1

1. Brand storytelling isn't a_____concept.

   a. old

   b. New

2. Marketers have been telling brand stories for years through_____.

   a. Mouth to

   b. Advertising

3. Honesty and transparency are important in brand_____.

   a. Storytelling

   b. Establishing

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4. _____ requires that you create characters your audience will like and
   cheer for.

   a. Brand storytelling

   b. Story telling

8.3   How to Generate a Premium Effect

There are two ways for a brand to go that route: organically, or deliberately.
A brand may put out a line of products (or possibly, one flagship item) that is
inherently more expensive to produce or procure than the ‒standard‖ version of the
product. Since they're going to have to charge more for it anyway to break even, or
cannot guarantee a steady supply, they're going to have to justify the higher prices
or limited availability.

Sometimes they don't have to do much. If the product is more expensive and
rarer than the standard version, people to see the product as a premium or luxury
item, even without extra help in the branding or marketing department. Beluga
caviar is a good example of this. Actually, you can find a lot of commodities which
have developed this brand image: cashmere wool, Champagne, gold, truffles, etc.

It helps a lot of the luxury product is perceived as better and rarer; in fact, I
might even argue that the product MUST be at least marginally better for a premium
perception to stick. Cashmere is softer and warmer than regular wool, gold doesn't
tarnish and is seen as prettier than brass, truffles have a unique flavor that really
can't be matched by more ordinary fungi.

However, clever marketing and branding can influence perception. Ever
heard of Copper River Salmon? It's a variety of wild Alaska salmon known for its
rich flavor and dark red color. It's available fresh for a very limited time, and
commands super high prices.

But here's a little secret: Copper River salmon is not much different than any
other wild Alaska seasonal salmon. The Alaska Seafood Marketing Association
(ASMI) wanted to establish a unique brand for its wild salmon, and chose that
particular river because it was a big supplier (salmon are caught in the ocean but
spawn in freshwater rivers, as every child growing up in the Pacific Northwest is
taught), and some rivers are bigger than others and produce a higher yield. Plus, a
lot of the salmon is sockeye, which has a longer lifespan than other species.

However, fresh salmon has a limited shelf life, so it's inherently ‒rare‖ compared to frozen or processed salmon. And fresh product is always perceived as better tasting than preserved, especially when it comes to seafood.

ASMI cleverly selected an inherently ‒better‖ product and promoted the hell out of it. Much of this was aimed at the trade: chefs and restaurants, who in turn, promoted their dishes to their patrons. There was also some marketing aimed at consumers, and a LOT of publicity and PR. (I worked on this account on and off for approximately 10 years, and almost all of it was either PR or trade marketing.)

Packaged goods and consumer products use these same tactics, only they are a little more obvious. Labels, advertising, retail distribution (many premium products, such as perfumes and electronics, are only sold in higher end stores -- the retail environment affects their brand image), PR (now I'm thinking clothing, accessories and personal - there's a reason celebrities are always getting free stuff -the manufacturers know that if Jennifer Aniston or Angelina Jolie is photographed wearing a certain brand of hair scrunchie, people are going to perceive that brand of scrunchie as being premium or luxury.

Celebrity endorsements and associations can also burnish a brand image. Look at Beats by Dre headphones. By most accounts, they're overpriced, but they are nominally better quality than your typical headphones -- and many consumers don't have much experience with other comparable products.

Clever marketing and PR can increase the perception of quality and rarity, which are cornerstones of a luxury/premium brand image. But the brand usually must have some observable advantages over the standard version of the product.

Check Your Progress 2

1. If the product is_____expensive and rarer than the standard version, people to see the product as a premium or luxury item.

   a. More

   b. Less

2. _____goods and consumer products use these same tactics, only they are a little more obvious.

   a. Packaged

   b. Loose

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3. Celebrity endorsements and associations can_____burnish a brand image.

   a. not

   b. Also

4. _____marketing and PR can increase the perception of quality and rarity.

   a. Clever

   b. Foolish

8.4   The Various Types of Brand Innovation

1.   Process Innovation

Implementing a new or improved technique or piece of equipment:

   To improve the consumers experience or take away a barrier. It's not a consumable, but a way to make consumption easier. Here innovation can be defined as executing new ideas to create value.

Fig 8.1 The Various Types of Brand Innovation

Waitrose Shop & Scan bring a host of consumer benefits, which make the shopping experience more hassle free, and therefore enjoyable.

You can track your spending as you go, scan and bag at the same time, and pay instantly at the end of the shop without the need for queuing.

2. Marketing Innovation

This is the implementation of a new marketing method involving significant changes to; product design or packaging, product placement, product promotion or pricing to better address consumers needs. This can apply to new or existing products.

a. Product design or packaging:

Changes in structure and appearance that do not alter the products' functional characteristics.

Fig 8.2 Product design or packaging

Inspiring consumer's on how to use the right combination of products for a specific need or regime has been what has set L'oreal apart from some of its key competitors in men's skincare. There is no change to product, only the way in which they are bundled together and presented to the consumer.

b. **Claims:**

A new way to communicate on the products' benefits, reasons to believe or features.

Fig 8.3 Claims

Right Guard are going for hard core efficacy reassurance with the introduction of their Total Defence 5 claim bundle, and their ‗Invisible Power' benefit, which is far more attention grabbing and memorable than saying something along the lines of ‒powerful invisible formula‖.

c. **Descriptors:**

The way in which you name or describe a product can bring new meaning to it's benefits or the way in which it works.

Fig 8.4 Descriptors

Vanish have cleverly introduced the reason to believe in to their product descriptor, 2 in 1 magnets. This is far more intriguing than simply calling them sachets or tablets.

c.   Merchandising Solutions:

A new way to present your product to your consumers, within the same channel

Fig 8.5 Merchandising Solutions

Sainsbury's have found a unique new way to merchandise deli cheeses in baskets on gondola end's adjacent to the deli counter. It feels artisan and fresh, and allows you to ‒grab and go‖ many deli favourites without the need to queue at the counter.

d.   Product placement:

Repurposing, or giving an existing product a new usage occasion through where it is placed in the store.

Fig 8.6 Product placement

Big brands like Apple, Pizza Express and House of Fraser sell gift cards in grocery and other outlets adjacent to celebration cards, allowing these brands/ franchises to capitalise on impulse gifting.

f.   Product promotion:

New ways to promote products and services. Like many other food retailers, M&S have bundled products together (main dish, side dish, dessert and bottle of wine) to rival the dining out experience.

Fig 8.7 Product promotion

g.   Channel:

Broadening either the reach and/or convenience of how your product or services get to your consumers.

Fig 8.8 Channels

Ringo's new app means it take's half the time to pay for parking compared to over the phone.

h.   Positioning:

How to make an existing and well-established product or category more unique and compelling.

Fig 8.9 Positioning

The Happy Egg Company have breathed some much needed cheer in to the humble egg, and hook in to an emotional reason to buy them over simply being a certain size or free range.

Innovation isn't the job of specific person or department in your business – it's the job of each and every one of us.

Check Your Progress 3

1. Implementing a new or improved technique or piece of equipment

   a. Process Innovation

   b. Marketing innovation

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2. This is the implementation of a new marketing method involving significant changes to; product design or packaging

   a. Process innovation

   b. Marketing innovation

8.5   How to Leverage the Sale of Your Brand

A brand leveraging strategy uses the power of an existing brand name to support a company's entry into a new, but related, product category. For example, the manufacturer of Mr. Coffee™ coffee makers used its brand name strength to launch Mr. Coffee™ brand coffee. While coffee machines and coffee beans are in different product categories, there is a strong enough correlation between the two items that the brand name has a powerful impact on consumers of both categories.

Brand leveraging communicates valuable product information to consumer's about new products. Consumers enter retail outlets equipped with pre- existing knowledge of a brand's level of quality and consistently relate this knowledge to new products carrying the familiar brand. Generally, consumers maintain a consistent brand perception until disappointed – creating a risky advantage for established brands.

Brand leveraging is an important form of new product introduction because it provides consumers with a sense of familiarity by carrying positive brand characteristics and attitudes into a new product category. Instant recognition of the brand is established, and consumers with a favorable brand opinion likely will try a new product they perceive to have a similar quality level and attributes as their original favorite. Additionally, because the products are in different categories, they will not compete for market share – the crux of a successful branding strategy.

Check Your Progress 4

1. A_____strategy uses the power of an existing brand name to support a company's entry into a new, but related, product category.

   a. brand leveraging

   b. brand

2. Brand_____communicates valuable product information to consumer's about new products.

   a. Leveraging

   b. extension

8.6 Key Factors for Success in Brand Extension

There are many factors for succeeding in a brand extension strategy. Those factors are often under-estimated by manufacturers who extend their brand just for savings reasons. Indeed creating a new brand for a launching product is an expensive step that could be avoided by stretching an existing brand. Other extends brand as many categories as possible in hope of just adding sales and improving brand image.

However, if this marketing strategy is efficiently applied it can have several positive consequences like create synergies, reinforce the brand image, and have a better approach on consumer's needs.

The main idea to understand the success of a brand extension is to consider the consumer's evaluation concerning the fit and the level of leverage between the brand extension and the core brand. Those two main factors describe two axes of consumer's perceptions and expectations:

- **"Fit":** The fit between the expectation brand and the care brand is probably the most important factor of a successful brand extension. It refers to the boundaries issue of the different product categories under the same brand. In other word, Fit is the stretch-ability of categories that consumer could accept for a brand.

- **"Image":** The brand image is the factor that influences the consumer's behavior regarding the new category of product under the evaluation of the core brand image. We're talking here about the global perception of brand personality.

- **"Credibility":** reflects the standing of the extended product in terms of price, quality, customers services.

- **"Leverage":** is the typical properties owned by a brand that gives a competitive advantage to the brand extension in its new category. We could also include in this section the ‒Transfer‖ factor which is the ability of a brand to transfer experience and skills to the brand extension.

If we consider that a brand extension has to be spread on these axes regarding consumer's expectation, we can extract some statement from those definitions and construct some basic principles for a successfully brand extension.

First of all, a brand stretching has to be logical with consumer's expectations. The extended product must fit with the brand's categories of existing products.

Secondly, parent brands must own some distinctive properties that give a competitive advantage to the company. Those attributes are not necessary to be exclusive ones but have to be important in the new category.

Finally, the brand image has also a decisive impact on consumer's perception of an extended product. People tend to identify themselves to the personality of a brand. If these characteristics are well shared between categories, it will provide the new product an existing notoriety.

All these factors we've summarize to explain a successful brand extension are independent and distinctive to each brand extension strategy. All manufacturers have different strategies to launch a new product. Some will benefit from special management skills and have a high leverage level when other will just change the recipe of their product and rely on the ‒Fit‖ and ‒Image‖ factor for their chance of succeeding.

Check Your Progress 5

1. The fit between the expectation brand and the care brand is probably the most important factor of a successful brand_____.

    a. Extension

    b. levarage

2. The brand_____is the factor that influences the consumer's behavior regarding the new category of product under the evaluation of the core brand image.

    a. Extension

    b. Image

3. _____‖ reflects the standing of the extended product in terms of price, quality, and customer services.

    a. Credibility

    b. Brand image

8.7 Examples of Successful and Unsuccessful Brand Stretching

Instances where brand extension has been a success are-

Wipro which was originally into computers has extended into shampoo, powder, and soap.

Mars is no longer a famous bar only, but an ice-cream, chocolate drink and a slab of chocolate.

Instances where brand extension has been a failure are-

In case of new Coke, Coca Cola has forgotten what the core brand was meant to stand for. It thought that taste was the only factor that consumer cared about. It was wrong. The time and money spent on research on new Coca Cola could not evaluate the deep emotional attachment to the original Coca- Cola.

Rasna Ltd. - Is among the famous soft drink companies in India. But when it tried to move away from its niche, it hasn't had much success. When it experimented with fizzy fruit drink ‒Oranjolt‖, the brand bombed even before it could take off. Oranjolt was a fruit drink in which carbonates were used as preservative. It didn't work out because it was out of synchronization with retail practices. Oranjolt need to be refrigerated and it also faced quality problems. It has a shelf life of three-four weeks, while other soft- drinks assured life of five months.

Check Your Progress 6

1. _____which was originally into computers has extended into shampoo, powder, and soap.

   a. Wipro

   b. satyam

2. In case of new_____Coca Cola has forgotten what the core brand was meant to stand for.

   a. Limca

   b. Coke

8.8   The Various Types of Brand Architecture

8.8.1   Product-Brand

It involves one particular name assigned to one particular product. This name reflects just one positioning and hence is restricted to that positioning. In other words, for each new positioning there is a new brand name and hence different names correspond to different positions.

8.8.2   Range Brand

Range branding looks similar to line branding but is significantly different from it. Range branding is also called ‗brand extension'. Unlike line branding where the same brand concept is used for complementary products in the same product line, in range branding the same ‗area of expertise' is extended to several products not necessarily in the same product line. This strategy helps companies to extend the brand to products that do not complement each other.

Himalaya Drug Company has a range of Ayurvedic products such as HealthCare, Skincare, and Hair Care etc under the brand name, Ayurvedic Concepts. This brand concept is common to deep cleansing products to digestive capsulesand antiseptic cream though these are not complementary products belonging to a product line. The focus is on expertise.

8.8.3   Umbrella Brand

An umbrella brand or a family brand is a brand which is used across a range of product categories i.e., a set of related but distinct products. Umbrella branding is very common across the FMCG sector. There are numerous advantages of using umbrella brand like increasing marketability, giving positioning to a product and reducing the cost of creation of a new brand.

For example if a brand is known for high quality another product under the same umbrella brand is also perceived in a similar manner. However one big disadvantage of umbrella brand is that the failure of one product may spoil the image of all the other products under the umbrella brand.

For Example Apple is an umbrella brand for a set of distinct but related products like the IPhone, IPad, Mac Book & other accessories. In the FMCG sector Nivea acts as another Umbrella brand with a wide array of products like cream, soap, powder, deodorant, etc.

8.8.4 Endorsement Brand

This type of Brand Architecture uses the company name as leverage for all product/service offerings. (e.g., Johnson & Johnson).

Check Your Progress 7

1. It involves one particular name assigned to one particular product.

   a. Product brand

   b. Range brand

2. An_is a brand which is used across a range of product categories.

   a. umbrella brand

   b. Endorsement brand

3. This type of Brand Architecture uses the company name as leverage for all product/service offerings.

   a. Product brand

   b. Endorsement brand

8.9 Let Us Sum Up

In this lesson we have studied about brand equity and many other concepts relating to it. In brief we have studied that brand equity is a critical part of building a business, and companies that successfully build one understand just how important it is to the bottom line. Brand equity is a phrase used in the marketing industry which describes the value of having a well-known brand name, based on the idea that the owner. We even studied that Brand storytelling isn't a new concept, but with the explosive growth of social media and content marketing, the opportunities to tell stories as part of direct and indirect brand marketing initiatives have become a strategic priority.

This chapter proved to be very effective in helping us to understand many concepts relating to brand management and going to be very helpful for the readers in learning these associated concepts of brand.

8.10   Answers for Check Your Progress

Check Your Progress 1

Answers: (1-b), (2-b), (3-a), (4-a)

Check Your Progress 2

Answers: (1-a), (2-a), (3-b), (4-a)

Check Your Progress 3

Answers: (1-a), (2-b)

Check Your Progress 4

Answers: (1-a), (2-a)

Check Your Progress 5

Answers: (1-a), (2-b), (3-a)

Check Your Progress 6

Answers: (1-a), (2-b)

Check Your Progress 7

Answers: (1-a), (2-a), (3-a)

8.11   Glossary

1.   **Innovation -** a new method, idea, product, etc.

2.   **Promotion -** it refers to raising customer awareness of a product or brand, generating sales, and creating brand loyalty.

8.12   Assignment

Discuss the role of story telling in brand promotion.

8.13   Activities

Discuss the various kinds of brand innovation.

8.14   Case Study

Write a note on key factors for success in brand extension.

8.15   Further Readings

1.   Marketing Management (Twelfth Edition) – Philip Kotler.

2.   The Brand Mindset – Duanne E Knapp. Tata McGraw Hill edition.

3.   The 22 Immutable Laws of Branding – Al Ries and Laura Ries.

4.   Positioning: The Battle for Your Mind - Al Ries and Laura Ries.

5.   Marketing Warfare - Al Ries and Laura Ries.

6.   Competitive Strategy – Michael E Porter.

7.   Product Management – S A Chunawalla.

8.   Brand Management – Y L R Murthy.

9.   Managing Brand Equity – David Aaker.

10.   Building Strong Brands – David Aaker.

11.   Branding Concepts and Process – Debasispati.

12.   What is a Brand? – S King.

LESSON 9: BRAND POSITIONING

Unit Structure

9.0   Learning Objectives

9.1   Introduction

9.2   Brand Positioning Defined

9.3   Market Segmentation and Positioning

9.4   Developing a Positioning Strategy

9.5   Brand Positioning Strategies and How it Works?

9.6   Introduction of an International Brand – Case Study

9.7   Let Us Sum Up

9.8   Answers for Check Your Progress

9.9   Glossary

9.10 Assignment

9.11 Activities

9.12 Case Study

9.13 Further Readings

9.0   Learning Objectives

After learning this unit, you will be able to understand:

- Brand Positioning, its Meaning, Scope and Importance.

- Brand Positioning Defined.

- Market Segmentation and Positioning.

- How to Develop a Positioning Strategy?

- Brand Positioning Strategies and how it Works.

- How to Introduce an International Brand?

9.1   Introduction

The famous ‗5 Ps' of marketing folklore (product, place, price, promotion & packaging) were fine tools for implementing packaged goods brand positionings - and the basic formula still has its role in FMCG assignments. But today we are entering the era of customer brands where ‗company' and ‗brand' are one and the same. In this scenario the company culture & values become a crucial factor in the solution: finding and harnessing what's there already or setting out to create values and practices which support and manifest the positioning.

Why is Defining the Positioning so Important?

Running a brand is like conducting an orchestra. Positioning is the heart of competitive strategy. The messages transmitted by everything from the advertising to phone calls with your customer care department all need to be kept in harmony and on-brief. Without a clear, single-minded definition of what the brand is about the messages rapidly become discordant and confusing. The positioning statement is therefore a focusing device which helps brand management to keep everything sharp and relevant.

Identifying where a specific brand is placed within the marketplace and its relationship to competitive brands, brand positioning is determined by defining the brand's benefits to the consumer, opportunities for which the brand is best suited, the brand's target audience, and who its main competitors are. For us to achieve the benefits of brand positioning, it is necessary to research in-depth the market position (or lack thereof) of the brand. Brand maps and forms are created to profile the brand positioning, comparing the results with competitive brands.

In realizing the benefits of brand positioning, it is important to understand that not all brands are competitors. A consumer may be presented with six brands of one product and only considers three out of the six as a purchasing choice. The consumer may have encountered a negative experience with a specific brand and may never consider purchasing it again or there may be a brand that simply does not stand out to the consumer and it is passed up.

Position Or Perish!!!

Have you ever thought what makes Kelloggs different from Noodles? The difference lies in positioning. Positioning can make or break a brand.

The concept of positioning was introduced by Al Ries and Jack Trout in 1969 and was elaborated in 1972. To understand the concept of positioning we can consider the human mind as consisting of a perceptual map with various

brands occupying different positions in it. This concept of perceptual space forms the theoretical basis for brand positioning.

What this leads to is the perception of the consumer, which decides the positioning of any brand. It is important to note that what a marketer does is to find a position for its brand in the perceptual space of the consumer and place it at the most lucrative point. Hence, Positioning is not what you do to the product; it is what you do to the mind of the prospect. It is a new approach to communication and has changed the nature of advertising. It can be of a product, service, company or oneself.

The perception of a consumer is a function of consumer's values, beliefs, needs, experience and environment. Thus as per Subro to Sengupta ―the core thought behind brand positioning -the idea that each brand (if at all noticed) occupies a particular point or space in the individual's mind, a point which is determined by that consumer's perception of the brand in question and in its relation to other brands‖.

Thus, in the perceptual map, the spatial distance between the points on which brands are located reflects the subject's perception of similarity or dissimilarity between products or brands.

The basic approach of positioning is not to create something new and different but to manipulate what's already up there in the mind, to retie the connections that already exist. In communication, as in architecture, less is more. The only answer to the problems of an over communicated society is positioning.

Positioning is an organized system for finding a window in the mind.

The easy way to get into a person's mind is to be first in a particular category. If you are not the first then you have a positioning problem.

9.2   Brand Positioning Defined

Identifying where a specific brand is placed within the marketplace and its relationship to competitive brands, brand positioning is determined by defining the brand's benefits to the consumer, opportunities for which the brand is best suited, the brand's target audience, and who its main competitors are.

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created to profile the brand positioning, comparing the results with competitive brands.

In realizing the benefits of brand positioning, it is important to understand that not all brands are competitors. A consumer may be presented with six brands of one product and only considers three out of the six as a purchasing choice. The consumer may have encountered a negative experience with a specific brand and may never consider purchasing it again or there may be a brand that simply does not stand out to the consumer and it is passed up.

After an organization has selected its target market the next stage is to decide how it wants to position itself within that chosen segment. Positioning refers to ‗how organizations want their consumers to see their product'. What message about the product or service is the company trying to put across? Daewoo cars have successfully positioned themselves as the family value model? The Skoda brand which has been taken over by Volkswagen has been re-positioned as a vehicle which had negative brand associations, to one which regularly wins car of the year awards. The positive comments from the industry and attributes of this

vehicle are slowly changing the perception of consumer's about the Skoda brand. Product positioning is an important strategy for achieving differential advantage. Positioning reflects the ‒place‖ a product occupies in a market or segment. A successful position has characteristics that are both differentiating and important to consumers.

Every product has some sort of position — whether intended or not. Positions are based upon consumer perceptions, which may or may not reflect reality. A position is effectively built by communicating a consistent message to consumers about the product and where it fits into the market — through advertising, brand name, and packaging.

Positioning is inextricably linked with market segmentation. You can't define a good position until you have divided the market into unique segments and selected your target segments.

Check Your Progress 1

1. _____ is determined by defining the brand's benefits to the consumer.

   a. brand positioning

   b. Market segmentation

2. In realizing the benefits of brand positioning, it is important to understand that not all brands are _____.

    a. Equal

    b. Competitors

3. After an organization has selected its _____ market the next stage is to decide how it wants to position itself within that chosen segment.

    a. Segment

    b. Target

4. _____ is an important strategy for achieving differential advantage.

    a. Product positioning

    b. Brand positioning

5. _____ is inextricably linked with market segmentation.

    a. Target

    b. Positioning

9.3   Market Segmentation and Positioning

Market Segmentation

To compete successfully in today's volatile and competitive business markets, mass marketing is no longer a viable option for most companies. Marketers must attack niche markets that exhibit unique needs and wants. Market segmentation is the process of partitioning markets into groups of potential customers with similar needs or characteristics who are likely to exhibit similar purchase behavior.

Market segmentation is the foundation on which all other marketing actions can be based. It requires a major commitment by management to customer- oriented planning, research, implementation and control.

The overall objective of using a market segmentation strategy is to improve your company's competitive position and better serve the needs of your customers. Some specific objectives may include increased sales, improved market share and enhanced image.

There are four major benefits of market segmentation analysis and strategy:

- Designing responsive products to meet the needs of the marketplace

- Developing effective and cost-efficient promotional tactics & campaigns

- Gauging your company's market position — how your company is perceived by its customers and potential customers relative to the competition

- Fine-tuning current marketing strategies

A three-step process is used to develop a market segmentation strategy:

1. **Segment Identification**: Determining a given number of homogeneous market segments based on selected segmentation variables and criteria. Segments should be customer-focused, a justifiable size, distinguishable, accessible, accountable & profitable.

2. **Market Selection**: Selecting one or more groups to target for marketing activity. It is impossible to pursue every market opportunity so you must make strategic choices based on customer needs, competitive opportunities, corporate objectives, and your firm's financial, technical & marketing resources.

3. **Positioning:** Carving out a market niche for your firm. This may be accomplished by searching out unique marketing advantages, seeking new market segments that competitors are not cultivating, or developing new approaches to old problems. Your positioning should be based on a real (e.g., lower cost, superior quality) or intangible (e.g., company reputation) competitive advantage.

Three key research issues must be addressed while considering positioning:

- **What is your current position?**

    What does the ‒space‖ look like — what are the most important dimensions in the category?

    What are the other products in that space and where are they?

    What are the gaps, unfilled positions or ‒holes‖ in the category?

    Which dimensions are most important?

    How do these attitudes differ by market segment?

- **What position do you want to have?**

    Some of the positioning opportunities for a product include:

Finding an unmet consumer need — or at least one that's not being adequately met now by competition.

Identifying a product strength that is both unique & important.

Determining how to correct a product weakness and thereby enhance a product's appeal. (e.g., legitimate –new & improved‖).

Changing consumer usage patterns to include different or additional uses for the product.

Identifying market segments, which represent the best targets for a product.

- **How do you create a new positioning?**

  Creating a new positioning can come from two sources:

  Physical product differences

  Communications — finding a memorable and meaningful way to describe the product (e.g., calling 7-Up the –Uncola‖). As Ries and Trout point out, –Positioning is not what you do to a product; positioning is what you do to the mind of the prospect.‖

Check Your Progress 2

1. _____ must attack niche markets that exhibit unique needs & wants.

   a. Marketers

   b. customers

2. Market is the foundation on which all other marketing actions can be based.

   a. Mix

   b. segmentation

3. The overall objective of using a market_____ strategy is to improve your company's competitive position and better serve the needs of your customers.

   a. segmentation

   b. customer

9.4   Developing a Positioning Strategy

Developing a positioning strategy depends much on how competitors position themselves. Do organisations want to develop ‗a me too' strategy and position themselves close to their competitors so consumers can make a direct comparison when they purchase, or does the organization want to develop a strategy which positions themselves away from their competitors. Offering a benefit which is superior depends much on the marketing mix strategy the organization adapts. The pricing must reflect the benefit offered, the promotion strategy must communicate this benefit.

Ultimately positioning is about how you want consumers to perceive your products and services and what strategies you would adopt to reach this perceptual goal.

In their 1981 book, Positioning: The Battle for your Mind, Al Ries and Jack Trout describe how positioning is used as a communication tool to reach target customers in a crowded marketplace. Jack Trout published an article on positioning in 1969, and regular use of the term dates back to 1972 when Ries and Trout published a series of articles in Advertising Age called ―The Positioning Era.‖ Not long thereafter, Madison Avenue advertising executives began to develop positioning slogans for their clients and positioning became a key aspect of marketing communications.

Fig 9.1 Developing a Positioning Strategy

Surf Excel, originally positioned as ―the value-for-money‖ detergent, today, improved and offered to remove the widest range of stains. This progressed into one of the most memorable campaigns in the country ―Surf Excel haina! It changed the way people had traditionally looked at stains. Tough stains usually bring in anxiety. Here was a brand that said, ―Relax, there is no need to panic‖.

Brand Positioning Strategies

- Key idea in positioning strategy – a consumer must have a clear idea of what your brand stands for in the product category Positioning achieved through brand's marketing communications (although distribution, pricing, packaging and actual product features also play major rules).

- Positioning is not what you do to the products but you do to the consumers' mind, through various communications. A brand must be ‒positioned‖ in a way that is most effective to attract the desired target segment. A brand's position is the set of associations the consumer has with the brand. Its physical attributes, lifestyle, use occasion or user image or even stores that carry it.

- A brand's position develops over the years.

7 Approaches to Positioning Strategy

1. **Using product characteristics or customer benefits** – Colgate ‒ring of confidence‖, cavity fighter or gum strengthener, ‒Neem‖ soap Margo, ‒Glycerine‖ soap Pears, etc. This is most-used positioning strategy. Honda and Toyota emphasized economy and reliability.

2. **The price-quality approach**. Manufacturers charge more, but communicate fact they are of higher quality. While others are cheaper. Eg.Surf/Nirma.

3. **The use or applications approach** – eg. Moove, Nycil.

4. **The product user approach** - eg. Lux (the soap for beauty queens), Boost (Boost is the secret of my energy), Nike, Fiat Palio, etc.

5. **The product class approach**. Maxim freeze-dried coffee, the first one in the market, needed to position itself with respect to regular and instant coffee. Some margarines position themselves against butter.

6. **The cultural symbol approach**. The Wells Fargo Bank uses a stage coach pulled by a team of horses and very nostalgic background music to position itself as the bank that opened up the west. Or take the MRF muscle man.

7. **The competitor approach** – Pepsi/Coke, Santro. This approach is useful Competitor's image (which may have firm, well-crystallized image developed over many years) can be used as a bridge to help communicate another image referenced to it.

Sometimes it is not important how good customers think you are, it is just as important to that they believe you are better than (or as good as) a given competitor. Most famous positioning strategy of this type was Avis ‒We're number 2, we try harder‖ campaign. The message here is: ‗Hertz, is so big they did not need to work hard.' The strategy: was to position Avis with Hertz as major car rental co (and away from National, which was 3rd at that time).

Determining Positioning Strategy

What should be positioning strategy? The identification and selection of a positioning strategy can be difficult and complex. It becomes more manageable if supported by marketing research and phased out into a 6-step process.

The 6-Step Process to Positioning

1.   Identify the competitors

2.   Determine how the competitors are perceived and evaluated

3.   Determine the competitors positions

4.   Analyze the customer

5.   Select the position

6.   Monitor the position

1.   Identify the Competitors

This step not easy. Identify all players in the market. For eg.Soft drinks.

Pepsi might define its competition as:

* Other Cola drinks,

* Non-diet soft drinks,

* All soft drinks,

* Non-alcoholic beverages,

* All beverages except water

There may be primary and secondary group of competitors. Primary group of competitors: other colas. The Secondary group may be: other non-diet soft drinks and diet colas.

2.   Determining How the Competitors are Perceived and Evaluated

To determine how competitor products are perceived, it is necessary to choose an appropriate set of product ‒attributes‖ for the comparison. ‒Attributes‖ include not only product characteristics and customer benefits but also product

associations such as product uses or product users. Eg. Beer – a relevant attribute could be the association of a brand with outdoor picnics or pubs (Haywards) or association with athletes.

The task is to identify relevant attributes, to remove redundancies from the list and then select those that are most useful and relevant in describing brand images.

3. Determining Competitors' Position

Determine how competitors and our own brand are positioned. The primary focus is on how they are positioned with respect to the relevant attributes.

What is the customer's image of various competitors?

Which competitors are perceived as similar and which are different?

4 Analyzing the customers

5. Select the position

6. Monitor the position

The ultimate positioning decision specifies where, in the perception map the brand should be positioned. Making this decision requires knowing which areas in the map will be attractive to customers.

Making the Positioning Decision: 5 steps

1. An economic analysis should guide the decision. The success of any objective basically depends on 2 factors: the potential market size and the penetration probability. Unless both these factors are favorable, success wills be unlikely.

2. Positioning usually implies a segmentation commitment. Positioning usually means an overt decision is made to ignore parts of the market and to concentrate only on certain segment. Such an approach requires commitment and discipline, as it's not easy to turn your back on potential buyers. Yet the effects of generating a distinct meaningful position are to focus on the target segments and not be constrained by the reaction of other segments.

3. If an ad is working stick with it. An advertiser will often tire of a positioning strategy and the advertising used to implement it will consider making a change. The personality or image of a brand, like that of a person, evolves over many years, and the value of consistency through time cannot be overestimated.

4. Don't try to be something you are not. It is tempting but naïve (and usually fatal) to decide on a positioning strategy that exploits a market need or opportunity but assumes that your product is something it is not. Before positioning a product it is crucial to determine the position of various competitors. Eg. Dettol soap 100% wash.

Consider symbols. A symbol or set of symbols can have strong associations that should be considered while making positioning decisions. Eg.MalboroMan , devil of ONIDA, Doughboy for Pillsbury, tiger for Tiger Tea, Robin bird for Robin Blue, Muscleman for MRF or Rising Sun for Aditya Birla.

Check Your Progress 3

1. Developing a_____strategy depends much on how competitors position themselves.

   a. Positioning

   b. segmentation

2. Ultimately is about how you want consumers to perceive your products and services and what strategies you would adopt to reach this perceptual goal.

   a. Positioning

   b. Marketing mix

3. A brand must be –positioned‖ in a way that is most effective to attract the desired_____.

   a. target segment

   b. market segment

9.5   Brand Positioning Strategies and How it Works?

Ries and Trout explain that while positioning begins with a product, the concept really is about positioning that product in the mind of the customer. This approach is needed because consumers are bombarded with a continuous stream of advertising, with advertisers spending several hundred dollars annually per consumer in the U.S. The consumer's mind reacts to this high volume of

advertising by accepting only what is consistent with prior knowledge or experience.

It is quite difficult to change a consumer's impression once it is formed. Consumers cope with information overload by oversimplifying and are likely to shut out anything inconsistent with their knowledge and experience. In an over-communicated environment, the advertiser should present a simplified message and make that message consistent with what the consumer already believes by focusing on the perceptions of the consumer rather than on the reality of the product.

Getting Into the Mind of the Consumer

The easiest way of getting into someone's mind is to be first. It is very easy to remember who is first, and much more difficult to remember who is second. Even if the second entrant offers a better product, the first mover has a large advantage that can make up for other shortcomings.

However, all is not lost for products that are not the first. By being the first to claim a unique position in the mind the consumer, a firm effectively can cut through the noise level of other products. For example, Miller Lite was not the first light beer, but it was the first to be positioned as a light beer, complete with a name to support that position. Similarly, Lowenbrau was the most popular German beer sold in America, but Beck's Beer successfully carved a unique position using the advertising, and ―You've tasted the German beer that's the most popular in America. Now taste the German beer that's the most popular in Germany.‖

Consumers rank brands in their minds. If a brand is not number one, then to be successful it somehow must relate itself to the number one brand. A campaign that pretends that the market leader does not exist is likely to fail. Avis tried unsuccessfully for years to win customers, pretending that the number one Hertz did not exist. Finally, it began using the line,

―Avis in only No. 2 in rent-a-cars, so why go with us? We try harder.‖

After launching the campaign, Avis quickly became profitable. Whether Avis actually tried harder was not particularly relevant to their success. Rather, consumers finally were able to relate Avis to Hertz, which was number one in their minds.

Another example is that of the soft-drink 7-Up, which was No. 3 behind Coke and Pepsi. By relating itself to Coke and Pepsi as the ―Uncola, 7-Up was able to establish itself in the mind of the consumer as a desirable alternative to the

standard colas. When there is a clear market leader in the mind of the consumer, it can be nearly impossible to displace the leader, especially in the short-term. On the other hand, a firm usually can find a way to position itself in relation to the market leader so that it can increase its market share. It usually is a mistake, however, to challenge the leader head-on and try to displace it.

Positioning of a Leader

Historically, the top three brands in a product category occupy market share in a ratio of 4:2:1. That is, the number one brand has twice the market share of number two, which has twice the market share of number three. Ries and Trout argue that the success of a brand is not due to the high level of marketing acumen of the company itself, but rather, it is due to the fact that the company was first in the product category. They use the case of Xerox to make this point. Xerox was the first plain-paper copier and was able to sustain its leadership position. However, time after time the company failed in other product categories in which it was not first. Similarly, IBM failed when it tried to compete with Xerox in the copier market, and Coca-Cola failed in its effort to use Mr.Pibb to take on Dr. Pepper. These examples support the point that the success of a brand usually is due to its being first in the market rather than the marketing abilities of the company.

The power of the company comes from the power of its brand, not the other way around. With this point in mind, there are certain things that a market leader should do to maintain the leadership position. First, Ries and Trout emphasize what it should not do, and that is boasting about being number one. If a firm does so, then customers will think that the firm is insecure in its position if it must reinforce it by saying so.

If a firm was the first to introduce a product, then the advertising campaign should reinforce this fact. Coca-Cola's ―the real thing‖ does just that, and implies that other colas are just imitations.

Another strategy that a leader can follow to maintain its position is the multibrand strategy. This strategy is to introduce multiple brands rather than changing existing ones that hold leadership positions. It often is easier and cheaper to introduce a new brand rather than change the positioning of an existing brand. Ries and Trout call this strategy a single-position strategy because each brand occupies a single, unchanging position in the mind of the consumer.

Finally, change is inevitable and a leader must be willing to embrace change rather than resist it. When new technology opens the possibility of a new market

that may threaten the existing one, a successful firm should consider entering the new market so that it will have the first-mover advantage in it. For example, in the past century the New York Central Railroad lost its leadership as air travel became possible. The company might have been able to maintain its leadership position had it used its resources to form an airline division.

Sometimes it is necessary to adopt a broader name in order to adapt to change. For example, Haloid changed its name to Haloid Xerox and later to simply Xerox. This is a typical pattern of changing Name 1 to an expanded Name 1 - Name 2, and later to just Name 2.

Positioning of a Follower

Second-place companies often are late because they have chosen to spend valuable time improving their product before launching it. According to Ries and Trout, it is better to be first and establish leadership.

If a product is not going to be first, it then must find an unoccupied position in which it can be first. At a time when larger cars were popular, Volkswagen introduced the Beetle with the slogan ‒Think small.‖ Volkswagen was not the first small car, but they were the first to claim that position in the mind of the consumer.

Other positions that firms successfully have claimed include:

Age (Geritol)

High price (Mobil 1 synthetic engine lubricant)

Gender (Virginia Slims)

Time of day (Nyquil night-time cold remedy)

Place of distribution (L'eggs in supermarkets)

Quantity (Schaefer - ‒the one beer to have when you're having more than one.‖)

It most likely is a mistake to build a brand by trying to appeal to everyone. There are too many brands that already have claimed a position and have become entrenched leaders in their positions. A product that seeks to be everything to everyone will end up being nothing to everyone.

The Power of a Name

A brand's name is perhaps the most important factor affecting perceptions of it. In the past, before there was a wide range of brands available, a company could name a product just about anything. These days, however, it is necessary to have a memorable name that conjures up images that help to position the product.

Check the power of the Rolls Royce name:

Fig 9.2 Power of Name

Ries and Trout favor descriptive names rather than coined ones like Kodak or Xerox. Names like DieHard for a battery, Head & Shoulders for a shampoo and Close-Up for a toothpaste and People for a gossip magazine. While it is more difficult to protect a generic name under trademark law, Ries and Trout believe that in the long run it is worth the effort and risk. In their opinion, coined names may be appropriate for new products in which a company is first to market with a sought-after product, in the case where name is not so important.

Margarine is a name that does not very well position the product it is describing. The problem is that it sounds artificial and hides the true origin of the product. Ries and Trout propose that ‒soy butter‖ would have been a much better name for positioning the product as an alternative to the more common type of butter that is made from milk. While some people might see soy in a negative light, a promotional campaign could be developed to emphasize a sort of ‒pride of origin‖ for soy butter.

Another everyday is example is that of corn syrup, which viewed by consumers are as an inferior alternative to sugar. To improve the perceptions of corn syrup, one supplier began calling it ‒corn sugar‖, positioning it as an alternative to cane sugar or beet sugar.

Ries and Trout propose that selecting the right name is important for positioning just about anything, not just products. For example, the Clean Air Act has a name that is difficult to oppose, as do ‒fair trade‖ laws. Even a person's name impacts his or her success in life. One study showed that on average, schoolteachers grade essays written by children with names like David and Michael a full letter grade higher than those written by children with names like Hubert and Elmer.

Eastern Airlines was an example of a company limited by its name. Air travel passengers always viewed it as a regional airline that served the eastern U.S., even though it served a much wider area, including the west coast. Airlines such as American and United did not have such a perception problem. (Eastern Airlines ceased operations in 1991.)

Another problem that some companies face is confusion with another company that has a similar name. Consumers frequently confused the tire manufacturer B.F. Goodrich with Goodyear. The Goodyear blimp had made Goodyear tires well-known, and Goodyear frequently received credit by consumers for tire products that B.F. Goodrich has pioneered. (B.F. Goodrich eventually sold its tire business to Uniroyal.)

Other companies have changed their names to something more general, and as a result create confusion with other similar-sounding companies. Take for instance The Continental Group, Inc. and The Continental Corporation. Few people confidently can say which makes cans and which sells insurance.

The No-Name Trap

People tend use abbreviations when they have fewer syllables than the original term. GE is often used instead of General Electric. IBM instead of International Business Machines. In order to make their company names more general and easier to say, many corporations have changed their legal names to a series of two or three letters. Ries and Trout argue that such changes usually are unwise.

Companies having broad recognition may be able to use the abbreviated names and consumers will make the translation in their minds. When they hear ‒GM‖, they think ‒General Motors‖. However, lesser known companies tend to lose their identity when they use such abbreviations. Most people don't know the types of business in which companies named USM or AMP are engaged.

The same applies to people's names as well. While some famous people are known by their initials (such as FDR and JFK), it is only after they become famous that they begin using their initials. Ries and Trout advise managers who aspire for name recognition to use actual name rather then first and middle initials. The reason that initials do not lead to recognition is that the human mind works by sounds, not by spellings.

Most company's began selling a single product, and the name of the company usually reflected that product. As the successful firms grew in to conglomerates, their original names became limiting. Ries and Trout advise companies seeking more general names to select a shorter name made of words, not individual letters. For example, for Trans World Airlines, they favored truncating it simply to Trans World instead removing all words and using the letters TWA.

The Free-Ride Trap

A company introducing a new product often is tempted to use the brand name of an existing product, avoiding the need to build the brand from scratch. For example, Alka-Seltzer named a new product Alka-Seltzer Plus. Ries and Trout do not favor this strategy since the original name already in positioned in the consumer's mind. In fact, consumers viewed Alka-Seltzer Plus simply as a better Alka-Seltzer, and the sales of Alka-Seltzer Plus came at the expense of Alka-Seltzer, not from the market share of the competition.

Some firms have built a wide range of products on a single brand name. Others, such as Procter & Gamble have selected new names for each new product, carefully positioning the product in a different part of the consumer's mind. Ries and Trout maintain that a single brand name cannot hold multiple positions; either the new product will not be successful or the original product bearing the name will lose its leadership position.

Nonetheless, some companies do not want their new products to be anonymous with an unrecognized name. However, Ries and Trout propose that anonymity is not so bad; in fact, it is a resource. When the product eventually catches the attention of the media, it will have the advantage of being seen without any previous bias, and if a firm prepares for this event well, once under the spotlight the carefully designed positioning can be communicated exactly as intended. This moment of fame is a one-shot event and once it has passed, the product will not have a second chance to be fresh and new.

The Line Extension Trap

Line extensions are tempting for companies as a way to leverage an existing popular brand. However, if the brand name has become near generic so that consumers consider the name and the product to be one and the same, Ries and Trout generally do not believe that a line extension is a good idea.

Consider the case of Life Savers candy. To consumers, the brand name is synonymous with the hard round candy that has a hole in the middle. Nonetheless, the company introduced a Life Savers chewing gum. This use of the Life Savers name was not consistent with the consumer's view of it, and the Life Savers chewing gum brand failed. The company later introduced the first brand of soft bubble gum and gave it a new name: Bubble Yum. This product was very successful because it not only had a name different from the hard candy, it also had the advantage of being the first soft bubble gum.

Ries and Trout cite many examples of failures due to line extensions. The consistent pattern in these cases is that either the new product does not succeed, or the original successful product loses market share as a result of its position being weakened by a diluted brand name.

When Line Extensions Can Work

Despite the disadvantages of line extensions, there are some cases in which it is not economically feasible to create a new brand and in which a line extension might work. Some of the cases provided by Ries and Trout include:

Low volume product - if the sales volume is not expected to be high.

Crowded market - if there is no unique position that the product can occupy.

Small ad budget - without strong advertising support, it might make sense to use the house name.

Commodity product - an undifferentiated commodity product has less need of its own name than does a breakthrough product.

Distribution by sales reps - products distributed through reps may not need a separate brand name. Those sold on store shelves benefit more from their own name.

Positioning Has Broad Applications

The concept of positioning applies to products in the broadest sense. Services, tourist destinations, countries, and even careers can benefit from a well-

developed positioning strategy that focuses on a niche that is unoccupied in the mind of the consumer or decision-maker.

All forward-looking companies now regard positioning as the heart of competitive strategy. As the ultimate aim of any business strategy is to satisfy the customer, gaining a valued position in the minds of customers is essential. Some people argue that branding is really positioning, stating that unless a brand has a position, it has no unique value in the minds of consumers. You can establish a brand personality, and through precise market segmentation identifies and reaches your target audience, but what links them together is positioning the brand in the minds of that audience. But, what is a position and how do you arrive at a good strategy for achieving one?

The branding process seeks to create a unique identity, for a company, product or service, which differentiates it from the competition. And every brand has to have a strategic platform. One half of that platform is created by carefully formulating a distinct brand personality, which makes the identity of the brand unique. The other half of the strategic brand platform is positioning. Positioning is critical to brand building because it is responsible for projecting the brand identity and creating the perception and image of the brand in people's minds. In other words, positioning is the process of offering the brand to the consumer. It is positioning that makes the brand appear to be different and better than all competing brands. The key points to note about positioning are:

- It is a strategic, not a tactical, activity

- It is aimed at developing a strategic, sustainable competitive advantage

- It is concerned with managing perceptions

- Brand image and reputation are the result of the positioning process

Positioning is normally carried out using brand communications, but sometimes it is tempting for companies to try and step away from the brand position in an attempt to reach a different target audience. So can a brand only position itself in one way? How many positions can a brand have?

Positioning is the outward expression of a brand, and the reality, therefore, is that a brand can only have one true position. As positioning presents the identity and personality of the brand to the outside world, a multiple personality would seem odd at the very least, and at worst, schizophrenic. Consumers make brands famous for many reasons, of which the most important is that they come to trust brands as friends. That is why deciding on the brand-positioning strategy is such an important part of brand strategy. However, there are ways in which the brand

may be presented differently to various target audiences. The success of this depends on an accurate judgment of the segments that exist in the market, and the segments' precise needs and wants.

For example, a chocolate-based drink may have a central positioning of nutrition. This could be presented as an energy-giving drink for active people, a dietary supplement for the elderly who have trouble eating many solid foods, an essential growth supplement for youngsters, and a relaxing drink for tired people before they go to bed. By appealing to these various segments, we have not stepped away from the central positioning.

Check Your Progress 4

1 The way of getting into someone's mind is to be first.

   a. Most difficult

   b. Easiest

2 The power of the company comes from the power of its_____.

   a. Brand

   b. Product

3 Change is inevitable and a_____must be willing to embrace change rather than resist it.

   a. Leader

   b. Marketer

4 A brand's name is perhaps the most important factor affecting_____of it.

   a. Demand

   b. Perceptions

5 IBM instead of_____.

   a. International business machine

   b. International business mechanism

9.6   Introduction of an International Brand - Case Study

Case Study - BACARDI

Background

The spirits market in India is still at an evolutionary stage and has only just emerged from being a regulated market, with very few established local players. Indian consumers have not had anywhere near the kind of choice available in the developed markets of the - world. India has traditionally been a brown spirit market, which meant that rum and whisky have been the dominant product categories, with brandy claiming some limited share as well. Until a few years ago, white spirits, wines, liqueurs, cognacs, etc., were only present in upper end niche markets and all put together, were negligible in comparison to browns. This situation was common in many parts of the world as well - but twenty years ago. Those markets have since developed and white spirits now hold strong category shares.

Under the impact of the economic and cultural liberalisation policies that were put into effect in India during the early _90s, the spirits industry also saw a gradual shift towards white spirits and lighthearted drinking, away from the traditionally serious brown spirits.

As in other parts of the world, white spirits are gaining importance. It is this opportunity that Bacardi-Martini identified, and then, took a conscious decision to make their entry into India.

White Spirits in Greater Detail

The only major international white spirit brand in India at that time was Smirnoff vodka. Local brands, such as Karmazov and Romanov, had been around before that but were extreme niche brands and had no pan-Indian presence. Apart from vodka, gin was the other white spirit present in the market with Blue Riband being the only major player. In effect, white spirits were a nascent category. Attitudes to white spirits reflected some key problem areas:

Whites are often seen as softer spirits, without the strength and punch of mainline liquor, such as whisky and rum. White spirits are also directly linked to femininity (e.g., ‒gin is a woman's drink‖).

In terms of drinking occasions, white spirits were/are seen to fit into the daytime period, i.e., for an afternoon drink (pink gins at lunch?). This potentially limits consumption and thus volume sale.

45

Research clearly showed category associations to be with ‗smooth, light-bodied', mixed with lime/orange, ‗summers', afternoon', ‗women', etc.

Research

Among the several market researches commissioned by Bacardi Martini India Ltd., two were particularly useful: Concept Testing and a Usage & Attitude Study. These are outlined below.

Concept testing

Generally, the first stage in the development, positioning and communication of a brand involved the creation of certain brand concepts, which then had to be tested on the consumer. Therefore, Bacardi developed six concepts for this purpose, (detailed below), that were felt to have a relevance to both the brand, and to the motivations of the Indian consumer. The qualitative research was conducted at metropolitan centres across India; the method used was of exposing a focus group comprising likely future consumers to each concept and then eliciting their reactions on the same. To make the concepts lifelike, concept cards and mood boards were used.

Usage and attitude study - key findings:

A.   Penetration & Profiling

One out of five (21%) people have an alcoholic drink regularly (as seen in the past one month). For women it drops down to 4 per cent as compared to 17 per cent men who drink spirits regularly.

Penetration is relatively lower in the 18-24 age group (13%).

Drinking of scotch, vodka and white rum was more predominant towards Mumbai, whereas Indian whisky was concentrated more in Delhi.

While a majority of the drinkers are in the 25-44 age group, vodka and scotch are predominantly consumed among the younger half of the segment.

Heavy drinkers of rum and Indian whisky generally belong to the lower social class while the majority of scotch, vodka and white rum heavy drinkers belong to the Al group.

B.   Category Penetration: Usage & Frequency

(Details relating to only white spirits are given below)

Gin Drinkers

Highest penetration of white spirits among regular drinkers (62% ever triers and 17% past month drinkers).

Average frequency of consumption lowest among all categories (2.4 times/month).

One out of three (34%) gin drinkers consume vodka regularly.

Higher penetration among the young adults (24%) vs. total (17%).

Vodka Drinkers

Less than half (45%) the drinkers have tried vodka but only 13 had it in the past month.

Low average frequency of consumption (92.5 times/month).

High penetration among young adults (29%) vs total (13%).

Four out of five (38%) vodka drinkers also consume gin.

White Rum

Very low ever triers (21%) and past month drinkers (2%).

C.   Brand Awareness and Consumption

(Relating to only white spirits)

White Spirits: Blue Riband Gin is a dominant white spirit brand (32%) followed by vodkas – Smirnof Karmazov and Alcazar.

Image Associations: Gin/Vodka - Smooth, light-bodied, mixed with lime/orange, associated with summers, afternoon, women, etc.

The Brand

Brand history

In 1862, Don Facundo Bacardi set up a small tin-roofed distillery in Santiago, Cuba. Here he began manufacturing new Bacardi rum, using a formula he had hit upon after many years of experimentation.

Rum was, at that time, a fiery drink used by Caribbean seamen to ward off the cold; Don Facundo's new formulation transformed rum into a smoother, lighter, milder drink, called Bacardi. Over the next few years, the rum gained popularity all over Cuba, and Don Facundo began expanding his operations. He kept the formula a closely guarded secret as the Bacardi family's success story took hold. The product was entered in international exhibitions, where it was acclaimed alongside such wonders as A.G. Bell's telephone. His sons dreamt of

expanding the brand outside Cuba; Cuba was then on the road to independence, and was aided by a considerable US presence. Put together, these factors gave Bacardi rum a foothold in the US, the first step towards becoming a huge international brand.

Today Bacardi sells in over 170 countries; its popularity the world over has made it the No.1 international spirits brand in the world.

The Bacardi Bat

Inspite of six generations of the Bacardi family distinguishing itself in business, philanthropy and public service, easily the most recognisable member of the family remains the one with no name. It is the Bacardi Bat, the trademark that appears on the label of every product carrying the Bacardi surname.

Legend has it that Don Facundo's wife; Donna Amalia Lucia Victoria suggested making the bat the trademark for the new rum, perhaps because of the colony of fruit bats living in the rafters of the first Bacardi distillery. Donna Amalia, who was cultured in the arts, believed bats represented a blessing of good health, fortune, and family unity. But this suggestion of hers was also hard-headed and pragmatic. Illiteracy was common in the nineteenth century, and for a product to get recognised and sell, it needed a memorable graphic, logo - a trademark. The bat mythology helped. That is the power of mnemonic.

Word of Don Facundo's bat spread around the world along with his smooth new rum. The bats, local storytellers attested brought good fortune and added magical powers to his rum. Today the Bacardi bat is a welcome character in more than 170 countries around the world where Bacardi rum is sold and enjoyed. Accomplishing everything it was supposed to do for more than a century, the bat has elevated its presence to new heights.

Bacardi in the Indian context

Alcohol had never been comfortably accepted by post-Independence Indian society. Drinking was generally associated with the darker side of life, with deep and unholy secrets. Dingy bars, seedy-looking characters and drunk villains in Hindi movies, in stark contrast with the clean, honest and upright non-drinking hero-this typified society's outward attitude to alcohol drinking. Further, the absence of international players in the spirits category, as well as comfortably entrenched local brands, meant that the consumer had never been exposed to the glitzy and slick side of spirits marketing until the 1990s came along.

The _90s ushered in the winds of change in the entire social and economic fabric of the country, and like everything else, spirits shifted into gradual

movement away from the traditional perception. Bacardi was positioned to ride on this change. One of the key elements to be built into Bacardi's brand character was, therefore, its image as _the icon of new age drinking'. Changing attitudes to drinking were already apparent, in that drinking was gradually coming out into the open, and especially in urban areas, gaining acceptance. By associating with, and by accelerating this process of change in a positive manner, the brand immediately gained relevance in the life of the consumer.

Defining core value

Internationally, the brand statement is:

The world's original, premium smooth rums, created in Santiago de Cuba in 1862, which captures the freedom, colour and passion of the Latin Caribbean spirit.

In India, Bacardi Carta Blanca's core value was defined as vibrant sensuality. This represents an unaffected pursuit of enjoyment through one's senses. Vibrant because the character of the brand is passionate, energetic and upbeat. Sensuality, strictly speaking is the appreciation through tactile senses (feel, hear, taste...). (In literal terms, sensuality is the overall sensory experience surrounding Carta Blanca).

Vibrant sensuality therefore means, –Living life true to your senses‖ in a style that is energetic and colourful (as opposed to languid or passive pleasure). Within the Bacardi portfolio, Carta Blanca is the flagship brand. It is the main image driver of the umbrella brand Bacardi; it is also the Indian consumer's introduction to the brand.

Selling Strategy for Bacardi Carta Blanca

Brand / Product

What is the brand / product to be advertised?

A range of rums, under the Bacardi name; historically better known for white rum and associated with the lighthearted Caribbean spirit of fun, frolic and water.

Brand / Position

What is the position the brand currently holds in the consumer's mind - and why?

An international brand of (exotic) alcohol.

Brand objective

How do we want the brand to be positioned in the consumer's mind?

As an icon of new age drinking.

Conceptual target

What ‗natural' grouping of consumers, bound by a common set of values, singular outlook, attitudes, aspirations, do we wish to reach?

Post-liberalisation young adults.

Core desire

What is the conceptual target's most deeply held desire, need, want, and hope, that the brand best fulfils?

Unshackle them.

Role of the product

What is the functional/symbolic role of the product category in the lives of the consumer?

Functional: Relaxant

Social lubricant

Gives a high

Symbolic: Let your hair down... have fun.

Reason to believe

What is the most compelling rationale to support the role of the product?

Less intense in looks, hence eminently adaptable to broader drinking occasions.

Brand essence

What is the enduring spirit which anchors the brand - and how should it speak to the deeply held values of the conceptual target?

Vibrant sensuality.

Brand Activities

Television activity

Around the world Bacardi has a long association with a ‗sun-sea-sand' imagery which has successfully maintained its brand salience, especially during launch phases. This imagery was also found to lend itself perfectly to the positioning developed for the Indian market. The sun-sea-sand route was researched, and was found to be very well received by consumers. This came through on the concept testing study, as well as on quantitative research

parameters. The concept that was tested was ‒Get away to be relaxed in a carefree world‖, via a sun-sea-sand execution. (The first concept in the research section above). Quantitative consumer research showed a strong acceptance of this particular concept, the product and its packaging.

Communication for the brand was led by television advertising, which used the international, ‗Friends' commercial. The various elements in the theme 1V commercial (sun, sea, sand, free spirited interaction between the sexes) were in sync with the new attitudes to drinking, and with Bacardi as an ‗icon of new age drinking'. The commercial represented taking drinking out into the open, far away from the dark atmosphere of elicits pleasures.

Below-the-line activity

This was supported by an extensive below-the-line package for the retail channel as well as on-premise outlets (pubs, bars, restaurants, etc.). The package developed on the sun-sea-sand theme was intended to maintain high salience levels especially during the crucial launch phase.

One critical element of the Bacardi persona was the several promotions that were conducted at pubs and discotheques across. The metros in India. The pub-going culture, which is still developing, has got a strong impetus due to Bacardi's popularisation of the concept.

Series of innovative promotion mechanics were designed for these on-premise outlets. The promos served various objectives:

To announce the launch of the brand, and to give the target consumer a feel of its trendy, young and vibrant character.

To generate a sampling of the product - this was a critical role given the fact that white rum was still a new product for the consumer.

To gain substantial incremental volume sales.

Of course the promotions also offered excellent opportunities to develop different elements of the Bacardi brand character. They have now been built into the long standing properties of the brand. Some of the key properties are:

"Batstage with Bacardi"

The Bacardi core consumer being 18-25 years old and urban, music is an effective medium to use to get through to him. The idea was to sponsor live bands to perform on a given night in pubs and discotheques. This was to be done on a regular basis and branded ‒Batstage with Bacardi‖. The first such event was a Savage Garden concert in Mumbai in April 1998, followed by one with Diana

King. These big events gave the activity momentum that sustained it through the year.

A range of collateral material was designed to create the right ambience for the event. This included posters, tent cards, table mats, coasters, etc. The ‒Batstage with Bacardi‖ property has ensured that the brand remained topical and very much a part of the young and happening music. It is being used this year as well and is being built up as a long term property of Bacardi.

"Latino nights"

The world over, Bacardi is seen as having originated in Cuba in 1862, and the heritage built around this idea was an important part of the brand. In India, however, the concept of Cuba means very little, and people‘s perceptions of it are very hazy. It was therefore decided to concentrate on ‗Latin-ness‘ and not just on Cuba. Latin culture happens to be on an upswing around the world and is seen as energetic, vibrant and rhythmic; fun-loving people like Ricky Martin and Gloria Estefan have further helped popularise this culture. Bacardi‘s history was therefore to be communicated in this context.

An ongoing event called ‗Latino Nights‘ was created and conducted at pubs and discos in all metros. A Latin ambience was created at the venues using a variety of items from invitations to posters, from Latin music to vinyls. Press ads advertised the event and drew traffic to these outlets. Additionally, special offers and promotional games were used to make the evening an enjoyable one for pub- goers.

"Bacardi Blast"

The Bacardi Blast is a property designed to build an association for the brand with partying, and with party music. During the first year, Bacardi had tied- up with Channel [V] to popularise the Bacardi Blast. The event also attempted to synergistically bring together below the line and above the line activities. A weekly one hour programme with the same name was scheduled on Channel [V]. Below the line, the event was a huge party organised at the most happening disco- theque in a city. Every month, the party moved from city to city to cover major nightspots in each. These were then covered on the 1V programme, along with the latest hits and dance numbers.

The Blast was a big success below the line in all the cities it went to, and is synonymous with an ultimate party for regular disco-goers. It continued in the second year as well.

Others

Other promotions and activities during the year included: sponsorship of the Asian Beach Volleyball Tournament in Mumbai, sponsorship of a Ricky Martin concert in Mumbai, ‒Night of the Bat‖ theme evenings at pubs, and sampling nights at all on-premise outlets.

Marketing Activities

Neck tags: These are hung on every Bacardi bottle sold at retail points. They serve to educate the consumer about the different ways of consuming the product, and give him an overall flavour of its colourful and vibrant personality.
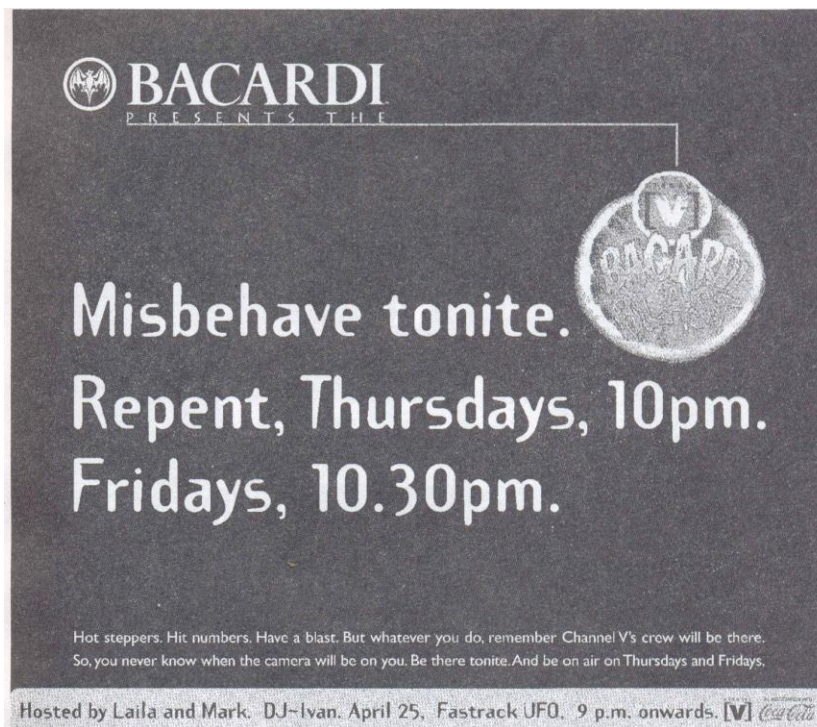
Fig 9.3 Neck tags

On pack promotion: was used during the festival season (Oct-Nov) to provide an additional thrust to short-run volumes. The offer was of two glasses free with every 750ml bottle purchased at retail. The promo was supported with POP that ensured high visibility at point of purchase.
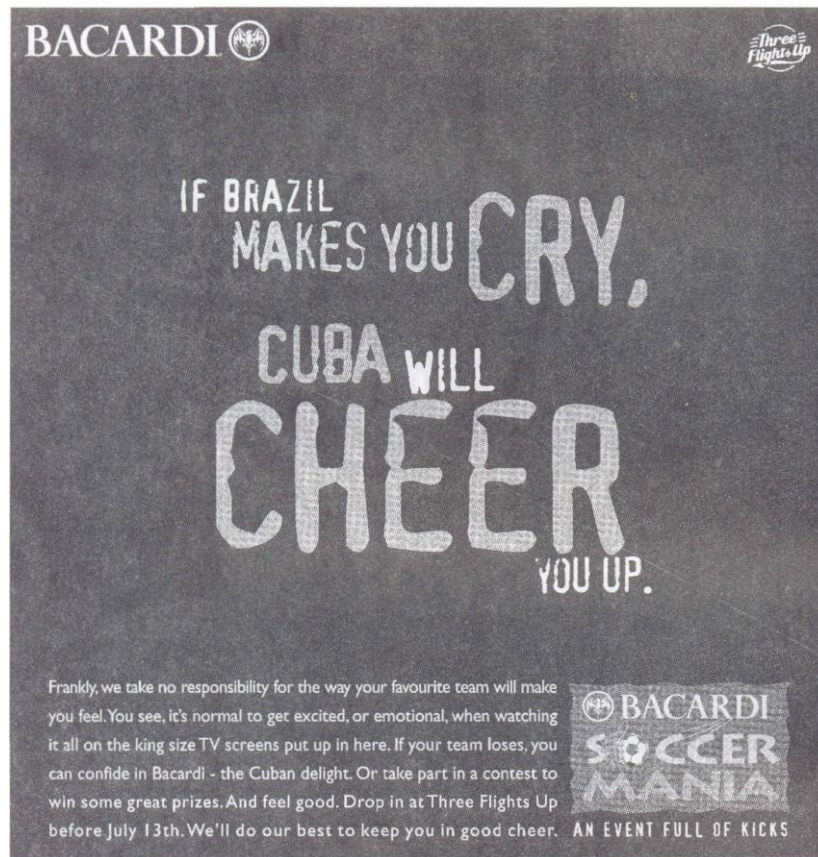
Fig 9.4 Neck tags

Pitcher promotion: was run at key on-premise outlets in the metros. This activity was held in association with Coke; the offer was a discounted price for consumers' buying a pitcher of Bacardi & Coke. A pitcher contained 5 drinks. On-premise collateral was used to publicise the promotion.

Sampling nights: were organised at all key outlets in all markets. The venue decor was designed so as to create a splash for the brand upon its entry into the city. Sampling was an activity of key importance, given that white spirits in general, and white rum in particular, new concepts, and the consumer needed an introduction to both the product and the various ways in which it could be con- sumed. All consumers entering the outlet on a sampling night are given a shot of Bacardi with a mixer of their choice (Coke, Citra, soda, etc.), in a cup designed specifically for Bacardi sampling nights.

Performance

This section covers indicators of the brand's performance in its first year since launch, and a SWOT analysis of Bacardi today.

SWOT

Strengths

- Premium international product with world leader credentials.

- Successful launch

- Strong advertising (leading to unusually high awareness levels).

- Product acceptability (in terms of taste, mixer versatility, etc.).

- Badge value

Weaknesses

- White spirit imagery is less macho and substantial

- Severe restrictions on advertising limit image-building effectiveness.

- Wide mixer appeal dilutes its status as a ‗mainline' spirit

Opportunities

- To own the white spirit category

- Drive the trend of on-premise drinking

- Leverage premium and quality status across other categories (e.g., dark rum)

- Develop a Bacardi franchise across various consumer segments

Threats

- Government regulations

- Broadcasting bill

- Several new entrants in the international spirits category; and in international beer

- As yet only a single brand offering

The Brand Today

In the first year of launch, Bacardi attained and surpassed its volume targets. This can be gauged from the fact that the first year's volumes exceeded those of its closest competitor, Smirnoff vodka, a brand that had been established in the market for over 4 years. Initial reports indicate that the volume and its growth are being sustained in the second year of operations. Already, Bacardi Carta Blanca is reported to have garnered over 10 per cent of the international spirits market in India.

Finally, the key to the success of the brand has been not just a quality product, but a complete brand package that meshes in with current social trends and with the needs of today's youth consumers.

Check Your Progress 5

1. The only major international_____spirit brand in India at that time was Smirnoff vodka.

   a. White

   b. black

2. Generally, the_____stage in the development, positioning and communication of a brand involved the creation of certain brand concepts.

   a. First

   b. Final

3. _____had never been comfortably accepted by post-Independence Indian society.

   a. Education

   b. Alcohol

9.7   Let Us Sum Up

This unit has focussed on brand positioning and explained the topic very nicely. The concepts of brand positiong, its meaning and importance were very well explained by the writer.

Here in this block we studed that identifying where a specific brand is placed within the marketplace and its relationship to competitive brands. To understand the concept of positioning we can consider the human mind as consisting of a perceptual map with various brands occupying different positions in it. This concept of perceptual space forms the theoretical basis for brand positioning.What this leads to is the perception of the consumer, which decides the positioning of any brand. It is important to note that what a marketer does is to find a position for its brand in the perceptual space of the consumer and place it at the most lucrative point. Hence, Positioning is not what you do to the product; it is what you do to the mind of the prospect. It's about communicating a consistent

message to consumers about the product and where it fits into the market —
through advertising, brand name, and packaging.

This unit has certainly been able to help the students in making them
understand the basics of brand and brand positioning.

9.8   Answers for Check Your Progress

| Check Your Progress 1 |

Answers: (1-a), (2-b), (3-b), (4-a), (5-b)

| Check Your Progress 2 |

Answers: (1-a), (2-b), (3-a)

| Check Your Progress 3 |

Answers: (1-a), (2-a), (3-a)

| Check Your Progress 4 |

Answers: (1-b), (2-a), (3-a), (4-b), (5-a)

| Check Your Progress 5 |

Answers: (1-a), (2-a), (3-b)

9.9   Glossary

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1. **Brand extension -** the use of an established brand name on products or
    services not related to the core brand.

2. **Co-branding -** offering two or more brands in a single marketing effort.

9.10   Assignment

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1. What is positioning and what are the strategies suggested by Al Ries and
    Jack Trout for Positioning?

2.   What applications does positioning have? Take an example of an Indian Brand and explain its positioning with its marketing segmentation

9.11   Activities

1.   What are the rules that apply for positioning a product?

2.   What are the immutable laws of marketing that help positioning?

9.12   Case Study

1.   What are the three key issues to consider while developing positioning?

2.   What are the seven approaches to positioning?

9.13   Further Readings

1.   Marketing Management (Twelfth Edition) – Philip Kotler.

2.   The Brand Mindset – Duanne E Knapp. Tata McGraw Hill edition.

3.   The 22 Immutable Laws of Branding – Al Ries and Laura Ries.

4.   Positioning: The Battle for Your Mind - Al Ries and Laura Ries.

5.   Marketing Warfare - Al Ries and Laura Ries.

6.   Competitive Strategy – Michael E Porter.

7.   Product Management – S A Chunawalla.

8.   Brand Management – Y L R Murthy.

9.   Managing Brand Equity – David Aaker.

10. Building Strong Brands – David Aaker.

11. Branding Concepts and Process – Debasispati.

12. What is a Brand? – S King.

LESSON 10: BRAND REPOSITIONING

Unit Structure

10.0   Learning Objectives

After learning this chapter, you will be able to understand:

- What is Repositioning?

- Explain the benefits of successful brand Repositioning.

- About Aspirational Vs Achievable strategies.

- Various types of brand Repositioning.

- How can we successfully reposition our brands

10.1   Introduction

Repositioning is a strategy wherein you create a slightly different image of your brand not going away too far from the brand's core values. Sometimes there are no unique positions to carve out. In such cases, Ries and Trout suggest Repositioning a competitor by convincing consumers to view the competitor in a different way. Tylenol successfully repositioned aspirin by running advertisements explaining the negative side effects of aspirin.

Consumers tend to perceive the origin of a product by its name rather than reading the label to find out where it really is made. Such was the case with vodka when most vodka brands sold in the U.S. were made in the U.S. but had Russian names. Stolichnaya Russian vodka successfully repositioned its Russian-sounding competitor's by exposing the fact that they all actually were made in the U.S., and that Stolichnaya was made in Leningrad, Russia.

When Pringle's new-fangled potato chips were introduced, they quickly gained market share. However, Wise potato chips successfully repositioned Pringle's in the mind of consumer's by listing some of Pringle's non-natural ingredients that sounded like harsh chemicals, even though they were not. Wise potato chips of course, contained only ‒Potatoes, Vegetable oil, Salt.‖ As a resulting of this advertising, Pringle's quickly lost market share, with consumers complaining that Pringle's tasted like cardboard, most likely as a consequence of their thinking about all those unnatural ingredients. Ries and Trout argue that is usually is a lost cause to try to bring a brand back into favor once it has gained a bad image, and that in such situations it is better to introduce an entirely new brand.

Repositioning a competitor is different from comparative advertising.

Comparative advertising seeks to convince the consumer that one brand is simply better than another. Consumers are not likely to be receptive to such a tactic.

10.2   Successful Repositioning

Aspirational vs. Achievable Strategies

Overview

Many marketers are rethinking their brand's positioning because competitive pressures, new channels, and changing customer needs have eroded their brands' positions of strength.

However, increased marketing expenditures to reposition brands often fail to produce any improvements in either overall image or market share.

Our experience has shown that companies should focus on achievable rather than aspirational positioning, and that three steps can help ensure success:

1. **Ensure relevance to a customer's frame of reference.**

   - Be fully aware of the brand's ‒frame of reference‖ so that a Repositioning strategy will resonate with customers.

   - Look at a combination of customers' attitudes and the situations in which the brand is used to obtain the most powerful customer insights.

2. **Secure the customer's "permission" for the positioning.**

   - Recognize that permission amounts to a reasonable and logical extension of the brand in the customer's eyes.

   - Leverage a brand's unique emotional benets to carry customers from their current brand perception to the intended one.

3. **Deliver on the brand's new promise.**

   - Identify the pathway of performance ‒signals‖ that will convince customers of the new brand positioning.

   - Develop product/service programs to ensure consistent performance on these signals.

   - Track and assess performance against customer signals prior to launching the new positioning.

   - Adopt an ‒interim positioning‖ to establish brand credibility and performance.

An array of factors is require marketers today to rethink their brand positioning. Changing customer needs are often eroding the brand's established

position. At the same time, increasing competitive pressures created by new entrants and product innovations, and the proliferation of new channels and promotional campaigns are driving marketer's back to the drawing board.

Many CEOs and CMOs, however, they displeased with the results of their Repositioning efforts. Increased marketing expenditures devoted to Repositioning brands in the minds of consumers often fail to produce any improvements in either overall image or market share.

Why do these well-intentioned efforts turn into marketing failures? While there are many causes, companies often fail to focus on achievable brand positioning rather than aspirational brand positioning. Too often, their efforts target an ambitious goal that outstrips the actual ability of the brand to deliver on what it has promised to customers. Or the goal is too far from customers' current brand perception to be a realistic brand objective. For example:

- In the late 1980s Oldsmobile wanted to revitalize its brand and gear it to a younger audience. Thus marketers at General Motors launched a creative campaign around the tagline, ‒Not your father's Old mobile,‖ highlighting the car's improved styling and new features. But for many younger consumers, this was too much of a stretch for the brand. The product modications did not go far enough to meet the needs and expectations of the new customer set they were targeting. As a result, Old mobile recognized the need to shift its campaign. Eventually, GM closed its Old mobile division.

- More recently, United Airlines' Rising campaign attempted to position the brand as the most passenger-centric airline, with a clear understanding of customer problems and the solutions needed to solve them. The campaign had the effect of raising expectations, which were quickly dated; however, by the brand's inability to deliver against the promises made as part of its bold new positioning platform. Consequently, United was forced to change its central brand message – no longer emphasizing Rising.

- Many high-tech businesses have recently repositioned themselves as e-business brands. However, little effort was made by these brands to clearly differentiate themselves from one another, despite the millions of dollars spent on elaborate marketing programs. The net effect, according to our research, has been to sow confusion in the minds of customers, rather than to forge strong brand identities.

These examples underscore the imperative to pursue a brand positioning that is eminently achievable, not just attractive.

Based on our experience, three steps can help ensure that they make this

Distinction:

1. Ensuring relevance to a customer's frame of reference;

2. Securing the customer's ‒permission‖ for the positioning; and

3. Making sure that the brand delivers on its promise.

Be Relevant to the Customer's Frame of Reference

When Repositioning a brand, it's essential for marketers to capture not just the emotional and physical needs of the customer, but the dynamics of the situation in which those needs occur. We refer to this as the customer's ‒frame of reference.‖ For example, while Rasna and Tang are thirst-quenching drinks, consumers tend to think of them in the broader context of sports, exercise, and physical activity.

Importantly, the frame of reference sets the parameters for customers' consideration set – the brands they will choose from.

Indeed, most customers have a very specific definition of what the brand is and what it can be relative to their frame of reference.

Repositioning a brand too far from this frame of reference creates customer confusion that makes a positioning unsuccessful.

Being fully aware of the frame of reference for a brand can help ensure that its Repositioning strategy will resonate with customers.

But the frame of reference is usually a combination of both customers' attitudes and the situations in which the brand is used. As a result, we typically find the most powerful customer insights and segmentation come from looking at a combination of these factors.

- In some categories, customers' broader attitudes are the dominant factor. How customers think about pet-related brands, for example, can be seen in the context of how they treat their own pets – whether they view them as family members, best friends/companions, or in a less personal way. If customers view pets as family members, the optimal message for the brand will appeal to such human qualities as nurturing and pampering. This
‒family member‖ orientation or frame of reference may help support a

brand extension to a full range of pet services, such as grooming and accessories.

- Other customer needs are not as consistent, but better understood within the context of specific situations or subcategories. In the field of airline travel, for example, the customer's frame of reference may be a function of the type of trip they are taking. The customer who is used to traveling within the U.S. in cramped coach-class conditions, for example, will have a much different set of needs and expectations than the traveler who is used to flying to international destinations with all the comforts of first-class service.

- As a result, in most instances the frame of reference is built upon a combination of both of the above attitudinal and situational forces. For example, while consumers may generally have a health-conscious attitude about the foods they eat, on certain ‒special‖ occasions they may allow themselves to become more indulgent, creating what we call a ‒need state.‖

Securing the Customer's "Permission"

Establishing the frame of reference does not automatically translate into successful brand Repositioning. To reach that end point, marketers must first ensure they have the customer's ‒permission‖ to claim the new ground to which the brand aspires. Because that permission amounts to a reasonable and logical extension of the brand in the eyes of the customer, it requires building a ‒bridge‖ that can carry customers from where they perceive your brand to be today to where you want to take it in the future. Thus, for the Celestial Seasonings brand, the bridge leverages customers' perceptions of the brand as ‒organic, natural, and healthy‖ to allow the brand to extend from its core product offering of teas into herb-based and ‒alternative‖ vitamin and mineral supplements. Similarly, Marriott uses customers' perceptions of the brand as a leader in hotels and ‒living-care‖ to extend the brand into assisted living for senior citizens.

Intangibles

Emotional brand benefits can provide the most powerful source of brand permission. If a brand is currently meeting the customer's emotional needs, then extension of that brand into an allied product/service arena becomes much more plausible and acceptable – the extension is likely to be granted customer permission. For example, the strong emotional benefits associated with the Hallmark brand in greeting cards allowed for the extension of the brand into

wrapping papers, ornaments, and other products with emotional ties to celebration and commemoration.

A strong brand identity can also help marketers secure the desired permission from consumers. Because Victoria's Secret owns or is associated with the notion of intimate moments, for example, it would be easier for that brand to get permission to introduce a new line of lingerie or perfume with a sensual connotation than it would be to launch a line of jeans or handbags.

In Repositioning, marketers must embrace the idea that they are brand ―stewards,‖ while customers define their relationship with the brand and determine the basis for the relationship. A steward must spend more time deeply understanding what customers really think about the brand and where potential ―bridges‖ to growth and new positionings exist.

Make Sure What You Say is What You Do

After the brand position has been developed, marketers must ensure the brand performance is able to live up to its new promise. While ―do what you say‖ has always been Rule No. 1 for building brand equity, following that rule can be a significant challenge for many companies. This is particularly true in service industries, given the need for tremendous organizational change, and industries that require long lead times for organizational or infrastructure changes. Such changes occur at the same time customers are being presented with the new brand position.

Three important steps can help win customer acceptance:

- Identify the pathway of performance ―signals‖ that will convince customers of the new brand positioning so that what you say is in fact what you are able to do. We have found that you can quantify which brand elements are more important for creating the desired impact on the customer's overall brand image and how these elements impact each other in the process.

Marketers should not attempt to cover the waterfront here, but instead focus on the relevant interrelated ―hot buttons‖ that will clearly convey the message. For example, in the case of a technology brand positioning itself as ―humanizing technology for everyday people,‖ the strongest set of pathways to the positioning came from product signals such as customized hardware and specific application platforms (e.g., games, household management) rather than from equipment with the latest features and innovative design. The pathway modeling also indicated the strong signal value of the brand's customer service representatives having an understanding of an individual customer's needs. This important service signal led

to the broader customer perception of the brand as caring – an important personality signal for the brand to deliver on its positioning.

Additionally, the marketer learned that having technicians follow through with customers to issue resolution was a critical service signal that led to the broader personality signal of the brand being professional – another key for the brand to live up to it's positioning. With these insights, the marketer could allocate resources accordingly, ensuring that the more important signals were being appropriately supported.

- Develop necessary product/service programs to ensure consistent performance on these signals to the customer. For example, if the brand positioning is built around superior customer satisfaction, but frontline sales people are measured on revenue rather than satisfaction, it is unlikely that consistent performance will be achieved. So, if airline gate agents are the first and most important contact point for customers, they should be empowered to solve customers' issues instead of redirecting them to customer service personnel. In the technology brand example, given the importance of the customer service representatives and service technicians, there should be a greater emphasis on the quality of the service delivered rather than on the number of customers that can be serviced over a given time period.

- Make sure approaches are in place to track and assess your performance against these customer signals prior to the formal launching of the new positioning.

Applying rigorous quality assurance procedures to key elements of the new brand experience will often ensure that customers are not disappointed, or fail to have their expectations met. Current data-collection methods allow for rapid response and can be leveraged to determine whether the launch programs are having their desired effect on brand perceptions.

Due to the complexities of brand positioning, many marketers are correctly choosing to move to an –interim positioning.‖ This interim positioning is designed to establish brand credibility and performance on the road of fully achieving the longer-term aspirational positioning. Such a positioning focuses on those aspects of the brand on which the organization is currently able to deliver. Interim positioning is often essential when a brand stakes out new territory considered –up market,‖ addresses an important or long-standing deficiency, or is attempting to redefine its competitive set. As the brand evolves (based on customers' changing perceptions), additional components of the new platform can be put into place and

confidently communicated to consumers. Target Stores successfully employed an interim positioning as it evolved the brand up market from a position as a discount retailer of national brands to a contemporary ‒urban chic‖ retail brand providing good value. The interim positioning emphasized value without sacrificing style and involved specific merchandising efforts such as stylized color blocking and associations with name designers. As the brand evolved to its current positioning, it further emphasized the ‒designer‖ theme in its advertising, often having models wearing various housewares as high fashion. By focusing on achievable instead of aspirational brand positioning, companies can help ensure meaningful market share results while enhancing their brand image. This requires, however, that the new brand position too comfortably within the customer's frame of reference, and that it not attempt to over reach. Marketers must also secure the customer's permission to extend the brand by building a bridge of relevant benefits to carry customers from the current to the intended brand position. Implementing the performance delivery systems to ensure the brand is able to live up to its new promise is the final critical step in building and executing a successful brand positioning program.

Check Your Progress 1

1. Many marketers are rethinking their brand's_____because competitive pressures.

   a. positioning

   b. place

2. Increased marketing_____to reposition brands often fail to produce any improvements in either overall image or market share.

   a. expenditures

   b. revenues

3. Changing needs are often eroding the brand's established position.

   a. customer

   b. producer

4. Due to the complexities of brand positioning, many marketers are correctly choosing to move to a ‒_____positioning.‖

   a. interim

   b. brand

> 5. _____ should not attempt to cover the waterfront here, but instead focus on the relevant interrelated ‒hot buttons‖ that will clearly convey the message.
>
> a. Marketers
>
> b. consumer

10.3   Nine Types of Repositioning

Positioning is the art of creating a distinct image for a product in the minds of the customers.

Repositioning is changing the positioning of a brand. A particular positioning statement may not work with a brand. For instance, Dettol toilet soap was positioned as beauty soap initially. This was not in line with its core values. Dettol, the parent brand (anti-septic liquid) was known for its ability to heal cuts. The extension's ‒beauty‖ positioning was not in tune with the parent's ‒germ-kill‖ positioning. The soap, therefore, had to be repositioned as ‒germ-kill‖ soap (‒bath for grimy occassions‖) and it fared extremely, well after Repositioning.

Here, the soap had to be repositioned for image mismatch. There are several other reasons for Repositioning. Often falling or stagnant sales is responsible for Repositioning exercises.

After examining the Repositioning of several brands from the Indian market, the following 9 types of Repositioning have been identified, which are:

1.   Increasing relevance to the consumer

2.   Increasing occasions for use

3.   Search for a viable position

4.   Making the brand serious

5.   Falling sales

6.   Bringing in new customers

7.   Making the brand contemporary

8.   Differentiate from other brands

9.   Changed market conditions.

It is not always that these nine categories are mutually exclusive. Often one reason leads to the other and a brand is repositioned sometimes for a multiplicity

of reasons. Illustrations of the above types of Repositioning are listed below. (Note: Some of these Repositioning statements have been changed again.)

1. Increasing Relevance to Consumer

A brand that has been existent in the market for sometime may lose touch with consumer's because the consumer's needs may have changed. Thus, it is possible that a brand is fundamentally sound and yet is not in sympathy with the consumer's current concerns. Such a situation calls for a change in positioning. The following examples illustrate this concept.

Lipton Yellow Label Tea

Lipton Yellow Label Tea was initially positioned as a delicious, sophisticated and premium tea for the global citizen. The advertisements also echoed this theme. For instance, all the props and participants in the advertisements were foreign. It is possible that this approach did not find favour with the customers. The Repositioning specifically addressed the Indian consumer through an Indian idiom.

Visa Card

Visa Card had to change its positioning to make itself relevant to customers under changed circumstances. Initially it asked the customer to ―pay the way the world does‖ (1981). This is to give its card an aura of global reach. But as more and more cards were launched on the same theme, to put itself in a different league, it positioned itself as the ―world's most preferred card‖ (1993). To highlight the services it provided, it shifted to the platform of ―Visa Power‖ (1995). This focus on explaining the range of services available with the card continues till date (―Visa Power, go get it‖).

Cadbury's Bournvita

Bournvita is a case of how a brand changes its positioning in keeping with the changing needs of customers. Initially, the emphasis was on its good taste (―taste additive to milk‖). Then as the customer's became more demanding, the pitch was modified to include the nutritive aspect as well (―extra nutrition, extra taste‖). Later, to make itself more attractive it claimed to give sharpness of mind (―nutrition, mental stimulation).

2. Increasing Occasions for Use

Sometimes the positioning chosen becomes too narrow. This might lead to a situation of having too few customers. Such a small franchise may make the brand

commercially unviable. One of the methods of increasing use is by increasing the usage rate.

This is done by increasing the number of occasion's available for use.

Cadbury's Drinking Chocolate

Cadbury's Drinking Chocolate initially called itself ―good night cap‖ signifying the time of consumption. The user base possibly proved to be small. In an effort to increase the numbers, it positioned itself as a drink for the ―happiest time of the day.‖ This was an effort to get the brand consumed during any time of the day thereby increasing the occasions for use.

Monaco

Monaco biscuits were initially positioned as the ―perfect salted‖ biscuits. To increase the occasions for use, it pitched itself as ―Excellent plain, terrific with toppings.‖ What was essentially a plain, salted biscuit turned itself into a biscuit that can be consumed as it is or with toppings, thereby increasing its occasions for use.

Dettol Liquid

Dettol-the antiseptic liquid is basically used to prevent cuts and gashes from developing sepsis. To increase the occasions for its use, it shows several other avenues. These are i) for the shaving mug ii) for washing babies' clothes iii) for use during illness for washing and swabbing. These uses are listed on the Dettol bottle itself.

Odomos

Odomos cream was one of the first mosquito repellants in the market. It was essentially pitched as an indoor mosquito remedy. For sometime it was very popular. Later, as mosquito mats entered the market, creams became less popular as they were seen as sticky. One way of combating the mats was to fight them outdoors. Since outdoor locations normally have no power supply, cream was positioned for ―indoor as well as outdoor‖ use. This broadened the competitive space besides increasing the occasions for use.

Complan

Complan had at various times positioned itself as ―food for the convalescing‖, ―against Horlicks,‖ ―for the family‖ (fussy child, busy executive, tired housewife). This is possibly because it was trying to get a viable positioning statement. Finally, it seems to have found one in the positioning line ―for growing children.‖

Milkfood's Yoghurt

Milkfood's Yoghurt was initially positioned as ‒anytime snack.‖ This did not seem to have worked. So the pitch was changed to ‒It is not just curd.‖ This could be hinting at both the fun value and the nutritive value of Yoghurt. Eventually, this positioning also did not work. Positioning it as ‒mishti-doi‖ (sweet curd) for the East and North Eastern parts of India would have possibly given it a better opportunity for success.

3.   Making the Brand Serious

Cadbury's 5-Star

Most Cadbury's brands went in for a change in positioning due to stagnation in the consumption of chocolate. Cadbury's 5-star was originally the ‒togetherness bar.‖ As markets changed, a need was felt for making the brand more serious. Thus the positioning was changed as ‒energiser for the young achievers.‖ One of the first advertisements to echo this idea showed how a ballet dancer was inspired to perform better after consuming 5-star. The advertisements have changed since; but the positioning retains the ‒energy-giving‖ pitch.

Saffola

Saffola was positioned as the edible oil ‒good for heart.‖ To make the positioning more serious, the pitch ‒Heart is not safe without Saffola‖ was adopted. This put Saffola in a different league as compared to the other oils making it the most health-conscious brand in the market. In fact, Saffola stands out in a category cluttered with me-too brands.

4.   Falling Sales

Ambassador

The Ambassador was positioned as the ‒rugged road master.‖ This positioning was in line with product perceptions because Ambassador is seen as a tougher vehicle than Maruti. However, Maruti proved to be sleeker, more fuel efficient and initially even cheaper. Thus the positioning was changed to ‒a member of the family.‖ In other words, falling sales forced Ambassador to move from a rational pitch to an emotional pitch. (Even this positioning was later changed by Ambassador. But none of the positioning changes helped it because the product itself was seen as dated.)

Red Label

BrookeBond's Red Label is a typical example of how falling sales can precipitate Repositioning. Red Label is an age-old brand with a franchise of its

own. How ever, over a period of time it might have lost some of its relevance. Its traditional positioning was that Red Label was one of its kinds (‖piyo-tojano‖-drink it and you will know the difference‖). When this was seen as dated, a new positioning statement involving patriotism was configured (‖Desh-ka-pyaala‖-India's tea‖). This did not bring the expected volumes. Then the strength pitch was tried (‖100% strong‖). Finally, the current positioning is something that invites the old generation as well as the new generation to consume Red Label (‖jiyo-mere-Iaal‖ - ‖long live my son‖, there is a pun on the word ‗laal' which means son as well as red). Several attempts of Repositioning had to be made because of falling sales.

5.   Bringing In New Customers

Margo

Margo is an old soap popular in the East which sells on the ‖health‖ platform. It has neem as an ingredient to deliver this benefit. Margo's positioning traditionally attracted middle-aged buyers like Forhans. Margo wanted to attract new customers like the youth and made several changes to the product. The packaging was made more attractive and the communication was tailored to draw the attention of the youth. (The advertisement shows a young woman visiting her grandmother. She tells the old lady that since she uses Margo, she does not need neem leaves. The implication is that even young people use Margo.) There was, thus, a subtle change in positioning from‖ neem benefit‖ to ‖neem benefit for youth also.‖ This slight Repositioning helped Margo win young customers without losing old ones.

No More Tears Shampoo

Johnson & Johnson launched a baby shampoo by name ‖No more tears.‖ Sales were not encouraging. This forced J&J to look out for new users. If the shampoo can be used for babies,

it was reasoned, it will be extrasoft. So these extra-soft shampoos will be good for users who use shampoo often. Thus a baby shampoo was stretched to include ‖heavy users.‖

J&J Baby Oil

In baby oils also, J&J stretched what was essentially a baby product to a new user, namely the mother. The argument was that what was good for babies was good for mothers too.

Essentially, since the oil is soft on skin being baby oil, it attempts to attract mothers also as users.

Cinthol

Cinthol repositioned itself several times. In one of its initial attempts at Repositioning, it moved from being a –deodorant soap‖ to –soap for macho men.‖ The appeal of a deodorant soap was limited. Thus due to market changes as well as for attracting new customers the positioning was modified to include –male‖ connotation without sacrificing the deodorant platform.

Cadbury's Diary Milk

It was found that most adults wanted to eat Diary Milk but restrained themselves because it was supposed to be consumed by children. Thus, a Repositioning campaign was launched which showed adults doing unconventional things (like a lady breaking into a jig in the middle of an overflowing cricket stadium) driving home the message that chocolates could be enjoyed by adults as well.

6.   Making the Brand Contemporary

Dabur Chyawanprash

Dabur Chyawanprash basically had the positioning of being good for health and digestion. To make the brand more attractive to the consumer, the nutritional element was added to its positioning.

KeoKarpin Hair Oil

KeoKarpin was positioned as hair oil that assisted –styling‖ the hair. It was hence endorsed by celebrities but in the recent years, hair oil came to be seen as some thing that makes the hair sticky. To make it more an acceptable in the changed circumstances, KeoKarpin was repositioned as –the non-sticky hair oil.‖

Onida TV

Onida was the first indigenous premium TV brand in India. Its unique advertising gave it a special status among well-to-do consumers. The hugely successful –devil‖ campaign proclaimed –Neighbour's Envy, Owner's Pride.‖ In the mid-nineties, however, there was tough competition unleashed by MNC brands like Sony, Samsung and LG. Thus the positioning had to be made contemporary. It was then changed to –World's Envy, India's Pride‖ to signal that Onida was as good as the foreign brands. The new positioning is –Nothing but the truth‖ after the return of the devil. The new devil as shown below.

Fig 10.1 Onida

7. Differentiating Brands from Competitors

Mint-O

Mint-O's position in 1990 was ‒adult candy.‖ This was to enthuse grown- ups to consume peppermint. This may not have helped the brand to stand out. In 1995, a position that directly aimed at competition (Nestle's Polo) was configured.

Polo positioned itself as ‒the mint with the Hole.‖ Mint-O positioned itself as ‒All Mint, No Hole.‖ One of the advertisements even argued, ‒If your head doesn't have a hole, why should your mint.‖ Positioning the brand head-on with Polo gave it a distinct focus.

8. Changed Market Conditions

Horlicks

Horlicks was initially both a substitute and an additive to milk. This positioning served it well till the scarcity of milk was overcome in several parts of the country. Horlicks then shifted its positioning to ‒energy giver and health provider.‖

Illustrated Weekly

Illustrated Weekly was a leading family magazine targeting the households in the ‗70s. This position was taken over in the eighties by India Today. Thus, Weekly predominantly became a political magazine though it covered other topics as well. Finally, it became a broadsheet to save on costs and eventually exited. This shows how changed market conditions could force Repositioning though the Repositioning itself may not save the brand.

Milkmaid

A classic illustration of Repositioning is Nestle's Milkmaid. It started as a whitener for tea and coffee. Again like Horlicks, when the milk scarcity eased, it changed its positioning to ‒topping for cakes and puddings and use in dessert recipes.‖

To sum up, Repositioning is done with the intention of attracting customer's back into the fold. A study of the above types of Repositioning reveal that it is more often done to increase either the users or the number of uses.

Check Your Progress 2

1. _____ is the art of creating a distinct image for a product in the minds of the customers.

   a. Positioning

   b. Repositioning

2. _____ is changing the positioning of a brand.

   a. Repositioning

   b. positioning

3. Lipton Label Tea was initially positioned as a delicious, sophisticated and premium tea for the global citizen.

   a. red

   b. Yellow

4. _____ was the first indigenous premium TV brand in India.

   a. Videocon

   b. Onida

5. _____ basically had the positioning of being good for health and digestion.

   a. Dabur Chyawanprash

   b. rasna

10.4   Brand Extension   - Case Study: KeoKarpin

KeoKarpin Hair Oil

History

Until the early _80s, particularly in the Eastern region, the hair oil market was dominated by brands like Jabakusum, Mahabringaraj and coconut based oils. These were thick hair oils, which were promoted as ideal for the nourishment and maintenance of strong, beautiful hair. At that time the fashion, particularly for women, was to have long, thick, beautiful hair.
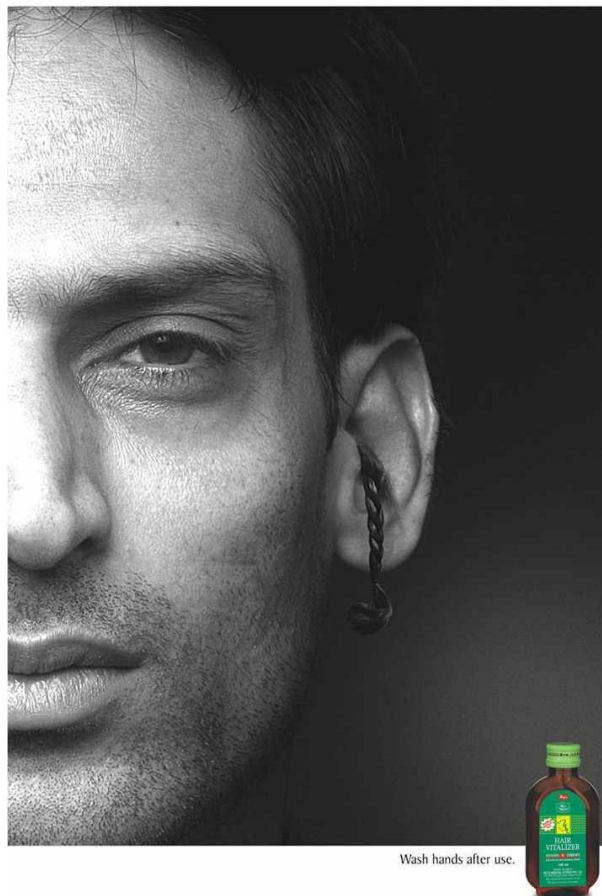
Fig 10.2 KeoKarpin Hair Oil

Dey's Medical, a pharmaceutical house in Calcutta, decided to make an entry into this market in 1985, with their hair oil KeoKarpin. They found that the thick hair oil market was stagnating with the changing fashion trends which advocated the use of less sticky oil. Besides, all the brands were sold on the generic platform of nourishment and cooling with no clear positioning, and advertising was restricted to only a few stray press ads.

KeoKarpin took advantage of the situation and repositioned itself as the light, non-sticky hair oil that aided styling. It breathed freshness into an

increasingly mundane category and, supported by sleek advertising and high visibility (in the newly introduced popular TV medium), carved out a distinctive category for itself - that of light hair oils. As luck would have it, the hairstyle fashion scenario also changed at about the same time. Women now preferred what could be called ‗fluffy hair', and sometimes short hair, which meant that they needed non-sticky hair oils. As a result, KeoKarpin fitted the bill of current hairstyle requirements with its need for light hair oil. Through 1985-88 ‗me-toos' like Tata Green and Dabur Special joined the fray but without much success, as KeoKarpin exploited a phenomenal growth rate to consolidate its position in the North and the East.

The Table belowshows the growth rate.

KeoKarpin growth rate (%)

Year	Growth Rate (%)
1985	57.7
1986	23.7
1987	24.2
1988	24.7
1989	18.6

Competitors' Activities

During 1989-90, Marico came out with a two-pronged attack on KeoKarpin (Parachute and Hair & Care). It relaunched Parachute as a light and contemporary coconut oil, attempted to refocus users towards time-tested natural hair oil. Other coconut oil manufacturers followed suit, modernising their own brands and together they started eating into the KeoKarpin user base. Launch of Hair & Care, a value-added modern option (lightness + nourishment of vitamin E, modern packaging and aggressive advertising) appealed to young consumers.

KeoKarpin was now under pressure to retain its market share. As a result, primary sales stagnated in 1990-91. Further, in 1992-93, primary sales declined. This prompted a total rethinking of the brand.

New Strategy

In 1993-94 therefore, the primary task was to bring the brand on stream once again and to stop erosion. To help understand both the market and the qualitative research was undertaken.

This qualitative research unearthed some valuable insights, such as:

- KeoKarpin was, no longer, a modern brand.

- Lightness was not KeoKarpin's exclusive property anymore.

- No physical value addition had been done to the brand vis-à-vis the competitive trend of having extra value proposition.

- Yet the brand commanded 67 % of the market in the light hair oil category. It was therefore necessary to look at the brand equity balance sheet.

This can be summarised as:

Brand Equity Laddering	**kk equity laddering**
(D) BONDING	How do I relate?
(D) KK my intimate confidante	
(C) EMOTIONAL BENEFIT	What does this
(C) makes me feel young,	
Mean for you?	
Modern and confident	
(B) RATIONAL BENEFIT	What do I do for you?
(B) Gives healthy, manageable	
Hair, I can style it any way	
I want	

(A) PHYSICAL ATTRIBUTE   What am I?

(A) Light, nourishing, non

Sticky perfumed hair oil

The brand appeal has therefore gone beyond physical attributes. It has created an emotional bond with consumers: ‒KeoKarpin is a part of me‖. The communication therefore needed to highlight this bond. Since hair styles were inextricably linked with the brand, they needed to be focused upon once again.

Creative Execution

To illustrate how ‒KeoKarpin is a part of me‖ Creative took three important stages in a woman's life, namely, college, marriage and motherhood.

Three contact points were chosen (shop, home and beauty parlour)..And the two were blended together in a contemporary setting giving aspirational vibes and indirectly giving support to nourishment (attractive hair, hair styles and specialist recommendation). This led to the ‒MeraHar din KeoKarpin‖ campaign.

Communication worked and the brand started recovering, leading to a growth of 11 per cent in primary sales during 1995-96. Emotional appeal still remained the strongest hook in brand communication - only the context had changed.

During 1996-97 it focused on mother's care –

‒KeoKarpin ek mamta bhari dekh bhal‖ - thus successfully countering the high profile campaigning of the competition using the theme of nourishment. During 1997-98 it focussed on the theme, ‗yearning for romance', associating it with the contemporary housewives' desire for their husbands' attention. Thus, even in a strong competitive market KeoKarpin managed to hold on to its core consumers and registered a growth trend. The Table below gives the position in 2000.

Table KKHO PRIMARY SALES (KL)

1997-98   3700 (KL)

1998-99   3900 (KL)

1999-2000 (Est.) 4250 (KL)

Brand Extensions

Taking advantage of the brand equity of the KeoKarpin brand, the company decided to extend its activities into allied categories, such as:

a. Hair problem solver category, with KeoKarpin Hair Vitalizer;

b. Skincare, through launch of body oil leveraging the non-sticky property of the oil (the inherent USP of the KeoKarpin brand).

Problem solver

KeoKarpin Hair Vitalizer

History

Product formulation: 5 internationally accepted proteins and vitamins, Keratin, Biotin, Panthenol, Resorchinol and Nicotinic Acid in alcohol base.

Brand performance

Sold as a medicinal hair tonic under medical prescription

Launched in 1983 as an OTC product

Offering solutions to hair fall and dandruff

Advertiseme-Testimonial in nature

Brand steadily grew till 1989

Post -1989 influx of competition: Anoop / Oasis / Vaseline Hair Tonic / Pantene / Arnica PlusTriofer.

Category slumped and sales stagnated

Research indicated that the reasons were:

Overclaim- leading to over expectation

Problem solver nature of the category automatically restricts it to a certain extent of volume growth.

Action taken

KeoKarpin utilized communication as the problem solver, which boosted sales but could not hold on to the consumers, except for those who were very concerned with their problem.

This product category has an inherent drawback. If it solves the problem of _falling hair', the customer stops using it after sometime. If it fails to solve the problem, the user stops using it anyway, it therefore has a credibility problem. All in all, it is a small and shifting market.

KeoKarpin Body Oil

Background

KeoKarpin Body Oil was launched in 1990 in the Eastern, Northern and Western Indian markets. After initial success the brand sales stagnated, from _93 onwards. After in-depth discussion within the company, as well as with the advertising agency, it was agreed that the main problems affecting the brand were:

(a)   Growth not commensurate with the potential of the product.

(b)   The product retention is very high among the loyal users but there are very few new recruits.

(c)   The image of Body Oil is dominated by the equity of KeoKarpin Hair Oil which is an all-India brand leading the light hair oil category.

Communication Objective

Therefore for KeoKarpin Body Oil was:

(a)   Rejuvenate the category (oil in relation to skincare)

(b)   Create a sustainable competitive advantage.

And the issues in brand building were: positioning the brand; and defining brand values.

Positioning the brand

Targetted at the young, socially active and confident woman to whom KeoKarpin Body Oil is a smart and sensible non-sticky, skin nourisher that keeps the skin soft and healthy through its herbal ingredients.

Therefore, Core Brand values are:

(1)   Trusted

(2)   Natural

(3)   Traditional, yet

(4)   Contemporary

Consumer insight

(a)   Though oils are considered to be nourishing and essential, convenient and modern products for skincare are being adopted.

Creative task

(a)   Bring KeoKarpin Body Oil out of the traditional realm by changing the perception that oils are sticky / messy.

Creative strategy

(a)   Make the consumer believe that with KeoKarpin Body Oil she's getting time-tested and trusted herbal nourishment for her skin.

(b)   The consumer should feel convinced that this was the intelligent way to make herself look young and attractive.

Creative magnifier.

The ‗unoily' oil

A single press ad in colour was developed which explained, in a very intimate one-to-one manner, how KeoKarpin Body Oil had successfully bottled all the benefits of oil, minus its negative qualities. This ad was released in major English and vernacular dailies and women's magazines between October to December ‗96.

Result

The result surpassed all expectations. The company had initially taken a stiff target for 96-97 (30% increases in sales) for a brand whose sales had remained stagnant for the past 3 years. Within two months of the release the brand sale surpassed its target and forced management to set a fresh target for 96-97, i.e., 500,000 bottles. The company expected to meet its target of 900,000 bottles in 1999-2000.

The company believes, that this product has tremendous potential. Although the product is pitched at women, there is nothing stopping men from also using it. Unfortunately there is no data on the total market, and therefore its market share as well, although it is evident that KeoKarpin Body Oil dominates the market. However, this brand's sale is expected to exceed 2 million bottles in 3 to 4 years time double its present sale! Another striking example, where brand extension has proved the power of brand equity!

Check Your Progress 3

1. _____took advantage of the situation and repositioned itself as the light, non-sticky hair oil that aided styling.

   a. KeoKarpin

   b. Dabur amla

2. _____Oil was launched in 1990 in the Eastern, Northern and Western Indian markets.

   a. dabur chinkara

   b. KeoKarpin Body

10.5   Case Study: Mercedes Benz

The unique features of the Mercedes-Benz A-Class present a classic marketing challenge for one of the world's best known brands – how to get serious prospects into showrooms for a test drive. How did an on-line partnership with MSN Cars help solve the problem?

The Marketing Challenge

Thinks Mercedes-Benz – you already have a picture in your mind.

The well established Mercedes-Benz C-Class and E-Class are familiar, recognizable faces in the prestige car market.

But it is unlikely the car you are picturing is the Mercedes-Benz A-Class. With prices starting from £13,025 and seating for five adults, the A-Class is a clear alternative to the familiar family hatchback or compact people carrier.

As Mercedes-Benz builds market share, the A-Class is playing a key role in changing perceptions of the brand. For the first time, many new car buyers are finding they can enjoy the Mercedes-Benz ownership experience with a car that suits their lifestyle and their budget.

But the marketing challenge for Mercedes-Benz is to get potential customers into the car; to allow them to appreciate its unique features and driving experience. That means making them aware of the car, getting it on their shopping list and then getting them down to the dealership for a test drive.

The Marketing Solution

To crack the problem BJK&E Media, which handles the Daimler Chrysler account in the UK, launched a specific campaign with the principal aim to generate test-drives.

Alongside conventional advertising in national and specialist press, online was particularly valuable for this initiative.

Importantly, it offered instant information gathering and delivering on the number of test-drives that resulted from the medium.

They chose to work with MSN Cars (then called MSN Carview).

‒We looked at all the major online portals but particularly liked MSN‘s creative ideas,‖ explains Katy Driver, Senior planner buyer on the campaign. ‒The service levels they were able to provide, the technical expertise they brought to the project and the support of a viable editorial team were all important considerations.‖

As with other advertisers on MSN Cars, Mercedes-Benz was also attracted by the audience reached through this part of the MSN site: 97% ABC1, 60% male and below average consumers of commercial television.

‒By using MSN Cars as part of an integrated campaign, including specialist and national press, BJK&E was able to target an audience that is notoriously hard to reach through other media,‖ says Katy. ‒We wanted a means of data capture and therefore create a relationship with our customers.‖

The Campaign

BJK&E set three elements to the creative brief:

1. **Awareness** – frequent exposure of a simple message – ‒test drive the Mercedes-Benz A-Class‖.

2. **Understanding** – the ability to deliver more complex messages – in-depth information on the car for those who need/want it.

3. **Relevance** – targeting the message to the right type of internet users and eliminating wastage.

As a multi-media portal, MSN was able to offer creative solutions which not only satisfied each element of the brief but also offered a degree of interaction with the potential customer that could not be achieved by traditional print or television media.

The MSN Cars campaign was based initially around a one-month bespoke promotion. The key elements were a ‒Featured Car of the Month‖ online advertorial and a ‒Digital Road Test‖.

The ‒Featured Car of the Month‖ is a detailed review of the car by the MSN Cars editorial team that runs to two-screens in length. With its editorial feel and constructive, informative content, the review is both a beneficial read for the interested buyer and a good sales tool for Mercedes-Benz.

The ‒Digital Road Test‖, a three-minute video clip that could be downloaded or watched on screen, gives the opportunity for the user to properly ‒see‖ the car in action: making use of the interactivity the internet brings whilst using TV-style visuals at the same time.

‒An important aspect of the campaign was the respect for the MSN Cars editorial team,‖ explains Katy. ‒Their editorial focus is on being genuine and user-friendly, so giving their readers an informative, constructive read.‖

The Digital Road Test clearly satisfied the brief to deliver more complex messages and create a relationship with the customer.

Carview presenter, Victoria Macmillan-Bell, was able to describe the A-Class in detail and shows the car in motion in real-life situations.

Just as important was the in-depth support of the MSN technical team. Full production of the Digital Road Test, from initial filming to final approved edit, was the responsibility of MSN and just one element of a comprehensive customer service package.

Both the Featured Car advertorial and the Digital Road Test were backed up by a Category Ad in the site's small cars listing, where the A-Class could be compared against competitors in its class. Hotlinks allowed visitors to jump instantly to the Mercedes-Benz website for more information or to apply for.

In order to achieve relevance in the test drive requests, a minor level of qualification was created during the request process. Completed requests were forwarded to a fulfillment agency but, just to be certain of the quality, MSN also monitored them to clean the responses and remove any duplication.

‒A great deal of thought went into the test drive request form,‖ explains Penny Barnes, MSN Cars account manager who worked on the project. ‒We wanted to make it long enough to filter out time wasters – but not so complicated that it put off genuine applicants.‖

With so much targeted activity, it was important to achieve wider awareness and deliver traffic volume to MSN Cars. A promotion on the MSN.co.uk home page (the Network Information Page - NIP), which has more than two million visitors a day, was designed to do just that.

The NIP message changed constantly from a simple invitation to book a road test to a more complex editorial feature.

Once again the MSN Cars editorial team was brought into play with a specially commissioned lifestyle feature entitled ‗Tate a Tate‘. In search of a little culture, the journalists took a Mercedes-Benz E-Class from the Tate Britain in London to the newly opened Tate Stives, giving site visitors yet more insight into the car and its driving characteristics.

The Campaign's Success

The MSN Cars campaign was so successful it was extended for a further two weeks. Over 700 test-drive bookings resulted – more than three times the initial Mercedes-Benz target for the period.

‒At the end of the day, MSN Cars delivered,‖ concludes Katy Driver. ‒The MSN solution was complex, but competently organised with most of the hard work done for us. They answered the brief and simply got on with the job. We couldn‘t ask for more.‖

Check Your Progress 4

1. The unique features of the_____A Class present a classic marketing challenge for one of the world‘s best known brands.

   a. Mercedes-Benz

   b. Rolls Royce

2. As Mercedes-Benz builds market share, the_____Class is playing a key role in changing perceptions of the brand.

   a. A

   b. E

10.6   Let Us Sum Up

In this chapter we have studied the concept of Repositioning in very detail. Many other conept too were explained in a very interesting manner.

We have studied that Repositioning is a strategy wherein you create a slightly different image of your brand not going away too far from the brand's core values. Sometimes there are no unique positions to carve out. In such cases, Ries and Trout suggest Repositioning a competitor by convincing consumers to view the competitor in a different way.After examining the Repositioning of several brands from the Indian market, the following 9 types of Repositioning have been identified. These are: Increasing relevance to the consumer, Increasing occasions for use, Search for a viable position, Making the brand serious, Falling sales, Bringing in new customers, Making the brand contemporary, Differentiate from other brands and Canged market conditions.Reositioning is done with the intention of attracting customersback into the fold. A study of the above types of Repositioning reveal that it is more often done to increase either the users or the number of uses.

Therefore after going through this part now the readers would have got a detailed information about the concept of Repositioning which will help them a lot in understanding the concept of brand.

10.7   Answers for Check Your Progress

| Check Your Progress 1 |

Answers: (1-a), (2-a), (3-a), (4-a), (5-a)

| Check Your Progress 2 |

Answers: (1-a), (2-a), (3-b), (4-b), (5-a)

| Check Your Progress 3 |

Answers: (1-a), (2-b)

| Check Your Progress 4 |

Answers: (1-a), (2-a)

10.8   Glossary

1. **Repositioning -** change the image of (a company, product, etc.) to target a
    new or wider market.

10.9   Assignment

1. What is brand Repositioning? When is it required? Can all loss making
    brands be repositioned?

2. Give an example of an Indian brand that has been positioned? Has it been
    successful? What was the strategy applied to reposition it?

10.10   Activities

1. Identify five brands that have been recently repositioned. State why they
    have been repositioned.

2. What are the nine reasons to reposition a product?

10.11   Case Study

Work out two case studies of Repositioning in the Indian market with all
details, pointing out why the Repositioning exercise had to be undertaken.

10.12   Further Readings

1. Marketing Management (Twelfth Edition) – Philip Kotler.

2. The Brand Mindset – Duanne E Knapp. Tata McGraw Hill edition.

3. The 22 Immutable Laws of Branding – Al Ries and Laura Ries.

4. Positioning: The Battle for Your Mind - Al Ries and Laura Ries.

5. Marketing Warfare - Al Ries and Laura Ries.

6. Competitive Strategy – Michael E Porter.

7. Product Management – S A Chunawalla.

8. Brand Management – Y L R Murthy.

Summary

There has been a very detailed discussion of the topic in the three chapters discussed over here. In this part the whole content was divided into three units. Chapter 8 discussed about the Basics of Brand Equity and Brand Value, chapter 9 discussed about brand positioning whereas chapter 10 discussed about the brand Repositioning. Further the subtopics covered under each of these units are as follows. Under chapter 8 the subtopics covered are How to Use Storytelling to Promote Your Brand, How to Generate a Premium Effect, The Various Types of Brand Innovation, How to Leverage the Sale of Your Brand, Key Factors for Success in Brand Extension, Examples of Successful and Unsuccessful Brand Stretching, The Various Types of Brand Architecture: Product-Brand, Range Brand, Umbrella Brand and Endorsement Brand. Under chapter9 the subtopics covered are Brand Positioning Defined, Market Segmentation and Positioning, Developing a Positioning Strategy, Brand Positioning Strategies and How it Works, Introduction of an international Brand – Case Study.Whereas under chapter 10 the subtopics covered are Successful Repositioning, Nine Types of Repositioning, Brand Extension – Case Study: KeoKarpin, Case Study : Mercedes Benz.