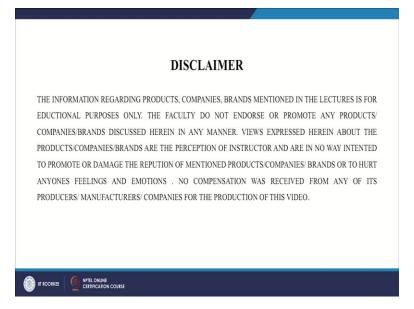
## Product and Brand Management Professor Vinay Sharma Department of Management Studies Indian Institute of Technology, Roorkee Lecture 12 Product Positioning - II

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Hello friends, welcome back to the discussion of positioning. By this time, you would have got an idea on how important positioning is because once you go for a successful positioning exercise, rest of the things are easier, because you are sure of the other elements of the product. If you are projecting those rightly and customers also accept those in a similar way, which actually he perceives, and you also wish for that, then things gel with each other. It is not a confusing state. It is just a matter of right match of thoughts, putting up a particular perspective and image in the mind of the customer. As I suggested last time, let us go through some cases. Let us take some examples and then some more aspects related to positioning.

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## **Accenture- Positioning through Performance**

- Accenture was launched as the Administrative Accounting Group in 1942 and was the consulting arm of accounting firm Arthur Andersen.
- Andersen Consulting officially adopted the Accenture name and launched a global advertising, marketing, and communications campaign targeting senior executives at its clients and prospects, all partners and employees, the media, leading industry analysts, potential recruits, and academia.
- Accenture's brand equity increased 11 percent the first year, and the number of firms that inquired about its services increased 350 percent.
- Accenture believed its differentiator was the ability both to provide innovative ideas ideas grounded in business processes as well as IT—and to execute them.
- Competitors such as McKinsey were seen as highly specialized at developing strategy, whereas other competitors such as IBM were seen as highly skilled in technological implementation. Accenture wanted to be seen as excelling at both.

Source: Philip Kotler, and Kevin Lane Keller, Marketing Management 15th edition, Pearson, 2016 Indian Edition Published by Pearson India Education Services Pvt. Ltd 2016



Let us, start from Accenture and the source is given for you here. And this example talks about positioning through performance. See, Accenture was launched as the Administrative Accounting Group in 1942, and was the consulting arm of accounting firm, Arthur Andersen.

Andersen Consulting officially adopted the Accenture name, launched a global advertising marketing and communications campaign. Targeting senior executives as its clients and prospects. All partners and employees, the media, leading industry, analyst, potential recruits, and academia. Accenture brand equity increased 11 percent the first year and the number of firms that inquired about its services increased 350 percent.

Accenture believed its differentiator was the ability both to provide innovative ideas. Ideas grounded in business processes as well as IT and to execute them. So, the complete package was offered by them. Competitors, several competitors for Accenture were seen as highly specialized at developing strategy wherein other competitors, there were specific competitors, then there were some other competitors in the similar kind of domain.

And we have talked about category and classification of products earlier also, were seen as highly skilled in technological implementation. Accenture wanted to be seen as excelling at both. Now, this actually is related to performance positioning, which Accenture did. They spend quite a lot of money in projecting that.

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In 2002, Accenture unveiled a new positioning statement, which reflected its role as a partner that helped create strategies and execute them. The tagline innovation delivered was supported by the statement from innovation to execution, Accenture helps accelerate your vision. Now, here, this example this tagline is suggestive of everything which we have been discussing in due course of time in terms of positioning, this is what they wanted for themselves. This is what they were offering. This is what their customer also wanted for them to suggest. If they have it right.

Everything was projected in a right manner. It is a whole lot of a story how they would have gone for you know, what kind of media choices they would have gone for, what kind of methods they would have utilized to express everything in front of their customers. But here you see this tagline, the words, which will generate an image in the minds of the customers are more important for us to notice.

Today Accenture continues to excel as a global management consulting technology services and outsourcing company, we all know that. Its clients include 99 percent of fortune global 100 and more than three quarters of the fortune global 500, the company ended fiscal 2021 with revenues of US dollars 50.5 billion and has a brand value close to US dollars 26 billion. Source is mentioned here for you, this is taken from a specific source: Accenture newsroom reports.

Website is also given for you. The company has delivered high performance, delivered positioning. So, that is the perspective which company has generated. I am sure it is working

because the data says so. So, that is the element of positioning which we have tried to discuss as of now, and if you are rightly positioning, it makes a difference.

And we will see in our brand discussion in subsequent sessions not far away from now, wherein we would realize that Accenture kind of organization which was focusing on accounting services became a composite solution providing organization with a high-performance delivery and positioning exercise which they engaged, worked for them.

Oreo positioning through product application. I love that campaign basically which Oreo came up with, that small kid actually licking the cream from within inside Oreo basically and you see a biscuit a cookie, a product like Oreo, which can complement the taste of a child along when the child is motivated to drink milk, many children they do not so much like drinking milk.

And even if they like, they would like to have something along with that. Oreo actually studied all of this and then projected it rightly. And here, remember one thing, we are actually talking to a very specific audience. Although our domain is vast, we are welcoming almost everyone who likes this kind of taste. But if I am talking of a very specific campaign, I remember that focused on kids.

Now, again, there is a long story and a different story, what kind of media choices they would have gone through, what kind of programs they would have gone through, what kind of characters they would have brought in as far as the kids go. But the point is that, they were talking to kids. So, positioning specifically for a target audience, which has very different perspective around them, is not easy.

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So, in launching its Oreo brand of cookies worldwide, Kraft chose to adopt a consistent global positioning, milks favourite cookie that is very important for us to understand. Now, although not necessarily highly relevant in all countries, it did reinforce generally desirable associations like nurturing, caring, and health. And for children, every parent wants that you know all of us want that. So, at first Kraft tried to sell the US Oreo everywhere.

When research showed cultural differences in the taste preferences, Chinese found the cookies too sweet, whereas Indians found them too bitter, I should not say too bitter, it was liked by Indians. But again, the taste is different. You see, Chinese taste, Indian tastes, Sri Lankan taste and other countries, there might be slight taste differences, basically preference differences within India also, and let us not talk about different countries, within India also you know, from north to south and east to west, you would find so much of difference.

And I am not pointing out that specific country has a specific taste, there is a disclaimer, this is just an observation by Oreo. You know, what kind of a taste that country would have liked actually. So, there is a taste difference, the message is clear. So, now, you see, new formulas were introduced across markets. So, in China, the cookie was made less sweet, and with different fillings, such as green tea ice cream, grape, peach, mango, orange, raspberry and strawberry and so on and it started working.

So, they tried to customize the thing and here comes the term customization. So, they tried to customize the product with reference to the tastes of the customers they were targeting in a specific country, you go to North India, you have to definitely do that and you have to go to South India definitely would be doing that. So, then Indonesia has a chocolate and peanut variety, Argentina has banana and Dulce De Leche varieties. In an example of reverse innovation Kraft successfully and reverse innovation, we might refer to some other time as well.

Kraft successfully introduced some of these flavours into other countries also. Wherein they thought that these can be thought of as a newer flavour and would be accepted and their efforts, they brought in results. The company also tailors its marketing efforts to better connect with local consumers.

Kraft chose to position Oreo cookies by highlighting the application of its product, twist, lick and dunk and that work. In India, Kraft customized according to the tastes of Indian children and Indian target customer, and it worked very well, kind of. So, although India, people like different kinds of tastes, Kraft would have done several kinds of customizations, I have to taste this, once more to find out what I am talking of at this moment, if you can do it, after just watching this video, and then try this out with milk or tea if you want.

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## Reverse Positioning Reverse positioners assume that although customers do want something more than the baseline product, they don't necessarily want an endless parade of new features. So, they shed product features which industry considered as 'sacred'. Once a product is returned to its baseline state, reverse positioners supplement the stripped-down product with one or more carefully selected attributes that would typically be found only in a highly augmented product. This method allows them to assume a new position within the category and move backwards from maturity to growth position on a PLC.

So, then comes in reverse positioning. Now, as I said, as I promised that there are some elements of positioning, which, sort of actually give us a view from the other side, that is, one of those is

reverse positioning. Reverse positioners assume that all new customers do want something more than the baseline product, they do not necessarily want an endless parade of new features. This is an interesting article written by Moon and she is a professor at Harvard at the time, definitely she was a professor at Harvard, Harvard business school and just this the article title is Break Free from the Product lifecycle. So, that was published in 2005 a very interesting article and wherein she gives a very interesting view on reverse positioning.

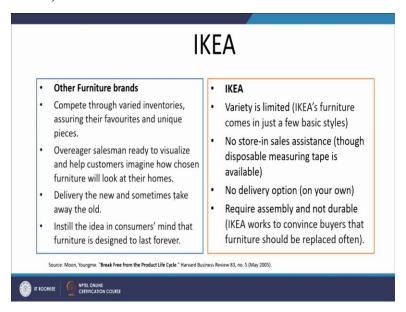
So, she says that, it is not always that we want incremental changes in the products to add on more features always. So, they, when they do not necessarily want an endless parade of new features, they shed many manufacturers, they shed product features, which industry considered as sacred as she says, means, which have been taken as an important part, which must be there. So, some manufacturers or producers or product managers should I say, tried to (()) (13:38) those off.

Once a product is returned to its baseline state, reverse positioners supplement the stripped-down product with one or more carefully selected attributes that would typically be found only in a highly augmented product. When we are having this kind of discussion, I am sure expected product, augmented product comes to your mind. And I just want you to recall that we discussed this that after a particular stage you know the basic product when goes towards expected product and the expected feature becomes the basic feature because customer expectation rises.

Same happens with the augmented product; it becomes the expected product because customer expectation rises further. And this article also hints upon this kind of an element which we have discussed. So, it is very interesting and engrossing article, you must read that. So, this method allows them to assume a new position, as the article further says that this method allows the positioner, reverse positioner to assume a new position within the category and move backwards from maturity to group position on the product lifecycle.

I will be talking about lifecycle in due course of time, but just for your understanding, the product has been growing after a particular stage, customer, they, I should not say get fixed, but they get mature that is number slightly gets stabilized. But, what do you want as a product manager? You want that number to still grow. So, that is where you go for this reverse positioning thing basically.

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And you see, for example, IKEA. Now, there are some other furniture brands which we have been referring too so and on the other side IKEA, let us take a brief comparison. Other furniture brands, wherein they compete through varied inventories, assuring their favourites and unique pieces.

Salesmen are one of the most hardworking people in the whole of the marketing, kind of value chain and I salute them, because they are the people who exert most. So, eager salesman, humble salesman, ready to visualize and help customers imagine how chosen furniture will look at their homes, delivery, delivering the new and sometimes taking away the old.

Instilling the idea in consumers mind that furniture is designed to last forever. So, that is conventionally, when you are adding on features, when you are exerting on your sales efforts, when you are actually adding on value to the whole transaction that is, we will take away your old furniture, and we will put up the new furniture in your place, you do not have to touch it, and you do not have to do anything.

Although IKEA has huge variety, as a company, believe me go to their website, and you will realize that. But IKEA started projecting them with limited options, because they realized that customers would choose within the limited frame and there were talking of a specific target segment, which probably would have been a larger audience for a common usage or so on. So, I am not talking of what idea targeted, I am talking of how idea thought of not going in a

conventional mode of a linear progression in terms of positioning themselves throughout the lifecycle of a product and lifecycle yet you have to see.

So, just bear with me till then. Now, you see then they did not go for in store assistance, they said that people are rational and intelligent enough to think come and think of what they need and there are limited choices. So, people would definitely analyse those, then there were no delivery options, you have to carry your boxes by yourself and I have talked about in earlier discussions that IKEA actually focused upon rectangular boxes, which are easy to be carried and taken in your cars and then there is a methodology wherein you can fix the furniture by yourself.

So, you can assemble that by yourself. What IKEA is doing? IKEA is actually cutting off on things which are not so much needed by the customers in a linear progression. They kind of are thinking in terms of something which is related to blue ocean strategy as well. I would not go into that. I am just hinting you here that this is a perspective which is evident in several discussions around blue ocean strategy. So, where it talks about uncontested market space and this article also refers to the term uncontested market space.

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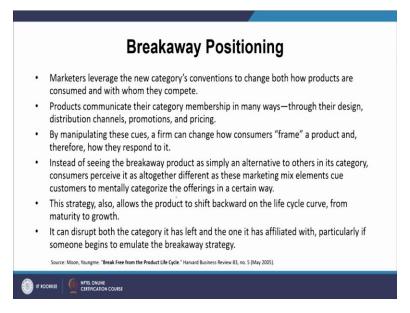


How IKEA reposition themselves? IKEA skilfully reverse positioned themselves by supplementing a value proposition with a store environment and services. The stores have an airy, ultramodern looks, customers can drop off their children with a beautifully designed

company operated day care centre while they shop. So, again, these are important features and you see again, that that reminds me of blue ocean strategy.

They can stop for lunch at a delightful cafe that serves delicacies. They can purchase items besides furniture, brightly coloured housewares and cleverly designed toys that are not available at most other furniture stores. So, you see that is how they are attracting kind of uncontested market space or the customers which would be looking for many things apart from the furniture or the customers who would be looking for specifics in furniture along with some other things. So, that is how the beauty of repositioning and many a times reverse positioning comes into being.

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Breakaway positioning; marketers leverage the new categories conventions to change both how products are consumed and with whom they compete. Products communicate their category memberships in many ways, through their design, distribution channels, promotions and pricing. By manipulating these cues, a firm can change how consumers frame a product and therefore, how they respond to it. And when I say manipulating these means re-calibrating, re-adjusting those things. It should be taken with a very positive connotation and it is not anything related to deception or deceiving the customer. Because at the end of the day, customer trust is the most valuable thing in marketing basically.

And it is the only reason through which an organization can rise and rise for a longer time, I should say. So, you see instead of seeing the breakaway product as simply an alternative to others in its category, consumers perceive it as altogether a different product as these marketing mix elements cue customers to mentally categorize the offerings in a certain way that means you have been taken as a part of one category.

And then you actually are projecting yourself with a different category perspective now onwards, that means you are breaking away from that categorization all together. Now, that is an interesting thing, because here one very important thing which you would have realized by now, while listening to these watching these videos, as a consumer yourself that if you have a specific positioning of a product in your mind, repositioning the product is a very difficult part.

And that we have seen in case of Xerox, for example. And many of the products for that matter. So, if you try to reposition the product that might hamper the existing image, and would not be able to successfully create a new image in the minds of the customers and you see deception is again, not advisable and good marketers never do that. So then, you see break away positioning actually is a sort of repositioning exercise while not distorting the existing image actually. And it is a very interesting kind of a thing, which we are referring to here. This strategy also allows the product to shift backward on the lifecycle curve from maturity to growth.

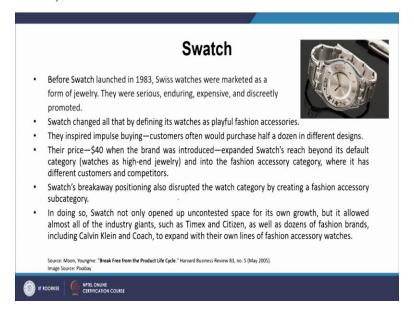
Again, I am referring to lifecycle I will be talking on that subject in the subsequent discussions. But till then, just remember that product is growing in terms of number of customers and sales volume by the time it matures. So, how to bring it back to the trajectory of growth that is adding on number of customers or adding on the purchase of product by the same customer, that is repeated purchase.

So, that is where breaking or break away positioning I should say comes in handy. So, it can address both the categories it has left and the one it has affiliated with, particularly if someone begins to emulate the breakaway strategy kind of. So, that can also be associated with our discussion basically.

One thing which is very important is that a product manager never wants to lose upon what he has and wants to gain other customers basically. And that is where, repositioning and

recalibration and reverse positioning many times and breakaway positioning and all these things, they come to us.

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Swatch again, you see, it is a wonderful example. It is a very successful example you see, before Swatch was launched in 1983 Swiss watches were marketed as the form of jewellery, as author says in this article, it is a wonderful example and you can visit the website of Swatch and other Swiss watches basically.

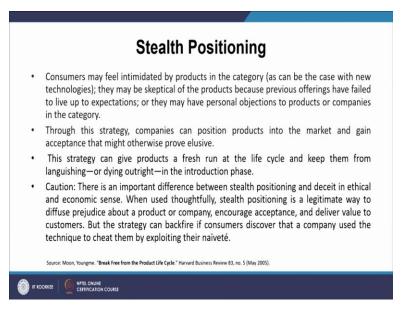
So, they were specific watches with having so many elements and so many aspects, to differentiating aspects to the products. They were serious enduring, expensive and discreetly promoted as the author says. Swatch changed all that by defining its watches as playful fashion accessories.

So, from jewellery perspective to fashion accessories now, that is where breakaway positioning comes in and here. Although, Swatch might have broken away from a category that might have disrupted that particular image which Swatch would have carried earlier, if they were in that market and they are coming to a different category by repositioning themselves, but again, it is not necessary that the customers they were targeting earlier would not be buying Swatch now. So, that is you see, that is an adding on exercise many times while leaving one type of a customer and going other customer so, it is not that, although the proportion, the ratio might change. Because customer who is purchasing watches for being a jewellery also can purchase

watches for as being a fashion accessory. They inspired impulse buying customers often would purchase half a dozen indifferent designs because the price is low.

Swatch's breakaway positioning also disrupted the watch category by creating a fashion accessory, as a subcategory, then several other manufacturers also started projecting themselves emphasizingly in this category. Wherein Timex came up with such watches, Citizen also came up with such watches. And Calvin Klein also came up with some similar kinds of watches. And it is a different story, how did they reduce the price so much, it is very interesting, I might be referring to that story some time later in some other parts of our discussion and so on.

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So, and then comes in a concept of stealth positioning as the author explains. Consumers may feel intimidated by products in the category as can be the case with new technologies, they may be sceptical of the products, because previous offerings have failed to live up to the expectations or they may have personal objections to the products or companies in the category or probably those products which have been launched earlier were not so handy or not so user friendly, means that particular category has an image which is not so smooth in the minds of the customers, their users, they definitely are purchasing that anyways.

But again, when you are talking of growing that particular segment or market there to put up a user-friendly image is not so easy many times because that category is not enjoying that kind of

an image. So, through this strategy called stealth positioning, companies can position products into the market and gain acceptance that might otherwise prove, not so fruitful or elusive.

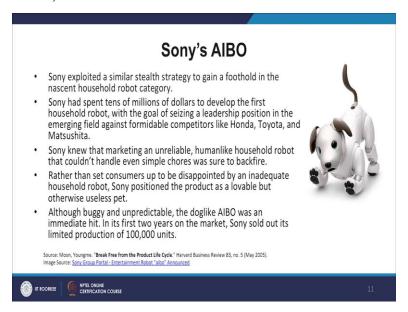
This strategy can give products a fresh run at the lifecycle and keep them from languishing outright in the introduction phase. Then author extends a caution that there is an important difference between stealth positioning and deceit in ethical and economic sense.

When used thoughtfully stealth positioning is a legitimate way to defuse prejudice about a product or a company and encourage acceptance and deliver value to customers. As I said, trust is the most important thing. But the strategy can backfire if consumers discovered that a company used the technique to be deceptive.

So, it is not an exercise to actually generate a distrust amongst customers or to deceive them or to use deception. It is actually putting up a different perspective, which category may not be enjoying up till now. And you see that is a difficult thing for one to do, but it is many times compassion for you. Because you have that kind of a product and you have to make it successful.

And you see product manager knows the words of that product. Product manager understands the potential of that product. And remember we talked about potential when we were talking of expected product, augmented product, potential product and so on. Sony Xbox is one of those examples. And this case, this article actually mentions Sony Xbox.

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And, again, the example to substantiate stealth positioning is Sony's AIBO as given by the author. You see, they projected this product with again stealth strategy to gain a foothold in nascent household robot category. You see household robots is a developing category, there are several reservations which people carry in their minds about how a robot would solve their problems.

And Sony has a product which has to be tested also, which has to be sold also and then they want to know that what next can be done and that is what AIBO story is. So, Sony spent millions of dollars to develop the first household robot with the goal of seizing a leadership position in the emerging field against formidable competitors, which are huge as far as their stature, technological abilities and so on, organizations like Honda, Toyota and Matsushita. So, Sony knew that marketing an unreliable human like household robot that could not handle even simple chores was sure to backfire means people would not find it useful, if you will project the usage actually. So, I would not say that unreliable or would not say, somehow away from being human because robots are robots for that matter. So, author describes it that way, but you can interpret it in your own way as well.

So, see, rather than setting consumers up to be disappointed by an inadequate household robot means, rather than disappointing consumers, Sony positioned the product as a lovable, but

otherwise, a general product basically. So, you see, a lovable robot inside your house that is the positioning.

Now, you see, the point is that, if you will project the category of a useful robot, then it might not work. So, you are actually using stealth positioning as suggested by the author here in this article to reach to the household, then only you would be able to know that what usage is conceived or expected in future by the customer or if they are happy with whatever is being offered.

So, although unpredictable AIBO was an immediate hit in his first 2 years on the market and Sony sold out its limited production of 100,000 units. So, that is where right positioning, even if you know, through a method of being referred to as stealth positioning is done. If it is done rightly, then product works actually, and that is what positioning is, that is what the magic of positioning is.

And that is what we have to keep in our minds, that product manager after having a particular product which he is assured of, has to position rightly for the consumer. Just keep this thought in mind, keep dwelling upon the discussions we have been having up to now, and I will be catching up with you in the next session with yet again a very interesting concept and a strategy in terms of product management, till then, goodbye.