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A Study on Strategic Brand Repositioning

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ABSTRACT

Purpose: *The purpose of the study is to understand the different dimensions of Strategic Brand Repositioning and how Consumer Relationship Management Strategies helps in effective brand repositioning. This study also helps in understanding the relationship between strategic brand repositioning and brand loyalty.*

Research Implication: *This research paper provides a preliminary understanding of brand repositioning. Different businesses use different positioning strategies to create a discrete reputation in the minds of the customers in order to increase its sales volume by seizing the market share from their rival products. Repositioning is one of those strategies which help in creating new associations, feelings and attitude in the minds of consumers. In order to achieve its long-term objectives, companies can reposition themselves in the market with the help of CRM Strategies. This with help in maintaining a large customer base resulting in loyalty towards the brand and achieving both vertical as well as horizontal growth.*

Originality: *The paper highlights the importance of Strategic Brand Repositioning and how it is related to Brand Loyalty. It is completely original and has been written from scratch by the researcher with the knowledge obtained by reading various other research papers, newspaper articles, journals etc.*

Keywords: *Brand Repositioning, Consumer Relationship Management, Brand Loyalty.*

I. INTRODUCTION

Repositioning is done to change the way in which products or services of a firms are conceived in the market. It helps firms develop a competitive position by seizing a prominent market share along with a huge customer base. Companies can reposition themselves in the market by changing the aspects of the product, communication strategies, its target market or by using different combinations of the above. This depends on the firm's current performance and its future growth prospects. The Research Paper covers four Repositioning Strategies.

1. Image Repositioning:

Sometimes products which are offered by companies are suitable in functional terms but lack

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the required image in the minds of the customers, thus image repositioning strategies helps companies develop a distinct image of the product. The product and the target market remain the same but the communication strategies and the advertisement message is modified in order to change the customer interaction with the company. Image Repositioning is however difficult because companies need to put in efforts to advertise a product with the same features but with a different outlook to initiate a fundamental shift in the value position of the enterprise.

Adidas in early 1990s in order to adapt to the changing commercial environment, used image repositioning strategy to change its perception from dull to that of 'street credibility' which helped them achieve dynamic growth.

2. Product Repositioning:

Product Repositioning is done by firms in instances where customers desire changes in the products offered to them. Thus, companies modified their offered customer value as per the needs and wants of the current target audience. It can be a change in size, shape, quantity, flavour, design, fragrance etc. This is a customer-oriented approach and is used to cope with the changing market and changing customer preferences.

Such a Repositioning Strategy was used by Coca-Cola where they redesigned the taste of the product and doubled the size of serving so as to maintain and increase their customer base and keep the customer's interest intact.

3. Intangible Repositioning:

In this approach the company targets an altogether new set of audience with the same product. The company identifies a different set of customers with the similar needs and requirements like the already existing customer base. This helps companies retains their value and at the same time gains a fresh audience.

Tangible repositioning:

In this approach the companies change both the target market as well as the aspects of the product. The company might move up by targeting audience from the high-class society with a more luxurious product or move down by targeting the lower income groups with a product which is affordable. This strategy is usually used to capture a larger chunk of audience from weak competitors and gain a prominent market share along with customer loyalty.

This strategy was used by McDonalds when it entered the Indian Market. It offered vegetarian burgers and sides with a spicy taste which attracted the Indian audience.

II. OBJECTIVES

The objectives of the study are as follows:

1. To study the different dimensions of strategic brand repositioning.
2. To highlight the role of Consumer Relationship Management Strategies in repositioning of brands.
3. To highlight the relation between brand repositioning and brand loyalty.

III. LITERATURE REVIEW

The concept of Strategic Brand Repositioning, Consumer Relationship Management and Brand Loyalty can be found across a set array of the tactic literature.

Vavra (1992), said that CRM can be termed as a customer retention approach by using various marketing tactics which leads to customer attachment even after the value is offered.

Prvatiyar & Sheth (2001), based their research on the concept that CRM is an intercession strategy which is extended in various areas of marketing and strategic decisions used in relationship marketing. It can further develop as a central perspective of Marketing Management.

Lamb, Hair, McDaniel (2001), defined repositioning as moulding consumers' insight of brand associations into the brand rivalry. There have been instances where companies reposition themselves to support the growing demand when the market is fading or to correct errors committed during the original positioning.

Dunphy and Stace (1993), concluded that repositioning can be termed as a corporate transformation of the position of a firm by being an element that responds to the changing dynamic environment.⁸

Aaker in Durianto et al. (2004), discussed that the perceived quality of a product or service reflects the opinion of the customers relating to the superiority of the product or service with respect of the proposed objective.

Eisenhardt and Brown (1999), in their study concluded that repositioning incorporates different social, political, economic, environmental, technological and legal aspects to develop a new brand position in the minds of the customers.

Mohammad (2017), showed that the relationship between customers and the brands is one of the most imperative themes of branding theory because it results in brand loyalty. Brand loyalty can be seen from two perspectives, customer behaviour and buying behaviour, **Tong**

& Hawley (2009).

Kotler and Keller (2012), based their study on the general concept that, Brand personality is a mixture of different human nature directed to a particular brand. The key to customer retention is customer satisfaction. Customer retention refers to how a company keeps its customers by giving them an efficient customer experience. It contributes to a healthy business growth and loyalty helps businesses in retaining valuable customers.

Aaker (2005), a brand's personality has five different dimensions, which are genuineness, excitement, fitness, complexity and ruggedness.

Li and Green (2011), discussed that in strong competition, loyalty towards a brand, is noteworthy for the success of the organizations. Development of brand loyalty produces applied advantages through saving marketing cost by means of spreading word-of-mouth **Keller, (1993).**

Rosenthal (2003), in his study reflected the idea that repositioning is not the same as rebranding because repositioning is done in the minds of the consumers, that is instead of changing the brand the image of the brand in the minds of the consumer is changed. If there is a change in the demand then repositioning is the best strategy for companies to achieve maximum retention. Studies have shown changes in customer behaviour after repositioning.

IV. SIGNIFICANCE AND IMPORTANCE

The study will help researchers, scholars, students, ranking professionals and academicians in understanding the different dimensions of brand repositioning specially when there is a change in the customer demand due to the changing dynamic environment. It highlights the role of CRM strategies in brand repositioning and how are they interrelated. It also helps in understanding the influence of repositioning on customer retention and brand loyalty. The research also helps find recommendations and suggestion for organizations.

LIMITATIONS OF THE STUDY

The study is based on secondary data like research papers, online journals, newspaper articles, websites etc. and does not comprise of any primary data.

V. FINDINGS AND SUGGESTIONS

Customer Relationship Management (CRM) helps in creating a competitive advantage by communicating and delivering some customer value in order to maintain and expand the customer base. It helps in developing the present customer relationships along with creating

and sustaining new customers.

In a simple language CRM is the process of acquiring, retaining and increasing customers for a company. It is not just to be considered a mere technique but is a management culture that helps firms understand the customer behaviour in order to offer them the similar customer value as per their needs and wants.

When a brand is trying to reposition itself in the market it must consider various CRM strategies to achieve effective brand repositioning that helps in retaining the original customer base and at the same time helps in getting new customers.

CRM involves three fundamental steps; these are as follow.

1. Analysing and Understanding customer as a whole.
2. Bring into line organizations full ability in so as to deliver what its customers see as high value.
3. Easing the information available both outside and inside the organization.

The successful implementation of CRM will create a higher value of customers and marketers which finally leads to the development of mutual trust.

Firms can reduce their advertising cost and make it easier to target a specific group of customers by focusing on their needs and wants. Also, it allows organizations to compete for customers based on their services rather than the price. This helps in preventing over spending on low-value clients and under spending on high values clients.

Moreover, CRM has high success factors and hence it benefits the firms in different ways. Firms that use CRM to reposition their products build strong internal partnership around the CRM Strategy as it touches every corner of the organization.

In India the CRM model is often used in manufacturing and service organizations as a loyalty building mechanism. CRM tools are transparent and are both customer and employee friendly.

CRM tools should be made a part of the system by using it in the customer service interaction and when CRM strategies are used in brand repositioning there is optimum utilization of resources by going high tech and low tech accordingly.

Various steps in brand repositioning are:

1. Reevaluate the competing product and Identify the attributes.
2. Collect information from customers and their feedbacks.

3. Determine the share of mind of the product.
4. Determine the current location of the product in the “Product Space”.
5. Set the target market and examine the position of the competing product and the position of your product.
6. Select the optimum position.

Here are various types of repositioning that can be identified in the Indian market

1. Increase relevance to consumer.

Lipton Yellow Label Tea was earlier positioned as a very sophisticated and a premium product, however such an ideal didn't attract the targeted Indian customers because of a foreign approach and didn't take off. Thus, the company decided to change its advertisement strategy without changing the aspects of the product. It repositioned itself as a daily drink for good health rather than a luxurious product.

2. Increasing occasions for use.

Cadbury's Drinking Chocolate at its early stages called itself as a good night cap specifying the time of its consumption i.e. night. This specification resulted into a smaller customer base. Hence, in order to reach to a broader set of consumers it decided to reposition itself as “the happiest time of the day” which increased its occasion of use.

3. Making the brand serious:

Saffola was previously pitched as a “good for heart” oil. In order to make the positioning more serious it pitched the idea of “Heart is not safe without Saffola”. This helped in pushing Saffola into the league of the most health-conscious brands.

4. Falling sales:

BrookeBond's Red Label was earlier positioned as one of its kind “piyo-to-jano” which said “try it and believe it”. When this didn't work it repositioned itself as “Desh-KaPyala”- India's Tea but this didn't bring in a huge set of customers. The present position includes both the previous as well as the current aspect saying Red Label “jiyo-mere-laal”- “long live my son”.

5. Changed market conditions:

Horlicks was earlier positioned as a milk additive this positioning was used till the scarcity of milk overcame but now it is positioned as a nutrition and shifted the positioning to “energy giver and health provider”

Different Positioning and Repositioning Strategies help brands develop for critical actions of competition in the market. Having a strong positioning in the minds of its targeted audience can help accomplish customer loyalty and growth along with sustainability. Further, occupying a stable position in the minds of the consumers can help maintain the customer base efficiently by serving them the product they desire and at the same time increase profits.

This can be achieved by a pragmatic plan of actions including advertising and marketing efforts. Repositioning Strategies can help in creation of an effective brand by strengthening the already existing brand image and its worth in the eyes of the customers. It develops a competitive edge and has a positive impact in enhancing brand commitment and loyalty.

VI. CONCLUSION

Repositioning strategies are an influence on the personality of a brand and efficient repositioning strategies can help in both vertical as well as horizontal growth of a company. Brand Repositioning can be done by using CRM Strategies as it helps in adapting to the dynamic environment of changing needs and preferences of the customers thus leading to customer loyalty.

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