

POSITIONING OF A BRAND THROUGH ADVERTISING AND IMPACT OF ADVERTISEMENT ON CUSTOMERS PREFERENCE

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ABSTRACT

The paper presents the insights regarding the challenges and innovation strategies in positioning a brand through advertising. Advertising is a medium through which an organization focuses on USPs and benefits of a product or service to influence the purchase behavior of the individuals. It supports to create a positive image of a particular brand in the minds of the customers and prompts them to buy the same. The paper focuses on relative reach of brands in the market, with respect to its market share. The research aim was to analyze the innovative ideas in sustaining the position of the brand and to understand the strategies to overcome the pitfalls. Also to know the exclusive need of consumer to trust a brand by its advertisement.

The paper offers suggestions on strategies designed in positioning a brand through its advertisement to the managers who seek to strengthen their brands equity in an increasingly competitive market place. Also indicates the changes that are to be adopted and implemented in sustaining the position of the brand's reputation. The study focuses on factors like (1) Brand position (2) Advertising strategy (3) most preferred brand by the customer (4) Innovation and challenges---The research is undertaken with three industries 1.Consumer Durables 2.FMCG

KEYWORDS: Advertising, Market, Brand Position

INTRODUCTION

Advertisement is considered as a communication medium to convince the customer to purchase or take some action upon the service or product. Advertising is a medium through which an individual or organization highlights the USPs and benefits of a product or service to influence the buying behavior of the individuals. It helps to create a positive image of a particular brand in the minds of the customers and prompts them to buy the same.

The major aim of advertising is to influence the on buying behavior; however, this impact about brand is changed or strengthened frequently in people's memories. Memories about the brand consist of those associations that are related to brand name in consumer mind. These brand cognition influence consideration, evaluation, and finally purchases. Advertising is primarily used as a communication tool to get consumers to know about the brand name and about the characteristics of the brand. Advertising strategy should be consistent with the marketing strategy of the firm. It is used to increase brand awareness and to position and reposition brands so that consumers are convinced that the product offerings correspond to their needs and wants. Advertising is not about selling the skill of your firm, but about promoting the qualities that differentiate your firm from so many others. Differentiation is your brand, and advertising is about positioning that brand by promoting and communicating your firm's differentiators to a targeted mass audience.

LITERATURE OF REVIEW

As a promotional strategy, advertising provides a major tool in creating product awareness and condition the mind of a potential consumer to take final purchase decision. As advertiser's primary mission is to reach potential customers and influence their awareness, attitudes and buying behavior. Ayanwale et al (2005) conducted research on advertisement of Bournvita, he found as advertising has a major influence on consumers' likeness for Bournvita food drink. The advertisement play an important role in positioning of brand is already revealed by many researchers. (Alden, Steenkamp, & Batra, 1999) The author examined the emergence of brand positioning in advertising that parallel the growth of the market place. (Droge & Darmon, 1987) The authors compare the relative effective on brand positioning .The authors compare the relative effectiveness of comparative/no comparative and product-based/non-product-based advertising in the implementation of an associative strategy for cognitive brand positioning

Brand Positioning Through Advertising

The research paper is trying to discuss the challenges in positioning a brand and how companies are getting a good market share by accepting the challenges and implementing new innovative strategy regardless of their inception , taking the two industry as an example i.e. consumer durables, FMCG. The researchers in the paper want to show how these two industries is using position driven brand advertising to beat the competition. When it comes to create brand advertisement campaigns it is important to keep in mind about the brand promise, brandposition Positioning driven brand advertising is all about brand awareness and differentiating the brand from its competitor.

OBJECTIVES

- To analyze the market position of Consumer Durables, FMCG and Service Industry.
- To study how advertisement influence growth and market share of company.
- The main objective of the research paper to show how these industries is using position driven brand advertising to beat the competition.

Indian Consumer Durable Industry

The consumer durables market is divided into two segments – consumer electronics, also known as the brown goods (television, computers, electronic accessories, etc) and consumer appliances or the white goods (air conditioners, refrigerators, other household appliances, etc). The research throws light on two consumer electronics 1.Television and 2.Laptop. In initial years, the sector relied greatly on media and advertising for consumer penetration. Liberalization of markets in late 1990's saw the entry of global players like Samsung and LG and a shift in focus towards product Innovation.

The industry size for consumer durables stands at Rs 350 billion . The sector rides and relies on the state of the country's economy. With household incomes in top 20 cities across India expected to grow at 10% annually The industry size for consumer durables stands at Rs 350 billion . The sector rides and relies on the state of the country's economy. With household incomes in top 20 cities across India expected to grow at 10 percent annually over the next eight years, and concepts of easy loans, equated monthly installment (EMI) charges, availability of credit, etc., become commonplace, the Indian consumer is likely to spend more on both utility and luxury consumer goods.

Television Market in India

The television industry in India has witnessed aggressive growth in the last two decades as this medium dominates the other entire available media platform available as of now. India is the world's third largest TV market with close to 138 million TV households next to China and USA. Television is projected to command half of the entertainment pie in India by 2015 as it is estimated to grow at a robust 14.5% cumulatively over the next five years, from an estimated Rs 306 billion in 2010 to Rs 602.5 billion by 2015

Television Industry Market Position for the Year 2011 and 2012

Table 1: Market Share of TV Players

Players	Founded	Market Share-Latest
Samsung	1969	28.50%
LG	1958	15.20%
Sony	1946	8.30%
Panasonic	1955	6.80%
Sharp	1912	5.00%
Others	-	36.30%

Samsung continues to hold the number one position in television industry for the last two years. It is able to sustain the market position due to its innovative marketing strategies and by its own unique technical features.

In spite of sharp electronics being long time existence, it is not able to compete with other brands because of its less consumer awareness and weak marketing strategies.

Brands like LG, Samsung, Videocon, and Onida, inclusive of Igo, have been able to confirm their presence and during 2011 and 2012 their combined market presence was 77.5 percent compared to 58.3 percent in 2010. However, their absolute numbers have reduced. The segment for mid-sized sets is doing the best with a market share of 84 percent. Along with the 15 inch and 14 inch sets, this part of the television industry has a market share of 99 percent. The customers are now looking for LCD TVs instead of the larger ones. The market for flat panel TVs has sold almost 4.5 million sets and has grown by 50 percent in 2011 compared to 2010. This category includes the LCD, plasma, and LED TVs. The major challenge for the conventional TVs is that the flat panel TVs is becoming economically viable and they are improving technologically as well. Increasing levels of awareness among consumers is also posing some problems for the CRT television sets. . In spite of that the interesting fact is that close to 50% of the Indian households have a TV set of their own and the percentage is constantly rising.

Challenges

TV will continue to be major marketing and entertainment tool long into the future. However, the challenge facing the industry is what to do in light of declining numbers and revenue. An earlier report confirms people in the 18-26 age groups are leaving television in favor of more time online. If the trend continues, it doesn't promise for the future of TV's advertising revenues. Some television industries are trying to use the online trend in their favor. It will be interesting to see how much more television programming will become available on the web in real time. Unfortunately, this approach is treating the symptoms and not the cause of the audience evacuation. The bigger question is that still, how the TV industry will resolve the growing dichotomy presented by rising advertisement rates and declining viewership.

Laptop Market in India

The market for laptop in India was growing rapidly and the popularity was driven by the product attributes. Though the product was introduced in the Indian market in mid-1990s, the acceptance was rather limited as it was costly and quite heavy, and it therefore took time for the market to develop. However, by 2008, it had become a very high-selling product with reasonably widespread acceptance among the executives and students. The most appealing attributes for the consumers were portability, internet connectivity at lower costs, many inbuilt features that were not available in standard desktops, and most importantly, a substantial reduction in the price difference between desktops and laptops —the laptop average prices fell from 55,000 INR in 2007 to 40,000 INR in 2008, while the desktop prices only came down from INR 22,000 to 20,000.

Laptop Industry Market Position for the Year 2011 and 2012

Table 2: Market Share of Laptop Players

Players	Founded	Latest
Lenovo	1992	17.00
Acer	1976	15.70
HP	1995	15.50
Dell	1984	12.40
HCL	1976	3.40
Others	-	36.00

Lenovo managed to hold on to its No.1 position in the second quarter of 2012 and this report attributes to the "Execution of a substantial part of the Tamil Nadu Government order, very aggressive price points and increased channel activities." Lenovo's shipment grew 86 percent, supplementing its lead. HP's PC shipment grew 36 percent, while that of Dell dipped by 10 percent, as compared to the numbers the company posted in the second quarter of 2011

Going further, Gartner found that the top four multinational brands - Acer, Dell, HP and Lenovo contributed 56 percent to the market. HCL's posted a flat growth of 0.2 percent in the quarter. Its market share dropped to 5.6 percent in the second quarter of 2012. Similarly Toshiba which earlier had priced its laptops cheaper by almost Rs 2,000 (on entry models) or slightly more than 10%, compared to other players by offering to consumers processors that were almost 1-2 generations behind in terms of latest technology. Now it has also stepped up and is offering the latest configuration at competitive prices. This move has helped it gain market share in an uncertain market.

Overall the laptop market in India also shrunk sequentially in the last quarter to 970,000 units from 1.03 million units, but the outlook is still better than other markets. "Performance in the current quarter is much better than estimates and the outlook is good too," said Rajendran. For the first time, Chinese personal computer maker Lenovo has cornered the largest share in the overall Indian PC market, overtaking Dell and Hewlett Packard (HP), according to data from market researcher IDC. With the top spot switching among HP, Dell and Lenovo, Indian PC market is witnessing high competition, especially as the PC penetration here is extremely low and hardware makers sense a long-term opportunity. Lenovo's push to the top was aided by a large order from the Tamil Nadu government to supply free laptops to graduating school children - a promise made during last year's state assembly elections. A few months ago, Tamil Nadu announced procurement of 9 lakh laptops at about 14,000 a piece. Lenovo, along with HCL Info systems and Acer, had bagged the contract.

Coming out of a slump, the Indian PC market grew 7.7% in the first quarter of the year as a revival in consumer sentiment backed by strong sales in semi-urban areas pushed sales upwards. "Everyone is making a loss in the Tamil Nadu deal," said Menon. Though sequential growth of 7.7 % is encouraging, a year-on-year growth of 3.5% is not enough, feel PC makers. "Comparatively, emerging markets are growing 15-16%," said Amar Babu, Managing Director, Lenovo India. Going by the low PC penetration level, India should grow much faster and consumer buying needs to go up, said Babu.

Challenges

Competitors have more attractive substitute products and Technological shift as a result of research & development; Daily new technologies are emerging. The business challenge is to scale up profitably and the key marketing challenge is to increase the market share in a highly competitive market within the inherent constraints of being an Indian value-for-money brand. With thousands of brands all competing for the same pool of market and prospects, differentiation is one of the most important ways to gain recognition and build brand awareness. Communicating your firm's unique characteristics, expertise, strengths and successes to a large number of prospects can be achieved through advertisement. The race to provide inexpensive laptops to the next computer consumer group is on. The digital world is now reaching beyond relatively affluent "westernized" consumers and looking for innovative ways to provide low-cost laptops to emerging markets and the developing world, especially children. The industry estimates this potential new consumer group at \$1 billion.

Trade Positions

Only 30-40% consumers decide brand before visiting dealer counter. Dealer influence balance consumers to go for particular brand. Hence, trade promotions are very important tool in durables.

Role of Advertising in Consumer Durables

The retailer through various ways of advertising strives hard to promote his brand amongst the masses for them to visit the store more often. Advertisements attract the customers into the store. They act as a catalyst in bringing the customers to the stores. The advertisement must effectively communicate the right message and click on the customers. It should be a visual treat and appeal the end-users.

With globalization penetrating every sphere of our lives today, it is not surprising that advertising in India too undergone tremendous growth over the past decade. The 30-second slot between TV shows is a largely coveted space for most advertising companies today. Indian television viewers are very much influenced by visual ads and print ads, thus expanding the product consumer base. Mumbai continues to be the major advertising hub of this country. So no doubt that Advertisement influences the brand position in consumer durables as well.

FMCG (Fast Moving Consumer Goods)

INTRODUCTION

Fast-moving consumer goods (FMCG) or consumer packaged goods (CPG) are products that are sold quickly and at relatively low cost. Examples include non-durable goods such as soft drinks, toiletries, and grocery items. Though the absolute profit made on FMCG products is relatively small, they generally sell in large quantities, so the cumulative profit on such products can be substantial. The term FMCGs refers to that retail that are generally replaced or fully used up over a short period of days, weeks, or months and within one year. This contrasts with durable goods or major appliances, such as

kitchen appliances, which are generally replaced over a period of several years.

Table 3: The Following are the Main Characteristics of FMCGS

From The Consumer's Perspective:	From The Marketer's Angle:
Frequent purchase	High volumes
Low Involvement	Low contribution margins
Low Price	Extensive distribution networks
	High stock turnover

Food and Beverages

F&B is a common abbreviation in the United States and common wealth countries including Hong Kong. F&B is typically the widely accepted abbreviation for "Food and Beverage", which is the sector/industry that specializes in the conceptualization, the making of and delivery of foods. The largest section of F&B employees are in restaurants, hotels, resorts, and casinos

Table 4: Market Share of Food and Beverage Players

Market Share	Founded	Latest
Britannia	1892	34
Parle	1929	35
Sun feast	1910	10.6
Surya foods	1992	2.2
Cadbury	1824	1.3
Horlicks	1873	0.7
Others		16.2

The following trends are driving growth in the Indian Food & Beverage industry:

- Rising incomes
- Urbanization
- Diet diversification
- Globalization
- Meal portions & timings
- Health consciousness

Challenges

Ranging from the need for continuous innovation. Expanding distribution channels. To be competitive companies will need to move from specialized distribution channels such as health clubs, online shopping, to mass consumer marketing in supermarkets and convenience stores. Companies will need to constantly innovative to meet the consumers growing demand for the latest and most effective ingredients'.

CONCLUSIONS

Product positioning and price will be key for manufactures of products as they expand their consumer base from

the traditional users to recreational and lifestyle users. Customized solutions are essentials and manufactures must focus on health benefits. Affordability is still crucial to market expansion as these products are considered non-essential by most consumers.

Personal Care

Personal care is the industry which manufactures consumer products used in personal hygiene and for beautification.

Table 5

Market Share	Founded	Latest
ITC	1910	26
HUL	1932	20.5
P&G	1837	19.4
Amway	1959	11.35
J&J	1886	8.6
Colgate Palmolive ltd	1806	3.43
Others		10.72

Few factors that will drive growth in this sector:

- Increasing rate of urbanization, expected to see major growth in coming year.
- Rise in disposable incomes, resulting in premium brands having faster growth and deeper penetration.
- Innovative and stronger channels of distribution to the rural segment, leading to deeper penetration into this segment.
- Investments in stock markets of FMCG companies which are expected to grow constantly.

Personal Care Industry Meets Challenges For

Increasing rate of inflation, which is likely to lead to higher cost of raw materials. The standardization of packaging norms that is likely to be implemented by the Government is expected to increase cost of beverages, edible oil, detergent, flour, salt, and mineral water. Steadily rising fuel costs, leading to increased distribution costs. The present slowdown in the economy may lower demand of FMCG products particularly in the premium sector, leading to reduced volumes. The declining value of rupee against other currencies may reduce margins of many companies as Colgate, Dabur etc. This sector will continue to see growth as it depends on an ever-increasing internal market for consumption, and demand for these goods remains move or less constant, irrespective of recession or inflation. Hence this sector will grow, though it may not be a smooth growth path, due to the present world-wide economic slowdown, rising inflation and fall of the rupee. This sector will see good growth in the long run and hiring will continue to remain robust.

CONCLUSIONS

The Indian market consist of small, medium and large industry all competing for the same pool of clients and prospects, differentiation is one of the most important ways to gain recognition and build brand awareness. Advertising deliver company message to the targeted audience, and the frequency and repetition of advertisement can make companies brand position in customer mind. Advertising is an investment in growth, generating opportunities, positioning a brand and

reaching thousands of potential clients. Taking the benefit of advertisement, company can make its existence for long time. The top companies in Consumer Durables and FMCG is adopting dynamic marketing strategy and accepting the challenges for modern business so they are able to sustaining its position in Indian industry.

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