

Mini bran re positioning analysis



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According to the book Strategic brand management by Kevin Lane Keller (2008) , Identifying and creating brand positioning is the first and important stage of the strategic brand management process. Positioning effects on a founding benchmark and works toward building a strong brand by helping marketers to design, to implement, to solidify or to sustain brand associations. Aaker () also supports the idea that the brand position can offer clear direction to a communication program implementation. To establish the position of a brand, the concept of it should be clearly defined. Criticism of the literature reveals numerous meanings and clarification of positioning. Sekhar, (1989) states that the concept of positioning developed from research on market segmentation and targeting. Kotler (2003, p. 308) defines brand positioning as “ the act of designing the company’s offering and image to occupy a distinctive place in the mind of the target market. The end result of positioning is the successful creation of a customer-focused value proposition, a cogent reason why the target market should buy the product”. Arnott (1992, 1993) parallels the idea by stating that positioning is, correlated to the rivalry, management attempt to adjust the tangible features and the intangible views of a marketable contribution. Furthermore, Kapferer, (2004, p. 99) emphasises on the distinctive characteristics that make a band different from its competitors and alluring to the public. In addition, Sengupta (2005) enhances the term of perception that indicate the core of the brand in terms of its functional and emotional benefit in the decision of customer. Also, it is shown as points in perceptual space and think up a product class.

In essence, Keller outlines the idea behind the concept of brand positioning that involves four aspects; target market identification, the nature of competitors, the ideal of points of parity, and the points of difference. Identifying target market is crucial part in establish a robust positioning because dissimilar segment may have diverse brand knowledge structure or perceive the same brand in different way vary by own attitudes, beliefs, and experience. The target customer can be classified as descriptive (customer-oriented), which associated to the kind of customer or behavioral (product-oriented), which related to how customers consider of or utilizes the brand or product. The behavioral side is more significant to comprehend brand position due to stronger strategic implication. Decided type of target can, then, implicitly sketches the nature of rivalry because businesses usually target that same segment in terms of category membership. Once the appropriate competitive frame of reference for positioning has been formed, the correct points of parity (POPs) and points of difference (PODs) are able to make. Point of parity (POPs) are characteristics or benefits that may mutual with other brands separated into two forms: category and competitive. Category point of parity is a standard association expected by customers to show the credibility of companies. Competitive Point of parity are associations designed to abolish rivalry Point of difference. It is used when firms want to break even the area that competitors are attempting to seek an advantage and achieve advantages in some other areas. To illustrate, to enter in the fast food industry, there are key elements that help customers to label a brand as a fast food restaurant such as quick service, good taste, and low prices. These are fundamental features and benefits of product category that it belongs to. Point of difference, on the other hand, comprises

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of strong, favorable and unique associations for a brand based on attribute or benefit association in the mind of customer. It is associations that customers believe that they couldn't find in the competitive brand. It is considered by functional basis, performance-related consideration and imagery related criterion, which are competitive strengths and insight about consumers' motivations. Reeves and Ted Bates advertising agency (1950) also support the common concept of PODs in terms of unique selling proposition (USP) that promoting use to compel customers to buy product that competitors could not race. For instance, fast-food chain Subway uses the healthier benefit as PODs compared with other quick-serve restaurants that supported by less fat attribute. Nike, for another example, claim of superior performance in athletic shoes.

Nowadays, business environment is becoming more intensively competitive. Marketers must certify that their brands constantly amend to stay s, at the same time as keeping on the true core values (Aaker, 1991; Keller, 1999). There are many reasons that make a firm to reconsider about its brand position which could be environmentally driven, Consumer driven, Competitor driven, and company driven. The environmentally driven can cause by economic issue, political issue, or the green movement. Consumer driven is able to be the change of consumer needs and lifestyles or the attractiveness of alternative target markets . Moreover, the driven from internal of company usually be a change in company strategy or gaining of new technology or other asset that provides the brand a competitive advantage and valuable differentiator. Finally, the essential reason that affects a brand to reposition is the competitor movement. Markets are

shredded and full with proposition that rivals try to display their point of different and superior positioning. Then, the brand may be faced by a new stronger positioning. Often, competitive advantages survive for only a short period before competitors attempt to match them, which may harm the brand positioning in terms of building satisfactory distinction benefits over their contenders (Clancy and Trout, 2002). Thus, brand should react by using repositioning strategy to change and stay contemporary and fresh in the eyes of customers. Trout and Ries () propose an idea of the repositioning that involve with competition, change, and crisis issues. Firstly, repositioning can compete the rival by discriminate the brand or product and add value to it. Secondly, since time pass by, brand should update itself and make connection to target customer by using technology and communication and multimedia assets. Finally, repositioning can cure the crisis especially the cost issue. Ryan et al ()also gives the meaning of repositioning that is the way to re-adapt brand position the consumer's thought to change the way in which a firm's product or service is apprehend.

Basically, positioning and repositioning are the same; they are both process of getting ownership of a place in the thoughts of the target market that is proper, differentiating and fascinating. These two activities are , likewise, bases on the Customer Based Brand Equity (CBBE) Model settled by Keller in 1993 which defined as “ the different effect that consumer knowledge has on the customer's response to marketing activity”.

To clarify, this paper will show the illustration of two repositioned brand of the automobile industry in both successful and fail way. Begin with brand that succeed in repositioning that is MINI,

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The MINI (original named Mini) is one of the most well known brands in the car industry, and indeed the most prosperous British car in terms of volume sold (Birmingham Mini Owners Club, 2002). It was launched in 1959 by British Motor Corporation. It was originally designed for four people seat, in a small size, practical, easy to park and economical. Also, priced was inexpensively. This responded to a fuel shortage, and the need for more efficient city cars. The Mini Cooper was designed and commercialized as a faster and sporty version of the Mini that would allow the car to compete successfully in rallying. Moreover, in 1969 the Mini was placed on the film *The Italian Job*. Due to the combination of the Mini's rallying success and celebrity style reputation so it became a necessary fashion accessory. It gained the cultural status that considered as a British icon. The Mini Cooper's status was variable between the 1970s and the 1980s as the license for the brand was sold to Spanish and Italian companies. In 1994, BMW bought the Rover Group, the owner of the Mini and launched the line in 2000. BMW still used the Mini brand to unite old and new to form explicit and consistence profile, but a bit change in name from Mini to MINI.

Launching the New MINI had task to preserve the MINI from becoming a fad. Therefore, business strategy of BMW is to position the MINI as a symbol. It target young groups of customers that are urbane, stylish, individualistic or characteristically take their own path, value and quality consider, love to drive, and a trendsetter. To meet the target market need, characteristic, and lifestyle, Mini brand came out the repositioning strategy that tried to attract customer in both logical level by the products performance and insurance of quality, and at a sensational level by the value of the brand's image or

product aesthetics. At the rational level, MINI keeps the perception of a small premium car. It emphasized in practical and brand heritage about being an economy small sport car that have a different and new technical base. There are three main competitive advantages that support the aspect; custom design, modern quality technology, and outstanding safety. Firstly, MINI has an extensive variety of equipment along with paintwork choices, applications on the external and rare materials for the internal that make MINI customizable and can be differentiate. As a result, it offers customers to choose their own style MINI to express and show their own brand personality. Secondly, the quality dimension, it involves; body structure setting new standards, the powerful engines, the most progressive suspension technology, which makes driver feel a go-kart experience. Thirdly, the safety system guarantee excellent safety airbag system, which makes the MINI one of the safest and the most reliable cars in its category. At an emotional level, the MINI stressed on the fun facet, play with the slogan ' fun to drive'. Thus, MINI attempted to create brand personality of it as fun loving, outrageous, cheeky, trendy, sporting and attractive.

The victory of the MINI brand repositioning can be analyzed in many aspects. Firstly it achieved in clearly defined its target market so it could offer the brand attributes or benefits that meet the target needs and, also, was able to compete with the relevant brands in the sporty compact cars market such as Honda and Volkswagen. Likewise, MINI did not forget to offer the Category points-of-parity; it provided essential and credible attributes that a car should have to customers. Additionally, MINI can prove strong superiority on its attribute and benefit and, too, consumers can be swayed. MINI brand

associations met three criteria that can correctly be good at a point-of-difference; desirability, deliverability, and differentiability. First of all, the MINI's target customer was given a persuasive motive to believe by MINI's pose on exclusive design, up-to-date quality technology, excellent safety, plus fun emotion. Accordingly, they can feel the relevance in both performance and emotion. These advantage associations are hard to compete. Also, MINI got benefit from the combination of two legacy advantages; British heritage and BMW's German heritage that effected to customer perception. The former British heritage included construction in England, iconic scheme, fun and sporty sensation. The later German heritage BMW's consisted of the certifying in excellence of production and technology along with the premium car segment. Moreover, the company can really deliver favor attributes and benefits, in the other words, MINI could sent the promise " unique joy at an attainable price" to its consumers. The product design and its marketing campaign supported the desired associations. Their unique, specific and complete forms of advertising resulted to mini's repositioning accomplishment. The customer was underlined that possessing and driving a MINI is fun, at the same time, also promoting brand personality and the idea of smaller is better. In every touch points, from the billboards to the showrooms, everything is branded that pararell with the set position. Finally, associations of MINI brand are strong in differentiate about history related, product related, and emotional related that can claim distinctiveness and superiority against relevant competitors.

Whilst MINI brand repositioning has been very successful, Oldsmobile brand, contrastingly, had left customers confused. The Oldsmobile brand is a case

of the failure brand in repositioning. Oldsmobile is one of the brand legends in US car history. It was in the portfolio of General Motors (GM) same as Chevrolet, Pontiac, Buick and Cadillac. It was a pioneer brand that launched the first car with chromeplated Trim and front wheel drive. Also, it was be the first production line car in the US with a fully automatic transmission, which is Toronado model. The brand was popular for many decades until there were problems that shake the strength of brand and have to end the production in 2000. The reason behind the brand failure can be divided in terms of positioning in three parts.

First of all, around 1980s onwards, when GM's technology had cutting edge begin with the Chevrolet engines were substituted ad diesel engines were given as an option, it , afterward, stopped maintaining and emphasizing the unique selling proposition of Oldsmobile and make the brand to be uniform like others. Consequently, Oldsmobiles is devalued its positioning in advance automobile in sportiness and innovation . It lost its advantage edge and looked very similar to other GM cars, with only small differences.

Additionally, due to its brand name, there is an effect of the name ' old' to the perception of customer that mislead to be perceived as outdated brand specially among teenage segment. As a result, marketers of Oldsmobile tried to reposition the brand and adjust the brand image with “ It's Not Your Father's Oldsmobile” slogan and ran advertising to describing the point. Unfortunately, this customers couldn't recognize reasonable about age association and still perceive that Oldsmobile is old-fashioned (Levinson, 2005). One Brand Week article, published in February 2001 gave a recommendation to the Oldsmobile that instead of attempt to be younger, it <https://assignbuster.com/mini-bran-re-positioning-analysis/>

should better accept the exist brand, with its older profile, search for older customers insight and give them a communication that fascinated to their needs. It could be possible, as the Oldsmobile had been considered an innovator in its field, even though it had never been a youth brand. Also, the process of this repositioning was rather impulsive operation. The customer perception should proceeding adjust for example, from old brand to adult brand to, eventually, younger brand. Moreover, Oldsmobile had endeavoured to lift its position to be a luxury brand by changing logo and make many product variations to enter European market. However, the principal notion of Oldsmobile was to manufacture a low-priced car for the masses and discounting strategy to sales was still used that against the repositioning aim, thus, consumers were confounded. Again, their memories with the earlier brand image still ran deep. Ultimately, General Motors shut down its Oldsmobile section.

Refer to the case, there are many factors that make Oldsmobile incapable to success in repositioning. Begins with the target market, it attempted to target younger consumers and affluent market without finding those customers insight. While there were overwhelm of competitors that pierced in the same target. Thus, introducing trendy new Olds cars were too late. Oldsmobile did not carry on the brand's new promise; it just created the tag line " It's Not Your Father's Oldsmobile" but did not do anything on product or service programs to stress the claim. The product reforms did not meet wishes of new clients. By reason of deficient product development plus inconsistent brand communications, it did not have power enough to change the target's perception that Oldsmobile is a youthful, modern brand.

Sharfman(2001) states that this slogan excluded both newer and elder purchasers. The reason that might be it had not done enough through its designs, contemporary images, and marketing mix, especially to the customers who do not have high involvement in the brand. They saw no advantage and no distinction, and no emotive association. In addition, it abandoned their competitive advantages which are a sporty and innovative, based on its heritage. Consequently, the trusted and believable personality of Oldsmobile was destroyed. In addition, to be in the upper market, Oldsmobile did not do well on credibility. Price levels did not represent the new willing position. Also, it was not able to form a unique emotional advantage or identity component of brand equity that is related to its customers. For these reasons Oldsmobile turned people off.

In a nut shell, brand positioning is a strategic concept that marketers make a brand image to sit in a unique room in the mind of the target market by a customer-focused base value correlated to competitors. Furthermore, There are factors require brand managers to reconsider about their brand position such as altering customer needs, increasing competitive pressures and changing of the company own structure. The BMW MINI case shows an example of how a brand cans success in repositioning. It created effective brand associations that consumers perceive a brand dwell in a favourable, differentiated and credible location in the minds of consumers. Thus, MINI gained trustworthiness of the product position by information given by brand. Although many brands are desired to become resurrected and famous again, often, repositioning brand fail in changing the image in the mind of customer as the mentioned case of Oldsmobile. It underwent from a lack of

strong positioning since targeted goal that it did not have ability to send the promises or new benefits. Also, elements of marketing mix did not go along with new position such as the product improvement and the price. As a result, marketers should carefully redefine brand's target market, stick on their needs and expectations, then, find the right and available place to be in their minds, which unique, certifiable, and satisfactory. Finally, the new position should be communicated properly and consistency.