

# Positioning Retail Brands

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## Abstract

*The primacy of 'positioning' retail brands for success is well established. The customer's image of a store is his perception of the store on various dimensions; and many of these dimensions are definite and specific to retailing. The article examines various studies relating to the dimensions, which consumers consider to position stores in their minds. This understanding helps in developing a differentiation strategy, and, adopting an integrated retail marketing communications strategy. An operational model that helps communicate the various aspects that are considered in positioning a retail stores, to students and executives, is proposed.*

**Key Words :** Dimensions, Positioning, Attributes, Retailing, Tangible, Multi-Channel.

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## What Is Store Positioning?

Positioning is about creating an image or identity for the Store. A stores position is, how potential buyers see the store. Positioning is expressed relative to the position of competitors. Martineau defined store image as "the way in which the store is defined in the shopper's mind, partly by its functional qualities and partly by an aura of psychological attributes." 6 "Positioning & Image: A third market determinant is the positioning & Image either consciously established or historically evolved for various outlets." The perceptual position a potential

customer has about various stores, he/she can choose from, are the "Positions" those stores have in his mind. The customer's image of a store is his perception of the store on various dimensions, and many of these dimensions are definite and specific to retailing as indicated by various studies.

## Immutable Attributes in Store Positioning

Martineau argued that retail organizations projecting an image close to the targeted customer's self image would, as a consequence, increase loyalty towards the store. An Indian study tells us how customers look at grocery shops differently from garment stores. Based on previous studies, and looking at retail brands as services brands we can come up with attributes for positioning a retail store. A model integrating the various attributes on which customers' base their 'positioning' of the store, is presented.

## Other Aspects Discussed in the Paper Are:

### Developing the Positioning for a Store

What is the positioning expressed by competing stores, and how do customers perceive them?

### Positioning for a Consistent Multi-Channel Experience

Understanding the various attributes involved in positioning a store, will help retail brand builders take a holistic view of positioning. The relevance of every touch point in a retailing, in communicating to prospects/existing customers about the store is brought forward.

## Need for Integrated Retail Communications

Every retail store enjoys a "Position" in the minds of its customer whether such positioning is a deliberate and planned effort or not. The advantages of well thought out and customer focused positioning has been well established. Retail success will need identifying the best position to occupy and integrating the various dimensions of store positioning, to create the desired position in the minds of customers/prospects.

Further research needs to actually examine the "Position" occupied by the individual retailer in the minds of customers/prospects, and the likely multiplier effect of integrating the communication from various dimensions of store positioning.

**According to Al Ries & Jack Trout (1986) :**

***"Marketing battles are not fought in the supermarkets, marketing battles are fought inside***

***the mind. A mean and ugly place where the terrain is tricky and difficult to understand. Mapping the mental battleground can give you an enormous advantage."***

## What Is Store Positioning ?

Store Positioning is creating an image or identity for the Store. It is the 'place' a store occupies in a given market as perceived by the target market. Positioning is something that is done in the minds of the target market. A store's position is, how potential buyers see the store. Positioning is expressed relative to the position of the competitors.

Martineau P (1958), defined store image as, "the way in which the store is defined in the shopper's mind, partly by its functional qualities and partly by an aura of psychological attributes".

**Prof. Jagdish N. Sheth Stated :**

***"Positioning & Image: A third market determinant is the positioning & Image, either consciously established or historically evolved for various outlets. Positioning refers to the specific merchandise price-performance combination offered by a retail outlet, to encourage certain target segments, and discourage others from shopping at that outlet"***.

The important role of positioning in marketing is well established. It is essential to think about positioning before the promotion, place, price, product, people and processes strategies are charted. The process of positioning starts soon as a target segment is established, and before resources are committed to merchandise selection, atmospherics, and communications.

**Geoffrey Randell said :**

***"Think of some well known retailers: Marks & Spencer, Boots, Sainsbury's, IKEA, The Body Shop, Next and, Benetton. These are clearly all brands in the sense we have been using the word, some of them international brands. They have a very strong identity in their customers' minds; when we go to one, we have a precise expectation of what we shall find; what level of quality and what value proposition. They have their core values, expressed in everything they do: their range and assortment of goods, the design and layout of their stores, the quality and training of their staff in a phrase, the total service they deliver."***

The perceptual position a potential customer has about various stores, he/she can choose from, are the "Positions" those stores have in his mind. The task of the marketer in positioning is aligning the "image" and "experience" to target customer needs. The customer's image of a store is his perception of the store on various dimensions, and many of these dimensions are definite

and specific to retailing as indicated by various studies.

## Immutable Attributes in Store Positioning

"In Martineau's (1958) paper, it was suggested that retail outlets had, so far as customers were concerned, a 'personality' composed of functional and psychological attributes. Martineau argued that retail organizations projecting an image close to the targeted customer's self image would, as a consequence, increase loyalty towards the store. This assertion was later extended by Arons (1961), who proposed that there is a connection between a store, which is 'agreeable' from the customer point of view, and the number of times they will visit the store within a given period. Early work on the images of department stores in Arizona, USA, defined retail store image as 'the total conceptualized or expected reinforcement that a person associates with shopping at a particular store' (Kunkel and Berry, 1968, p.22); the authors also attempted to separate the overall image into twelve image components. A review of similar studies by Lindquist (1974), served to reduce these to nine key attribute groups (see Table 1). He concluded that store image is a complex concept, which is difficult to explore and manage; it is created by a combination of both tangible (functional) and intangible (psychological) factors.

**Table I : Attributes of Store Image Derived from Early Research Work (pre-1974)**

Most Frequently Cited Attributes	Other Attribute
Merchandise:	Service
Selection	Clientele
Quality	Physical Facilities
Price	Convenience
Styling	Promotion
	Store Atmosphere
	Institutional
	Post-transaction

In the view of David Mazursky and Jacob Jacoby,

**"Lindquist (1974), summarized the results of 21 studies and identified 35 different aspects supposedly operating in store image formation. These were grouped into the following nine independent sets: merchandise, service, clientele, physical facilities, convenience, promotion, store atmosphere, institutional attributes, and post transaction satisfaction."**

In India, in an interesting study by K. K. Taimni, first published in Economic and Political weekly "5" May10,

**Table II : Consumer Preferences for Shops Selling Dry Groceries and Other Household Articles**

Reasons for preferences in percentage	Monthly income of the household		
	Rs.300-500	Rs.500-800	Rs.800-above
Credit	24.6	9.9	8.3
Unadultrated goods	15.1	23.4	19.6
Fair Prices	29.6	16.3	13.6
Courteous and quick service	6.5	8.5	17.5
Nearer home	12.7	11.5	9.8
All goods available (No stock out)	3.1	12.6	7.2
Honesty and truthfulness	2.1	6.1	6.8
Just habitual	1.3	2.2	3.1
Neat and clean	2.5	5.9	4.5
Uncertain	2.5	3.6	9.6
	100	100	100

**Table III : Consumer Preferences for Shops Selling Cloth and Readymade Garments**

Reasons for preferences in percentage	Monthly income of the household		
	Rs.300-500	Rs.500-800	Rs.800-above
Credit	7.9	10.2	2.9
Fair prices	22.2	7.5	9.6
Courteous and quick service	1.7	3.1	9.2
Nearer home	12.3	4.5	4.9
Variety of goods	28.6	32.5	37.9
Honesty and truthfulness	3.2	8.6	2.5
Just habitual	3.7	4.2	2.5
Up with times	4.8	12.2	15.7
Patient staff	6.2	7.5	4.4
Willingness to exchange goods	1.2	4.5	
Congenial atmosphere	-	1.5	5.3
Uncertain	8.2	3.7	5.1
	100	100	100

1969, (35 years ago) 500 + customers were asked about their reasons for preferring a particular retailer. The following tables from the study indicate the dimensions and their ranking in those days. It also tells us how customers look at grocery shops differently from garment stores.

The comparison between the two tables primarily in terms of dimensions chosen, and then relative percentages is interesting and self explanatory. Variety of goods was rated as very important attribute in cloth



and ready-mades, whereas for grocery unadulterated goods (Quality of products) and fair prices were the most important attributes. Interestingly, credit was sought more for buying groceries than clothing; the possible reason could be that credit is more sought for repetitive purchases than irregular buying, especially for occasions. One expected finding is that people are willing to travel a greater distance for shopping goods than they are for convenience goods.

In recent years KSA (Kurt Salmon Associates) Technopark, a consulting organization has in India been tracking the retail sector "6". The table below shows

Table IV

Desperately Seeking Perfection What Does the Consumer Look for?			
1998	2000	2001	
• Value for money	• Quality of products	• Quality of products	HYGIENE FACTORS
• Quality of products	• Value for money	• Value for money	
• Saleman politeness	• Wide variety of products	• Wide variety of products	EMERGING FACTORS
• Exchange & return policy	& brand	& brand	
• ESalesman non-interference	• Stock products of latest style/fashion	• Stock products of latest style/fashion	MOTIVATION FACTORS
• Wide variety of products & brands	• Salesman politeness	• Exchange return Policy	
		• I have trust in the outlet	
		• Products are marketed and displayed for my convenience	

what customers are seeking from retailers.

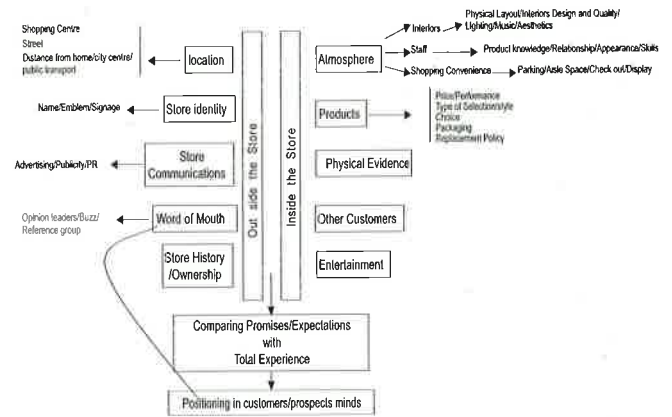
Quality of Products and Value for Money have been essential requirements over the years. Time scarcity for shopping is another issue that is manifested as the need for products being marketed and displayed for customer convenience.

The customers need, for feeling that the retailer offers a wide variety of products, have grown in importance over the last few years as per the KSA tracking studies. This factor, however, is dependent on products/category of outlet as per the study of K. K. Taimni. Many attributes listed in 1969 and 2001 are interestingly similar, though there are shifts in rank. This goes to show that attributes and their ranking change and new attributes come in as what customers look for. Retailers will need to keep track of demographic and sociological changes and tweak their positioning while retailing the essence of the brand.

Based on previous studies and looking at retail brands as services brands, we can come up with attributes for positioning a retail store.

### Store Positioning - The Immutable Attributes

The relative weight ascribed to each attribute, obviously changes based on Product category/Type of Store (for



Figure

e.g.: entertainment may not be expected at discounters)/Purchase occasion and such factors.

### Developing the Positioning

Having chosen a target market, understood competition, made an internal assesment one needs to identify "differentiators" to be able to develop positioning that ensures a unique place for the store in the minds of the customers/potential customers.

As positioning is always relative to competition; understanding how competition is perceived, is essential to determine desired positioning. The format of the store as perceived by the customer is the first attribute the customer forms an opinion about in comparison to competition. This also influences how the store is perceived on other dimensions. For example a while; a creche or food-court may not be expected at a discounter, but is a hygiene factor at a hyper-market. Similarly, the sales person at a discounter may not be expected to have as much product knowledge as a speciality store sales person.

### Differentiation

The purpose of understanding the attributes, a customer considers to make a mental ranking of stores helps us in developing a differentiation strategy. In what aspects can the store be perceived more different/better than its competitors? What needs to be observed about competition? What is the positioning expressed by competing stores and how do customers perceive them?

### Positioning for a Consistent Multi-Channel Experience

JC Penny has been in the news in India for having chosen India as one of the countries they will source products from. The positioning objective of this very large retailer is "We seek to provide our target customers with timely and competitive selections of fashionable, quality merchandise with unquestionable

day-in, day-out value. Within this positioning framework, we will begin with our target customers' point of view in developing merchandise offerings, quality standards, branding and pricing strategies, visual merchandising, and service levels. We will position JC Penny uniquely in a niche of our own by exceeding the fashion, quality, selection and service components of the discounter; equaling the merchandise intensity of the speciality store; and providing the selection and "under one roof" shopping convenience of the department store." This is a good example of positioning as expressed by the retail giant. It appears that JC Penny has been very successful in being able to position their e-commerce initiative in such a way that customers feel that the "Virtual" store is one more JC Penny store, and are responding very positively making JC Penny one of the top e-tailers in the world.

Understanding the various attributes involved in positioning a store will help retail brand builders take a holistic view of positioning.

## Integration

Another purpose of understanding the various elements of positioning a retail store; is to be able to build consistency across the various dimensions to give customers a consistent image of the store. The same as in the integrated marketing communications, where the various elements of the promotion mix, are integrated to communicate one message/brand personality. Every touch point in a retailing communicates to prospects/existing customers about the store.

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Tom Peters has said, "In an increasingly crowded marketplace, fools will compete on price. Winners will find a way to create lasting value in the customer's mind." The benefits of creating brand equity are well known and researched. Brand equity is built on the foundation of "Positioning"; which Indian retailers will be forced to consider in building strategies in an increasingly competitive environment, where the Multi-National retailers are coming in with copious resources for building brands.

Every retail store enjoys a "Position" in the minds of its customer whether such positioning is a deliberate and planned effort or not. The advantages of well thought out and customer focused positioning have been well established. How a store is perceived and positioned, is based on numerous touch points, about each of which the customer can form an opinion and the composite view of all the touch points experienced about/at a store is likely to result in the "Positioning" of the store. Retail success will need identifying the best position to occupy and integrating the various dimensions of store positioning to create the desired position in the minds of customers/prospects.

Further research needs to actually examine the "Position" occupied by individual retailers in the minds of customers/prospects, and the likely multiplier effect of integrating the communication from various dimensions of store positioning. While the various attributes have been listed, further research is needed to understand the weight age or relative importance of each of the attributes. One hypothesis could be to consider 'value' as the most critical dimension.

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