



Chapter XII

The E-Mode of Brand Positioning: The Need for an Online Positioning Interface

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Abstract

Brand positioning is a crucial strategy to any brand's strategy. Given the rapid development of technology and its impact on online strategies, changing lifestyles of consumers, and the consumer interaction required as a part of contemporary brand strategy, there may be need for brands to synergize their positioning strategies with online positioning strategies. This would enable brands to adapt to an environment that is increasingly becoming digital. This chapter, after taking into consideration the published literature on brand positioning, attempts to formulate online positioning strategies using different aspects of brand positioning, price, customer interactivity, and consumer community orientation. Implications for marketing managers are provided.

Introduction

Brand positioning has been the cornerstone of marketing strategy in recent times in fast-moving consumer product categories, durable categories, and services. It would be difficult to think of a strategy for any brand without a well-thought-out strategy for entering the consumer's psyche (Ries & Trout, 1987).

Thus, Nike's success could be attributed to the positioning that it is worn by the world's best athletes as reflected by the Michael Jordan campaign (Trout & Rivkin, 1999). While the challenges concerned with positioning strategies still remain with marketers, the environment has been changing with the influence of Web-based marketing. In the year which closed in September 1999, there was an increase of 221.5% of goods that were traded over the Internet. Consumer goods registered an increase of 665% over the same period (Wind & Mahajan, 2001).

The consumer is becoming more evolved in terms of information control. The consumer is no longer likely to receive information without the interactive component being present when he/she becomes involved in consumer decision making. Hence, the traditional positioning strategies may not succeed as segments are becoming smaller and less homogenous (Solomon, 2003). A number of established brands have also started using the Internet and the Web to adapt to the changing environment. Some of the global brands making this transition include Levi's, Dockers, and Barbie (Ries & Ries, 2000).

Even in a developing country such as India where less than 5% of the total retail sales come from organized supermarkets/malls and the penetration of the Internet is miniscule, supermarkets such as Subiksha and FabMall (www.fabmall.com) have started *online* marketing of groceries and consumer goods. FabMall started as an online store in Bangalore with books and music and over time has added several categories such as groceries, jewelry, and gifts. It has since added physical retail stores around the city of Bangalore. Today, its model attempts to synergize the advantages of retail outlets and online dimensions. The physical retailing model of the company has grown from revenues of 4 million rupees to 15 million rupees per month from April 2003 to November 2003 (Kumar & Mahadevan, 2003).

The trend of having multiple channels to reach the consumers could result in building a good brand besides the profitability aspects. Subiksha is a discount grocery store at Chennai (previously known as Madras) which deals with low-priced groceries. The store has a network of stores around the city and has started online operations by which customers could order groceries. The unique aspect of this store is that the residential neighborhoods are located close to the network of stores and hence the delivery charges, which are normally significant, are saved.

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