

Exploring Emotional and Functional Positioning Strategies – A Case Study of Multi-National Brands Operating in Pakistan

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ABSTRACT

This study presents new insights with respect to positioning of multinational brands in Pakistan including the most preferred positioning platform, choice of unique selling proposition, and relevant communication medium, according to the respective target market. It is qualitative research and a case study based design. Firstly, literature review was conducted to study Positioning Theory and lay the foundation for the interview guidelines. Next, five multinational brands were selected, based on the highest sales revenue. In-depth interviews were conducted with the Brand Managers of these corporations, for the presentation of the findings and framework. Key findings show that emotional positioning is most preferred by females, kids, and socio-economic classes A and B. This type of positioning is more useful in case of image-based, experiential products. Similarly, functional positioning is helpful in the case of adult males, all socioeconomic classes, who wish to have a superior product and better features. Regarding originality of this study, it contributes to the literature through a 'Framework for Brand Positioning Strategies of Consumer goods in Emerging markets'. It shall also serve as an actionable guideline to marketing practitioners in the industry as they would be able to choose between emotional and functional positioning platforms and make strategic decisions accordingly. In addition, it will also lead to further research for example Business-to-Business models.

Keywords: Brand Positioning, Emotional, Functional, Case study, Pakistan

INTRODUCTION

Positioning is the place a brand occupies in the mind of the target consumers. A brand can be positioned on the basis of an emotional platform (e.g. love, friendship, patriotism, relation with loved ones) or on the basis of a functional platform (e.g. unique features of the product, functions, durability, convenience of use). The current academic literature lacks a framework for the application of emotional and functional positioning strategies of multi-national brands with particular reference to Pakistan. This study presents findings on brand positioning and aims to fill this gap.

The concept of Brand Positioning

In today's competitive business landscape, Positioning is considered to be an integral part of the brand and marketing strategy (Ries & Trout, 1981; Aaker & Shansby, 1982; DiMingo, 1988). Brand Positioning can be defined with regards to the place it occupies in the mind of the target consumers on the basis of competitive advantage (Ries and

Trout 1982, Marsden 2000). Ries and Trout (1982) have also categorized positioning as a systematic approach to identifying an opportunity window in the consumer's mind and developing the brands competitive offering, accordingly (Ries & Trout, 1981).

International examples include brands such as Lux which is positioned on 'Glamour', Volvo which is positioned on 'Safety' and Colgate which is positioned on 'Protection'. Initially, positioning mainly concentrated on the core product but Ries and Trout gave it a broader perspective; encapsulating aspects of goodwill and ranking Vis a Vis competitor.

Developing the positioning of a brand is a central decision as it has an impact on all stakeholders and has a direct effect on sales in the long run (Aaker & Shansby, 1982). It is usually formulated in light of consumer research and qualitative insights. The role of positioning is linked with the brand's identity which also impacts the purchase intention and user base. In fact, the whole process from product idea storming to market launch entails the central concept of positioning.

Inception and Evolvement of Brand Positioning

The initial concept of positioning can be traced back to ancient Greece when Plato emphasized that memories lead to further memories and hence impact their interpretation. During the seventeenth century, British philosophers initiated the idea of associated memories through a 'Law of association'. Modern psychology links the concept of symbols and connotations as a means to communicate a subjective meaning (Galton 1880, Freud 1924, Deese 1965, Anderson and Bower 1973, Szalay and Deese 1978, Wagner, Valencia and Elejabarreieta 1996, Marsden 2000a).

Market segmentation and positioning have always been the foundation of advertising of brands since the 1920s but became the focus of research from the 1950s onwards. (Schwarzkopf, 2008; Cano, 2003). In the early twentieth century, businessmen were already using the concept of segmentation and competitor based positioning without actually naming it so. (Cano, 2003). The modernized and literary version of brand positioning was coined by Al Ries and Jack Trout in the 1960s. However, it has also been pointed out in academic research that advertising expert David Ogilvy was already implementing the concept of positioning as an important strategy from the 1950s. (Urde & Koch, 2014; Ogilvy & Horgan, 1963). Ogilvy also stressed the importance of positioning, its context of usage and long term implication in several of his publications (Ogilvy & Horgan, 1963; Ogilvy, 1955; Oglivy, 2013). He also practically implemented the concept of positioning on 'Dove' as a soap

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brand for women having dry skin and 'SAAB' as a car for winter (Ogilvy, 2013)

Some researchers also suggest that positioning was conceived in the first decades of the twentieth century by creative agencies in the US and UK. Post-1920, US-based agency, J. Walter Thompson Company (JWT), began to focus on the development of marketing concepts including brand image, brand identity, and personality. British setup, S. Crawford's Ltd, initiated the use of 'the big idea' as a theme for selling of products (Schwarzkopf, 2008).

At the same time, JWT also positioned the brand 'Lux' as a beauty soap. (Cano, 2003). However, Ries and Trout owned the concept after academic publications in journals including Advertising Age and Industrial marketing (Trout, 1972; Ellson, 2004) which led them to high acclaim as researchers (Enis & Cox, 1969).

Brand positioning became highly popular in the 1970s and was linked with strategy as a powerful tool for business growth (Maggard, 1976). Researcher Stephen Fox highlighted how positioning emphasized relation with the consumer rather than the manufacturer's voice (Fox, 1984) and Swaan focused on the mix of brand communication as the main point of competitive advantage (Swaan, 2011).

Brand Positioning and Associated Concepts

Brand positioning is often confused with corporate slogans and taglines. Positioning statements are for use by the internal management of an organization in order to make key business decisions. A tag line or slogan is used in external communication and marketing campaigns. However, the positioning statement can also be translated into a slogan in the communication campaign.

Development of positioning strategy also entails a number of steps. These steps include determination of current brand positioning, identification of competitors and their positioning, development of a unique value proposition, formulation of the positioning statement and testing the efficacy of the positioning statement.

In addition, use of memes or trademarks is also quite common in communication of brand positioning, hence providing an identification to the brand (Bollen 1996, Bollen and Heylighen 1998, Marsden and Bollen 1999, Marsden 2000 cf. Collins and Loftus 1975, Berkowitz and Rogers 1986, Sowa 1991, Jo and Berkowitz 1994, Law and Lodge 1984).

Marketers often use positioning statements for the formulation of the brand strategy. It entails the brand's target segment which may be demographic or psychographic, the frame of reference, the unique selling proposition and the reason to believe the proposition.

A brand can be positioned using a functional strategy (for example, the superior taste of a food brand) or on an emotional strategy (e.g. focusing on relations with loved ones).

Functional Positioning Strategies

Functional positioning is based on a product attribute which is of functional utility for the consumer (Aaker, 1996). It can also be stated that functional positioning means that the

brand satisfies the customer with respect to product performance or functioning (Bhat and Reddy, 1998).

For a marketing manager, the objective is to identify functional benefits which are of primary importance for the consumers and that can trigger purchase for that particular brand. Establishing functional superiority versus competitors is very important at this stage. However, it must be kept in view that functional benefits are often not very distinctive, can be copied easily and may be difficult to adapt to changing consumer trends.

Emotional Positioning Strategies

Emotional positioning provides consumers with a positive association or feeling when they consume or endorse a brand (Aaker, 1996). This increases the level of attachment of the consumer with the brand, translating to the overall business of the company in the long term.

Examples of Emotional positioning include Nestle Nido's focus on 'Mother and child love' and insurance companies positioning on 'father's long life'.

With ongoing consumer trends for health consciousness, organic foods and drinks are also being positioned as having emotional benefits, although most brands in this sector are niche or small scale brands.

The Significance of the Study

Existing research studies explore the functional and emotional dimensions of positioning strategies with a brand preference for green brands and that too for the automobiles sector only, (Matthes, Wonneberger & Schmuck, 2014; Hartmann, Ibáñez & Sainz, 2005). In addition, to date, no academic research has been conducted in the area of emotional and functional positioning of top tier brands from multinational corporations operating in Pakistan. Hence, this research is the first one on this topic anywhere in the world. It shall be relevant as well as a rigorous study which shall provide a practical guideline for marketing professionals and decision makers in the industry. This research will also open new avenues for further research, for e.g. other industries, domestic brands, for new product development and other markets.

The study will also contribute to the literature through a 'Framework for Brand Positioning Strategies of Consumer goods in Emerging markets' based on the qualitative interviews conducted with decision makers and brand managers from the selected industries.

Research Questions

The following questions were addressed through the qualitative interviews:

- What is the target market (Demographics and Psychographics) of the selected brands?
- Is the brand positioned on an emotional or functional platform?
- How the positioning is communicated through various Marketing campaigns?
- 'Framework for Brand Positioning Strategies of Consumer goods in Emerging markets' includes vital research questions including the target market, type of product,

choice of unique selling proposition and communication mediums which are most preferred for Emotional and Functional positioning.

RESEARCH DESIGN AND METHODOLOGY

Type of Study, Study setting and Researchers' Interference

This is a case study based on qualitative research. The open-ended interviews were conducted face to face in the respondent's own setting. Hence, the environment was not controlled, it was a Non-contrived study setting. The extent of researcher interference was minimal and the respondents were able to clearly record their responses on the subject. Hence, this research is categorized as a Field study (minimal interference and non-contrived).

Criteria for Selection of Target Respondents

Criteria for selection of the target respondents was that they must be managers of the respective brands, within the selected multinational. In addition, they must be part of the middle to senior management layer.

Qualitative Data Collection methodology

As a first step, five leading Multi-national corporations from different consumer categories were shortlisted based on the highest revenue. Such data was acquired through annual reports 2017-18, available online. The criteria were that the Multi-national corporation must have a presence in the country of study; Pakistan and each company must represent a different category of consumer goods, in order to improve the robustness of the study. If an entity is not present in Pakistan, the next one from the same category was selected and so on. A total of five brands from five different corporations were selected.

Next, the respective brand managers of the selected companies were contacted through phone or email. An interview (Qualitative in nature) was conducted with the Brand Manager based on the target market of the brand and positioning theory ascertained through the literature. A target market is the group of consumers (also called target consumers) towards which the brand is marketed (Kurtz, 2013). The interviews were conducted using a guideline based on the research questions listed earlier.

Sampling

Non-probability sampling technique was used in this study as brand managers of respective brands were identified, contacted and interviewed. Overall, it was a Purposive sampling technique – i.e., Judgment sampling was used.

Limitations of the Study

This study was conducted with brands which belong to Multi-national corporations operating in Pakistan. These companies have high sales turnover and awareness levels. Brands which are new and do not have a large user base were not measured as the consumers might not be able to relate to the products which have low awareness levels.

FINDINGS

Coca Cola

The first brand selected for the purpose of this research is Coca Cola which is the world's leading carbonated soft drink. It is the flagship brand of the Coca Cola corporation which is

headquartered in the United States. Interviews were conducted with the Brand Manager and Marketing Manager of Coca Cola, Pakistan. The first investigative question was regarding the target market of Coca Cola. They shared that it is targeted towards the youth segment whereby the core demographics are A, B & C SEC (Socio-economic classes), Male and Female youngsters of age 16-22 who primarily reside in major urban cities. The psychographics is that they are fun loving, carefree and like to live their lives to the fullest. Keeping in mind the target market, Coca Cola is based on an emotional positioning platform of 'Celebrating moments of happiness'. This is depicted in the communication by showing a different slice of life events like parties, picnics and colorful gatherings, whereby the youth are bonded together through celebration, dance and joy and of course, their love for Coca Cola.

The brand managers shared that this emotional positioning is based on the consumer insight that youth like to live their life to the fullest and enjoy every moment of celebration that comes their way. This emotional positioning platform has a strong relationship with the attitude of the youth towards the brand, hence the target segments preference towards the purchase of Coca Cola is very high and it is the market leader in its category.

Lux

The Brand Manager and Category Manager of Unilever were interviewed for the purpose of this research. Lux was the selected brand, whereby it is the largest selling soap brand of the country. The managers shared that Lux is positioned as a 'Beauty soap' and the core target market is Socio-Economic Classes A & B, 18-27-year-old females, who primarily live in urban centers. Their psychographics is that they wish to look beautiful, complete and fresh all the time. Hence, in communication, different brand ambassadors have been engaged, who are aspirational for the target market and personify the brand through their commitment to self-beauty. Hence, this is also an emotional positioning as it plays on the desire of every woman to look beautiful and become a symbol of inspiration for other women as well. Regarding the success of this positioning platform, Lux is a symbol of aspiration itself and is a preferred choice of women, men and kids alike.

McDonald's

McDonald's is the world's largest fast-food chain which is highly popular in Pakistan as well. The target market consists of 5-15-year-old kids who belong to Socio-Economic Classes A & B, living in urban centers of the country. The psychographics is that they are fun loving and want to enjoy a good meal, in a lively environment with some healthy entertainment as well. That is how McDonald's has developed a loyal fan base of children who enjoy good food along with their favorite toys and play area. This is the emotional part of the positioning platform.

McDonald's follows a functional platform as well; this is used for launch of new products, communication of new combo deals, price discounts, vouchers, and seasonal offers. According to the Brand managers interviewed, both positioning strategies are equally important in McDonald's

brand proposition. Functional communication is used to explain the product benefits and offers while emotional communication creates a brand loyalty hook with the consumers.

Pepsi Cola

In direct competition with Coca Cola, Pepsi also targets youth who are in their teens and above, belong to socio-economic classes A, B and C. The Marketing manager Pepsi Cola International shared that the glass bottle format is highly popular in Socioeconomic class C particularly. Pepsi promotes its brand through integrated marketing campaigns and has been using the platform of Cricket for many years, as it is a sport with high mass appeal in Pakistan. In addition, Pepsi also uses the emotional connection with its uses through Corporate Social Responsibility campaigns, e.g., a liter of Light campaign whereby bottles are used to light up households without the benefit of electricity. However, Pepsi also uses a functional positioning strategy in terms of the relationship with food and how the combination of Pepsi and various food items gives an unmatched experience to the consumers. It can be said that Pepsi uses both emotional and functional positioning strategies but is more tilted towards emotional campaigns.

MilkPak

Nestle, being one of the world’s largest food and nutrition company, is the market leader in various business segments in Pakistan. MilkPak is one of the established brand names in Ultra Heat-treated milk, available in TetraPak packaging. The Group Brand Manager & Brand Manager MilkPak shared that MilkPak is the market leader in the branded dairy industry of Pakistan. They also added that in Pakistan, the decision maker for the purchase of branded milk and other grocery items are mothers. Hence, the target market of MilkPak is Mothers, belonging to Socio-Economic class A, B and C living in Urban and Semi-Urban areas. Psychographics are that they are quality conscious and want to choose the very best for their families. Communication involves both emotional and functional positioning platforms. On the emotional side, MilkPak depicts a happy family and shows how the brand supports a household to become content and peaceful. On the functional side, the brand depicts the product benefits of Calcium and plentiful Vitamins. A combination of functional and emotional positioning strategies has helped to make MilkPak the largest selling branded milk in the country.

Framework for Brand Positioning Strategies of Consumer Goods in Emerging Markets

In light of the interviews conducted with managers from the selected Multi-national corporations, a framework for brand positioning strategies of consumer goods in emerging markets has been devised. This framework views the most relevant target market (both by demographics and psychographics), most relevant product type, choice of unique selling proposition and communication medium from point of view of both Emotional positioning and Functional positioning.

Table 1. Framework for Brand Positioning

		Positioning Strategies	
		Emotional Positioning	Functional Positioning
Most Relevant Consumer segment	By Gender		
	Women	Men	
	By Age		
	Children (5-12 years), Teens (13-19 years)	Adults (20+)	
	By Socio-Economic Class (SEC)		
	A & B	A, B & C	
	By Psychographics		
Image-conscious or where relations are more important	Quality, Price or attribute conscious		
Most Relevant Product type	Image-based, experiential products	Functional, high-quality performance products	
Choice of Unique selling proposition	Moments of happiness, Love, fun, sadness, humor	By attribute (superior performance, taste, aroma), function or benefit	
Most Relevant Communication Mediums	TV, Social Media	Radio, Print, Brand activation/Direct to consumer, Point of purchase	

DISCUSSION

It is seen that Emotional positioning is most preferred by females as well as kids including children (5-12 years) and Teens (13-19 years). As Pakistan is a high context culture, it is customary for females to follow their motherly instincts while choosing a particular brand. Similarly, kids also opt for colorful and joyous brand propositions, which is depicted through the phenomenal success of McDonald's. For teens, peer acceptance and the image is important, hence emotion plays an important role for this segment as well. In addition, emotional positioning is also highly appealing for socio-economic classes A and B.

Emotional positioning is also more useful in case of image-based, experiential products or where the best options are needed for loved ones, for example in case of the choice of milk brand by mothers for their kids. This is also evident from the MilkPak example.

On the other hand, functional positioning is helpful in the case of adult males. For the male segment, judgmental reasoning and pricing also play an important role as they are mostly the chief bread owners in Pakistani households. In addition, all socioeconomic classes, who wish to have a superior product, better features, durability etc. also prefer functional positioning. This strategy would hence be helpful in case of purchase of a car or a mobile phone.

Choice of unique selling proposition for emotional positioning would be based on moments of happiness, love or joy mostly. Here, examples of Coca Cola and Lux as a beauty

soap are relevant. Alternatively, for functional positioning, it would be superior functions, features or benefits.

Most preferred communication medium would be TV or Social media for Emotional positioning as a situation has to be completely depicted through the commercial. This is also true because teens spend plenty of time on social media and females also watch television in the evening, especially. For Functional positioning, it could be at the point of purchase, through direct market activities, radio or print advertisements as these mediums can accurately convey the unique features, as well as pricing and, are mostly preferred by the male segments.

CONCLUSION

Summarizing the key findings, we see that emotional positioning is most preferred by females, kids and socio-economic classes A & B. This type of positioning is more useful in case of image-based, experiential products. Similarly, functional positioning is helpful in the case of adult males, all socioeconomic classes, who wish to have a superior product and better features.

In conclusion, it can be said that this study makes a new contribution to the literature through its framework and findings with respect to the positioning of brands on emotional and functional platforms in Pakistan. It also serves as an actionable guideline to Marketing practitioners in the industry as they would be able to choose between emotional and functional positioning platforms and make strategic decisions accordingly.

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