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A STUDY OF BRAND POSITIONING OF DETERGENT BRANDS AFFECTING CUSTOMER PERCEPTION AND BRAND LOYALTY

Vedant Chaturvedi

Hassaram Rijhumal College of Commerce and Economics

INTRODUCTION :

What is brand positioning?

Brand positioning refers to the way a brand is perceived in the minds of consumers relative to its competitors. It involves establishing a distinctive place for a brand in the market that sets it apart from other similar products or services. Brand positioning is a strategic process that aims to create a unique and favourable image of a brand in the target audience's perception.

Key elements of brand positioning include:

- **Target Audience:** Identifying and understanding the specific segment of the market that the brand is targeting. This involves considering demographic, psychographic, and behavioural factors of the intended audience.
- **Differentiation:** Highlighting the unique features or attributes that make the brand stand out from competitors. This could be based on product characteristics, brand personality, values, or other distinguishing factors.
- **Consistency:** Ensuring that the brand's messaging and imagery are consistent across various channels and touchpoints. Consistency helps reinforce the brand's positioning in the minds of consumers.
- **Brand Promise:** Making explicit promises to consumers regarding what they can expect from the brand. This could relate to product quality, customer service, or other aspects that contribute to the overall brand experience.

Effective brand positioning helps create a strong and memorable identity for a brand, making it more likely that consumers will choose it over competitors. It also guides marketing and communication strategies to align with the desired brand image.

What is customer perception?

Customer perception refers to the way in which customers view and interpret a brand, product, service, or company. It encompasses the overall impression, beliefs, opinions, and attitudes that customers develop based on their experiences, interactions, and exposure to a particular business. Customer perception is a subjective and individualized aspect that can significantly influence purchasing decisions, brand loyalty, and overall customer satisfaction.

Several factors contribute to shaping customer perception:

- **Brand Image:** The overall image a brand projects through its marketing, messaging, and visual identity greatly influences how customers perceive it. This includes elements such as brand reputation, values, and positioning in the market.
- **Product or Service Quality:** Customers often form perceptions based on their experiences with the actual products or services. Consistent high quality can contribute positively to customer perception, while poor quality can have a detrimental impact.
- **Customer Service:** Interactions with customer service representatives, the efficiency of problem resolution, and the general level of customer support all play a role in shaping how customers perceive a company.
- **Word of Mouth:** Recommendations and reviews from friends, family, or online sources can significantly impact customer perception. Positive word-of-mouth can enhance a brand's image, while negative feedback can lead to a more unfavourable perception.

What is brand loyalty?

Brand loyalty refers to a consumer's commitment and attachment to a particular brand, leading them to consistently choose and prefer that brand over others in the market. It goes beyond occasional purchases and implies a strong, enduring relationship between the consumer and the brand. Brand loyalty is a valuable and sought-after outcome for businesses, as it can result in repeat purchases, positive word-of-mouth marketing, and resistance to switching to competing brands.

Some detergent brands in India

- Ariel: It was launched in multiple markets between 1967 and 1969. The brand is owned by US multinational Procter & Gamble and is popular in Mexico and India.
- Surf Excel: Surf Excel is a Unilever brand that is currently as the counterpart brand of OMO detergent in the India, Pakistan, Bangladesh, and Sri Lanka markets.
- Tide: Tide is an American brand of laundry detergent manufactured and marketed by Procter & Gamble. Introduced in 1946, it is the highest-selling detergent brand in the world, with an estimated 14.3 percent of the global market
- Wheel: Wheel is a brand of laundry soap and detergent owned by Unilever. The brand was introduced in the Philippines in 1952 as a laundry soap by Philippine Refining Company (now Unilever Philippines). The brand was introduced in India in 1985 as a laundry detergent by Hindustan Unilever Ltd.

OBJECTIVES :

A research study on brand positioning of detergent brands affecting customer perception and brand loyalty with a focus on their impact on customer satisfaction and brand loyalty, has some clear and specific objectives.

Here are the objectives for the research:

- ❖ To Evaluate Current Brand Positioning
To Assess and analyse the existing brand positioning of leading household detergent brands.
- ❖ To Understand Customer Perception
Investigate customer perceptions of different detergent brands, focusing on factors such as brand image, quality, and value for money. Identify the key attributes that customers associate with each brand and how these perceptions influence their purchasing decisions.
- ❖ To Analyse the Impact of Brand Positioning on Customer Perception
To Investigate how the perceived brand position of a household detergent brand influences customer attitudes and perceptions
- ❖ To Examine Brand Loyalty Patterns, Measure the level of brand loyalty among detergent consumers.
Identify the factors contributing to brand loyalty, such as product satisfaction, brand trust, and overall customer experience.
- ❖ To Provide Recommendations for Improvement
Based on the findings, propose recommendations for enhancing brand positioning and promotion techniques to improve customer satisfaction and foster brand loyalty.
- ❖ To Identify Influencing Factors
Investigate external factors that may affect customer perception and brand loyalty, such as pricing, availability, and cultural influences. Examine the role of online reviews and social media in shaping perceptions of detergent brands.

HYPOTHESIS :

Here are some hypotheses that have been considered:

Hypothesis for Brand Positioning and Customer Perception:

H0 (Null Hypothesis): There is no significant relationship between the brand positioning of detergent brands and customer perception.

H1 (Alternative Hypothesis): The brand positioning of detergent brands significantly influences customer perception.

Hypothesis for Brand Positioning and Brand Loyalty:

H0: Brand positioning has no significant impact on brand loyalty in the detergent market.

H1: Effective brand positioning positively correlates with increased brand loyalty among detergent consumers.

Hypothesis for Influencing Factors:

H0: External factors, such as pricing and quality, have no significant impact on customer perception and brand loyalty in the detergent market.

H1: External factors significantly influence customer perceptions and brand loyalty, affecting their purchasing decisions.

REVIEW OF LITERATURE :

1-Fayvishenko, D., 2018. Formation of brand positioning strategy. *Baltic Journal of Economic Studies*, 4(2), pp.245-248. This article aims to clarify the concept of positioning and outlines principles for successfully creating and implementing brand positioning strategies. The methodology involves applying systems thinking, comparative analysis, induction, deductive methods, and gnoseological analysis. The research concludes that brand positioning is the process of establishing a distinctive image, positive associations, and values in consumers' minds, fostering a sustainable trademark image and consumer attachment. The development and implementation of a positioning strategy involve nine stages, including environmental analysis, trademark design, selection of differential features, strategy definition, target setting, implementation planning, execution, evaluation, and corrective actions. The article emphasizes the significance of positioning in marketing for trademark promotion, market share expansion, and sales increase. The value and originality lie in considering positioning as a paramount part of the overall concept, with brand success depending on the quality of strategy development and implementation. The article suggests prospects for further research, advocating for a more detailed analysis of positioning concepts and a systematic

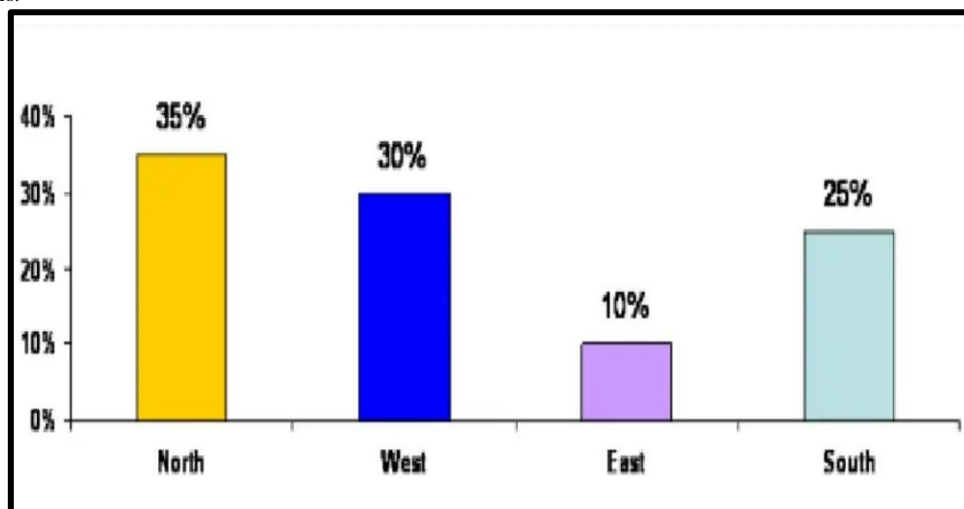
approach, emphasizing practical application. Positioning is presented not only as a marketing concern but as a broader economic and social task for companies, contributing to the overall improvement of the quality of life for their employees.

2-Nam, J., Ekinci, Y. and Whyatt, G., 2011. Brand equity, brand loyalty and consumer satisfaction. *Annals of tourism Research*, 38(3), pp.1009-1030. The study investigates the relationship between consumer-based brand equity and brand loyalty in the hotel and restaurant industry, focusing on the mediating role of consumer satisfaction. Using a sample of 378 customers and employing structural equation modelling, the study identifies five dimensions of brand equity—physical quality, staff behaviour, ideal self-congruence, brand identification, and lifestyle-congruence. The results indicate that these dimensions positively influence consumer satisfaction. The study further reveals that consumer satisfaction partially mediates the effects of staff behaviour, ideal self-congruence, and brand identification on brand loyalty. In contrast, the effects of physical quality and lifestyle-congruence on brand loyalty are fully mediated by consumer satisfaction. Overall, the findings highlight the intricate interplay between brand equity, consumer satisfaction, and brand loyalty within the hotel and restaurant industry.

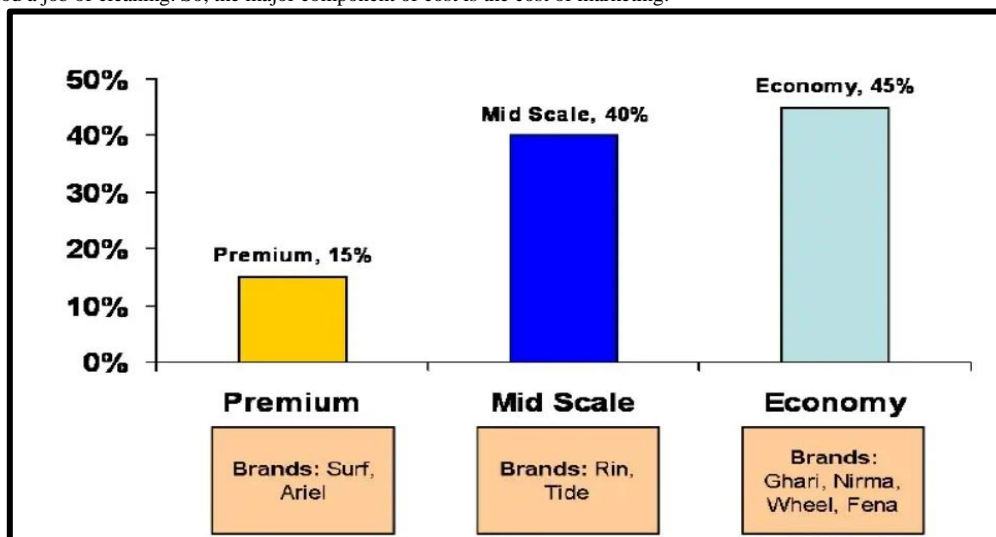
SECONDARY DATA :

Indian Detergent Industry

Indian detergent market is estimated at over 13000 crore rupees and growing at about 8% annually. India's per capita consumption of detergent stands at 2.7kg the lowest in the world. The organized players in the industry comprise 60% of the total market, remaining 40% is saturated with regional and small unorganized players.



Market leader among organized players is HUL 37% followed by Nirma 30% and Procter and Gamble 12%. Other brands in the running are Henkel from Henkel, Jyothi Laboratories' Techno Bright, Ghari and innumerable ones in the unorganized sector. Any Detergent with the basic ingredients in place will do an equally good job of cleaning. So, the major component of cost is the cost of marketing.



Brand positioning on the basis of pricing:**Surf excel**

Surf excel uses product line pricing to price its premium segment products higher than its mid-segment commodities. To appeal to customers who want to spend less money per transaction, the company distributes its products in different pack sizes based on weight. For a number of items it intends to advertise, Surf Excel uses a product-linked pricing approach. In response to market developments, Surf excel provides regular discounts and frequently revises its rates. The offers are of two types: one is a volume discount given on bulk purchases as it wishes to inculcate a culture of bulk buying among consumers in India to increase the efficiency of its operations, and the other is seasonal discounts.

**Ariel**

Ariel is a product that has become a second name for the best quality and different varieties. The brand has created an efficient team that helps in data collection and analysis of various market trends. He then decides to adopt the best possible pricing strategy for his product. Since Ariel is a premium quality product, the company has set a premium policy for pricing this product. Although the prices are slightly higher compared to the prices of other products, but still for its excellence in washing clothes without damage and for its stain removal quality, consumers do not hesitate to buy this product. Most clothes, especially clothes belonging to children, are usually washed through Ariel. When the clothes have some stains or other and hence the housewife feels that spending some extra money to remove such stains without disturbing the clothes is beneficial in the long run.

**Tide**

Tide has always considered pricing according to what is the competitors charges for their product.

In terms of pricing, it was comparable to its competitors such as Surf Excel, Ariel, Sunlight Nirma, etc. The main observation is that Tide generally adopted market follower pricing and was on the lower side compared to some other competitors. P&G clearly wants retailers and salespeople to identify a higher quality product and therefore a price that was higher than some other brands. Tide has proven itself in some highly price-sensitive markets in developing countries. Consumers perceive Tide as a quality product when it comes to mid-priced products. This pricing strategy has proven successful for the brand in the long term.



Active wheel

Active Wheel has adopted a reasonable pricing policy and has kept the prices of its products at an affordable level so that every household can easily make a purchase of it. Since the detergent wanted to create a niche for itself by capturing the mass market, it also adopted a penetration pricing policy. Active Wheel faces a lot of competition in the consumer market and maintains a competitive pricing strategy by keeping its product prices at par with competing brands. As the company aims to occupy a leading position in the detergent market, it has kept all its options open by offering the best value to its end customers.



Brand positioning on the basis of quality:

Premium quality range

- Ariel- Ariel is positioned in the premium category and is among the most expensive hand available in the Indian market. The company has launched mid- priced brands like Ariel Super Soaker to cater to the lower income group consumer, which forms a significant portion of the Indian market.
- Surf excel- Surf excel “mummy’s best friend” is positioned as a brand that a housewife will look to upgrade herself for better cleanliness without damaging the clothes. The brand is clearly positioned as a premium and upmarket brand and the achievements show an upper middle to upper class small family with a fashionable home and modern clothing collection.

Medium quality range

- Tide- Tide is positioned in the mid-range quality product and is among the easily available product in the Indian market. The company has mid-priced products to cater to the lower income consumer, which constitutes a significant portion of Indian market.
- Rin- Rin is positioned as a product with mid-range quality and is readily accessible in the Indian market. The company offers moderately priced products to meet the needs of lower-income consumers, a substantial segment of the Indian market.

Low quality range

- Nirma- Nirma follows the „Value for Money“ strategy for all its products and both its brands cater to the popular segment of the market. Super Nirma, its brand in the high end of the economy segment is not a focus area for growth.
- Ghadi- Ghadi is positioned as a low quality and low price product in the market, which caters to the low income category in India which covers an substantial area of the market.

Customer perception about different detergent brands:

Customers make perception about a brand mostly because of the advertisement and the frequency of the advertisement and because of brand ambassadors. Customer perception also depends on the jingles and slogans used by companies. Thus, it should focus on good quality so that it can capture the major part of the market.

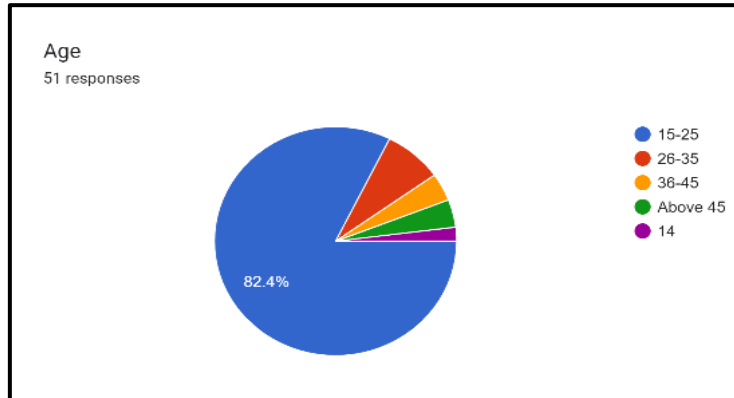
Customer perception of different detergent brands in India is influenced by various factors, including advertisements, pricing, and perceived quality.

- Advertisement: The effectiveness of advertising campaigns significantly influences customer perception. Brands that run engaging, relatable, and memorable advertisements may be perceived more positively by consumers.
- Price: The price of a detergent is often associated with the perceived value for money. Customers may perceive a brand positively if they believe the quality justifies the price.
- Quality: The perceived quality of a detergent is closely tied to its stain removal capabilities and overall performance. Brands that consistently deliver effective cleaning may be perceived as higher in quality.
- Brand reputation: The reputation and legacy of a brand contribute to customer perception. Established brands with a history of delivering quality products may be viewed more positively.

PRIMARY DATA :

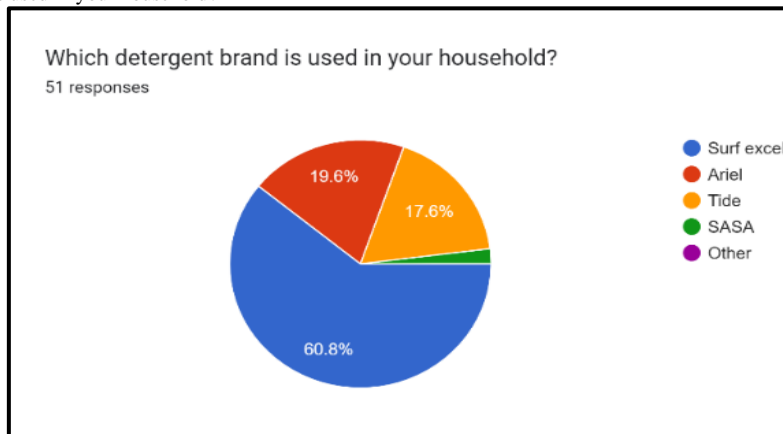
The survey conducted by me focuses on comparison of positioning of different detergent brands in the Indian market. The survey was conducted on a group of 51 people and altogether a set of 6 questions were asked to them on the medium of Google forms which are as follows:

- Q1] Name
- Q2] Age



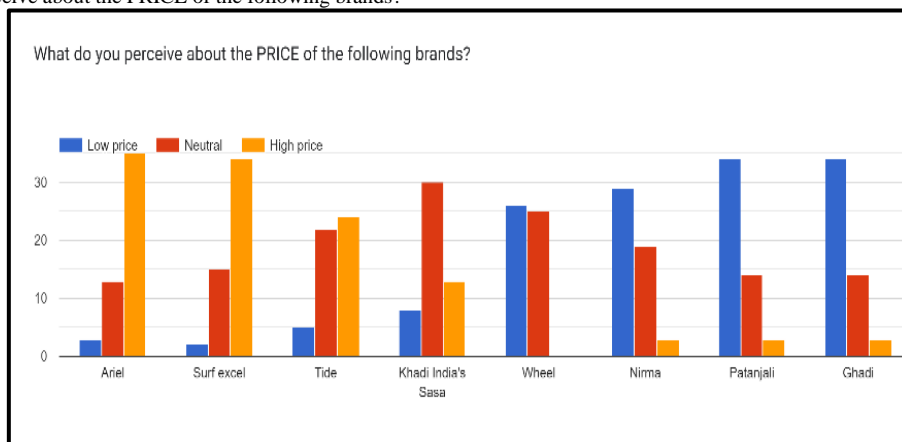
This survey is conducted on a group of 51 people out of which majority were from the age group of 15-25 (42), 4 people were from 26-35, 2 from 36-45, 2 were above 45 & 1 was 14 years old.

Q3] Which detergent brand is used in your household?

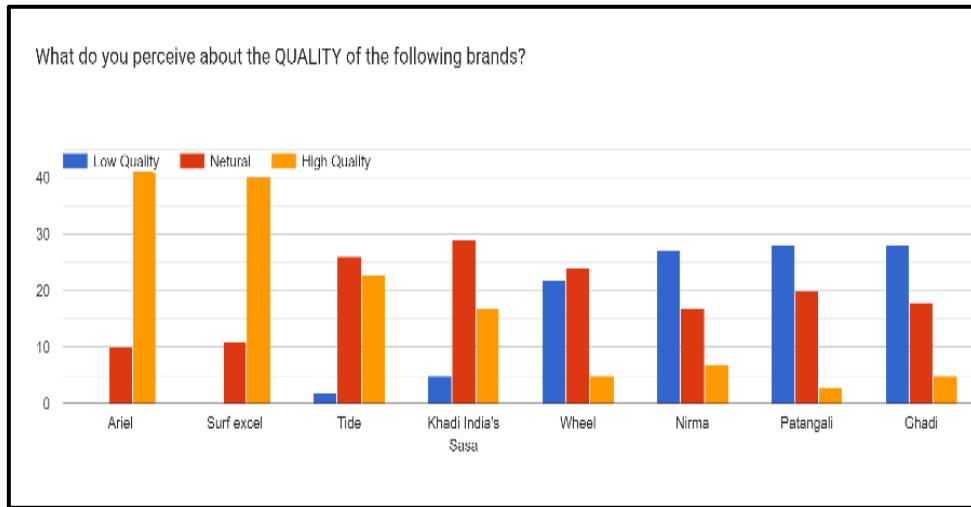


In the survey it can clearly be seen that in most of the households maximum people are using surf excel (60.8%), 10 people are using ariel, 9 using tide and only 1 using sasa.

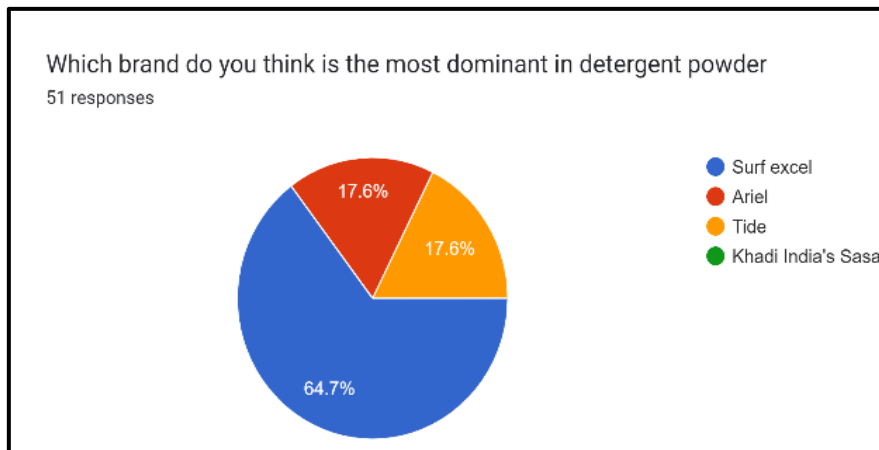
Q4] What do you perceive about the PRICE of the following brands?



Q5] What do you perceive about the QUALITY of the following brands?



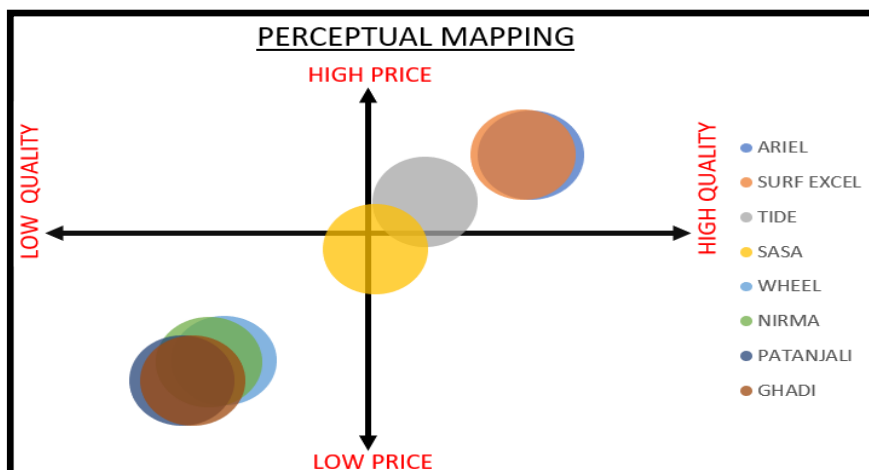
Q6] Which brand do you think is the most dominant in detergent powder



Most of the respondents think that surf excel is the most dominant detergent powder followed

DATA ANALYSIS

The following survey was done on a group of 51 people of which majority of the respondents were from the age group of 15-25 which would help us to understand perception of our youths towards different detergent brands prevailing in our market. This survey shows that in majority of the households surf excel is being used followed by ariel and only in 1 household khadi India's Sasa Premium Detergent Powder is being used. In the survey the respondents were asked to give their perception on what they feel about different detergent brands in our country, the respondents had to rate the brands from three parameters (low, neutral & high) on two attributes (Quality & Price). From the responses gathered and on the perception of the respondents a theoretical perceptual map can be created which would look like this:



The responses show that Ariel & Surf excel are leading on the attribute high price and ariel is leading on the attribute high quality followed by surf excel. The responses show that khadi India's Sasa Premium Detergent Powder is in the middle, people feel that on both the attributes its neutral nor to high neither to low. In the survey it can be seen that majority of the people think that surf excel is the most dominant detergent brand in india followed by ariel & tide, no respondent feels that sasa is a dominant brand.

CONCLUSION :

The data presented highlights the dynamics of the Indian detergent industry, a market estimated at over 13,000 crore rupees with an annual growth rate of approximately 8%. Despite this growth, India's per capita consumption of detergent remains the lowest globally at 2.7kg. The industry is characterized by a mix of organized and unorganized players, with 60% dominated by organized giants such as HUL, Nirma, and Procter and Gamble, leaving the remaining 40% saturated with regional and small unorganized players.

The brand positioning analysis sheds light on how detergent brands in India strategically position themselves based on pricing and quality. Premium brands like Ariel and Surf Excel command higher prices, focusing on quality and innovation. Meanwhile, mid-range brands like Tide and Rin aim for accessibility and affordability. Lower quality, lower-priced brands like Nirma and Ghadi target the cost-conscious market segment. Customer perception, influenced by advertising, pricing, and perceived quality, plays a pivotal role in brand preference. Surf Excel and Ariel emerge as leaders, particularly in high pricing and high-quality segments. The perceptual map indicates the dominance of these brands in the minds of consumers, with khadi India's Sasa Premium Detergent Powder positioned neutrally.

The survey employed a structured approach, asking respondents to rate brands on the parameters of Quality and Price. The resulting perceptual map illustrated that Ariel and Surf Excel are perceived as leading in terms of high price, with Ariel taking the lead in high quality. khadi India's Sasa Premium Detergent Powder occupies a neutral position on both attributes, suggesting a balanced perception among respondents. according to the majority of participants, Surf Excel emerges as the most dominant detergent brand in India, followed by Ariel and Tide. khadi India's Sasa Premium Detergent Powder did not garner the perception of being a dominant brand among the surveyed respondents. These findings contribute to a deeper understanding of consumer preferences and perceptions, particularly among the younger demographic. The data can serve as a valuable resource for detergent brand's seeking to align their marketing and positioning strategies with the prevailing sentiments and expectations of the youth in the Indian market.

RECOMMENDATIONS :

Indian detergent companies should adopt following strategies to better position themselves in the market.

Here are the strategies to be adopted :

- Advertisement Strategies: Brands should invest in engaging and memorable advertisements to enhance customer perception.
- Pricing Strategies: Brands could reassess pricing strategies based on consumer feedback to align with perceived value.
- Quality Assurance: Emphasizing and maintaining consistent product quality can strengthen brand loyalty and positive perception.
- Market Expansion: Brands could explore opportunities for expansion, especially in the mid and low-quality segments, to cater to a broader consumer base.

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Survey link

1. <https://forms.gle/vVfDvDVz3MaHPILw6>