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AN INVESTIGATION INTO INTERNATIONAL BRAND POSITIONING: COMPARISON OF COSMETIC AND HYGIENIC BRANDS ACTIVE IN THE IRANIAN MARKET

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ABSTRACT

The present study assessed the competitive position of cosmetic and hygienic brands from the perspective of customers. In addition, it has been sought to draw the perceptual mapping of the given brands. This applied survey used a questionnaire for data collection. For easier access to the research population, the main cosmetic and hygienic products shopping centers in Amol were included. The sample size includes 300, either men or women, consumers of cosmetic and hygienic products in Amol. The results of comparison between four brands, namely Nivea, Bourjois, L'oreal, and Mac, indicate Nivea's superiority in terms of quality, price, service, and innovation. In addition, Bourjois accounts for the highest rank for service provision. In contrast to Nivea, Mac obtained the lowest ranks from customers' perspective

Keywords: *Brand, Positioning, Customer, Perceptual mapping, Cosmetic and hygienic products*

INTRODUCTION

Today, experts state inadequate understanding of customers and markets as the main cause of organizations' failure. Regarding such conditions, it seems that the majority of existing companies, if not all, have to become market-oriented, address customers' needs and demands carefully, and be flexible for future success (Porter, 1996). Additionally, success of a product in the target market is upon the position of that product in that market, i.e. the position it takes in the target market. The positioning process helps an organization benefit from opportunities to maximize its chance of success (Martinez-Ruiz, 2009). In fact, capturing a market depends on one's ability in understanding the market, customers, and their needs, as well as establishing appropriate position in their minds (Trout, 2007; Walker, 2008). Positioning allows a company to distinguish itself, and its products and brand, and supply its customers better than its competitors (Kalafatis, 2000). The developed competitive space has granted success to the companies that are adaptable with environmental factors and provide customer-friendly products. In the current situation, full understanding of the competitors, i.e. an understanding caused by the same criteria affecting the formation of attitude and perception in customers, is a factor for winning. Therefore, in such environment, product positioning and understanding its competitive status are two necessary and inevitable factors for every company (Firozian, 2006). In today's world, the importance of beauty and hygiene has signified the tendency towards researching the relevant brands in the economic market. The customers, in the societies with increasing rate of young population, are more sensitive to cosmetic and hygienic products. The objective of this study is to investigate the positioning of international cosmetic and hygienic brands active in the Iranian market.

Research Question

Today, experts state inadequate understanding of customers and markets as the main cause of organizations' failure. Regarding such conditions, it seems that the majority of existing companies, if not all, have to become market-oriented, address customers' needs and demands carefully, and be flexible for future success (Saeednia, 2006). Positioning is building up a clear, distinct, and desirable perception of a product in the minds of the customers in the given market and with respect to the competitors' products (Darling, 2007). The positioning process helps an organization benefit from opportunities to maximize its

Research Article

chance of success (Porter, 1996). Positioning is a way into which every product has to step at the onset. It is probably so as today, customers are exposed to the gust of information and advertisements (Fiedler, 197; Chen et al., 2008). In fact, capturing a market depends on one's ability in understanding the market, customers, and their needs, as well as occupying appropriate position in their minds (Trout, 2007; Cutler, 2009)

On the other hand, subordination of the cosmetic and hygienic products is considered as the reason of inadequate information about the customers and the markets. Regarding such conditions, it seems that the majority of existing companies, if not all, have to address customers' needs and demands carefully for future success (Porter, 1996). Perceptual mapping is defined as a useful tool for doing this task: Visual presentation of the positions of different brands in competitive environment, with respect to two or more determinant features. Perceptual mapping is used as a strategic management tool. It has a unique capability for the simplification of the complicated relationships between market competitors and customers' criteria for making a purchase (Benedict, 1994). Perceptual mapping is a process representing mental imaginations of the respondents with respect to two or more determinant characteristics, in a competition environment. This map shows the respondents' perception of the brands, products, services, different competitors, and so forth (Rodríguez and Gutiérrez, 2008). Perceptual mapping, usually displayed in 2-dimensional form, allows the manager to compare his/her product or brand's position in the mind of customer with that of the competitors (Arnott, 1993; Blankson, 2004). In addition, it shows which products or brands are competing in the customers' minds (Zikmund, 1995)

Therefore, cosmetic products have become a daily need in the Iranian market. Using the cosmetic and hygienic products in Iran is more popular than other countries. Therefore, different cosmetic and hygienic brands are competing in quality, price, services, and innovation to increase their sales, and consequently supply the market with new products on customers' needs. In a competitive market, every brand seeks to be distinctive from other brands through positioning, i.e. building up better perception in people's mind. According to these, this research seeks to use the abovementioned technique (perceptual mapping) to comparatively investigate cosmetic and hygienic brands active in the Iranian market from the end user's perspective.

Positioning

Positioning is building up a clear, distinct, and desirable perception of a product in the mind of the customers in the given market with respect to the competitors' products (Darling, 2007). Positioning is a way into which every product has to step at the onset. It is probably so as today, customers are exposed to the gust of information and advertisements (Fiedler, 197; Chen et al., 2008). In an era where millions of dollars are spent on advertisement, customers cannot reassess the product once they want to use it again (Terry et al., 2009)

Perceptual Mapping

Perceptual mapping has been used as a strategic management tool since 1970 (Benedic et al., 1999). It has a unique capability in the facilitation of the complex relationships between market competitors and customers decision for making a purchase. This, usually 2-D representation, exhibits respondents' perceptions of the company, product, services, competitors, and so forth (Kaul et al., 1995; Ries et al., 2008). Normally, to find the best position for a specific product, customers' characteristics and perceptions of the product should be investigated based on such characteristics, and then a perceptual mapping should be drawn. This map shows how customers choose a product in the market, based on the most important property (Roosta, Venous, and Ebrahimi, 2006). In fact, perceptual mapping refers to, usually 2D, representation of customers' perception and imaginations in a way that allows manager to assess its product or brand's position in the customers' mind, compared with his/her competitors. In general, the concept of customer perception forms the theoretical basis and foundation of positioning, and

Research Article

the perceptual mapping contributes to operationalization of this concept. Perceptual mapping is an official technique employed by a market expert to illustrate the current and potential customers' perception.

Research Plan

Research Objective

The objective of the present study is to perform a comparative investigation into the competitive position of international cosmetic and hygienic brands active in the Iranian market with respect to perceptual map's perspective.

Research Model

Parallel with research objective and to answer research questions, the research's conceptual model, inspired from Walker's positioning method, was designed (Walker, 2001). With respect to the fact that the goal of the present study is to investigate the current position of four cosmetic and hygienic brands, namely Nivea, Bourjois, L'oreal, and Mac, the proposed positioning model is presented below:

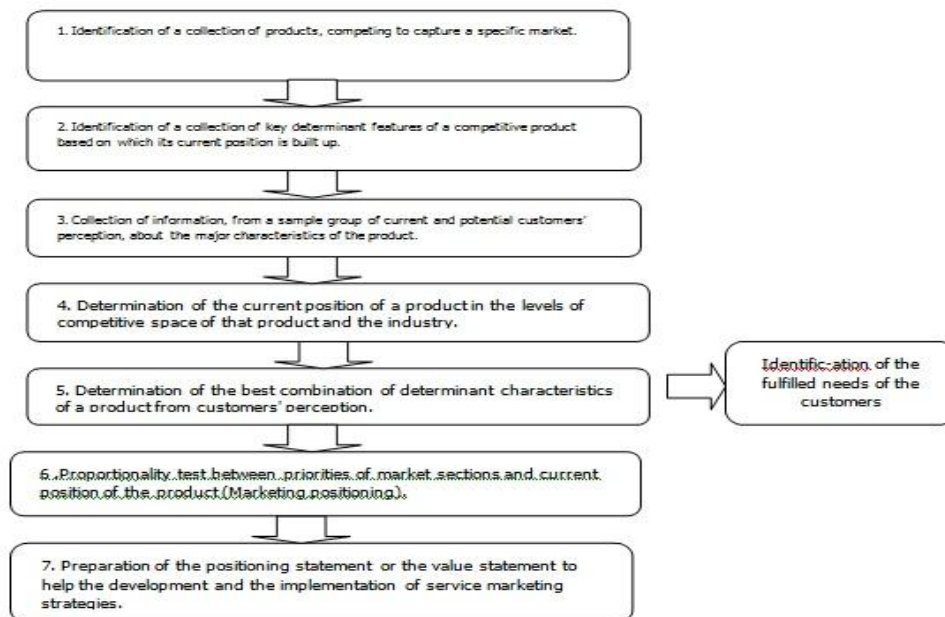


Diagram 1 The stages of positioning model (Walker, 2007)

Research Questions

Determining and building up an appropriate position in the customers' mind are of great importance. Therefore, identification of customers' opinions and demands informs a company about its product or brands with respect to those of its competitors. It also helps it take appropriate measures to maintain or correct the present position (Reis, 2009; Trout, 2009). The main and key question of the present study is whether there is a significant correlation between the international cosmetic and hygienic brands in the Iranian market from customers' perspective?

The secondary questions of this study are:

1. Is there a significant difference between the position of international cosmetic and hygienic brands from customers' perspective?
2. Is there a significant difference between the position of international cosmetic and hygienic brands from customers' perspective, regarding the price?

Research Article

3. Is there a significant difference between the position of international cosmetic and hygienic brands from customers' perspective, regarding the services?
4. Is there a significant difference between the position of international cosmetic and hygienic brands from customers' perspective, regarding innovation?

RESEARCH METHOD

The main assessment tool of the present study is questionnaire. Therefore, two questionnaires were used for data collection. The first-stage questionnaire includes a set of the most effective criteria in determining the position of cosmetic and hygienic brands' products, extracted by using Delphi method. To implement the abovementioned method, a group of elites including the experts in the field of cosmetic and hygienic industry, and pundits and professors in the area of marketing familiar with cosmetic and hygienic products market were selected. The second-stage questionnaire was designed using the opinions from the first-stage questionnaire. Afterwards, it was handed out among the customers of Nivea, Bourjois, L'oreal, and Mac in order to implement this survey study. This questionnaire was designed in the form of four variables: quality, price, services, and innovation and fifteen items. In addition, a five-level Likert based scale was in designing this questionnaire.

Table 1: The primary and secondary variables

Primary Variables	Secondary Variables
Quality	Product(s) quality
	Product durability
	Licensed by the Ministry of Health
	Keeping up quality standards
Price	Product(s)-price relationship
	Price difference between the company's products and similar products
	Economic justification for purchasing the product
	Products price/quality comparability
Services	Expansion of geographical coverage of the company's agencies
	Availability of the desired product in the company's agencies and stores
	Ease of access
	Resellers' mode of response
Innovation	Annual provision of the market with new product/products
	Improvement of existing product(s)
	Product(s) variety

Statistical Population and Sample

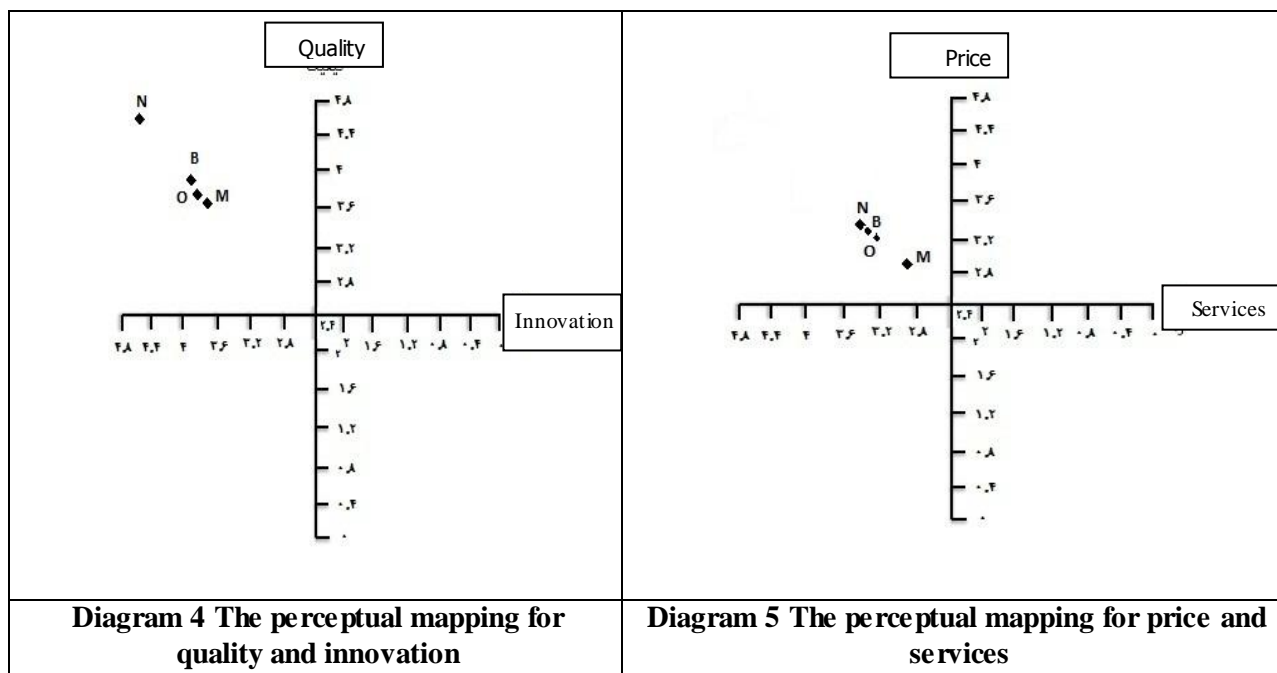
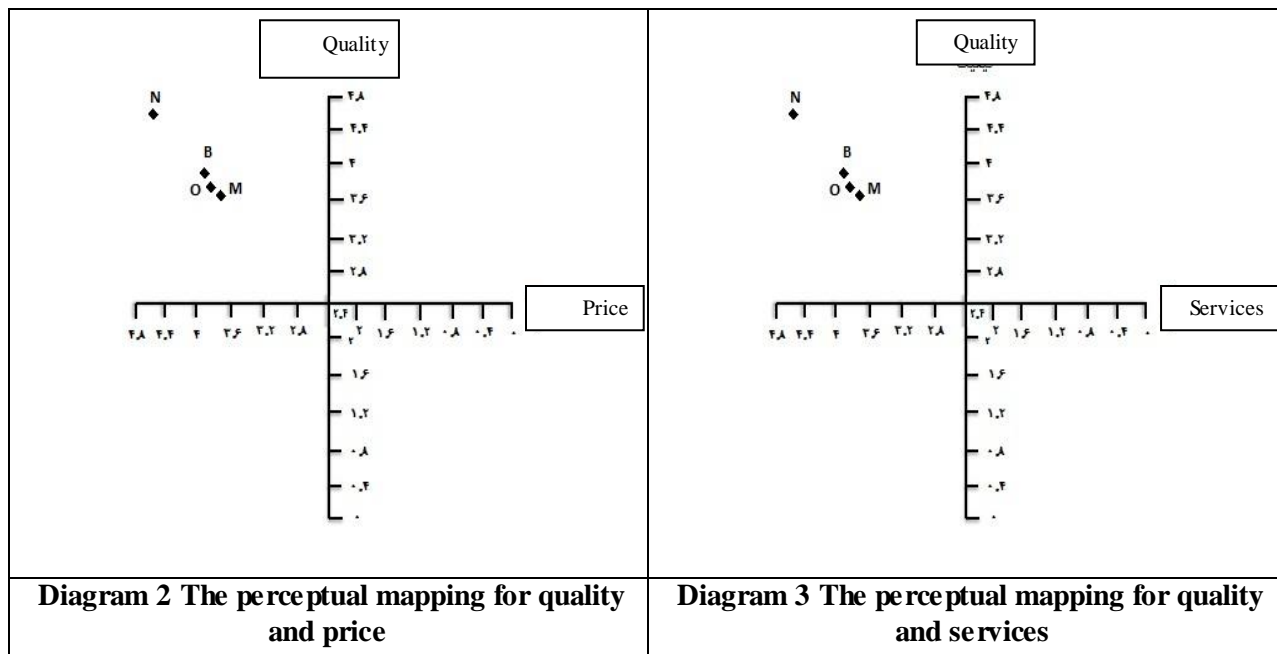
The statistical population includes the customers visiting Nivea, Bourjois, L'oreal, and Mac cosmetic and hygienic products stores in Amol. Therefore, regarding the infinite size of the desired population, the required sample size included 284 customers of Nivea, Bourjois, L'oreal, and Mac products visiting the abovementioned stores within the course of the field study, using convenience sampling technique. Since, some questionnaires may lack the required information for performing the analysis or do not get returned, 330 questionnaires were distributed. Among them, a number of 300 questionnaires were complete and usable.

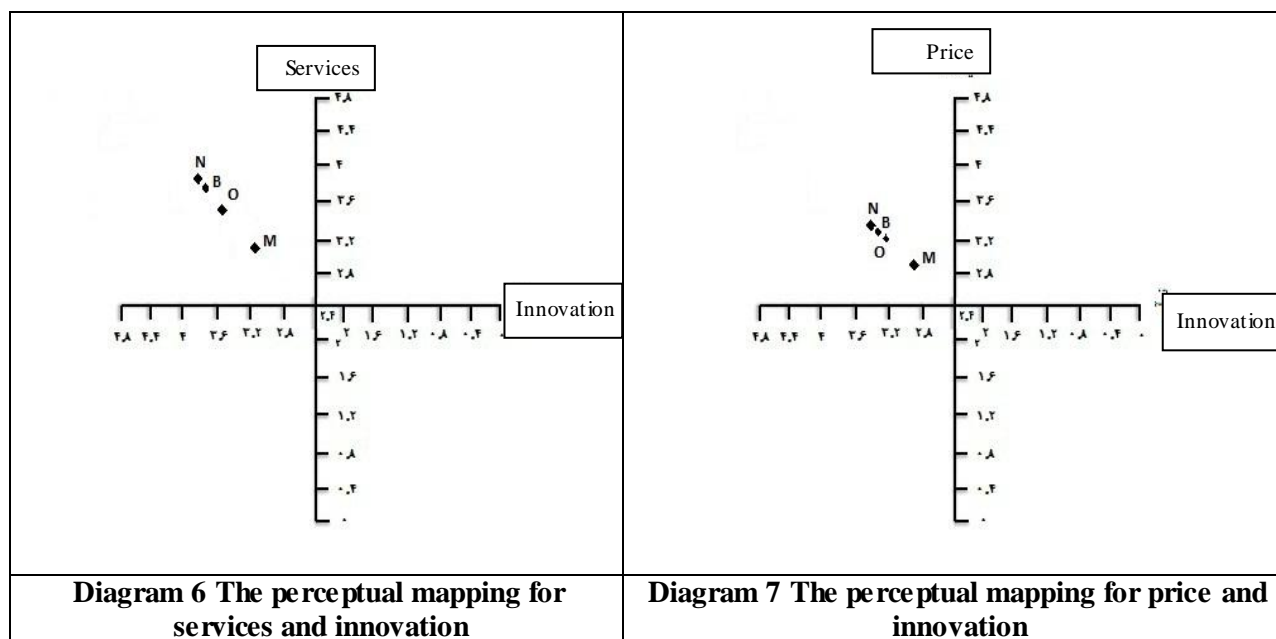
Validity and Reliability of the Questionnaire: To determine the validity of the questionnaire, it was given to five statistics and marketing management professors, as well as a number of experts in the field of cosmetic and hygienic products. Pretest was carried out by collecting 64 samples, using simple random sampling. Finally, the SPSS obtained Cronbach's alpha (0.91) indicates a good reliability for data collection.

Research Article

Findings

In this part of statistical analysis, perceptual mapping technique was used to draw the position of cosmetic and hygienic products from customers’ perspective, as well as answer the main research question. In this stage, SPSS and the secondary variables obtained from the primary variable were used to draw perceptual mapping, and then the position of the four brands were drawn on the perceptual mapping, according to the customers perspective (Grant et al., 1998). Finally, based on the mutual investigation into the four primary variables, six perceptual mappings were drawn as follows:





Based on the above maps, the current position of the four cosmetic and hygienic brands, namely Nivea, Bourjois, L'oreal, and Mac, are presented. What is common in all of the perceptual mappings is the ideal position of all four cosmetic and hygienic brands on the map from customers' perspective. Therefore, a common difference between their positions on all of the maps is to be analyzed using statistical tests.

Data analysis, Hypotheses Testing, and Answering Research Questions
 The primary research question: Is there a significant difference between the position of international cosmetic and hygienic brands from customers' perspective in the Iranian market?

Table 2 Results of repeated measure test in brands' position (primary hypothesis)

Source:	Sum Square	Degrees of Freedom	Mean Square	F	Level of Significance
Factor	9152.323	3	3050.774	67.658	000.
Error	40446.927	897	45.091		

According to the results of repeated measures test at significance level of 0.05 and confidence level of 95%, since the former is less than 0.05 (0.000), null hypothesis is rejected. Therefore, it can be said that there is a significant difference between the mean of customers' opinions about the position of cosmetic and hygienic brands.

Answering Secondary Research Questions

Question 1: Is there a significant difference between the position of international cosmetic and hygienic brands from customers' perspective, regarding quality?

Table 3 Results of repeated measure test in brands' position (first secondary hypothesis)

Source:	Sum Square	Degrees of Freedom	Mean Square	F	Level of Significance
Factor	397.129	3	132.376	20.071	000.
Error	5916.121	897	6.595		

Research Article

With respect to the above table, software calculated statistics indicates that the obtained significance level for quality is less than research error level (0.05), and so the significant difference between the tested factors is proved. Therefore, at significance level of 95%, it can be said that there is a significant difference between the mean of scores given to cosmetic and hygienic brands for quality by the customers.

Question 2: Is there a significant difference between the position of international cosmetic and hygienic brands from customers' perspective, regarding the price?

Table 4 Results of repeated measure test in brands' position (second secondary hypothesis)

Source:	Sum Square	Degrees of Freedom	Mean Square	F	Level of Significance
Factor	426.722	3	142.241	19.928	000.
Error	6402.528	897	7.138		

With respect to the above table, software calculated statistics indicates that the obtained significance level for price is less than research error level (0.05), and so the significant difference between the tested factors is proved. Therefore, at significance level of 95%, it can be said that there is a significant difference between the mean of scores given to cosmetic and hygienic brands for price by the customers.

Question 3: Is there a significant difference between the position of international cosmetic and hygienic brands from customers' perspective, regarding the services?

Table 5 Results of repeated measure test in brands' position (third secondary hypothesis)

Source:	Sum Square	Degrees of Freedom	Mean Square	F	Level of Significance
Factor	1444.969	3	481.656	68.057	000.
Error	6348.969	897	7.077		

With respect to the above table, software calculated statistics indicates that the obtained significance level for services is less than research error level (0.05), and so the significant difference between the tested factors is proved. Therefore, at significance level of 95%, it can be said that there is a significant difference between the mean of scores given to cosmetic and hygienic brands for services, by the customers.

Question 4: Is there a significant difference between the position of international cosmetic and hygienic brands from customers' perspective, regarding innovation?

Table 6 Results of repeated measure test in brands' position (fourth secondary hypothesis)

Source:	Sum Square	Degrees of Freedom	Mean Square	F	Level of Significance
Factor	337.727	3	112.576	38.984	000.
Error	2590.273	897	2.888		

With respect to the above table, software calculated statistics indicates that the obtained significance level for innovation is less than research error level (0.05), and so the significant difference between the tested factors is proved. Therefore, at significance level of 95%, it can be said that there is a significant difference between the mean of scores given to cosmetic and hygienic brands for innovation, by the customers.

Research Article

DISCUSSION AND CONCLUSION

According to the results of this study, determinant characteristics of the product from customers' perspective are identified. In this regard, there is a significant difference between the position of Nivea, Bourjois, L'oreal, and Mac cosmetic and hygienic products. In that regard, Nivea got the best position in all variables, except for services. Thus, with investigating the distance between the position of cosmetic and hygienic brand on each perceptual mapping, the given companies can improve the position of their cosmetic and hygienic products by adopting appropriate strategies. For example, the greatest difference in the given position exists in "quality and price", "quality and services", and "quality and innovation." It means that Nivea has superiority over Bourjois, L'oreal, and Mac, with respect to the abovementioned aspects.

Suggestions based on research results:

1. Regarding the fact that most of the cosmetic and hygienic products are considered luxurious in the household basket, having relatively low price and competitive advantage of Nivea products would lead to sales improvement among lower and middle classes of the society. However, price reduction should be kept to a extent that does not convey the perception of low quality to the customers. With respect to the drawn perceptual mapping (based on the quality and price), Mac also can improve its position by a combination of price and quality indicators.
2. Product quality is among the most fundamental aspects of the product. However, most of the cosmetic and hygienic products manufacturers seek to optimize their products; it seems that Bourjois has given the greatest degree of attention to services and accessibility. Therefore, it seems that for competition, other companies should improve their service provision to customers (in terms of facilities and ease of access). Thus, with respect to the current business situation in Iran, paying attention to and focusing on customer relationship process are recommended to all cosmetic and hygienic brands and companies.
3. Higher position of Nivea in diversity and innovation aspects has given higher rank to its products, compared with the three other brands. Therefore, it can be said that having more complete product basket (foundation, shampoo, makeup soap, shaving cream, and other creams) causes more familiarity of the customers with the investigated brands. This has greatly helped Nivea in absorbing more customers and building up durability perception in their minds.
4. Another recommendation for Mac is that due to the exclusive importation of its products, as well as US sanctions, these and other American cosmetic brands have occupied smaller competitive space and lower position in the Iranian market. Therefore, due to the fact that Iran is a major consumer of cosmetic and hygienic products in Middle-East, after Saudi Arabia, losing such a big and strong market is a weakness for Mac. Thus, Mac's decision makers are recommended to eliminate this problem by taking appropriate measures and policies.

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Research Article

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