

ANALYSIS OF PRODUCT POSITIONING ON SOAP PRODUCTS IN MANADO

By:
Windy Megawe

Faculty of Economics,
International Business Administration (IBA) Program
University of Sam Ratulangi Manado
email: megawe_windy@yahoo.com

ABSTRACT

Business competition has become one main issue that is essentially considered by management parties in every company in a market, either manufacturing-based company or service-based company. When any competed company can establish or even maintain its core advantages against other competitors, it can later help its management parties to keep the company achievement and therefore give positive contribution for its further development in the marketplace. Research objective is to describe the product position from Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather and Giv products in Manado. Theories supporting this research are positioning and brand. The population is all users of Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather and Giv products in Manado with sample of 100 respondents. Analysis method used is Multi Dimensional Scaling and Correspondence Analysis. Results and conclusions are (1) Shinsui and Dettol are perceived similar, (2) Lux, Lifebuoy, and Dove are perceived similar, (3) Giv and Imperial Leather are perceived similar, and (4) Nuvo is very dissimilar with the other brands.

Keywords: product positioning

INTRODUCTION**Research Background**

Business competition has become one main issue that is essentially considered by management party in every company in the market, either manufacturing-based company or service-based company. When any competed company can establish or even maintain its core advantages against other competitors, it can later help its management party to keep company achievement and therefore give positive contribution for its further development in the marketplace. On the contrary, if every manufacturing of service company does not have appropriate advantages for fairly competing in the environment, it can become a negative indication that its future improvement can be achieved effectively and efficiently. Such as occurs in toiletries industry. In this era of globalization, toiletries industry has an important role in human life because toiletries industry can fulfill household needs. Toiletries industries become desirable because the potential market in Indonesia is very promising. Toiletries products are daily necessity products and almost every person consuming this product. This is an opportunity for companies to participate in this industry. One interesting category of toiletries products is soap products. Until now, there are eight main common brands of skin product to people, which are Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather and Giv. Partially, common usage of this soap products can be later observed in Manado as one developed city in Indonesia and the capital city of North Sulawesi province.

Positioning has been one the most important part in marketing. Kotler (2000: 298) defined positioning as the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market. This research is an attempt to find out appropriate number of dimensions consumer seems to be using when they think of using soap brands. The particular research has been conducted to position different soap brands in the way perceived by consumer. Therefore, this research is focusing on analyzing positioning of brands: Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather, and Giv soap products because these brands are well known by consumers.

Research Objective

1. To describe the product position from Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather and Giv products in Manado.

THEORETICAL FRAMEWORK

Theoretical Framework

Positioning

Kotler (2000: 298) defined positioning as the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market. Kotler and Armstrong (2009) stated that product position is the way the product is defined by consumers on important attributes, the place the product occupies in consumer's minds relative to competing products.

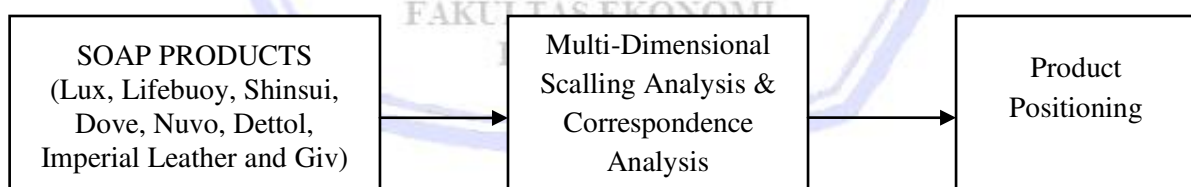
Ries and Trout (2001) in Baraskova (2010) stated that positioning starts with the product, that is position the product in the mind of the prospect. Andersson et al. (2006) stated that positioning can provide benefits to the consumer through a set of different product attributes, companies must position their brands/products clearly in the minds of the target consumers.

Brand

The American Marketing Association (AMA) stated that a brand can be defined as a name, term, symbol, or design, or a combination of them, which is intended to signify the goods or services of one seller or group of sellers and to differentiate them from those of competitors (p. 404). Martinez et al. (2003) in Andersson et al. (2006) stated that brand image takes place when brand associations held in the mind of consumers are conveyed onto a consumer's perception about a brand.

Previous Research

Mohanty (2012) attempted to position the different shampoo brand in the way perceived by the Indian consumer using multi dimensional scaling technique along with spatial map has been used to elicit the dimensions more clearly. Konuk and Altuna (2011) revealed the position of seven shampoo brands that exist in the Turkish market using perceptual mapping technique and indicated that two most important dimensions that are effective on consumer evaluations of shampoo brands are found to be brand affect and brand Trust and Customer Services. Andersson et al. (2006) found that depending on a person's age, consumers view brands differently, and thus have an effect on international brand alone, but also in combination with international advertisement and international sponsorship influence the way in which a brand is perceived, and consequently influence consumer preferences.



Source: data processed

Figure 1. Conceptual Framework

RESEARCH METHOD

Source of Data

There are two types of data that are used to make an appropriate result, which are (1) primary data originated by the researcher specifically to address the research problem, and (2) secondary data collected for some purpose other than the problem at hand from books, journals, and relevant literature from library and internet.

Population and Sample

The population in this research is users of Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather, and Giv products in Manado with the sample of 100 respondents.

Operational Definition and Measurement of Research Variables

The positioning of soap products (Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather and Giv) in the market are determined by two elements to get accurate result:

1. Consumer preferences which is a consideration of the soap products (Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather and Giv) that consumer prefers.
2. Consumer perception which is a consideration of the consumer perception of the soap products (Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather and Giv).

Data Analysis Technique (Reliability and Validity Tests)

To ensure that all questions in the questionnaire is truly reliable, so the measurement of the Internal Consistency is made, which can be defined as the correlation between questions items that is evaluated the same factor. This Internal consistency can be seen at the Cronbach Alpha Parameter, with ideal score above 0.6. Validity test is used to measure whether or not a legitimate or valid questionnaire. Construct validity is the assessment of validity that is based on the pattern of linkages between items that measure the questions.

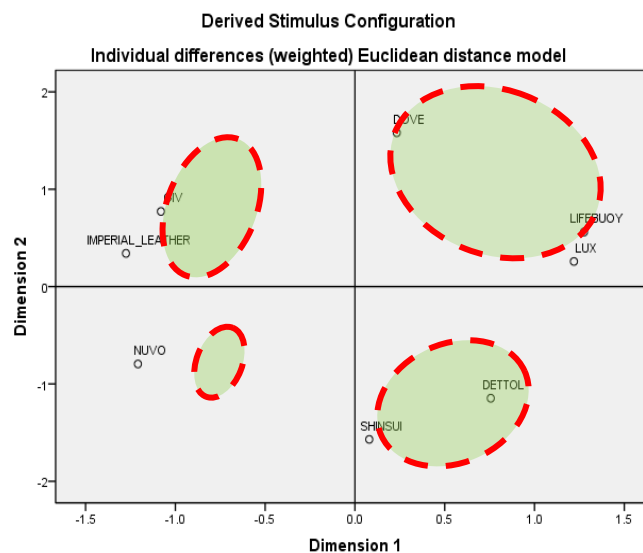
Multidimensional Scaling (MDS)

Everett (2001:3) explained that multidimensional scaling is a modeling technique using the matrix of interrelationships between a set of objects. Correspondence analysis is useful in analyzing the associations between rows and columns in contingency tables. In correspondence analysis, there are two stages of analytical process, one stage for each set of categories. Each set represents either row variables or column variables. The goal is to find the best simultaneous representation of two data sets, row and column. In correspondence analysis of this research will only analyze the perceptual mapping of perception of age and occupation of the respondents to price and quality to minimize the range of the result of being too many. The rows below provide 2 consumer perceptions (price and quality and the columns provide the 8 types of brands of soap product (Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather and Giv).

RESULT AND DISCUSSION

Result

In the perception of non-attribute maps will be compared the 8 position of the existing brand of soap in consumers minds, the comparisons between one brand and the other in order to determine what soap brands are competing, or the position adjacent based on consumer perceptions.



Source: data processed

Figure 2 Perceptual Map Generated Multidimensional Scaling Analysis

This is the perceptual map resulted by multidimensional scaling. The vicinity rate of each brand on the map shows the rate of similarity of each brand. This map shows that Shinzui actually had similarity with Dettol because the two of them are on the same quadrant that is quadrant 3. Lux, lifebuoy, and dove had similarity too because got on the same quadrant that is quadrant 2. Giv and Imperial Leather also can be considered the same because the two brands got on the same quadrant that is quadrant 1. Nuvo is located very far from other brands on the map, being on a different quadrant shows that Nuvo are very dissimilar with the other brands.

Notice the analysis of corner of dimension 1 (axis X) and dimension 2 (axis Y):

1. Dimension 1. From the map generated shows that the value of dimension 1 getting bigger as it goes to the right corner. The map shows that Lifebuoy and Lux are located nearest on the biggest value of axis X (on the right corner of the axis). This means that Lifebuoy and Lux have the factors on the dimension 1 that distinguish itself from others soap products on the map.
2. Dimension 2. From the map generated shows that the value of dimension 2 getting bigger as it goes to the upper left corner. The map shows that Dove are being on the nearest value on the biggest value of axis Y (on the upper left corner of the axis). This means that Dove have the factors on the dimension 2 that distinguish both brands from others soap products on the map.

Knowing the result, it can be considered alternatives as follow:

1. Shinzui and Dettol are supposed to compete, because in the perceptions of the respondents these two brands are similar. If the two brands are putted in far locations in the map, than a competition is irrelevant.
2. Lux, Lifebuoy, and Dove are supposed to compete, because in the perceptions of the respondents these two brands are similar. If the two brands are putted in far locations in the map, than a competition is irrelevant.
3. Giv and Imperial Leather are supposed to compete, because in the perceptions of the respondents these two brands are similar. If the two brands are putted in far locations in the map, than a competition is irrelevant.
4. Nuvo has different perception from other brand, it means that Nuvo has something special in consumers mind's that make's different from the other brand.
- 5.

Perceptual map of age and perceived price of Lux, Lifebouy, Shinzui, Dove, Nuvo, Detol, Imperial Leather, Giv shows that ages 26-50 perception of price is cheap, ages 17-25 perception of price is normal, and ages <17 perception of price is expensive.

Perceptual map of occupation and perceived price of: (1) Lux shows that student perception of price is expensive followed by civil servant and entrepreneur (cheap), and college student and private employee (normal); (2) Lifebuoy shows that student perception of price is expensive followed by civil servant (normal), private employee and entrepreneur (cheap) (3) Shinzui shows that student perception of price is expensive followed by college student (normal and expensive), and entrepreneur, civil servant, private employee (cheap); (4) Dove shows that student perception of price is expensive followed by college student perception (normal and expensive), private employee (normal), entrepreneur (normal and cheap), while civil servant (cheap); (5) Nuvo shows that student perception of price is expensive followed by private employee and college student (normal), entrepreneur and civil servant (cheap); (6) Dettol shows that student perception of price is expensive followed by private employee and college student (normal), entrepreneur and civil servant (cheap); (7) Imperial Leather shows that student perception of price is expensive followed by private employee, college student and civil servant (normal), entrepreneur (cheap); (8) Giv shows that student perception of price is expensive followed by college student (normal), and civil servant, private employee, entrepreneur (cheap).

Perceptual map of age and perceived quality of: (1) Lux shows that ages <17, ages 17-25 and ages 26-50 are relatively similar perceptions of the quality is normal and good; (2) LifeBuoy shows that ages <17 years had a good perception while ages 17-25 years and 26-50 years perceived as normal and good quality; (3) Shinzui shows that ages <17, 17-25, and 26-50 have the same perception about the quality that is normal and good.; (4) Dove shows that all respondents in age groups <17 years, 17-25 years and 26-50 years perceive that the quality is within normal and good levels; (5) Nuvo shows that people aged <17 years had bad perception about quality while age group 17-25 years perceived has good and normal quality, and age 26-50 years perceived as normal quality; (6) Dettol shows that aged <17 years perceived as a good quality product while age group 17-25 years and 26-50 years perceived have a normal and good quality; (7) Imperial Leather shows that

ages <17, 17-25, and 26-50 have the same perception about the quality that is normal and good; and Giv shows that that segments of consumers in age group <17 years, 17-25, 26-50 years perceive normal and good quality.

Perceptual map of occupation and perceived quality of: (1) Lux shows that consumers who work as student and private employee perceive as normal quality product, entrepreneur and college student perceive as normal and good quality product while civil servant perceive as good quality product; (2) Lifebuoy shows that private employee and entrepreneur perceive at normal levels while college student and civil servant perceived as a brand that has good quality, and student perceived normal and bad quality; (3) Shinsui shows that student, college student and civil servant perceived good quality while private employee and entrepreneur perceived at a normal level; (4) Dove shows good quality by student and civil servant while college student, entrepreneur and private employee perceived quality at the normal level; (5) Nuvo shows that civil servant, student, private employee, college student, and entrepreneur have the same perception that is normal; (6) Dettol shows good quality in student and entrepreneur while college student, civil servant and private employee perceived quality at normal level; (7) Imperial Leather shows that civil servant, private employee, and entrepreneur perceive quality is normal, college student perceive is good and normal, and student perceive is good; (8) Giv shows that private employee, student, and entrepreneur perceive is normal, college student perceive is good and normal, and civil servant perceive is good.

Discussion

A key element of competitive marketing strategy is product positioning. Kotler (2000: 298) defined positioning as the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market. Product positioning has been defined as the act of design the image of the firm's offering, so target customers try to understand and appreciate what the product stands for in relation to its competitors. Each brand within a set of competitive offerings is thought of as occupying a certain position in a customer's "perceptual space." Perceptual mapping refers generally to techniques used to represent graphically this product space. Although marketing managers typically engage research professionals to perform product-positioning studies, an understanding of the basics of product positioning techniques will enable managers to make better evaluations of proposed research undertakings, and ultimately better decisions.

The purpose of this research is to generate this perceptual maps using multidimensional scaling analysis and correspondence analysis to give a better understanding of the product positioning of soap product that exist in Manado market. The brands taken into research are Lux, Lifebuoy, Shinsui, Dove, Nuvo, Dettol, Imperial Leather and Giv.

General Perception of Price

Price perception is the process by which consumers translate price into meaningful cognitions. Consumers want to get highest utility from a brand, which they purchase by sacrificing money and benefit from other competitive brands. Indeed, the main effects of price appear to be more clearly associated with quality perception of a brand. Perceived price is a good proxy variable for perceived quality. Price conveys information to the consumer about product quality. Higher quality expected from higher price product, in this case the expensive one is perceived better than the cheaper one. From the consumer perspective, price is what given up of sacrificed to obtain a product.

General Perception of Quality

Quality is the ability of a product to satisfy a consumer's needs and requirements. Perceived quality can be defined as the perception of a consumer about the overall excellence and superiority of a brand, which is directly related to his/her satisfaction. Quality is the best indicator of the product's durability, reliability, precision, and other valued attributes. It provides added value and constructive perception on a brand to affect consumers' brand evaluation. The good quality perception often depends on consumers' distinct liking and beliefs toward the brand. Thus, a brand may contain quality attributes but it may not satisfy consumers' preference if it does not fit with their perceptions and beliefs of high quality. Typically, consumers recognize the quality levels of different brands through categorical information as well as experience with the brand and they form positive or negative perceptions about the quality of a specific brand. When consumers are convinced with

quality of a brand, they evaluate a brand positively. Consumers also feel pride of owning quality product because they perceive better quality as an image of social status. Sometimes, the perception of quality is diverse among consumers. For a brand, different consumers hold different perception of brand quality. A brand might be coded as "good quality" by some consumers, and "normal quality" and "less quality" by others. Product quality perceptions are also varied based on the product class.

Consumer Perception by Price

Based on age, age <17 perceived all the shop products as expensive, this could be happen because they did not yet have occupation and they still depend on their parents. Because of that, all soap product their target market is not at age <17 years. Age 17-25 perceived Lux, Lifebuoy, Nuvo, Giv, Dettol, Imperial Leather are in normal price. It can be concluded that the target market is at the age of 17-25 years. Age 17-25 also perceived Shinzui and Dove are in expensive price, therefore, it is suggested that Dove and Shinzui to undertake and implementing marketing strategies, for example by giving discounts or by holding a product purchase, buy 3 get 1 free. Age 25-50 perceived all the brands are in cheap price because at this age someone already have fixed job. Because of that, the target market of the eight brands soap is also at age 25-50 years.

Based on occupation, student perception of all products price is expensive followed by civil servant and entrepreneur perception Lux, Nuvo, Dove and Dettol price is cheap, and college student, private employee perception of price of Lux, Nuvo, Dove and Dettol is normal. Civil servant, entrepreneur, private employee perception of Shinzui and Giv price is cheap, and college student perception of price of Shinzui and Giv is normal. College student, civil servant, and private employee perception of price of Imperial Leather is normal and entrepreneur perception of price of Imperial Leather is cheap. Lifebuoy perception of price is normal followed by civil servant, college student, and private employee, and also get perception cheap price from entrepreneur. Therefore, it can be concluded that the target market based on occupation is, civil servant, college student, private employee, and entrepreneur for all eight-soap products because mostly their argue that price are in normal and cheap price.

Consumer Perception by Quality

Based on age, aged <17 years to all brands is perceived good quality except Nuvo is perceived to bad quality. Segment 17-25 years and 17-50 years is perceived to have good and normal quality. It can be concluded, that aged <17 years perceived Nuvo bad quality so it is suggested Nuvo to make collaboration between quality improvement and market strategy.

Based on occupation, Dove is perceived good quality by student and civil servant, and normal quality is perceived by entrepreneur, college student, and private employee. Dettol is perceived good quality by student and entrepreneur, and normal price is perceived by college student, civil servant, and private employee. Imperial Leather is perceived normal price by private employee, entrepreneur, civil servant. College student perceive good and normal quality, and good quality is perceived by student. Giv is perceived normal quality by student, entrepreneur, and private employee. Good and normal quality is perceived by college student and good quality is perceived by civil servant. Lifebouy is perceived normal quality by private employee and entrepreneur, good quality is perceived by college student and civil servant, bad and normal quality is perceived by student. Lux is perceived normal quality by student and private employee, normal and good quality is perceived by entrepreneur and college student, and good quality is perceived by civil servant. Shinzui is perceived good quality by student, college student, and civil servant, and normal quality is perceived by private employee and entrepreneur. Nuvo is perceived normal quality by college student, entrepreneur, student, civil servant, and private employee. For product that in normal and good quality, they should try to maintain their position in the minds of consumers. In generally, the product are at normal and good quality, unless lifebuoy. According to student, lifebuoy has two perceptions that are bad and normal quality. On the bad side, lifebuoy need to conduct quality improvement, example by distributing questionnaire which contains the opinion of consumers and what consumers need. Through questionnaire before, we can survey which may be taken into consideration in an effort to make quality improvement.

CONCLUSION AND RECOMMENDATION

Conclusion

There is four different position of soap product, which is:

1. Shinzui and Dettol are on the same position based on the respondent's perception. This means that these two brands are perceived similar in overall. Lux, Lifebuoy, and Dove had similarity too because they got on the same quadrant. Giv and Imperial Leather also can be considered on the same position the two brands got on the same quadrant. Nuvo is located very far from other brands on the map, being on a different quadrant shows that NUVO are very dissimilar with the other brands.
2. Price and quality are the most preferred as high priority in choosing soap product as usually considered by consumer in Manado. Demographics of age and occupation correlate with customer perception of soap product. Different age and different occupation can perceive different preferences and perception on the soap product.

Recommendation

1. Positioning needs to be developed continuously and relevant to change. To face tight competition in this market segment of soap products, than all the brands of soap product in Manado (Lux, Lifebuoy, Shinzui, Nuvo, Dettol, Imperial Leather, and Giv) need to be innovative and always make improvement to their product to be different from others. Attributes in price and quality also need to be considered, Nuvo and Lifebuoy need to improve their quality of product, example by distributing questionnaire which contains the opinion of consumers and what consumers need. Through questionnaire, one can survey which may be taken into consideration in an effort to make quality improvement and to make collaboration between quality improvement and market strategy. Shinzui and Dove need to lower their price of products to reach more consumers or implementing marketing strategies, for example by giving discounts or by holding a product purchase, buy 3 get 1 free.
2. For further study, it is suggested to examine other factors or attributes that affect consumer perception of product similarity and dissimilarity.

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