

REPOSITIONING STRATEGIES AND A STUDY IN AUTOMOTIVE SECTOR:**FORD - FIESTA TURKEY EXAMPLE**

Asst. Prof. Dr. Özlen ONURLU¹,

Marmara University, Faculty of Business Administration,

Department of Economics Faculty Member,

Istanbul, Turkey, ozlenonurlu@marmara.edu.tr

Sercan ÖZDEMİRÇİ²

MBA Student

Bahcesehir University,

Department of Business Administration,

ABSTRACT

In this study, the strategies used in repositioning and the impacts of such strategies in the target market were studied. Also, the mistakes made during positioning were addressed. In the study, the sample case is taken as the Ford Otosan that was the market leader in Turkish automobile sector and the brand Ford Fiesta. The repositioning strategies applied and achieved by the brand Ford Fiesta in repositioning are explored in general.

Keywords: Positioning, Repositioning, Repositioning Strategies, Brand Positioning Mistakes, Ford Fiesta

INTRODUCTION

Enterprises resort to many means to promote their products or services in today's increasingly competitive conditions. However, before all these means they have to check whether or not they position their brands properly. Moreover, enterprises should realize innovations that shall keep up with the market and market dynamics changing rapidly with the developing communication sources and technology and should reposition their products, services, and brands, if necessary. Otherwise, they shall struggle to maintain and lose their market share against changing market dynamics.

When positioning the product, service, and brand or renewing the positioning, positioning strategies should be studied thoroughly and it should be well analyzed which alternative is best suitable for such product, service, brand, and market conditions since the a wrongly positioned

brand shall not reach the target group or even if it does, it shall receive negative responses and fail.

The first point that has to be considered in positioning product is how the relevant product or service or brand differentiates from the competitors. Then the positioning strategies should be analyzed and the most suitable for the enterprise should be selected.

In this study, we attempted to explain how and by which strategies the brands that shall renew their existing positioning strategies should carry out repositioning. The mistakes made in brand positioning are also addressed.

In our study, Ford Fiesta, which is an example of a successful brand in repositioning in the Turkish market in 2013, was taken as the sample case. It was studied why Ford, which has made repositioning in one of its automobile brands, needed this, through what strategies it realized this renewal, and how it gained results.

POSITIONING

Before discussing repositioning, it shall be helpful to mention positioning in general.

Positioning is considered as the last stage after the product, brand, and image stages in the historical development of marketing communication. It is the way the consumer group, known as the target market, perceives the place that the product, service, or brand has achieved. (Ö. Torlak and R. Altunışık, p. 169) In other words, a products' position is the complex set of perceptions, impressions, and feelings that consumers have for the product compared with competing products. (Kotler and Armstrong, 2012, p.231)

Positioning is not just the operations on the products and services. Positioning is to attempt to impact the perception in the consumers' minds. In other words, the market position of a product, service or brand is its relative place in the mind of the customer compared to its competitors. (Mucuk, 2001, p. 106)

For instance, McDonald's is known by its cleanliness, product uniformity, and fast service. These ideas are included as a differentiating point in the minds of the McDonald's target group, wherever they are on the world. (Jobber, 2003, p. 226)

The goal of positioning is to draw consumer perceptions from a specific point to another point established by marketing departments. Therefore, enterprises should assess the current market positions of products, services, and brands through aspects such as communication ability, credibility, needs, usage, uniqueness, etc.

Positioning is a strategic concept that plays a big role in today's increasingly competitive environment because, in markets with increasing competition, enterprises wishing a competitive advantage can achieve this by differentiating their products or brands from the competitor products. In other words, it is the capability of the enterprise to separate itself from its competitors. (Dibb, 1998, p. 394)

Therefore, enterprises should determine the beliefs and attitudes of the target markets and direct the buying behavior. The basis to achieve this is to understand what is perceived by consumers as more important with regards to the brand and thus to determine the position of the brand.

Therefore we can define brand positioning as an attempt responsible create a differentiating value in the consumers consistent with the elements of brand identity. (Uztuğ, 2003, p. 72) That is, positioning is to differentiate brands in parallel with their qualities and images. (Karla, Goodstein, 1998, p. 210)

The concept of positioning was first addressed by two advertisement directors, Al Ries and Jack Trout. Those two directors realized the significance of positioning during the creative works of a product being created. After that year, positioning was put to implementation by marketers as a discipline. Thus, positioning became a good method for the companies to control their brands in the market, to improve and strengthen the results. (Marken, 1997, p. 41)

Positioning Strategies

It shall help to mention positioning strategies in general so as to explain our study better. The alternative positioning strategies that marketing directors may follow may be listed as follows: (C. Yükselen p. 184)

- Positioning by product properties,
- Positioning by usage,
- Positioning by buyer classes,
- Positioning by competitor, and
- Positioning by product class.

Repositioning

The position of the product is a part of the brand identity and value that ensures communication with the target consumers. The brand thus ensures a market advantage against the other brands it competes with. (Aaker, 1996, p. 176)

Products, services, and brands may have to be repositioned in time due to the changes in market dynamics and increasing competition. Since it requires the brand to change its entire market perspective, repositioning ensures that the brand competes more effectively in the existing market and in different market segments. For example, after Johnson & Johnson discovered that the baby shampoo, "Johnson Baby," was liked also by adults as it did not burn the eyes, the company ceased to promote this shampoo as a shampoo aimed only at babies and repositioned it with the perspective of "a single shampoo for the whole family".

As another example, while Sprite was positioned in the category of lemon beverages, it made a perception research and made a transition to the soft drinks category. This repositioning carried out in 1993 ensured that Coca Cola Company competed against Pepsi Cola yet with another brand. (Ö. B. Tek, p. 332-333)

If enterprises fail to adapt to the constantly changing market conditions, their positions in the target markets shall be jeopardized. Therefore enterprises should reposition themselves in line with the changing market conditions. (Kotler and Andreasen, 1996, p. 196)

Even if a brand is well positioned in the market, the requirement may arise that the enterprise repositions the the same brand after some time as a result of the changes in the market. The reasons for that may be, in general, the competitor company positioning in the same market to reduce the market share, the change in the consumer desires and needs, and the market conditions starting to change in line with the technologies.

As can be understood, the risk for enterprises to lose their market positions is big in today's competitive environment. The reasons for that can be listed as the rapid changes in technology, rapid and unforeseeable changes in consumer attitudes, increasing competition in the global economy, and increasing competition between creative directors. (Trout & Rivkin, 1999, p. 78) Therefore, enterprises feel the need to reposition their products, services, and brands.

In other words, in the case that a brand with a competitive and similar product enters the market,

consumers may tend towards different brands and the company may lose the competition advantages as a result of the decrease in the market share and the existing brand becoming less demanded. In such cases, companies may opt to make repositioning to maintain their market shares. For example, many companies such as AT&T, Procter & Gamble, Pampers, and Amazon Books implemented this method to increase their competitive power against their price-oriented competitors and strong retail competitors. (Ar, 2004, p. 145)

Repositioning is the process of changing the target market segment and the differences providing competition advantage. Here, it may be possible to change one of the factors creating target market or differentiation as well as changing both. (Pride ve Ferre1, 2000, p. 285) For instance, repositioning may require changing both the product and its image. That is, it may not be possible for the company to continue its lifecycle with the existing product and image. Or even if the product remains the same, the brand may be repositioned changing only the product image. (Kotler & Armstrong, 2002, p. 256)

In other words, the goal in repositioning is not just to gain new customers. In addition to adding new consumers to the target group, it is also critical not to forget the old consumers and to realize this positioning in a way that shall satisfy them. Otherwise, regaining the lost customers may push the company to a more difficult process.

The first thing that enterprises have to pay attention during the repositioning process is the cost increase that such process shall generate. Another thing is the reactions that the target market shall give to the costs suffered for repositioning.

Enterprises intend that repositioning costs are at such an extent to create profit for them. Therefore, enterprises assess the alternatives to the repositioning strategies, aiming to choose the strategy that brings in the most profit. (Pride and Ferrel, 2000, p. 286)

Repositioning Process

When enterprises decide to carry out repositioning for their product, service, or brand, they generally follow the process described below.

Determining the Existing Position

In order to learn its current position, the enterprise should determine how the consumers perceive the current position. Repositioning works shall be oriented based on the results. The goal is to determine the current condition and to obtain clues for the new image to be created. (Lewis, 1990, p. 89)

In this context, the brand Ford realized that the existing consumer perception was high for commercial vehicles, but automobiles did not receive such a successful perception. So, they aimed at and succeeded in implementing a repositioning strategy as Ford Fiesta Turkey.

Determining the Targeted Position

The enterprise should first analyze the market and competition conditions order to determine the position it desires to achieve. Decision should be made on the comparison between the in-house analysis results and the market and competition analysis reports. (Zikmundve Damico, 1995, p. 200) Ford Fiesta aimed the market for young adults for a specified brand as about half of the Turkish population is young and analyzed the market socio-culturally, economically, and demographically.

Planning the Promotion Activities for the Targeted Position

At stage of announcing the new position to consumers, a promotion program consistent with the brand image must be followed. Ford Fiesta implemented such works by advertising in various media like television, radio, newspaper, and magazines, by effectively using the social media and billboards, and by using various promotion activities at sales points and dealerships.

Evaluating the New Position Perception of Consumers

The goal in repositioning is to change the perception of the consumers related to the previous position. At this point, attempts are made through promotion activities to persuade the consumers and to have their feelings and thoughts approaching the new position. Learning the thoughts of consumers on this new position is very important for the enterprises to determined the change. The fact that Ford increased its market share at the end of the repositioning process and became the market leader with the automobile brand it proposed in this process shows that it is successful in changing perceptions.

Repositioning Strategies

There are a few options for repositioning. (Ö. B. Tek, p. 332-333)

Real Repositioning

There are physical changes in the product. These are attempts to enhance the brand quality, to update its functions and design, and to make it appropriate for today's conditions.

Repositioning for Neglected Values

This provides consumers with new selection criteria. Even though rare, new features may be added to the brand. For example, a soda drink of the brand a offered fruit soda options in addition to its positioning as a drink for indigestion and created a repositioning as a drink alternative to other beverages.

Repositioning by Elevating the Values

Consumers have to be persuaded to give different weights to basic values. Sometimes consumers can be persuaded that some features are more important. For example, Lexus emphasized that "silence" is very important when buying a luxury car and succeeded in persuading its consumers of this idea.

Competitive Repositioning

Here, the brand makes changes to its position taking into account the positions of its competitors. To this point, comparative advertisements that belittles competitor brands are used in some countries. The image of a child who steps on a Pepsi Cola can to reach a Coca Cola can in an advertisement in America is an example of this type of repositioning strategy.

Psychological Repositioning

Here, the image in the consumer's mind, namely the believes of consumers, are changed. That is, enterprises try to change the beliefs of consumers on the status or philosophy of the brand. However, it is very hard to change it when people believe in something. For example, Mercedes strived considerably to eliminate the image in Turkey of being the "vehicle used by Turkish

contractors who became rich in Germany."

Repositioning Changing Preferences

Here, the consumers are persuaded to change their views. This method may be useful in some situations. For example, there has been an increase in the preference for foodstuffs that are natural and free of additives due to scary stories published in the media and conscious advertisements made.

Repositioning Enriching the Brand

An extra value is added to the brand. Thus the value of the brand may be increased. For example, while the main benefit of hotels is accommodation, benefits such as recreational areas, bars, entertainment, Turkish baths and spas, and activities like congress meetings, dealership meetings have been added through repositioning.

Market positioning strategies are used both when positioning the brand for the first time and during the repositioning stage. The companies desiring to succeed in the market should implement such strategies very carefully and thoroughly analyze the market positioning process. Otherwise, it shall not be possible to create any difference in the consumer perceptions and all the marketing activities based on positioning shall end in failure.

Moreover, if the companies believe their brands are unsuccessful and that repositioning shall not be a solution, then they leave the market. At the same time, some companies that believe repositioning is a risk for the company and the brand refrain from repositioning their brands. (Kotler, 2002, p. 418)

Positioning Mistakes

As we have explained, the purpose of brand positioning is to draw the attention of buyers to a certain brand and to differentiate this brand positively in favor of the company compared to other similar brands. Sometimes, however, enterprises may lose their credibility as they increase their claims about their brands and risk a net positioning opportunity. (Aktuğlu, 2004, p. 130)

Enterprises must analyze very well how many differences (features, benefits) should be emphasized for their target markets. In general, it is recommended to highlight a basic benefit or feature. For example, best quality, best service, best value, lowest price, latest technology, the fastest, etc. However, sometimes, it is observed in the market that multiple enterprises make positioning over the same values. In this case, the enterprise may make positioning over two or more features. For example, Volvo automobiles have the perception of being both the safest and the most durable.

As the number of benefits emphasized by brands increase, credibility and the clearness on positioning are weakened. In this case, it is inevitable for some positioning mistakes to arise. (Kotler, 2002, p. 300)

Confused Positioning

Buyers have confused images regarding the brand. This confusion is caused by providing too many features and continuously changing the positioning.

Too Much Positioning

This is the condition where buyers have very narrow picture about the brand and do not know its variations.

Insufficient Positioning

This is the condition where buyers have very little opinions about the brand and consumers have no reason to by the brand.

Uncertain Positioning

Buyers find the brand claims hardly believable because of the product properties, price, and manufacturer identity.

Other than the ones specified above, the position of the brand in the minds of the consumers may be affected as a result of the different implementations that enterprises carry out, based on the changing market conditions, to have the customer adopt the changes that make or to emphasize that they take into account the consumer expectations. (Aktuğlu, 2004, p. 130).

CASE OF FORD FIESTA

Ford Fiesta chose to reposition their brand and vehicles to change the commercial vehicle perception stuck in people's minds. Having been perceived as a "commercial" and having made most part of their sales to Anatolia in the past, Ford focused on Istanbul and İzmir where they were weak and, for automobiles, both changed the perception and accelerated their growth. Having been the leader brand in total sales for 8 years as of 2010 with the impact of light and heavy commercial vehicles, Ford Fiesta achieved the leadership again in 2012 with automobiles.

Not having been able to break down the market leadership of especially Renault in automobiles, Ford became only the third in the market behind Tofaş-Fiat as well in 2007. There was a difference of nearly 8% between them and Renault, which became the leader with a market share of 16.8%.

After these results, desiring to demonstrate its success in commercial vehicles also for automobiles, the Ford Fiesta management wanted to start by, at first, renewing the existing models and then repositioning in the market. As locomotive models, Fiesta and Focus brands were chosen.

As well as designing the renewed Ford Fiesta so as to look younger and more dynamic, supporting messages were given by promotions in various media.

During repositioning, the fundamental message given was for the people to choose automobiles suitable for their lifestyles. Because of the majority of the young population in Turkey, they focused on Fiesta, which was the most favored player in the segment that such population preferred financially. In order for it to become the preference of individuals adopting a dynamical lifestyle, the message given was "If you have a dynamic lifestyle, then use Fiesta".

While Fiesta settled its repositioning on lifestyles, it achieved this by addressing the people's emotions. Consumers behaving emotionally when making an automotive selection chose Fiesta. The kinetic design adopted by Ford, high technology, durability, and the importance given to robustness had also a huge impact.

With this repositioning, Ford Fiesta closed the year with a market share 3-4 points higher than its competitors although it had a price 3-4% higher than its competitors in the market.

This route was followed not only for Fiesta, but for Focus as well. The new Focus to "Welcome" the consumers with its new design in 2011 followed the same path with Fiesta. However, the most important difference in Focus than Fiesta is that it addresses logic rather than emotions. People who saw the difference in design and driving comfort and the consumers who consider the wide service network throughout Turkey and accordingly calculate the optimum cost preferred Focus. It was attempted to make Focus, which was in the middle section of its segment with regards to price, a first choice for people making rational decisions.

Ford aimed to announce all these repositioning activities to consumers effectively. 360-degree communication was preferred as the marketing communication management. Television, radio, newspapers, magazines, billboards, and all the other media was used aggressively. There was more coverage on the media and the advertisement budget was increased. Promotions were made everywhere they could reach. But the most important thing was that the product supported all these marketing communication activities.

Differing from marketing communication methods, renewal was made in sales activities in parallel with the product so as to pick up the fruit of product repositioning. Dealerships also adopted and concentrated on the automobile idea and Ford became the market leader also in automobiles.

When considered from the point of repositioning strategies, Ford ensured that their automobiles became consistent with today's design and technologies, raised the bar, made many physical changes in the product, and faced the consumers with a car under the same name, but brand new. Thus, they implemented exactly the "Actual Repositioning" strategy. in commercial vehicle segment, but also as an automobile.

When making a positioning related to lifestyle, the strategy of "Repositioning by Elevating Values" was also implemented and the perception was placed in the consumers' minds that their lifestyles, their life choices, and their emotional orientation was more important than anything else and consumers were directed to make their choices accordingly.

CONCLUSION

As discussed in the study, brands are the face of enterprises that are seen by consumers. That is, enterprises are represented by their brands in the market. These brands have to be positioned correctly in the market. Every brand may have to reposition themselves against today's

However, Ford struggled a lot to change the commercial vehicle perception in the minds of the consumers and revealed, through "Psychological Repositioning", Fiesta that can match people's lifestyles. Thus the consumers' perception of Ford expanded and it was ensured that it is seen not only developing conditions and changing market dynamics. In this context, one has to turn to correct strategies, determine the target group, and work accordingly. Using all the things discussed above, Ford Fiesta achieved the market leadership and broke down the commercial vehicle perception in the consumers' minds through correct repositioning in automobiles at a time when their market share was way behind the market leader. However, while repositioning forms some new perceptions in minds, it does not mean that old perceptions shall be entirely eliminated. Acting with this rationale, Ford Fiesta revealed its presence in automobile without destroying the perception in commercial vehicles and succeeded in taking the market leadership from their competitors in the both categories.

Being customer-oriented, frequently asking questions and establishing models based on the received answers, constantly monitoring the customer, and keeping in pace with all the changes are the keys to success at this point. Products or brands, which constantly track the customer and keep in pace, but also preserve the essentials that make the brand, achieve success in the market.

As Ford continues rapidly their works within the context of these repositioning strategies, it is not wrong to see Ford Fiesta as one of the most concrete examples, in which the success brought by repositioning and monitoring the market can be observed.

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