

## Chapter 14

# Brand Positioning Practices in Services Sector: A Study of Banking Brands

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### ABSTRACT

*During 1980s the strategic relevance of brand positioning was recognized and service organisations are now identifying their key market segments and determining how they wish consumers to perceive their company and its products/services. Positioning is of particular significance for services as it places an intangible service within a more tangible frame of reference. This chapter examines and compares the brand positioning practices in services sector with reference to banks. It proposes a model for positioning of brands in services sector. The findings are based on an exploratory study; empirical data is collected from customer respondents (1800) and marketing executives of the banks. Six banks are studied, two each from public, private sectors and foreign banks. The study would help banks to acquire, retain and satisfy their customers by positioning their brand as it suggests a model that concentrates on internal and external facilitators, sources of growth, designing the service offer and differentiating it from competitors and delivering the service successfully.*

### INTRODUCTION

During the 1980s the strategic relevance of positioning started to become recognized amongst leading service organisations. Service companies are now identifying their key market segments and then they determine how they wish consumers to perceive both their company and its products and services. Positioning is of particular significance in the services sector as it places an intangible service within a more tangible frame of reference. Thus the concept of positioning stems from a consideration of how a company wishes its target customer to view its products and services in relationship to those of its competitors and their actual or perceived, needs. The objectives of this chapter are to study and compare the brand positioning practices of banks and apply the MAAM model and propose a brand positioning model for

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services. This chapter is organised in the following way: first section deals with review of literature and research methodology, followed by hypotheses validation and application of MAAM model, and last section proposes a model for positioning of services and its validation.

## **REVIEW OF LITERATURE**

“Positioning” is the term coined and conceptualised by marketing gurus Al Ries and Jack Trout in 1970s. Their landmark thinking gave marketers a new handle on creating an association in the buyer’s mind, tying a company’s products and services with reasons why the buyer should consider doing business with that enterprise. Aaker, David and Gary J Shansby (1982) opine that the positioning decision is often the crucial strategic decision for a company or brand because the position is central to the customer’s perception and choice. Ennis, Beaven F. (1986) explain that the fundamental responsibility of the marketing manager is to ‘select a positioning concept that drives the consumer’s perception of a brand as far up the spectrum of differentiation as is legally and ethically possible. Joe Marconi (2003) has observed that when marketers speak of positioning a product, they mean an attempt to conjure an image or an association in a mental frame of reference, to physically place it in a particular section of the mind, to make it available through related service where are many expect to find it.

- Al Ries and Jack Trout (2003) have been the pioneers to develop the concept of Positioning and they considered that Positioning starts with a product, a piece of merchandise, a service, a company, an institution, or even a person. But positioning is not what one does to a product. Positioning is what a company does to the mind of the prospect. That is, the company positions the product in the mind of the prospect. So it is incorrect to call the concept “product positioning” as if one were doing something to the product itself. They concluded that Positioning is also the first body of thought that comes to grips with the problems of getting heard in an over communicated society.
- Crawford, Merle C (2008) proposed only two alternative bases for positioning which are defined as: Positioning to an attribute (feature, function or benefit) and Positioning to a surrogate that implies features, functions or benefits. The author has contributed a novel approach to positioning by suggesting that when differentiation by physical attributes is not feasible companies should create brand differentiation by positioning to a surrogate.
- George E. Belch & Michael A. Belch (2002) observed that positioning strategies generally focus on either the consumer or the competition. While both approaches involve the association of product benefits with consumer needs, the former does so by linking the product with the benefits the consumer will derive or create a favorable brand image. The latter approach positions the product by comparing it and the benefit it offers different from its competition.
- John. H. Roberts (2005) observed that defensive marketing begin with an assessment of the weapons a company has to protect its market position. These include brand identity, or how customers perceive the brand; the mix of products and services supporting their identity, including their pricing; and the means of communicating brand identity, such as advertising.
- Richard Woods (2002) has suggested that one of the problems in brand positioning work is that the stimulus material shown to consumers is generic (statements and mood boards are not part of

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