Repositioning Via Abstraction

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Repositioning is the strategic process that is motivated by a perceived discrepancy between a brand’s current and intended position. We propose an abstraction framework for repositioning based on construal level theory, arguing that abstraction can offer more effective strategic options compared to an attribute-based positioning.

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INTRODUCTION
A brand’s position, represents the key attribute, benefit, or “image” that it stands for in the minds of consumers, relative to competitors (Shimp 2010). Many advertising practitioners regard positioning as the most important factor in establishing a brand in the marketplace (Belch and Belch 2015). When a brand’s current position is weak or not deemed ideal relative to competitors, it requires repositioning and we refer to it as the strategic process that is motivated by a perceived discrepancy between a brand’s current and intended position. While the cumulative knowledge in positioning strategy and perceptual mapping is rich, theory-based repositioning principles received little attention. We extend Pham and Muthukrishnan (2002) and present an abstraction-based repositioning framework that addresses these deficiencies. This study, we (1) present a framework of abstraction-based repositioning strategy grounded in construal theory, (2) adopt a simultaneous two-way clustering method based on multiple correspondence analysis that enables managers to account for the heterogeneity in consumer perceptions, and (3) illustrate our approach using online automobile consumer panel data.

CONCEPTUAL FRAMEWORK

Construal Levels and their Influence on Consumers’ Judgment
Academics and practitioners recognize a number of positioning/positioning strategies and tactics that are grounded in attitude theory/models and their associated attitude change approaches. These traditional approaches to the repositioning problem tend to focus on brand attributes/features (e.g., warranty, price). Applying a multi-attribute model perspective, there are three general ways to change consumer attitudes: change beliefs (attributes), change attribute importance, or change ideal points (Blackwell, Miniard, and Engel 2001; Lutz 1975). This strategy is most effective when there is no other clear identity or image for the brand in consumers’ minds, assuming that the strong attribute matters to consumers. When, however, the attribute-based approach fails, we may consider repositioning based on the higher levels of abstraction at which consumers perceive the offering differently. Considerable research has established that consumers construe objects and events at different levels of abstraction. These differential levels of abstraction in construal has significant influence on how consumers evaluate objects, and consequently, on consumers’ behavior (Trope and Liberman 2003).

Research on construal level theory (CLT) demonstrates that people’s mental representations of psychologically distant objects and events are more high-level, simple and abstract, while mental representations of the same objects and events when they are psychologically closer are more low-level, detailed and concrete (e.g. Trope and Liberman 2003; Trope, Liberman and Waks1ak 2007; Forster, Friedman and Liberman 2004; Forster 2009). For example, “grocery shopping” will be represented as “walking to the local grocery store to buy milk” when it is construed on a low-level. High-level constraints are schematic, decontextualized, abstract representations that include superordinate, central, desirability features, or the reason for which events happen. For example, “taking a class” is represented as “gaining knowledge” on a high level of construal. On the other hand, low-level construals are more concrete, unstructured, contextualized representations that include subordinate, peripheral, feasibility features, or the means by which events occur (Liberman and Trope 1998). In our context, repositioning based on abstraction means that a brand’s position in consumers’ minds varies on the abstraction spectrum, from the high abstraction position that communicates the values/goals that consumers deem important by buying a brand’s offering, to the low level, concrete position that communicates the physical features or attributes that consumers get from an offering.

METHOD

Model Estimation by Simultaneous Two-way Clustering of MCA
The main objective of our empirical model is to obtain a positioning map that also accounts for the heterogeneity in consumer perceptions by identifying joint clusters, each consisting of a distinct subset of consumers and variable categories. A comprehensive view of repositioning through a joint mapping of consumers and attribute categories at each abstraction level adds row-dimension projections.
Thus, repositioning strategy can be evaluated based on consumer demographic/psychographic characteristics in addition to attribute-level changes. This can be achieved via a simultaneous two-way clustering of MCA (multiple correspondence analysis) that combines MCA and k-means into a single framework (DeSarbo, Grewal and Scott 2008; Hwang and Dillon 2010). In the next section, we present the estimation results based on the methods in Hwang and Dillon (2010).

Once we obtain a heterogeneous positioning of brands at different levels of abstraction for a distinct subset of consumers and attribute categories, a summary statistic that measures the strength of association between brands and attributes in a d-dimensional map, defined here as Association Index (AI), is calculated based on the Euclidian distance:

\[
AI(i,j) = 1 - \frac{D(i,j)}{\sum_{j=1}^{d} D(i,j)}
\]

where \(D(i,j) = \sqrt{\sum_{k=1}^{d} (f_k(u') - f_k(u))^2}
\)

where \(f_k(u')\) denotes the d-dimensional coordinates of \(i\) in cluster \(k\). As shown in Table 1, for any brand \(i\), the row indices across attributes sum to 1. To facilitate the comparison among brands, we standardize the AIs across all brands in cluster \(k\) by subtracting the average column index and dividing by the standard deviation. This standardized measure is hereafter referred to as the Relative Association Index (RAI). The RAI computed at each level of abstraction not only provide a measure of brand-attribute association strength, but they also help determine the ideal level of abstraction.

### Empirical Illustration

We illustrate the proposed repositioning approach by abstraction using family sedan automobile online panel data. A national sample (\(n=732\)) from an online consumer panel completed the survey dealing with preferences and attitudes towards mid-sized sedans. The proposed model is estimated using pick \(j/N\) choice data, where \(N\) is the number of alternatives considering that rank order and ratings data in the present setting may have some limitations. Most notable to our context, positivity bias is common when all items in a single instrument are perceived to be desirable and important (Beatty et al. 1985). The survey asked participants to select the three \((j=3)\) sedan models that they most prefer, the three product features that they consider most important in their purchase decision for a new sedan, and the three most important personal values. The 13 brands are chosen to reflect the middle of the sedan market, which exclude luxury and small economy models. The 12 product features are chosen to be consistent with reports published by Consumer Reports and J.D. Power and Associates and the 10 values items are adapted from The List of Values (Kahle 1983) and other established measures (Mitchell 1983; Rokeach 1973). As previously defined, the Relative Association Indices (RAI) can be evaluated by column (i.e., how strongly consumers perceive that each model reflects a particular feature/value relative to other models – a relative comparison across brands) or by row (how strongly consumers perceive that each feature/benefit/value fits a particular model – a relative comparison of features/values for one specific model). Once the current positioning

<table>
<thead>
<tr>
<th>Segment 1 (42.49%)</th>
<th>Safety Features</th>
<th>Fuel Efficiency</th>
<th>Reliability</th>
<th>Social Recognition</th>
<th>Sense of Accomplishment</th>
<th>Healthy Lifestyle</th>
<th>Self-Fulfillment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subaru Legacy</td>
<td>1.743</td>
<td>-1.495</td>
<td>-1.680</td>
<td>-1.648</td>
<td>-1.043</td>
<td>1.154</td>
<td>1.754</td>
</tr>
<tr>
<td>Toyota Camry</td>
<td>-0.566</td>
<td>.440</td>
<td>.636</td>
<td>.543</td>
<td>1.365</td>
<td>-1.207</td>
<td>-0.490</td>
</tr>
<tr>
<td>Nissan Altima</td>
<td>-0.094</td>
<td>-0.319</td>
<td>.636</td>
<td>.451</td>
<td>-0.920</td>
<td>.415</td>
<td>-0.426</td>
</tr>
<tr>
<td>Volkswagen Passat</td>
<td>-0.392</td>
<td>.175</td>
<td>.582</td>
<td>.862</td>
<td>.408</td>
<td>-0.879</td>
<td>-0.693</td>
</tr>
<tr>
<td>Honda Accord</td>
<td>-0.690</td>
<td>1.199</td>
<td>-1.72</td>
<td>-2.08</td>
<td>.191</td>
<td>.517</td>
<td>-1.145</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>.040</td>
<td>.026</td>
<td>.019</td>
<td>.097</td>
<td>.032</td>
<td>.049</td>
<td>.078</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment 2 (23.36%)</th>
<th>GPS</th>
<th>Interior Design</th>
<th>Luxury Features</th>
<th>Exterior Design</th>
<th>Sound System</th>
<th>Warranty</th>
<th>Fun &amp; Excitement</th>
<th>Good Relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsubishi Galant</td>
<td>-1.045</td>
<td>1.135</td>
<td>1.098</td>
<td>.362</td>
<td>-0.026</td>
<td>-1.056</td>
<td>-.328</td>
<td>.328</td>
</tr>
<tr>
<td>Hyundai Sonata</td>
<td>.948</td>
<td>-.381</td>
<td>-.239</td>
<td>-1.131</td>
<td>-.987</td>
<td>.933</td>
<td>-.795</td>
<td>.795</td>
</tr>
<tr>
<td>Mazda 6</td>
<td>.097</td>
<td>-.753</td>
<td>-.859</td>
<td>.769</td>
<td>1.013</td>
<td>.123</td>
<td>1.123</td>
<td>-1.123</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>.045</td>
<td>.035</td>
<td>.031</td>
<td>.007</td>
<td>.039</td>
<td>.027</td>
<td>.019</td>
<td>.019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment 3 (34.15%)</th>
<th>Performance</th>
<th>Price</th>
<th>Roominess</th>
<th>Security</th>
<th>Self-Respect</th>
<th>Comfortable Life</th>
<th>Sense of Belonging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buick LaCross</td>
<td>.174</td>
<td>-.215</td>
<td>.323</td>
<td>1.376</td>
<td>-1.061</td>
<td>1.062</td>
<td>-.794</td>
</tr>
<tr>
<td>Chevrolet Malibu</td>
<td>-.738</td>
<td>.738</td>
<td>-.702</td>
<td>-1.234</td>
<td>-.304</td>
<td>-1.187</td>
<td>1.246</td>
</tr>
<tr>
<td>Chrysler Sebring</td>
<td>-.072</td>
<td>.212</td>
<td>-.588</td>
<td>.238</td>
<td>-.517</td>
<td>.196</td>
<td>-.039</td>
</tr>
<tr>
<td>Mercury Grand Marquis</td>
<td>-.369</td>
<td>.449</td>
<td>-.645</td>
<td>-.278</td>
<td>-.537</td>
<td>-.321</td>
<td>.466</td>
</tr>
<tr>
<td>Ford Taurus</td>
<td>-.872</td>
<td>.723</td>
<td>-.275</td>
<td>-.900</td>
<td>.821</td>
<td>-.946</td>
<td>.613</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>.098</td>
<td>.131</td>
<td>.035</td>
<td>.066</td>
<td>.052</td>
<td>.083</td>
<td>.156</td>
</tr>
</tbody>
</table>
map and RAIs are diagnosed, managers can determine the most appropriate repositioning level.

Low vs. High Abstraction Positioning

Figure 1 shows the association of key product attributes and preferred models (e.g., warranty with the Hyundai Sonata) and the competitive relationship between brands (e.g., Chevrolet Malibu and Ford Taurus). Based on the estimation of a simultaneous two-way clustering of MCA model, we obtain three segments with the centroids denoted as S1-S3. The individual object scores are plotted in small dots to show the final classification outcome. For S1, it is no surprise that the Honda Accord, Nissan Altima, and Toyota Camry are rated comparable in terms of specific features, most notably reliability. The association with safety and fuel efficiency support manufacturers’ long-standing product claims and promotional campaigns. We find a bit fuzzy classification of Subaru Legacy but with strong association to performance and Volkswagen Passat also joins this group of vehicles, possibly suggesting that Volkswagen’s recent efforts to associate their Passat with these market leaders may be working. Recent reviews of the Passat by Edmunds.com report significant improvement and movement towards the Japanese brands.

A few model-specific findings in Table 1 include that (i) safety is the strong feature associated with the Subaru Legacy compared to other models (RAI=1.743), (ii) three models (Camry, Altima, Passat) are comparable in terms of reliability, and (iii) the Honda Accord is the most fuel efficient model in Segment 1 (RAI=1.199). The latter finding is consistent with Honda’s environmental efforts (use of recycled materials in car production, popular hybrid models) and recent TV commercials (“Honda has been a fuel economy leader for the past 30 years”). These brands are highly competitive and comparable that it will be a challenge for any one brand to rise above the others in the pack.

Value positions are layered over the low-abstraction positioning map in Figure 1. It is clear that most of the models in Segment 1 have stronger association with high abstraction values such as social recognition, a sense of accomplishment, healthy lifestyle, and self-fulfillment. It is easy to see how self-fulfillment and a sense of accomplishment which reflect high life satisfaction and self-esteem, a success-directed orientation, and psychological well-being (Gurel-Atay et al. 2010; Kahle 1983) are associated with these reliable and high image brands. Specific distinctions include: (i) driving a Camry affords a sense of accomplishment (RAI =1.365); and (ii) the Altima and Passat are strongly associated with social recognition. It suggests that those models are better off by implementing an alternative positioning strategy based on values instead of product features.

Segment 2 is the smallest segment with only three models: Hyundai Sonata, Mazda 6, and Mitsubishi Galant. Interestingly, this segment is linked with 6 brand features. It was not expected to find the associations in terms of luxury and design, however, it...
suggests that recent “luxury and design at a value price” campaigns are effective. In recent years, Hyundai is perhaps most known for its extended warranties. In addition, J.D. Power’s rankings now put Hyundai above Nissan, and consumers’ quality perceptions are starting to catch up with reality (Hirsch 2010). Examination of the RAIs indicates: (i) the Galant is most linked with luxury (RAI=1.098) and interior design (RAI=1.135), (ii) the Sonata is most closely attached to warranty and GPS, and (iii) the Mazda 6’s strongest traits are exterior design and sound system (RAI=.735).

Not all models are suited for high abstraction-positioning. We can clearly see that the Sonata and Galant are uniquely positioned with a number of specific product features. In fact, the results emphasize the need for recognizing the optimal level of abstraction in positioning. The Mazda 6, however, is well positioned very close to “fun and excitement” (RAI=1.123), which they pursued consistently with “Zoom, Zoom” and other fun-related themes.

In Segment 3, the major U.S. models (Buick LaCross, Chevrolet Malibu, Chrysler Sebring, and Ford Taurus) are weakly associated with performance, roominess, and price. American car brands are traditionally known for their interior roominess, and their positions also confirm that these manufacturers provide large/powerful engines, typically at a lower price than foreign imports. Note that results for price may in part reflect our decision to sample only models within a limited price range, and the aggressive price incentives offered by the American brands to lure drivers into their showrooms.

As was the case in Segment 1, the American brands of Segment 3 show the stronger connection to high abstraction values. This may explain the moderate level of success from many of their campaigns and promotional efforts, which are feature-driven (e.g., Chrysler/Dodge’s long-running Hemi engine campaign) with little attempt to connect vehicles to higher order benefits or values. These American models have relatively high average RAIs for self-respect, a comfortable life, and a sense of belonging. When brands are examined separately (by row), the Buick LaCross (RAI=1.062) is strongly attached to “security” and “a comfortable life”. Three brands lean towards “a sense of belonging”, reflective of a strong family-orientation with more dependency tendencies. The Taurus reflects self-respect (RAI=.821) more than the other models, which is encouraging since self-respect is the most “popular” value in America, and those who rate it as most important are diverse, sharing few distinguishable characteristics (Gurel-Atay et al. 2010; Kahle 1983).

DISCUSSION

We present and illustrate an abstraction-based positioning framework that allows managers to treat repositioning strategy not only at the product attribute level, but also at higher abstraction levels. We explain that, consistent with the findings from construal level theory, brand’s positions at differential levels of abstraction will affect consumers’ evaluation and choice of the brand’s offering. While the concept of abstract positioning may not be new, we try to incorporate abstraction in a comprehensive conceptual and empirical framework that managers can use to diagnose and develop a brand’s repositioning strategy. Marketers need to be aware that just as desired features may change over time, so do benefits and values. The proposed approach offers a simple but flexible guide for managers to achieve the most ideal position by prioritizing features and/or values to properly appeal to target market consumers.

REFERENCES


