

## **Re-Positioning Effects on Centuries-Old Brands: Piyale Case**

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**Abstract:** *Businesses engage in positioning activities by aiming the advantages and disadvantages of the products which have put on the market to find a place in customer minds. Positioning is a bridge between business and customers is a products' defining activity on customer minds. Businesses proceed the positioning activities with product discrimination on concentrated competition environment for perceiving the differences by the customer. Actually in product positioning, a differentiation strategy, businesses differ from their competitors by price, product feature, product name, first-come, last model or newest, the widest after-sales service, or long-term. The purpose in product positioning is not only to create a concept in the consumer's mind but also to preserve the place and to renew it when necessary. Re-positioning means replacing the current location of the product, is a risky and costly activity. Repositioning can be implemented through changes in the product, physical changes, changes in product use, and image changes. In the study the repositioning activities of the products Piyale approximatey has near a century-history brand will be examined also brand awareness, which of the existing product categories increased succession with repositioning will be examined before and after repositioning the new position against the competitors.*

**Key Words:** *centuries-old brand, consumers' mind, marketing, positioning, repositioning*

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### **I. INTRODUCTION**

Positioning means occupying an appropriate position in the mind of a consumer group or in a market segment. Positioning tries to obtain new positions in the minds of consumers and to move the products into new positions (Karadeniz, 2009). The most effective strategy that a company wishing to continue its operation in today's intensely competitive environment has is to differentiate from their competitors and to penetrate consumer's mind with its brands and services. The practice of positioning is a new discipline in marketing and is accordingly subject to radical changes (Grimm & Malschinger, 2010). Companies need product differentiation due to several reasons such as changes in demand, competition, means of production and marketing and financial tools. The main goal of positioning is not to create something new and different but restructure something which already exists in the mind of the consumer. Brand-positioning models deal with consumer preferences (Ansari, Economides & Ghosh, 1994). Positioning is the first group of thoughts addressing communication problems in a society in excessive communication (Ries & Trout, 2015). Positioning is a perception in the mind of a potential consumer starting with a product, service, organization or person. Affecting the product, product price, product's point of sale and product promotion, positioning supports and contributes to the consistency of the elements of the marketing mix (Jobber, 1995). Companies should be very careful before taking any decision on positioning because once positioning is determined and communicated to consumers, creating another positioning would be considerably risky and costly. Target market should be identified carefully when deciding about positioning (Belch & Belch, 2004).

The main goal of marketing is to meet the demands and needs of the target market. Before starting any marketing activities, companies should segment the market, and develop a marketing mix appropriate for the market segment selected considering the structure of the target market segment and the competition in this market segment (Pelsmaker, Geuens & Bergh, 2001). Segmentation and production and marketing of products or services, which would meet the needs of one or several of these segments more closely, is called "targeted marketing". Targeted marketing is the prevailing strategy in today's markets. Companies saving time and cost with targeted marketing are able to focus on one specific area and create an opportunity to differentiate from competitors. The first stage in targeted marketing is segmentation. The second stage is to choose a target market where the optimum productive relationship between the company and consumer can be achieved. The final stage is the positioning stage which includes the activities of the company towards becoming the choice of the target market. Positioning is to define where and how a company will be present in the market. Using positioning, the company creates the most expressive marketing mix. A company aiming to reach the high income consumer group will use high-end pricing and shape its marketing strategies accordingly (Bahar, 2006). The company should produce high quality products, introduce its products to the target market using premium distribution channels and positioning should be in line with the above. When doing market segmentation and selecting target markets, a company should ensure that the segments are measurable and identifiable, that the

segments are accessible, and extensive and profitable enough to implement a separate marketing effort. There are three main strategies for companies to select their target markets. These are the undifferentiated marketing strategy that attempts to target the entire market with a single marketing mix; differentiated marketing strategy that targets two or more segments and where a separate marketing mix is offered for each segment, and concentrated marketing strategy whereby the company focuses on a specific segment and improves its expertise and knowledge about this segment (Bulut, 2005).

## **II. POSITIONING**

Being the first and occupying the space in the best way in the consumer's mind is important to achieve success in positioning. Companies leverage product superiority, product differentiation and product similarities to achieve this success. While all products produced were introduced to the market and each product was accepted as a novelty in the period called "product era" in 1950s, the image concept which had a key role for the success of new products became effective in the period called "image era" in 1960s. With the "positioning era" in 1970s, companies attempted to create a perception with a different position in the consumer's mind (Bas, 2004). The key in positioning is how the consumer perceives the product. If a high quality product is described by the consumer as low quality, being a high quality product would mean nothing. Therefore companies should link the elements of their marketing mix to product positioning and focus on positioning activities to create a good image in the consumer's mind.

Using positioning, which has three main approaches, namely being the first, being unique and appealing to emotions, a company should fill a position first and maintain the position consistently (Ozbey, 2012). The other approaches include being unique, whereby consumers identify a product with its unique characteristics and emotional positioning, which means that a product is positioned to appeal to the emotions of consumers.

### **2.1. Essential Elements for Successful Positioning**

Before deciding on positioning, companies should identify product and service presentation, their pricing and promotion strategies and determine how they organize distribution. A successful positioning requires clarity, consistency, reliability and competitiveness (Denecli, 2015). Clarity means the idea behind positioning is clearly understood by the consumers; consistency means the company gives consistent messages to the consumers making the perception of the positioning easier; reliability refers to the trust and belief of consumers for the company and competitiveness means that the product has a competitive edge.

One of the main rules of product positioning is to understand the environment. Products with similar price and appearance can be perceived differently by consumers. The second rule is to focus on pseudo-physical characteristics. Positioning a product based on pseudo-physical characteristics leads to a more successful result than positioning by price and technology. The fourth rule which is finding the right target is based on how the product targets. A strong positioning is possible by selecting a target market. The fourth rule, which is gaining experience and change, refers to the process where companies gain experience and improve themselves.

### **2.2. Positioning Types**

Companies can carry out their positioning activities in many different ways. These include positioning by price that refers to positioning strategies with low prices and high prices are used; positioning by quality with which a quality image is achieved in the consumer's mind; positioning based on innovations that are implemented in line with the changes in the technology; positioning by use in which strategies to meet the needs of the consumers in a fast and suitable manner are implemented; positioning by benefits which emphasizes the benefits of a products according to the purchases of consumers; positioning by user presentation that focuses on understanding the user; positioning by product attributes whereby specific attributes of the product are emphasized; positioning by usage occasion that is focused on the areas of use of the product; positioning by user category whereby a certain consumer class is targeted; positioning by product class whereby the product is classified and positioning by competition whereby the product is positioned against potential competitors. In addition to the above other positioning types include positioning by image which emphasizes the importance of creating one special and unique image; positioning by distribution achieved using a correct distribution strategy and positioning by cultural symbols that address cultural ties (Denecli, 2015). Factors affecting a positioning strategy include target market, product life-cycle, priorities of the company and resource competition.

Product positioning process starts with learning about relevant products. After how the competition is perceived and positioned in the market, the target market segment should be identified and analyzed. After alternative positioning strategies are identified, a positioning strategy should be selected, implemented and monitored for its effectiveness.

Companies change their products to appeal to the target products. Focusing on the production to improve the quality of a product is another method for product differentiation. Another product differentiation method is to change the appearance of a product without changing the core structure but by making alterations in the shape and technology.

### **2.3. Repositioning**

Changes in consumer demands and unsatisfactory sales results can necessitate repositioning of a product or service. A strong competition, a positioning mistake and addressing a new market necessitate repositioning. Repositioning is defined as changing either the target market or competitive edges or both (Jobber, 1998). One of the important factors in product positioning is cost. Whether positioning or repositioning it is essential to have a good understanding of those targeted (Dibb & Simkin, 1991). The further the new position selected for the product is from the old position, the higher the investment to achieve this position will be. Another factor is the revenue to be gained from the new position. Potential revenues and costs associated with the repositioning should be carefully reviewed and companies should find the most suitable strategy in this respect. Repositioning process consists of four stages. In the first stage where the current position is identified a company should first identify its current positioning since the company needs to learn the perception of the consumers for the company/product before making any changes in this perception. The second stage refers to the process where the targeted position is identified. At this stage the market should be analyzed and it should be determined whether the target positioning is perceived by consumers. The third stage involves starting a promotion program that will help to achieve the position. The last stage is to determine whether the old positioning in the consumer's mind has been changed. At this stage the company should determine whether the old position has been changed.

Repositioning involves changing the market's perceptions of a product or brand so that the product or brand can compete more effectively in its present market or in other market segments (Burnett, 2012). Repositioning strategies to be used at this stage are classified in four categories.

Image repositioning strategy; whereby the product and target market are maintained but the product image is changed (Elden, 1996). Product repositioning strategy aims for higher demand for the product in the target market by making changes in the current product. Abstract repositioning strategy aims for a new market. When addressing new consumers, existing customers should not be forgotten. Tangible repositioning strategy refers to the repositioning strategy used when both the product and the market are changed.

## **III. SURVEY**

In this study the brand Piyale with almost a hundred years of history will be examined. The new position of the brand, Piyale in the market achieved through repositioning activities will be evaluated by comparing it with its previous position using secondary data.

### **3.1. Problem of the Study**

Positioning activities of the brand Piyale in the food industry will be examined pre and post 2007 when the company's ownership was changed. After 2010 the company seems to resort to repositioning activities as a result of the sale of the company to one of the biggest food companies in Turkey. Changes made in many areas such as packaging and distribution channels provide a basis to analyze the success of the repositioning activities of the brand. Sub-problems to be examined are as following:

- determine the differences between the old position and new position of the brand
- determine whether all or some of the products of the brand are affected by the repositioning activities
- determine which positioning strategies have been used after 2010
- market share of the brand before 2007 and after 2010

### **3.2. Piyale Brand and Status in the market**

Founded by Hasan Tahsin PIYALE in 1922 in Izmir, Turkey the brand has been awarded many times with its high quality products. Starting its road with the slogan "Piyale name is a taste in your mouth" the brand adopted an intensive communication strategy later backed also by another slogan, "We're fans of Piyale, you're fans of Piyale" (Bahar, 2006). The brand started its life with pasta production and then included flour and dry soup mixes in its product range. Exporting to the United Kingdom, Germany, Denmark, Sweden, Finland, France, Canada, USA and Saudi Arabia the company signed an agreement with Dr Oetker in 1987 that lasted approximately for fourteen years. The company transferred its shares to Dr.Oetker in April 2001 in accordance with the agreement and in 2002 the brand was purchased by GıdaSA, an independent food company under Sabancı Group of companies. Following this sale, new growth strategies were adopted and positioning the brand as a new, dynamic, modern and innovative brand was targeted (Bahar, 2006). The following weaknesses of the brand were identified: failure to keep up with the changes in the market, and adjust itself accordingly and not

being open to innovations. Starting with the change of the brand logo positioning activities then continued with extending of the product range to include fruit juices, biscuits and cakes.

This study investigates positioning and repositioning activities of the brand between the years of 2002-2007 when the brand was owned by GidaSA and after 2010 under ULKER group. The company's name was changed to Marsan Gida in 2007 and when GidaSa was sold to Ülker group in 2010 a new era started for many brands including PIYALE however the period between the years 2007-2010 was not included in the study (<http://www.hurriyet.com.tr/piyale-ve-saka-yi-sabanci-dan-aldi-dunuru-ulker-e-devretti-16236252>, 09/11/2016). In 2006, Piyale Makarna (Pasta) was chosen as the most recognized brand in a survey. One of its competitors, Filiz Makarna (Pasta) came second by a very small margin.

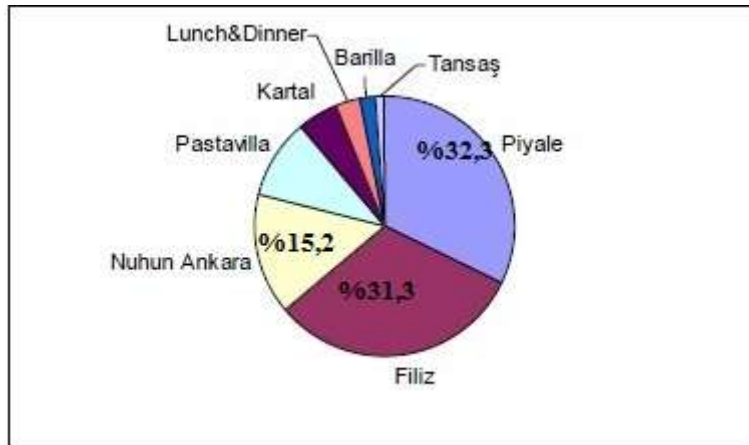


Fig 1: Brand Awareness Distribution in Pasta Category in 2006 (Cengiz Bahar, a.g.e.,p:64)

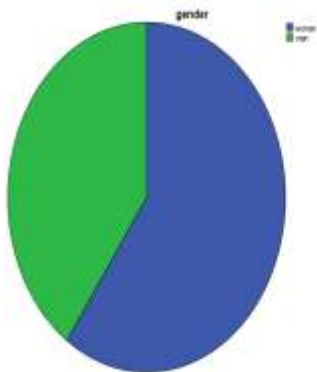


Fig 2: Gender distribution

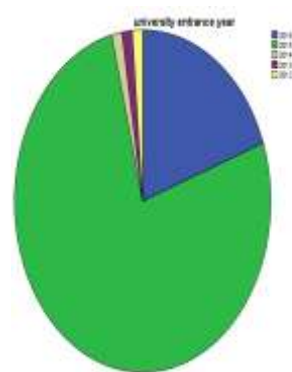


Fig 3: University Entrance Year distribution

Table 1: Gender Distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	female	46	59,7	59,7
	male	31	40,3	100,0
	Total	77	100,0	100,0

Table 2: University Entrance Year

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2016	15	19,5	19,5
	2015	59	76,6	96,1
	2014	1	1,3	97,4
	2013	1	1,3	98,7
	2012	1	1,3	100,0
	Total	77	100,0	100,0

59.7% of the participants were female and 40.3% were male. 76.6% of the respondents to the survey entered the university in 2015, 19.5% in 2016, 1.3% in 2014, 1.3% in 2013 and 1.3% in 2012.

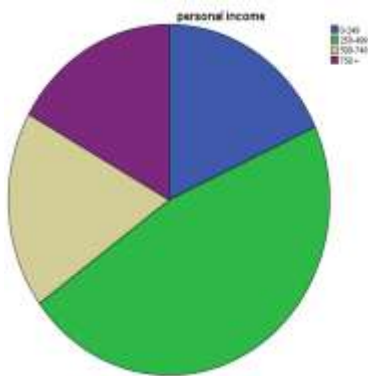


Fig 4: Personal income distribution

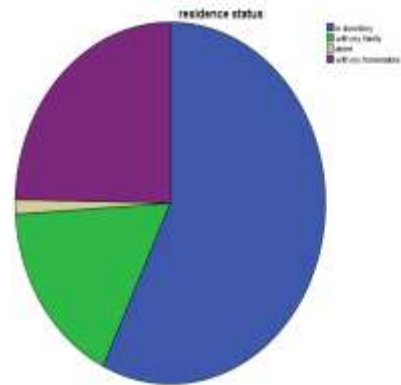


Fig 5: Distribution of residence status

**Table 3:** Personal Income

	Frequency	Percent	Valid Percent	Cumulative Percent
0-249	14	18,2	18,2	18,2
250-499	36	46,8	46,8	64,9
Valid 500-749	14	18,2	18,2	83,1
Above 750	13	16,9	16,9	100,0
Total	77	100,0	100,0	

**Table 4:** Resident Status

	Frequency	Percent	Valid Percent	Cumulative Percent
I stay in dormitory	44	57,1	57,1	57,1
I live with my family	13	16,9	16,9	74,0
Valid I live alone	1	1,3	1,3	75,3
I live with my home mates	19	24,7	24,7	100,0
Total	77	100,0	100,0	

The income level of the students are; for 46.8% of the students, between 250-499 TL, for 18.2% between 0-249 TL, for 18.2% between 500-750 TL and for 16.9% the income level is 750TL. 57.1% of the respondents are dormitory-residents, 24.7% lives together with their friends at home, 16.9% lives together with their families and 1.3% lives alone.

**Table 5:** Shopping frequency distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
daily	17	22,1	22,1	22,1
2-3 times a week	19	24,7	24,7	46,8
Valid weekly	20	26,0	26,0	72,7
Once every 2 weeks	21	27,3	27,3	100,0
Total	77	100,0	100,0	

When the frequency of shopping of the respondents is examined, 27.3% of the respondents shop once every 2 weeks, 26% weekly, 24.7% 2-3 times a week and 22.1% daily.

**Table 6:** Piyale's Brand Awareness in Pasta Category

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Preferred Piyale	35	45,5	45,5	45,5
Valid Did not prefer Piyale	42	54,5	54,5	100,0
Total	77	100,0	100,0	

Piyale was among the pasta brands that 35 of the survey participants knew. 42 people did not give the answer Piyale when they were asked which brand of pasta first came to their mind. Nuh'un Ankara and Filiz brands have been observed to be the brands preferred primarily in the pasta category.

**Table 7:** Piyale's recognition in the instant soup category

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Preferred Piyale	7	9,1	9,1	9,1
Valid Did not prefer Piyale	70	90,9	90,9	100,0
Total	77	100,0	100,0	

In the instant soup category, 9.1% preferred Piyale brand, and 90.9% did not include Piyale among the options. It has been observed that in the instant soup category, mainly Know and Halk brands have been included.

**Table 8:** Piyale's Recognition in the Pudding Category

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Preferred Piyale	20	26,0	26,0	26,0
Valid Did not prefer Piyale	57	74,0	74,0	100,0
Total	77	100,0	100,0	

Among the participants in the survey, 20 people picked Piyale pudding as the most known pudding brand and 57 people did not pick Piyale brand as the most known pudding brand. Dr Oetker, Ülker İçim and Pinar Puding were selected as the most popular pudding brands.

Cakes, crackers and biscuit group products were not examined in the research since they are not produced by the company. Perception maps were created to identify the position of Piyale in the market and its position against the competitors. Stepwise Discrimination Analysis was used for the variables that would best distinguish the differences between brands. In this analysis, non-statistical variables were removed in order and the variables that would give the lowest error remained in the model.

### 3.3. Discrimination Ratings of Variables according to Stepwise Analysis

**Table 9:** Variables in the Analysis

Step		Tolerance	Sig. of F to Remove	Wilks' Lambda
1	High quality	1,000	,000	
2	High quality	,882	,000	,897
	I can reach easily	,882	,003	,876

In Step 2 of the Stepwise Discrimination Analysis, there have been significant differences between the groups in terms of variables of high quality and being easy to reach. Fisher's Linear Discriminant function was developed to see the difference between the brands, based on the fact that these two variables give the most discrimination.

**Table 10:** Classification Function Coefficients

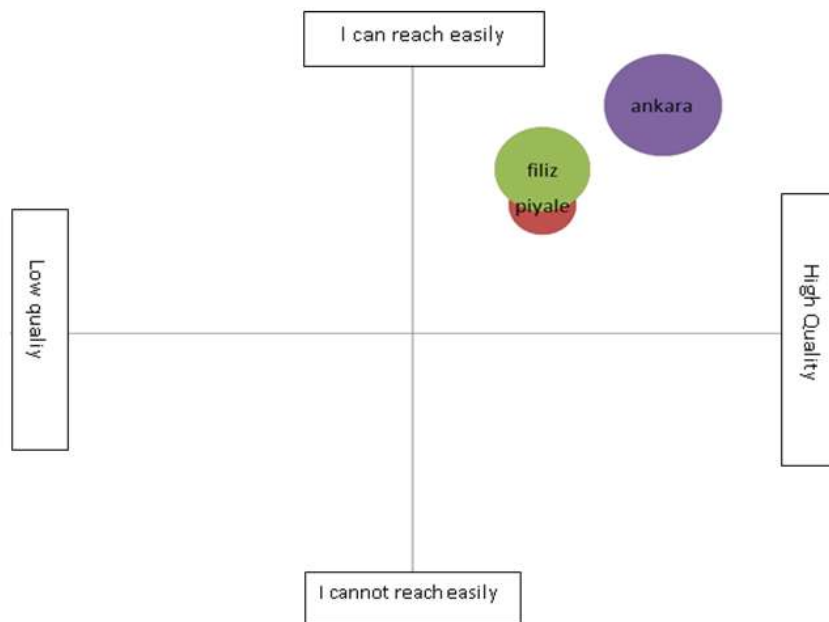
	brands		
	piyale	filiz	ankara
High quality	3,479	3,368	4,151
I can reach easily	2,691	3,063	3,306
(Constant)	-12,298	-13,358	-17,476

Fisher's linear discriminant functions

According to this;

- Piyale obtained its highest coefficient from the variable of “high-quality”. The highest coefficient for this variable belongs to Nuh'un Ankara brand. Piyale is in the second place.
- The variable “I can reach easily” has the lowest coefficient for Piyale. The brands Nuh'un Ankara and Filiz are in the second place.

**Perception Map**



The perception map in which Piyale, one of the top three brands, was involved consisted of the components which are high/low level quality and I can/ cannot reach easily. It ranked higher than the brands Nuh'un Ankara and Filiz both in the variable of high- quality and in the variable of "I can reach easily". Although Piyale brand was able to create the perceptions “I can reach easily” and "high-quality" and although Piyale and Filiz brands ranked very close to each other in the map; Piyale brand lagged in the sample data when compared to its competitors Filiz and Nuh'un Ankara. As a result, Nuh'un Ankara is in the first place, Filiz is in the second place and Piyale is in the third place in terms of the variables of high quality and being easy to reach.

**IV. CONCLUSION AND RECOMMENDATIONS**

In order for the companies to continue their activities, they need to identify the market they are in and closely monitor the changes in the market. The reason behind highly successful businesses is that following their success, they are well aware of their customers. For this reason, businesses should be able to identify the market they are in and make market segmentation correctly. The presence of distinctive features of brands against their competitors also makes the product more favorable compared with that of competitors by providing differentiation. Businesses will remain in the market as long as they are able to enter the mind of the customers.

Positioning in the sense of occupying place in the consumer’s mind is a rather laborious and costly work. Businesses should take into account all of the risks they may encounter before undertaking their positioning activities and carry out work in this direction. If positioning is not successful, resorting to re-positioning is a rather risky endeavor. The Piyale brand, which is the subject of the study, is no longer making productions in the cakes, biscuits and fruit juices categories added to the product category in 2006. It is observed that the most known product of the brand is pasta. However, even in this category, the brand is not in the first place. In instant soup and other categories, it lags behind its competitors.

It has been observed that the brand Piyale, which was handed over to a consortium belonging to ÜLKER group in 2011 and which mainly concentrated in the local market chain consisting of approximately 3700 stores, has undergone some changes in the re-positioning phase in terms of some marketing communication elements such as packaging, style, color, and advertising. However, it was also observed that re-positioning did not succeed on the basis of the obtained data. It was aimed to ensure the brand's name in the consumer's mind by following the image-identity strategy from the marketing communication strategies. However, success was not obtained in the product-oriented image strategy and consumer-oriented identity strategies during and after the re-positioning process.

The Piyale brand, which has been among the first three brands in the pasta category with positioning, has succeeded in maintaining its position with repositioning and did not succeed in becoming the first brand again. When the two variables examined based on the discriminant variables are taken as basis, although there are differences in very small values with the second-ranking competitor, Piyale ranked third in the perception map. It is observed that Piyale brand, whose positioning studies were examined in 2006, maintained its position against its competitors as a result of the re-positioning efforts initiated after 2010.

The brand is at the same quality level as its competitors and it is mostly thought by the consumers that its products are produced in healthy conditions. Product features such as product variety, abundance of used materials gave the same successful results as its competitors. When examined in terms of price, the brand which is in the same price range as the competitors did not show any difference. It is understood that it has been successful in terms of distribution because it is located in the local market chain consisting of 3700 shops belonging to ÜLKER group and other independent markets and it is placed in the variable "I can reach easily" in the perception map. It seems that during the promotion phase, the advertising, one of the elements of this phase, is inadequate and that the brand did not resort to advertising at all. The importance of advertising in the positioning is unquestionably significant, but the brand did not resort to advertising during the positioning phase or re-positioning phase. As a result, the firm did not differ from its competitors because it did not carry out extensive advertising and promotional work. The brand needs to accelerate its extensive advertising and promotional activities.

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