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## PRODUCT POSITIONING CONCEPT: CASE STUDY OF CMM MARKET IN PUNE

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### ***Abstract***

*The purpose of the paper is to study the product positioning concept and to understand its relevance in the marketing strategy of Industrial Products. To know more on the subject existing literature is reviewed. The study on the past work gives information on the various attributes and how product positioning has also been carried out to know how its relevance in the marketing of the Industrial Products. Attempt has been made to explore how product positioning can play the role in Industry For study CMM machine market has been chosen from Pune industrial region in India.*

**Keywords:** *Positioning, Industrial Product, Differentiation, Brand, Coordinate Measuring machine*

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### **Introduction**

Product positioning is defined as creation of an image of company products and services in the consumer minds in order to differentiate the product with that of competition. The Concept of Product positioning is explored to find its importance in the marketing strategy. Product Positioning was first used way back in 1969 by Trout and over the time and found it has gained importance in brand management has been recognized.

A Coordinate measuring machine (CMM) is a measuring machine used for 3D measurement of physical geometrical features of components in the field of engineering. The use of CMM has expanded from Quality control to the Process control in India to ensure product conformity at every level of production activity.

CMM market is the sub segment of Metrology market which constitute a small portion of the machine tool industry in India. The CMM market is controlled by few companies who are competing on the basis of pricing, accuracy, size, customer relationship, product differentiation and R & D efforts

The major demand is from the Automobile OEMs and their vendors, recently the entry of private sector in Aerospace segment too has resulted in the demand of the machines. Considering the complexity of the product the sales are mostly direct with little involvement of dealer network.

### **Product Positioning Concept**

The term positioning is mostly associated with behavior of customer of Consumer Goods where in the customer minds were thought to be influenced by advertisement and by delivering lot of product information. However findings show that lot of

research has been carried out on consumer products and some relevance for Industrial product.

The Positioning communicates the product attributes and benefits to the target customers based on their needs, substitutes available and available communication channels.

### **Literature Review**

Ries and Trout 1981 were the first to introduce the concept of positioning and they referred it mostly to the control of consumer mind. Etzel Walker and Stanton (1977) introduced differentiated (positioning) in the definition of marketing. According to Arnott (1992) positioning could be achieved by modifying the tangible characteristics and the intangible perception of marketable offering in relation to the competition.

Product positioning has been defined as detecting or developing product attributes which establish a competitive advantage.

According to Aakar and Shansby (1982) positioning decision is crucial strategic decision because of its importance in customer perception decision. They stated that marketing program can benefit and be aligned for consistency if there is a clear positioning strategy. They gave 6 approaches to the positioning strategy:

1. Positioning by attributes
2. Positioning by Price/Quality
3. Positioning with respect to use an application.
4. Positioning by product user:
5. Positioning with respect to product class
6. Positioning with respect to competitors

Kapferer (1992) emphasized on the brand distinctive and motivating attributes needed for competing in the market for brand building programs.

Michael Treacy and Fred Wiersema (1993) studied positioning on the basis of value disciplines like Operational excellence, Product Leadership and Customer Intimacy.

According Temporal (2002) positioning is important for brand management because it considers the basic tangible aspects of the product for building the intangibles benefits in the form of an image in people minds.

Lamb, Hair, McDaniel (2004) emphasized Positioning as development of specific marketing mix for influencing potential customers perception of brand, product line or organization in general.

Armstrong (2006) mentions positioning as arrangement for a product to occupy a clear distinctive and desirable place in the minds of the target customers.

The review of the literature shows that there are different views on the term positioning and how a positioning decision can affect the marketing strategic advantage of a product.

### **History of CMM development**

The CMM development took place in phases in the European market and the first CMM having 2 axis was developed by the Ferranti Company in Scotland in the 1950s to meet the precision measurement of their military products. The first 3-axis model was introduced in the 1960s by DEA of Italy and computer control by Sheffield of the

USA in the early 1970. Leitz Germany subsequently produced a fixed machine structure with moving table. In India CMM was introduced much later in the 1980s when Accurate Gauging took initiative to develop the first Indian CMM in 1987.

The present manufacturing demands high accuracy speed and flexibility in measurement of components and therefore CMM have become indispensable tool for measurement

### CMM Market in India

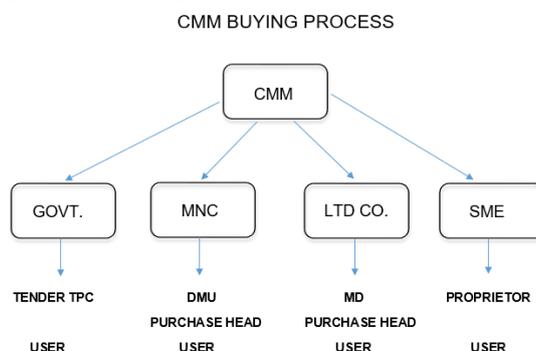
For positioning a CMM it is important to understand some of the important attributes of the market.

**Product complexity.** CMM product is complicated and requires a lot of technical knowledge to sell. Since the product is custom engineered machines the buying is influenced by many attributes.

**CMM buyers.** Unlike in Consumer marketing where purchaser can be influenced by variety of advertising techniques CMM consist of very knowledgeable buyers (and often buyer teams) who analyze products and purchases in terms of user benefits often measured in return on investment.

**Bids and quotations.** CMM is often sold by request for quotes (RFQs) that may require a quotation with elaborate technical specifications to define the product.

CMM buying process is different for customer type and decision makers differ with the buying process ( Refer Fig. 1) The product is perceived differently according to the attributes and therefore the marketing strategy has to address their requirements. The product positioning can create value for customers by focusing on the most important attribute that customers prefers over products offered by other competitors.



**Fig: 01**

**Advertising and promotion.** There is more stress on tangible aspect of the CMM attributes rather than non tangible aspect however it is very difficult to identify the buying influences produced by industrial advertising.

**Market information.** Being a technical product the CMM buyers seek lot of knowledge before making any decision. Since little database information is available on CMM product it is difficult to acquire the industrial market niches.

**Thin Line between the CMM for differentiation as all CMMs have common applications**

### Research Methodology

For the secondary data CMM import 2016-17 report of DGFT is used for the analysis and finding the key CMM players in the Indian Market.

Following methods have been used to collect the primary data

1. Observation Method
2. Quantitative method

Quantitative research is carried out to find the CMM Brand share in the market and study the features that are preferred over other brands.

Kolmogorov Smirnov One sample Test

This test is used for comparing the distribution on the ordinal scale. The test is concerned with the degree of agreement between the distribution of observed values and theoretical distribution. Also to determine whether the scores in the sample can be reasonable thought to have come from a population having the theoretical distribution.

The unit of analysis is the sample of 40 CMM users from in and around Pune city were interviewed and following results were obtained.

**One-Sample Statistics**

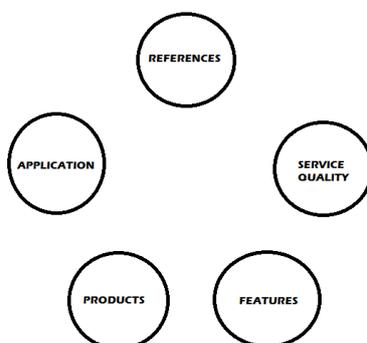
	N	Mean	Std. Deviation	Std. Error Mean
Machine Performance	40	1.6500	.94868	.15000
After Sales Service	40	2.8000	1.06699	.16871
Price of machine	40	3.9750	1.18727	.18772
Brand Name	40	4.0000	1.33973	.21183
Application Support	40	2.5750	.95776	.15144

**One-Sample Test**

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Machine Performance	11.000	39	.000	1.65000	1.3466	1.9534
After Sales Service	16.597	39	.000	2.80000	2.4588	3.1412
Price of machine	21.175	39	.000	3.97500	3.5953	4.3547
Brand Name	18.883	39	.000	4.00000	3.5715	4.4285
Application Support	17.004	39	.000	2.57500	2.2687	2.8813

**Positioning Model for CMM**

The Study is carried out to find the important attributes on the basis of which the CMM can be positioned for creating the value in the marketing. Some of the important attributes on the basis of which the CMM product can be positioned are listed in the Fig 2. The Positioning strength increases with the number of attributes on the basis of which the CMM is differentiated with the competitors. However there cannot be clear cut compartments as the attributes mentioned are related and influence each other.



**Attributes of CMM for Positioning**

**Fig. 2**

**Objective of study**

1. To find whether product positioning creates value in marketing of Coordinate measuring machine in study of the attributes that will affect product positioning for marketing strategic advantage.
2. Generate greater awareness among the Industrial product companies on the importance of having proper and practical Product positioning framework as a vehicle for product success.

**Significance of the Study**

To know more about the product positioning for marketing strategic advantage of industrial product. Among various views positioning concept is studied to find most relevant in context of industrial marketing. the significance of literature review to know the product positioning concepts from different perspectives to understand the subject better and to take the insights for the Marketing Strategy.

The importance of delivering intangible benefits is an important factor in the product positioning of the industrial products.

Some of the attributes are listed of CMM and its importance is studied to find the value creation in the market.

**Conclusion**

Due to the globalization Indian industries are facing global competition and it is imperative that they have the competitive advantage. In the Marketing management there has been lot of study on the competitive advantage and the importance of differentiation. Many statistical tools like factor analysis, perceptual maps have been also used for various models. Product positioning is gaining importance as one of the important element in the marketing strategy. The article brings the importance of this topic and encourages more study for bringing competitive advantage in Industrial marketing.

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