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Product Positioning Strategies and Customer's Choice of Cosmetic Products in Lagos State Nigeria

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BELLO, Kamal Asola (Ph.D.)**IMOUKHOME, Ebun Omoniyi (Ph.D.)*****ABDULRAHEEM Mulikat (Ph.D.)****Abstract**

Manufacturers deal with a number of uncertainties, trending technologies and tendency of peer influences among users of goods and for them to gain competitive advantages and new markets, organisations try to surpass their competitors by positioning their product in the mind of users through quality and pocket friendly product. It is based on afore-mentioned that the study examined the impact of product positioning on the choice of cosmetic products. The intention of this study focus mainly on the impact of product pricing positioning strategies and quality position strategies on the customer's choice of cosmetic products. 265 structured questionnaires were administered but only 247 were correctly filled and returned by the respondents. Multiple regression technique was used in analysing the data with confidence level at 0.05. Result showed that there is moderate positive relationship between price positioning strategies and customer choice of cosmetic product having $\beta = 0.684$ and p value = 0.000 and quality positioning strategies $\beta = 0.73$ and p-value = 0.000 which implies that 0.73 increase in quality positioning of cosmetic products will lead to 73% increase in the choice made by customers of cosmetic products in Lagos state, Nigeria. This study therefore concludes that price positioning strategies and quality positioning strategies have moderate positive impact on the customer choice of cosmetic products and the study recommended that manufacturers of cosmetic should be proactive and strategic in handling these key elements to build long lasting relationship with their customers.

Key words: Product Positioning, Price Positioning Strategies, Quality Position Strategies, Cosmetics

Introduction

No organization can win the loyalty of her customers, if the goods or services she produced resembled competitor product and offering (Kotler, 2003). As part of the strategic brand management process, each offering must reflect a compelling, distinctive big idea in the mind of the target customers. Kotler and Keller (2009) emphasized that organization discovers different needs and groups in the market place, targets those it can satisfy in a superior way, and then positions its offerings so the target market recognizes the company's distinctive offering and image. All these efforts tailored toward improving the position of good and service in the mind of her target customers. There is no product in the world that does not have a position. Positioning product is about visibility and recognition and what product represents for a buyer (Mulei, 2005). Product positioning is the skill of matching marketing message, with the desires, feelings, & beliefs of the target market that marketer can serve them better than anyone else can. Product positioning focuses on producing a unique, consistent, and recognized customer perception about a firm's offering and image. Positioning has come to mean many things and it has occasionally been used as a substitute word for branding. It is the definition of what the product does for the customers and it contains communication agenda regarding the images of the brands that company offer, which invariably influences product interpretation. In addition, positioning means the process by which marketers try to create an image or identity in the mind of customers for her products, brand or organization (Ries & Trout, 1981). It is the relative competitive comparison their products occupies in a given market as perceived by the target audience. Positioning is something that happens in the mind of the target market. It is the total opinion that market has of a particular company's goods or services in relation to their perception of the competitors in the same category. According to Panwar and Patra (2017) positioning strategy, in general, is the strategy through which the marketers position their goods or brands in the minds of the customers with the aim of gaining competitive edge over their rivals. A product can be positioned based on its benefits, attributes, use of application, features, attitude, user social class, quality level etc. It t.

targets a product for specific market segments and at specific prices. The position of a product is customer's perceptions of a products attributes relative to the attributes of competitive products (Mulei, 2005). In cosmetic markets in Nigeria, competition intensiveness is increasing and buyers have a more dynamic choice, identification and knowledge of a product's intrinsic values. According to Kotler (2006), customers make enormous number of purchase decisions every day and to shun constant re-evaluation of many products, customers tend to group, or "position" products in their minds to simplify buying decision. Rather than allowing customers to position products independently, marketers must try to influence and shape consumers' perception of different products. Many organizations are now trying to manage their positions occupied by their products and are using different positioning strategies to move to new positions in consumer's mind and so generate an advantage over their competitors so the main objective is to examine the impact of product positioning strategies on customer's choice of cosmetic products in Lagos state, Nigeria.

Literature Review

Producers can hardly satisfy everyone in the market. This is generally due to the wide-ranging consumer's taste, preferences and not every person will like the same meal or the same eatery (Kotler, 2006). Organization begins by dividing the market into segments whereby they identify and profile distinct groups of customers who might prefer or require difference goods and services mixes by examining psychographic elements, demographic variables, and behavioural differences amongst customers. The marketer then decides which markets present the greatest opportunity, and these are the target markets. For each chosen target market, the firm develops a market offering. The offering is positioned in the minds of the buyers as delivering some central benefits. If a company does an excellent job of positioning, then it can work out the rest of its marketing planning and differentiation from its positioning strategy. Positioning is the act of identifying a market niche for a brand, product or service utilizing traditional marketing placement strategies (i.e. price, promotion, distribution, packaging, and competition). According to Kotler (2003), product positioning is the way by which the

marketers create impression in the customers mind. The essence of product positioning is achievement of valued distinction/differentiation in a consumer's mind. Kapferer (2008) opined that a product positioning is the fragment of the product distinctiveness and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage over competing brands. The result of positioning is the successful Positioning strategy creation of a customer-focused value proposition, a cogent reason why the target market should buy the product.

Varieties of Product Positioning

I. Features/Attributes Positioning

Positioning product by features contains the relation of the product functional abilities to the target customer needs. After the positioning is carefully chosen, the marketer must then modify the functional features/ attributes of the product to represent the position promised (Sengupta, 1990) ii. Benefit Positioning Mulei (2005) contended that successful consumer goods promise single or more values and trademark franchise are created around those specific importance. Russell, Beach and Buskirk (1988) opined that consumers who have same lifestyle in important ways tend to group around the same benefits and as a result enable differentiation in a product market. Wind (1982) discussed positioning a product by its performance on specific product attributes is among the most common approaches to positioning. Positioning powerfully linked to product usefulness is generally more effective than positioning, which describes features without their importance to the user. iii. Positioning by Product Use Batra, Myers and Aaker (1996) noted that one very effective way of educating an image is to link the good and service with the use or the application. Positioning by use of strategy represents a second or third position for the brand and is a position that deliberately attempts to expand the market of the brand (Sengupta, 1990). Positioning by usage occasion is a strong differentiating strategy that when used well can anticipate the

desired result (Aaker, 1996). Investigating the heavy users of a product, Organisations found out that the heavy users of their products preferred a specific product with simple application on how to use them attached to it. iv. Positioning Product by Quality and Price The objectives of this study centred on these concepts. Quality and price are dimensions used by consumers in evaluating alternative goods and services. Some organisations use a high price (skimming) strategy to indicate that their product is superior in quality. Other firms use a lower price (Penetration). Each time quality is given the true price, whatever is made afterward will sell on its own (Sengupta, 1990). A buyer sees goods and services in a category at different levels of price offering, different standards of quality and decides which level is most suitable for a specific need. Customers have diverse anticipations of quality at different stages of social mobility and thus offer the opportunity for price worth positioning and satisfaction. Batra and Aaker (1996) however, caution that it is tricky to attempt to retain an image of a low price while communicating an image of quality. v. Positioning by Product Class Producer's ability to influence the customers that their products belong to a certain group, will determine acceptance or rejection of a given product positioning (Solomon, 2013). The company will require elucidating the product group for their products for the purposes of positioning. A product that closely look like other brands in its product class requires intensive promotion to set it apart. When organisations differentiate her product greatly from its competitors, different promotional elements can be used to inform the differences to the buyers (Kotler, 2006). Positioning by product class also, can be viewed as the set of goods or services which are perceived as substitutes to satisfy some special consumer need (Sengupta, 1990).

Methodology

This study examines the impact of product positioning strategies on customer's choice of cosmetic products in Lagos state, Nigeria. Research design is descriptive in nature where 265 (two hundred and sixty five) copies of structured questionnaires were administered with simple random sampling among the target population of 3, 192, 900

using the 5 Likert scale design (v) strongly agree (iv) agree (iii) undecided (ii) disagree (i) strongly disagree. Model Specification $CC = f(PPS, QPS)$ Where CC (dependent variable) = customer choice of cosmetic product PPS (independent variable) = price positioning strategies QPS (independent variable) = quality positioning strategies Therefore: $Y = B_0 + B_1PPS + B_2QPS$ (Multiple regression function) used in explaining the magnitude for the behaviours between the dependent and independent variables examined in this study.

Results and Discussion Demographic Variables Result

Gender: Male	30	12.1
Female	217	87.9
Total	247	1.01
Marital Status: Single	126	100
Married	105	42.51
Divorce	16	6.48
Total	247	100
Religion: Islam	100	40.5
Christianity	144	58.3
Others	03	1.2
Total	247	100
Age: 18-25 years	47	19.03
26-33 years	150	60.73
34 years and above	50	20.24
Total	247	100
Educational Qualifications:		
SSCE	110	44.53
OND/NCE	50	20.24
B.Sc./Others	87	35.22
Total	247	100

Source: SPSS output, 2019

From the demographic variables result table, the male respondents shows 12.1% and the female respondents 87.9 % , the implications of the higher proportion in female respondents is in accord with the general believe that female gender use more cosmetics than male. For marital status, the number of single, married and divorce respondents are 51.01%, 42.51%, and 6.48% respectively by implication of the result the single respondents used cosmetics product than others. Also, the Muslim, Christian and others respondents shows 40.5%, 58.3% and 1.2% respectively and this result implies that the Christian respondents used cosmetics product than other worshippers. Age brackets of the respondents shows 19.03% for 18-25years, 60.73% for 26-33years and 20.24% for 34 years and above, the result indicate that the young adults use more cosmetic products than other age group which explains that young adults spend more on cosmetic products since their responsibilities is lesser during this period and majorly their concern tend towards looking good for their admirer. The educational qualifications of the respondents shows 44.53% for SSCE, 20.24% for QND/NCE and 35.22% for B.Sc./Others which means the SSCE holders spend more on cosmetic products.

Test of hypotheses

H01: There is no relationship between price positioning strategies and customer's choice of cosmetic products. H02: There is no relationship between quality positioning strategies and customer's choice of cosmetic products.

Table 1 for Hypothesis 1

Table (a) Model Explanation				
Model	R		Adjusted R Square	Estimate of the Standard. Error
1 .	.684a	.467	.465	.527
a. Predictors: (Constant), price positioning strategies				

Source: SPSS Output, V26.

Table (a) presents the model summary for the test of hypothesis 1. This reveals that the correlation coefficient r is 0.684 (i.e. $r = 0.684$) which indicates a positive relationship between customer's choice (dependent variable) and price positioning strategies (which are predictors or independent variables).

It is also clear from the table (a) that the r^2 , which is the coefficient of determination, is 46.7%. This implies that 46.7% of customer's choice can be explained by the effect of price positioning strategies while the remaining 53.3% is explained by other extraneous variable that are not captured in the model.

Table (a) Model Explanation				
Model	R		Adjusted R Square	Std. Error of the Estimate
1.	.730a	.533	.531	.504
Source: SPSS Output, V26.				

Table (b) presents the model summary which reveals coefficient r is 0.730 (i.e. $r = 0.730$) which explains a moderate positive relationship exists between customer choice (dependent variable) and quality positioning strategies (Predictors i.e independent variables). It is also clear from the table (b) that the r^2 which is the coefficient of determination is 53.0%. This implies that more than average of the percentage (i.e. 53.0%) change in customer choice can be explained by the quality positioning strategies. The remaining 46.7% is explained by other factors that are not captured in the model.

Discussion of findings: From the tables (a) and (b) above there is moderate relationship between the independent variables and dependent variable. The null hypotheses stated above will be rejected while the alternative hypotheses will be accepted ie there is significant relationship between the price positioning strategies and customer patronage of cosmetic products in Lagos state for hypothesis 1 and significant relationship between quality positioning strategies and customer patronage of cosmetic products in Lagos- state, Nigeria. These findings are in accord with all the empirical studies reviewed during the course of this study.

Conclusion and Recommendations

The conclusion of this study is that product positioning practices should be adopted and effectively implemented by cosmetic firms and other organizations because it will help to positively influence the choice of customers and facilitates a long lasting profitable relationship with them that influence not only customer satisfaction but also customer loyalty. Successful implementation of product positioning strategies will also help to sustain company's competitiveness.

In the view of the aforementioned findings and conclusions, the following recommendations are essential:

- (i) Cosmetic manufacturers and other organizations should be strategic in ensuring that the positioning of their products in the mind of their customers is given utmost priority.
- (ii) Customers are not just buying but need value for every money spent, the cosmetic makers must produce in line with all compositions and ingredients that are not harmful to the skin.
- (iii) Quality should not be compromise in terms of benefit, design, shape, logo and packaging of the cosmetic products.
- (iv) Pricing is the most flexible marketing elements, therefore manufacturers of cosmetic product must be proactive in pricing their products to achieve great market share over their competitors.

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