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Comparative Analysis between the Brand Positioning Attributes of Private and PSU's Automotive Lubricant Manufacturer in India with Respect to Four Wheeler Segment Consumers

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Abstract:

This research paper focuses on the need of brand positioning for PSUs lubricant in Indian market. This study represents an approach of perceptual mapping to determine the differences between the brand positioning attributes of PSU and Private lubricants manufacturer. First of all researcher identified the different variables of brand positioning from the synthesis of literature. Further researcher has done the factor analysis to determine the important factors responsible for brand positioning of lubricant oil. After that researcher map the important lubricants brand of PSU and private lubricant manufacturer on perceptual map based on the important factors. Through the analysis of perceptual mapping researcher identified that on which factors PSU are lacking behind private players. Similarly researcher identified that on which attributes private players are lacking behind the PSU.

Key words: PSUs, Perception, Reliability, Brand Positioning

1. Introduction

The demand of lubricant in India is third largest in the world after USA and China. In the decade of 1990s the Indian lubricant market was dominated by PSUs (IOCL, BPCL and HPCL). India produce around 8 to 10 percent of the total global lubricant production. The demand of lubricant in India is around 9.6% of the total global lubricant demand. The Indian lubricant market changed after 1992 when liberalization took place. After liberalization too many private lubricant manufacturers enter into the Indian market. Later on Indian government dismantled the administered pricing mechanism and free pricing policy allowed in the Indian lubricant market. The deregulation policy of Indian government encouraged so many foreign lubricant manufacturers expand their business in India. Entry of multinational companies imposed too much competition between PSUs and Private players which benefitted the end consumers.

1.1. Types of Lubricant

Lubricants are mainly classified into two parts: Automotive lubricants and Industrial lubricants. Industrial lubricants are further classified into two parts first is Industrial specialties and second one is industrial oils. The world wide consumption of lubricants are following:

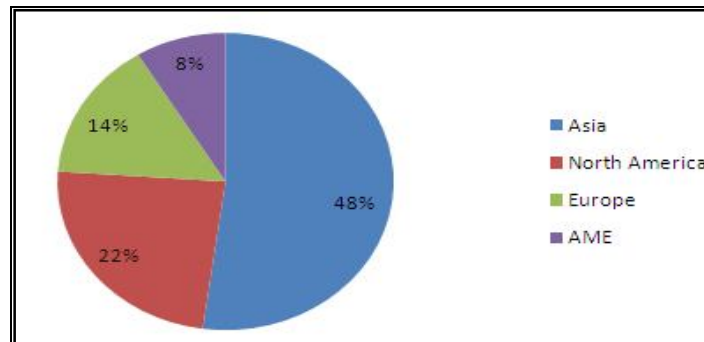


Figure 1 (Source: Lubricant and Their Market (Theo Mang))

Year	Consumption (in KB)
2004	265
2005	267
2006	272
2007	281
2008	264
2009	250
2010	270
2011	273
2015	282
2020	284

Table 1: Presented and Expected Consumption of Lubricant 2004-2020 in Kb)

Source: Kline Blog

There are total 1380 lubricant manufacturer world wide. Earlier the percentage share of lubricant was very less for oil companies. But now a day's lubricant business play a crucial role for oil companies to increase their profits. Out of 1380 around 180 oil companies are manufacturing lubricants. There are 1200 lubricant companies where core business are is only manufacturing lubricants. These independent lubricants manufacturer generally purchase the raw materials from the open market. The lubricant manufacturer spent a very small amount of money on their research and development. There are some important facts of the future of lubricants market.

2. Literature Review

Author (Year)	Contribution	Inferences
Niladri B. Syam and Benedict G.C. Dellaert	The author identify quality and price as a most important factor for brand positioning of FMCG product in India.	The study discuss the role of brand positioning in FMCG sector to influence the consumer purchasing decision.
Metal deliya (2009)	The author talks about the role of packaging in brand positioning of FMCG sector in India.	The study discuss about the important factors of brand positioning in FMCG sector.
Mohammad Ali Dud	The author identify that the consumer are very quality sensitive and their ability to evaluate quality must also be considered.	The author conclude that quality is the most important factor of brand positioning in fmcg sector.
Aarun Lekatjo mazikuko	The author identifies that the major important factors of brand positioning in fmcg sector are customer satisfaction, Perceived value & commitment.	The author discuss the importance of brand positioning to attract bulk number of consumers.
Leslie de Chermetong	The author analyzing the success and failure of brands in the financial services sectors, the paper goes on to illustrate the major challenges associated with service brand.	The paper outline the differences between product and service brand positioning
Dr. Neetu Sharma	The author identifies that effective strategy against competitor, product, price, promotion and distribution are the important attributes of brand positioning.	The author focused on a number of the primary product life cycle management techniques that can be used to optimize a products revenue in respect to its effective brand positioning in a market during the introduction stage of the product life cycle.

Elieen Knappe & Petter Rodestedit	The author findings suggest that there is a low to medium, but highly significantly, correlation between brand association transfer and perceptual fit.	The author identify that co-branding partner should be chosen based on individual assessment, and recommendations for when to position a composite brand close to or far from the constituents brands,
Zahra Ludha	Author identify that brand positioning of pharmaceuticals companies is an important way to create awareness among potential benefits of drugs and medicine.	The author discuss about specific brand positioning strategies that are effective for this industry and finally, consumer perceptions of generic versus branded drugs are examined.
Kasthuri Poovalingam & Progasen Pillay	The author findings have provided strong evidence to suggest that brand positioning for fast moving consumer goods impact positively on the sales and opportunity of product.	The author study probes the perceptions of consumer as well as store managers with regard to the brand positioning of fast moving consumer goods in South Africa.
Gupta Ranu, Roy Rishu	Author identifies that quality is the most important factor for brand positioning of FMCG sector in India. He also find out that consumers quality sensitivity and their ability to evaluate quality must also be considered by the companies.	The author discuss the importance of brand positioning which generate additional value for the consumers.
P Guru Raghvan, G. Devakumar, Santosh Upadhyay	The author identifies that in FMCG sector major consumer expectations are quality, benefits offering, and packaging	The author discuss the major factors of brand positioning in fmcg sector.
Dr. Gurvinder S. Shergill	The author discuss the impact of brand positioning on market share of banking sectors.	The author discuss the impact of brand positioning on market share in banking sector.
Zahra Ludha (1998)	The author said that brand positioning in banking sector is a very important way to create awareness among potential benefits of consumers.	The author discuss the factors play a crucial role in brand positioning of banks.
Ritu Srivastava, Ajay Prakash (2013)	Author identify that in banking sector in India perceived quality to be the most important factor.	The author discuss the impact of quality on brand positioning of banking sector.
Anindya Ghose and Re Wei Huand	The author identifies that quality play a crucial role in brand positioning of automobile sector in India.	The author discuss the impact of brand positioning of automobile on consumer purchasing decision.
S. Ramesh Kumar (2003)	The author identify that consumer promotion schemes is the most important factor of brand positioning in automobile sector. He also said that the promotion must be line with the other elements of the marketing mix.	Author discuss the role of marketing mix in brand positioning of automobile sector in India.
Michael Tuen Pham and E. Tory Higgins (2004)	The author identifies availability, accessibility, price and quality as an important attributes of brand positioning in automobile sector.	The author discuss the importance attributes of brand positioning in automobile sector.
Marketa Lhotakova and Anna Klasova (2009)	The author discuss about the four major elements of brand positioning, target consumers, consumers benefits, brand image and competitive frame of reference.	The author discuss the major elements of brand positioning which influence the consumer purchasing decision.
A. Haasbrock	The author identifies that the important factors of brand positioning in automobile are reputation of the dealers, extra features on reduced price, quality and price.	The author discuss the impact of these factors on consumer purchasing decision.
Mustafa Kavadeniz	The author said that automobile companies developing their brand positioning should first determine attribute and images of competitor companies exactly and accurately.	The author conclude that automobile companies market share is too narrow and products are abundantly offered to target market.
Carolin Carlsson, Kristina Linonder	The author identify that it is more complex to take the position of a point of parity than it of a points of differences.	The author discuss the role of communication between product & consumers.
Suresh Sannapu and	Author identifies the different attributes	Author do the comparative analysis between

Nripendra Singh (2012)	responsible for brand positioning of malls in India.	different malls of India by using perceptual map.
Ajay Kumar (2005)	The author used the mental map (perceptual map) to create profile of brand positioning of a brand towards its competitive brand in comparative analysis of mall	The author discuss the role of perceptual mapping to do the comparative analysis between different brand
Christopher Fachs (April, 2008)	Author differentiate the brand positioning strategies on Nokia and Motorola by using regression model.	
Rizwan Raheem Ahmad, Danish Obaid & Ahmad Afraz Arif	Pakistan State oil (PSO) brands performing lower than shell on specific attributes Pack, Quality and Purchase Intention	PSO brands are lacking behind Shell because of expensive brand , poor corporate image, does not offer good services , mechanics do not recommend it, No advertising and no promotions
Irfan Asghar Ameer, Maryam Javan Mashmool and Amir Javan Mashmool	The author identify that brand value can be created by relations between the brand and the relevant stakeholders in energy industry of Pakistan.	The author discuss the role of relationship between brand and stakeholders for creating brand positioning.
Philip J. Kitchen (2008)	The author discuss the impact of several factors of brand positioning i.e.(trust, satisfaction, commitment, familiarity etc.) on USA car lubricant consumers.	The author discuss the impact of brand positioning on consumer purchasing decision.
Lubes and Greases (2009)	The author in his research find that industrial lubricant suppliers recognize that brand positioning play a crucial role in their products and markets.	Importance of brand positioning of lubricant oil for the intermediaries.
Jobbers world survey	The author identify that major oil companies in USA aggressively targeting and enforcing brand positioning.	The author established the relationship between the factors of brand positioning & consumer buying behaviour by using multiple regression analysis.
LEXECON	The author identify that price as a factor play an important role in brand positioning of lubricant oil in Italy (2006).	The author discuss the importance of brand positioning in the Italy lubricant market due to intense competition.
Wengo Duo, Non Zhou, Kai. H Lim, Nan Lui and Chenting Su (2008)	The author identifies that price and quality play a very crucial role in brand positioning of lubricant oil in China.	The author discuss the role of brand positioning in lubricant market in China
Anurag Dugar, (2007)	The author discuss about the descriptive analysis of the development and implementation of advertising strategies by the petrol selling companies in the Indian market.	The study discuss the changing dynamics of marketing in the Indian petroleum industry.
M.R. Jain, K Abhinandan, Sunil Kumar (2006)	The author discuss the role of advertisement for the marketing of HPCL.	The author discuss the challenges faced by Indian petroleum retaining companies.
www.researchandmarkets.com	The Indian automotive lubricants market is largely price sensitive and volume growth is stagnating due to longer lasting lubricants.	Companies are adopting a more customer-oriented approach where they are likely to focus on creating brand awareness through print and visual media.
Braganza Nicole and Mehra Swati	Author identifies that there are generally two types of customers in Indian lubricant market. First is the quality conscious customers and the seconds price conscious customers.	Author discuss the some key attributes which play crucial role in determining the buying behavior of Indian lube consumers.
Pooja Verma (2003)	The author identifies that Indian lubricant market is one of the fastest growing retail market in India. He also find that Indian lubricant market is dominated by automotive lubricant.	Author discuss the Indian lubricant market which is one of the fastest growing sector in India.

Manoj Anand (2005)	Author identifies that Indian lubricant market mainly classified into two type automotive lubricant and Industrial lubricant. Automotive lubricant comprise 65% of the Indian market whereas Industrial lubricant constitute only 35% of the Indian lubricant market.	Author discuss the different types of Indian lubricant market.
A.K. Bhan	Author identifies that HP laal ghoda fail because its brand positioning based only on price whereas customer seeking multiple attributes in lubricant oil.	The author discuss the importance of brand positioning based on multiple attributes in case of Indian lubricant market
Motilaloswal.com	Author find out that Castrol consistently increasing their market share by consistently investing huge amount in their brand positioning.	Author discuss the importance of brand positioning in case of lubricant oil to increase the market share.
The Times of India (March, 2013)	The author discuss the initiatives taken by Gulf oil corporation for brand positioning based on market feedback and growth factors. They have sponsored King XI Punjab for 2 years and Chennai super king for last 3 years.	Author discuss the role of brand positioning in Indian lubricant market to increase the market share.
Campaignindian.com (March 15, 2013)	Author identifies different brand positioning strategies adopted by Castrol to increase their market share.	Brand positioning have a significant impact on consumer purchasing decision.

Table 2

3. Research Methodology

First of all researcher has identified the following variables from the review of literature.

Price, Packaging, Advertising, Purchasing, Availability, Superiority, Promotion, Credibility, Innovativeness, Reliability, Reputation, Commitment, Quality, Experience, Extra Benefits, Longevity

3.1. Factor Analysis

Factor analysis has been done to determine the different factors responsible for brand positioning of lubricant oil.

Factor analysis has been used to determine the important factors:

The Kaiser Meyer Olkin's measuring of sampling adequacy and Bartlett's Test of Sphericity.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.702
Bartlett's Test of Sphericity	Approx. Chi-Square	2090.789
	df	120
	Sig.	.000

Table 3

The value of Kaiser Meyer Olkin is greater than 0.5 i.e. 0.702 so it is acceptable.

The significance level of Bartlett's Test is .000. It means that R- matrix is not an identical matrix and there are some relationships between different variables.

3.2. Component Matrix

Component Matrix ^a					
	Component				
	1	2	3	4	5
Price	.154	.062	.164	.762	.115
Packaging	.157	.504	.616	-.289	-.010
Advertising	-.022	.472	.599	-.175	.025
Purchasing	.088	-.122	.442	.531	.073
Availability	.035	.209	.297	.650	.081
Superiority	.278	.687	-.478	.060	-.108
Promotion	.078	.506	.574	-.258	-.023
Credibility	.798	-.186	.035	-.076	.182
Innovativeness	.814	-.362	.040	-.115	-.018
Reliability	.225	.718	-.430	.178	-.108

Reputation	.797	-.149	-.033	.063	-.185
Commitment	.880	-.114	.045	-.044	.081
Quality	.324	.690	-.202	-.042	-.113
Experience	-.065	.383	-.195	.127	.537
Extra Benefits	.073	-.054	.093	-.216	.623
Longitivity	.006	.094	-.266	-.115	.603
Extraction Method: Principal Component Analysis.					
a. 5 components extracted.					

Table 4

This matrix contains the loadings of each variable onto each factor. By default SPSS displays all loadings; however we requested that all the loadings less than 0.5 be suppressed in the output. At this stage SPSS has extracted seven factors. Factor analysis is an exploratory tool and so it should be used to guide the researcher to make various decisions.

3.3. Scree Plot

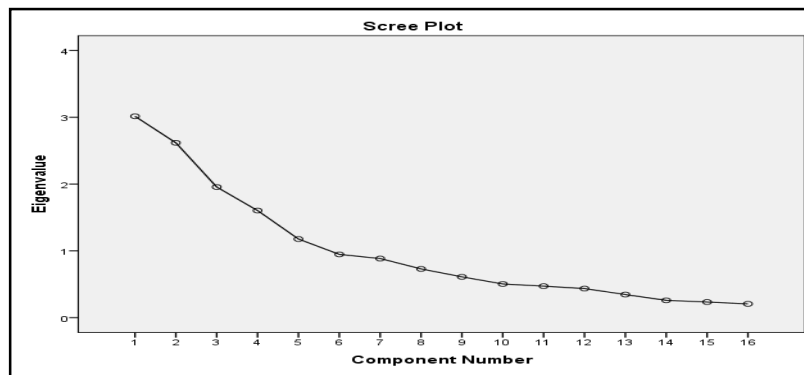


Figure 2

The scree plot shows the point of inflexion on the curve. The curve begins to tail off after five factors. Therefore it is justify retaining five factors.

The different factors after factor analysis are as follows:

Factors	Variables	Correlation Coefficient	Factor Name
Factor 1	Credibility	0.798	Product Trustworthiness
	Reputation	0.797	
	Innovativeness	0.814	
	Commitment	0.880	
Factor 2	Quality	0.690	Product Quality
	Superiority	0.687	
	Reliability	0.718	
Factor 3	Advertising	0.599	Marketing Strategy
	Packaging	0.616	
	Promotion	0.574	
Factor 4	Price	0.762	Accessibility
	Availability	0.650	
	Purchasing Location	0.531	
Factor 5	Experience	0.537	Miscellaneous
	Extra Benefits	0.623	
	Longitivity	0.603	

Table 5

3.4 Perceptual Mapping

Perceptual Mapping has been used to map the different important brand of lubricant oil on the factors identified above:

The major of lubricant oil in Indian market are:

- Servo
- HP Lube
- Mak Lubricant
- Veedol

- Castrol
- Superfleet
- Others

3.5. The identified important factors of brand positioning of lubricants oil are

- Product Trustworthiness
- Product Quality
- Marketing Strategy
- Accessibility

Researcher has taken the combination of two factors to map the different brands. In first map researcher take the factors product trustworthiness and product quality and in second map he take the factors marketing strategy and accessibility.

Brand	Product Trustworthiness	Product Quality
Servo	2.73	2.74
HP Lube	2.75	2.45
Mak Lubricant	2.52	2.58
Veedol	2.55	2.92
Castrol	2.50	2.83
Superfleet	2.80	2.80
Others	2.77	2.86

Table 6

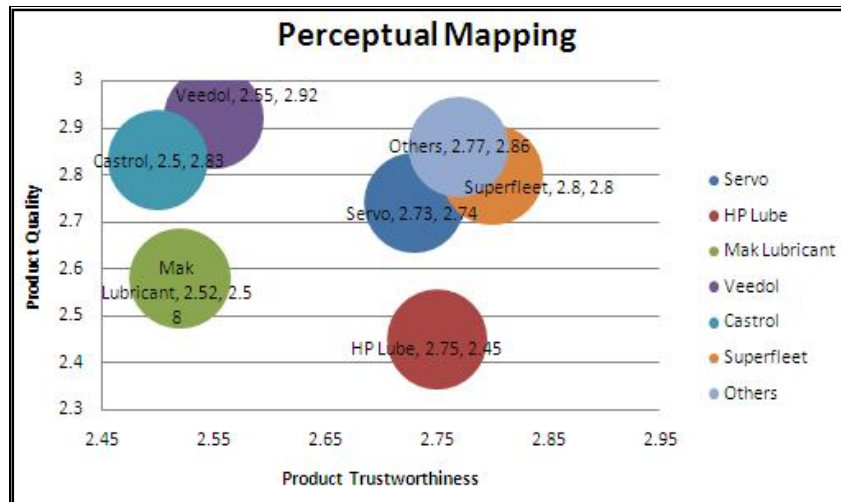


Figure 3

In the above perceptual mapping researcher identified that superfleet have maximum trustworthiness whereas Servo and HP Lube are lacking behind it. Similarly Veedol and Others have maximum value on product quality whereas Castrol, Mak Lubricant and HP Lube are lacking behind it.

Brand	Marketing Strategy	Accessibility
Servo	2.83	2.58
HP Lube	2.80	2.61
Mak Lubricant	3.13	2.81
Veedol	3.20	2.70
Castrol	3.15	2.77
Superfleet	2.92	2.66
Others	2.95	2.39

Table 7

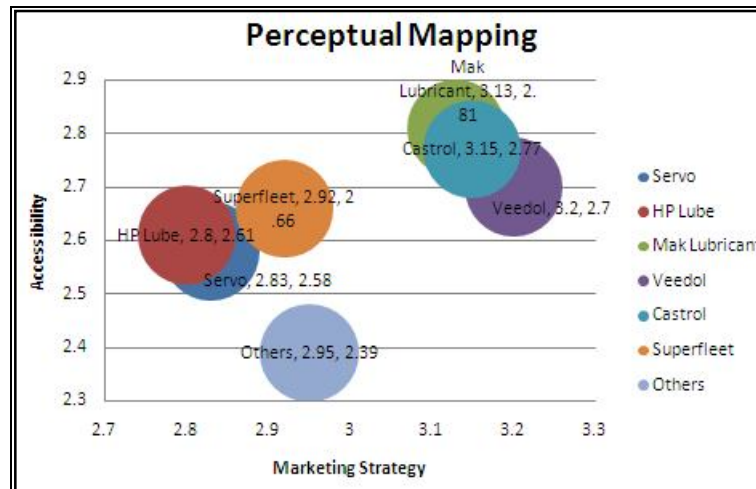


Figure 4

In the above perceptual map researcher have identified that Veedol, Castrol and Mak Lubricant have satisfied the consumers on marketing strategy whereas Superfleet, HP Lube and Servo are lacking behind it. Similarly Mak Lubricant Castrol and Veedol satisfied the consumers on factor accessibility whereas Superfleet, HP Lube and Servo are lacking behind it.

4. Conclusion

Researcher has concluded that PSU are performing good on the factors product quality and marketing strategy which is the combination of variables quality, superiority, reliability and advertising packaging and promotion. On the other the private lubricant manufacturer are performing better on the factor product trustworthiness and accessibility which is a combination of variables credibility, reputation, innovativeness, commitment and price, availability, purchasing location.

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