ANALYSIS OF SUCCESSFULLY BRAND POSITIONING & EXTENDING ON CUSTOMER ENGAGEMENT: A STUDY CASE OF UNIQLO RETAIL STORE

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ABSTRACT

The study draws on relevant literature, observations, and interviews, revealing that efforts focused on positioning and customer engagement are often misunderstood as branding. UNIQLO, one of the world's largest fashion apparel companies, integrates the entire process of clothing production, from planning and design to manufacturing, distribution, and retail. UNIQLO expanded its operations in Indonesia on February 13, 2013, and currently operates 65 stores across 25 cities in the country. This paper aims to explore how UNIQLO, a global fast-fashion retailer from Japan, drives its organizational success. UNIQLO is known for its high product quality, particularly through the introduction of its Heat Tech cold-weather underwear line, which is both affordable and suitable for warm climates. The company also continues to innovate through research and development to meet customer needs. UNIQLO's stores have a distinctive presence and strong market positioning. In 2014, the brand launched its mobile online store via a smartphone app, emphasizing customer satisfaction. This paper examines the key factors behind UNIQLO's organizational success.

KEYWORDS	*Customer Engagement, Customer trust, Fashion Industry, Online brand community, Customer Loyalty, Brand positioning.*

INTRODUCTION

Uniqlo Co. Ltd (株式会社ユニクロ Kabushiki-gaisha yunikuro) is a Japanese company established in 1984 by Tadashi Yanai, focusing on product development, manufacturing, and the distribution of casual clothing. The company launched its first retail store under the Uniqlo brand, specializing in casual wear. Uniqlo's headquarters are located in Sayama, Yamaguchi City, Yamaguchi Prefecture. The name Uniqlo is derived from Yanai's original business, Unique Clothing Warehouse, which opened on June 2, 1984, in Hiroshima City, Hiroshima Prefecture. The company's business model, known as SPA (Specialty store retailer of Private label Apparel), is inspired by the American brand The Gap, representing

a specialty retailer focused on its own brand of clothing. Uniqlo manages every aspect of its operations, including design, production, and retail sales (Lamare, 2018).

Yamanota Store, located in Yamaguchi Prefecture, was the first street-level Uniqlo shop, which opened its doors in June 1985. During its early years, Uniqlo experienced rapid expansion, especially in Western Japan. In October 1998, a fleece sweater from Uniqlo priced at $1,900 was sold for an astonishing $2 million strands. The demand for Uniqlo's fleece products continued to rise in subsequent years. In 1999, Uniqlo sold 8.5 million clothing items, a figure that grew to 26 million as the brand became increasingly popular. Sales had already surged prior to the success of the fleece suit, with total annual sales reaching 83 billion yen in fiscal year 1998. This figure rose by 33.6 percent to 111 billion yen in 1999, more than doubled to 229 billion yen in fiscal 2000, and reached 418 billion yen in fiscal 2001 (Lamare, 2018). Today, the Uniqlo brand boasts over 2,000 official stores across 21 countries, with Japan housing the highest number of stores as the brand's place of origin.

Uniqlo distinguishes itself from other brands by integrating technology into its products. For instance, the Hi-tech collection features fabric that can transition from damp to warm, utilizing air pockets within the material to retain heat, ensuring the wearer stays cozy during winter. Additionally, Uniqlo's popularity is bolstered by its association with globally recognized athletes serving as brand ambassadors. Notably, Uniqlo is also known for its significant commitment to social issues within the fashion industry.

The company's vision and mission revolve around staying aligned with current style and fashion trends while focusing on providing affordable yet high-quality clothing for its customers. Fast Retailing's corporate mission statement, "Changing Clothes. Changing Conventional Wisdom. Change the World," reflects its commitment to transforming how people dress and influencing societal norms. This philosophy is evident in Uniqlo's operations, including its clothing recycling initiative, which has helped provide apparel to millions in need worldwide. To maintain its success in the retail industry, Uniqlo must understand the factors that influence consumer buying behavior. This encompasses how individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to fulfill their needs and desires. Consumer purchasing decisions are significantly affected by cultural, social, personal, and psychological factors, which, although beyond Uniqlo's control, must be taken into account (Kotler & Armstrong, 2010).

This research begins with an examination of Uniqlo Indonesia's successful brand positioning within the country. UNIQLO has implemented a strategy that has enabled it to expand into 25 different countries (Our Story, n.d.). The brand continues to thrive because UNIQLO offers high-quality products at reasonable prices. Despite the ever-changing fashion trends, UNIQLO's collection of neutral casual wear can seamlessly fit into any style. Alongside these versatile neutrals, UNIQLO also features unique techwear available in various basic designs. However, a significant weakness for UNIQLO is that its profit margins are below the industry average for clothing.

Literature review

Branding the Product

A product is considered branded when it is distinguished from a generic group and shaped into a specific form. The branding process involves selecting a name whether a single word or a combination of two or more words (such as Pepsi, Panadol Extra, or Guinness Extra Smooth) that conveys its unique qualities for the target market. This process also includes considerations like color, size, packaging, and style (Qu et al., 2011). Key principles guiding this process are ease of recall, pronunciation, recognition, and differentiation, all aimed at creating a user-friendly brand that fosters customer loyalty and commitment. A brand is defined by its distinct identity, which sets it apart from others, regardless of any similarities (Fournier & Alvarez, 2012). It can be represented by a term, symbol, design, or a combination of these elements, which identifies a seller's goods or services and differentiates them from competitors. Even if a brand is imitated, its uniqueness persists. Furthermore, a brand's identity is encapsulated in its symbol, graphics, content, name, and reputation, which together shape its personality and desired market positioning.

Brand Positioning

Brand positioning is essential for guiding a brand toward its objectives (Retrieved from http://www.xpflow.com). A brand is considered positioned when it is recognized by consumers in the marketplace. The primary aim is to establish a strong brand image, which results in customers remembering the brand, remaining loyal to it, developing a strong affinity for it, and consistently choosing it. Positioning involves a systematic approach or strategic steps taken by marketers to effectively attract attention, capture interest, and embed the brand in the minds of consumers. This process is essentially a blend of strategies designed to appeal to customers. There are numerous brand positioning strategies, including the following:

- Positioning by price: (González-Benito & Martos-Partal, 2012), there are two types of price offerings: low and high. With the low price strategy, the seller highlights discounted pricing opportunities, encouraging customers to take advantage of these offers. This approach can include tactics such as penetration pricing, buy-three-for-the-price-of-two promotions, cash and trade discounts, and seasonal or festive sales. In contrast, a seller may choose a high price strategy, which involves strategically targeting the most affluent market segments—those consumers or customer groups with the financial means to afford the product. This approach primarily aims at high-income consumers or those eager to align themselves with status or prestige. This pricing technique focuses on market recuperation and skimming.
- Positioning by quality: This serves as both an internal and external marketing strategy. From an internal perspective, this strategy highlights the level of technological enhancements the producer claims to have incorporated into the brand, suggesting that it will meet customer satisfaction. This reflects a product-oriented mindset, implying that the producer believes the high quality of the product will guarantee its success in the market. Conversely, the external aspect of quality focuses on the positive psychological,

physical, or emotional attitudes that consumers develop towards the brand, leading to a sense of pride in using it. Ultimately, the quality of a brand is assessed based on both its core and aesthetic attributes, and this evaluation is most effectively gauged through consumer feedback.

- Positioning by quantity: A brand positioned by quantity emphasizes its numerical or weight advantages in comparison to similar products. For example, if a standard packet of cube sugar contains 120 pieces, a specific producer might include an additional pack of 30 pieces to the standard offering. This added quantity can be prominently highlighted to entice customers to take advantage of the special offer.

- Positioning by sizes: A brand is considered positioned by size when it provides different packaging options measured in kilograms or units, each priced differently. This strategy aims to attract various consumer income groups or to give consumers the perception that they can time their purchases and usage of the product according to their needs.

- Positioning by strong corporate name: A brand may achieve market positioning by highlighting the name of a well-known and popular organization associated with it. This often occurs in situations such as takeovers, mergers, or co-branding. For example, the Goldberg beer brand, previously managed by Sona Breweries, is now positioned in the Nigerian market under the name of Nigerian Breweries Plc. Prior to this change, Goldberg struggled to gain traction in terms of customer loyalty. However, after Nigerian Breweries acquired it and revitalized the brand, it has become highly sought after, especially in the western region of Nigeria, with a notable presence in Lagos and several other states.

- Positioning by color and graphics: A brand is distinctly positioned by using color and graphics when it employs eye-catching colors, letters, pictograms, designs, and styles to enhance its visual appeal and attract customers. Examples of such brands include Blue Band Margarine, Milo, and Bournvita.

- Positioning by events: A brand can frequently be positioned through events by using sponsorship as a platform to enhance the event's programs, venue, and sometimes the personalities or ushers with the brand's colors and graphics. This practice is quite common, and many who engage in it mistakenly refer to it as "branding." This perspective prompts a need for re-evaluation by professionals and scholars in advertising, marketing, and public relations, raising important questions: Does the term "branding" in this context refer to the sponsoring brand? Is it about the event itself? Doesn't the event already have its own brand or primary identity before it is adorned with a manufacturer's product or corporate brand?

- Positioning by personality / celebrity: A brand can be positioned by personality or celebrity when it is linked to a well-known and beloved individual or group, either through its promotion or the use of the product.

- Positioning by visibility: A brand can achieve visible positioning when it is prominently displayed alongside its associated materials at various events such as shelves, exhibitions, fairs, celebrity programs, talk shows, dances, and bazaars.

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Positioning involves crafting the company's image and offerings to establish a meaningful and lasting place in the minds of target customers (Keller, 2013).

In seeking a promising gap to fill in customers' perceptions, brands don't necessarily need to develop entirely new concepts; they can also leverage existing dynamics to their advantage. Ultimately, the brand's design, imagery, and identity must align with its intended position to create a robust brand. A brand's position can be categorized into three main areas (Kotler & Armstrong, 2010):

1. Product features.
2. Desired advantages.
3. Principles and values.

Positioning a brand based on product attributes emphasizes the functionality of its products or services. However, as this is a fundamental strategy, it carries a higher risk of competitors easily replicating these features, potentially undermining the brand's market position. Moreover, consumers tend to be more attracted to brand characteristics that extend beyond mere functionality (Kotler & Armstrong, 2010). A more effective and frequently adopted positioning strategy involves highlighting additional benefits associated with the brand (Kotler & Armstrong, 2010). Furthermore, instilling specific beliefs and values in customers' minds can enhance the brand's positioning (Kotler & Armstrong, 2010). As previously noted, fostering positive emotions and perceptions among clients is crucial for building strong brand equity.

Brand Modification

A brand is essentially an entity that can either be embraced or rejected by its audience, users, or customers. It maintains acceptance as long as it fulfills its primary and secondary responsibilities to its target market. The primary responsibility of a brand is its functional performance, meaning it must deliver on its promises alleviating any deprivation for those who can afford it and enhancing their productivity and well-being. The secondary responsibility is to provide aesthetic value to the user. If a brand fails to meet these obligations, demand for it will wane, eventually leading to its decline in the market. Before a brand faces significant decline or demise, the owner has the option to modify it after conducting research to identify any issues. These issues can be categorized as major or minor. Major issues may include taste deficiencies, adulteration, counterfeiting, functional shortcomings, or quality control problems. Minor issues might involve pricing, distribution, consumer segmentation, timing, or planning. This is where product life cycles (PLC) or brand life cycles (BLC) come into play:
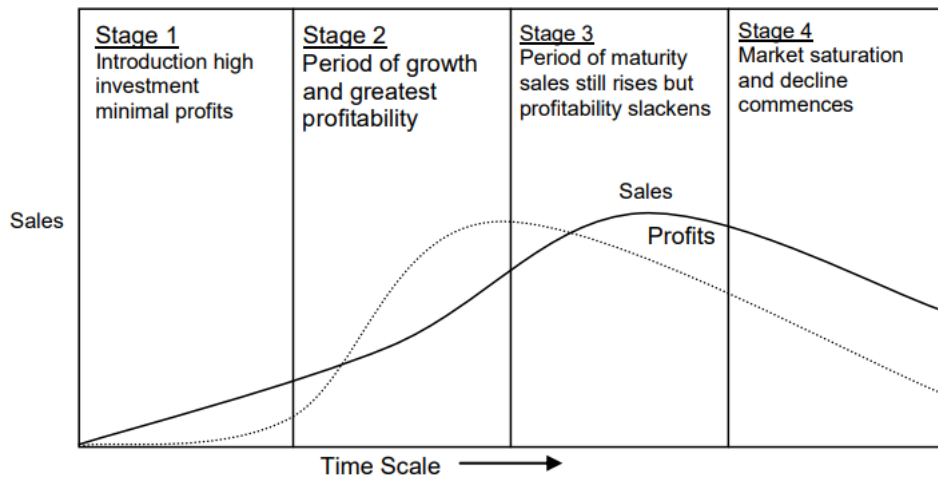
Figure 1: The Product Life Source: Elvy B. H Cycles Cycle (1982) Marketing Made Simple London: William Heinemann Limited

This model acknowledges that every product goes through a lifecycle comprising the stages of introduction, growth, maturity, decline, and eventual demise. However, there is no agreement among researchers regarding the exact number of stages a product (or brand) should go through. Some scholars suggest a four-stage lifecycle (illustrated in Figure 1), while others advocate for a six-stage model (depicted in Figure 2).
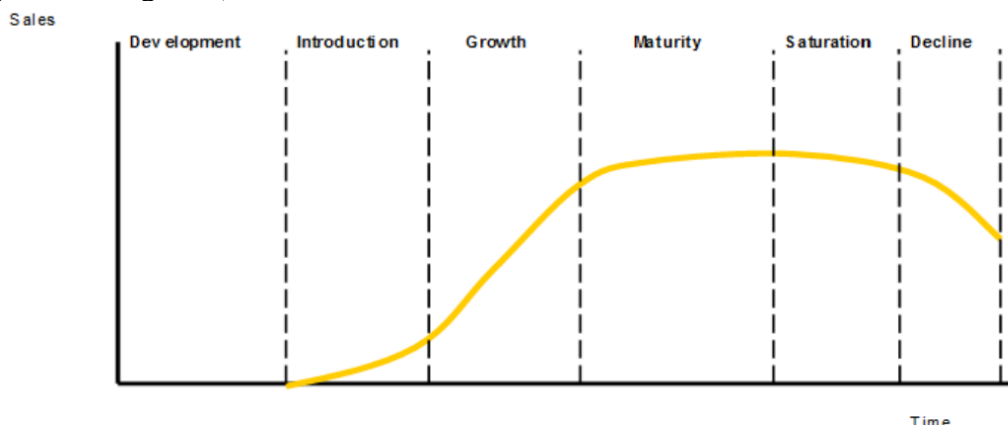

Figure 2: Standard Product life Cycle Source : Jefkins, F (1982) Introduction to Marketing, Advertising and Public Relations London: The MacMilan Press Limited

RESEARCH METHOD

Research Question & Design

In their examination of various issues, (Lipson & Darling, 1971) outline three distinct approaches for designing an investigation. The first approach is quantitative research, which is employed when the research problem can be addressed by identifying specific trends. Researchers typically gather numerical data from a larger sample of individuals using questionnaires (Creswell, 2015). The second

approach is qualitative research, which focuses on solving problems through exploration. This method involves collecting data from a smaller number of sources to consider particular perspectives (Creswell, 2015). The qualitative design is chosen for this thesis, as it aims to clarify a specific issue using real-life examples. The third approach combines both research designs to provide a comprehensive analysis of a problem. However, when employing a mixed-methods approach, the researcher must determine which technique to prioritize (Creswell, 2015). The objective of this qualitative research is to understand the processes and dynamics behind brand growth and expansion. Before diving deeper into the research and analysis, the methodology used to gather data will be presented and discussed.

The research question including the case states as follows:

a. How a Uniqlo Retail Store can be successfully positioned and extended in Indonesia?
b. What is the brand positioning statement for Uniqlo?
c. How sustainable are the competencies/capabilities underlying the performance of Uniqlo activities?

Qualitative Research

Given that the examination topic involves the brand's developmental process, the research utilizes qualitative methods. This type of research is conducted within a specific context, gathering details from practical settings (Gray et al., 2013). A defining feature of qualitative research is the direct engagement with the area of study. It is generally advised that researchers gain a comprehensive understanding of the subject being examined (Gray et al., 2013). Various methods exist for collecting qualitative data to support case studies, such as observations and archival records (Gray et al., 2013). In this thesis, an interview with Fryska Utami Meiliyani, the Marketing Manager of Fast Retailing Indonesia, serves as the primary source of investigation findings. Due to the distance between cities, communication occurred via email. As an intern at Fast Retailing, direct contact with the marketing manager through her internal company email was not possible. In qualitative research, interviews typically involve one or more participants responding to open-ended questions posed by the researcher (Creswell, 2015). Additionally, interviews enable respondents to convey information in a more personal and detailed way, while also giving the researcher greater control over the data collected through this direct interaction (Creswell, 2015).

RESULT AND DISCUSSION

Customer Behavior

Consumer behavior, often referred to as consumer purchasing behavior, encompasses all the factors that influence a consumer's search for, selection of, and purchase of products. It has been defined as "the totality of a consumer's decisions regarding the acquisition, consumption, and disposal of goods, services, activities, experiences, people, and ideas by human decision-making units." This behavior reflects the process customers undergo in their decision-making when buying and using products or services. It's important to note that consumer purchasing behavior is examined within the field of marketing, primarily to understand how individuals, groups, or organizations select, buy, use, and dispose of goods. Additionally, factors such as prior experiences, preferences, pricing, and branding significantly impact consumers' purchasing decisions. Various cultural, social, personal, and psychological factors also play a role in consumer behavior. While many of these factors are unpredictable and beyond the control of marketers, they must be considered to fully grasp the complexities of consumer behavior.

ultural factors include aspects such as culture, subculture, and social class. These elements significantly influence an individual's desires and behaviors, as much of human behavior is learned. Throughout childhood, individuals absorb values, beliefs, desires, and behaviors from their families and various important institutions, including schools (Kotler & Armstrong, 2010). For instance, if a person grew up in a household that frequently shopped at Uniqlo, they are more likely to continue shopping there as adults.

Social factors are shaped by consumers' reference groups, social networks, family dynamics, roles, and social status. Word-of-mouth advertising can significantly affect customer purchasing behavior, as personal recommendations from trusted friends, family, and acquaintances are often seen as more credible than traditional commercial sources like advertisements or sales associates. A recent survey indicated that 92 percent of consumers prefer referrals from friends and family over any form of promotion (Kotler & Armstrong, 2010). The buying behaviors of reference groups, such as friends, can influence an individual's purchasing decisions. For example, a friend who regularly shops at Uniqlo and wears their clothing may sway a potential customer's choice.

In addition, social factors such as online networks can significantly affect consumers' purchasing behavior. Uniqlo is leveraging the power of these new social platforms and "word-of-mouth" opportunities to promote their products and enhance customer relationships. Rather than delivering one-sided advertising messages, they aim to connect with consumers and become part of their conversations and daily lives through online and mobile social networks. For instance, Uniqlo has established an Instagram account to showcase their new collection and engage with their followers. Moreover, individuals often choose products that align with their roles and social positions. Take, for example, the various roles a working mother fulfills she requires different types of clothing suitable for her work, home responsibilities, children's school events, and outings with friends. Uniqlo can analyze these diverse roles and create targeted campaigns tailored to her needs.

Next, personal factors such as a buyer's age, life-cycle stage, occupation, financial situation, lifestyle, personality, and self-concept significantly influence purchasing decisions. Individuals' buying patterns for products and services change throughout their lives, with choices related to food, clothing, furniture, and leisure often being age-dependent. The stages of the family life cycle also impact purchasing behavior, reflecting the different phases families go through over time (Kotler & Armstrong, 2010). For example, soft colors and delicate patterns may be chosen for infants, while nursery-themed designs would be unsuitable for school-aged children. Additionally, a person's occupation affects their purchasing decisions; someone working in an office is likely to buy formal office wear, while a construction worker would seek more durable work attire. Financial status plays a crucial role in determining where individuals shop and what products they choose. Marketers keep track of consumer spending, personal income, savings, and interest rate trends. UNIQLO International reported significant increases in revenue and profit, with revenue climbing by 28.5% to ¥1.4371 trillion and operating profit rising by 43.3% to ¥226.9 billion. These results surpassed earlier business forecasts and marked a record high performance, indicating that consumer spending is on the rise. Finally, four key psychological factors can influence purchasing decisions: motivation, perception, learning, and beliefs and attitudes. Consumer motivation is an internal drive that compels individuals to purchase goods or services. Satisfying their needs can lead to repeat purchases or the acquisition of different items to fulfill those needs. For instance, self-image may be a significant factor for consumers motivated by status and respect when choosing clothing. As the economy grows and consumers gain greater spending power, they often seek more than just the basic necessities of life, like food and warm clothing. Most people aspire to achieve a higher standard of living and consider factors beyond just price. Abraham Maslow's hierarchy of needs attempts to explain why individuals are motivated by different desires at various times, highlighting how one person may prioritize personal safety while another focuses on gaining recognition from others (Kotler & Armstrong, 2010).

Customer Need

A business can manage its marketing activities aimed at customers, but ultimately, the decision to purchase a product or service lies with the individual. Therefore, it is crucial to conduct thorough research on the target market and understand what is feasible. Philip Kotler and Gary Armstrong (2011: 6) highlight a fundamental concept in marketing, which includes three interrelated aspects of consumer motivation for purchasing: needs, wants, and demands. Needs refer to the basic requirements for survival, such as food and safety. In contrast, wants represent a more developed version of these basic desires, shaped by cultural and personal influences. The term demands refers to additional desires that arise once all needs are met and when financial resources permit purchases that offer extra benefits, allowing consumers to achieve higher levels of satisfaction. This concept is akin to (Maslow, 1943) hierarchy of needs (Figure 1), which illustrates the sequential order of human desires.

Figure 1. *Maslow's Hierarchy of needs, representing most essential needs in the lower part ascending to final self-actualisation*

Beginning at the lowest and most fundamental level, each need must be satisfied before moving on to the next stage. (Maslow, 1943) believes that it is inherent in human psychology to seek achievement. At the apex of the pyramid, self-actualization represents the fulfillment of all essential needs, allowing individuals to concentrate on becoming the person they envision as their ideal self (Maslow, 1943). Marketers frequently leverage this drive to fulfill needs by offering products that help customers pursue these goals.

Target Market

Although consumer needs can be organized according to Maslow's pyramid, what constitutes fulfillment is ultimately based on individual judgment. As a result, companies identify market segments that encompass individuals with similar characteristics. The product needs of consumers within a specific segment tend to be quite alike. Once a company identifies the segments it wishes to focus its marketing efforts on, these are termed the target market. For instance, the target market for Vogue fashion magazine includes young women who are interested in fashion (Marais et al., 2014).

Customer-based brand equity

In contrast to Aaker's definition, (Lane Keller, 2013) emphasizes the significance of the consumer perspective in his approach to brand equity, which he refers to as customer-based brand equity. He states that "[...] the power of a brand lies in what resides in the minds and hearts of customers" (Lane Keller, 2013). From this perspective, the value and strength of a brand are determined by customers' perceptions and emotions, whether positive or negative. Ultimately, consumers play a crucial role in shaping brand equity, which in turn defines its value. Therefore, companies should consistently develop their branding strategies to meet the needs of their target market.

To grasp the elements necessary for establishing a strong emotional connection with customers, it is helpful to examine (Lane Keller, 2013) brand resonance model (Figure 5). This model not only outlines the crucial steps for

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businesses to develop a meaningful brand and gradually build positive customer-based brand equity, but it also highlights the key components of branding itself.

Figure 3: Brand Resonance Pyramid

According to (Lane Keller, 2013) there are four key questions that encompass the primary objectives for achieving optimal resonance. Each question represents a step in a hierarchical structure, culminating in resonance at the top.

Practitioner perspectives on customer engagement

In recent years, the concept of customer engagement has become a vital topic for managers in both private and public sector organizations, as it is essential for their success. This growing focus among managers coincides with the advent of new technologies and tools that foster increased interactivity between individuals and organizations. The evolution of the Internet, particularly the rise of social media, has enhanced interactions between buyers and sellers, attracting the attention of managers eager to leverage these technologies to better understand and serve their customers. However, the precise meaning of customer engagement remains uncertain, with significant variations in interpretations and multiple definitions put forth by practitioners. As a result, customer engagement is often conflated with the metrics that managers and consultants decide to employ. Below, we explore some of these definitions.

Customer engagement hinges on building trust and commitment within buyer-seller relationships. Trust is defined as "the confidence one party has in the reliability and integrity of an exchange partner." Without trust, it is unlikely for the relationship to be lasting or close. Customers are more likely to become advocates for sellers when they trust them; however, trust alone may not be enough to foster a long-term relationship. Conversely, commitment is characterized as "the belief of an exchange partner that an ongoing relationship is so significant that it warrants maximum effort to maintain it; in other words, the committed party views the relationship as worth nurturing to ensure its longevity." Commitment can lead to long-term relationships, although it does not always guarantee intimacy. Two types of commitment are often distinguished: calculative and affective.

Table 1. Conceptualizations of customer engagement in the marketing literature

| Authors	Definition
Patterson, Yu, and de Ruyter (2006)	The degree to which a customer is "present" in their relationship with the organization can be understood through different types of presence: physical, emotional, and cognitive. Customer engagement is viewed as a complex construct comprising four key components: vigor, dedication, absorption, and interaction.
Vivek, Beatty, and Morgan (2012)	The intensity of an individual's (i.e. current or potential customer) participation in and connection with the organization's offerings and / or activities, which either the customer orthe organization ini-tiates. It is composed of cognitive, emotional, behavioral, and social elements.

Customer engagement refers to the ongoing and meaningful interactions between a business and its customers. Contrary to popular belief, successfully managing a business goes beyond simply drawing customers to your website, converting them through an appealing landing page, collecting their payments, and expressing gratitude for their business. While these elements are important for sustained success, truly engaging customers and nurturing valuable relationships requires a greater level of skill and strategy.

The concept of customer engagement (CE) has garnered increasing interest from both scholars and practitioners in recent years due to its significant influence on organizational performance. CE enhances sales, competitive advantage, and profitability, while also promoting customer trust, commitment, satisfaction, and loyalty.

A successful company that prioritizes customer engagement should possess the data necessary to foresee buyer needs and establish itself as the optimal solution. By addressing the requirements of target consumers and providing high-quality service, the company can foster customer loyalty. Highly engaged customers are more inclined to return for repeat purchases and recommend the business to others.

Levels of product

When addressing the needs of various market segments, the products offered should be designed to fulfill those demands as precisely as possible. In addition to the core customer value, which represents the primary reason a customer might make a purchase (Kotler & Armstrong, 2010) companies can enhance their products by adding appealing features. There are multiple interpretations (Figure 2) associated with modifying and differentiating the product.
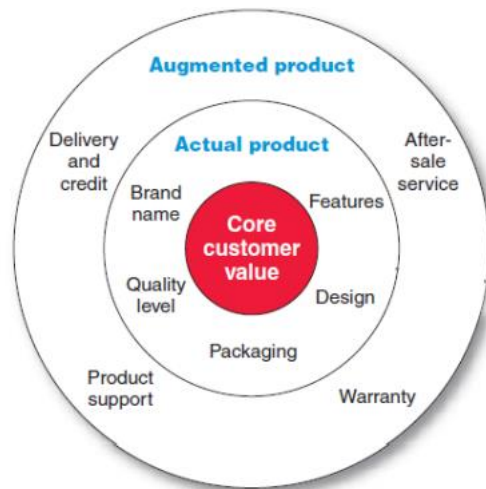
Figure 5. Product levels and their subsections

Beyond the core benefit, the next level focuses on creating an actual product by incorporating elements such as design, packaging, quality, specific features, and the brand name itself (Kotler & Armstrong, 2010). For instance, a T-shirt may hold greater value for an individual if it is associated with a particular brand or style that carries certain connotations, while still providing the core customer value, which in this case could be the desire to stand out as a fashionable person.

The third and final level encompasses all supplementary services and advantages for customers, resulting in an augmented product. At this stage, products are perceived as a comprehensive package of benefits, the more developed these stages are, the greater the value perception and customer satisfaction (Kotler & Armstrong, 2010). In highly competitive markets, customers are more inclined to choose products that offer additional benefits and value. Consequently, companies must create a complete system around their offerings to attract and retain customers. This is a key reason why many businesses today focus on brand development

Finding the Position

Establishing and sustaining a brand position necessitates a comprehensive framework for success. The authors present stages that aid in developing this position (Figure 6). It is important to note that some of these steps overlap with the guidelines for brand positioning, reflecting the authors' previous collaboration in their professional experiences.
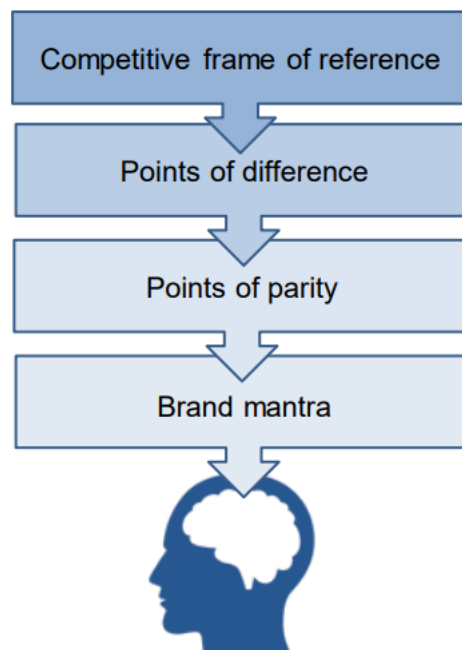
Figure 5: Building a brands position step by step, after (Wang & Tzeng, 2012)

To initiate brand positioning, (Wang & Tzeng, 2012) recommend first identifying the range of competitors that may offer similar products or benefits. This step is crucial because companies cannot position themselves without giving customers a clear context (Wang & Tzeng, 2012). The competitive frame of reference is not always straightforward, as brands may compete across various levels and industries, not just through product benefits but also through experiences and services (Wang & Tzeng, 2012). After establishing this frame, the focus shifts to the points of difference (POD), which define the unique factors that set the brand apart from its competitors (Wang & Tzeng, 2012). ustomers recognize these points as reasons to choose one brand over others, believing that only this brand provides a distinct and prominent benefit (Kotler et al., 2014). A brand's advantage doesn't have to be purely functional; it can also fulfill emotional needs, foster a strong brand personality, or build a bond with customers (Aaker, 2011).

Challenges: A Process of Incremental Innovation

Uniqlo's value proposition, encapsulated in its slogan "Made for all," is to provide high-quality products at affordable prices to a broad customer base. The company's management structure, cost control, and production processes are designed to sustain its competitive edge while pursuing this objective. Uniqlo distinguishes its clothing through both technology and cost efficiency. Rather than following the latest fashion trends, Uniqlo prioritizes incorporating technological innovations into everyday clothing suitable for people of all ages and backgrounds. This approach is evident in its business model, where apparel is designed well in advance and remains consistent across seasons, aiming for broad appeal by transcending style preferences and focusing on superior functionality..

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CONCLUSION

Our findings indicate that Uniqlo has successfully positioned its brand with a clear vision: to offer high-quality, performance-enhanced, basic casual wear at the lowest possible prices. While Uniqlo's clothing is modern and fashionable, it is not trend-driven, reinforcing its focus on quality and performance and distinguishing it from most price-focused value retailers. One standout innovation is Heat Tech, a fabric developed with a material science firm that converts moisture into heat and contains air pockets to retain warmth. The data collected throughout the investigation reveals high customer loyalty, which benefits the company. Uniqlo's consumer behavior is shaped by psychological, social, and personal factors, with over 50% of responses showing clear preferences in these areas. However, cultural factors seem to have minimal influence, as favorable responses were less than 50%. The findings also show a high level of satisfaction with Uniqlo's products, directly linked to customer loyalty, although a majority of respondents expressed dissatisfaction with pricing. These insights offer valuable recommendations for Uniqlo to enhance its business, though the paper does acknowledge certain limitations.

Uniqlo positions itself as a "modern Japanese company" with the goal of inspiring people to dress casually. Their "made for all" strategy emphasizes offering essential, simple apparel that allows consumers to express their individuality. Additionally, Uniqlo has launched the "all product recycling initiative," encouraging customers to recycle their clothing. This initiative highlights the brand's commitment to making a positive impact on the world through sustainability efforts.

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