

# **INFLUENCES OF CATEGORY STRUCTURE ON BRAND POSITIONING AND CHOICE**

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## **Abstract**

Consumers categorize products to facilitate storage and retrieval of product information. Marketers who understand these processes can develop marketing strategies that may improve the likelihood that their brands are chosen. We integrate two areas of categorization research in marketing: 1) the formation of initial category perceptions as a function of learning goal, and 2) the influence of brand positioning strategies of consumers on category structure when a new brand is discrepant. Hypotheses are presented about the effects of initial category structures on the evaluation of subsequently introduced brands, the effects of category structure on choice, and the influence of brand positioning on the updating of category perceptions. Results indicate four contributions. First, learning goal affects not only category

structure, but also consumers' tendencies to subtype or differentiate new brands. Second, consumers tends to make choices from smaller, rather than larger, brand sets. Thus, subtyped brands are more likely to be chosen than differentiated brands. Third, category perceptions (e.g., perceived variability) are influenced by the interaction of learning goal and characteristics of the new brand. Fourth, changes or updates to product categories are contingent upon the nature of the positioning strategy of consumers. These findings suggest that marketers should consider not only the characteristics of the brand to be presented, but also the characteristics of consumers' initial product category perceptions. In addition, subtyping appears to be a desirable outcome of a positioning strategy. Finally, brands that are differentiated, rather than subtyped, may be more vulnerable to competition.

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