

Research on Digital Brand Positioning from the Perspective of Consumer Psychology

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Keywords: Digitization, Brand Positioning, Consumer Psychology.

Abstract: Digital technology is reshaping the global economic landscape and social lifestyle at an unprecedented speed. New digital business forms or models will emerge, and various industries and enterprises are bound to accelerate the application of digital technologies, reposition themselves with digital technologies, and use digital drivers to reconstruct decisions related to consumers. For brands, it is extremely important to establish meaningful and valuable digital interactions with consumers. This article focuses on discussing the correlation between brand positioning and data-driven decision-making mechanisms and consumers in the digital environment. This article integrates data-driven marketing into the brand positioning theory. The study analyzes the impact of digital technology on brands and consumers. Study the approaches and methods for brands to make decisions and reposition themselves based on collected receipts, as well as reflect the reconstruction of brand impressions in a digital way. The conclusion will demonstrate the positive effect of data-driven decision-making on repositioning and the influence of this positioning in the minds of consumers.

1 INTRODUCTION

In many cases, digitalization is recognized as a major trend and an important driver that can transform the business community and create business opportunities (Jukka et al., 2023). In today's rapidly accelerating business environment, the use of data technology for analytics drives decisions that are more informed and correct, and it is of great importance to maintain a sustained and stable strategic advantage (Cristofaro et al., 2025). At the same time, under the impact of digital technology, the traditional brand positioning and consumer psychological decision-making are also facing new challenges. AI and big data technology are profoundly reconstructing the logic of brand positioning, shifting from traditional experience-driven to real-time data-driven, forming a more dynamic and accurate positioning system. Digital transformation is already a strategic priority for all companies, and effective data-driven decision making is essential for successful competition (Zaitseva et al., 2022). Digital technology provides personalization, instant tracking and control, as well as data analysis about the effectiveness of online

campaigns to engage a variety of consumers by providing knowledge to their prospects by matching their needs (Tang et al., 2023).

Previous studies on digital technology and the consumer psychology of brands have sufficient experience, so it is necessary to combine and summarize. The existing literature on brand positioning focuses on one or more unique advantages that enable a brand to stand out in the memory of competitors' brands and consumers (Erling et al., 2022). Repositioning requires the use of advanced analytical techniques, the ability to put information to use in decision-making environments and data-driven decisions. With the help of mathematical statistics techniques to continuously improve information processing capabilities and collect ever-increasing amounts of data (Szukits, 2023). In another dimension, the rapid development of digital technology has profoundly changed the psychological decision-making process of consumers, from information acquisition to the final purchase behavior, every link is reshaped by technology. From the perspective of consumer psychological decision-making, the existing research on the role of digital technology is from the

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perspective of the company itself to analyze the ways they improve their digital marketing capabilities to attract consumers, and the perspective of consumer psychology is relatively small (Tang et al., 2023). With digital empowerment, data becomes a new factor of production and participates in the production process. This generative factor must be combined with other production factors to play a role (Zhang and Duan, 2024). The change of information dissemination and interactive environment drives the change of consumption behavior in reverse. This study will combine data as a new production factor with brand positioning and consumer psychology for a comprehensive discussion. Data-driven marketing combined with brand positioning theory is reviewed. It then makes case studies of Uniqlo and Red Note recommendations and solutions are provided after literature review and case analysis. In the last paragraph, the paper concludes with suggestions for future research.

2 LITERATURE REVIEW

2.1 Data-Driven Marketing (DDM)

Data-driven marketing refers to optimizing practices and brand communication based on customer information. Collect, analyze and use data to tailor marketing efforts to improve the effectiveness and efficiency of marketing campaigns based on individual preferences, behaviors and needs of consumers. Integrates big data, predictive analytics, and consumer behavior analytics to drive marketing decisions and strategies. Rooted in the convergence of information technology and advanced analytics, it leverages large amounts of data to provide informed information marketing decisions. According to some research, data-driven marketing has helped expand the scope and role of marketing in terms of creativity, relevance, analytical capabilities, accountability, and technology (Shah and Murthi, 2021). DDM has a critical impact on user demand and satisfaction and plays a vital role in accurately grasping user trends and improving user demand. It can even accurately discover users' purchasing preferences, revolutionizing decision management (Xing et al., 2023). The data collected for the use of DDM must conform to the data strategy of the company's primary objectives, the data provides key information about the company's needs related to its objectives, is retrieved through a specialized platform for precise analysis, and must be protected by the company collecting it. The use of data information and the

integration of functions improve the ability of marketing decision makers to respond to and adapt to changes, and constantly enhance the ability to absorb new information, becoming the help of data-driven decision-making. In turn, it adds decision-making power to data-driven marketing (Sleep et al., 2023). Perform data analytics, techniques and methods to discover patterns, correlations and trends to inform business strategy, turning raw data into actionable insights. Data-driven marketing is an important part of modern marketing strategies that impact marketing efforts by achieving a more precise and effective way to provide a significant competitive advantage (Cristofaro and Giardino, 2025).

2.2 Brand Positioning Theory

Brand positioning has become a key strategy to achieve competitive differentiation in the existing market, and the brand creates a unique memory of the brand in the customer's mind by communicating its visual and non-visual attributes (Leeford Edem, 2023). Positioning theory advocates focusing, sending a signal about the focus value proposition to the mind of the target consumer, creating a focus cognition in the mind of the consumer, and providing them with a reason to establish an exchange relationship with the focus seller (Iyer et al., 2023). The effective communication between brand positioning and consumers' minds can shape customers' opinions to a certain extent, occupy a place in consumers' minds, and then promote consumers' purchase decisions (Casidy and Lie., 2023). Brand positioning is not about creating something new but replacing and occupying what already exists in the minds of consumers to distinguish the goods and services offered by sellers from those of competitors (Goestiawan and Anastasia, 2025). The core of brand positioning lies in focus, consumers' memory is limited, and brands focusing on narrow positioning strategies are easier to obtain memory capacity from consumers' memories and occupy consumers' minds (Olsen et al., 2022).

In the book *New Positioning*, the mental model of consumers is summarized as receiving only limited information, preferring simple rather than complex information. Lack of security, the impression of the brand will not easily change, the mind is easy to lose focus. Positioning is the battle of consumers' minds, and brands form advantages through constant focus and refinement. The traditional positioning four-step method is the four-step method, developed by Jack Trout and Al Ries. It is divided into analyzing the external environment, establishing the advantageous

position of the brand, providing trust, and planting the positioning into the minds of customers.

Data-driven marketing provides precise digital support for brand positioning and strengthens the dissemination and consolidation of brand positioning. Enterprises must define the position that customers can accept in the external market competition (Kääriäinen et al., 2023).

3 CASE ANALYSIS

3.1 The Case of Uniqlo

Uniqlo is a classic case of digital technology, digital-driven decision-making to reposition the brand. Uniqlo is not just a fashion company, it's a technology company. Uniqlo's leading brand promotes its clothing as LifeWear with the positioning slogan "Simple is better". According to Uniqlo's data, more consumers are more inclined to equal-priced, simple and high-quality products (Lascity, 2022). Design and develop products from the perspective of ecology and environmental protection, leave an impression in the mind of consumers, and integrate into the brand positioning. Uniqlo is leveraging data drive through digital marketing, brand image, price awareness campaigns and brand loyalty. According to some researches, consumers will increase their interest in products through digital channels. Using intensive digital marketing campaigns to promote the Uniqlo brand, updating the brand image will increase the purchase intention, so that the psychological cognition of the good quality of the product is engraved in the hearts of local consumers (Arindaputri and Santoso, 2023). At the same time, the relatively high price is linked with high quality in consumers' cognition and generally forms a brand image and brand positioning of affordable and high-quality.

In fact, in this series of changes, Uniqlo repositioned its brand through data-driven decision-making, established the cognition of consumers' minds, conveyed brand information to consumers, and encouraged consumers to make more decisions about choosing Uniqlo products. It is not difficult to realize that DDM plays a very critical role in this task. In the research of Azuma et al, the collected data show that the personalized characteristics of consumers are increasingly prominent in the clothing industry (Azuma et al., 2024). Uniqlo made the decision to use Our motto is 'made for all' as a promotional slogan for its positioning. People-oriented thoughts with very Oriental culture are

embedded in it. In the process of data transmission, the spread of information and images on the Internet and worldwide makes the products with the same characteristics able to meet consumers' cognition and sell well (Richford, 2024). Also, because consumers' pursuit of self and technological progress, firmly counter the trend, relying on new technology and longevity to create value this concept has become Uniqlo's new brand values. It also updates consumers' perceptions of Uniqlo from clothing brands to technology brands. Uniqlo's original work, Lifeware, promotes sustainability by reusing, recycling and upcycling clothing, in line with Japan's core values. This is to summarize the brand concept after receiving data feedback from consumers (Harrell, 2024).

Uniqlo is strengthening the application of AI applications to promote data-driven decision-making. Through AI analysis of a large number of data such as weather and fashion trends, analysis of climate, fashion trends and other information to predict the demand for goods, and adjust the supply chain and inventory, which is conducive to avoiding the production of redundant products, as soon as possible to distribute the goods that consumers need. From the traditional private label specialty retailer to a new business model that uses information. This forecasting mechanism helps Uniqlo reduce supply and demand deviations and reduce the impact of weather on production and sales. Uniqlo realizes the closed loop of product feedback and user information acquisition through digitalization, making the operation efficiency more efficient than that of its peers. In inventory management is also managed through digital drive, Uniqlo stores fully use the RFID system, each piece of clothing is equivalent to an ID card record, greatly reducing the cost of inventory management, improving the convenience of inventory management, and ultimately convenient for consumers to buy. Let the convenient brand image also engraved into the mind of consumers.

Uniqlo uses a "seasonal sense of urgency" to promote behavioral change. Seasonal urgency is a way to tailor marketing strategies to different seasons and special times, and to use urgency and scarcity to push consumers to act. Urgency marketing in the digital age is more powerful than ever. Pay close attention to seasonal and consumer demand changes through big data computing, flexibly adjust marketing strategies, use low inventory alerts and seasonal limited-edition products to create a sense of urgency, reduce consumer procrastination, and promote conversion (Aaker, 2015). Therefore, the timely and changing psychological impression and brand

positioning of Uniqlo in the minds of consumers are fully formed.

In general, Uniqlo uses the digital-driven marketing strategy to successfully grasp the cognition in the minds of consumers, provide consumers with accurate information, promote consumer decision-making, and digitize its brand positioning.

3.2 The Case of RedNote

As one of the industries with the most extensive application of data technology, social media needs data-driven marketing to achieve brand differentiation and positioning to capture the psychology of consumers.

By applying collected data to accurately grasp the new needs of user groups, it breaks through the limitations of ad-driven algorithms, not only using algorithm-driven feeds, but also adding online communities that users need more, making peer recommendations to the center of the community. Increase user motivation and engagement to replace the passive scrolling information cocoon (Zackiewicz, 2025). RedNote made this decision digitally driven, in line with the trend of fostering real connections online and offline, prioritizing user choice and more authentic interactions, and repositioning a community-like social media platform in the minds of consumers to drive more consumers to join the RedNote community.

RedNote has created an exclusive brand RedNote model based on its own user data records, and UGC content planting community model. It means that through the sharing, dissemination and interaction of UGC content, users' cognition and attitude towards the brand are affected, and ultimately the connection between the brand and the consumer is being redefined under this model. The core values of this data model are a content-driven shopping experience, digital platforms that enhance user interaction and engagement, point-based incentives, and content diversification and personalized recommendations. The digital technologies used in this pattern include AI semantic analysis, user portrait system and scene algorithm recommendation. The psychological mechanism involved is trust transmission, strengthening user interaction design, promoting the formation of brand community atmosphere, and users can feel a sense of belonging and achievement when shopping. The real attribute of UGC reduces the risk of decision making, and the sense of belonging of the group, strengthens the identity through similar user content, promotes the conversion rate of customers, and increases the time of users using Remote. Within

the UGC content community, big data analysis is conducted to form a closed loop, tracking the data of users' behavior of browsing, favorites and liking comments to understand the changes in user preferences and needs. Based on data feedback, the content recommendation algorithm is constantly optimized to improve the accuracy and attractiveness of the content. To improve its brand positioning in the online community, attract and promote consumers to make decisions.

4 SUGGESTIONS

From the case analysis, it can be found that using data-driven marketing for brand positioning can, to a certain extent, re-establish cognition in consumers' psychology and provide information to promote consumers' decision-making. However, the challenges of relying solely on data for brand positioning can lead to inflexible brand positioning. Data collection often has a time lag trap, with consumer behavior data lagging real changes in the market by 3-6 months on average. Blindly following data, completely data driven may lead to positioning myopia. Close positioning often makes companies only see their own narrow model and ignore the entire market. The data itself may have limitations and algorithmic biases. Over-reliance on data can also lead to over-positioning, positioning a brand too narrowly or broadly. It may also change the positioning too much, resulting in a decline in the reputation of the entire brand. It leads to confusion in the minds of consumers.

5 CONCLUSION

This essay highlights the data-driven impact and change on brand positioning and consumer psychological decision-making. Using theories of data-driven decision making and brand positioning. The study examined strategies that Uniqlo and RedNote use data to retarget and engage consumers, such as using weather data to predict demand seasonality and a sense of urgency to promote behavioral transformation, and a precision grass planting mechanism based on UGC to promote conversion rates. To promote and ensure more effective digitalized brand positioning, advanced prediction and category segmentation are needed to avoid blind reliance on data.

The limitation of this paper mainly lies in the lack of data and sample statistics. Future research will focus more on the collection and analysis of the data itself, specific analysis of what kind of data to make and what kind of decisions, and how to influence brands and consumers. Despite the limitations of the current research, it is hoped that this article will contribute to the data-driven and positioning theory of better brands.

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