

Product & Brand Management

Brand Equity and Brand Positioning

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Agenda

- Understand customer-based brand equity.
- Understand brand positioning.
- Be able to craft brand positioning.

Background:

What is Branding?

Branding is endowing products and services with the power of the brand.

Source: AMA

BRAND EQUITY

QUESTION

What is Brand Equity?

ACTIVITY

If the brand team and the target group define the current “brand” differently (e.g. well-known vs not much aware), which brand understanding shall we put more emphasis on?

QUESTION

Is Marketing the only department responsible for building brand?

To Sum up ...

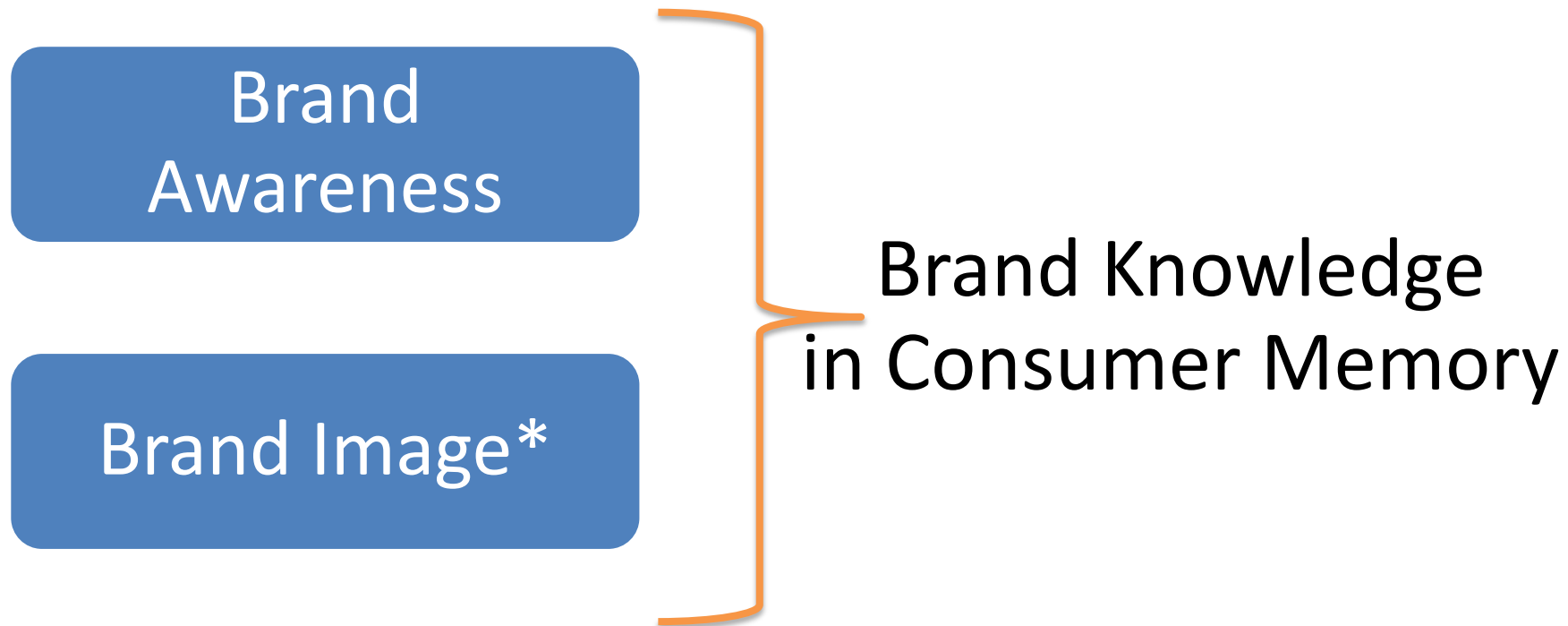
- Consumers perception of the brand plays a key role in determining the worth of the brand
- Brand equity offers guidance to interpret past marketing performance and design future marketing programs
- Other factors that influence brand success and equity are:
 - Employees, suppliers, and channel members
 - Media and government

QUESTION

What is the Key
to create Brand Equity?

Brand Association

Sources of Brand Equity



**Set of brand associations/understanding/belief consumers perceive a brand*

QUESTION

Level of Brand Awareness?

QUESTION

What kind of brand image (brand association) leads to strong brand equity?

- A. Strong association (Really know the brand, results in brand association)
- B. Favorable association
- C. Unique association

To Sum up...

- To create brand equity, marketers should:
 - Create favorable consumer response i.e. brand awareness
 - Create positive brand image though brand associations that are strong, favorable, and unique

BRAND POSITIONING

Basic Concepts

- Brand positioning
 - Act of designing the company's offer and image so that it occupies a distinct and valued place in the target customers' minds
 - Finding the proper “location” in the minds of consumers or market segment
 - Allows consumers to think about a product or service in the “right” perspective

Segmentation

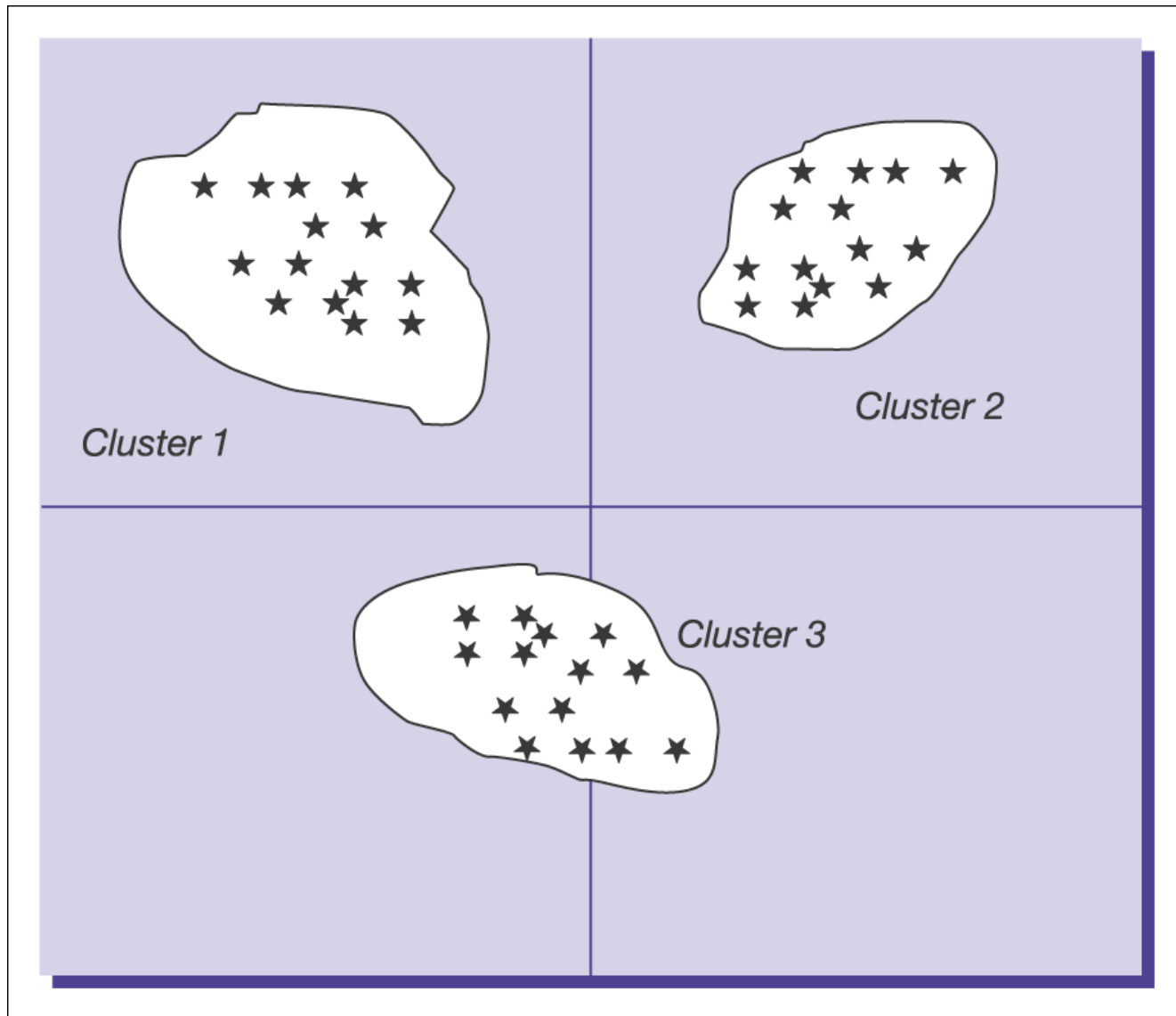
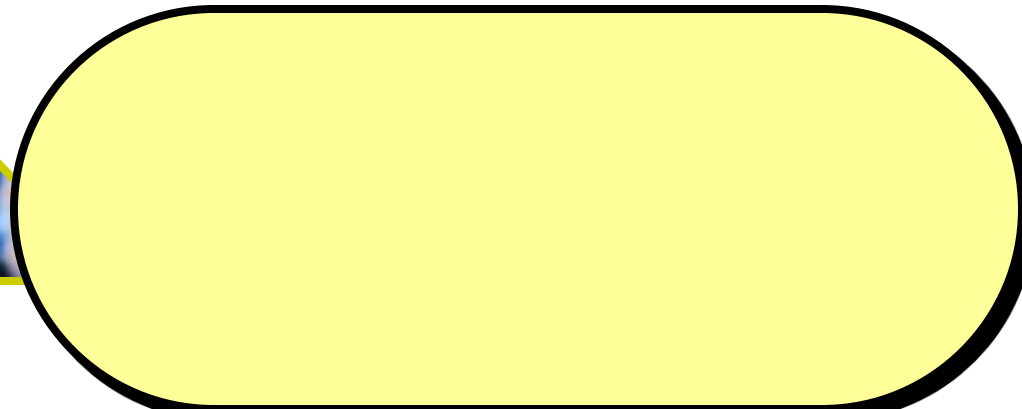
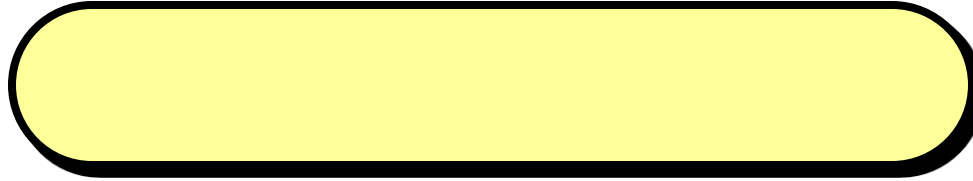


Figure 9.2 Clustering of objects in two-dimensional space

Segmenting Criteria (Consumer Markets)



Group Exercise

Targeting

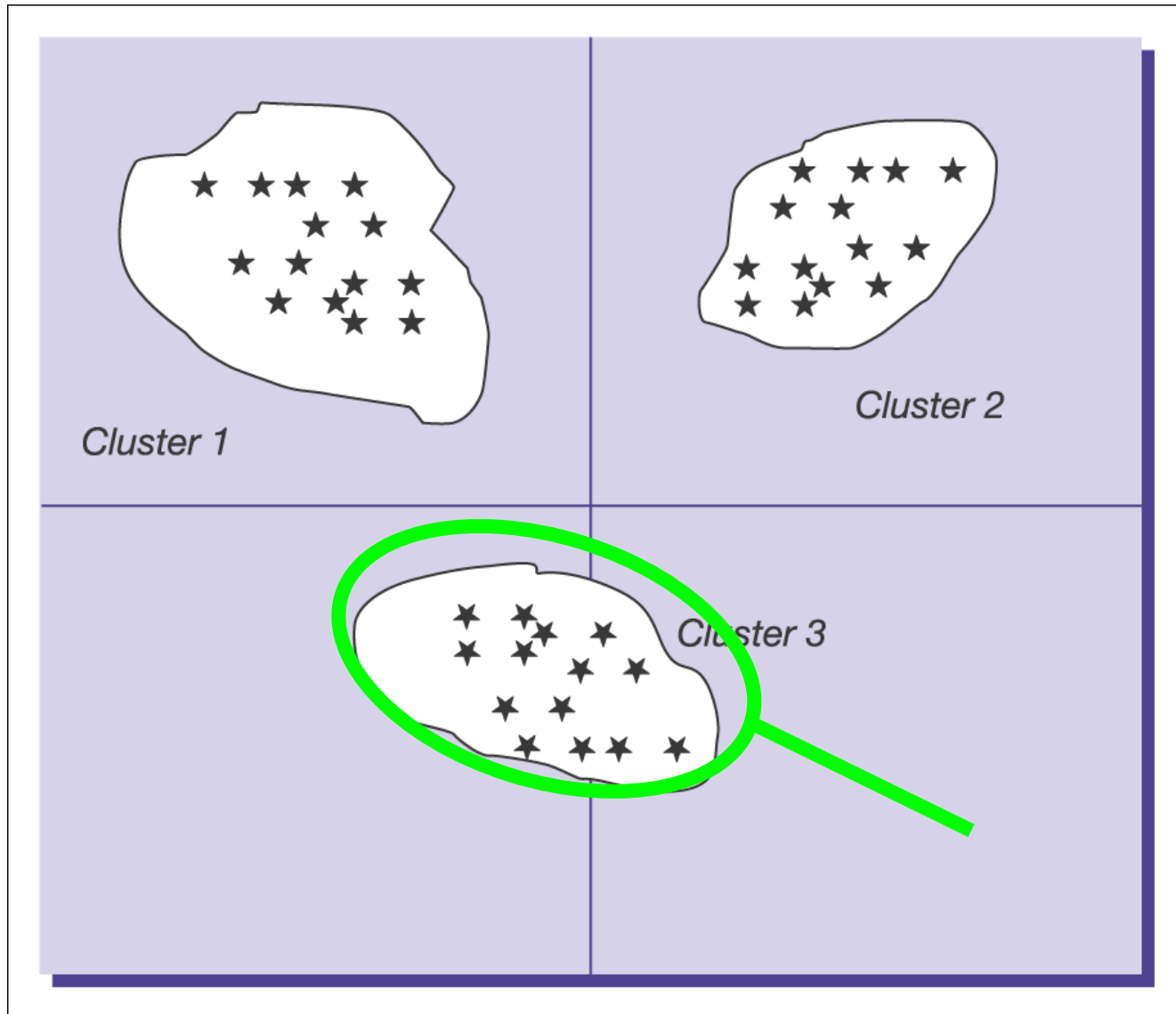


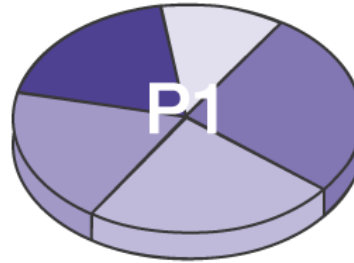
Figure 9.2 Clustering of objects in two-dimensional space

Targeting Criteria?

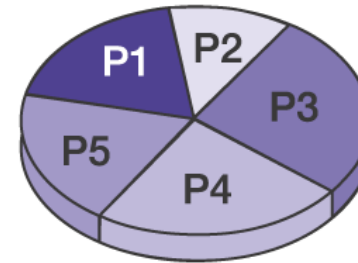


Targeting

Undifferentiated marketing
One product offered to the whole market



Differentiated marketing
Offer different products to different market segments



Concentrated marketing
Focus on one market or a few market segments

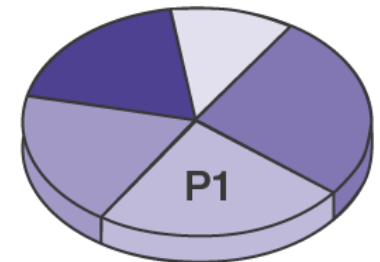


Figure 10.7 Alternative marketing strategies

Positioning

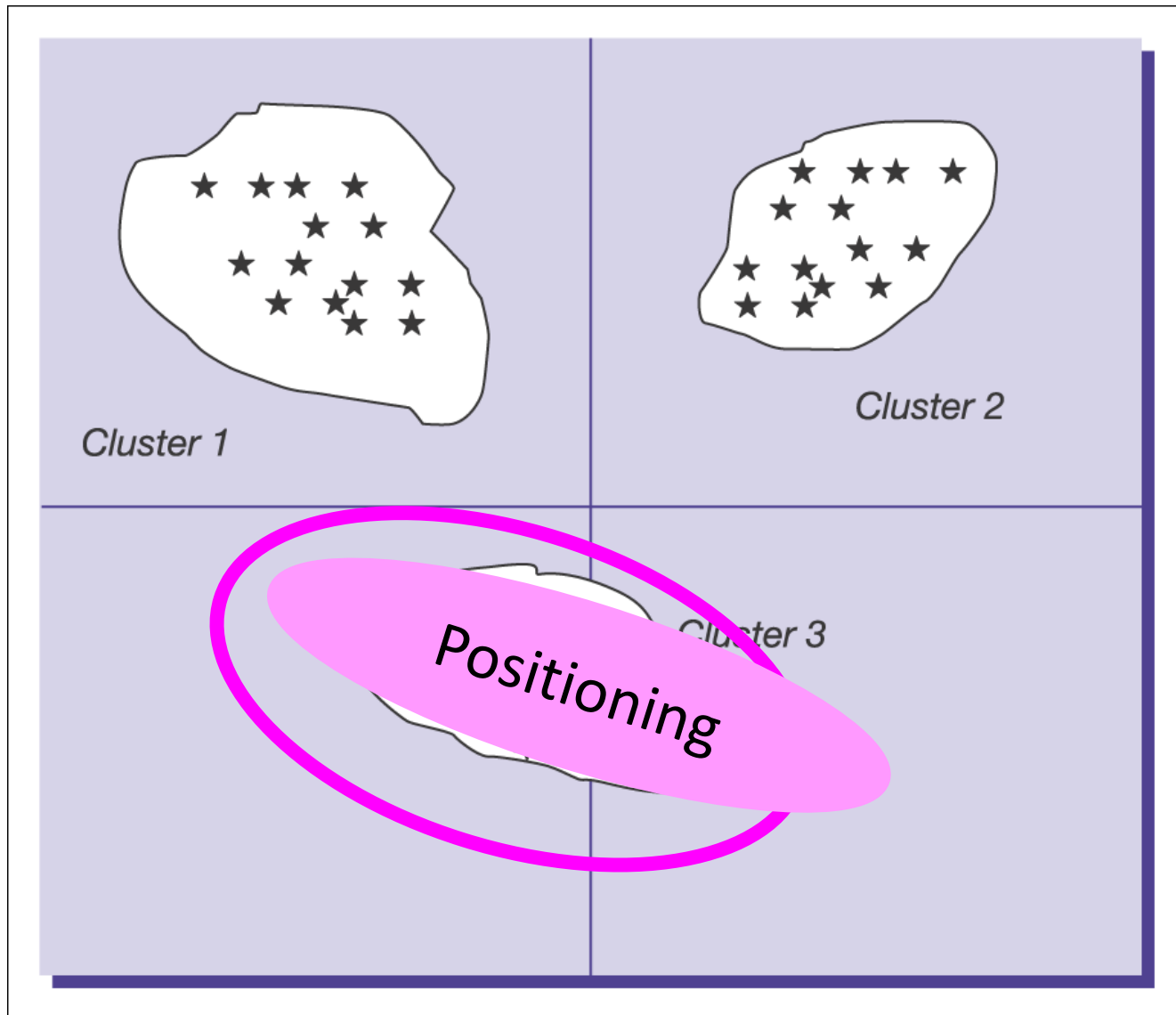


Figure 9.2 Clustering of objects in two-dimensional space

Positioning

To (target group), (Brand)
is _____ (Category) _____
that (USP) better **than**
any other brand
because xxx.

Exercise

- Segmentation
- Targeting
- Positioning Statement

To (target group), (Brand)
is _____ (Category)
that (USP) better than
any other brand
because xxx.



Points of Parity and Points of Difference

- Points-of-difference associations
 - Points-of-parity associations
 - Points-of-parity versus points-of-difference

Terminology

- Brand Positioning
- Brand Architecture
- Brand Mantra
- Brand Being
- Brand DNA
- Brand bull's eye (center of a target)
- ...

To Sum up...

- A good brand mantra should:
 - Communicate the category of the business to set the brand boundaries and clarify what is unique about the brand
 - Be simple, crisp, and vivid
 - Stake out ground that is personally meaningful and relevant to as many employees as possible

ASSIGNMENT (due next class)

1. Name the brand you love!
2. What does it mean to you?
 - Functional benefit from using the product
 - Emotional benefit
 - The personality & value of the brand
3. What do you think/feel about the brand? You think that the brand is ...
4. Describe how you prefer/be loyal/attach/have a sense of community with/engage with the brand.

Note: Write or type on a piece of paper. Be brief. Some of you will be randomly selected to share the above.

APPENDIX

Figure 2.3 - Consumer Segmentation Bases

Behavioral

- User status
- Usage rate
- Usage occasion
- Brand loyalty
- Benefits sought

Demographic

- Income
- Age
- Sex
- Race
- Family

Psychographic

- Values, opinions, and attitudes
- Activities and lifestyle

Geographic

- International
- Regional

Figure 2.4 - Business-to-Business Segmentation Bases

Nature of Good

Kind
Where used
Type of buy

Buying Condition

Purchase location
Who buys
Type of buy

Demographic

SIC code
Number of employees
Number of production workers
Annual sales volume
Number of establishments