



Brand management (IEBM II module)

Section 2: Strategic Brand Management

Presentation 2: Brand positioning

In this presentation we will discuss...

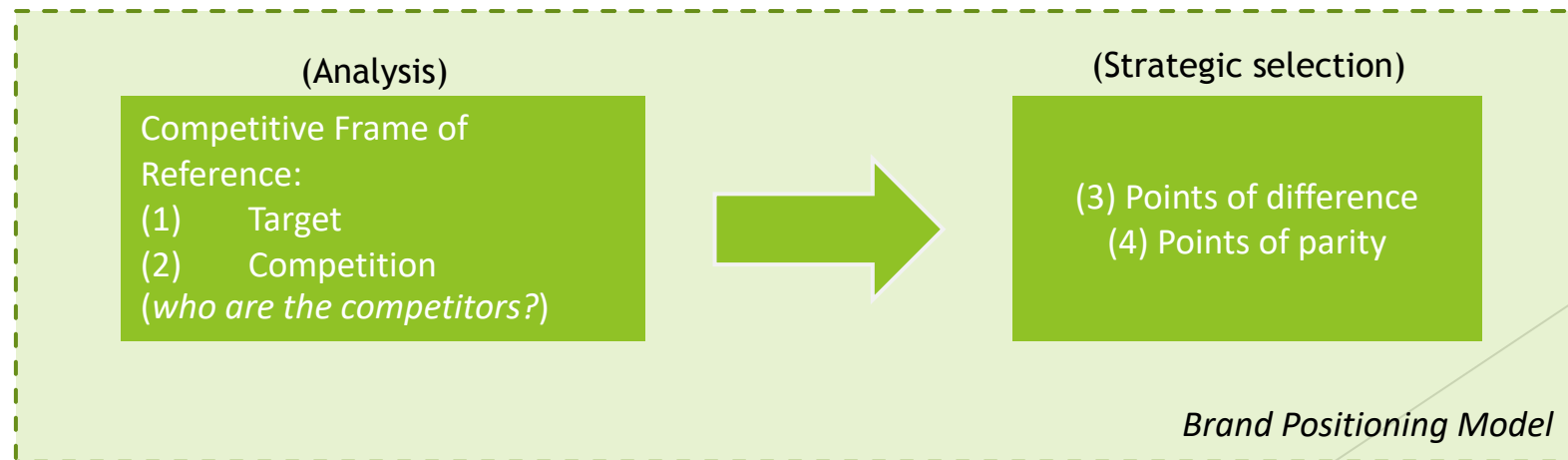
- ▶ Brand positioning model
 - ▶ Competitive frame of reference
 - ▶ Points of Parity
 - ▶ Points of Difference
- ▶ Updating the brand positioning

Brand positioning

- ▶ Positioning is at the hearth of any marketing strategy: positioning is an “act of designing the company’s offer and image so that it occupies a distinct and valued place in the target customer’s minds” (Keller, 2013, p. 79).
- ▶ It is the “**guide**” of the marketing strategy and actions as it states:
 - ▶ what a brand is all about
 - ▶ how it is unique
 - ▶ how it is similar to competitive brands
 - ▶ why consumers should purchase and use it (the brand relevance to customers)
- ▶ Brand positioning implies a sequence of steps:
 - ▶ Definition of the competitive frame of reference (the analysis of the market to come up with the targets and competitors; the selection of core brand associations as the brand’s points of parity and points of differences)

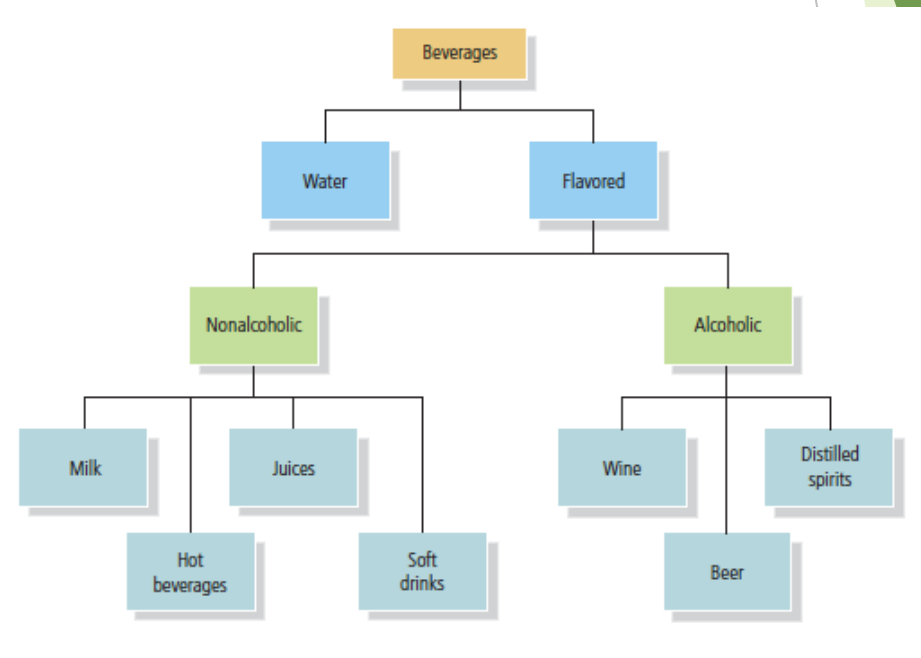
Identification of the target (analysis)

- ▶ Market micro-segmentation: (see Lambin, 2012 to revise the basics of segmentation)
 - ▶ the identification of segmentation criteria and techniques
 - ▶ the division of the market in homogenous groups of customers having similar needs and wants (and so potentially addressed with the same marketing mix)
 - ▶ the selection of one or more segments as our target



Identification of competitors (analysis)

- ▶ How to identify the competitors:
 - ▶ Targeting helps define the nature of competition and the set of competitors (what other brands address this target?)
 - ▶ Abell model helps reflect on a broader notion of competition (considering groups of customers, technologies and functions, see Lambin, 2012)
 - ▶ The exploration of product category cognitive structure and positioning the brand in this mental hierarchy which provides additional information on competition



Product category cognitive structure
(Keller, 2012: p. 110)

Identification of the Points of Difference (PODs) (strategic selection)

- ▶ PODs are “attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand” (Keller, 2013, p. 83)
- ▶ POD associations can be classified as:
 - ▶ Functional attributes and benefits (performance-related)
 - ▶ Abstract values and benefits (imagery-related)
- ▶ The PODs frame:
 - ▶ The unique selling proposition
 - ▶ The sustainable competitive advantage (durable and defensible)



The lowest price

**“Our strength is the price”
(Cost leadership)**



You make it by yourself, affordable and “with a style”

**DIY and “affordable design”
(Hybrid strategy)**



Authentic quality, cultural heritage, cultural values

**“The most loved by Italians”
(Differentiation)**

Identification of the Points of Parity (POPs) (strategic selection)

- ▶ Key brand attributes and values that are not unique to the brand, shared with other brands
- ▶ Necessary but in most cases, POPs are not sufficient to compete
- ▶ Different types of POPs:
 - ▶ **Category points-of-parity:** minimal generic associations connected to expected attributes (fundamental to satisfy the customer's needs)
 - ▶ **Competitive points-of-parity:** aimed to negate the points of difference of other brands
 - ▶ **Correlational points-of-parity:** deriving (not shaped or constructed) from the existence of other constructed points of difference (or parity). They can also be negative and need to be managed

Examples of negatively correlated attributes (Keller, 2013, p. 84):

Low price vs. high quality
Taste vs. low calories
Nutritious vs. good tasting
Efficacious vs. mild
Powerful vs. safe
Strong vs. refined
Ubiquitous vs. exclusive
Varied vs. simple

Example: if your POD is “low price”, your brand is likely to be perceived as “low quality” (creating a POP with this category of product brands). The problem is to counteract this correlational Point of Parity if not in line with our designed positioning

Updating the brand positioning

- ▶ POPs and PODs may become ineffective or irrelevant or new opportunities may emerge in the market: this means positioning should evolve
- ▶ Repositioning should be not frequent as it is likely to imply a loss of brand equity and may fail
- ▶ Updating the positioning may consists in:
 - ▶ Expanding the brand positioning towards encapsulating more abstract values, by means of the laddering technique, in front of novel market opportunities
 - ▶ Reactive strategies to the PODs erosion in the market (in front of a novel market threat):
 - ▶ **“Do nothing”**: keep on the same brand building line (the competitor’s effort might result ineffective)
 - ▶ **Defensive**: defending the position by reassuring the customers and strengthen the identified POPs and PODs
 - ▶ **Offensive**: *repositioning* to address the threat (change the mix of PODs and POPs)

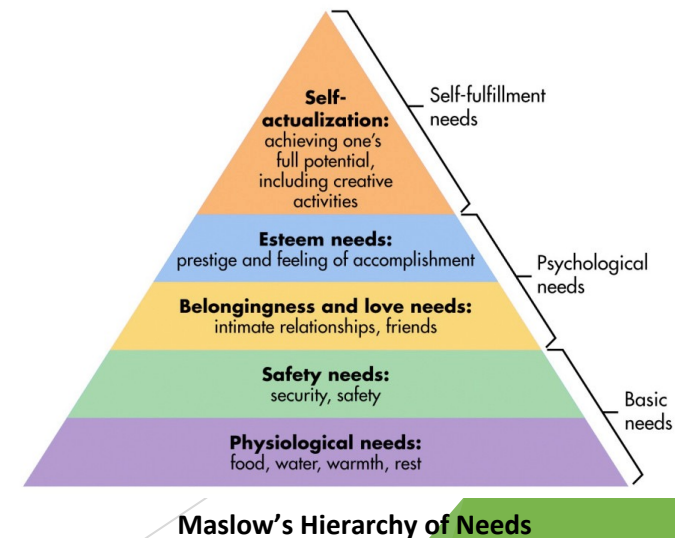
Laddering

- ▶ A process of upgrading, leading from creating associations with attributes, to associations with benefits, and then with values through an exploration of deeper associated meanings and motivations underlying the customers' choice
- ▶ It follows the logic of the Maslow's hierarchy of needs: from satisfying basic needs to addressing the self-fulfilling needs of the human being



(Source: marketoonist, 2012)

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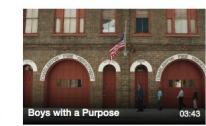
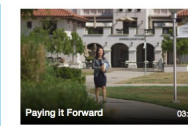
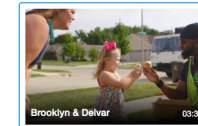
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