



Positioning, Differentiation & Branding

[FREQUENTLY ASKED QUESTIONS]

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FREQUENTLY ASKED QUESTIONS

1. Explain the meaning of positioning with illustration

Positioning means placing the product in the minds of the customers. Positioning has nothing to do with product but it is related to the minds of the customers. For example when Indian customer eats Cadbury chocolate he always says he is eating Cadbury and he will not say he is eating chocolate. This shows how Cadbury has placed the product in the minds of customer.

2. Mention various positioning errors

The company must avoid four major positioning errors:

Under positioning: When the company is positioning the product the buyers must not have vague idea of the brand

Over positioning: Buyers must not have narrow image of the brand. For example middle class customer feels tanisq jewelry is expensive

Confused positioning: The Company must not keep on changing its positioning strategies.

Doubtful positioning: when the company positions its product the buyers must not feel it hard to believe. For example if the features of Maruti cars are compared to Mercedes car buyers would find it hard to believe.

3. Name various positioning strategies

- Attribute positioning
- Benefit positioning
- User positioning
- Product category
- Quality or price

4. What does positioning statement include?

The positioning statement includes

- Target group need
- Frame of reference: segment or category in which company competes.
- Point of difference with the competitors

5. What are the types of differentiation

There can be five types of differentiation:

Product differentiation

Service differentiation

Personnel differentiation

Channel differentiation

Image differentiation

6. What is image differentiation?

Company's image and identity creates a special impact on consumers' mindset this helps companies

in differentiation. Identity is created by the company and image is created by public. Image differentiation can be achieved through, Symbols and special attributes and physical plants. for example Samsung smart phones have touch screens. The physical plants creates powerful image for example Marriot Hotel differentiates itself base on physical structure.

7. What is branding?

It means to take decisions regarding name, logo, colors, tagline and symbol. A brand is more than a tagline, name or logo it is marketers promise to the customer to be honest.

8. How can one build brand?

In the markets the brand varies in power and value they have in the market place. There are brands which are not known by the buyers, there are brands which have high degree of brand awareness, there are brands with a high degree of acceptability, and loyalty, and there is brand equity.

- (i) The company should clarify the companies basic values in order to build the brand.
- (ii) The company should use brands managers to build the brand
- (iii) the company should create positive consumer experience
- (iv) The company should deliver the feel o f the brand
- (v) The customer should feel that brand is valuable to them

9. Which positioning strategy company can promote?

The Company has to decide which positioning strategy to promote for example company has four positioning platforms technology, cost, quality and service, the company has to select one strategy for positioning. The company can compare itself with the competitors and select the strategy in which the company is better than the competitor. The one in which the company has competitive advantage.

10. What are the advantages of brand equity:

- (i) The bargaining power of the company increases
- (ii) The company can charge higher price
- (iii) The company can easily launch brand extension
- (iv) The brand also offers defense against price competition.