

FAQ's

1. What is brand value?

A.Brand value indicates how much the customers are willing to pay more for a particular product or service. The value for a brand can be either because of its functionality, message, associations or relationships.

2. What is the significance of brand value?

A.Brand values are important as they add value to the brand equity of the product or service. The other two important factors in the growth of the brand is profitability and leadership. Profitability and leadership of the brand is also realized through brand values. Maintaining the brand leadership requires a strategic planning.

3. How are brand values created?

A. Brand values have a positive effect on brand equity. The brand value is in

The brand value has many factors affecting the brand equity. In line with the brand resonance model, the brand value chain follows the four stages
stage 1: value of the brand lies with the customer

stage 2: the knowledge and feelings of the customer are well expressed by the brand resonance model(discussed in session 3) which is the customer mindset

stage 3: the brand performance, a result of the customer's mindset is about realizing how much and when and for what price do customers purchase

stage 4: the value of the brand or the shareholder value is determined.

4. What is brand positioning?

A. Brand positioning is a strategic step taken to remind the customers of the products uniqueness, its clarity on its functionality or product category. It provides the customers reasons to purchase. It is therefore defined as an act of designing and crafting the position of the company's

offer and image in the minds of the customer which is generally unique and has a distinct place. Positioning is all about giving a position for the product or service in the target customers mind to ensure that the product is viewed in the right direction and the maximum benefit is obtained from its positive appeal.

5. What are points of parity associations and its significance

- A. Points of parity associations is one of the important pre-requisites for positioning a brand. Points of Parity or POPs or points of parity associations refer to those attributes common to all products in a product category and hence these properties are not unique to that brand alone. POPs are divided into three types namely category, competitive and co-relational.

Category points- of- parity represent the necessary conditions which are not necessarily sufficient enough to make the brand choice. These attributes are minimal to put it at the generic product level or it may appear at the expected product level. Eg. A bank will be called a bank only if it has necessary saving plans, safety boxes, traveler's checks, automated teller machines, convenient banking hours and other such services.

Competitive points- of- parity are those associations designed to negate competitor's points of difference. For example, the bank can break even in areas the competition has an advantage but can make up in other areas.

Co-relational points-of -parity are those negative associations that arise from the existence of the others more positive associations for the brand. The numerous attributes making up the POPs and PODs, the marketers face a challenge that these are inversely related. A product cannot be the cheapest and at the same time have the best quality.

6. What are points of difference and its significance

- A. Points of Difference Associations (Points of Difference)

These points of difference associations or points of difference or PODs are those exclusive attributes or benefits associated with the brand which cannot be identified with any other competitor. The choices made by the customers depend on the exclusive brand associations, performance attributes or

performance benefits (eg. technology product with consumer friendly features), overall superior quality or as a low - cost provider. The Swedish retailer IKEA made luxury products like furniture and home furnishings cheaper for mass markets. They had good and unique designs at low process. IKEA supported its low pricing by allowing the customer to deliver and assemble their own purchases.

7. What are the various proof points identified in point of difference associations (PODs)?

A. The PODs are generally defined in terms of consumer benefits. The customer is able to believe the benefits identified only through the “proof points” or the reasons to believe.

The possible proof points are taken to be

- functional benefits(eg.a close electric shave)
- key ingredients(contains fluoride(eg. a toothpaste)
- key attributes(eg. a unique tread in the tires to give more safety)
- key endorsements(eg. doctors for Colgate toothpaste)

8. State the important factors for positioning a brand?

A. In order to position a brand the first steps are to identify the segments for positioning. The behavioral segmentation helps identify the product differences and the underlying benefits. Though profitability is the underlying expectation the other features sought in the segments are

The need for

1. **Identifiability** - How easily is the segment identified
2. **Size**- Does the chosen segment have an adequate sales potential
3. **Accessibility**- Accessibility of the segment by the existing distribution outlets and communication media.
4. **Responsiveness**- Expectation of a favorable response to the marketing program

9. Importance of developing a good positioning

A. Positioning is an important feature to enable growth of a brand which should be chosen such as to make room for growth of the brand and

expansion of the product mix. Some considerations during a good positioning are

Firstly, to ensure the brand's aspirations have a room to grow and improve

Secondly, it is to identify the points of parity before concentrating on the strengths of the brand. It is important to remember, that the relevance of points of difference is higher on consideration of the points of parity.

Thirdly, it should reflect the customers point of view of the benefits that consumers derive from the brand and

Finally the positioning should relay emotional and rational components to ensure duality in the positioning of the brand.

10. How are points of differences (POD's) selected?

A. The points of difference of the brand highlight the need to communicate the unique features of the brand and the credible reasons to choose other brands in the category. The brand should have favorable, desirable, deliverable and differentiating brand associations.

Desirability is determined from the customers' point of view, deliverability is the inherent capabilities of the company and the differentiation is relative to the competitors.

The deliverability criteria have the ability to deliver and communicate and convince customers of their ability to deliver as promised.

Feasibility is about understanding the actual capability of the firm to be able to deliver the desired associations or the points of differences. The marketers find it easier to convince the people of the attributes or benefits overlooked than changing the product and convincing the value of the changes to the customers.

Communicability of the brand are the perceptions developed and the various brand associations resulting in positive perceptions. Proof points aids develop a belief in the brand and its desired associations.

Differentiation criteria are about creating a strong, distinctive and superior differentiation criterion. The aim of the marketer is to find a suitable with a long term viable differentiation.