CHAPTER 3:
BRAND POSITIONING & VALUES

Kevin Lane Keller

Tuck School of Business

Dartmouth College

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Brand Positioning

- Is at the heart of the marketing strategy

- "... the act of designing the company's offer and image so that it occupies a distinct and valued place in the target customer's minds."

Philip Kotler

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Determining a frame of reference

- What are the ideal points-of-parity and points-of-difference brand associations vis-à-vis the competition?

- Marketers need to know:
  - Who the target consumer is
  - Who the main competitors are
  - How the brand is similar to these competitors
  - How the brand is different from them

Target Market

- A *market* is the set of all actual and potential buyers who have sufficient interest in, income for, and access to a product.

- *Market segmentation* divides the market into distinct groups of homogeneous consumers who have similar needs and consumer behavior, and who thus require similar marketing mixes.

- Market segmentation requires making tradeoffs between costs and benefits.

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Example of the toothpaste market

■ Four main segments:

1. *Sensory:* Seeking flavor and product appearance
2. *Sociables:* Seeking brightness of teeth
3. *Worriers:* Seeking decay prevention
4. *Independent:* Seeking low price

Criteria for Segmentation

- *Identifiability:* Can we easily identify the segment?

- *Size:* Is there adequate sales potential in the segment?

- *Accessibility:* Are specialized distribution outlets and communication media available to reach the segment?

- *Responsiveness*: How favorably will the segment respond to a tailored marketing program?

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Nature of Competition

- Deciding to target a certain type of consumer often defines the nature of competition

- Do not define competition too narrowly
  - Ex: a luxury good with a strong hedonic benefit like stereo equipment may compete as much with a vacation as with other durable goods like furniture

Points-of-Parity and Points-of-Difference

- *Points-of-difference* (PODs) are attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand.

- *Points-of-parity associations* (POPs), on the other hand, are not necessarily unique to the brand but may in fact be shared with other brands.

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Brand Positioning Guidelines

- Two key issues in arriving at the optimal competitive brand positioning are:
    - Defining and communicating the competitive frame of reference
    - Choosing and establishing points-of-parity and points-of-difference

Defining and Communicating the Competitive Frame of Reference

- Defining a competitive frame of reference for a brand positioning is to determine category membership.

- The preferred approach to positioning is to inform consumers of a brand's membership before stating its point of difference in relationship to other category members.

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Choosing POP's & POD's

- **Desirability criteria (consumer perspective)**
  - Personally relevant
  - Distinctive and superior
  - Believable and credible
- **Deliverability criteria (firm perspective)**
  - Feasible
  - Profitable
  - Pre-emptive, defensible, and difficult to attack

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Attribute and Benefit Trade-offs

- Price and quality
- Convenience and quality
- Taste and low calories
- Efficacy and mildness
- Power and safety
- Ubiquity and prestige
- Comprehensiveness (variety) and simplicity
- Strength and refinement

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Strategies to Reconcile Attribute and Benefit Trade-offs

- Establish separate marketing programs
- Leverage secondary association (e.g., co-brand)
- Re-define the relationship from negative to positive

Core Brand Values

- Set of abstract concepts or phrases that characterize the five to ten most important dimensions of the mental map of a brand

- Relate to points-of-parity and points-of-difference

- Mental map → Core brand values → Brand mantra

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Brand Mantras

- An articulation of the "heart and soul" of the brand
- similar to "brand essence" or "core brand promise"

- Short three- to five-word phrases that capture the irrefutable essence or spirit of the brand positioning and brand values
- Considerations
  - Communicate
  - Simplify
  - Inspire

Designing the Brand Mantra

- The term *brand functions* describes the nature of the product or service or the type of experiences or benefits the brand provides.

- The *descriptive modifier* further clarifies its nature.

- The *emotional modifier* provides another qualifier—how exactly does the brand provide benefits, and in what way?

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Designing the Brand Mantra

	Emotional Modifier	Descriptive Modifier	Brand Functions
	Authentic	Athletic	Performance
	Fun	Family	Entertainment
	Fun	Folks	Food

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Internal Branding

- Members of the organization are properly aligned with the brand and what it represents.

- Crucial for service companies

Brand Audit

- Externally, consumer-focused assessement

- A comprehensive examination of a brand involving activities to assess the health of the brand, uncover its sources of equity, and suggest ways to improve and leverage that equity

- It includes brand vision, mission, promise, values, position, personality, and performance

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Importance of Brand Audits

- Understand sources of brand equity
  - Firm perspective
  - Consumer perspective
- Set strategic direction for the brand
- Recommend marketing programs to maximize long-term brand equity

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Brand Audit Steps

- Brand inventory (supply side)

- Brand exploratory (demand side)

Brand Inventory

- A current comprehensive *profile* of how all the products and services sold by a company are branded and marketed:
  - Brand elements
  - Supporting marketing programs
  - Profile of competitive brands
  - POPs and PODs
  - Brand mantra

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Brand Inventory (Cont.)

- Suggests the *bases* for positioning the brand
- Offers *insights* to how brand equity may be better managed
- Assesses *consistency* in message among activities, brand extensions, and sub-brands in order to avoid redundancies, overlaps, and consumer confusion

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Brand Exploratory

- Provides detailed information as to how consumers perceive the brand:
  - Awareness
  - Favorability
  - Uniqueness of associations
- Helps identify sources of customer-based brand equity
- Uncovers knowledge structures for the core brand as well as its competitors

Suggested Brand Audit Outline

- Brand audit objectives, scope, and approach
- Background about the brand (self-analysis)
- Background about the industries
- Consumer analysis (trends, motivation, perceptions, needs, segmentation, behavior)
- Brand inventory
  - Elements, current marketing programs, POPs, PODs
  - Branding strategies (extensions, sub-brands, etc.)
  - Brand portfolio analysis
  - Competitors' brand inventory
  - Strengths and weaknesses

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Brand Audit Outline (Cont.)

- Brand exploratory
  - Brand associations
  - Brand positioning analysis
  - Consumer perceptions analysis (vs. competition)
- Summary of competitor analysis
- SWOT analysis
- Brand equity evaluation
- Strategic brand management recommendations

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