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S.R. Dimitrakieva

## ANALYSIS OF THE PRACTICAL METHODS FOR BRAND POSITIONING

In present time the theoretical and practical interest of branding research is growing. This is because the brand is turning into a powerful competitive advantage, in instrument for forming the company business reputation and for increasing the consumers' loyalty.

In present days the competition requires presence of two essential instruments of the brand-management: brand identity and brand positioning.

This article is dedicated to the analysis of this topic. In the paper the concept for the brand identity is examining, the terms "brand identity" and "brand image" are differentiated. The essence of the brand positioning is clarifying. The main positioning strategies are examined, as well as the questions, which have to be answered in the process of selecting positioning strategy.

*Keywords: brand, brand identity, brand image, brand positioning, positioning strategy.*

### 1. Introduction

The intensive competition facing companies a dilemma to wage price wars or to implement other methods for positioning their offers or business in general. One of the meanings for differentiation of the offers and winning a sustainable competitive advantage is the creation of powerful brands. The effectiveness of brand management largely determines the companies' ability to survive and to prosper in high turbulent environment.

In our days the competition requires presence of two essential instruments of the brand-management – brand identity and brand positioning [6]. The first determines the borders of its uniqueness and value, and the second – the main difference, which creates brand advantage in certain market segment in certain time period.

The brand identity is a source of ideas for brand positioning. The manner, in which a company is decided to position herself is a key element for building of marketing strategy and determines the use of the different forms of marketing communications in short-term and long-term plan [5].

### 2. Brand identity and brand positioning

The beginning of the concept of the brand identity was started by Kapferer in 1986. The understanding for its highly significance is establishing gradually.

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**Димитракиева Светлана Райчева** – д-р экономики и управления, доцент кафедры «Социальные, экономические и правовые науки», Морская академия (Болгария, Варна), e-mail: s\_dimitrakieva@abv.bg.

Today most leading companies are determined their brand identity. Something more – many researchers are already dealing with the brand identity of their companies. It is considered that the presence of brand identity means that the organization really exists and it is moving towards its goal.

The brand identity can be clearly determined if we can answer to the next questions:

- What is the specific vision and goal of the brand?
- What their distinction creates?
- What need the brand satisfies?
- How valuable is it?
- Which is the area of its competencies?
- Which signs make the brand recognizable? [6]

The brand identity determines what has to remain unchanged and what can be changed. It has to correspond to the requirements of the present markets. The problems arising in our days are more complicated in comparison with those before 10-20 years ago. The reasons are few:

- We are living in a society, which is oversaturated with communications. Communication in our days is based not only on technique, it is more like art.

- The century, in which we are living, is determined as “the century of the marketing similarities”. The brand introduces innovations, forms new standards. The other brands quickly catch them, and in result of this the number of the products with similar attributes is increasing.

- The increase of the similarity between products is mainly due to the relatively easy access to the technologies [6].

Therefore the diversification requires knowledge about the brand identity. Relying on them the companies can use new markets and achieve new goals.

J.N. Kapferer distinguishes the terms “brand identity” and “brand image”. The brand image is related to message addressees. It is examining on the basis of the manner, in which certain groups perceive the product, the brand, the policy, the company and the country. The image is related to manners, through which these groups are decoded all signals outgoing from the commodities, services and communications covering the certain brand.

The brand identity is related to those, who are sent the messages. The main in this case is to determine the brand meaning, its goal and its own image. The image is both the result and its interpretation. In the sphere of brand-management the brand identity precedes the brand image. First of all to design an image in a society is necessary to know what message we want to send and how to send it. As it is shown on fig.1 the image is society’s opinion about the totality of all brand messages: about its name, visual symbols, commodities, advertisement, sponsorship, etc. The image is forming in result of message decoding, meaning deriving, interpretation of signs [6].

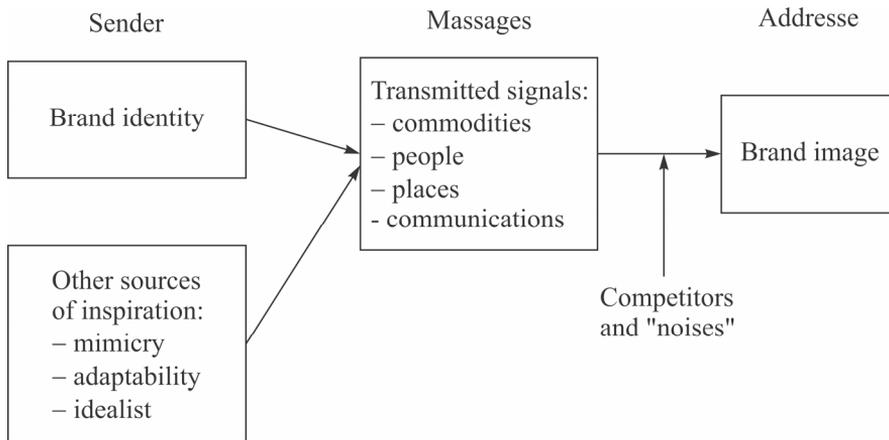


Fig. 1. Brand identity and image

(Source: Kapferer J.N. The New Strategic Brand Management, London: Kogan Page, 2004)

From where are all these signals? The sources are two:

- the brand identity;
- externalities (so-called “noises”).

They appear in the brand name and form meaning, but they may not be related to this meaning. Which are these factors?

First, there are companies, which are strived to imitate competitors as they do not have clear ideas for their own brand identity. They examine the competitors and copy their marketing communication.

Second, some companies rush with readiness to build an attractive image liked by all. Therefore they are focused on the satisfaction of the expectations of each consumer. The brand in this case is always in the game satisfying the whims of the consumers in the changing ocean of social and cultural needs. Sometimes the brand is adapting and searches popularity risking to lose many real characteristics. It turns into ordinary facade, useless cosmetic camouflage [6].

The third source of “noise” is the invented identity.

As the brand identity is recognized as a dominant concept, those three potential difficulties have to be prevented.

Commonly the brand is distinguished by its positioning. The brand positioning is connected with highlighting of those characteristics, which distinguish it and make it attractive for consumers. This, in J.N. Kapferer’s opinion, is related to answers of four questions:

- For what reason the brand exists?
- For whom the brand exists?
- How long the brand will exist? This question is related to the period, in which the product will be used.

- Against whom the brand exists? This question determines the main competitors in the present competitive environment.

The positioning is very important concept (fig. 2).

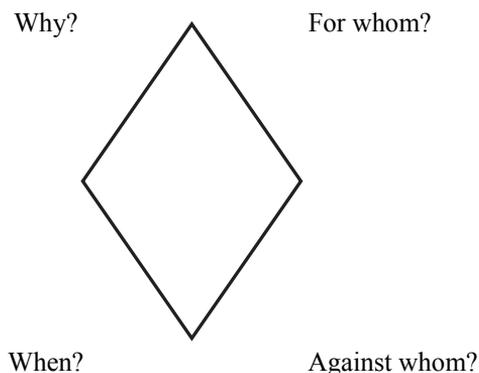


Fig. 2. Brand positioning

(Source: Kapferer J.N. The New Strategic Brand Management. London: Kogan Page, 2004)

It reminds us that the consumers are making a choice based on comparisons. Therefore the product will be examined only if it falls into the selection process. These four questions help to positioning new product and make its appearance completely obvious for the consumer [6].

The positioning is two-stage process:

- First, it points out which category the brand has to be associated and compared with.
- Second, it points out which are the brand essential differences in comparison with other brands from the same category.

### 3. Types of positioning strategies

The brand positioning is determined as multi-aspect phenomenon based on the strategic approach of the companies to create positive effect over the target market by adjustment of the marketing mix and implementation of non-material corporative resources for creation of positive idea in the consumers' consciousness (position) [4, 7].

The positioning strategy may be formulated and introduced by many methods arising from:

- the associations with the brand,
- the competition,
- the types of customers,
- the product category/class etc.

H. Bhasin examines seven types of positioning strategies:

- on the basis of the product characteristics,
- on the basis of the ratio “price/quality”,
- on the basis of the implementation,
- on the basis of the product process,
- on the basis of the product class,
- on the basis of the cultural symbols,
- on the basis of the competition [2].

#### Types of positioning strategies and specific features

Type of the positioning strategy	Characteristics
On the basis of the product characteristics	The accent is over certain product profits
On the basis of the ratio “price/quality”	Higher prices for higher quality products. Allows price competition
On the basis of the implementation	Product strategy for expansion of the brand market
On the basis of the product process	Associating the product with its consumers
On the basis of the product class	Changing the product class
On the basis of the cultural symbols	Use of cultural symbols for brand differentiation
On the basis of the competition	Use of the brand image for better positioning and achieving of competitive advantage

Source: Bhasin H. Positioning Strategy, <http://www.marketing91.com/positioning-strategies/>, 2010 (последен достъп 05/07.2012).

*On the basis of the product characteristics* – this is the one of the most implemented positioning strategies, where the accent is over the competitive profits and/or product characteristics.

*On the basis of the ratio “price/quality”* – brands, which are purposefully striving to offer more in respect to service, characteristics etc., exist in many product categories. Usually the producers of such commodities put higher prices, so as to make generally known the fact that they offer higher quality too.

*On the basis of the implementation* – this strategy is related to the use of product, which usually is focused on expansion of the brand market.

*On the basis of the product process* – here is implemented association of the product with its consumers or class of consumers. The expectations in this strategy are that the person or the class of consumers will cause the “halo effect” and thus will be built a model reflecting the target audience’s desires.

*On the basis of the product class* – for some products it is necessary to make key positioning decisions related to the product’s class.

*On the basis of the cultural symbols* – often the deeply set cultural symbols are used to differentiate brands. The main task is to identify the symbol which

hides key meaning for consumers and it is not used by competitors so as to provide unambiguousness in the target audience's consciousness.

*On the basis of the competition* – in some cases the association with the competition is essential for two elements: 1) the excellent image of the main competitor can be used as a bridge for achieving the desirable positioning; 2) in the consumers' consciousness is important not only how good the company is, but how better is it from competition too.

In the specialized literature there are other strategies too. They reflect not only the brand attributes:

- *Attribute positioning.*
- *Positioning by certain producer's dignity*, which distinguishes him from other competitors.

- *User positioning.* The strategy emphasizes on the connection between product and consumer. It is appropriate for well differentiated market segments.

- *Competition positioning.* It is expressed in showing the product advantages in comparison with the similar products of the competitors. Direct reference to the pluses towards certain competitors hides risks and can be in contradiction to the legal regulations for ethical and loyal business.

- *Strategy for adjustment the product to customer's ideal notion.* The reference point is this notion and with respect to it the company specialists develop and position such a brand. It is naive to consider that is possible in all cases to achieve absolutely correct match between the customer's ideal notion and the brand real positioning. Simultaneously it has to be considering that the customer's notion for the product's real characteristics can be considerably different from the real quality of the product according to the specifications.

- *Strategy for adjustment the customer's notion to the ideal positioning of the offered brand.* The company, which offers the brand, is positioning it in a manner, which persuades the customers that this is the right brand and it will satisfy their need.

The last two strategies can be implemented simultaneously.

- *Strategy for competitor's imitating* – it is used for homogeneous products perceived by consumers as substitutable. The advantages of the strategy are related to reducing the expenses, because the competitors' actions are imitated. The most basic version is carried out by copying the marketing means of the competitor – similar advertisement, similar package, similar-looking brand.

- *Strategy for specializing* – it is preferred when distinguishing from competitive products can be done. It is expressed in the searching of opportunities for isolating from the competitors' positioning in the product space. The general idea is to be created comparatively homogenous product market combination within one product space.

#### 4. How to achieve brand positioning

The brand positioning is a relative concept as reflects the customers' comparative evaluation about that how much the brand is similar or different from the competitive brands. For the existing brands the positioning is derivative of their identity.

The standard formula for positioning looks like this:

- For... (determining of target market),
- brand X represents... (determining of the comparative borders),
- which gives more... (promise or consumer's profit),
- because... (reason for trust) [3].

The basic questions to which have to answer in the process of evaluation and selection of positioning strategy are:

- If the product look and the components, which are built it, are compatible with its positioning?
- What is the supposed motivation of the customers?
- Which part of the market the positioning covers?
- Can the positioning achieve customer's trust?
- If the positioning use the current and/or latent weak sides of the competitors?
- What financial goals are determined by this type of positioning?
- Can the positioning be easily copied by competitors?
- If the positioning allows alternative decision in case of unforeseen circumstances?
- If the product has a potential for development in the selected positioning?

In S. Zhelev's opinion, the compulsory features that the positioning strategy has to have are:

- To be sensible – to embody dimensions, which are meaningful for the consumers.
- To be based on real strong sides of the brand.
- To point out comparative advantage.
- To be easy for representing to the consumers.
- Not to be internal contradictory [1, 8].

#### 5. Conclusion

The brand positioning is a key concept in the brand-management. It is based on the one fundamental principle – all versions are relative.

The positioning is competitive. Consumers are making their choices comparing different competitive brands. Therefore we must carefully answer to these two questions:

- Who are the general competitors?
- What we offer to consumers as a key factor for decision-making?

The non-positioned brand leaves both two questions without answers. It is wrong to believe that the consumers will find them by themselves. Today the options are too many so as to consumers to make efforts and strive to clarify what makes the brand special. The variety of goods increases the options for the consumer, but brand simplify the process [3].

The goal of the positioning is to identify and provide serious reason for purchase of one or another product.

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С.Р. Димитракиева

## АНАЛИЗ ПРАКТИЧЕСКИХ МЕТОДОВ ПОЗИЦИОНИРОВАНИЯ БРЕНДА

В настоящее время теоретический и практический интерес в изучении брендинга растет. Это потому, что бренд становится мощным конкурентным оружием, инструментом формирования деловой репутации компании и повышения лояльности клиентов. Чтобы успешно конкурировать на рынке сегодня, требуется два основных инструмента бренд-менеджмента: отличительные особенности бренда и позиционирование бренда.

В статье рассмотрена концепция отличительных особенностей бренда, «имидж бренда». Разъясняется суть позиционирования бренда. Рассматриваются основные позиционные стратегии и вопросы, на которые нужно ответить в процессе выбора стратегии позиционирования.

Ключевые слова: *бренд, отличительные особенности бренда, имидж бренда, позиционирование бренда, стратегии позиционирования.*

**Dimitrakieva Svetlana Raicheva** – Doctor of Economics and Management, Associate professor, Dept. of Social, economic and legal science, Marine Academy (Bulgaria, Varna), e-mail: [s\\_dimitrakieva@abv.bg](mailto:s_dimitrakieva@abv.bg).