

Searching for competitive advantage with the aid of the brand potential index

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Abstract

Purpose – In recent years, the world food market has undergone an accelerated process of concentration and consolidation. These intensive processes increase the competitive advantage of operating activities on the global market and are the result of numerous changes in the period of new economy. What is the meaning of brand management and how is it dealt with in practice? What is the importance of positioning in the light of brand image and identity? Which are the ways to measure the brand strength with the aid of the brand potential index (BPI) and to identify the characteristics (key drivers) which have the greatest influence on brand strength? All these are questions for which this paper seeks to provide answers.

Design/methodology/approach – The answers to the research questions were gained using the GFK target positioning research with which a brand analysis of high-volume products was carried out in the light of its key characteristics: brand as a product, opportunities and risks involved in the brand on the market, competition analysis, analysis of brand's personality, target group analysis (market segmentation), and marketing cluster analysis.

Findings – Based on the case study, the paper demonstrates the applicability of the research in the process of brand evaluation, determining the positioning and communication guidelines on the example of food products brands.

Originality/value – The paper is important in identifying the sources of brand value.

Keywords Brand image, Brand identity, Food industry

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction

The developments on the world food market have, in recent years, been marked by rapid, unexpected and complex changes. The world food industry is operating in an explicitly dynamic environment that demands constant adjustments and responses. Good familiarity with consumers, their habits, wishes, and motives for buying a certain product is becoming an increasingly important area and food companies have, therefore, devoted more attention to it. In most cases, it is about dealing with links between internal and external factors that have an immediate effect on the behaviour of consumers in their purchase-decision-making process. The need to be familiar with the behaviour of the consumers has become, through the development of production, products, sale, and marketing orientation, increasingly important and, in the long run, also necessary. More attention has been devoted to market and consumer researches that are one of the more important factors that determine the success on the market.

In the food industry, being such a competitive branch, the marketing function plays a central and leading role, whereas administration of trademarks represents a big challenge.

Owing to the changes emerging from the environment, it is important for the companies in this industry to have or to create strong trademarks that correspond to the selected target segment.

We, the consumers, constantly strive to perceive the products and its properties in the way that is consistent with our expectations. Since we want our food to be safe, healthy and to meet quality standards, the demands and wishes of a modern consumer on food producers are ever greater. We expect the food producers to have a complete control over the production process which means that a product can be traced from the “field to fork”.

Internationalisation and consolidation of retailers, which are with concentrated power becoming an increasingly important element in the food industry, are the cause of major market changes. While food processors have secured and improved the growth of their power on the market, the commercial chains have experienced a sale's increase in the area of new EU Member States from Eastern Europe, in China, and other Asian countries.

Mergers and acquisitions facilitate company growth, cost-effectiveness and quick access to a new market. Discounts and growing number of trademarks represent a major addition to existing problems since both trends are expanding rapidly throughout the EU.

Beside factors mentioned above, the leading role of a company is achieved only through strong and established trademark. The control of marketing processes and establishment of new and innovative products under strong trademarks represent a long-term competitive advantage for the company.

In the dynamic market situation, the survival will be possible only for those food companies that will be able to invest large amounts of capital into new technologies and

The current issue and full text archive of this journal is available at www.emeraldinsight.com/1061-0421.htm



Journal of Product & Brand Management
18/3 (2009) 165–176
© Emerald Group Publishing Limited [ISSN 1061-0421]
[DOI 10.1108/10610420910957799]

ecology, market strong and established trade marks, and develop new and innovative products and information system that will provide traceability of all production processes, i.e. from the field to the fork.

Theoretical framework

Management of an established brand

The producers of fast moving consumer goods are aware that a company's leading role on the market is ensured through strong and established brands and loyal consumers. Good familiarity with consumers, their habits, wishes, and motives for buying a certain product is becoming an increasingly important area and food companies have, therefore, devoted more attention to it.

In the past, a brand was a sum of a name, symbol or a shape/combination of these elements that are used for recognising and distinguishing various products and services of a company or a group of companies from competitive companies. The purchase made by consumers is thus easier since they know which benefits they will gain by purchasing a product of the established brand. A strong and established brand provides the consumer – beside functional benefits – with emotional benefits as well.

A brand is much more than just an element of attraction. It is a sum of all perceptions, notions, and associations about a product or a service that is being formed in consumers' heads. It is all about emotional comprehension of goods that the consumer requires or seeks on the market. The primary importance of the brand is in establishing an emotional relationship between the consumer and the product. In any case, the consumers encroach upon products with good quality; however, the quality of the product is but a prerequisite for forming a brand. The latter has to have its own personality, its identity, an image and character.

The brand is built on factors of the consumer's way of thinking: the image of brand, its familiarity and familiarity of the name, perception of quality, fidelity, positive associations and other benefits. Its advantages for the operator or the administrator of the brand are: product differentiation, competitive advantage, higher margin, increased market share, strength to negotiate, quicker introduction of new products, decreased risk for consumers, communication of quality and more. We expect the top-notch brands to be perfect and to fulfil their promises 100 percent and higher. In short – all has to be of superior quality since one little mistake can ruin the brand's reputation.

Managing a brand means to create emotional responses in consumers every time they use a certain product which carries the name of the brand. It means to take special care of in what light the media shows a company (the owner of a brand); in short, it means to maintain every single contact that develops between the product/brand representative and the consumer. Strategic management of brands which is directed by new-age management, and the importance of the brand, exceeds the classical concept of brand management that was established by Procter & Gamble in the year 1931 (Aaker, 1991).

Within the framework of the classical concept, the company does not expose any brands; however, it is possible that brands within one company compete between each other to gain a higher share of assets intended for market communication. The greatest disadvantage of the classical concept is the assessing of success of the brand on the basis of

short-term results. In the case of a short-term success and the increased trade of products of a certain brand, the decision for an additional investment into a selected brand can cause, in a long run, a decrease in profit while the results of assets invested into management of brands can only be seen on the long run. While comparing the classical and the modern concept (brand leadership model) of brand management, we are concentrating on the comparison defined by Aaker and Joachimsthaler (2000). Strategic management that they defined in the modern concept is implemented within the framework of higher positions on the hierarchical scale in an individual company where the manager of a brand is the leader of a team who has more competence and liability in comparison with the role of a leader in the classical concept. The focus of management is the wealth of the brand and the assessment of this wealth. In comparison with the classical concept of brand management, the focus in the modern concept is emphasised on a larger scale, i.e. on a group, on several brands, and is globally oriented.

The architecture of brands is becoming increasingly complex. In the mass of competitive brands that are present on the dynamic food market, communication is successful only when both types of communication are combined, i.e. internal and external communication. The communicative purpose of the brand is to add its own characteristics to the product and thus inform the consumer about the advantages of such product over competition. The brand should create some kind of an image or ideal of a product. Systematic investments into development and marketing of one's own brands are a key factor of success for food companies. It is essential that a company in this industry is able to control marketing processes and introduce new products under the framework of its own strong brands.

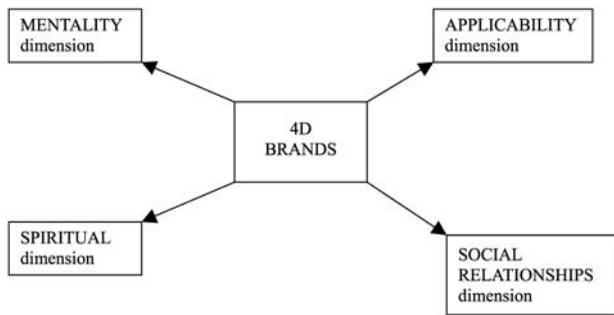
Brand positioning as an important element in the process of brand management

Owing to the increasing competition and consumers' demands on the food market, proper and exact positioning of the brand in the process of brand management is getting more important each day. Companies are putting a lot of effort into making their products more appealing to the consumers and, with the help of brands, establishing a relationship that suits the consumers' expectations.

The consumers are overwhelmed by information about products, services and brands. Their position is seen as a complex set of perceptions, impressions and sensations that arise whenever they make a comparison among different brands. The position of the brand depends on the way the consumers perceive quality, advantages and disadvantages, price, value, and image of the brand.

Positioning is a process by which the company affects the consumers' perception. Positioning of the brand is, in essence, the forming of a desired perception of the brand in the consumers' heads according to the competition. It serves as a starting-point for various types of brand communication (Upshaw, 1995).

A consumer can detect four dimensions of a brand (Figure 1): the dimension of mentality, spiritual dimension, social relationships dimension and applicability dimension. Basing on the four dimensions, we can measure the current position of our and competitive brands and form a strategic goal – in what way our brand wants to position itself in the future.

Figure 1 4D model of forming and management of a brand

The mentality dimension is about the brand's ability to support an individual's specific way of thinking. With the applicability dimension, we can measure the usefulness of a product or service connected to the brand. Social relationships dimension indicates the brand's ability to attach itself to a certain social group. Spiritual dimension denotes the perception of the brand as socially responsible, both globally and locally.

Characteristics and purpose of positioning

Positioning represents a link between a marketing cluster and consumers' perceptions. A brand has to be formed in such a manner that all elements of the marketing cluster provide the same distinguishing message. Companies use marketing clusters to affect the consumers' perceptions. To be able to form a unique position of the brand that would be anchored in the consumers' consciousness, it is important to distinguish the brand from the competition, both when devising its scheme and with the future communication on the market in mind.

An important question when forming and managing the brand is the question of facing numerous brands that are simultaneously attempting to win the consumers' attention. Successful companies differentiate their offer or distinguish it from the offer of competitive companies and thus offer on the market something better, more innovative and with higher quality. The essence of brand positioning is to emphasize those brand characteristics that represent a competitive advantage of the company on the market. The result of successful positioning is a strong and established brand that is known, respected and trusted by the consumers. On the basis of acquired information on the brand, the consumers form a subjective perception and image about it.

The purpose of positioning lies in creating a strong brand

It is false to believe that all characteristics are suitable for all brands. The value of a certain brand can arise from entirely different characteristics than the value of some other brand, although both brands are equally strong. Thus, the decision is in the hands of the consumers. The brand provides the product and the company – which produces the product with the selected brand – with an added value. Brand equity has to be distinguished from brand value which indicates the brand's financial value. A strong brand has a high value. On the other hand, brand equity has to be viewed within the marketing framework that serves as a basis of the brand value. There are no big or small brands – only strong and weak. For many companies, the brand represents the company's capital.

The greater the loyalty to the brand, awareness about its existence, perceived quality of the brand, and clear associations with the brand, the higher the brand equity.

Brand strength or value is determined by three dimensions which are measured by the following parameters:

- 1 *Mental* (emotional) strength; brand recognition, perceived quality, loyalty to the brand.
- 2 *Behavioural* (purchase) strength; market penetration, purchase and application frequency.
- 3 *Economic power* (market share, market coverage, price achieved in comparison with the competition).

In textbooks and in commercial practice, financial and behavioural models for brand evaluation have been established. Restrictions and disadvantages which arise from the mentioned models are being surpassed by combined models that also include the majority of commercial models, e.g. Interbrand's model, Nielsen's model etc. Calculations of the brand value combine financial and market analyses. The best known model is Interbrand's model of brand evaluation since, on the basis of its calculations, the American weekly business paper called *Business Week* issues an annual scale of the highest valued global brands. It is a complex method for calculating the value of the brands that also includes financial and market analyses, as well as brand analyses.

The importance of positioning in the light of brand image and identity

In the discussed process of brand positioning on the market, brand image and identity play an important role.

Brand identity determines the true nature of the brand, as it should be perceived and understood by consumers and the kind of relationship they should develop with it. It is an element of transferring the messages about products, deeds and slogans to wider public. The heart of identity lies in its individuality, values, future, characteristics, and outer image of the product (Kapferer, 1992). The brand's identity is forged within a company.

Strong identity is the clearest and most intelligible source for creating an image. By using market communication, the company conveys messages to its consumers about what the image is all about, what are its values, and what the brand can offer or provide the consumer with. Consumers can thus, on the basis of acquired information about the brand, form their own subjective perceptions – in other words, they form the brand image (Figure 2). However, it is not at all necessary that the perception of the brand is equal to the one conceived by the company. If the communication was unclear or ambiguous, the image itself can be quite different as well.

If we wish to create a strong and established brand, we have to create and communicate a desired identity. It is important to separate brand's identity from its image. Understanding the differences between image and identity is shown on Figure 3.

In today's competitive era, proper brand management has become crucial. The image roughly represents the consumer's way of thinking about the brand and emotions the brand conveys when the consumer thinks about it. Basing on these characteristics that a consumer associates with the brand, the company can create a competitive advantage of its brand.

The image is not affected only by advertisements, as it might seem at the first glance. Information is important as well, i.e. brand name, logo and other visual symbols, package design, immediate experience from the purchase situation and

Figure 2 Brand image model

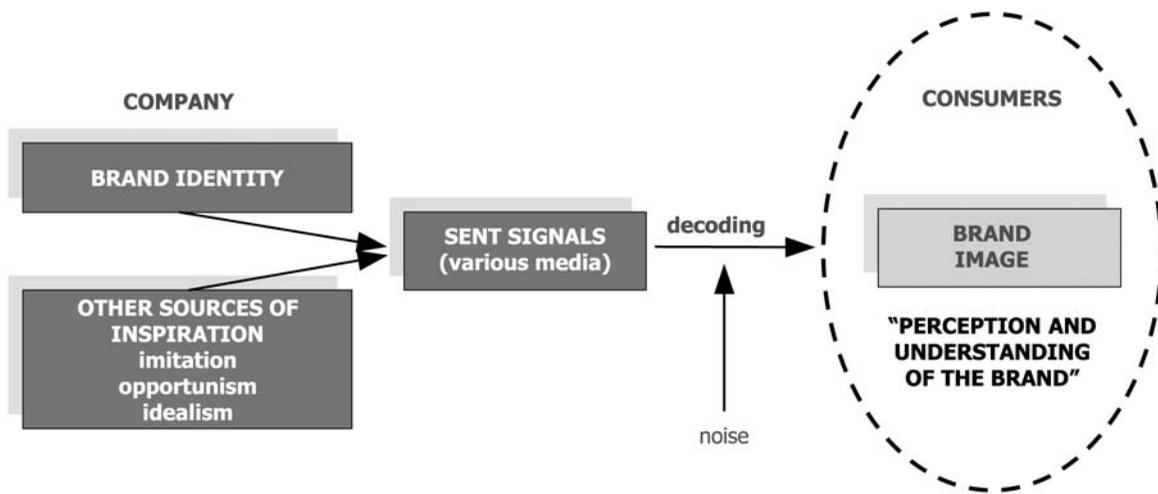
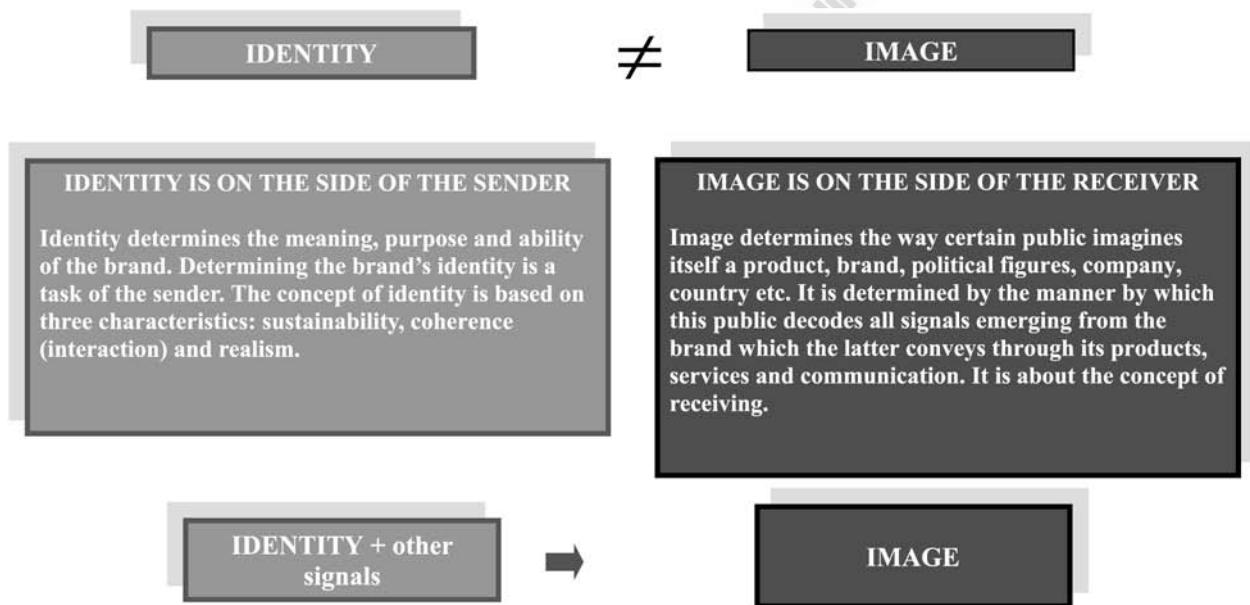


Figure 3 Distinction between brand's image and identity



application, perception of a producer/company, their sponsorship activities etc. The way the consumer will interpret the information about the brand also depends on their cultural and social environment, education, values, experience, motives, needs, and expectations.

All brands have their own identity regardless if the identity is being managed or not or whether or not their administrators are aware of it. Identity is the individuality of the brand by which the latter is recognised in the mass of other competitive brands on the market.

Research design and data collection

The food industry context

Food industry is one of the most competitive international branches and is in its mature stage of development. In order to maintain their competitive position on the market, companies have to constantly prove themselves by providing

supplies of innovative products and processes. New products and strong brand play a very important role in this industry. It is large and competitive industry with many active companies. Basing on the concrete example, we shall demonstrate the applicability of the research in the process of brand evaluation, determining the positioning and communication guidelines on the example of food products brands.

International survey

The research was carried out among consumers of high-volume products in order to better understand their consumer and purchasing habits. The research was proceeded with in a qualitative (for this purpose, group discussions were carried out) and quantitative manner. In the qualitative part of the research, we were determining:

- how the consumers understand a certain group of meat and products (definition of a meat product group); and

- what is the consumers' attitude towards selected meat groups and meat products (perception of the meat product group).

On the one hand, the research represented the basis for forming the quantitative research questionnaire that was carried out in the second step; however, the results of the quantitative research were thus enriched. In the continuation, the article focuses mainly on key findings of the quantitative part of the research.

The selected method of the quantitative part of the research was the GFK target positioning method or, in other words, target positioning on a representative sample of population ($n = 800$ per market) in the age from 18 to 65 years. The research was carried out on international markets (in Slovenia, Serbia, Bosnia and Herzegovina, Croatia, and Romania) using the quantitative method of research. Its purpose was to research the current position of brands, determine their strength and to complete a comparison with competition on the market. In the framework of the research, consumer segmentation was carried out as well; this, however, is not discussed in the present article.

GFK target positioning

The main idea behind GFK target positioning which is a purpose-built tool of GFK brand research for the determination and optimisation of the strategic positioning of a brand in its relevant competitive environment is, that a brand is a system that comprises a multitude of facets. Similar to a star and its planets, the various elements of a brand are a strongly connected system. The centre is the core of the brand, which comprises all essential, characteristic and relevant attributes of a brand (GFK, 2008):

- *Brand as a symbol.* Mental brand image associated with product and personality (key visuals, metaphors).
- *Brand as a product.* Unique facts, fields of application, quality features, etc.
- *Opportunities and risks.* Rational and emotional characteristics that allow a differentiation from competition.
- *Competitors.* Definition of competition, main competitors and their marketing activities.
- *Brand as personality.* Customer-client relationship, tonality and character (friend, advisor, etc.).
- *Target groups.* Structure of consumers/buyers, segments types, needs, situations.
- *Marketing-mix.* All marketing-mix activities of a brand.

Such an approach includes several modules, which in combination allow the deduction of funded and operational recommendations as described above:

- Brand diagnosis.
- Brand evaluation.
- Brand management.

Questionnaire

The introduction letter, reminder, and draft questionnaire we developed for purpose of the research. We used the guidelines provided by Dillman (1978) (cited in Leenders and Wierenga, 2008) to give the questionnaire a good look and feel, and to insure that respondents could progress quickly through it. All questionnaires carried a stamped number in order to be able to add factual consumers data afterwards on different market.

The questionnaire was divided into the following thematic areas of research:

- lifestyle;
- purchase and consumer habits of products of a research category;
- preparation of food and attitude toward food;
- brand perception: image, personality, brand potential index, marketing mix; and
- demographic data at the end of the questionnaire.

The framework

Figure 4 demonstrates individual steps carried out in the GFK target positioning market research, the purpose of which was to identify the key factors for increasing the brand's strength.

Research results

Step 1 – Determining the position of the brand (diagnostics)

Owing to confidentiality of data of the company for which the research was carried out, the article does not disclose the names of the company and brands. The results are shown for the brand A that plays the leading role in the market and is threatened by the competition. Its most important competitor is brand B that has been present on the market for a shorter period of time, has a smaller market share, but is strengthening its position by introducing new products.

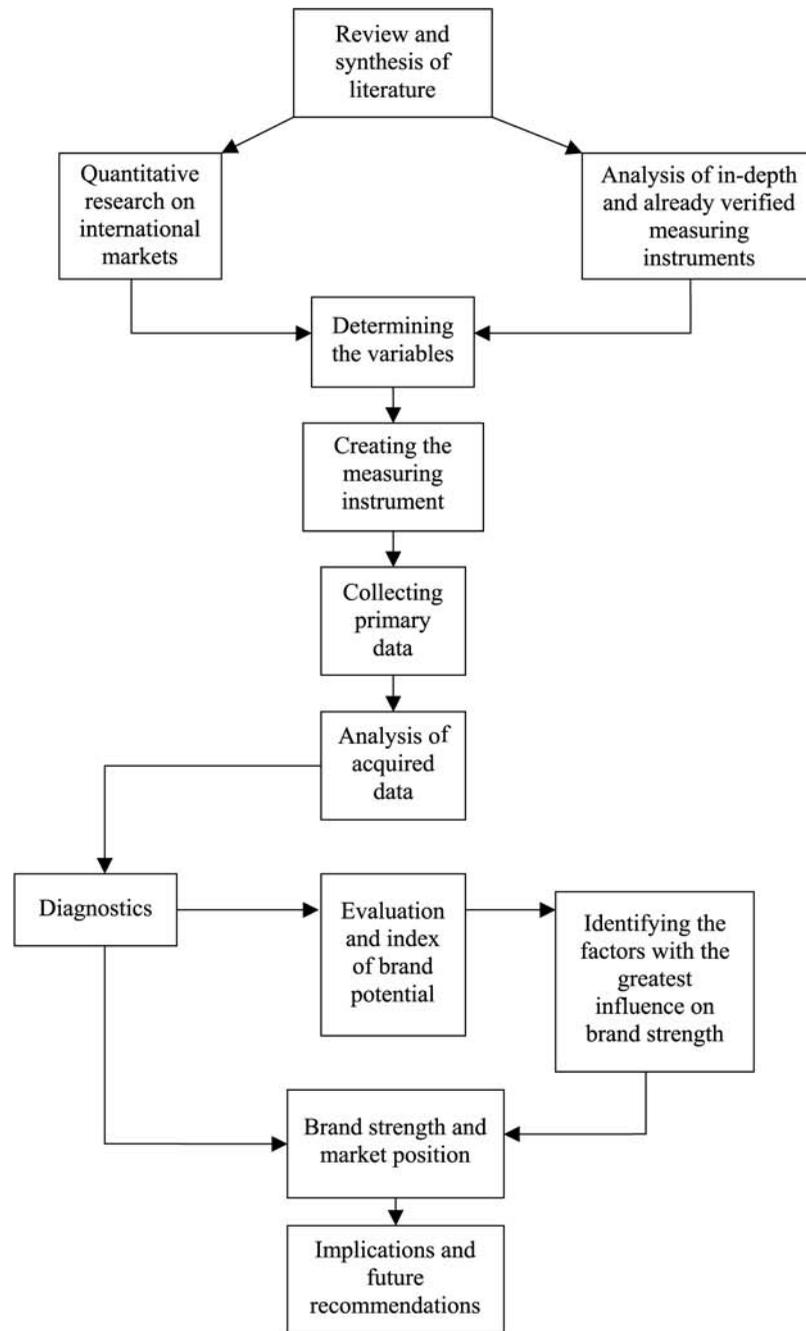
When analysing the image of the brands we have used the Kapfer model of brand image (Figure 5) which is composed of the following dimensions:

- 1 *Physics.* Indicates a tangible combination of characteristics that is necessary but not adequate; it represents the basis of every brand.
- 2 *Relationship.* Indicates the relationship with the brand.
- 3 *Reflection.* The brand reflects the image of the consumer who does not reflect the target group of consumers but the image of the target group suggested by the brand to the public.
- 4 *Personality.* It represents personal and character traits – when the brand is given human characteristics.
- 5 *Values.* A system of values, a source of inspiration and energy.
- 6 *Self-image.* Denotes the self-image of the consumer; it is a mirror of inner ego.

The identity of the brand in the prism inside the pyramid is thus composed of six different elements: three of them (the physics of the product, relationship and reflection) form the social part of the identity, whereas the other three (personality, culture and self-image) originate from the brand and indicate its "soul".

The image of the closest competitive brand B is often formed as a contrast to the market leader or, in this case, brand A, which affected the consumers in such a manner that they explicitly associate the brand A with modernity, career, and higher socio-economic status (Table I). Brand A achieved the perception of modernity, career, and higher socio-economic status with advertising, modern and appealing packaging, as well as a wider and more "exotic" offer. The results of the research show that the range of products under brand A (market leader) suits the more demanding consumers. At the same time, we have determined that in

Figure 4 The study's underlying framework



consumers' opinion the closest competitor is following the market leader (brand A) and is striving ever more to attract new consumers.

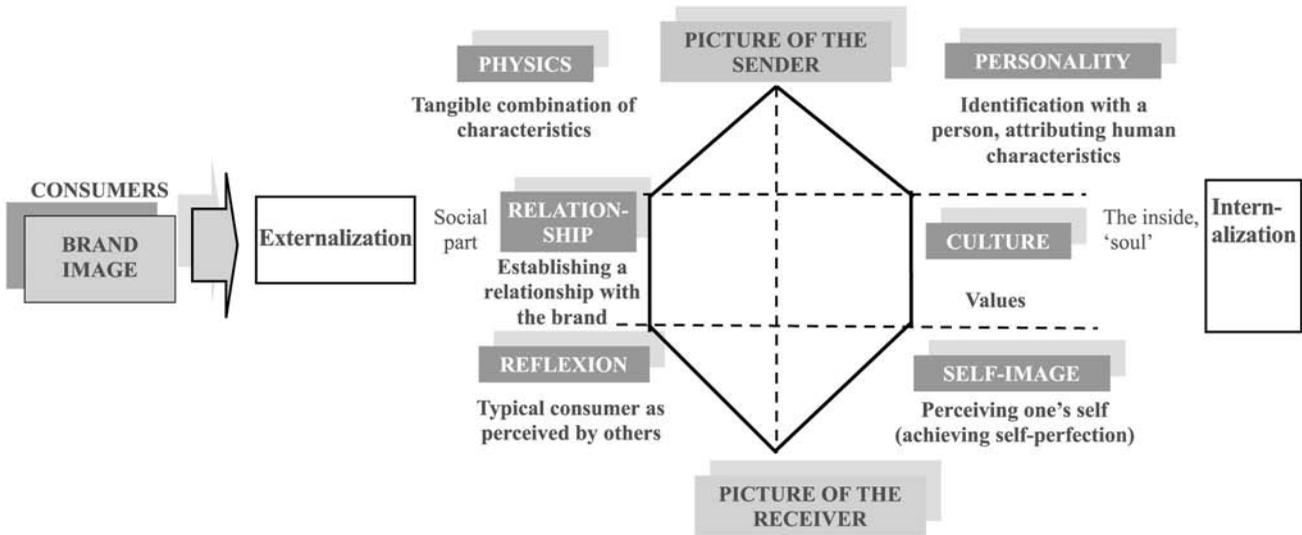
Within the “brand diagnosis” the perception of a brand and its relevant competitive environment is analysed from a consumers' point-of-view. Additionally, the general strengths and weaknesses of the researched brands regarding functional and emotional positioning characteristics are analysed (Figure 6 and interpretation of data) (GFK, 2008).

Figure 7 shows the quantitative analysis of the image of brands A and B. The consumers perceive brand A as the

brand with tradition, offering a wide range of products, suitable for children, and having a uniform market appearance. Figure 7 also demonstrates the position of brand A as the leading brand and the position of brand B as its biggest competitor. Average assessments of analysed characteristics which consumers use to assess brands of food products indicate the leading role of the brand A where the latter exceeds the market assessments average of all analysed brands.

In the framework of brand's image, we have also researched the area of brands' values. We have used the Pogačnik (2002)

Figure 5 Brand image model



Source: Kapferer (1992)

Table I Image of analysed brands on the market

Brand A (market leader)	Brand B (the closest competitor)
Modernity	Traditionalism, homelike simplicity
A more intensive/aggressive attitude	Duller but warmer attitude
Well-situated	Traditionalism, a slightly lower standard
Career, success, style, wide range of products	Family, kindness, relaxation

model (Figure 6) where the area of values is defined with a method of multidimensional scaling. The latter is structured with two bipolar macro dimensions: Dionysian-Apollonian and the dimension of existence-actualisation. The first dimension, the Dionysian-Apollonian dimension (horizontal dividing line in Figure 6) is a dividing line between self-benefit and pleasure – which define the Dionysian nature of values – and altruism that defines the Apollonian nature of values. The second macro dimension is the dimension of existence-actualisation (vertical dividing line in Figure 6) which corresponds to Maslow’s hierarchy of needs principle.

Figure 6 Values of both analysed market brands

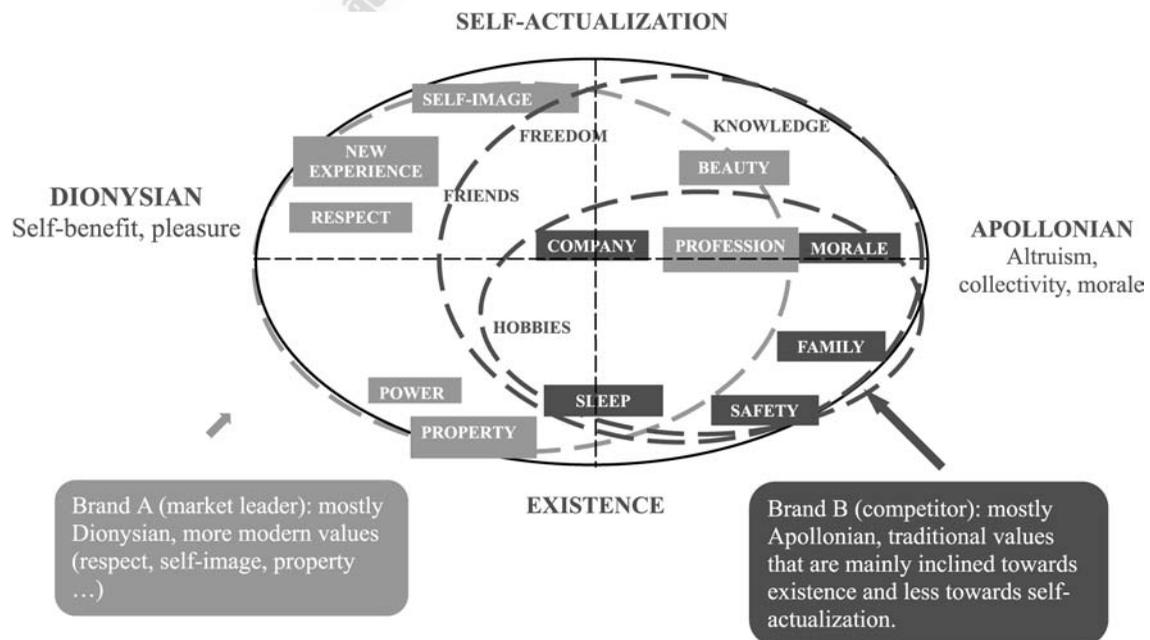
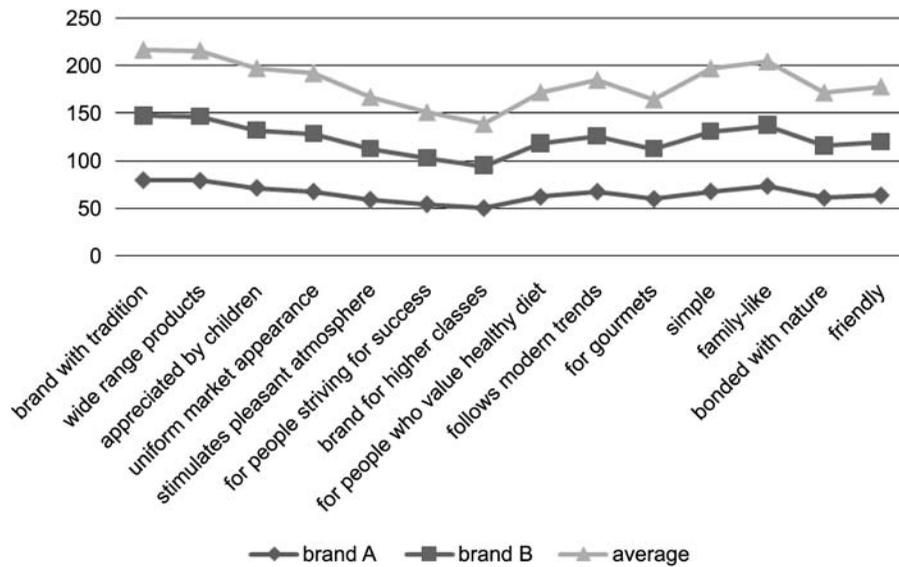


Figure 7 Position of brands A and B and the average of assessed characteristics of all market brands



Priority status is given to physiological needs and biological motives like nutrition, sleep and sex. Only when these needs are relatively satisfied, higher (psychological) needs take over and motivate the individuals' behaviour, i.e. need for company, friendship, freedom, creativity etc.

As a starting-point for determining the guidelines of positioning and communication of the brand in the framework of GFK target positioning research/target positioning, three research steps were carried out: determining the position of the brand (diagnostics), measuring the strength of the brand (evaluation), and seeking the characteristics that have the greatest influence on the brand's strength (brand management).

Step 2 – Evaluation and brand potential index

“Brand evaluation” allows evaluating the success of the positioning of a clients' brand from various points-of-view. A concluding evaluation of the brand success is done within the “brand evaluation” with the help of the brand potential index (BPI), a measure for the attractiveness of a brand for the consumers.

The brand potential index is a validated measure for the attractiveness and is directly linked to the purchasing behaviour of the consumers. The BPI is operationalised through ten different facets. It measures cross-industry the attractiveness of a brand in the perception of the consumer. The brand potential index reflects the emotional and rational appreciation, as well as prospective behaviour of the consumers towards the brand, and covers consequently all relevant aspects of the psychological strength of a brand.

This measurement gives a valid picture of the relative attractiveness of a brand in its competitive environment and allows a future-oriented validation of the success of a brand (Figure 8 and interpretation of data) (GFK, 2008). Value of the brand potential index ranges between 0 and 100 where higher index value, in the eyes of the consumers, indicates higher brand value.

The results of our research show that advantages of brand A (as market leader) in comparison with brand B (closest competitor) are dominant on all dimensions of brand potential index (Figure 9). Its biggest advantages are brand recognition and emotional bond.

As shown on Figure 10, consumers consider the value of brand A (market leader) to be the highest. Brand potential index (BPI) of brand B (closest competitor) is lower by 50 points which indicates that its BPI is lower than the market average which is 53. From the market share's point-of-view, brand B has a considerably weaker market position, and its consumers consider its value to be a great deal lower.

We have thus far analysed the image, identity and values of brand A as the leading brand and have made a comparison with brand B, its closest competitor. The analysis of the image, identity and values of the brand serves as a starting-point for projecting a strategy of communication on the analysed market.

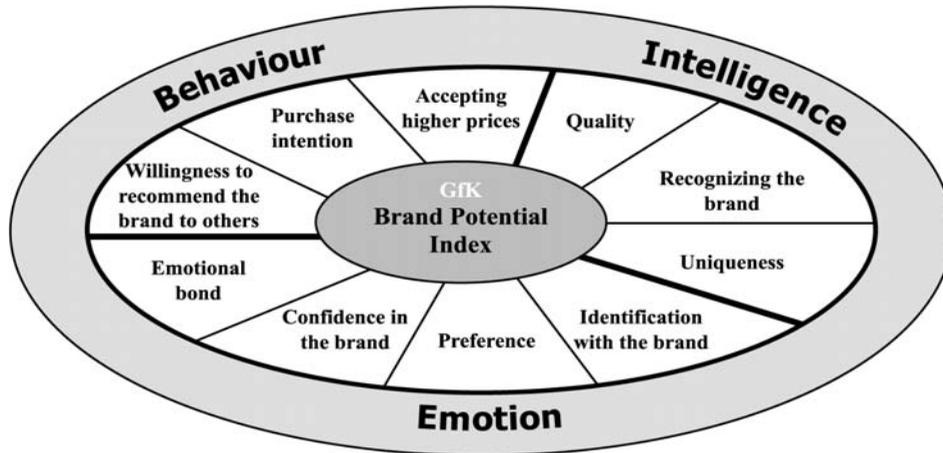
Further analysis has provided two additional important conclusions. In the framework of brand diagnostics, we have determined the current position of brand A, and within the framework of brand evaluation, we have also measured the brand strength. In the last step, we have interconnected both results and identified the characteristics that have the greatest influence on brand A (market leader).

Step 3 – Identifying the factors with the greatest impact on the empowerment of the brand

Within the final step, the “brand management”, the relevance of current and potential positioning fields of a brand regarding the expansion of brand strength and therefore the market success, is analysed. Pointing out of success-promising strategic levers of a brand (key driver) in combination with the current perception of the brand allows a target-group specific optimisation of brand management (Figure 11 and interpretation of data) (GFK, 2008).

The dimension which has the most important influence on the brand's appeal/strength is quality and tastefulness.

Figure 8 Brand potential index (BPI)



Source: GfK Target positioning (2008)

Figure 9 Comparison between dimensions of the brand potential index on the market

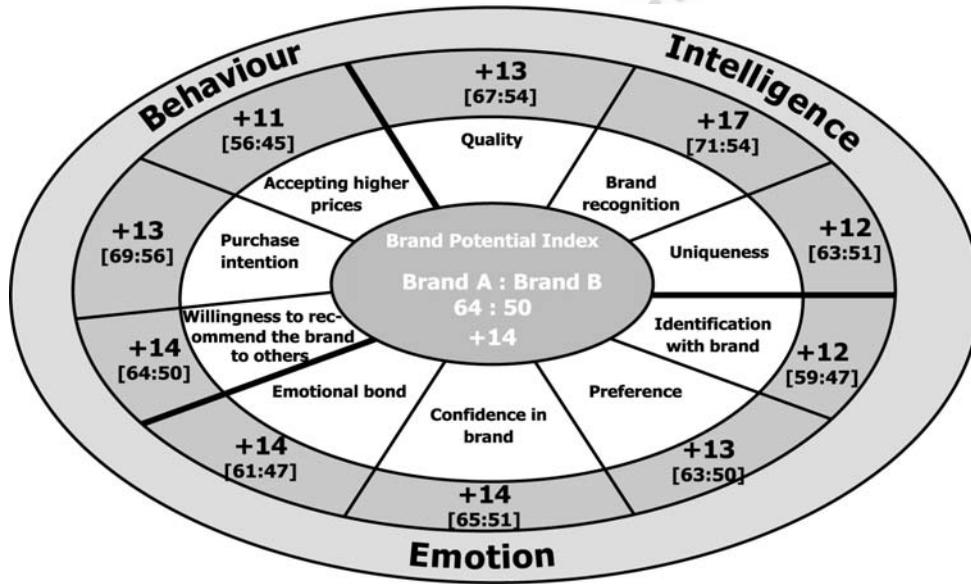
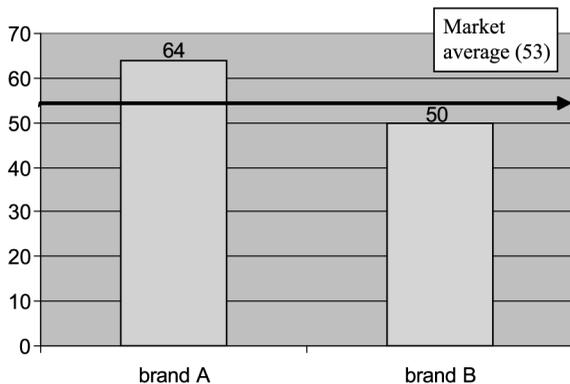
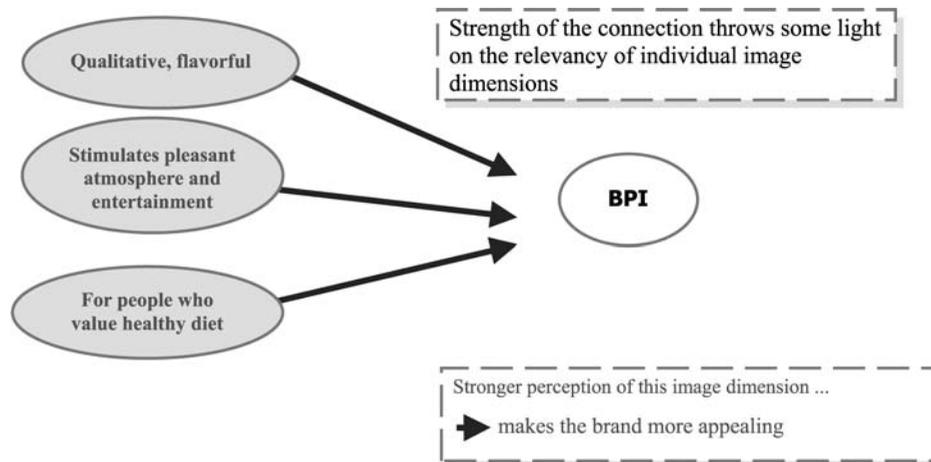


Figure 10 BPI of brand A (market leader) and its closest competitor (brand B)



Important drivers of appeal are also the dimensions “stimulates pleasant atmosphere and entertainment” and “for people who value healthy diet” (Figure 11). The end result of the search for the competitive advantage of brand A is its so-called portfolio. The combination of market position and the influence of dimensions on the brand’s appeal indicates which are the strongest dimensions of brand A, i.e. the dimensions that make the brand better than its competition, and, at the same time, have a strong influence on the brand’s appeal.

The portfolio of brand A shows that its strategic advantage lies in the wide range of products, brand with tradition, and Slovenian origin of products. The opportunities for the brand in question are reflected in a well-made distribution and in making an appeal to children and families. The risks of brand A are most notably ecological orientation, longer use by date

Figure 11 Characteristics that have the greatest influence on the strength of brand A

of competitive products, and a brand suitable for consumers that encroach upon certain products for self-indulgent purposes. On these dimensions, the competitive brand B shows better results.

Basing on the results of the GFK target positioning research, we have determined that brand A (market leader) has a good chance to retain the leading market role of its brand by maintaining the quality and tastefulness of its products, as well as the tradition the brand can pride itself with. The second option is to build the communication on elements that have a significant influence on the brand's appeal; however, these elements hold true more for its competitive brand. These characteristics are "wide range of products", "brand with tradition", and "for people that value healthy diet".

Conclusion

The article was discussing the area of brand management that, today, requires from company traders more than just the ability to create – they need to be more responsible and take every effort. A brand that has quality and is well-established ensures a competitive advantage on the market and, at the same time, requires good management and treatment of its identity. An important element in the process of brands management is positioning where companies try to distinguish their products from the competition by using their offer and, in this way, reach out to consumers in a completely different manner. Companies are well-aware that a strong and "lively" brand – by ensuring its inner quality – represents an important competitive advantage.

In the article, we have introduced the results of the GFK target positioning research or target positioning which was carried out among consumers of high-volume products (FMCG) on international markets. On the basis of the introduced model of image, personality and values of the brand, they have been determined and researched on the example of food industry brands. We have carried out three steps of the GFK Target positioning research, the basic idea of which enabled us to analyse the brand in the light of its key characteristics.

The literature provided us with various models of brand evaluation, ranging from financial and behavioural to combined models. Operators of the brands can use the models as a tool for measuring the strength or the value of brands. In our case, we have introduced the example where we compared the strength of brands with the aid of brand potential index. We have discovered the key drivers that have the greatest influence on the brand's strength, resulting in an increased appeal of the brand.

The importance of brands in a highly competitive branch of high-volume products will continue to increase and the "survival" will be possible only for those brands which are strong enough and sufficiently differentiated from the competition. A company's key to success is to determine what makes its brand so different from the competition and to continue with its mission as successfully in the future as well.

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Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of the article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.

In recent years, the global food industry has been subjected to significant developments and companies in the sector have faced new and complex demands. Within this climate of uncertainty, knowledge of customers and their habits, desires and motivations has become increasingly more important. Customer awareness is growing and they are demanding high quality food that is safe, nutritious and healthy. Food companies have responded by giving these issues greater attention.

The challenge is compounded by a growth in the number of new brands to challenge their market position. Sustaining a strong brand is therefore high on the list of priorities within food organisations. Brand name is recognised alongside investment in new technologies, marketing and development of innovative products as key to securing competitive advantage over the longer term.

Building, positioning and managing brand strength

Vukasović defines a brand as the “sum of all perceptions, notions and associations about a product or a service” that is created in the consumer’s mind. A brand name helps the consumer to develop emotional attachment to its products and has a personality, identity, image and character of its own. Among the positive associations knowledge of a brand and its name brings the consumer is reassurance about quality and lower perception of risk. For the company responsible for the brand, product differentiation, increased market share, higher margins and more negotiating power are just some of the potential benefits. But familiarity often leads to raised consumer expectations and the vulnerability of brands can mean that tarnished reputation is a likely consequence of even small transgressions.

To manage a brand successfully, companies must strive to elicit positive emotional engagement each time a consumer uses one of its products. There is also the need to ensure that the company responsible for the brand is portrayed in the right way within the media. How the organisation communicates is likewise vital and internal and external forms of communication should provide consistency of message to inform the consumer about the benefits of using the brand in preference to an alternative.

Positioning a brand is now also acknowledged as a crucial aspect of brand marketing and provides a valuable opportunity to influence consumer evaluations. How consumers perceive such as quality, value, advantages and disadvantages, image and price helps shape a brand’s position. A key purpose of brand positioning is differentiation from competitors and this demands a powerful message that is clear and consistent across all elements of the marketing mix. Successful positioning in an increasingly crowded marketplace also demands a focus on the attributes that give the brand strength and notoriety and help provide competitive

advantage. It is noted that these attributes often differ from brand to brand.

The author suggests that a brand is perceived as having four different dimensions that should be managed in order to create the desired position. These are the mentality, applicability, social relationships and spiritual dimensions. Ability to support specific ways of thinking, usefulness of the branded products, brand relevance to a certain social group and perception of the brand in terms of social responsibility are the respective concerns of each dimension. The value of a brand is determined by its:

- *emotional strength*, reflected through such as perceived quality or recognition;
- *behavioural strength* that is indicated by purchase frequency and market penetration; and
- *economic strength*, of which market share and price attained in relation to competitors are measures.

Brand identity and brand image are recognised as playing a crucial part in positioning. Identity originates from within the company and represents the sum of all the brand facets that include its values, individuality and unique attributes. Relaying this information enables consumers to form perceptions of the brand and this becomes its image. To ensure that consumers form the desired image, communication from brand owners must be consistent and unequivocal. This is important in terms of brand strength. Among other aspects, the communication package includes advertisements, brand name and logo, package design and sponsorship activities. Consumer perception of brand image will also be shaped by such as their own values, culture, education, motives and expectations.

Study and implications

In the present study, Vukasović surveyed consumers within various Balkan countries in order to research the current position of a brand, evaluate its strength and how it compares in the market to a rival offering. Food industry brands responsible for meat and meat products were selected for analysis. Confidentiality issues prevented identification of the brands, which instead were labelled A and B. Brand A is market leader, while B is a newer brand that has become its closest competitor.

The author utilised GFK Target positioning, a method founded on the premise that a brand is “a system that comprises a multitude of facets” that comprise a “strongly connected system”. Key attributes and characteristics of the brand lie at the system’s core.

Diagnosis was carried out to analyse each brand’s image in order to ascertain its position. The premise of the model used is that image is comprised of six different elements, with half forming its social identity and the other half reflecting its essence. From the analysis of these elements, it was concluded that brand A was modern and intensive and B more traditional and warm. Brand A products were felt suitable for the “more demanding” consumer. Following this, comparison with average assessments of all evaluated brands on a range of characteristics enabled each brand’s market strength to be gauged.

Using the brand potential index (BPI), Vukasović then sets out to measure brand attractiveness and identify those characteristics that exert the most influence on its strength. The BPI measure consists of ten facets that indicate consumer

“emotional and rational appreciation” of the brand and potential behaviour towards it. The author notes that this measure additionally affords a “future-oriented validation” of brand success.

Survey results revealed the supremacy of brand A in all BPI dimensions. Its ascendancy is greatest in brand recognition and emotional bond. Brand B was considerably weaker with a BPI score slightly below market average.

Such findings provide the basis for developing effective brand communication within the market analysed. Marketers are able to identify key drivers of success, potential opportunities and areas where the brand is deficient and act accordingly to sustain or improve its performance. Here, product quality and taste, extent of product range and

Slovenian origins are key attributes of brand A and opportunities exist in relation to distribution and appealing to families and children. Inferiority to brand B was revealed in areas that include the environment and length of product use-by-dates.

Vukasovič concludes by re-emphasising the need to identify those attributes that differentiate a successful brand from the competition. Organisations should then ensure these characteristics remain at the core of a brand’s identity in order to sustain future success.

(A précis of the article “Searching for competitive advantage with the aid of the brand potential index”. Supplied by Marketing Consultants for Emerald.)

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