



## BRAND POSITIONING

Svetla Panayotova

Technical University of Gabrovo, Bulgarian

**Abstract:** In the contemporary global market patterns competition is one of the biggest challenges that merchants meet. Consumers live in a world with saturated markets where everything is available to everyone and in great quantities. The importance of brands is increasing more and more in the choice of goods, and almost every market chain have its own brands. Brands promote increased sales in merchant outlets and contribute for customer loyalty.

The purpose of this paper is to increase the potential customers' awareness regarding brand positioning. To achieve this author provides brand concepts, reveals their advantages from merchants' point of view, and also from the point of view of end customers.

**Keywords:** brands, brand concepts, reveals from merchants' point of view, reveals from the point of view of end customers.

## INTRODUCTION

In the contemporary global market patterns competition is one of the biggest challenges that merchants meet. Consumers live in a world with saturated markets where everything is available to everyone and in great quantities. The importance of brands is increasing more and more in the choice of goods, and almost every market chain has its own brands. Brands promote increased sales in merchant outlets and contribute for customer loyalty.

The purpose of this paper is to increase the potential customers' awareness regarding brand positioning. To achieve this the author provides brand concepts, reveals their advantages from merchants' point of view, and also from the point of view of end customers.

## 1. BRAND CONCEPTS

In the specialized marketing literature there is a variety of concepts regarding brands and for this research the author will present only some of them without disregard for the opinions of other authors.

According to author Hans Weis *'a brand usually serves for the recognition, identification, and differentiation of a product'*. (Weis, 1977, p. 225)

Besides the abovementioned features, in his brand conception author Armin Zeiler also includes:

- *'...trust* – when clients trust a product they buy it continuously
- *popularity* – it is normal for clients to prefer something familiar rather than unfamiliar
- *prestige* – clients often use products which allow them to gain their colleagues' recognition.' (Zailer, 1993, p. 21).

Authors Zdr. Mladenov and S. Panev define brands as *'...name, sign, symbol or their combination with which companies denote the goods produced, delivered and offered by them to distinguish them from the goods of other companies'* (Mladenov & Panev, 1992, p. 85).

Despite the abovementioned brand concepts merchant outlets often, although not quite correctly, offer brands designated as private brands or with the term 'Private Label'.

It is necessary for this research to point out that what is specific about brands in the first place is their degree of limitedness in distribution. Non-alcohol products branded 'Freeway' are only offered in 'Lidl' merchant

outlets. In ‘Billa Bulgaria’ EOOD supermarkets between 8 and 12 thousand products are offered. Among them are 250 products with private brand ‘Clever’ commissioned by the market chain ‘Billa’ and produced by Bulgarian and foreign manufacturers. ‘Billa’ trade facilities also offer a second private brand called ‘MY’ which includes an assortment of hair, body and face cosmetic products.

Brands were initially created by retailers to make a stand against manufacturers with regards the price policy and the policy of naming the products manufactured by them. Classic retailers had to react and take measures to protect their businesses and make effective sales.

From the point of view of business brands play a role not only in recognition, identification, and differentiation for consumers, but also act as a protector. In Bulgaria and the countries from the European Union the brand right belongs to the entity which first submitted application for registration. According to the Patent Office of the Republic of Bulgaria *‘The brand right originating from the registration is exclusive which means that its owner may use it, dispose of it, and forbid third parties to use it without his/her permission’* (Patentno wedomstvo na Republika Bulgaria, p. 9). The classic Coca-Cola bottle was created in 1915 but was registered as a brand as late as 1960 (Roberts, 2004, p. 23–37).

According to a study conducted by the Nielsen Center for Marketing Research the brand sales represent 40.8% of the retail turnover in Germany in 2013. For comparison, in 1973 the brand market share was mere 12%. The data from the conducted market research are illustrated in Figure 1.



Source: [www.wer-zu-wem.de/handelsmarken](http://www.wer-zu-wem.de/handelsmarken)

**Fig. 1.** Brand share in the retail turnover in Germany for the period 2008–2013

From the data in Table 1 we can deduce this is a trend that is currently valid as clients are oriented not only towards ‘famous brands’ in their choice of products but also look for other alternatives for the desired products.

In the variety of brand concepts there are both supporters and authors with skeptical attitude towards the importance of brands. The brand counter concept of author K. Roberts is presented in Table 1.

**Table 1.** Brands are worn out

<b>Reasons</b>	<b>Features</b>
Brands are worn out from excessive use	<ul style="list-style-type: none"><li>– Brands are ‘excessively used, barren and prosaic’</li><li>– The vast choice of brands perplexes consumers</li><li>– The attention should be orientated towards consumers, not brands</li></ul>
Brands are not mysterious anymore	<ul style="list-style-type: none"><li>– There is understanding how brands work and what is their impact</li><li>– In the Information Age brands are part of generally accessible information</li><li>– For most brands this is the age of consumers’ awareness</li></ul>
Brands are not capable of understanding the new consumer	<ul style="list-style-type: none"><li>– The new consumer is well informed, more critical, less loyal and it is more difficult to be understood</li></ul>
Brands struggle with obsolete means of competition	<ul style="list-style-type: none"><li>– The more brands are created, the harder for particular brands to be noticed</li><li>– The more numerous are the brands, the less opportunities there are for their advertising</li><li>– Innovations, production values, changes and tactical promotions and events are useless</li></ul>
Brands have been conquered by rules	<ul style="list-style-type: none"><li>– When everyone is trying to be distinctive using the same methods, nothing happens</li><li>– What comes out is a series of ‘brandroids’</li><li>– Formulae cannot manage human emotions</li><li>– Formulae do not have imagination and cannot be committed</li></ul>
Brands are conquered by the mean conservatism	<ul style="list-style-type: none"><li>– History of brands has turned into caution and reluctance to take risks</li><li>– Currently brands prefer to rest on their laurels rather than fight for new ones</li></ul>

Note: adapted from Roberts, 2004, p. 23–37.

Author Michael Brandtner formulates the following important steps for brand positioning in consumers’ perception:

- knowing the strategy and tactics of competitors
- recognizing the best idea for product positioning
- the idea that the product should be presented to the customers as a benefit
- the idea that the product should be also adopted by the merchant outlet’s personnel
- the idea that the product should be realized on competitors’ account via public relations and advertising (Brandtner, 2002, p. 8).

The success of brands in the contemporary market conditions depends more than ever on the way they are positioned in the consumers’ perception. If only quantity and the best good or service are relied upon, the desired success will not be achieved.

While striving for success and profits, companies should offer their potential clients brands with more advantages than their competitors.

## **2. Advantages of brands**

Distribution of brands reveals advantages for both merchants and consumers.

From the point of view of merchants brands provide the following advantages:

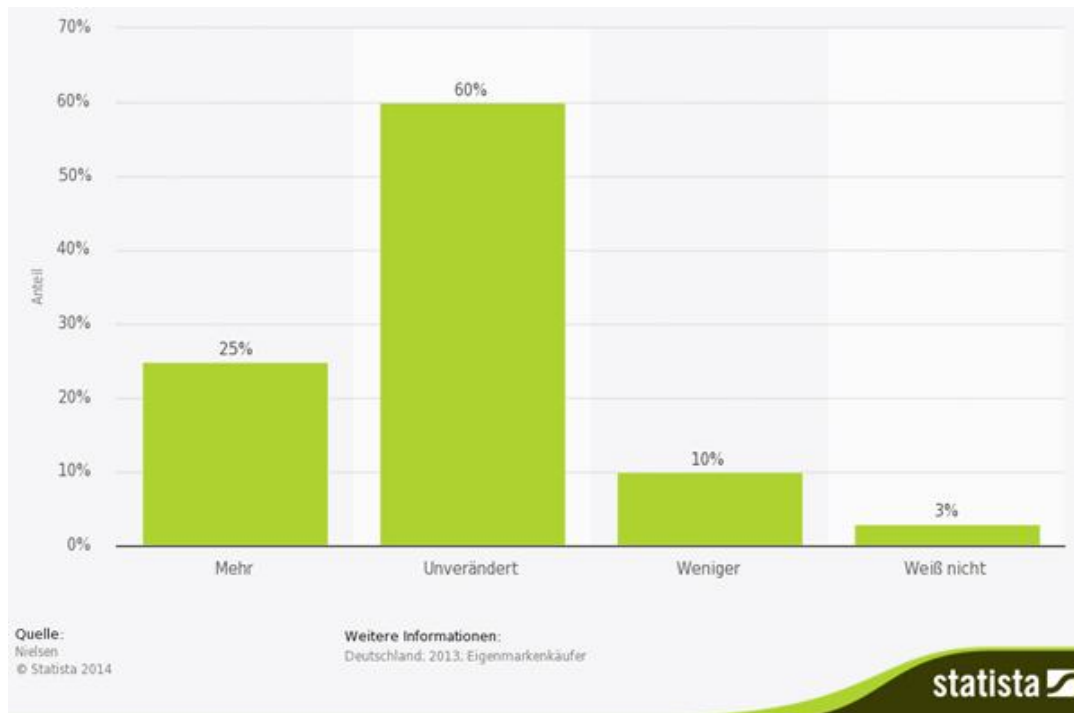
- distinguishing the company product;
- contributing for repeated purchasing;
- stabilizing the company market share for the specific product;
- allowing the company to use the available resources more effectively;
- increasing consumer loyalty towards particular brands;
- achieve increasing of the prices of goods.

For the customers the advantages of brands are related to (according <http://www.wer-zu-wem.de/handelsmarken>):

- facilitating the consumers in their choice of specific products;
- facilitating the adoption of new products on the market;
- attracting different market segments;

- helping the consumers to evaluate the products' quality;
- contribute for decreasing the risk of the purchase;
- owning them symbolizes prestige.

In a research conducted by Nielsen Center in 2013 in Germany 25% of the surveyed answered that they have purchased more brands than the previous year. Only 10% of the surveyed answered that they have purchased less brands than the previous year. The largest share of the surveyed – 60%, have purchased the same quantity of brands as the previous year. The data from the study are provided in Figure 2.



Source: [www.wer-zu-wem.de/handelsmarken](http://www.wer-zu-wem.de/handelsmarken)

**Fig. 2.** Study on consumer behavior in brand purchasing

Currently advertising of brands is in an odd situation. Brands should stand up against the image and quality of brand products and reveal their advantages. The variety of the offered assortment compels the client to be able to recognize the preferred product quickly and not be affected by the advertising promises of brand products.

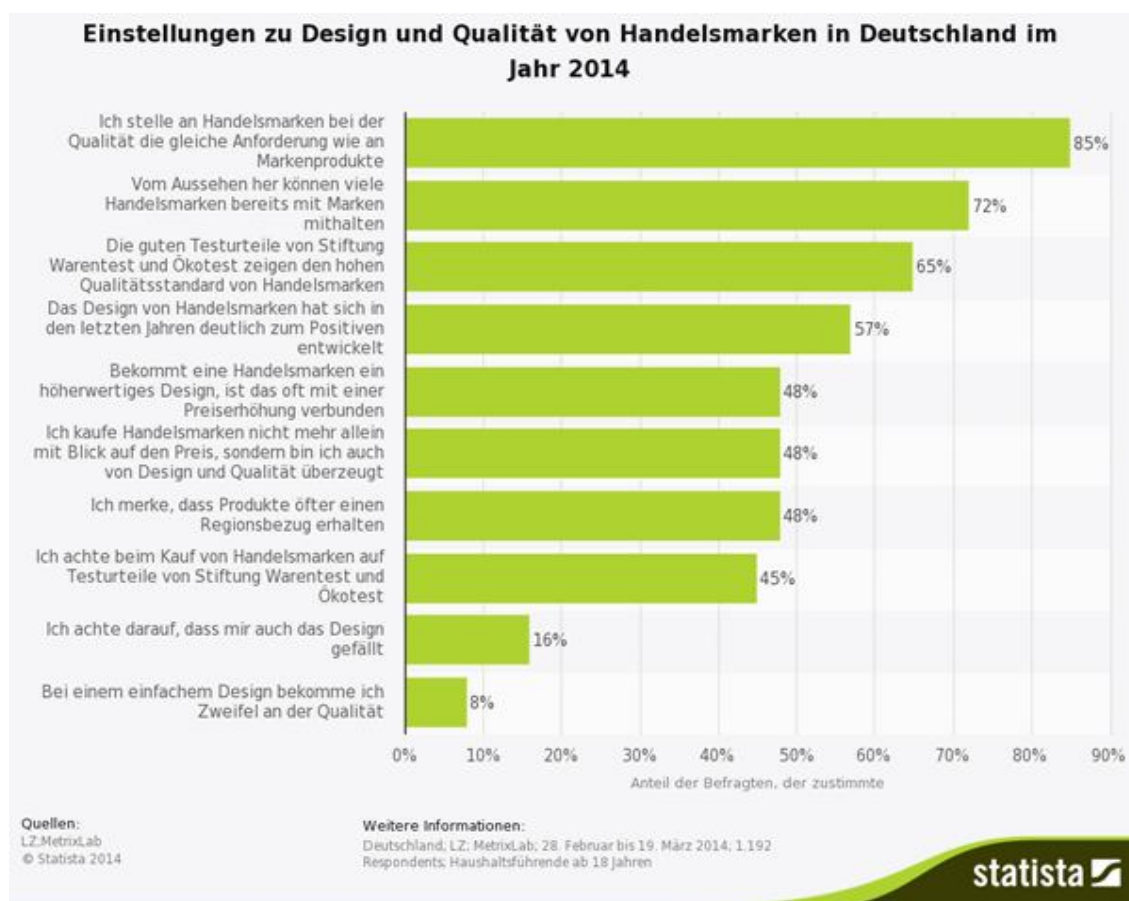
The question ‘What do clients focus on when choosing brands?’ is also of interest for this study. The main reason – ‘cheaper’ product – hasn’t been appealing to clients for a long time. A survey conducted by the MetrixLab Institute in Germany in 2014 supported the formulation that if the product quality does not match the client’s notion, he/she does not buy the product. The clients’ attitude towards the design and quality of brands is depicted in Figure 3.

From the data presented on Figure 3 regarding the clients’ attitude towards brands it may be concluded that 85% of the surveyed have the same requirements to brands as the requirements to brand products. 72% of the surveyed also focus on the design as they are convinced that the brand design should correspond to the brand products design. The ecology test certifying the high quality of the product is also important for 65% of the surveyed.

## CONCLUSION

The following **conclusions** may be drawn from the presented brand concepts and the analysis of brand advantages from the point of view of merchants and end consumers:

1. The future belongs to those merchants who are now discovering the ideas for optimal positioning of brands in consumers’ perception and implement them in the long term.
2. The success of merchant outlets depends on brand positioning for consumers.



Source: [www.wer-zu-wem.de/handelsmarken](http://www.wer-zu-wem.de/handelsmarken)

**Fig. 3.** Clients' attitude towards the design and quality of brands

3. It is essential for brand positioning to be able to make the difference between brands and brand products. Clients also recognize these differences.

4. The development of brands is full of drastic changes but unlimited possibilities also reveal for their future implementation.

5. In their choice of brands clients focus not only on price, but also on quality, design, ecology test results of the products.

## REFERENCES

1. Brandtner, M. 2002, *Brandtner on Branding*, Campus 02 Business Report, Rohrbach.
2. *Kakwo trjabwa da znaem za intelektualnata sobstwenost*, Patentno wedomstvo na Republika Bulgaria. (in Bulgarian)
3. Mladenov, Z. & Panev, S. 1992, *Marketing*, Nauka i izkustvo, Sofia, 1992. (in Bulgarian)
4. Roberts, K. 2004, *Markite na lubowta*, Fokus, Veliko Tarnovo. (in Bulgarian)
5. Weis, H. 1977, *Marketing*, Friedrich Kiehl Verlag, Ludwigshafen, 1977.
6. [www.wer-zu-wem.de/handelsmarken](http://www.wer-zu-wem.de/handelsmarken)
7. [www.billa.bg](http://www.billa.bg)
8. Zailer, A. 1993, *Marketing*, Informa, Sofia, 1993. (in Bulgarian)

## Contacts:

Svetla Panayotova, Assoc. Prof. Dr.  
Technical University of Gabrovo  
Hadzhi Dimitur Str., 5300 Gabrovo, Bulgarian  
E-mail: [svetla7561@abv.bg](mailto:svetla7561@abv.bg)