

CHAPTER 1

Brand and Brand Image



Exhibit 1.1 ArgylePink — “Beyond Rare — The most concentrated form of wealth on earth”.

“The word VALUE, it is to be observed, has two different meanings, and sometimes expresses the utility of some particular object, and sometimes the power of purchasing other goods which the possession of that object conveys. The one may be called ‘value in use;’ the other, ‘value in exchange.’ The things which have the greatest value in use have frequently little or no value in exchange; on the contrary, those which have the greatest value in exchange have frequently little or no value in use. Nothing is more useful than water: but it will purchase scarce anything; scarce anything can be had in exchange for it. A diamond, on the contrary, has scarce any use-value; but a very great quantity of other goods may frequently be had in exchange for it.” — quoted from Adam Smith’s An Inquiry into the Nature and Causes of the Wealth of Nations.

Pink Diamonds?

The unknown is synonymous with unease. If a customer is offered diamonds of a peculiar shade, despite how captivating the pitch might be, she is likely to harbour a suspicion that the jewels are not genuine.

If you have not heard of a particular brand, or a product, or a pink diamond, not only do you lack the interest in buying it, you also tend to be dubious of the person or the organization that tries to sell it to you.

And so the discovery of diamonds embedded in an ant hill in the East Kimberley region of Western Australia in October 1979 posed a challenge for Rio Tinto. At the time of the discovery, the notion that diamonds could be intense pink was virtually non-existent. Undoubtedly, associates at the mining company would have pondered how to generate demand for these gems.

Diamonds and water lie at opposite ends of a spectrum. Which you consider more valuable depends on whether you assess them in terms of their “value in use” or their “value in exchange”. And while the paradox of value may be explained by the theory of marginal utility and the mechanisms of supply and demand, one might wonder what is it that makes tiny rocks of pure carbon so precious to begin with? Why do so many young men all over the world spend hard earned savings on a glittering diamond ring that, once bought loses over 50% of its monetary value?

The rationale in part lies in their sheer beauty, their famed indestructibility and the strategy adopted by a few dominant players of managing supply. To a greater extent, however, their value is the outcome of *beliefs* and *memorable associations* imparted through marketing. Marketing generates knowledge, awareness, interest, curiosity and status; it makes products *desirable*.

A plethora of memorable media campaigns have contributed to the charm and the allure of diamonds. Great monarchs and famous movie stars have proclaimed their love for these gems. An Archduke in 1477 gave his fiancée a diamond ring when he proposed to her, and men have since followed his example. Over the years a great many images,

symbols and beliefs have become associated with diamonds, contributing immensely to their intangible value.

In terms of physical attributes, other than colour, pink diamonds do not lack the qualities of clear diamonds, and they are far rarer. What they lacked at the time of their discovery was awareness, interest and status.

Through branding and marketing, Rio Tinto imbued the pink diamonds with interest and status. Marketing communication powerfully influenced consumers' minds, creating an alluring mystique about their origin and colour. Described in advertisements as "the most revered diamond in the world", the pink gems, through a range of marketing efforts, metamorphosed into the rare, exclusive, and much desired Argyle Pink (Exhibit 1.1). They are now sought after by investors, collectors, celebrities and high net worth individuals, and command a high premium.

The brand, Argyle Pink, captures much of the intangible value that is created through marketing. It makes intangible benefits — such as intrigue, fascination, curiosity, fame — tangible, and associates these attributes with pink diamonds, and more specifically those mined in the Kimberly region. It is the beliefs, symbols, perceptions and associations that consumers hold in their head about the Argyle Pink, that ultimately affects their desire to purchase these diamonds at the premium prices that they command.

Preview

What distinguishes a brand, like the Argyle Pink, from the tangible product are the thoughts and feelings that it evokes. The manner in which these thoughts and feelings are tracked, measured and presented, by means of techniques such as image profiling and perceptual mapping, is the prime focus of this chapter. It introduces the subject of brands and highlights their importance, and reviews the concepts of brand image, positioning, the segmentation and targeting of consumers, and the differentiation of products.

Lesson from the Summer of 1985

“To hear some tell it, April 23, 1985, was a day that will live in marketing infamy ... spawning consumer angst the likes of which no business has ever seen.” — The Coca-Cola Company, commenting on the New Coke announcement.



In April 1985, The Coca-Cola Company launched New Coke, and discontinued the production of the original formulation. Taste tests findings clearly indicated consumers’ preference for the sweeter New Coke mixture over both regular Coca-Cola and Pepsi. But the consumers’ response was not what Coca-Cola had anticipated. At the onset, it was a minority, albeit a vocal one that protested against the transformation of a brand that had become so much a part of their heritage. Their mood was infectious and headquarters in Atlanta started receiving an avalanche of letters expressing anger and dismay.

What transpired was one of the greatest expressions of the will of consumers. Overwhelmed with over 400,000 calls and letters, the company reintroduced Coca-Cola, as Coca-Cola Classic. One can only imagine what the response might have been, if consumers, at that time, were empowered by social media.

The episode gave us a rare glimpse of the enormous depth of emotion that consumers feel for Coca-Cola. A psychiatrist the company

hired to listen in on calls told Coca-Cola executives that some callers sounded as if they were discussing the death of a family member.

New Coke was more than a change of formulation. The brand name, logo, and the manner it was presented was altered in one fell swoop. No longer the “the real thing”, for many Americans it was the demise of the Coca-Cola that they knew, and had grown to love.

This was a demonstration of the *enormous power that resides in the minds of consumers* for this extraordinary brand. According to Muhtar Kent, the company’s chairman & CEO, “Coca-Cola is more than just a drink. It is an idea; it is a vision, a feeling.” Great brands like Coca-Cola live beyond generations, becoming part of society’s heritage, bonding people together across the globe.

Brand

A brand is defined as a trademark which in the mind of consumers embraces a particular set of values and attributes, both tangible and intangible. Or in the words of David Ogilvy, “a brand is a consumer’s idea of a product”.

Both descriptions embody two important principles — that brand is different from a product and that the difference resides in the mind of the consumer. *In essence, a brand is the collection of memories, feelings and associations that are linked to it.*

Brand image is the consumers’ perception of the brand. Products deliver a set of benefits — functional, rational, emotional, personality, and brand-consumer relationship benefits. The image or profile of a brand relates to how it is perceived on these benefits or attributes.

It is therefore in the interest of marketers to craft a brand’s image in a manner that keeps it in tune with the brand’s marketing strategy. In a nut shell, this entails choosing which *segments* to target, *differentiating* the brand to appeal to the segments, and *positioning* it distinctly in the minds of target consumers.

What distinguishes a brand from the tangible product is referred to as *brand equity*. The power of the Coca-Cola brand to evoke such an

Interbrand							
01 Apple +21% 110,063 \$m	02 Google +12% 107,499 \$m	03 Coca-Cola +3% 81,263 \$m	04 IBM -2% 72,244 \$m	05 Microsoft +3% 61,154 \$m	06 GE -3% 45,450 \$m	07 Lexus +15% 40,452 \$m	08 Mercedes +20% 42,992 \$m
09 McDonald's +1% 42,254 \$m	10 Walmart +8% 34,338 \$m	11 Bosch +7% 34,214 \$m	12 Intel -2% 34,153 \$m	13 Disney +14% 32,223 \$m	14 Alphabet Cisco +8% 30,938 \$m	amazon	
16 Oracle +8% 25,900 \$m	17 HP -8% 23,758 \$m	18 Gillette -2% 22,945 \$m	19 Cisco Systems -2% 22,552 \$m	20 Inditex +17% 21,673 \$m	21 H&M +16% 21,063 \$m		
22 Nike +10% 16,675 \$m	23 Visa +11% 16,510 \$m	24 PepsiCo +7% 16,119 \$m	25 SAP +4% 17,340 \$m	26 Tencent +10% 15,865 \$m	27 FedEx +5% 14,470 \$m		

Exhibit 1.2 Interbrand’s 2014 list of top brands (Source: Interbrand’s website).

intense response from American consumers in 1985 is a reflection of its extraordinary brand equity. Rated by Interbrand (Exhibit 1.2) as one of the most valuable brands in the world, Coca-Cola is beyond doubt an exception. For the vast majority of brands, equity tends to be relatively low.

While branding is popularly associated with consumer marketing, it is of equal importance to business marketing. Interbrand’s 2014 list of top brands includes many that are predominantly B2B. Leading global brands, including Google, IBM, Microsoft, GE, Intel, and the big automobile companies, have high proportion of their sales to business markets.

In business marketing, corporate brands position organizations in the minds of their customers. These brands capture intangibles such as integrity, trust, reliability, reputation and professionalism, all of which are of utmost importance in these markets. They are nurtured by delivering value at every customer touch point.

Positioning

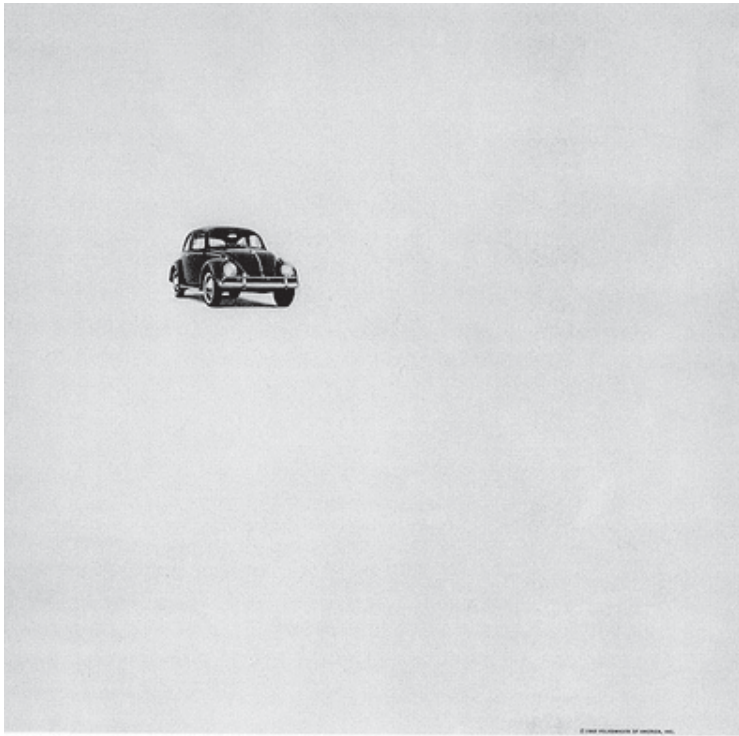
Positioning, a concept that relates to product differentiation, was introduced by Jack Trout in 1969 and subsequently, in 1981, popularized by Al Ries and Jack Trout in their bestseller *Positioning: The Battle for Your Mind*. According to the duo, “*positioning is what you do to the mind of the prospect*”. Whereas *differentiation* is the process of distinguishing a *product* or *offering* from others to make it more attractive to a particular target market, positioning is the act of crafting a distinct and valued *image of the brand in the minds of consumers*. In a well-devised strategy, the brand’s position drives all elements of the marketing mix.

For example, in the 1970s, the slogan “the real thing”, which captured the essence of Coca-Cola’s position, resonated strongly with consumers. It was reinforced through memorable campaigns that strengthened the brand’s iconic status, and distinguished it from “imitators”. (Years later “New Coke” must have come across to Coca-Cola lovers as antithesis of “the real thing”.)

In the same era that Coca-Cola was reinforcing its positioning as “the real thing”, 7 Up distinguished itself from the big cola brands with its “Uncola” position. The campaign “became part of a counter cultural that symbolized being true to yourself and challenging the status quo” (www.7up.com).

Among the most celebrated examples in positioning is the Volkswagen Beetle’s “Think Small” campaign (Exhibit 1.3). In the 1960s when cars were generally big, beautiful and expensive, the Beetle was introduced as a small, awkward looking, inexpensive car. Clearly differentiated and distinctly positioned, the Beetle over the years outsold every car that has ever been made.

Other noteworthy examples of positioning in the automotive sector include BMW’s “The ultimate driving machine” and Volvo’s “Safety first”. To quote from a Volvo advertisement — “Cars are driven by people. The guiding principle behind everything we make at Volvo, therefore, is and must remain — Safety”.



Think small.

Our little car isn't so much of a novelty any more.
A couple of dozen college kids don't try to squeeze inside it.
The guy at the gas station doesn't ask where the gas goes.
Nobody even stares at our shape.
In fact, some people who drive our little

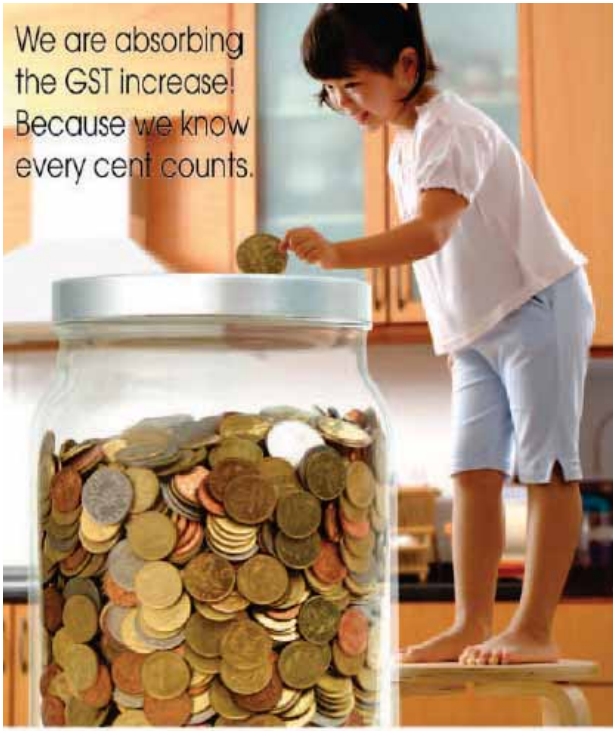
Bever don't even think 32 miles to the gallon is going any great guns.
Or using five pints of oil instead of five quarts.
Or never needing anti-freeze.
Or racking up 45,000 miles on a set of tires.
That's because once you get used to

some of our economies, you don't even think about them any more.
Except when you squeeze into a small parking spot. Or renew your small insurance. Or pay a small repair bill. Or trade in your old VW for a new one.
Think it over.



Exhibit 1.3 Think Small advertisement campaign, crafted in 1959 by Helmut Krone and Julian Koenig at DDB, distinctly positioned and differentiated the VW Beetle from competition. It was ranked the best 20th century campaign by Ad Age, in a survey of North American advertisements.

Dove, a brand that stands for beauty without artifice, has articulated that position via memorable advertising campaigns such as Real Beauty, Evolution, Onslaught and Girls Under Pressure. Positioning the brand as a theme or a social mission (as opposed to a product — moisturizing soap) gave Dove the license to transcend categories. The change in positioning coincided with the brand's extension from soaps and



We are absorbing the GST increase. Because we know every cent counts.

We bring you the first piece of good news on the first day of a new year: FairPrice is absorbing the 1% GST increase for all items for the month of January 2003. And we'll continue to absorb the 1% increase for 400 essential items, the whole year through. You can count on FairPrice to help you save and discover how your savings can really stack up. Simply because as Singapore's Very Own supermarket chain, We Serve. We Care. We Share.

FairPrice
Singapore's very own

Exhibit 1.4 “Since our birth in 1973, we have changed our name, we have changed our look, and we’ve changed our logo. One thing that has not changed is our commitment to our social mission.” To reinforce its social mission, Singapore’s FairPrice supermarket absorbs escalation in the cost of essential goods, for limited periods of time.

cleansers to beauty products in general, including hair-care, deodorants, and skin-care products.

Positioned as a social mission (Exhibit 1.4), the origin of Singapore’s FairPrice supermarkets dates back to the 1973 oil crisis, when the country was experiencing hyperinflation fuelled by shortages and hoarding of goods. The National Trades Union Congress set up a supermarket cooperative, NTUC Welcome, to contain prices of essential food products, and the then Prime Minister Lee Kuan Yew

officially opened the first outlet. The chain later was renamed FairPrice, and it retains its original social mission to help moderate cost of living for low income households.

Another notable Singaporean example is the Singapore Girl which positions Singapore Airlines as a purveyor of grace and Asian Hospitality. In a crowded market, the Singapore Girl emphatically distinguishes the airline from low-cost carriers as well as other premium airlines.

Brand Image Tracking

Brand image as stated earlier is the consumers' perception of the brand. Products deliver a set of benefits — functional, rational, emotional, personality, and brand-consumer relationship benefits. The image or profile of a brand relates to how it is perceived on these benefits or attributes.

The objective of brand image tracking is to measure consumers' perception of brands through its association with relevant attributes. This is done via quantitative studies where respondents are asked to rate brands on a wide battery of attributes, on a 5 (or 7 or 10) point agree-disagree rating scale. For instance in a shampoo study, a typical question may be as follows:

Please rate the following brands of shampoo on each of the statements using a scale of 1 to 5, where

- 1 means "Strongly disagree",*
- 2 means "Disagree",*
- 3 means "Neither agree nor disagree",*
- 4 means "Agree" and*
- 5 means "Strongly agree"*

- a) Using [brand] makes my hair Shiny and Lustrous*
- b) [Brand] makes my hair beautiful*
- c) [Brand] prevents dandruff ...*

Actual	Zhi Zi	Tare	Chitra	Iris	Indigo	Daisy	Okura	Fuji	Inula	AVG
Soft	36	20	18	11	18	13	12	6	6	15.6
Shiny, Lustrous	43	25	18	14	7	13	10	3	4	15.2
Beautiful	35	22	25	9	9	10	10	8	3	14.6
Nourish roots	35	35	14	11	7	8	8	4	4	14.0
Frequent use	30	15	12	8	24	10	10	9	1	13.2
Scalp healthy	33	22	13	8	6	9	8	5	2	11.8
Life, Body and Bounce	30	20	29	13	8	6	9	3	2	13.3
Value for money	20	15	13	5	19	20	12	4	2	12.2
Strengthens hair	23	43	14	10	5	5	8	1	3	12.4
Hair Expert	16	18	43	18	3	3	3	1	3	12.0
Prevents dandruff	11	6	3	3	3	9	13	3	0	5.7
Average	28.4	21.9	18.4	10.0	9.9	9.6	9.4	4.3	2.7	12.7

Exhibit 1.5 Top 2 boxes (Strongly Agree/Agree) ratings for shampoo brands in fictitious research study.

To analyse the data, we usually review boxes 4 and 5 (the top 2 boxes), that is, the percentage of respondent who either “Agree” or “Strongly Agree” with a statement. For instance, with reference to the table in Exhibit 1.5, which summarizes the results for a fictitious shampoo research, 36% of respondents either “Agree” or “Strongly Agree” with the statement “Zhi Zi makes hair soft”.

Determining Product Attributes

The product attributes for a brand image tracking study are selected on the basis of their relevance to the study objectives. For instance, if the purpose pertains to advertising and positioning, a broad spectrum of functional and emotional attributes that drive brand choice should be selected. For studies pertaining to product development, focus would shift to product design attributes. Brand owners would typically include the core attributes of their brands as well as those of their direct competitors.

In case of an ongoing research, the attribute list is refined about once a year to reflect change in emphasis in advertising as well as changes in consumers’ needs and preferences.

Usage and attitude studies are usually a good source of information on the attributes that consumers deem important. If however no prior information is available or if there is the need to update existing attribute lists, *exploratory attitudinal research* (qualitative in nature)



Exhibit 1.6 Image rating and profile of a brand.

using focus group discussions, sometimes in combination with physical observation, can help unearth the aspects of a product that consumers find most important.

Image Profiling

The bare numbers depicted in Exhibit 1.5 are not particularly easy to assimilate. Because numbers in general are hard to process, market researchers employ techniques to depict data in a meaningful and visual form that our minds find easier to comprehend.

One method used in the context of drawing a brand’s personality, is image profiling, a technique that transforms image rating data to reveal the relative strengths and weaknesses of brands. Observe for instance Exhibit 1.6, which depicts the image profile of a brand. Presentation of data in this form makes it easier to deduce that relative to competing brands, this brand is perceived as the “hair expert” and a brand that

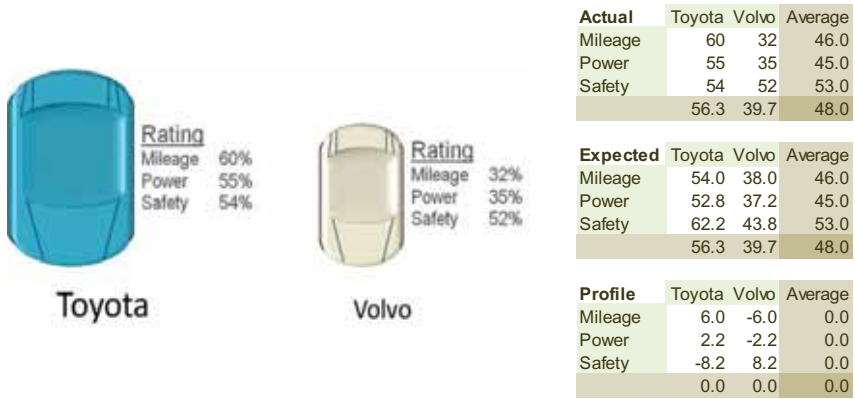


Exhibit 1.7 Fictitious example of image ratings for Toyota and Volvo.

“adds life, body and bounce”. It is not perceived as “suitable for frequent use”.

The objective in image profiling is to determine what features distinguish one brand from another. While a big brand like Zhi Zi is rated high on all attributes, our aim is to know which of these attributes distinguish it from other brands.

We are aware that people comment more on familiar brands — brand size influences image endorsement. Similarly brands in general are associated more strongly with some attributes (the generic attributes) than others. Image profiling mathematically eliminates influence of brand and attribute “size” to determine each brand’s strengths and weaknesses in relation to each other, expressed as variation from what one would expect if the brand were average.

For instance, in Exhibit 1.7, because Toyota is a bigger selling brand, its ratings are generally higher than those for Volvo. With regard to safety, both brands have similar absolute ratings, but *relative to brand size*, Volvo’s rating on safety is higher — it is the feature that distinguishes Volvo from Toyota. In terms of image profile it would rate substantially higher than Toyota on this attribute.

Deriving image profile ratings is a two-step process:

Actual	Zhi Zi	Tare	Chitra	Iris	Indigo	Daisy	Okura	Fuji	Inula	AVG
Soft	36	20	18	11	18	13	12	6	6	15.6
Shiny, Lustrous	43	25	18	14	7	13	10	3	4	15.2
Beautiful	35	22	25	9	9	10	10	8	3	14.6
Nourish roots	35	35	14	11	7	8	8	4	4	14.0
Frequent use	30	15	12	8	24	10	10	9	1	13.2
Scalp healthy	33	22	13	8	6	9	8	5	2	11.8
Life, Body and Bounce	30	20	29	11	11	11	11	11	11	13.3
Value for money	20	15	13	14	14	14	14	14	14	12.2
Strengthens hair	23	43	14	14	14	14	14	14	14	12.4
Hair Expert	16	18	43	18	3	3	3	1	3	12.0
Prevents dandruff	11	6	3	3	3	9	13	3	0	5.7
Average	28.4	21.9	18.4	10.0	9.9	9.6	9.4	4.3	2.7	12.7

Expected Scores	Zhi Zi	Tare	Chitra	Iris	Indigo	Daisy	Okura	Fuji	Inula	AVG
Soft	35	27	22	12	12	12	11	5	3	15.6
Shiny, Lustrous	34	26	22	12	12	12	11	5	3	15.2
Beautiful	32	25	21	11	11	11	11	5	3	14.6
Nourish roots	31	24	20	11	11	11	10	5	3	14.0
Frequent use	29	23	19	10	10	10	10	4	3	13.2
Scalp healthy	26	20	17	9	9	9	9	4	3	11.8
Life, Body and Bounce	30	23	19	10	10	10	10	4	3	13.3
Value for money	$Expected\ Score = \frac{21.9 \times 14.0}{12.7} = 24.1$									12.2
Strengthens hair										12.4
Hair Expert										12.0
Prevents dandruff	13	10	8	4	4	4	4	2	1	5.7
Average	28.4	21.9	18.4	10.0	9.9	9.6	9.4	4.3	2.7	12.7

Exhibit 1.8 Computation of expected score (Example — shampoo).

1. Compute the “expected” score. This reflects the attribute rating that brand would attain, if it was totally undifferentiated. It is computed as follows:

$$Expected\ Score = \frac{AVG(Brand\ Score) \times AVG(Attribute\ Score)}{AVG(All\ Scores)}$$

In the Volvo example the average brand score is 39.7, the average score for the attribute safety is 53, and the overall average is 48. So, Volvo’s expected rating on Safety is:

$$Exp\ Score = 39.7 \times 53 / 48 = 43.8$$

2. Profile rating is the difference between the expected rating and the actual rating. In the case of Volvo, because the actual rating (52) is substantially higher than the expected rating (43.8), the brand’s profile on safety is a high positive (+8.2 = 52 – 43.8). Take note that the profile scores eliminate the influence of

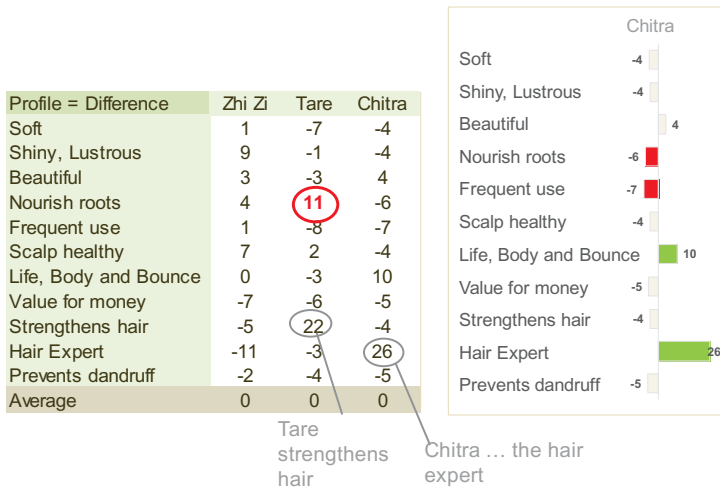


Exhibit 1.9 Computation of profile rating (image profile = actual – expected scores).

brand and attribute size. This can be seen from total scores, which equal zero, across columns (brands) as well as across rows (attributes).

Reverting to our shampoo example, Exhibits 1.8 and 1.9 illustrate how *Expected Score* and *Profile* rating are computed for Tare shampoo on the attribute “nourish roots”. This data tells us that Tare is perceived strong on attributes such as “strengthens hair” and “nourishes roots” and relatively weak on “frequency of use” and “value for money”.

Profile rating provides useful understanding of the relative strengths and weaknesses of a brand’s image across attributes. This is particularly useful in the context of brand positioning and advertising.

Comparisons Across Time

There is usually some volatility in data due to sampling and non-sampling errors. This becomes pronounced when we compare ratings across time periods. For instance, the average score for all brands may fluctuate from one period to another. Such cross-period fluctuations can be significantly reduced if the data is presented in terms of share of

Attribute = 100										
Actual	Zhi Zi	Tare	Chitra	Iris	Indigo	Daisy	Okura	Fuji	Inula	Sum
Soft	26	14	13	8	13	9	9	4	4	100
Shiny, Lustrous	31	18	13	10	5	9	7	2	3	100
Beautiful	27	17	19	7	7	8	8	6	2	100
Nourish roots	28	28	11	9	6	6	6	3	3	100
Frequent use	25	13	10	7	20	8	8	8	1	100
Scalp healthy	31	21	12	8	6	8	8	5	2	100
Life, Body and Bounce	25	17	24	11	7	5	8	3	2	100
Value for money	18	14	12	5	17	18	11	4	2	100
Strengthens hair	21	38	13	9	4	4	7	1	3	100
Hair Expert	15	17	40	17	3	3	3	1	3	100
Prevents dandruff	22	12	6	6	6	18	25	6	0	100
Average	24	19	16	9	8	9	9	4	2	

Exhibit 1.10 (Attribute = 100) Share of attribute rating across brands for a particular time period.

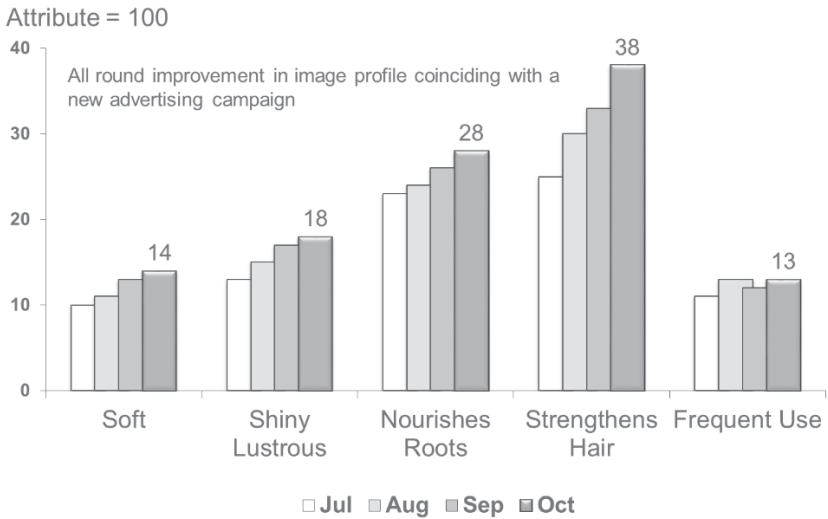


Exhibit 1.11 (Attribute = 100) Share of attribute rating across time for Tare.

attribute rating (also referred to as ‘Attribute = 100’), as shown in Exhibits 1.10 and 1.11.

In terms of interpretation, Exhibit 1.10 reveals that Tare’s share of ratings (on top 2 boxes) varies from a high of 38% for “strengthens hair” to a low of 12% on “prevents dandruff”. Comparisons across time (Exhibit 1.11) reveal that with the exception of “frequent use”, the brand is strengthening considerably across the selected set of attributes.

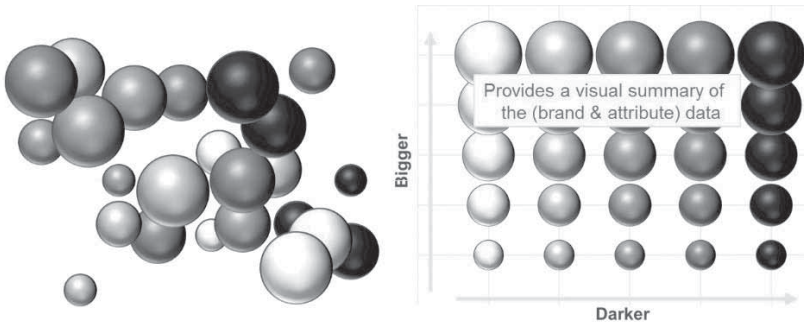


Exhibit 1.12 A set of bubbles that differ in terms of size and shade, depicted along those two dimensions.

The accuracy of the image ratings vary depending on the sample size. The usual standard is to maintain tolerance levels of 3% to 5% at a confidence level of 90% or 95%. Apart from sampling, the research is subject to a variety of other errors including the interviewer's style or his or her demeanour, recording errors, incorrect response by respondents, coding errors and so on. Details about these sampling and non-sampling errors are provided in Appendix A.

Perceptual Mapping

In layman terms, a perceptual map is a two or more dimensional depiction of some entities in a manner that reflects the similarities and differences between the entities. Consider for instance the set of bubbles shown on the left of Exhibit 1.12. These bubbles, which differ in size and shade, are represented on a two-dimensional map so that bubbles that are similar are placed next to one another, and those that differ are further apart.

Similarly by employing statistical techniques like *correspondence analysis*, the brands and their image ratings can also be vividly depicted on a multidimensional perceptual map. Statistical packages like SPSS or SAS are used to craft perceptual maps of brands based on their image profile. The approach is summed up in the following steps:

	Actual		Expected Scores		Profile = Difference		Chi Square		Similarity	
	Zhi Zi	Tare	Zhi Zi	Tare	Zhi Zi	Tare	Zhi Zi	Tare	Zhi Zi	Tare
Soft	36	20	34.7	26.8	1.3	-6.8	0.1	1.7	0.1	-1.7
Shiny, Lustrous	43	25	33.9	26.2	9.1	-1.2	2.4	0.1	2.4	-0.1
Beautiful	35	22	32.4	25.1	2.6	-3.1	0.2	0.4	0.2	-0.4
Nourish roots	35	35	31.2	24.1	3.8	10.9	0.5	4.9	0.5	4.9
Frequent use	30	15	29.5	22.8	0.5	-7.8	0.0	2.6	0.0	-2.6
Scalp healthy	33	22	26.2	20.3	6.8	1.7	1.7	0.1	1.7	0.1
Life, Body and Bounce	30	20	29.7	23.0	0.3	-3.0	0.0	0.4	0.0	-0.4
Value for money	20	15	27.2	21.0	-7.2	-6.0	1.9	1.7	-1.9	-1.7
Strengthens hair	23	43	27.7	21.4	-4.7	21.6	0.8	21.7	-0.8	21.7
Hair Expert	16	18	26.7	20.7	-10.7	-2.7	4.3	0.3	-4.3	-0.3
Prevents dandruff	11	6	12.6	9.8	-1.6	-3.8	0.2	1.4	-0.2	-1.4

Exhibit 1.13 Stepwise approach to producing perceptual map (Example for Zhi Zi and Tare).

1. Compute Expected Score. (Same method as for image profiling)
2. Image Profile = Actual Score – Expected Scores
3. *Standardize* the difference across cells. (Chi-square values)

$$Chi\text{-square value} = \frac{(Profile)^2}{Expected\ Score}$$

4. Compute *Similarity* by applying the sign of the *Profile* to the chi-square values. These values provide a standardized measure of association.
5. Use *correspondence analysis* (CA) to create the perceptual map. CA reduces the numerous attributes that measure different attitudes and perceptions, to a few independent factors that sum up the attributes. These factors become the dimensions for the perceptual map. The attributes and brands are then represented on the multidimensional space in a manner that visually depicts their similarities and differences.

These steps are outlined in Exhibit 1.13 for Tare and Zhi Zi, and the resulting perceptual map is shown in Exhibit 1.14.

The following are some guidelines on how to interpret perceptual maps:

- The closer the products are on the map, the more similar they are perceived to be.

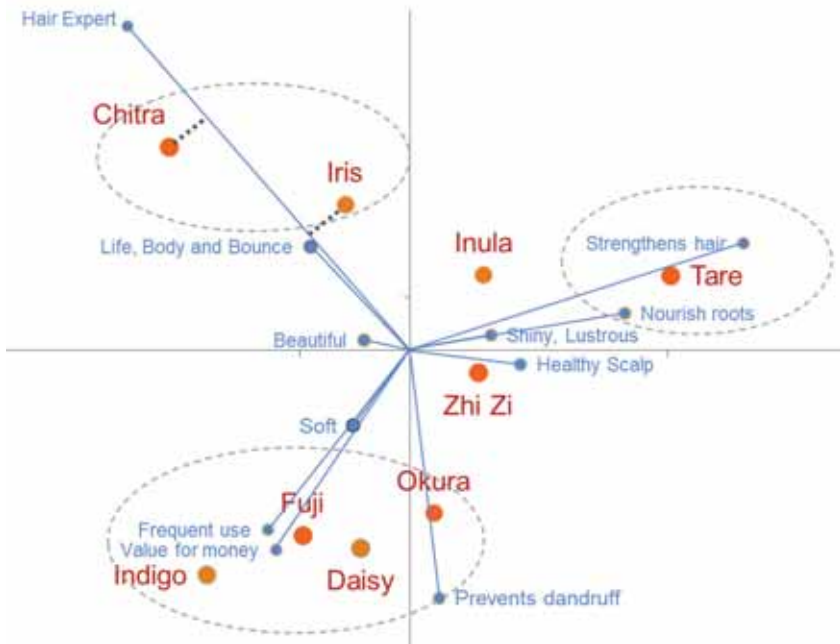


Exhibit 1.14 Perceptual map based on the shampoo data.

- The lines on a perceptual map indicate the different attributes. The longer a line, the greater is the importance of that attribute in differentiating offerings in the market.
- To assess the strength of a brand's position on any attribute, draw an imaginary perpendicular line from the product to the line representing the attribute. The farther an offering is from the origin along the direction of that attribute, the higher is the rating of the offering on that attribute.

Refer, for instance, to the dotted lines in Exhibit 1.14, drawn from Chitra to form a perpendicular with the vector *Hair Expert*. Since the line from Chitra intersects the attribute vector at a further distance, we can tell that Chitra is positioned more strongly on this attribute than Iris. Notice too that all brands other than Chitra and Iris, would intersect on the negative side of the vector. Compared to other attributes, on an average the

association of these brands with the attribute *Hair Expert* is relatively weak.

With regard to the shampoo data, the following are some conclusions one can draw from the perceptual map:

- Attributes such as *Shiny, Lustrous, Soft, Beautiful, Healthy Scalp*, all of which are close to the origin, are generic in nature.
- Attributes like *Hair Expert, Strengthens Hair, Prevents Dandruff, Frequent Use* and *VFM* are more important in distinguishing one brand from another, in people's minds.
- Zhi Zi is centrally located. Usually, this is not a desirable position for most brands. However considering that Zhi Zi is the market leader, and that it comes with a number of variants, it has the capacity to appeal to consumers from different segments.
- On the other hand, a central position is undesirable for a relatively small brand like Inula. To survive, a small or medium size brand should be well differentiated, so that it occupies a profitable niche or segment.
- Indigo, Fuji, Okura and Daisy compete in the same space.
- Tare is uniquely positioned as a brand that strengthens hair and nourishes roots.

Note that the attributes used in this shampoo example pertain primarily to functional, rational aspects such as *makes hair shiny, prevents dandruff, strengthens roots*; and that there is less use in the example of emotive, personality, or brand-consumer relationship benefits. The choice of attributes, as mentioned, is primarily dependent on the purpose and objectives of the study. In this case, the goal might have been to assess the relevance and position of a new brand along functional aspects.

If, on the other hand, a marketer is seeking to understand more clearly the personality of her brand from the perspective of advertising execution, the attributes she might consider using would pertain more to emotive, personality and brand-consumer relationship benefits.