

MEASURING BRAND COMPETITIVE PERFORMANCE – A FOCUS ON ETHICAL BRAND POSITIONING

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Abstract

The advent of the 21st century has witnessed multiple corporate plunges into business crises. The unethical behaviour of LSEs has raised significant discussion aiming at preventing ethical breaches, which has been evident in the way some companies are perceptually positioning their brands. Brand positioning has received significant interest as a process that allows objectified gauging of customers' brand perceptions as compared to direct rivals. One of the most commonly used tools for graphically visualising the competitive perceptual spot of a brand in the mind of the customer is positioning maps. This paper aims to present some techniques for designing such maps with an emphasis on some ethical aspects of modern branding. A review of ethical branding studies is presented and a conceptual model is proposed to serve practitioners' needs for brand performance measurement both as input and output of valuable perceptual information incorporating ethical branding drivers and multipliers of success.

Key words: brand positioning, ethical branding, positioning maps

JEL Code: M31, M37

Introduction

Many organizations have embarked into exploring ethical approaches to brand communications given the moral, socially conscious and responsible connotations they hold and the opportunities for maintaining competitive edge they provide (Belle, 2017). Alternatively, even neuroscientists have been actively engaged in measuring the individual reactions to ethical issues incl. moral responsibility, intent, free will, etc. (Robertson, Voegtlin and Maak, 2017). This contributes significantly to the body of academic literature dedicated to measuring the value of positioning ethics in branding. In view of that, some of the most contemporary studies in the field focus on the nexus between brand values (functional and emotional) and ethical brand practices; and the resulting position and loyalty (Alwi, Ali and Nguyen, 2017). Others consider the effects of the ethical dimensions of branding on customer-based brand equity (Datta and Mukherjee, 2017).

Still others outline that modern corporate reputation is built upon portrayal of societal and ethical commitments as this improves competitiveness (Sierra et. al., 2017). All these elucidate the fundamental importance of ethical brand positioning as means for driving competing companies to take into account community responsibility in their communications.

1. Conceptual Underpinnings and Critical Analysis of Brand Positioning

In the current conditions of intense rivalry and saturation of markets, competitive differentiation is one of the key challenges facing marketing and brand specialists. Many companies fail to provide meaningful and adequate call to their customers, leading to significant losses, given the relative standardization in some industries (consumer electronics, automotive, packaging). Successful branding should be able to bring clear differentiation to directly competing brands through unique attributes and features that are relevant to target groups. In this regard, in recent years, various researchers and specialists have invested considerable efforts in identifying, adapting and implementing quantitative and qualitative methods to assess the effects of brand positioning in various industries (including digital media, luxury goods, hospitality, etc.).

The review of the specialized literature on brand differentiation discovers two main research groups: (1) positioning typology studies and (2) comparisons of positioning dimensions. The first group refers to some methods of branding research such as: interviews, focus groups, classical studies, etc. The second group includes the use of analytical methods such as: multidimensional scaling, discriminant analysis, content analysis, etc. that use graphing techniques to compare the positioning of individual brands to a specific point and specific indicators.

In practice, in order to simplify the purchasing decision process, customers organize the offerings of different brands into categories that form clusters in their minds. In this context, positioning is a process of building a specific, identifiable and desirable image of the brand in the mind of the consumer. What is important here is the notion of differentiation that should be referenced to the position of competing brands. Branding thus depends on two factors: the distinction from direct rivals and the individual perception of customers.

From an academic point of view, the subject of brand positioning has received significant amount of research interest over the last two decades. Many scholars have delved into finding suitable ways of measuring the perceptions customers hold of specific brands against their market rivals. Some recent studies have accentuated on the moderating role of brand positioning over the introduction of distant brand extensions (Parker et. al., 2018). Alternatively, there is an

abundance of information available in the literature on different algorithms for collecting information needed to construct a positioning (perceptual) map. Among the commonly used methods and algorithms are: PREFMAP, MDPREF, multidimensional scaling, cluster analysis, etc. Despite some criticisms that the abovementioned methods and algorithms often receive, associated with insufficient level of validity of the results, they are an important element in the process of developing a position map. What unites them is the collection of primary information related to customer requirements and perceptions of a particular brand and its competitors. No less important is the fact that they summarize and present visually informative data that can be easily communicated and used for the purpose of building a brand positioning strategy.

Dibb and Simkin (2008) point out that positioning maps are based on a set of mathematical or qualitative approaches used to describe a mental spot of customer perceptions for a given brand in a spatial plan. The authors point out that these maps are means of visualizing the relative position of different brands (one with respect to each other). Bennett and Strydom (2001) consider positioning maps in a wider perspective as a means of developing focused marketing mixes, and other authors draw attention to the fact that positioning and positioning maps must be limited to a particular segment (Hooley, Piercy and Nicoulaud, 2008). It has to be noted that even if free perceptual spaces are identified, they may be distant from the needs of segments.

Alternatively, Hadjinicola and Charalambous (2013) present an innovative method for assessing the brand position based on the SOM (Self-Organizing Map) architecture. The logic of SOM is relies on the fact that certain parts of the brain respond to various stimuli and sensory signals. In a certain way, that part of the brain that responds to a particular stimulus, stores a map. In this way, adjacent cells develop adaptively in specific detectors of different signalling patterns. SOM strives to mimic this localization by setting up specific artificial neurons to different input signals through self-organized learning. Notably, brands need to be viewed with respect to the type of customers served and in accordance to the industry as different stimuli may apply.

Other tools are also available in the literature to help identify competitive alternatives in designing positioning strategies. Hahn et. al. (2006) call them "contextual maps." They reflect the increase/decrease of market shares visually when adding an alternative to the customer selection set. This tool can also be helpful in classifying contextual effects (e.g., adding / removing an alternative to a service, post-selection responses, etc.). The authors also offer some key metrics for contextual effects analysis that can be used in the positioning process.

Some other recent sources develop methodologies for perceptual mapping through Multidimensional Scaling (MDS) based on the online customer behaviour (Won, Oh, & Choeh, 2018). The authors also comment on the positive sales effects and the speed with which online data can be generated to serve the purposes of positioning map design. At the same time other authors (Park et. al. 2017) criticize the classical MDS of depiction of the competitive landscape for failing to recognize the difference in information usage by customers. In view of that they propose a new Bayesian hierarchical spatial MDS model allowing measuring how individual consumers develop each dimension that can assist brand managers recognize selectivity of product information consumers may tend to process. By virtue of this, brand executives can determine major dimensions and can control some effects of a change in positioning.

On the basis of the specificities regarding the design and analytical capabilities of positioning maps, the following conclusions can be drawn: (1) brand positioning should be bound to identified customer needs and social effects; (2) the stimuli used must reflect attributes that are key to forming consumer value and must not disregard how customers store and use information; (3) the use of quality measures must be adjusted with respect to the segment of studied clients and industry/market; 4) the interpretation of the positioning maps must also include an analysis of the competitive performance of primary/secondary rivals; (5) the outcome of the design of a positioning map should help maximize the differentiating competitive advantage of firms.

It is important to conclude that the concept of brand positioning is built on the links between the real position, the perception of the customers about the product and the position of the competitors. And since the tools for differentiation are often traced to the marketing mix of companies, recently many studies have focused on ethicality as an emerging area for building and sustaining competitive edge over market rivals.

2. Branding Ethics and Ethical Brand Positioning Research Findings

Branding ethics uses behaviour in business that is the most correct from conceptual ethical viewpoint to achieve business-specific goals, while not confronting the basic human moral values. Ethical issues in branding are specific and fundamental management dilemmas because they express the conflict between company revenues, costs, profit and its social responsibility.

Branding ethics deal with the values and measures of marketing and its responsibility towards society. Branding ethics examine the requirements of all market participants with regard to the products/services offered and the claims of public groups directly or indirectly affected by the

possible negative consequences of the application of the marketing tools. Thus, the former provides a framework for a specific type of behaviour and can lead to corporate efforts to practice ethical branding as a complementing communication tool in their positioning.

More thoroughly examined, ethical branding provides the greatest possible balance and harmony in a business community such as: 1) protects interests, respects the values and guarantees the rights of all parties involved in business interaction - owners, managers, employees, consumers, society; 2) does not cause intentional harm to any of the parties; 3) produces best results for all parties; 4) respects the ethical standards of business and society; 5) achieves profit with publicly acceptable means; 6) creates room for effective and efficient brand positioning.

Ethical branding has been an explicitly researched topic in the last decade. However major part of the studies have investigated various aspects of ethical branding, but not providing a common framework for drivers and success factors in the design of brand positioning strategy with emphasis on ethicality (Table 1).

Tab. 1: Review of academic literature on ethical branding

Source(s)	Aspects of ethical branding studied	Industry/ type of business focus	Critical considerations
Fan, Y. (2005)	Link between ethical branding and corporate reputation	B2C	Corporate social responsibility in focus, which is one of the many drivers for building successful reputation
Palazzo, G. and Basu, K. (2007)	The demand for socially responsible behaviour as a driver for ethical corporate branding efforts; Interdependencies between identity, consumption, and values	B2C	Globalization and post-industrial society are seen as determinants of larger in spectrum brand activities (related to ethicality)
Beard, N. (2008)	Manifestations of eco and ethical fashion and factors influencing its promotion by companies	Fashion (ecofashion)/B2C	Addresses issues related to specific brands serving a limited, but growing market segment
Rindell, A., Svensson, G., Mysen, T., Billström, A., & Wilén, K. (2011)	Examines the role of the natural environment, internal, and external ethics codes for sustaining corporate brands	B2B	Explores 'the conscientious dimension' of corporate brands
Singh, J., Iglesias, O. And Batista-Foguet, J. (2012)	Studies the correlation between perceived ethicality at corporate level, and brand trust, brand affect and brand loyalty at product level	FMCG / B2C	Wide range of product categories covered. Brand loyalty is discovered to be influenced by brand trust and brand affect
Manchiraju, S., & Sadachar, A. (2014)	Researches the relationship between personal values and	Fashion / B2C	Personal values are used to settle on individual intentions to demonstrate

	behavioural intentions to engage in ethical fashion buying		ethical behaviour
Jun, et. al. (2015)	Investigates the impact of empathic concerns on the response to advertising and formation of brand attitude	Dentistry / B2C	Targeting clients characterised by empathic concern could bring about positioning of underdog brands
Alwi, S., Ali, S., & Nguyen, B. (2017)	Explores the effects of perceived price, quality of product and service on ethical branding perceptions	Electronic office equipment / B2B	Functional and emotional values of brands affect brand reputation through the mediation of ethical branding
Kirman, A. et. al. (2017)	The moderating effect of underdog positioning on the perception of competence with highly/little moral service providers	Services / B2C	Deficit in competence is viewed as being possible to be covered by underdog positioning

Table 1 uncovers interesting characteristics of some of the available studies on the topic. Particularly, only two studies have used B2B setting and a small proportion of the work is done on the services industries. Nonetheless, most of the studies focus on the causes and effects of ethicality to brand perceptions. An important aspect highlighted by Alwi, Ali and Nguyen (2017) reveals that corporate reputation is significantly affected by product quality, perceived price, and service quality through the mediation of ethical branding. This study however is limited in the sense of disregarding the emotional response to brand communication that is often manifested with certain types of brands. Another important finding of the review of literature in Table 1 uncovers the moderating role of underdog branding on brand positioning.

Underdog branding has received significant amount of research interest in the last decade. It uses brand stories of humble character involving struggles and failures to capture customers' attention. Researchers have found evidence of it reinforcing purchase intentions, brand loyalty, among others (Paharia et. al. 2010). Other scholars argue that companies deliberately communicate their underdog status in order to prompt positive attitudes. However this has to be viewed from the perspective of the consumption domain.

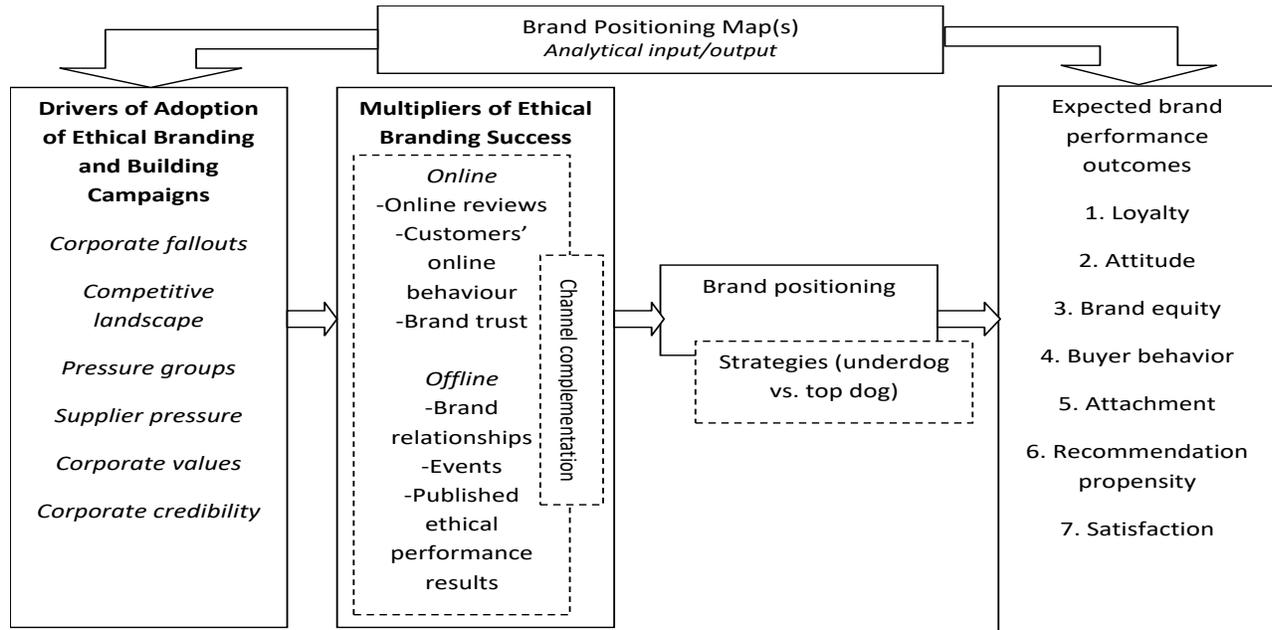
Table 1 discloses some findings which discover empathic concerns to generate positive attitudes towards businesses using underdog appeals (Jun et. al., 2015). This, however, has to be considered with respect to some top-dog brands and the projected brand positioning results must be observed.

In some businesses customers tend to value more service provider competences than morality. This is found to be subject to moderation by underdog positioning. With that in mind, moral

companies are likely to be able to cover competence drawbacks thanks to underdog positioning. That, nevertheless, does not hold valid for expert providers trying to prevail over morality deficiency (Kirmany et. al., 2017).

Overall, studies in the field of ethical branding need to have a constantly evolving focus in order to produce meaningful corporate results and scale up business success. In particular, although cause and effect studies incentivise companies to engage in ethical branding to keep abreast of competition, future studies need to concentrate attention to drivers and success factors for ethical brand positioning across various industries. In this context, the following conceptual model can serve as a pivot for designing methodologies for exploring brand positioning performance with respect to drivers and moderating effects of ethical branding (Figure 1).

Fig.1 Proposed Ethical Brand Positioning Conceptual Model



The proposed conceptual model is based on (1) the conceptual framework of this paper, (2) review of the larger body of literature in ethical branding, and (3) the author's own experience in the field. The former aims to visualise brand positioning process and results measurement with a focus on the drivers and multipliers of success with regards to ethicality of brand communications. Positioning map(s) are used both as input for adoption and establishing of ethical branding campaigns as well as for graphical tool for representation of output (the results achieved after the campaign). With respect to some recent studies, this model takes into account the medium and channels through brand communications are disseminated and considers top dog

vs. underdog positioning strategies as moderators for brand performance. Finally, the expected outcomes are specified in seven dimensions: loyalty, attitude, brand equity, buyer behaviour, attachment, recommendation propensity, and satisfaction.

The model attempts to provide a framework for brand managers and decision makers related to measuring and improving positioning strategies and tactics with emphasis on ethicality to serve as an alternative tool for sustaining competitive edge on respective markets.

Conclusions

Ethical branding is an ever-important area of marketing given both the social effects it can generate and the commercial value it holds. Companies nowadays have access to multiple tools that can enable them to steer behaviour through means of brand communications (among others) and shape perceptual standards that can help establish and sustain competitive advantage. Ethical branding is seen to enhance not only corporate reputation, but also urge consumption, encourage loyalty and result in positive attitude towards brands.

This paper reviews some of the most widely used methods and frameworks related to brand positioning. It also critically discusses different approaches to evaluation of the perceptual spot different brands hold in the mind of the customer. Alternatively, it sheds a light on the nexus between ethics and branding, and explores some of the highly cited sources of literature investigating aspects of ethical branding practices. At the end, it proposes a conceptual model that can be used by practitioners to gauge the performance of their brand with brand positioning maps used both as input and output of valuable perceptual information incorporating ethical branding drivers and multipliers of success.

Future studies can also concentrate on internal drivers of adoption of ethical branding practices and the role leaders in maintaining a conduct that is respected and appreciated by stakeholders.

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