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B.Com Honours | Semester II | Calicut University

Strategies for Brand Building

Course Code: COM2MN108 • Module 4 Notes

1. Brand Equity, Loyalty, and Architecture: Management in Action

The ultimate goal of brand building is to accumulate brand equity—the value premium that a recognized brand name gives to a product. This final module covers brand communication, brand loyalty frameworks, brand positioning (PODs vs. POPs), brand architecture models, and brand crisis management.

Brand Positioning: PODs vs. POPs

Positioning defines the brand's unique place in the consumer's mind:

Positioning Dimension	Points of Parity (POPs)	Points of Difference (PODs)
Core Concept	Associations that are not unique to the brand but shared with competitors.	Attributes or benefits that consumers strongly associate with the brand and believe they cannot find elsewhere.
Strategic Objective	Negating competitor advantages; proving the brand is "good enough" to compete.	Creating competitive advantage; showing why the brand is superior.
Example	A smartphone must have a functional camera and internet access.	Apple's iOS ecosystem and proprietary M-series chips.

Brand Architecture: Structural Models

Brand Architecture defines the structure and relationship of brands within a corporate portfolio:

Branded House (Masterbrand)

Using a single corporate brand across all products (e.g., Google Search, Google Maps, Google Drive; FedEx Express, FedEx Ground). Offers high marketing efficiency but carries risk if the masterbrand is damaged.

House of Brands & Hybrid Models

- **House of Brands:** Managing a portfolio of stand-alone, independent brands (e.g., Procter & Gamble owning Tide, Gillette, Pampers). Protects individual brands from cross-contamination.
- **Hybrid Model:** Combining masterbrand and individual brand structures (e.g., Marriott owning Courtyard, Ritz-Carlton, and Residence Inn).

Managing Brand Crises

A **Brand Crisis** is an event that threatens to damage a brand's reputation and equity (e.g., product recalls, ethical failures). Firms recover using structured brand crisis management:

1. **Immediate Response:** Speed, honesty, and taking responsibility.
2. **Rectification:** Recalling defective products, fixing the issue, and compensating affected customers.
3. **Repositioning & Communication:** Rebuilding trust through transparent advertising and independent quality audits.