

PhaseOneSM

COMMUNICATIONS

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Advertising Premium Products

Premium advertising establishes a brand as being worth more than other brands and prepares consumers to expect to pay more for the brand. For example, a Lexus may be seen as more of a premium brand than a Toyota, and consumers are willing to pay more money for Lexus cars than Toyota cars.

PhaseOne Communications recognized a dearth of knowledge regarding how ads build premium positioning. PhaseOne analysts mined more than 1,000 commercials from the company's extensive library to uncover guiding principles of establishing premium positioning.

Building a Premium Positioning

The key to promising a premium position is to promise the consumer that they will get more of what they want most from the product, promising *more benefit* than competing brands offer. Six specific types of benefits were found among the ads PhaseOne analyzed. The inclusion of these benefits was associated with strong premium positioning.

- Product innovation
- Unique production process
- Higher performance than competing brands
- Human worth factor
- Endorsement by a credible authority
- Premium imagery

Elements that do *not* contribute to Premium Positioning

- A superiority positioning does not confer "premiumness." Positioning a brand as superior does not equate with the brand being worth more.
- Numerous features or advantages do not make a product worth more. Features and advantages may contribute to a premium positioning, but they are not sufficient to establish the positioning on their own.
- Ads containing breakthrough creative elements and premium production techniques do not translate into premium positioning. Such ads can reinforce a premium positioning, but they cannot create it.