

Brand monitoring report of trustpower



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Executive Summary

The purpose of the report is to critically analyze and provide a brand monitoring analysis which evaluates the Trustpower brand and assesses its performance in comparison to other major competitors in New Zealand. For this purpose, the report made use of academic theory and frameworks as a reference. The key findings of the report are as follows. Based on the data on the customers, the key user profiles for the brand which were identified using segmentation variables include Students/Youth, Adults/Parents and Senior Citizens/Grandparents. The target market which has been identified for the brand includes the working-class adults and parents who have the highest percentage of customers in the brand as well as the highest revenues and use of the service thus increasing the revenue and profitability of the business. It is recommended that the brand makes use of the strategy of sustainability to develop a unique market position in the minds of the customer. This is because of dual benefits to both the company in the form of cost reductions and to the benefits to the customers. At the same time, this strategy is also low cost as compared to the other strategies which require significant investment in the form of advertising and communications. Through the adoption of such strategies, the overall brand positioning can be improved in the New Zealand market.

1. 0 Introduction

Trustpower Limited is a leading electricity generation, supply and distribution company in New Zealand. The company provides several products and services including but not limited to electricity, home gas, home internet among some of the different products. The company was

founded in the year 1993 and in the year 2013, the company had a total revenue of more than \$900 million NZD (Trustpower. co. nz, 2019). The purpose of the report is to critically analyze and provide a brand monitoring analysis which evaluates the Trustpower brand and assesses its performance in comparison to other major competitors in New Zealand. For this purpose, the report made use of online information and its interpretation of the results of an online survey which was ran. The report argued that. The report is structured as follows. At first, there would be a critical discussion on qualitative analysis from online sources. This would be followed by brand monitor analysis which would include discussion surrounding brand user profiles, distinctive brand assets and brand attribute associations. At last, the report would conclude with a brand strategy recommendation. The focus of the report is on the New Zealand market and thus the findings and applications are limited to the geographical region of New Zealand.

2. 0 Qualitative Analysis from Online Sources

Trustpower Limited is New Zealand's fifth largest electricity generator in terms of revenue as well as the output generated and in terms of the customers numbers, it is the fourth largest electricity supplier. The brand operates a multi-product business in New Zealand which includes key products such as including but not limited to electricity, gas and internet as well as telecommunication products in the country. Thus, unlike the other gas and electricity companies across New Zealand, the company has uniquely positioned itself as a comprehensive home services provider. The other companies which are in the business of Trustpower include Contact Energy, Genesis Energy, Meridian Energy and Mercury Energy. When the

brand positioning of each of the other companies is analyzed, it is clear that each of the rivals have a unique and niche focus whereas the focus of Trustpower is being a comprehensive home services provider. This strategy is also known as diversification strategy in which different products and services are offered to the current and new markets. The primary advantage of diversification strategy for a brand is that it leads to additional sources of revenue while leading to risk minimization for the overall industry and business (Martinez-Campillo, 2014). The following is the positioning of the brand with respect to the competitors. PRICE

HIGH

Contact

Energy

Genesis

Energy

*TrustPowe

Meridian

r

Energy

WIDE

Mercury

Energy

FOCUS

NARROW

LOW

Thus, the brand is able to differentiate itself and positions itself differently in the market which makes it easily recognizable in the eyes of the stakeholder.

Brand Values refer to the values and the principles which are considered to be of prime importance for the brand. In fact, brand values are the core of business which define and guide the directions and the actions of a business. The core values of Trustpower are defined in their “DNA” which defines the core of the organization. According to Trustpower. co. nz (2019), the following are the core values of the organization:

1. Respect for not only the customers but all the stakeholders with which the business interacts and engages with.

This value is in line with the stakeholder approach of management according to which modern day businesses should take into account the impact of their decisions, actions and strategies not only on the customers and shareholders but on the wide set of stakeholders (Freeman and McVea, 2001).

Stakeholders are individuals and/or institutions which are directly and indirectly affected by the decisions and outcomes of a business or organization (McGrath & Whitty, 2017).

2. Passion for personal service and high-level attention to an individual.

This is in line with the approach towards high quality service which is the norm in the service economy. At the same time, it is in trend with the mass customization and personalization of services for the customers (Tong et al., 2012).

3. Deep involvement with and support of the different communities in the society

This approach is in line with the social responsibility of business. According to this theory, a business has a social responsibility towards the society and towards the environment. This is also in synchronization with the concept of business ethics which states that businesses should be done in an ethical manner leading to maximum utility for everyone (Goel & Ramanathan, 2014).

4. Quest for innovation and taking risks and finding better and innovative ways to do things.

These values are in synchronization with the values of research and development and innovation all of which are required for the success and the continued survival of a business. Without innovation and research and development, a business cannot continue to exist (Tohidi and Jabbari, 2012). One example of a business/brand which failed due to its failure to innovate was Nokia which failed to innovate its products and also did not adapt themselves and their strategy as per the changing needs and requirements of the consumer (Ciesielska, 2017). The values of the organization are also expressed in the form of a brand narrative. The core of the brand narrative of Trustpower is PRIDE which stands for Passion, Respect, Integrity, Innovation, Delivery and Empowerment. This is reflected in the organization's mission, vision, strategy and the decision making all of which make it unique in the market and help it to differentiate in the market (Trustpower. co. nz, 2019).

In terms of the brand reputation, Trustpower holds a strong corporate brand reputation which is one of the primary reasons for it being one of the leading companies across New Zealand in the field of energy and gas. As the name suggests, trust is the power of the brand and the company along with the management stand united to protect the trust the company has developed with the stakeholders over the last few decades. In order to protect this reputation, the company has strict policies and guidelines which guide the actions of the employees and management. For example, the company has a guidance policy of doing the right thing, doing actions which include the health and safety guidelines and principles, protection of the environment and policies related to the securities trading along with the policies related to shareholder engagement (Trustpower 2018 Annual Report, 2018). It is this strong positioning and protection of the reputation which has led to business relations with more than 270, 000 electricity connections, 38, 000 gas connections and more than 90, 000 telecommunication connections all across the country (Trustpower 2018 Annual Report, 2018). Based on the secondary analysis of the online sources and materials, there has been no major finding when it comes to news articles which show that the organization was involved in any form of activities or scams which might have compromised the brand reputation. However, that does not signify that the organization might be free from corruption or negative actions, but what it conveys is, that till date the business has managed to maintain its reputation through strong policies and good public relations.

3.0 Brand Monitor Analysis

Based on the data and information the following are the broad segmentation of the consumers and the following brand user profiles are created. The profiles have been created with the help of segmentation variables. The common segmentation variable are demographic segmentation, geographic segmentation, behavioral segmentation and psychographic segmentation (Tynan and Drayton, 1987).

	User Profile 1	User Profile 2	User Profile 3
	Students/ Youth	Adults/ Parents	Senior Citizens/Gr andparents
Age	Under 30	Between 30 to 50	Over 50 years
Occupati on	Students and Working	Full Time Employee or Businessm en	Retired
Status	Low Income/D ependents	High Income/Hi gh Expenditur	Low Income/ High

		e	Wealth
Location	Urban	Semi Urban	Rural
Benefits Sought	Fast Connectio ns	Trust and Reliability	Low Costs
Personali ty	Outgoing and Adventuro us	Humble and Hardworki ng	Frugal Lifestyle and Simple Personaliti es
Frequenc y of Use	High	High	Medium

The user profile of the brand is a broad representation of the general population of New Zealand which consists of people of different characteristics. These user profiles are the general consumers of the brand but the primary target market of the brand are the working class i. e. adults and parents which are 49% of the total consumers who use the brand. The income group of these consumers lies between \$80, 000 to \$120, 000 which is the working-class household income and thus represents the majority 26% of the total consumers in New Zealand. At last, the target market consists of both nuclear families as well as joint families thus representing the majority population of New Zealand.

The brand assets can be plotted against a grid which has dimensions of uniqueness and fame. Based on these dimensions, the brand assets can be categorized into 4 categories i. e. avoid, use or lose, ignore or test and invest potential. The following are the brand assets of Trustpower and their representations on the grid along with the brand assets along with their representation on the grid. This framework is useful to assess the strength of the assets. Based on the strengths, it is recommended to either avoid it, use or lose it, ignore or test it or could be termed as investment potential. The rival which has been chosen is Contact energy (highlighted in red).

	USE OR LOSE
AVOID	
<ul style="list-style-type: none"> • Colors 	<ul style="list-style-type: none"> • Colors •
IGNORE OR TEST	INVEST POTENTIAL
<ul style="list-style-type: none"> • Financial Performance • Sustainability 	<ul style="list-style-type: none"> • Sustainability • Financial Performance

Based on this grid it is clear what areas on which the brand needs to focus on. It needs to leverage the brand assets of colors and sustainability in order to create a unique position and image in the market while ignoring the financial performance as a means to brand itself. This is because while the colors and sustainability element are attractive, the financial positioning of the business is not that attractive to be considered a valuable asset.

Furthermore, based on the data related to the attribute association, it is clear that for the consumers (based on their responses on the consumer <https://assignbuster.com/brand-monitoring-report-of-trustpower/>

survey), reliability is the most important attribute when availing a product or service in this industry. On the other hand, the lowest valuable brand attribute for the customers is efficient processes. That is, the customers do not have active interests in how efficient the processes and operations of the company are as long as the products and services are able to satisfy their needs and demands. The following is the calculation of the mental market share of the attributes for the brand TrustPower. Mental market share is defined as the brand's % of associations of the total associations for the category.

Flexible payment options =

10.6%

Well-known= 13%

Honest= 11.4%

Efficient processes= 15.5%

Professional= 11.05%

Good sales people= 11.35%

Supports local community=

3.1%

Friendly staff= 21.18%

Environmentally conscious =

8. 6%

Supports business= 6. 47%

Value for money= 15. 77%

Reliable = 16. 5%

Thus, based on the analysis of the mental market share, it is clear that the least identified attribute for the customers for the brand is “ Supports Local Community”. This means that there is significant opportunity which is present in this area in which the brand can make its improvement and can develop a unique brand image in the market when through the sustainability and supporting of local community.

4. 0Brand Strategy Recommendations

Based on the analysis of the brand positioning and the evaluation of the brand user profiles as well as the distinctive brand assets, the following is the analysis of the strengths and weaknesses of Trustpower. In order to carry out the evaluation of the strengths and weaknesses, the SWOT analysis is used.

Strengths	Weaknesses
- Strong brand reputation	- Weak number of employees, revenues,
-	electricity generation as
Respectable	compared to the other

Financial Position

- Well recognized in the New Zealand market

four rival brands

- Lower revenues translate to lower funds for investment and research and development

Competitive

market share

- Similar products and services with little to no differentiation among the similar product categories (Trustpower. co. nz, 2019)

-Wide range of products and services (Trustpower. co. nz, 2019)

Opportunities

- Growing consumption and adoption of Internet all across the globe

- Growing energy needs which are unfulfilled

Threats

- Energy Crisis throughout the globe

- Increasing concerns for environmental protection and conservation

-Limited market in New Zealand and intense competition from the

-Growing demand
for renewable
energy and the
systems
rival brands

In order to stay relevant and competitive and to avoid the threats, the brand has to innovate new ways to develop brand equity in the market. Brand equity is defined as the value which is determined by the perception and experience of the customer with the brand. One of the ways for the brand to develop brand equity is to differentiate itself in the New Zealand market with the concept of sustainable development. Through the inclusion of sustainable development as one of the core values as well as the strategy, the brand would be able to differentiate itself in the market. At the same time, it would gather support of the customers for going above and beyond its financial obligations towards the society. Second, the brand should focus on development of a brand equity through improved financial performance. At the moment, the brand has strong non-financial performance but lacks in the financial performance which might attract financial investors to a certain degree but does not excite them to invest in the company. To achieve this, the organization should have a clear blueprint on what they want to do and should have clearly laid out the mission and vision along different dimensions. Third, another way to develop strong brand equity is to follow a three-step approach which involves the use of brand awareness, brand compliance and brand loyalty. That is the first step is to develop brand awareness which could be done through paid and organic awareness techniques. Brand compliance can be done through ensuring consistency in

the messaging and communication with the stakeholders. At last, brand loyalty is giving away high value to the stakeholders which creates a high level of switching cost for the customers and the stakeholders and thus creates loyalty all of which leads to higher equity of the brand in the market.

Out of all these recommendations, it is recommended that the brand proceeds with the recommendation of developing brand equity with the help of sustainability. This is because sustainability is a growing concern among stakeholders. In fact, many customers are starting to prefer and opt for brands which are pro sustainable in their approach (Goucher-Lambert & Cagan, 2015). At the same time, going sustainable in their approach will have several benefits for the brand such as cost advantages. This is because due to the adoption of sustainable practices such as green energy, the overall cost of operations for the business will improve which will improve the overall profitability of the firm and make the business not only attractive to the socially aware customers but would also improve the attractiveness towards the investors (Ghemawat, 1986).

5. 0 Conclusion

The purpose of the report was to critically analyze and provide a brand monitoring analysis which evaluates the Trustpower brand and assesses its performance in comparison to other major competitors in New Zealand. For this purpose, the report made use of online information and its interpretation of the results of an online survey which was ran. The report argued that overall the brand has been performing well in the New Zealand market with its decent financial performance as well as the overall protection of trust between the brand and the stakeholders. However, when it comes to

developing a unique brand positioning and image in the market, there is an area of improvement and in order to do this, it is recommended that the brand adopts the strategy of sustainability to achieve this improvement. The key findings of the report are as follows. Based on the data on the customers, the key user profiles for the brand which were identified using segmentation variables include Students/Youth, Adults/Parents and Senior Citizens/Grandparents. The target market which has been identified for the brand includes the working-class adults and parents who have the highest percentage of customers in the brand as well as the highest revenues and use of the service. It is recommended that the brand makes use of the strategy of sustainability to develop a unique market position in the minds of the customer. This is because of dual benefits to both the company in the form of cost reductions and to the benefits to the customers.

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