[Name of the Writer]

[Name of Instructor]

[Subject]

[Date]

Marketing Assignment

The term brand equity refers to the perception of the consumers regarding the brand name associated with the brand or a product rather than the product itself. The company that I have chosen is Ikea. If we study the brand equity pyramid from the perspective of the customer, we can analyze that this company is furniture retailer. They belong to Scandinavia. Their image is that of pocket friendly and versatile furniture maker. They are furniture leaders with low priced products. They provide welcoming layout, they are socially accepted. They however provide low attachment to the customers.

The brand extension idea suggested is children clothing. The reason behind it is that the company is already providing a product line for kids. Thus it will be well aware of the needs of this segment. It will be easier for the company to extend its brand for a segment for which it is already providing some products.

The product chosen is mobile devices little helpers. The core value of this product is the ease of use and the facilitation that they provide to the customers. This product is chosen because it is a dily life product and is easy to use and assess.

The product chosen is at the growth stage. The potential of growing further is higher. This is because the products with which they are used continue to develop as well

The users of the product chosen are direct response customers thus the company should use the narrow style of target marketing. However this approach may have to be changed to cover a bigger portion of customers at a single platform.

The value proposition of the product selected is the facilitation provided by the selected products. This is because this feature makes the product more attractive to the customers.

Current price of the products vary from $ 3 to $ 15.

The company is using penetration pricing strategy. The reason behind choosing this strategy is that all over the advertisements the company has mentioned the lower prices charged. This strategy is also used to beat the competitors out of the market.

It is a pricing tactic that assumes that certain prices seems lower than the others to a simple human mind. The example can be quoted of a product being sold at $ 9.99 rather than a whole $ 10. This is because the conventional human mind thinks that the price is single figured. This strategy assumes that the humans read the prices starting from the left most digits. Thus a single digit lesser is perceived as reasonably priced.