DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

MINISTRY OF HIGHER EDUCATION AND SCIENTIFIC RESEARCH

HIGHER SCHOOL OF COMMERCE -KOLEA -

A Dissertation Submitted in Partial Fulfillment of the Requirements for master's degree in Commercial and Financial Sciences, Specialty: Marketing & Communication

The Contribution of Differentiating Marketing Actions to the Construction of Brand Image

Case: Heetch El Djazair

Submitted by:
Hiam BOUDRAA
Ilyes ARKOUB

Supervised by:
Nesrine GUENNOUCHE
Assistant Professor, A, at ESC Koléa

Internship Place: Sarl Heetch Algeria

Internship Period: 01/02/2026 – 15/05/2026

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Dedication

Au nom d'Allah, le Tout Miséricordieux, le Très Miséricordieux.

Louanges et gratitude à Allah Tout-Puissant, qui m'a accordé la force et la patience nécessaires pour accomplir ce parcours académique et atteindre cette étape importante de ma vie.

À ma chère maman, À la femme qui représente absolument tout pour moi.
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List of abbreviations:

AMA: American Marketing Association

AR: Augmented Reality

CAC: Customer Acquisition Cost

CBBE: Customer-Based Brand Equity

CLRM: Classical Linear Regression Model

CRM: Customer Relationship Management

CX: Customer Experience

EPS: Electronic Payment System (or Earnings Per Share)

G-D: Goods-Dominant (Logic)

HR: Human Resources

IT: Information Technology

KMO: Kaiser-Meyer-Olkin (Measure of Sampling Adequacy)

KPIs: Key Performance Indicators

LTV: Lifetime Value

MDS: Multidimensional Scaling

NPS: Net Promoter Score

PCA: Principal Component Analysis

POD: Points of Difference

POP: Points of Parity

RBV: Resource-Based View

ROI: Return on Investment

S-D: Service-Dominant (Logic)

SSTs: Self-Service Technologies

STP: Segmentation, Targeting, and Positioning

UPS: Unique Positioning Strategy

VIF: Variance Inflation Factor

VR : Virtual Reality

VTC : Véhicule de Transport avec Chauffeur (Chauffeured Transport Vehicle / Ride-Hailing

Abstract

This dissertation explores the application of differentiating marketing actions as a strategy to contribute to the construction and reinforcement of the brand image by evaluating Heetch El Djazair's positioning in the Algerian ride-hailing (VTC) market. First, a literature review focuses on the fundamentals of strategic differentiation, as well as the concept of brand image. Then, to answer the research problem, we opt for a mixed empirical approach. A questionnaire was launched to a large sample of respondents, including mainly active ride-hailing users.

The data collected were analyzed using statistical methods, including factor analysis and linear regression. The survey results show that differentiating marketing actions, via service quality, pricing strategy, and safety standards, have a significant and positive effect on the construction of the brand image. The study confirms that differentiating marketing actions are an effective strategic lever to enhance a company's brand image and establish a distinct market position.

Keywords: Differentiating marketing actions, brand image, service quality, pricing strategy, safety standards, ride-hailing (VTC).

Résumé

Ce mémoire explore l'application des actions marketing différenciatrices comme stratégie pour contribuer à la construction et au renforcement de l'image de marque, en évaluant le positionnement de Heetch El Djazair sur le marché algérien des véhicules de transport avec chauffeur (VTC). Tout d'abord, une revue de la littérature se concentre sur les fondamentaux de la différenciation stratégique, ainsi que sur le concept d'image de marque. Ensuite, pour répondre à la problématique de recherche, nous optons pour une approche empirique mixte. Un questionnaire a été administré auprès d'un large échantillon de répondants, comprenant principalement des utilisateurs actifs de VTC.

Les données collectées ont été analysées à l'aide de méthodes statistiques, notamment l'analyse factorielle et la régression linéaire. Les résultats de l'enquête montrent que les actions marketing différenciatrices, à travers la qualité de service, la stratégie de prix et les normes de sécurité, ont un effet significatif et positif sur la construction de l'image de marque. L'étude confirme que les actions marketing différenciatrices constituent un levier stratégique efficace pour améliorer l'image de marque d'une entreprise et établir un positionnement distinct sur le marché.

Mots-clés : Actions marketing différenciatrices, image de marque, qualité de service, stratégie de prix, normes de sécurité, véhicule de transport avec chauffeur (VTC).

الملخص

للعلامة الصورة وتعزيز بناء في للمساهمة كإستراتيجية التمايزية التسويقية الإجراءات تطبيق المذكرة هذه تستكشف مع النقل لمركبات الجزائرية السوق في (Heetch El Djazair) "الجزائر هيتش" شركة تموقع تقييم خلال من ،التجارية الصورة مفهوم إلى بالإضافة ،الإستراتيجي التمايز أساسيات على الأدبية المراجعة تركز ،البداية في .(VTC) سائق تم حيث ،مختلط ميداني نهج على الاعتماد تم ،البحث إشكالية على وللإجابة ،ذلك وبعد .التجارية للعلامة الذهنية .التطبيقات عبر النقل لخدمات النشطين المستخدمين أساسي بشكل تشمل ،المستجوبين من واسعة عينة إلى استبيان توجيه

وتظهر .الخطي والانحدار العاملي التحليل ذلك في بما ،إحصائية أساليب باستخدام جمعها تم التي البيانات تحليل تم وقد أثر لها ،السلامة ومعايير ،التسعير وإستراتيجية ،الخدمة جودة خلال من ،التمايزية التسويقية الإجراءات أن الدراسة نتائج الإجراءات أن الدراسة وتؤكد .التجارية للعلامة الذهنية الصورة بناء في وإيجابي كبير للشركة التجارية للعلامة الذهنية الصورة لتعزيز فعالة إستراتيجية رافعةالذهنية تمثل التمايزية التسويقية .السوق في متميز تموقع وتحقيق

المفتاحية الكلمات: الإجراءات التسويقية التمايزية ،الصورة الذهنية للعلامة التجارية ،الخدمة جودة ،إستراتيجية ،التسعير ،مع النقل مركبات ،السلامة معايير ،سائق (VTC).

GENERAL INTRODUCTION

In today's hypercompetitive and globalized marketplace, companies no longer compete solely on price, product features, or distribution power. Markets are saturated, consumers are overexposed to advertising messages, and technological innovations are rapidly replicated. In such an environment, achieving a sustainable competitive advantage has become increasingly complex. As a result, intangible assets particularly brand-related assets have emerged as critical strategic resources for organizations seeking long-term differentiation.

Among these intangible assets, brand image occupies a central position. Brand image refers to the set of perceptions, associations, beliefs, and impressions that consumers hold about a brand. It is not merely what a company communicates, but how the brand is actually perceived in the minds of its target audience. These perceptions influence attitudes, purchasing decisions, loyalty, and ultimately, the overall financial value of the brand.

A strong and distinctive brand image enables companies to stand out in crowded markets. It creates emotional connections with consumers, enhances credibility, reduces perceived risk, and fosters trust. More importantly, it acts as a powerful lever for strategic differentiation, allowing firms to position themselves uniquely in the market and avoid direct price competition. Through effective brand image management, companies can transform functional offerings into symbolic and experiential value propositions.

In this context, understanding how brand image is constructed, measured, and strategically leveraged becomes a fundamental managerial challenge. Companies must align their communication strategies, corporate identity, customer experience, and overall marketing actions to build a coherent and favorable brand image. When successfully managed, brand image becomes not only a communication outcome but a strategic asset that supports competitive positioning and long-term performance.

Therefore, this thesis explores the role of marketing differentiation actions as a lever for the construction of brand image. Taking Heetch Algeria as a case study, it analyzes the mechanisms through which brand image is formed in the minds of Algerian consumers and investigates which specific factors be it economic value, operational excellence, or trust exert the most significant influence on reinforcing a distinct and favorable brand identity.

Problem Statement

in a highly saturated and competitive environment, functional offerings are easily replicated, pushing companies to actively implement strategies to stand out. In this context, our study aims to explore the following central research problem:

To what extent do the differentiating marketing actions implemented by Heetch Algeria contribute to the construction and reinforcement of its brand image in the highly competitive Algerian VTC market?

Research Sub-Questions

To provide a precise vision of this theme and to comprehensively answer our central problem, we propose the following sub-questions:

Q1: How do Algerian consumers currently perceive Heetch's brand image

Q2: What are the specific differentiating marketing actions implemented by Heetch to distinguish itself within the Algerian market?

Q3: Which specific differentiation factor exerts the most significant influence on the construction and reinforcement of Heetch's brand image?

Research Hypotheses

To guide our empirical investigation and address the research questions, we have formulated the following hypotheses:

H1: Heetch has managed to build a protective and safe brand image through its marketing differentiation actions.

H2: The three primary differentiation actions deployed by Heetch are Service Quality, Pricing Strategy, and Safety Standards.

H3: The effective implementation of differentiating marketing actions significantly contributes to the construction and reinforcement of a distinct, trustworthy, and favorable brand image for Heetch.

H3a: Operational excellence and passenger trust contribute to the construction and reinforcement of a distinct brand image.

H3b: Driver professionalism and digital security contribute to the construction and reinforcement of a distinct brand image.

H3c: Pricing transparency contributes to the construction and reinforcement of a distinct brand image.

Reasons for Choosing the Research

The choice of this research topic stems from a strong personal motivation to understand the mechanics of modern marketing, coupled with the rapid growth of the digital service sector in the Algerian market. Two specific variables were selected for this study:

- **Brand Image:** Represents a core intangible asset that defines a company's reputation.
- **Differentiation Strategy:** Reflects the actionable ways a company establishes a unique market position.

Studying the intersection of these variables provides a unique opportunity to uncover how Heetch can secure and strengthen its competitive advantage in a crowded marketplace.

Research Objectives

General Objective

To analyze how differentiating marketing actions function as the primary drivers for constructing and reinforcing Heetch's brand image in the Algerian market.

Specific Objectives

- Identify and categorize the specific differentiating marketing actions implemented by Heetch to stand out from competitors such as Yassir and inDrive.
- Measure the current perception of Heetch's brand image and brand personality among Algerian VTC users.
- Evaluate the direct impact of specific marketing actions on the reinforcement of a favorable and unique brand image.
- Provide actionable recommendations for optimizing Heetch's marketing mix to strengthen its market positioning.

Significance and Interests of the Research

This research generates significant implications on three distinct levels:

- **Theoretical Level:** It contributes to a deeper understanding of how concrete marketing actions actively construct a brand's image. By filling a gap in academic literature regarding the causal link between the services marketing mix and brand image, this study proposes a conceptual framework adaptable for future strategic research.
- **Empirical Level:** This work translates abstract concepts into measurable indicators. It provides an operational vision of how on-the-ground actions shape consumer perceptions and build trust in a saturated market.
- **Managerial Level:** This research provides an analytical framework for managers at Heetch. It emphasizes that a strong image is the result of consistent service differentiation, offering insights to align operational actions with the desired brand image to defend against low-cost competitors.

Methodological Approach

To address the research problem rigorously, a mixed-method approach has been adopted:

- **Descriptive Method:** Used in the initial phase to establish theoretical foundations. This involved mobilizing secondary data from reliable academic sources, including scientific articles, peer-reviewed journals, and specialized marketing literature.
- **Analytical and Empirical Method (Mixed Approach):**

- **Qualitative:** Semi-structured interviews with Heetch managers to understand internal branding intentions (Purposive sampling: 5–7 professionals).
- **Quantitative:** Primary data collection via a structured survey administered to a sample of 200–300 customers. Data will be analyzed using statistical tools (descriptive statistics, factor analysis, and regression analysis).

Work Plan

Part I: Theoretical Framework

The first phase of the research is dedicated to establishing the conceptual basis of the study. Chapter 01 focuses on Marketing Differentiation Strategy, exploring its concepts and various approaches. This chapter begins with the theoretical foundations of differentiation, followed by an analysis of its dimensions and levers. It then examines how differentiation serves as a driver for sustainable competitive advantage before concluding with a discussion on implementation, strategic risks, and evaluation methods.

Chapter 02 addresses the Theoretical Foundations of Brand Image. It starts by defining the brand as the essential foundation of image and outlines the broader Brand Image Framework. This chapter also explores adjacent concepts and concludes by examining various theoretical models that link specific differentiation actions to the development of brand image.

Part II: Practical/Empirical Study

The second part of the plan shifts to the Empirical Study, specifically focusing on the case of Heetch El Djazair. This investigation is detailed in Chapter 03, which starts with an overview of the host organization and the current state of the ride-hailing market. The research methodology follows a mixed-methods approach, beginning with a qualitative phase involving thematic analysis. This is followed by a quantitative approach and a confirmatory field study, concluding with a final quantitative confirmatory analysis to validate the findings.

Chapter One: Marketing Differentiation Strategy – Concepts and approaches

Introduction

The chapter establishes that in today's "overcommunicated society," differentiation is not merely a tactical choice but a psychological and strategic imperative. Without a unique position in the mind of the consumer, products become indistinguishable, and markets descend into a commodity trap where competition is based purely on price. The chapter serves as a blueprint for how firms use differentiating marketing actions to build a sustainable, highly valued brand image.

The first section lays the theoretical groundwork. It explores the transition from relying on purely functional attributes (Unique Selling Proposition) to forging deep psychological connections (Emotional Selling Proposition). It explains how consumers use mental shortcuts to manage perceived risk and how a brand must establish standard "Points of Parity" (to qualify for a market) while aggressively cultivating unique "Points of Difference" (to win the market). Ultimately, it contrasts the management-centric "Cost Leadership" approach with the perceptual, marketing-led differentiation strategy.

Moving from theory to execution, the second section focuses on the specific actions firms take using the expanded service marketing mix. It highlights how businesses move beyond the "generic product" to offer an "augmented product" through continuous service innovation. It details how the human factor (personnel), tangible physical evidence (the servicescape), and process excellence act as powerful, hard-to-imitate tactical levers that tangibilize the service and signal premium quality to the consumer.

The third section explains how tactical actions are orchestrated into a coherent market strategy. It uses the Segmentation, Targeting, and Positioning (STP) model to identify exactly where and how a firm should differentiate itself. By utilizing perceptual mapping, a brand can find an uncontested "creneau" (hole) in the prospect's mind. It also covers how transparent, value-based pricing and a shift toward Relationship Marketing (Customer Experience) transform discrete transactions into deep, long-term brand loyalty.

The final section contextualizes the strategy for fast-paced digital ecosystems, specifically looking at emerging markets. Because digital advantages are easily imitated and competitive convergence is common, organizations must rely on "dynamic capabilities" and continuous innovation to survive. It explores "Glocalization" (adapting a global brand's identity to fit local cultural and linguistic norms), the use of differentiation as a defensive barrier against low-cost rivals, and the specific digital Key Performance Indicators (KPIs) used to track success before it fully matures into brand equity.

1.1 The Conceptual Foundations of Marketing Differentiation

In the contemporary landscape of strategic management and brand marketing, differentiation is frequently relegated to a mere tactical decision a choice of whether to add a new feature, tweak a service, or adjust a promotional campaign. However, a rigorous academic examination reveals that differentiation is, fundamentally, a psychological and marketing necessity rather than a superficial business choice. In today's highly competitive business environment, differentiation acts as a powerful tool for standing out and capturing the attention of customers in crowded marketplaces (Jerab & Mabrouk, 2023). As Ries and Trout (2001) aptly describe, we operate in an "overcommunicated society" where consumers are bombarded with an overwhelming volume of commercial messages daily. To cope with this sensory overload, the human mind inherently screens, categorizes, and rejects the vast majority of information that does not match its prior knowledge or experiences (Ries & Trout, 2001). Consequently, a product that lacks distinctiveness is simply filtered out by the consumer.

From an economic and perceptual standpoint, in the absence of a differentiated strategic position, markets naturally gravitate toward commoditization. When products are perceived as indistinguishable, consumer choice is driven almost entirely by cost, trapping firms in a relentless race to the bottom in terms of pricing and commoditization (Jerab & Mabrouk, 2023). To escape this cycle, organizations must recognize that positioning and differentiation are not merely what is done to a tangible product, but rather what is done to the mind of the prospect (Ries & Trout, 2001). It is the active, strategic manipulation of supply-side characteristics to modify demand-side perceptions (Dickson & Ginter, 1987). By cultivating distinctive qualities that resonate deeply with consumers' cognitive processes and emotional aspirations, marketing differentiation serves as the critical bridge between a firm's operational outputs and the construction of a sustainable, highly valued brand image (Jerab & Mabrouk, 2023).

1.1.1 From Unique Selling Proposition (USP) to Emotional Selling Proposition (ESP)

The historical evolution of marketing differentiation is characterized by a profound shift from relying on purely functional product attributes to cultivating deep emotional and psychological connections with the consumer. In the mid-20th century, the dominant paradigm was the Unique Selling Proposition (USP), a concept positing that a brand must highlight a specific, tangible functional benefit that competitors could not or did not offer. The USP was deeply rooted in the physical reality of the product its ingredients, speed, durability, or performance conformance.

However, as markets matured and technological capabilities equalized across industries, functional differences became increasingly marginal and easily imitated. Levitt (1980) articulated this dilemma through the "Total Product Concept," noting that customers never merely purchase a "generic" product, but rather a complex cluster of value satisfactions (Levitt, 1980). The generic product represents the absolute baseline necessary to participate in the market, while the expected product encompasses the minimal purchase conditions demanded by the consumer (Levitt, 1980). True differentiation and the power to win customers shift toward the "augmented product"—the intangible, emotional, and symbolic values that exceed physical utility (Levitt, 1980).

This realization necessitated the transition from the USP to the Emotional Selling Proposition (ESP), which focuses on the psychological resonance of a brand. According to Keller's (1993) Customer-Based Brand Equity (CBBE) model, brand associations can be categorized by their level of abstraction into attributes, functional benefits, experiential benefits, and symbolic benefits (Keller, 1993). Functional benefits satisfy basic physiological or safety needs and involve a desire for problem removal or avoidance (Keller, 1993). Experiential benefits satisfy sensory pleasure, variety, and cognitive stimulation (Keller, 1993). Conversely, symbolic benefits are the extrinsic advantages of product or service consumption that relate to underlying needs for social approval, personal expression, and outer-directed self-esteem (Keller, 1993).

Transitioning to an ESP means heavily leveraging these symbolic and experiential benefits. For socially visible, "badge" products, consumers value the prestige, exclusivity, or fashionability of a brand because of how it relates to their self-concept (Keller, 1993). By transitioning from functional USPs to emotionally resonant ESPs, firms can construct a brand image that is infinitely more difficult for competitors to replicate. As Dickson and Ginter (1987) note, these perceptions result from a wide-ranging set of stimuli received by the consumer, including advertising and word of mouth, which shape the nonphysical characteristics of the brand. While a competitor can reverse-engineer a functional feature, they cannot easily manufacture the deeply entrenched emotional bond a consumer shares with a brand.

1.1.2 The Consumer’s Cognitive Perspective: Perceived Risk and Heuristics

To fully grasp why differentiation is a psychological necessity, one must examine the consumer's cognitive perspective, particularly how the human brain processes choices in a saturated marketplace. The average consumer cannot engage in deep, rational, multi-attribute utility analysis for every purchase. Instead, the consumer mind utilizes cognitive structures to organize and simplify decision-making.

To cope with overwhelming complexity, consumers rely on heuristics mental shortcuts that simplify choice. Differentiation is the strategic tool that allows a brand to secure a distinct position in consumer memory. Brand awareness, a foundational element of brand equity, affects consumer decision-making by influencing the formation and strength of brand associations in the brand image (Keller, 1993). In low-involvement decision settings, a minimum level of brand awareness may be sufficient for product choice, even in the absence of a well-formed attitude (Keller, 1993). Consumers have been shown to adopt a decision rule or heuristic to buy only familiar, well-established brands, relying heavily on brand awareness when they lack the motivation or ability to evaluate other criteria (Keller, 1993).

Furthermore, differentiation plays a critical role in mitigating "perceived risk." Consumer purchases inherently carry financial, functional, and psychological risks. If consumers lack the motivation or ability to rigorously evaluate a product or service, they may use signals or "extrinsic cues" to infer product or service quality on the basis of what they do know about the brand, such as product appearance or brand image (Keller, 1993). A differentiated brand image acts as a credible guarantee to the consumer. Because building a differentiated brand requires substantial investment, it signals to the consumer that the firm has a vested interest in maintaining product quality to protect its brand equity.

When a brand successfully differentiates itself, it simplifies the consumer's selection process by serving as a reliable heuristic that promises a specific, predictable outcome, thereby drastically lowering the cognitive friction and perceived risk associated with the purchase. The strategy of differentiation acknowledges that consumers base their decisions on their perceptions of reality, which are founded on only partial information (Dickson & Ginter, 1987). By managing these perceptions effectively, firms guide cognitive shortcuts in their favor.

1.1.3 The Competitive Framework: Points of Parity (POP) vs. Points of Difference (POD)

Constructing a differentiated brand image requires a disciplined understanding of the competitive framework, specifically the delicate balance between Points of Parity (POP) and Points of Difference (POD).

Points of Parity (POP) are the standard features, benefits, or associations that a company must possess simply to be considered a legitimate participant in a specific product or service category. Certain attributes or benefits are considered "prototypical" and essential to all brands in a given category (Keller, 1993). For example, consumers expect a running shoe to provide support and comfort, or a bank to offer checking and savings accounts (Keller, 1993). Points of Parity do not win customers outright, but their absence will undoubtedly disqualify a brand from the consumer's consideration set. They represent the necessary "table stakes" required to compete.

Points of Difference (POD), conversely, are the unique, favorable, and strong brand associations that distinguish a company from its competitors and provide the consumer with a compelling reason to choose that specific brand (Keller, 1993). These unique associations form the essence of brand positioning, granting the brand a sustainable competitive advantage or a "unique selling proposition" (Keller, 1993). PODs exist in the realm of the augmented product and are the true source of customer-based brand equity.

However, creating sustainable Points of Difference in hypercompetitive markets is a profound challenge, as successful augmentations are often quickly copied by rivals. To combat commoditization and protect PODs, firms employ the concept of the "Branded Differentiator" (Aaker, 2003). A branded differentiator is a specific feature, service, program, or ingredient that is actively managed and given its own brand identity to create a lasting point of difference in the customer's mind (Aaker, 2003).

Branded differentiators can take several forms:

- **Branded Features:** A branded feature signals superior performance and provides a way for a company to own a point of superiority over time (Aaker, 2003). For instance, Oral-B differentiates its toothbrushes using branded features like "Indicator bristles" and "Action Cup" shapes, effectively communicating specific benefits that competitors cannot identically market (Aaker, 2003).
- **Branded Services:** Adding a branded service is a classic way to differentiate a mature category (Aaker, 2003). Procter & Gamble's "Tide Stain Detective" online service

provides advice on stain removal, offering credibility and differentiation for the Tide brand (Aaker, 2003). United Parcel Service (UPS) transitioned from a simple package delivery service to offering branded solutions under "UPS Supply Chain Solutions," creating a new competitive category (Aaker, 2003).

- **Branded Ingredients:** Firms may also brand an ingredient or technology to enhance perceptions of quality and lend credibility to performance claims (Aaker, 2003). Chevron's "Techron" gasoline additive serves as a vital communication aid, proving that the inclusion of the ingredient makes the gasoline superior, even if the chemical mechanisms are opaque to the average consumer (Aaker, 2003).

The interplay between POPs and PODs, fortified by branded differentiators, forms the architectural blueprint of competitive differentiation. A brand must achieve parity on expected functional features to neutralize competitors' strengths, while aggressively cultivating branded differences to secure unique ownership of a market position.

1.1.4 The Marketing-Led Competitive Advantage

The ultimate objective of differentiating marketing actions is the attainment of a sustainable competitive advantage. To fully appreciate the value of a marketing-led differentiation strategy, it must be contrasted with the traditional, management-centric views of competition, most notably Michael Porter’s generic strategies.

Porter (1980) delineated two primary types of competitive advantage: Cost Leadership and Differentiation (Porter, 1980). The Cost Leadership strategy emphasizes efficiency, requiring a firm to become the lowest-cost producer in its industry by exploiting economies of scale, standardizing products, and maintaining strict control over overhead (Porter, 1980). From a purely operational view, this strategy appeals to price-sensitive buyers. However, competing primarily on cost initiates severe strategic vulnerabilities. A low-cost strategy is highly vulnerable to unexpected inflation in input costs and relies on high volumes of standardized products that may overlook shifting customer preferences (Porter, 1980),. Furthermore, as firms engage in a race to the bottom in pricing, the market descends into a "Red Ocean" characterized by relentless price wars that destroy profitability for all participants (Wardiman et al., 2020).

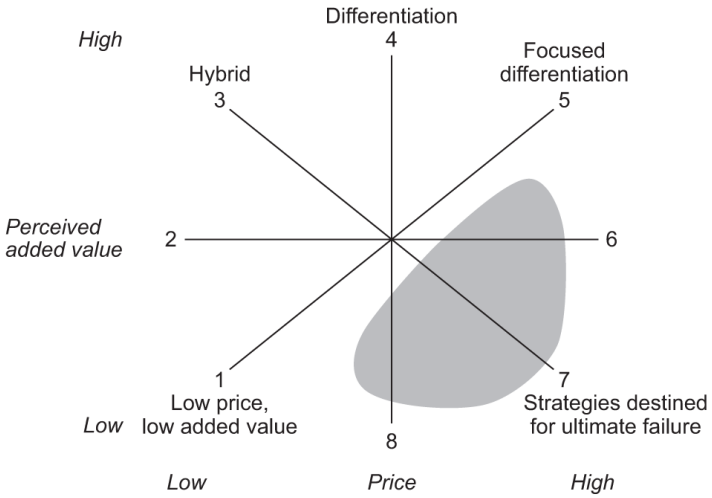
In stark contrast, "Marketing Differentiation" operates from a perceptual, demand-side view. As Dickson and Ginter (1987) articulate, product differentiation is an active, strategic alteration of the functional relationship between perceived product characteristics and market demand, distinguishing it distinctly from mere market segmentation (Dickson & Ginter, 1987). By infusing the product with unique physical or non-physical characteristics, the firm shifts the basis of competition away from pure price towards value, quality, and brand identity (Kotler & Armstrong, 2006).

This marketing-led advantage yields several profound economic benefits. First, successful differentiation creates intense customer loyalty. When consumers perceive distinct value in a brand's unique attributes, they become significantly less price-sensitive (Jerab & Mabrouk, 2023). This reduced-price sensitivity allows the differentiated firm to command premium pricing, leading to increased profitability and financial sustainability (Jerab & Mabrouk, 2023).

Second, differentiation creates immense barriers to entry. Competitors attempting to enter the market must overcome entrenched cognitive and emotional brand loyalties (Jerab & Mabrouk, 2023). Buyer loyalty serves as an entry barrier, forcing new firms to develop their own distinctive competence to compete successfully (Porter, 1980). Porter acknowledges that a differentiation strategy is more likely to generate higher sustainable profits than a low-cost strategy precisely because it creates a robust entry barrier (Porter, 1980).

Bowman's Strategic Clock further illustrates this by demonstrating that strategies focusing on "Differentiation" (Position 4) or "Focused Differentiation" (Position 5) aim to offer customers high perceived value, either maintaining standard prices to increase market share or leveraging the perceived value to extract premium margins (Bowman & Faulkner, 1997),. Brands like Rolls Royce and Armani successfully fulfill the psychological value their customers seek, anchoring their competitive advantage strictly in differentiation rather than operational cost-cutting (Bowman & Faulkner, 1997).

FIGURE 1: BOWMAN'S STRATEGIC CLOCK



Source: (Bowman, 1997)

Therefore, a marketing-led competitive advantage recognizes that true market power does not merely come from operational efficiency inside the factory, but from owning a distinct, highly valued position inside the consumer's mind. Through the strategic deployment of marketing actions to construct a unique brand image, differentiation proves to be the superior strategy for escaping price wars, fostering long-term customer loyalty, and securing a truly sustainable and highly profitable competitive advantage.

1.2 The Tactical Levers of the Service Marketing Mix (7Ps)

To operationalize a differentiation strategy and successfully construct a distinct brand image, an organization must transition from theoretical formulation to tactical execution. Historically, marketing strategy relied heavily on the traditional "4Ps" framework (Product, Price, Promotion, and Place), which was fundamentally rooted in a goods-centric, manufacturing-based perspective (Vargo & Lusch, 2004). However, as economies have transitioned toward service-dominant paradigms, this traditional framework has proven partially inadequate for addressing the unique complexities of services (Zeithaml, Bitner, & Gremler, 2009).

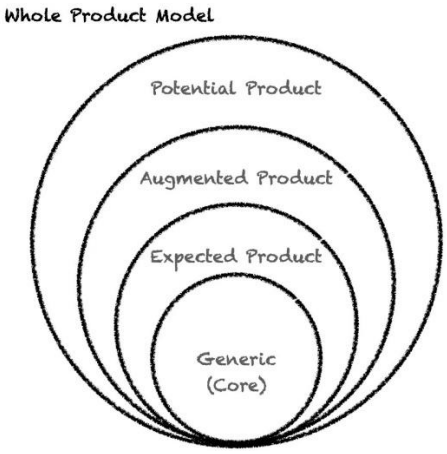
Services are defined as deeds, processes, and performances, and they are inherently characterized by intangibility, variability (heterogeneity), perishability, and the simultaneous inseparability of production and consumption (Zeithaml et al., 2009; Vargo & Lusch, 2004). Because customers are often present within the firm's "factory" and participate actively in the service production process, the traditional 4Ps must be expanded. Effective service marketing strategy necessitates the inclusion of three additional tactical levers: People, Physical Evidence, and Process—collectively forming the 7Ps of the services marketing mix (Zeithaml et al., 2009). For modern organizations, these expanded tactical levers are not mere operational necessities; they represent profound opportunities for functional and emotional differentiation. By systematically manipulating these levers, firms can embed unique value into their offerings, thereby actively constructing and reinforcing a highly differentiated brand image in the consumer's mind.

1.2.1 Service Innovation and Functional Differentiation

The most direct manifestation of a differentiation strategy resides in the core offering itself—the "Product" element of the marketing mix. In a service context, product differentiation involves the continuous innovation of the service architecture to create superior customer value that transcends the basic transactional exchange (Kotler & Armstrong, 2006).

To comprehend how service innovation acts as a differentiator, one must rely on Theodore Levitt's (1980) "Total Product Concept." Levitt posits that a market offering is never merely a generic entity; rather, it is a complex cluster of value satisfactions consisting of concentric layers: the generic product, the expected product, the augmented product, and the potential product (Levitt, 1980). The generic product represents the absolute baseline necessary to participate in the market (e.g., the basic transportation provided by an airline). The expected product encompasses the minimal purchase conditions demanded by the consumer, such as safety, punctuality, and basic courtesy (Levitt, 1980). Fulfilling these baseline expectations does not create a competitive advantage; it merely establishes the "Points of Parity" required to compete.

FIGURE 2: LEVITT'S TOTAL PRODUCT CONCEPT



Source: (Levitt, 1980)

True functional differentiation occurs within the realm of the augmented product the layer where a firm voluntarily introduces unprompted additions, innovative services, or unexpected features that exceed customer expectations (Levitt, 1980). Service innovation at this level can radically alter the competitive landscape. For example, a securities brokerage firm might differentiate its core service by providing customers with an unsolicited, highly detailed monthly analysis of their fund disposition, thereby augmenting the generic service of financial trading with the added value of personalized financial consultancy (Levitt, 1980).

However, in hypercompetitive markets, successful service augmentations are rapidly imitated by rivals, causing yesterday's point of difference to become today's point of parity. To sustain the brand image constructed by these innovations, firms employ the tactical lever of the "Branded Differentiator" (Aaker, 2003). A branded differentiator is a specific service, feature, or program that is actively managed and given its own distinct brand identity (Aaker, 2003). By branding a service feature, the firm creates a credible, memorable, and legally protectable point of uniqueness. A classic example is Westin Hotels & Resorts' introduction of the "Heavenly Bed." By branding the specific configuration of its mattresses and linens, Westin successfully differentiated the core function of a hotel room (a good night's sleep), elevating customer satisfaction and occupancy rates while creating a branded asset that competitors could not legally replicate (Aaker, 2003). Similarly, Procter & Gamble differentiated its Tide brand not just through the chemical composition of the detergent, but by offering the "Tide Stain Detective"—a branded online advisory service that added immense functional value and reinforced Tide's brand image as the ultimate authority on fabric care (Aaker, 2003). Thus, service innovation, when strategically augmented and distinctly branded, serves as a primary tactical lever for distancing a firm from generic commodity traps.

1.2.2 The Human Factor: Personnel as a Differentiation Asset

Because services are characterized by the inseparability of production and consumption, the human actors delivering the service are intricately woven into the product itself. Consequently, the "People" element of the 7Ps is arguably the most critical tactical lever for constructing a

differentiated brand image (Zeithaml et al., 2009). Personnel differentiation the strategic management of human capital to create a unique and superior customer experience is a potent competitive weapon because it relies on resources that are highly complex, causally ambiguous, and exceedingly difficult for competitors to imitate (Barney, 1991).

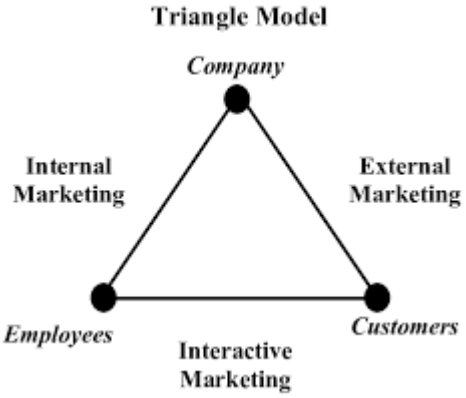
To effectively leverage personnel as a differentiation asset, organizations must ensure that their frontline employees exhibit specific, highly valued characteristics. According to Kotler and Armstrong (2006), personnel differentiation is achieved when employees demonstrably excel in competence (possessing the required skills and knowledge), courtesy (politeness and respect), credibility (trustworthiness), reliability (performing the service dependably and accurately), and responsiveness (willingness to help customers promptly). When a firm consistently fields a workforce exhibiting these traits, the employees themselves become the primary source of the brand's competitive advantage.

The operationalization of this human factor is best conceptualized through the Services Marketing Triangle, a strategic framework that highlights the interdependent relationships between the Company, the Customers, and the Providers (employees) (Zeithaml et al., 2009). For a differentiated brand image to be successfully constructed and maintained, the firm must execute three distinct yet aligned types of marketing:

- **External Marketing ("Making the Promise"):** The firm communicates its differentiated value proposition to the market through advertising, public relations, and corporate messaging, setting the expectations of the consumer regarding the service quality they will receive (Zeithaml et al., 2009).
- **Interactive Marketing ("Delivering the Promise"):** This occurs at the "moment of truth" during real-time service encounters between the employees and the customers. It is here that the brand's promises are either fulfilled or broken. If the personnel fail to deliver the expected level of courtesy, competence, or empathy, the external marketing efforts are rendered useless, and the brand image collapses (Zeithaml et al., 2009).
- **Internal Marketing ("Enabling the Promise"):** Recognizing that frontline employees are the ultimate arbiters of brand differentiation, management must treat employees as internal customers. Internal marketing involves aligning human resource practices such as rigorous recruitment, continuous training, motivational incentives, and reward systems around the goal of delivering service excellence (Zeithaml et al., 2009). Employees must possess both service competencies (the technical skills required) and service inclination (an intrinsic interest in customer care) (Zeithaml et al., 2009).

From a strategic standpoint, the Human Factor is deeply intertwined with the Resource-Based View (RBV) of the firm. While competitors can easily reverse-engineer a new pricing structure or copy a technological interface, they cannot easily replicate an entrenched corporate culture of service excellence or the aggregate expertise of a highly motivated workforce (Barney, 1991; Grant, 2010). Therefore, by investing heavily in the "People" lever, organizations transform their workforce into a sustainable, inimitable differentiating asset that continuously reinforces a premium brand image.

FIGURE 3: THE SERVICES MARKETING TRIANGLE



Source: (Zeithaml, 2009)

1.2.3 Physical Evidence as a Tangible Differentiator

The inherent intangibility of services poses a significant cognitive challenge for consumers: how does one evaluate the quality of a service before it is consumed? To mitigate this perceived risk and simplify the consumer's decision-making process, service firms must "tangibilize the intangible" through the strategic manipulation of the "Physical Evidence" lever (Zeithaml et al., 2009). Physical evidence encompasses all tangible representations of the service, including brochures, letterheads, business cards, equipment, employee uniforms, and, most importantly, the physical facility where the service is offered, known as the "servicescape" (Zeithaml et al., 2009).

Because consumers often have little objective data on which to judge an intangible offering, they heavily rely on physical evidence as heuristic cues or "signals" of quality (Porter, 1985; Zeithaml et al., 2009). Michael Porter notes that the criteria consumers use to evaluate a brand are often subtle signaling mechanisms. For instance, the physical weight of a product's packaging, the aesthetic elegance of a corporate office, or the professional attire of an investment banker all serve to communicate competence, reliability, and value (Porter, 1985).

The design and management of the servicescape play a profound role in brand image construction. The physical environment acts as a visual metaphor for the company's brand and values (Zeithaml et al., 2009). In industries such as hospitality, healthcare, and retail, the servicescape is not merely a backdrop; it is an active participant in the service experience.

- **Ambient Conditions:** Elements such as lighting, temperature, music, and scent subtly influence the emotional state of the consumer and can distinctly separate a premium brand from a discount competitor.
- **Spatial Layout and Functionality:** The way equipment and furnishings are arranged dictates the efficiency of the service delivery and the comfort of the customer, directly impacting their perception of the brand's operational excellence.

- **Signs, Symbols, and Artifacts:** Elaborate decor, premium materials, and clear, aesthetically pleasing signage communicate a higher price point and a sophisticated brand identity (Zeithaml et al., 2009).

Consider the application of physical evidence in professional services. A law firm or an investment bank aiming to differentiate itself as an elite, highly secure institution will invest heavily in opulent office environments, imposing mahogany furniture, and high-quality printed materials. These tangible cues provide the psychological reassurance the client requires when purchasing a highly complex, intangible, and risky service (Porter, 1985). Conversely, a budget airline differentiating itself on the basis of cost-efficiency will intentionally utilize utilitarian, functional physical evidence to signal to the consumer that they are not paying for unnecessary overhead. Thus, physical evidence must be meticulously aligned with the firm's broader differentiation strategy, ensuring that every tangible touchpoint accurately reflects and reinforces the desired brand image.

1.2.4 Process Excellence and Operational Differentiation

The final tactical lever in the extended service marketing mix is "Process," which refers to the operating systems, procedures, mechanisms, and flow of activities by which a service is delivered to the customer (Zeithaml et al., 2009). In the realm of services, the "how" of service delivery is frequently perceived by customers to be just as critical as the "what" (the actual outcome) (Zeithaml et al., 2009). Operational differentiation through process excellence allows a firm to carve out a competitive advantage by maximizing efficiency, enhancing customization, or dramatically reducing the friction experienced by the consumer.

The foundation of process differentiation lies in understanding the Gaps Model of Service Quality (Parasuraman, Zeithaml, & Berry, 1985), particularly Gap 2: The Design and Standards Gap. Even if a firm perfectly understands what its customers expect, it will fail to construct a positive brand image if it cannot translate those expectations into concrete service delivery processes (Zeithaml et al., 2009). To close this gap, firms must employ rigorous, formalized new-service development practices, effectively establishing a "services R&D" function (Zeithaml et al., 2009).

A critical tool for achieving process excellence is Service Blueprinting. This technique allows an organization to visually depict all the steps, actors, processes, and physical evidence involved in the service delivery (Zeithaml et al., 2009). By mapping the service from the customer's perspective (the "line of visibility"), a firm can identify precise operational bottlenecks, pinpoint areas for technological automation, and discover unique touchpoints where the service can be meaningfully differentiated.

Process differentiation also demands the implementation of customer-defined standards rather than company-defined standards (Zeithaml et al., 2009). Traditional operational metrics often focus purely on internal efficiency (e.g., minimizing the time a customer service representative spends on the phone). However, customer-defined standards align the operational processes with what the customer actually values (e.g., resolving the customer's issue on the first call, regardless of the time taken). When operational standards signal to employees that customer

satisfaction is the ultimate priority, the resulting service quality serves as a powerful differentiator.

Furthermore, a contemporary view of process differentiation acknowledges the paradigm shift toward a Service-Dominant Logic, wherein the customer is no longer a passive recipient of value, but an active "co-producer" of value (Vargo & Lusch, 2004). The service process must be designed to facilitate this co-creation seamlessly. Firms can differentiate themselves by clearly defining the customer's role within the process and integrating technology to aid service performance (Zeithaml et al., 2009). For instance, the implementation of intuitive self-service technologies (SSTs), such as mobile banking applications or automated airline check-in kiosks, fundamentally alters the service process. When a firm provides a highly efficient, user-friendly process that empowers the consumer to co-create their own service experience, it establishes a distinct operational advantage that enhances customer loyalty and dramatically elevates the modern brand image.

In conclusion, the tactical execution of a service marketing differentiation strategy requires the synchronized orchestration of the 7Ps. While generic product features provide the baseline for market entry, it is the continuous innovation of the augmented service, the relentless cultivation of human capital, the strategic deployment of tangible physical evidence, and the meticulous engineering of delivery processes that collectively empower an organization to escape commoditization. By mastering these tactical levers, a firm constructs a highly resilient, deeply resonant brand image that secures a sustainable competitive advantage in the modern marketplace.

FIGURE 4: THE EXPANDED SERVICES MARKETING MIX (7PS)



Source: (Zeithaml, 2009)

1.3 Strategic Approaches to Positioning and Value Creation

While the tactical levers of the marketing mix whether the traditional 4Ps or the expanded 7Ps of services marketing provide the concrete tools for executing differentiation, these actions must be organized into a cohesive, overarching market strategy to be truly effective. A fragmented approach, where product features, pricing, and promotional efforts do not align with a central strategic vision, results in a confused brand image and squanders organizational resources. Therefore, to secure a sustainable competitive advantage, a firm must synthesize its tactical differentiating actions within a rigorous framework of positioning and value creation.

This section explores how firms transition from identifying unique product attributes to establishing a dominant cognitive and emotional position in the marketplace. By utilizing the Segmentation, Targeting, and Positioning (STP) model, employing perceptual mapping to visualize the competitive landscape, implementing value-based pricing, and embracing relationship marketing through the lens of Service-Dominant Logic, organizations can construct a highly differentiated, deeply resonant brand identity that is sustainable over the long term.

1.3.1 The STP Model: Segmentation and Targeting as Drivers of Differentiation

The foundation of any coherent market strategy, and the prerequisite for effective differentiation, is the Segmentation, Targeting, and Positioning (STP) model. In modern hypercompetitive markets, the strategy of distributing a standardized product to a mass population base ignoring customers' diverse personalities, diverse preferences, and their need for differentiation is a reliable path to commoditization and margin erosion (Andaleeb, 2016). The STP process fundamentally restructures a firm's approach from a product-centric to a customer-centric orientation, ensuring that differentiating marketing actions are precisely tailored to the audiences that value them most.

Market Segmentation and Demand Heterogeneity The academic discourse often conflates the terms "market segmentation" and "product differentiation," yet they represent distinct but complementary strategic dimensions. As Dickson and Ginter (1987) rigorously clarify, market segmentation is a state of demand heterogeneity wherein the total market demand can be disaggregated into distinct segments, each with its own unique demand function (Dickson & Ginter, 1987). It is a demand-side reality. Segmentation involves identifying customer product needs and grouping them based on demographic, geographic, psychographic, behavioral, or benefit-sought similarities (Andaleeb, 2016; Strauss & Frost, 2011). For instance, benefit segmentation often considered the essence of marketing groups consumers based strictly on the specific value satisfactions or functional benefits they seek from a product category (Andaleeb, 2016).

If a firm fails to recognize this demand heterogeneity, its differentiation efforts will be misaligned. According to Grant (2010), while segmentation is concerned with where a firm competes (which customer groups or localities), differentiation is concerned with how a firm competes (the ways in which it offers uniqueness). Without segmentation, a firm might invest heavily in differentiating a product feature that the broader market does not value. Therefore, accurate segmentation acts as the compass for differentiation, ensuring that investments in uniqueness are directed toward receptive audiences.

Targeting: Selecting the Locus of Differentiation Following segmentation, targeting is the process of evaluating the attractiveness of each identified segment and selecting one or more segments to serve (Wijaya & Sirine, 2016). Targeting decisions are driven by the segment's size, its anticipated growth potential, the intensity of competitive rivalry within that segment, and the alignment with the firm's overarching goals and resources (Andaleeb, 2016; Rosyida et al., 2020).

From a differentiation standpoint, targeting is critical because it dictates the specific "points of difference" (PODs) the firm must cultivate. As Porter (1980) established with his Focus strategy, targeting a narrow niche allows a firm to achieve a competitive advantage through specialized effectiveness rather than broad efficiency. By concentrating its resources on a specific target market, the firm can tailor its product design, marketing communications, and service delivery to meet the highly specialized needs of that group to the exclusion of others. This deep alignment between the targeted segment's specific demand function and the firm's customized differentiating actions produces intense customer loyalty and shields the firm from broad-market competitors who cannot justify the cost of catering to such specific needs (Porter, 1980; Dickson & Ginter, 1987).

FIGURE 5: THE STP MODEL: SEGMENTATION, TARGETING, AND POSITIONING



Source: (Kotler, 2015)

1.3.2 Perceptual Mapping and Market Positioning

Once a target segment is selected, the firm must establish its position within that market. Positioning is the ultimate objective of the STP model and the cognitive culmination of a differentiation strategy. As famously articulated by Ries and Trout (2001), positioning is not what you do to a product; positioning is what you do to the mind of the prospect. It is the act of designing the company's offering and image to occupy a distinctive, highly valued place in the target customer's mental landscape (Kotler & Keller, 2015; Ries & Trout, 2001).

The Use of Spatial Mapping (Perceptual Mapping) Because the consumer's mind is a limited container, constantly defending against an overcommunicated society, consumers organize competing brands on mental "ladders" using heuristics and simplified perceptual categories (Ries & Trout, 2001). To effectively position a brand, marketers must accurately understand this existing mental topography. This is achieved through the use of spatial mapping,

specifically "perceptual mapping" or "multidimensional scaling" (MDS) (Grant, 2010; Dickson & Ginter, 1987).

A perceptual map is a two- or multidimensional spatial representation that visualizes how target customers perceive competing brands based on key attributes (e.g., price vs. quality, or traditional vs. modern). In these maps, consumer preferences are plotted as "ideal points" (the specific combination of attributes a consumer desires most), while competing brands are plotted based on their perceived characteristics (Dickson & Ginter, 1987; Grant, 2010).

Strategic Applications of Perceptual Mapping Spatial mapping provides the strategic blueprint for several distinct differentiation approaches outlined by Dickson and Ginter (1987):

- **Product Differentiation Strategy:** If a map reveals an unmet cluster of consumer ideal points (a "creneau" or hole in the market, as Ries and Trout call it), a firm can physically or perceptually alter its product to move its brand location closer to that ideal point. By distinguishing the product on dimensions valued by the segment, the firm physically differentiates its offering to capture that specific market share.
- **Demand Function Modification:** Alternatively, if a firm already possesses a distinct product, it can use advertising and promotional strategies to alter the consumer's ideal point. Instead of changing the product, the firm changes the market's perception of what is important, effectively moving the consumer's ideal point closer to the firm's existing brand location (Dickson & Ginter, 1987).
- **Repositioning the Competition:** In crowded perceptual spaces where no obvious "hole" exists, Ries and Trout (2001) advocate for repositioning. This involves altering the consumer's perception of a competitor's brand to make room for one's own. By highlighting a flaw or an outdated attribute of the market leader, a firm can dislodge the competitor from its rung on the mental ladder, thereby clarifying its own differentiated position (Ries & Trout, 2001).

Through rigorous perceptual mapping, organizations transcend guesswork. They visually diagnose the competitive framework, identify precise points of parity and points of difference, and deploy their marketing mix to secure a unique, uncontested position in the consumer’s cognitive space.

1.3.3 Value-Based Pricing Strategies as a Differentiator

In the architecture of a differentiation strategy, pricing is frequently and erroneously viewed merely as a financial output or a cost-recovery mechanism. However, from a strategic marketing perspective, pricing is a profound communicative tool and a potent tactical differentiator. To effectively leverage pricing, a firm must move beyond traditional "cost-plus" or "low cost" paradigms and embrace "value-based pricing."

Moving Beyond "Low Cost" to "Value for Money" As industries mature and consumers become more sophisticated, pure price-cutting (the Cost Leadership approach) inevitably leads to commodity traps and destructive price wars (Porter, 1980). A differentiation strategy explicitly rejects this race to the bottom. Instead, it alters the price elasticity of demand; because

the product is perceived as unique and deeply aligned with consumer needs, buyers become less price-sensitive, allowing the firm to command a premium (Jerab & Mabrouk, 2023).

However, commanding a premium requires the firm to deliver quantifiable "value for money." In strategic terms, Perceived Value is determined by the equation Value = Quality / Price (Grant, 2010). A firm can pursue a "Hybrid" strategy—as outlined in Bowman's Strategy Clock—where it acts as a "Best-Cost Provider," offering moderate-to-high differentiation while maintaining highly competitive, transparent pricing (Bowman & Faulkner, 1997). In this scenario, the differentiation does not stem from prestige, but from the delivery of superior, reliable quality at a fair price, a strategy that heavily disrupts both pure cost leaders and premium differentiators.

The High-Price Creneau and Price as a Signal of Quality Conversely, for many differentiated brands, high price itself becomes the primary differentiating attribute. Ries and Trout (2001) identify the "high-price creneau" as a highly effective positioning strategy, particularly for socially visible or luxury goods. Brands like Rolex, Michelob, or Joy Perfume ("the costliest perfume in the world") actively use exorbitant pricing to signal exclusivity, status, and uncompromising quality (Ries & Trout, 2001).

This is particularly relevant for "experience goods" (e.g., legal services, elite consulting, or fine dining) where the consumer cannot accurately judge the quality of the product prior to consumption. In these instances of information asymmetry, buyers face significant perceived risk and therefore rely on extrinsic cues to infer quality (Keller, 1993). A premium, non-negotiable price acts as a highly credible signal of quality, providing the psychological reassurance the consumer requires (Porter, 1985; Zeithaml et al., 2009). The high price tells the consumer that the firm has heavily invested in the product's excellence and stands behind its value.

Pricing Transparency and Fair Fare Structures In the modern digital economy, pricing differentiation has also evolved to encompass the structure and transparency of the pricing itself. Consumers increasingly demand clarity regarding what they are paying for. Firms can differentiate themselves by abandoning opaque, hidden-fee pricing models in favor of radical transparency. For example, budget airlines that utilize unbundled pricing (where the core seat is cheap, and baggage, food, and boarding priority are priced separately) offer a "fair fare" structure. This transparency acts as a marketing tool, building preference among consumers who feel empowered to customize their own value proposition and appreciate the honesty of the brand (Grant, 2010). Whether signaling elite prestige through premium pricing or building trust through transparent, unbundled value-pricing, the strategic manipulation of price is indispensable in reinforcing the brand's differentiated market position.

1.3.4 Relationship Marketing and Customer Experience (CX)

The final, and arguably most sustainable, strategic approach to positioning and value creation relies on a fundamental paradigm shift in how an organization views its interaction with the market: the transition from transactional exchanges to deeply embedded relational experiences.

The Shift to Service-Dominant (S-D) Logic For much of the 20th century, marketing was governed by a Goods-Dominant (G-D) logic, which viewed economic exchange as the transfer of tangible, discrete units of output where value was embedded by the manufacturer during production (Vargo & Lusch, 2004). In this model, the firm's objective was to maximize discrete transactions, treating the customer merely as a passive "operand resource" (a target to be sold to) (Vargo & Lusch, 2004).

However, modern strategic marketing has evolved toward a Service-Dominant (S-D) logic. Vargo and Lusch (2004) argue that all economies are fundamentally service economies, and that physical goods are merely distribution mechanisms for service provision. Crucially, S-D logic posits that value is never created in isolation by the firm; rather, value is co-created with the consumer during the consumption process (Vargo & Lusch, 2004). The customer is an active "operant resource" and a co-producer of value (Vargo & Lusch, 2004).

Under S-D logic, differentiation cannot be sustained purely through physical product features, as these are rapidly imitated. Instead, differentiation is achieved through the continuous, dynamic process of Relationship Marketing and Customer Experience (CX) management. By shifting from "transactional" to "relational" experiences, the firm builds a sustainable competitive advantage rooted in deep, interactive, and customized dialogue with the consumer (Vargo & Lusch, 2004; Zeithaml et al., 2009).

Using CRM and Loyalty Marketing to Sustain Differentiation To operationalize this relational differentiation, firms rely on Customer Relationship Management (CRM) systems and sophisticated loyalty marketing. CRM allows organizations to track detailed consumer preferences, purchase histories, and feedback, enabling the delivery of highly personalized service encounters that generic competitors cannot replicate. As the Services Marketing Triangle illustrates, effective interactive marketing (the "moment of truth" between employees and customers) is what truly delivers the brand's promise and solidifies its unique position in the market (Zeithaml et al., 2009).

The ultimate goal of relationship marketing is the cultivation of profound customer loyalty, which serves as a powerful barrier to entry and a primary source of long-term profitability. Oliver (1999) distinguishes between three types of loyalty: situational (promiscuous, price-driven), behavioral (habitual repurchasing), and attitudinal (deep emotional commitment). While a Cost Leadership strategy may generate fleeting situational or behavioral loyalty, a true Differentiation strategy seeks to secure attitudinal loyalty (Oliver, 1999). When a customer experiences superior CX—characterized by trust, excellent post-purchase support, personalized communication, and community engagement—they develop an emotional bond with the brand. This monogamous, attitudinal loyalty means the customer will resist competitive overtures, marketing promotions, or price cuts from rival firms (Oliver, 1999).

Furthermore, loyalty programs (e.g., frequent flyer miles, VIP tiers, or exclusive access) serve as "branded differentiators" that systematically reward the consumer for their ongoing relationship, effectively locking them into the firm’s ecosystem and increasing the switching costs associated with moving to a competitor (Zeithaml et al., 2009). By prioritizing relationship marketing and treating every customer touchpoint as an opportunity to co-create value, an organization ensures that its differentiation strategy is not merely a static list of product features, but a dynamic, sustainable, and highly profitable brand experience.

1.4 The Dynamics of Sustainable Differentiation in Digital Markets

The transition from traditional, brick-and-mortar market environments to digital ecosystems necessitates a fundamental reevaluation of how competitive advantage is sustained. In traditional manufacturing or industrial sectors, structural barriers such as economies of scale, capital-intensive facilities, and proprietary access to raw materials often protected a firm's differentiated position for decades (Grant, 2010). However, the modern digital service landscape is characterized by what D'Aveni refers to as "hypercompetition" a state defined by intense and rapid competitive moves where market advantages are swiftly eroded, and organizations must continually seek new sources of value (Grant, 2010). In such fast-paced digital environments, competitive advantage is inherently transient, and the life cycles of products and services are severely compressed (McGrath, as cited in Grant, 2010).

Consequently, marketing differentiation in the digital sphere cannot be viewed as a static achievement or a "one-time" strategic event. For a digital service platform, the construction of a resilient brand image demands continuous technological adaptation, culturally resonant localization, and proactive defensive marketing. This section explores the dynamic nature of sustainable differentiation, focusing on how digital services tailor global strategies to local contexts, defend their market share against aggressive challengers, and utilize specific operational metrics to evaluate strategic efficacy before these actions fully crystalize into long-term brand equity.

1.4.1 The Role of Continuous Innovation and Agility

In the digital economy, the primary threat facing service providers is "Competitive Convergence" a phenomenon where, over time, the features, interfaces, and functionalities of competing applications become virtually indistinguishable. This standardization around a "dominant design" marks a shift in industry evolution, pushing the market toward commoditization (Grant, 2010). When all digital platforms or apps look and act the same, the consumer's decision-making process defaults entirely to price, thereby dragging firms into a destructive commodity trap characterized by relentless price wars (Levitt, 1980; Jerab & Mabrouk, 2023).

To prevent competitive convergence and escape the commodity trap, differentiation must be operationalized as a cycle of constant service innovation. According to Levitt's (1980) "Total Product Concept," today's "augmented product" (the unique, unexpected digital features that initially differentiate an app) rapidly becomes tomorrow's "expected product" (the baseline features required simply to compete). Therefore, sustainable differentiation requires a firm to perpetually explore the "potential product," continuously introducing novel functionalities, superior user experiences, and enhanced algorithms to stay ahead of the imitation curve (Levitt, 1980). For example, niche e-commerce platforms have successfully sustained differentiation by integrating immersive technologies such as Augmented Reality (AR) and Virtual Reality (VR), transforming how consumers interact with brands online and creating a distinctive shopping experience that resists commoditization (A Comparative Analysis of Dewu's Differentiation Marketing, 2024).

The theoretical engine driving this continuous innovation is found in the Resource-Based View (RBV), specifically through the lens of "Dynamic Capabilities" (Teece, 2007). Teece (2007) defines dynamic capabilities as the firm's capacity to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. To sustain differentiation, a digital enterprise must excel in three specific micro-foundational processes:

- **Sensing:** In fast-paced environments, customer needs and technological possibilities are in constant flux. Digital firms must possess the capability to continuously scan, search, and explore across technologies and markets to identify emerging opportunities before competitors do (Teece, 2007).
- **Seizing:** Once a new technological or market opportunity is sensed, it must be addressed through new products, processes, or services. This involves making rapid, high-quality investment decisions and committing resources to the designs most likely to achieve marketplace acceptance, especially in markets characterized by network externalities (Teece, 2007; Grant, 2010).
- **Reconfiguring (Orchestrating):** A key to sustained profitable growth is the ability to recombine and reconfigure digital assets and organizational structures as the enterprise grows. This organizational agility compresses the cycle times between identifying a customer need and deploying a digital solution, ensuring the firm's differentiation evolves synchronously with the market (Teece, 2007; Grant, 2010).

By fostering a culture of continuous market research, agile product development, and proactive problem-solving, digital firms ensure that their differentiation strategy maintains a unique value proposition that fiercely resists the gravitational pull of competitive convergence (Jerab & Mabrouk, 2023).

1.4.2 Glocalization: Adapting Global Differentiation to Local Context

For multinational digital service brands entering diverse regional markets, sustaining a differentiated brand image requires navigating the complex tension between global standardization and local adaptation. While a standardized global strategy offers immense economies of scale (Cost Leadership), it frequently fails to account for profound national idiosyncrasies, leading to a loss of brand resonance and strategic failure (Grant, 2010). To effectively differentiate in specific local markets, firms must employ a strategy of "Glocalization" the meticulous adaptation of a globally recognized brand identity to fit local cultural, linguistic, and social frameworks.

The academic imperative for glocalization can be understood through Ghemawat's "CAGE" framework, which posits that organizations must assess the Cultural, Administrative, Geographical, and Economic distances between their home market and the target market (Grant, 2010). In the context of consumer-facing digital services, Cultural distance encompassing differences in language, social norms, and consumer expectations is paramount (Grant, 2010). The closer an industry is to the final consumer, the more critical cultural alignment becomes for successful differentiation (Grant, 2010).

Consider the application of Ghemawat's "Adaptation" strategy within his AAA Triangle (Adaptation, Aggregation, Arbitrage) (Grant, 2010). A multinational digital brand may possess a core, globally differentiated identity characterized by specific urban or youth-centric aesthetics. However, merely transplanting this foreign identity into a new local market without modification would likely result in cultural dissonance. To sustain its differentiation, the brand must culturally contextualize its messaging.

This adaptation involves utilizing localized linguistic markers, such as incorporating local dialects or colloquialisms into its application interface, marketing campaigns, and customer service communications. By speaking the literal and cultural language of the target demographic, the brand bridges the cultural distance, transforming a foreign digital utility into a culturally embedded service. Furthermore, aligning the brand's identity with local social norms such as specific consumer expectations regarding payment methods, community interaction, or service etiquette allows the brand to maintain its core global essence while executing highly tailored, localized marketing actions.

This deep, locally-driven customer-centric approach fosters an emotional connection with the consumer. As seen in specialized digital platforms that focus on culturally-driven marketing and authentic storytelling, tailoring offerings to specific cultural contexts enhances consumer engagement and strengthens brand loyalty (A Comparative Analysis of Dewu's Differentiation Marketing, 2024). Consequently, the brand's differentiated image is perceived not as an imported imposition, but as a uniquely relevant and highly valued local asset (Jerab & Mabrouk, 2023; Grant, 2010).

FIGURE 6: GHEMAWAT'S CAGE FRAMEWORK



Source: (Ghemawat, 2001)

1.4.3 Defensive Marketing and Competitive Reactivity

Establishing a differentiated brand image in a digital landscape inevitably invites aggressive counter-maneuvers from competitors. In dynamic digital service markets, a differentiated brand frequently faces intense pressure from rivals that may employ aggressive Cost Leadership or penetration pricing strategies to capture market share. Therefore, sustainable differentiation relies heavily on the implementation of proactive defensive marketing.

According to Porter, the objective of a defensive strategy is to reduce the probability of an attack, divert it toward less threatening avenues, or lessen its overall intensity (Porter, 1985). Instead of creating a competitive advantage outright, defensive marketing aims to make an existing advantage more durable (Porter, 1985). When a firm successfully executes a differentiation strategy, it inherently erects formidable barriers to entry and mobility (Porter, 1980; Tanwar, 2013).

The primary defensive mechanism generated by differentiation is the reduction of customer price sensitivity through brand loyalty. When a digital service successfully differentiates itself whether through a superior user interface, culturally resonant branding, or exceptional customer service it shifts the basis of competition away from pure price and toward perceived value (Kotler & Armstrong, 2006). If a low-cost competitor launches aggressive discounting campaigns, the differentiated brand relies on its accumulated Customer-Based Brand Equity (CBBE) to retain its users (Keller, 1993). Consumers who possess a strong, favorable, and unique association with the differentiated brand will exhibit attitudinal loyalty, willingly absorbing a price premium and rejecting the competitor's purely transactional, low-cost appeal (Keller, 1993; Jerab & Mabrouk, 2023). Lapersonne (2017) notes that by offering something unique, organizations make customers more loyal and less sensitive to price, effectively serving as an obstacle for new entrants.

Furthermore, defensive marketing in digital services involves establishing "switching costs" and leveraging "network externalities" (Porter, 1985; Grant, 2010). While digital apps are technically easy to uninstall, a highly differentiated service creates significant psychological, informational, and experiential switching costs. If a firm provides a highly customized user experience based on historical data algorithms, robust loyalty programs, and a consistent history of reliability, the consumer perceives a high risk in switching to an unproven, albeit cheaper, alternative (Zeithaml et al., 2009; Porter, 1985). In markets subject to network externalities where the value of the platform increases as more users join the differentiated brand that captures early market share establishes a powerful "lock-in" effect, making competitive incursions exceptionally difficult (Grant, 2010).

To sustain this defense against Cost Leaders, the differentiated firm must engage in "competitive reactivity" without abandoning its core strategy. As Gilbert and Strebel (1989) note, while firms must pursue all cost reduction opportunities that do not sacrifice differentiation, they must rigorously resist the temptation to engage in destructive price wars that dilute their brand equity (fabianac, 2010). Instead, the firm defends its market share by communicating the superior "value for money" of its augmented features, continuously raising the standard of the "expected product" so that low-cost competitors are forced to incur higher operational costs simply to remain relevant in the industry (Levitt, 1980; Porter, 1985).

1.4.4 Key Performance Indicators (KPIs) for Differentiation

The final dynamic in managing sustainable differentiation is the rigorous evaluation of its effectiveness. While traditional management often defaults to broad metrics like overall market share, relying exclusively on volume-based metrics is conceptually flawed for a differentiation strategy, which aims for margin, perceived value, and loyalty rather than absolute market

dominance (Islami et al., 2020). To accurately gauge the success of differentiating marketing actions before they fully mature into long-term brand equity, digital firms must track specific, operational Key Performance Indicators (KPIs) that reflect customer perception, behavioral loyalty, and financial efficiency.

According to strategic literature, market competitiveness—the ultimate goal of differentiation is measured through indicators such as brand strength, profitability, sales growth, and, crucially, customer retention and customer acquisition (Sudirijo, 2023; Anozie, 2023). In the context of digital services, these academic indicators translate into precise, trackable digital KPIs:

- **Customer Acquisition Cost (CAC):** CAC measures the total marketing and sales expenditure required to acquire a new user. A successful differentiation strategy should, over time, drive down the CAC. As the brand successfully establishes unique, favorable associations in the consumer's memory (enhancing brand awareness and image per Keller's CBBE model), organic acquisition increases (Keller, 1993). A highly differentiated brand benefits from positive word-of-mouth and strong market signaling, meaning the firm does not have to spend as heavily on aggressive promotional discounts to attract new users compared to an undifferentiated commodity brand.
- **Churn Rate (Customer Retention):** Churn rate measures the percentage of users who stop using the service over a given period. It is the direct quantitative proxy for customer retention. Because differentiation is designed to foster deep attitudinal and behavioral loyalty by meeting specific, augmented customer needs, a highly differentiated service should exhibit a significantly lower churn rate than its competitors (Jerab & Mabrouk, 2023). A low churn rate validates that the "isolating mechanisms" protecting the brand's unique value proposition are functioning effectively against rival incursions (Grant, 2010).
- **Service Usage Frequency:** This metric captures how often active users engage with the digital application. In service marketing, where value is co-created during consumption (Vargo & Lusch, 2004), high usage frequency indicates that the service has successfully integrated into the consumer's daily habits. It demonstrates behavioral loyalty and confirms that the specific differentiating features (e.g., personalized algorithms, user interface, localized communication) are continuously delivering superior functional or emotional utility.
- **Net Promoter Score (NPS):** NPS is a primary indicator of brand strength and attitudinal loyalty. It measures the willingness of customers to recommend the company's products or services to others. A high NPS is the hallmark of a successful differentiation strategy, as it proves the firm has transcended mere customer satisfaction to achieve customer advocacy. When users actively promote a brand, they are validating its unique value proposition and signaling the successful construction of a robust, highly differentiated brand image (Keller, 1993; Sudirijo, 2023).

By continuously monitoring these specialized KPIs, a digital service provider can objectively measure the market's response to its differentiating actions. If these metrics remain strong despite the presence of aggressive low-cost competitors, it empirically confirms that the firm

has successfully translated its tactical innovations, dynamic capabilities, and localized strategies into a sustainable, highly competitive brand identity.

Conclusion

The fundamental premise of this chapter has been to establish that in a hypercompetitive, modern global economy, marketing differentiation is neither a superficial tactical luxury nor a mere cosmetic adjustment to a product's physical form. Rather, it is a profound strategic imperative and the primary architectural mechanism through which an organization constructs, sustains, and monetizes its brand image. As the preceding sections have meticulously detailed, the contemporary business landscape is characterized by rapid technological equalization, compressed product life cycles, and an overwhelming proliferation of commercial messaging (Grant, 2010; Ries & Trout, 2001). In such an environment, the absence of a distinct strategic position inevitably forces a firm into a "commodity trap," a state of market convergence where products become perceptually indistinguishable and the sole medium of competition devolves to price (Levitt, 1980; Jerab & Mabrouk, 2023).

To escape the purgatory of price wars and secure a sustainable competitive advantage, an organization must fundamentally alter the demand-side perceptions of the market (Dickson & Ginter, 1987). This chapter has demonstrated that the construction of a powerful brand image is the ultimate antidote to commoditization. According to Keller's (1993) Customer-Based Brand Equity (CBBE) framework, a brand image is forged by cultivating associations in the consumer's memory that are simultaneously favorable, strong, and unequivocally unique. Every differentiating marketing action whether it involves product augmentation, service innovation, or relational engagement serves as a cognitive building block in the creation of these unique brand associations (Keller, 1993).

Throughout Section 1, we established the psychological and theoretical foundations of this endeavor. Recognizing that we operate in an "overcommunicated society," we observed that the human mind inherently filters out information that lacks distinctiveness (Ries & Trout, 2001). Therefore, successful positioning is not dictated merely by what a firm does to a physical product, but by how it strategically manipulates variables to occupy a simplified, distinctive, and highly valued space in the prospect's mind (Ries & Trout, 2001). The transition from the Unique Selling Proposition (USP) to the Emotional Selling Proposition (ESP) highlighted that while functional "Points of Parity" are required simply to enter the market, it is the intangible, emotional, and symbolic "Points of Difference" that ultimately win the consumer's loyalty and define the brand's image (Keller, 1993; Levitt, 1980). By stepping away from the management-centric pursuit of pure Cost Leadership, organizations can leverage these perceptual differences to reduce consumer price sensitivity and build formidable barriers to entry (Porter, 1980; 1985).

Section 2 bridged the gap between conceptual theory and operational execution by analyzing the tactical levers of the expanded service marketing mix (the 7Ps). Because the modern economy is increasingly governed by a Service-Dominant logic, where value is co-created with the consumer rather than merely embedded in manufactured goods, the traditional 4Ps are insufficient (Vargo & Lusch, 2004; Zeithaml, Bitner, & Gremler, 2009). We explored how firms differentiate themselves not just through the "generic product," but through the "augmented product" the voluntary, unexpected additions to service that exceed baseline expectations (Levitt, 1980). Crucially, this section highlighted that in service environments, the human factor (personnel), the physical evidence (the servicescape), and the operational delivery processes serve as the most potent, causally ambiguous, and inimitable sources of

differentiation (Zeithaml et al., 2009). By assigning "branded differentiators" to these specific tactical innovations, a firm protects its unique features from rapid competitor replication (Aaker, 2003).

In Section 3, the analysis progressed to the strategic orchestration of these tactical levers. A firm cannot successfully build a coherent brand image if it attempts to be all things to all people; such an approach results in a confused identity and squandered resources (Ries & Trout, 2001; Porter, 1980). Through the Segmentation, Targeting, and Positioning (STP) model, we established that differentiation must be inextricably linked to specific, heterogeneous demand functions (Dickson & Ginter, 1987). By utilizing perceptual mapping, organizations can visually identify uncontested cognitive spaces (or "creneaus") and tailor their differentiating actions accordingly (Ries & Trout, 2001; Dickson & Ginter, 1987). Furthermore, this section demonstrated how pricing strategies can transcend mere cost-recovery to become active signals of premium quality, and how the implementation of relationship marketing transitions the brand from facilitating discrete, perishable transactions to fostering deep, long-term attitudinal loyalty (Zeithaml et al., 2009).

Finally, Section 4 contextualized these differentiation strategies within the hypercompetitive, fast-paced digital ecosystem. In digital markets, traditional structural barriers to entry are significantly diminished, rendering competitive advantages inherently transient (Grant, 2010). To prevent "competitive convergence" where digital platforms standardize around a dominant design and lose their distinctiveness firms must rely on "Dynamic Capabilities" (Teece, 2007). This requires an organizational agility capable of continuously sensing market shifts, seizing opportunities, and reconfiguring resources to deliver relentless service innovation (Teece, 2007). We also observed the critical necessity of "Glocalization," wherein multinational brands must adapt their globally differentiated identities to align with local cultural distances, linguistic nuances, and social norms to achieve authentic resonance (Grant, 2010). By implementing proactive defensive marketing and rigorously tracking digital Key Performance Indicators (such as Customer Acquisition Cost, Churn Rate, and Net Promoter Score), firms can quantitatively measure the efficacy of their differentiating actions before they fully mature into long-term brand equity.

Chapter Two: THEORITICAL FOUNDATIONS OF BRAND IMAGE

Introduction

This chapter establishes the comprehensive theoretical framework required to understand brand image as a primary strategic asset in contemporary competitive environments. In an era where physical product features are rapidly replicated, the focus of organizational success has transitioned from the management of tangible goods to the cultivation of intangible perceptions. By moving beyond the functional utility of an offering, we explore how consumer perceptions are formed, maintained, and strategically leveraged to create a distinct market position.

To provide a structured and rigorous analysis, this chapter is divided into four main sections:

The first section examines the brand as the fundamental foundation of any market presence. It explores the dual nature of the brand, distinguishing between the tangible elements—such as visual identifiers and sensory cues used to signal a brand's presence—and the intangible core. This section demonstrates that a brand is not merely a label, but a complex promise of performance and a psychic connection that fosters a trust-based relationship between the organization and its audience.

The second section provides an in-depth analysis of the brand image construct itself. It moves from the company's perspective to the consumer's psychological reception, defining brand image as a perceptual phenomenon constructed through a network of mental associations. This section deconstructs the multidimensional components of image—including attributes, benefits, and attitudes—and traces how these perceptions have evolved from early psychological theories to modern strategic positioning. Furthermore, it evaluates the essential success factors and the qualitative and quantitative methodologies required to effectively measure and monitor these perceptions in a saturated marketplace.

The third section provides conceptual clarity by distinguishing brand image from several adjacent marketing constructs. Because terms such as brand identity, brand attachment, and brand personality are often used interchangeably in professional discourse, this section isolates the unique characteristics of each. By exploring the nuances of the "sender versus receiver" perspective and integrating frameworks related to brand equity, this section ensures a precise academic understanding of how image interacts with other emotional and cognitive variables.

Finally, the fourth section establishes the causal relationship between strategic organizational behavior and consumer perception. It serves as the theoretical bridge of this study, demonstrating how differentiating marketing actions act as the primary inputs that drive the construction of a unique and favorable image. This section explains the mechanism through which specific strategic stimuli are decoded by the consumer to form strong and exclusive brand associations.

By deconstructing these four pillars, this chapter establishes the foundational paradigm necessary for analyzing how modern enterprises construct, deliver, and defend unique value in the minds of their target audience. It provides the essential vocabulary and logic required to evaluate the impact of strategic differentiation on long-term brand health.

2.1 The Brand as a Foundation of Brand Image

2.1.1 Definition of a Brand

The American Marketing Association (AMA) defines a brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors" (Kotler, 2000, p. 404). Similarly, Aaker (1996) states that a brand is a name and/or symbol that distinguishes a product (often in the form of a logo, trademark, or packaging) to identify the goods or services of a specific seller.

A brand serves as the "front-liner" of a product; it provides an initial visual and cognitive cue that allows consumers to identify the offering. In principle, a brand represents a promise from sellers or producers to consistently deliver a specific set of performances, benefits, and services to the buyer (Kotler, 2000).

However, modern literature emphasizes that a brand extends far beyond its physical identifiers. From the perspective of brand communication, Wijaya (2011) defines a brand as a mark left on the minds and hearts of consumers, creating a specific sense of meaning and feeling. Thus, a brand is more than just a logo or a trademark attached to a product: it is a promise (Morel, 2003) and a relationship built on trust (McNally & Speak, 2004). Post (2005) further argues that a brand is the sum of an entity a psychic connection that creates a bond of loyalty with a buyer and encompasses perceived added value. According to Nilson (1998), a brand must fulfill specific criteria beyond its name: it must possess clear value, be easily distinguishable from competitors, remain attractive, and project a prominent identity.

Meanwhile, branding is the process of creating and leaving these specific "trail signs" in the minds and hearts of consumers through various communication strategies (Wijaya, 2011). In this sense, branding is the active implementation of a brand communication strategy and a critical part of the brand development process. From a communication perspective, brand image is not formed solely to drive product purchases; rather, it relates to how consumers decode brand messages, integrate them into their self-concept, and actualize them in their daily lives. By understanding these dimensions, practitioners and researchers can better identify the critical elements that influence brand image formation and develop strategic frameworks to establish and strengthen a brand's market position.

2.1.2 The Components of a Brand

Before analyzing how an image forms in the consumer’s mind, it is necessary to identify the structural elements that a company uses to project its identity into the market. A brand is a multidimensional construct that extends far beyond a simple name. Academically, these components are categorized into tangible elements and intangible attributes.

2.1.2.1 Tangible Components (Brand Elements)

The tangible components, often referred to as "brand elements," are the trademarkable, sensory identifiers that serve to identify and differentiate the brand legally and visually (Keller, 2013). These are the initial touchpoints that grab consumer attention.

- **Brand Name and Logos:**

The brand name is the most fundamental linguistic component, anchoring the brand in the consumer's memory. Logos and symbols provide visual shorthand, communicating meaning across language barriers.

- **Taglines and Slogans:**

These are short, memorable phrases that attempt to summarize the brand's core positioning or promise directly to the consumer.

- **Aesthetics and Packaging:**

The design choices, including color palettes, typography, and physical packaging.

According to Keller (2013), for these tangible elements to effectively build brand equity, they must be memorable, meaningful, likable, and adaptable. However, while tangible elements create recognition, they alone do not create a deeply rooted competitive advantage.

2.1.2.2 Intangible Components (The Brand Core)

The true drivers of strategic differentiation lie in the intangible components. These elements give the brand its "soul" and are responsible for forging psychological and emotional connections with the consumer.

- **Brand Culture and Values:**

A brand operates as a reflection of its internal culture and core principles. Kapferer (2012) highlights "Culture" as a foundational element of his Brand Identity Prism, noting that the most powerful brands are driven by a distinct set of values that resonate with their target audience.

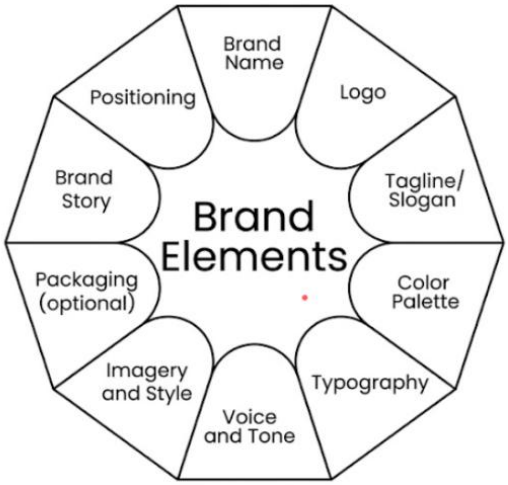
- **Brand Personality:**

Consumers naturally project human characteristics into brands. Aaker (1997) established that brand personality consists of specific dimensions (such as sincerity, excitement, competence, sophistication, and ruggedness). A distinct personality is a massive driver of differentiation because it dictates how a consumer "relates" to the brand.

- **Brand Promise and Vision:**

As outlined by D. Aaker (1996), a strong brand acts as an organization with a specific vision, delivering an implicit or explicit promise of a consistent experience to the consumer

FIGURE 7: KEY VISUAL AND STRUCTURAL BRAND ELEMENTS.



Source : https://ilextech.io/blogs/branding-elements/ (Last seen 03/15/2026)

2.1.3 The Strategic Link: From Components to Image

It is crucial to distinguish between what the company creates and what the consumer perceives. The tangible and intangible components discussed above represent the Brand Identity the strategic input that the organization actively controls and transmits to the market (Kapferer, 2012).

However, once these components are released into a saturated market, they are filtered through the consumer's personal experiences, cultural biases, and exposure to competitors. The subjective decoding of all these components by the consumer results in the Brand Image. Therefore, while a company can differentiate its components, true strategic differentiation is only achieved when those components successfully translate into a unique and favorable image in the public consciousness.

2.2 The Brand Image framework

2.2.1 Defining Brand Image

The concept of brand image is a cornerstone of brand management and consumer psychology. At its core, brand image is defined as the sum of beliefs, ideas, and impressions that a consumer holds regarding a specific brand (Kotler & Keller, 2016). It is a perceptual phenomenon constructed within the mind of the consumer through subjective interpretation.

Historically, one of the most widely accepted and foundational definitions is provided by Keller (1993), who describes brand image as "perceptions about a brand as reflected by the brand associations held in consumer memory". Similarly, Aaker (1991) emphasizes the structural nature of brand image, defining it as a set of associations, usually organized in a meaningful way, that consumers connect to a brand name in their memory. These mental associations dictate how a consumer processes information, differentiates the brand from its competitors, and ultimately makes purchasing decisions. Furthermore, Dobni and Zinkhan (1990) conceptualize brand image as a largely emotional and subjective construct, shaped not only by rational product features but also by marketing communications, peer influence, and personal experience.

In summary, brand image is a multidimensional construct that bridges the gap between a company's marketing efforts and the consumer's psychological reception. It represents the holistic, enduring perception of a brand that resides in the marketplace.

To fully understand this construct, it is necessary to differentiate between three levels of image:

- **Perceived Image:** The way the target audience actually views and interprets the brand.
- **True Image (Brand Reality):** The actual state of the brand as known and experienced by the company (objective strengths/weaknesses).
- **Desired Image:** The way the company strategically wishes to be perceived (intended positioning).

2.2.2 Conceptual Evolution of Brand Image

The concept of brand image has evolved significantly over the decades, transitioning from a purely psychological construct to a core pillar of strategic positioning. This evolution can be categorized into several key phases:

- **The Psychological Origins (1950s–1970s):**

The concept was first introduced by Gardner and Levy (1955), who established its social and psychological roots. By the 1970s, researchers like Bird et al. (1970) redefined it as an "attitude," proving that a consumer's mental image directly influences their purchasing decisions (Dolich, 1969).

- **The "Brand Image Trap" (1980s–1990s):**

As the concept grew in popularity, terminology became entangled. Aaker (1996) provided a critical clarification by distinguishing between Brand Identity (the unique associations the

company aspires to create) and Brand Image (how the brand is actually perceived by the consumer based on their beliefs and values).

- **The Formation of Beliefs:**

According to Fishbein and Ajzen (1975), this perceived image is formed through three distinct types of beliefs: Descriptive (direct experience with the product), Informational (advertising and societal influence), and Inferential (deductions based on past experiences).

- **Positioning and Competitive Differentiation (2000s–Present):**

Building on Ries and Trout's (1981) positioning theory, modern marketing dictates that positioning does not change the physical product itself; rather, it changes how the product sits in the customer's mind. Furthermore, Kim (2008) emphasizes that brand image is never absolute it is always relative to competitors. In a saturated market, companies must strategically align their external cues (like communication and packaging) to secure a distinct mental position.

2.2.3 The Components of Brand Image

In marketing literature, brand image is structured around a set of associations organized into key components that explain how consumers perceive and evaluate a brand. The most widely adopted framework, proposed by Kevin Lane Keller (2013), identifies three principal components: brand attributes, brand benefits, and brand attitudes.

2.2.3.1 Brand Attributes

Attributes represent the descriptive characteristics that define a product or service. In marketing literature, these are categorized based on their direct relationship to the offering's core performance:

- **Product-related attributes**

These are the essential, intrinsic elements required for the product or service to perform its primary function (the core functionality sought by the consumer).

- **Non-product-related attributes**

These encompass the extrinsic aspects associated with the purchase or consumption experience. They are typically divided into four sub-categories:

- Price information
- Visual appearance (or packaging)
- User imagery (the profile of the typical person consuming the service)
- Usage imagery (the specific context or situation in which the service is utilized)

2.2.3.2 Brand Benefits

While attributes describe the product, benefits represent the personal value and meaning that consumers attach to those attributes. They reflect what the consumer believes the brand can do for them. These benefits are classified into three categories based on the consumer's underlying motivations:

- **Functional benefits**

The practical, intrinsic advantages derived directly from the product's consumption.

- **Experiential benefits**

The sensory, cognitive, or emotional feelings experienced by the consumer while using the product or service.

- **Symbolic benefits**

The extrinsic advantages linked to deeper psychological needs, such as the desire for social approval, personal expression, or enhanced self-esteem.

2.2.3.3 Brand Attitudes and the Dimensions of Associations

The combination of these attributes and benefits culminates in the brand attitude, which is the consumer's overall, holistic evaluation of the brand. This attitude is paramount as it serves as the primary driver of consumer behavior and purchase intention.

2.2.4 The Influence of Brand Image

Kevin Lane Keller (2003) defines the process of brand influence as the set of effects that occur when a brand is associated with various entities. These associations may involve individuals (such as employees or endorsers), places (including the country of origin or distribution channels), objects or events (such as causes or third-party endorsements), or even other brands (through alliances, ingredients, companies, or brand extensions).

To better understand this process, it is essential to examine what consumers know about a brand and how this knowledge shapes their perception of its associations with other entities. In this regard, Macdonald and Sharp (2000) conducted a study in Australia demonstrating that brand knowledge plays a crucial role in consumer decision-making. Their findings, based on peanut butter brands, show that familiarity with a brand significantly influences purchasing decisions, whether in new, familiar, or repetitive buying situations. Even when consumers switch to alternative brands, many tend to return to their original choices over time.

Similarly, Graeff (1997) highlights that greater brand knowledge enhances consumers' ability to interpret and understand brand-related information. Through direct experience, consumers become more aware of the benefits associated with specific product attributes benefits that may not have been evident prior to usage. Overall, consumer knowledge is multidimensional and significantly shapes both perceptions and behaviors toward brands, making it a critical element in brand research (Keller, 2003).

To assess the strength of a brand's image, several indicators can be used, provided they reflect both consumer perceptions and market performance (Collesei, 2000). According to Yeshin (1998), key dimensions of brand equity include:

- Perceived quality (such as price sensitivity, company value, and sales performance)
- Brand salience (the extent of consumer awareness)
- Positive brand associations
- Customer satisfaction
- Loyalty
- Purchase intention
- Availability
- The ability to command a price premium

Building on these dimensions, Cooper and Simmons (1997) introduce additional factors such as:

- Brand description (including mental images and associations)
- Brand strength (its importance and influence in the market)
- Brand future (its capacity for growth and adaptation)

Among these elements, durability is particularly important. Michon (2002) argues that a sustainable brand image must be grounded in three core components:

- Culture (long-term socio-cultural values that transcend trends)
- The "must" (distinctive added value or innovation)
- The legend (a symbolic or mythical dimension rooted in the brand's history and projected into its future)

In conclusion, consumer loyalty and brand durability are key indicators of brand image strength. The stronger the brand image, the less vulnerable the company is to competitive pressures, highlighting the importance of strategically managing the factors that reinforce it.

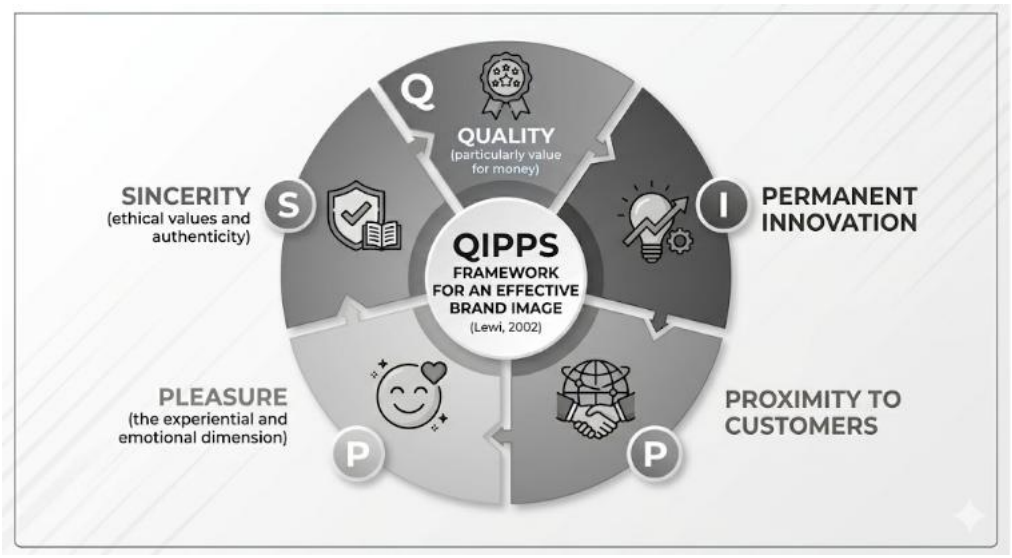
2.2.5 Key Success Factors of Brand Image

It is misleading to assume that the success of a brand image depends solely on a company's financial resources or size. In reality, the nature of the business and the target market play a more decisive role in determining the level of investment required to build a strong brand image. The case of Starbucks illustrates this point effectively. In its early stages, the company relied less on traditional advertising and more on direct customer interaction and the in-store experience to shape its brand image. This example demonstrates that small and medium-sized enterprises can also develop strong brand images, although their scale may vary depending on the market and industry context.

According to Lewi (2002), five key success factors underpin an effective brand image, summarized by the acronym QIPPS:

- **Quality (Q):** The ability of a brand to consistently deliver a reliable, high-standard service that meets consumer expectations and provides excellent value for money.
- **Permanent Innovation (I):** The continuous modernization and evolution of a brand's offerings through new features, creative solutions, or advanced technologies to stay competitive.
- **Proximity to customers (P):** The digital, physical, and emotional closeness a brand maintains with its users, driven by accessibility, responsiveness, and strong customer relationship management.
- **Pleasure (P):** The experiential and emotional dimension of consumption, focusing on the positive, enjoyable, and smooth feelings a user associates with using the brand.
- **Sincerity (S):** The perceived honesty, authenticity, and ethical values of a company, which build deep, long-term trust and respect between the brand and its customers.

FIGURE 8: KEY SUCCESS FACTORS OF A BRAND IMAGE ACCORDING TO LEWI (QIPPS MODEL)



Source: Adapted from Lewi (2005)

However, these factors can be undermined by a critical element: the human factor. Bergström (2002) emphasizes that consistency is essential in brand management. A brand image must remain aligned with the company's strategic objectives and be consistently reflected across all marketing and organizational decisions.

Furthermore, Heude (1989) identifies three fundamental drivers of brand success, known as the "three Cs": Competence, Charm, and Boldnes.

Competence refers to expertise and a deep understanding of both the business and its customers, which helps attract and retain consumers. Charm relates to the brand's ability to appeal emotionally and create strong connections with its audience. Boldness, on the other hand, reflects the willingness to take risks and adopt innovative approaches in order to strengthen and evolve the brand image.

In addition, any effort to develop or modify a brand image requires a thorough understanding of key human dimensions. These include:

- **Creation:** The psychological formation of brand perceptions, heavily influenced by a consumer's unique upbringing, education, and subconscious mind.
- **Sensory Perceptions:** The immediate physical experience of a brand through the five human senses (visual identity, sound design, smell, touch, and taste stimuli).
- **Language:** The specific communication tools, vocabulary, and distinct tone of voice a brand uses to express its identity and interact with its audience.
- **Suggestion:** The persuasive power of subtle cues, symbolic messaging, and words that subconsciously shape customer attitudes and behaviors.
- **Imagination:** The mental images, creative associations, and personal scenarios that consumers actively project onto a brand.
- **Desire:** The deep-seated emotional or psychological longing that drives a consumer to want, choose, and attach themselves to a brand's offerings.
- **The Playful Dimension:** The entertaining, interactive, and experiential aspect of a brand that brings joy to the consumer and contributes to their personal fulfillment.

In conclusion, both the success and failure of a brand image are largely shaped by human factors. These same elements also serve as criteria through which consumers evaluate and perceive brands.

2.2.6 The Stages of Building a Strong Brand Image

A well-structured brand image strategy is essential for companies to ensure their market position is a result of strategic choice rather than external perceptions. While many organizations are forced to retroactively adjust to consumer views, a proactive approach involves a series of sequential stages:

- **Identification and Empathy** The initial stage focuses on identifying potential customers and understanding the underlying motivations behind their purchasing decisions. Incorrect assumptions at this stage can widen the gap between the intended brand identity and the image actually perceived by consumers.
- **Message Formulation** Based on insights gathered in the first stage, the organization must formulate a core message that reflects the most important needs and expectations of the target audience.

- **Clarity and Appeal** This message must be clear, credible, and appealing. Ambiguity must be avoided to ensure the message captures attention and embeds itself in the consumer's memory.
- **Strategic Consistency** To strengthen brand recall and recognition, the message must be consistently communicated across all available channels (advertising, press releases, sponsorships, etc.). This consistency increases the likelihood of top-of-mind awareness during the purchasing decision.
- **Heude's Principles for Building a Brand Image**

According to Heude (1989), the effective construction of a brand image is driven by twelve guiding principles that balance strategic management with psychological perception:

1. **Environmental influence:** Consumer behavior is strongly shaped by physical and social environments.
2. **Timeliness:** A positive brand image requires openness to the external environment, attentiveness to consumer needs, and confidence in intuitive ideas that often reflect genuine market insight.
3. **Innovation:** Creativity and dynamism are essential for differentiating a brand from its competitors.
4. **Repetition effect:** A strong visual identity combined with repeated exposure helps establish brand recognition and awareness.
5. **Strategic transformation:** Once weaknesses in the brand image are identified, meaningful changes can be implemented to improve it.
6. **Managing high-pressure situations:** Challenging conditions can stimulate creativity and productivity, allowing individuals to unlock hidden potential.
7. **Control of the placebo effect:** Encouraging consumers to look beyond surface impressions strengthens deeper brand perceptions.
8. **Acceptance of mistakes:** Learning from failure enables continuous improvement and long-term success.
9. **Ongoing challenge:** Setting ambitious objectives helps maintain motivation and progress.
10. **Simplicity:** Clear and simple brand expressions are often the most effective.
11. **Time management:** Successful brand image development requires patience and respect for each stage of the process.
12. **Authentic emotional connection:** Sharing genuine emotions builds trust and reinforces brand credibility throughout its evolution.

2.2.7 Measurement of Brand Image:

- **Identification of Brand Associations (Qualitative Methods)**

The process of identifying brand associations usually begins with qualitative research, which is later complemented by quantitative analysis. Brand associations are commonly defined as the informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers (Keller, 1993). These associations are explored through techniques such as one-on-one interviews or focus group discussions. One highly effective method is free association, where participants are given a short timeframe (often around 30 seconds) to mention all words or ideas that spontaneously come to mind when thinking about a specific brand.

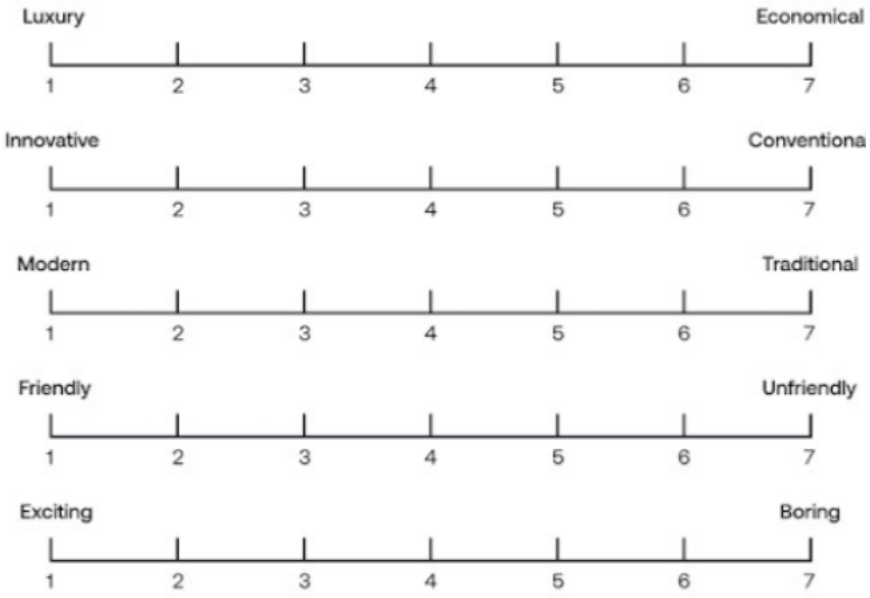
Focus group discussions follow a similar logic but introduce peer interaction. While exposure to differing viewpoints may lead individuals to refine their initial perceptions, improper moderation can result in an artificial consensus. Conversely, individual interviews provide respondents with greater freedom of expression, enabling a detailed and unbiased understanding of brand perceptions. To develop an accurate list of associations, it is essential for researchers to identify and consolidate overlapping or synonymous terms (e.g., merging "innovative" and "inventive" to avoid data skew).

- **Evaluating the Strength of Associations (Quantitative Methods)**

Once brand associations have been identified qualitatively, quantitative analysis is deployed to evaluate the degree of connection between each association and the brand. This phase relies on survey research utilizing attitude measurement tools, such as semantic differential scales or Likert-type scales (Karantonis et al., 2025).

- **Semantic Differential Scales:** These ask respondents to assess the brand by positioning it along a continuum between two opposing attributes (e.g., modern versus traditional). This technique, originally developed to measure the psychological meaning of concepts, typically includes seven response points, allowing participants to express the exact intensity of their perceptions (Osgood et al., 1957).

FIGURE 9: EXAMPLE OF MEASURING BRAND IMAGE USING SEMANTIC DIFFERENTIAL SCALES



Source : https://www.appinio.com/en/blog/market-research/semantic-differential-scale (Last seen 03/15/2026)

- **Likert Scales:** Brand image can also be assessed by measuring the degree to which a consumer agrees with specific brand-related statements (ranging from "strongly agree" to "strongly disagree").

2.2.8 The Strategic Imperative of Measurement

Ultimately, the rigorous measurement of brand image whether through qualitative exploration or quantitative validation is not merely an academic exercise, but a strategic necessity. A company cannot effectively manage, adjust, or leverage its brand image for differentiation if it lacks an accurate, data-driven understanding of how that image currently exists in the consumer's mind (Aaker, 1991). By systematically measuring these associations, organizations can identify the critical gaps between their desired image (brand identity) and the perceived image (market reality). This diagnostic process allows managers to refine their marketing communications, correct negative associations, and amplify their unique, favorable attributes. In essence, continuous and accurate measurement provides the actionable insights required to transform a passive brand presence into a proactive, strategic lever for sustainable competitive advantage (Keller, 1993).

2.3 Concepts Adjacent to Brand Image

Despite the multitude of definitions and typologies developed by various researchers, the concept of brand image can sometimes remain ambiguous due to its close theoretical proximity to several overlapping constructs (Ratier, n.d.). In marketing literature, the boundaries between what a brand is, what it projects, and how it is valued often blur. To fully isolate and understand brand image and to leverage it as a tool for strategic differentiation it is essential to distinguish it from five closely related, yet distinct, theoretical concepts: brand attachment, brand sensitivity, brand identity, brand personality, and brand equity.

2.3.1 Brand Attachment (The Emotional Bond)

Drawing from the foundational works of McQueen et al. (1993), Feldwick (1996), Heilbrunn (1996), and Lacoeuilhe (1997), brand attachment is defined as a long-term, affective predisposition manifested by the consumer toward a specific brand. While brand image is cognitive (how a consumer thinks about a brand), brand attachment is strictly emotional (how a consumer feels about a brand). This emotional bond is nourished by abstract associations derived from the qualitative dimensions of brand equity. According to Park et al. (2010), brand attachment involves a "brand-self connection," where the brand becomes an extension of the consumer's own identity. For example, a consumer does not just use a VTC service; they feel a sense of psychological comfort and reliance on it. Ultimately, this deep-seated emotional attachment acts as a primary psychological driver of brand loyalty, moving the consumer beyond rational cost-benefit analysis into a state of deep emotional preference.

2.3.2 Brand Sensitivity (The Psychological Weight of the Brand)

Brand sensitivity refers to the degree to which a brand name plays a critical role in the consumer's psychological evaluation process prior to making a purchase decision. According to Kapferer and Laurent (1992), unlike brand loyalty (which is an observable behavior), brand sensitivity is a purely internal, psychological variable. These authors demonstrated that a major determinant of this sensitivity is the consumer's core belief that tangible, meaningful differences actually exist between competing brands. In highly commoditized markets, such as the ride-hailing sector where every application offers the same functional service of transportation, if brand sensitivity is low, consumers will systematically choose the cheapest option. However, if a company can increase brand sensitivity through a strong brand image, consumers will factor the brand name into their decision, reducing the impact of price wars. As Kapferer and Thoenig (1989) summarize, there is a strong correlation between brand sensitivity and loyalty behaviors; as sensitivity increases, the probability of habitual repurchase rises significantly.

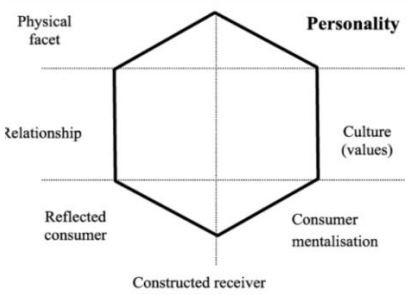
2.3.3 Brand Identity (The Sender's Perspective and Kapferer’s Prism)

A critical distinction in marketing theory is the difference between image and identity. While brand image is how the consumer perceives the brand (the receiver's side of the communication model), brand identity provides the brand with its intended direction, project, and overarching

meaning (the sender's side) (Aaker, 1996). Identity is what the company actively tries to project into the market. To truly understand how a brand differentiates itself, one must analyze how the brand views itself before it ever reaches the consumer. To bridge this gap, Jean-Noël Kapferer (2012) introduced the Brand Identity Prism, a comprehensive hexagonal model that breaks down a brand's identity into six distinct, interconnected facets.

- **Physique (External - Sender):** This is the foundational, tangible facet of the brand. It encompasses the objective, physical, and sensory qualities that come to mind when the brand is mentioned. Kapferer argues that the physical facet is the brand's backbone; without it, the brand is merely an abstract concept. In the VTC sector, the physique includes the user interface of the application, the specific brand colors (such as the distinct pink of Heetch), and the physical presence and cleanliness of the driver's vehicle.
- **Personality (Internal - Sender):** If the brand were a human being, the personality facet describes what kind of person it would be. By endowing the brand with human psychological traits, companies create a specific tone of voice and character, whether it be serious and corporate or youthful and energetic.
- **Culture (Internal - Core):** Culture is the ideological foundation of the brand. It represents the system of values, the foundational myth, and the corporate principles that govern the brand's behavior. Kapferer posits that culture is the most important facet for strategic differentiation because physical attributes can be copied, but a deep-rooted belief system cannot.
- **Relationship (External - Interpersonal):** Brands interact continuously with their consumers. The relationship facet describes the mode of conduct and the specific type of social interaction the brand establishes with its audience. A VTC brand that emphasizes trust and late-night reliability is actively cultivating a protective and dependable relationship with its users. **Reflection (External - Receiver):** Reflection refers to the stereotypical user of the brand—the way the brand physically and socially portrays its ideal aspirational target audience in its communications. Consumers buy into the brand because they wish to be associated with this desirable reflection.
- **Self-Image (Internal - Receiver):** While reflection is how the target audience is viewed by the outside world, self-image is how the consumer actually feels about themselves when they interact with the brand. For example, when a user selects a VTC application known for its stringent safety protocols, their internal self-image might be that of a responsible person who values their own security.

FIGURE 10: THE BRAND IDENTITY PRISM



Source: Adapted from Kapferer (1992, 1998)

2.3.4 Brand Personality (Jennifer Aaker's Framework)

Expanding upon the internal facets of brand identity, the concept of brand personality involves attributing human psychological traits to inanimate products or services. According to Self-Congruity Theory (Sirgy, 1982), consumers naturally gravitate toward brands whose personalities closely align with their own actual self-concept or their ideal self-concept. To systematically measure this phenomenon, Aaker (1997) conducted extensive quantitative research and identified five universal dimensions of brand personality, known as the "Big Five" of marketing.

- **Sincerity:** These brands are perceived as down-to-earth, honest, wholesome, and cheerful. In the service sector, demonstrating sincerity is critical for reducing the consumer's perceived risk and building trust.
- **Excitement:** These are daring, spirited, imaginative, and up-to-date brands. They appeal heavily to younger demographics and innovators, often utilizing vibrant visual identities and an informal tone of voice to break the status quo.
- **Competence:** These brands are perceived as reliable, intelligent, and successful. Consumers choose these brands when they need a guarantee of efficiency, operational excellence, and high performance.
- **Sophistication:** These represent upper-class, charming, and glamorous brands. This dimension is heavily utilized in the luxury sector to differentiate through exclusivity and prestige rather than accessibility.
- **Ruggedness:** These brands are characterized as outdoorsy, tough, and resilient, often associated with extreme durability and the ability to withstand harsh conditions. The strategic goal of a well-defined brand personality is to foster consumer affinity. Research indicates that a strong personality increases brand preference, evokes deep emotional responses, and significantly enhances consumer trust and loyalty (Fournier, 1998), creating a massive barrier to entry for competitors.

2.3.5 Brand Equity (Customer-Based Brand Equity)

Brand equity encompasses all the active and passive assets and liabilities linked to a brand's name or logo that add or subtract value for the company and its customers. The concept of brand equity is fundamentally rooted in cognitive psychology, representing the overall psychological and financial value a brand holds in the minds of consumers (Aaker, 1991; Keller, 1993). Keller (1993) defines Customer-Based Brand Equity (CBBE) as the differential effect that brand knowledge has on consumer response to the marketing of that brand. Measuring brand equity strictly from the consumer's perspective relies on four distinct dimensions (Aaker, 1991; Yoo et al., 2000).

- **Brand Awareness (The Cognitive Foundation):** This is the consumer’s ability to identify the brand under different conditions, consisting of recognition and recall. Aaker (1991) conceptualizes this as a pyramid, ranging from being completely unaware of the brand to "Top of Mind" dominance. High awareness ensures the brand enters the consumer's consideration set before a purchase decision is made.

- **Brand Associations (The Meaning and Image):** This dimension is the direct building block of the brand image. It consists of all brand-related thoughts, feelings, perceptions, images, and experiences that become tied to the brand node in the consumer's memory. To build equity, these associations must be strong, favorable, and unique.
- **Perceived Quality (The Evaluative Dimension):** Distinct from actual, objective quality, perceived quality is the consumer's subjective judgment about a service's overall excellence relative to alternatives. In the context of VTC applications, perceived quality relies heavily on the gap between consumer expectations and actual service delivery, shaped by reliability, responsiveness, and physical assurance.
- **Brand Loyalty (The Behavioral Climax):** This is the ultimate goal and most valuable dimension of brand equity. Oliver (1999) defines loyalty as a deeply held commitment to rebuy a preferred product consistently in the future, despite situational influences and competitor marketing efforts. High brand loyalty reduces marketing costs, protects against price sensitivity, and provides the company with a sustainable strategic advantage.

2.4 Theoretical Models Linking Differentiation Actions to Brand Image

As established in the preceding literature, brand image is a multidimensional construct that bridges the gap between an organization's strategic marketing efforts and the consumer's psychological reception. To conceptually demonstrate how a firm can leverage this image as a tool for strategic differentiation, it is imperative to anchor the cause-and-effect relationship between the independent variable (differentiating marketing actions) and the dependent variable (brand image) in fundamental marketing models.

2.4.1 Differentiation Strategy as a Strategic Input (Independent Variable)

In a globalized marketplace where physical product features are rapidly replicated, classical business strategy theory justifies the necessity of offering a distinct value proposition. According to Porter (1985), an organization can only achieve a sustainable competitive advantage through two primary means: cost leadership or differentiation. A differentiation strategy involves creating a product or service that is perceived industry-wide as being entirely unique. On an operational level, this differentiation materializes through the tangible actions of the marketing mix. In highly saturated markets, an enterprise utilizes its operational levers such as pricing policy, service innovation, and interaction quality not to engage in direct price competition, but to actively implement strategies to stand out. Within this theoretical framework, these differentiating marketing actions serve as the strategic inputs that the organization actively controls and transmits to the market.

2.4.2 Cognitive Associations and Perceived Image (Dependent Variable)

Brand image does not simply correspond to the intended identity projected by the company; rather, it is a perceptual phenomenon constructed within the mind of the consumer through subjective interpretation. Aaker (1991) approached this concept from a cognitive perspective, emphasizing its structural nature. He defined brand image as a set of brand associations, usually organized in a meaningful way, that consumers connect to a brand name in their memory. Consequently, the overall image of a brand is the subjective decoding of all tangible and intangible components by the consumer. It represents the enduring perception of a brand that resides in the marketplace, acting as the ultimate effect of the company's prior strategic decisions. In this context, brand image serves as the dependent variable that fluctuates based on the quality and relevance of the associations formed.

2.4.3 The Causal Mechanism: The Customer-Based Brand Equity (CBBE) Model

The direct theoretical link between differentiating marketing actions (the cause) and brand image (the effect) is formally established by the Customer-Based Brand Equity (CBBE) model developed by Keller (1993). This model explicitly states that brand image does not emerge spontaneously; it is the direct result of the marketing programs deployed by the firm. Keller explained that specific marketing actions act as cognitive stimuli. If these actions are highly differentiating and relevant, they generate brand associations in the consumers' minds that must satisfy three critical criteria: they must be strong (deeply embedded and easily

recalled), favorable (positively perceived by the target audience), and unique (clearly distinct from competing brands). Furthermore, empirical research conducted by Yoo et al. (2000) statistically tested the relationship between tangible marketing mix elements and the construction of brand equity. Their work proved that well-targeted marketing actions specifically regarding pricing strategy and service quality positively and significantly influence the formation of a solid brand image. This cognitive process reduces consumer price sensitivity and increases overall brand loyalty by reinforcing the brand's unique standing in the consumer's mind.

2.4.4 Synthesis of the Relational Framework

Drawing on these conceptual frameworks, the academic literature establishes a clear dynamic: operational differentiating marketing actions act as transmission vectors. In accordance with Keller's (1993) model and the empirical demonstrations of Yoo et al. (2000), these strategic stimuli feed and structure the consumer's network of associations. This cognitive process ultimately results in the construction of the dependent variable: the overall brand image. When successfully managed, this brand image becomes not only a communication outcome but a strategic asset that supports competitive positioning and long-term performance, transforming functional offerings into symbolic and experiential value propositions.

Conclusion

In conclusion, this second chapter has sought to deconstruct the complex architecture of brand image, establishing it as the essential psychological outcome of any strategic marketing effort. While the first chapter focused on the "how" of differentiation, this chapter has clarified the "what" the mental destination where those strategic efforts finally take shape in the consumer's mind. Throughout these four sections, we have moved from the brand as a physical foundation to the brand as a sophisticated network of mental associations. By drawing a clear line between brand identity and brand image, we have ensured a vital conceptual distinction: while an organization can control its identity, it can only influence its image. This realization highlights the importance of the qualitative and quantitative measurement tools discussed, as they provide the only reliable way to bridge the gap between a company's intentions and the market's reality.

The theoretical convergence of this chapter lies in the recognition that brand image is never a passive byproduct. It is a dynamic, multidimensional construct that is continuously fed by the "signals" an organization sends into the environment. By isolating image from adjacent concepts like attachment and personality, we have identified the perceived image as the primary variable that dictates how consumers evaluate value and, ultimately, where they place their loyalty. With the theoretical foundations of both the independent variable (differentiation actions) and the dependent variable (brand image) now fully established, the conceptual framework of this thesis is complete. We have moved from the operational levers of strategy to the psychological responses of the consumer. This sets the stage for the empirical part of our study, where we will transition from theory to practice, analyzing how these abstract concepts manifest within the specific realities of the marketplace to determine if a firm's unique value proposition is successfully decoded by its target audience.

Chapter Three: Empirical Study – The Case of Heetch El Djazair

Introduction:

This third chapter marks a pivotal and necessary transition in the progression of our research, shifting the focal point from the abstract theoretical frameworks and conceptual models established in the preceding literature review toward a practical, rigorous, and highly detailed empirical application centered on the specific case of Heetch El Djazair. The primary objective of this phase is to effectively bridge the existing gap between academic concepts and real-world market dynamics by examining how specific differentiation actions are operationalized on the ground to construct a robust, sustainable, and recognizable brand image within the highly competitive, increasingly fragmented, and rapidly evolving Algerian ride-hailing sector. To ensure a holistic, multi-dimensional, and statistically significant understanding of this phenomenon, we have implemented a comprehensive mixed-methods research design that effectively captures the inherent duality of brand construction by analyzing both the internal corporate intent and the external consumer reality. This investigation initiates with an in-depth qualitative phase involving semi-structured interviews conducted with seven key departmental managers at Heetch El Djazair, representing a diverse cross-section of functional areas such as strategic marketing, fleet operations, and customer relations; this approach is specifically designed to uncover the company's internal strategic pillars, day-to-day operational challenges, and the nuanced, desired market positioning from various leadership perspectives. This internal inquiry is subsequently followed and complemented by a large-scale quantitative analysis of 324 consumer survey responses, which serves to scientifically measure the external perception of the brand and determine the actual effectiveness of the company's corporate strategies among its target audience. The chapter is meticulously structured into four interconnected and logical sections to provide a clear, academic roadmap of the empirical process:

The first section establishes the foundational context of the study. It defines the chauffeured transport vehicle (VTC) concept, reviews the global historical evolution of Heetch, and provides an in-depth presentation of Heetch El Djazair’s organizational structure, mission, and corporate values.

The second section initiates the empirical investigation. This section details the qualitative methodological framework, outlining the design and execution of internal corporate interviews, before presenting a comprehensive cross-case thematic analysis to provide a preliminary organizational perspective on our research hypotheses.

The third section shifts the focus to the consumer side of the marketplace. It outlines the confirmatory research design, the operationalization of the survey questions, the sampling parameters, and the selection of measurement instruments.

The final section delivers the final statistical verdicts of the study. It outlines the socio-demographic profile of the final filtered sample, conducts a Principal Component Analysis (PCA) to isolate the authentic dimensions of Heetch's differentiation actions, and runs a multiple linear regression model to quantify their exact impact on brand image. This section ultimately concludes the thesis with data-driven strategic recommendations and an honest discussion of the research limitations.

3.1 Presentation of the Host Organization and ride-hailing market

In this initial section, we establish the context of our study by defining the ride-hailing (VTC) market. Following this, we introduce the host organization, Heetch, with a specific focus on its Algerian subsidiary, Heetch El Djazair, where the practical internship was conducted. By outlining the company's international trajectory, organizational framework, and core values, we lay the groundwork for understanding its corporate identity.

3.1.1 The Chauffeured Transport Vehicle (VTC) Concept

Within the contemporary urban mobility landscape, Chauffeured Transport Vehicle (VTC) services have become a highly valued alternative to conventional transit, striking an optimal balance between comfort, convenience, and customized service. The acronym VTC stands for Véhicule de Tourisme avec Chauffeur (or Voiture de Transport avec Chauffeur). From a legal perspective, the term refers to operators who supply clients with chauffeured vehicles based on mutually pre-agreed conditions (Legalstart).

Unlike the traditional taxi industry, the VTC model relies entirely on digital platforms. Operating through a mobile application, the system utilizes GPS technology to connect a passenger with the closest available professional driver. This digital ecosystem enables users to track their ride in real-time on an integrated map, ensures upfront and transparent fare calculation, and incorporates a post-ride rating mechanism to continuously monitor service quality. Ultimately, this streamlined model delivers a highly personalized travel experience for consumers while creating flexible earning opportunities for partner drivers.

3.1.2 Corporate Overview of HEETCH

This section introduces the host organization, Heetch, by outlining its distinctive characteristics, core values, and strategic objectives. Such an overview provides a clearer understanding of the organizational dynamics and interactions that underpin its operations and overall strategy.

- **Administrative and Financial Profile**

Founded in 2013, Heetch is a Simplified Joint-Stock Company (SAS) operating within the passenger transport sector through digital ride-hailing services. Currently, the company employs over 300 individuals, reflecting a large-sized organizational structure capable of agile international operations.

Historically, the company demonstrated significant financial vitality during its early growth phase; in 2017, it reported a turnover of €6,294,100, following a remarkable 276.26% increase in its total balance sheet from the previous year. The governance of Heetch is currently ensured by Aylic Petit, serving as President, alongside Deputy General Managers Hector Gruyer and Nicolas Lapomarda, who direct the company's strategic and operational management (Heetch, 2026)

- **Historical Trajectory and Strategic Evolution**

According to company documentation from 2026, the genesis of Heetch dates back to 2005, when founders Teddy Pellerin and Jacob Mathieu met at an engineering school in Paris. They officially launched the platform in 2013 with a vision to provide alternative urban transport solutions. Initially, Heetch was designed to meet the needs of late-night commuters, offering affordable, cash-based rides during hours when traditional public transport was limited.

The company's history is marked by a major strategic pivot in 2017. Following significant legal and regulatory challenges in France regarding its original peer-to-peer model, Heetch repositioned itself as a professional VTC (ride-hailing) service. This transition allowed the platform to align with European regulations while maintaining its "young and accessible" brand identity. More recently, as highlighted in these corporate records, the company has continued to diversify, notably introducing Heetch Bike in Paris in February 2024.

3.1.3 Geographical Expansion and African Development

According to company documentation from 2026, Since its inception, Heetch has demonstrated a strong commitment to internationalization. By 2019, the company had solidified its presence in France, operating in nine major cities (Paris, Lyon, Lille, Marseille, Toulouse, Strasbourg, Nantes, Bordeaux, and Nice) and expanding into Belgium (Brussels).

However, the most significant pillar of Heetch's current growth strategy is its African expansion. After entering Morocco (Casablanca and Marrakech) and Ivory Coast, the company reached a major milestone in September 2019 with its official launch in Algeria. This expansion reflects a broader shift in the company's international orientation, which was further formalized in 2023 when Heetch established its international headquarters in Barcelona

3.1.4 Presentation of Heetch El Djazair

Consolidating its strategic presence within the Maghreb region, Heetch expanded its operations into the Algerian market with the establishment of its subsidiary, Heetch El Djazair. The company initiated its services in the capital, Algiers, before progressively scaling its footprint across eighteen additional wilayas. This regional expansion was strategically designed to address systemic deficits in the local public transportation infrastructure, providing a reliable mobility alternative where it was most needed.

To provide a clear and comprehensive operational profile of the subsidiary, the technical fact sheet summarizes critical organizational elements, including its legal framework, core activities, and structural indicators. Table 1 synthesizes this foundational information.

TABLE1: TECHNICAL SHEET OF HEETCH EL DJAZAIR

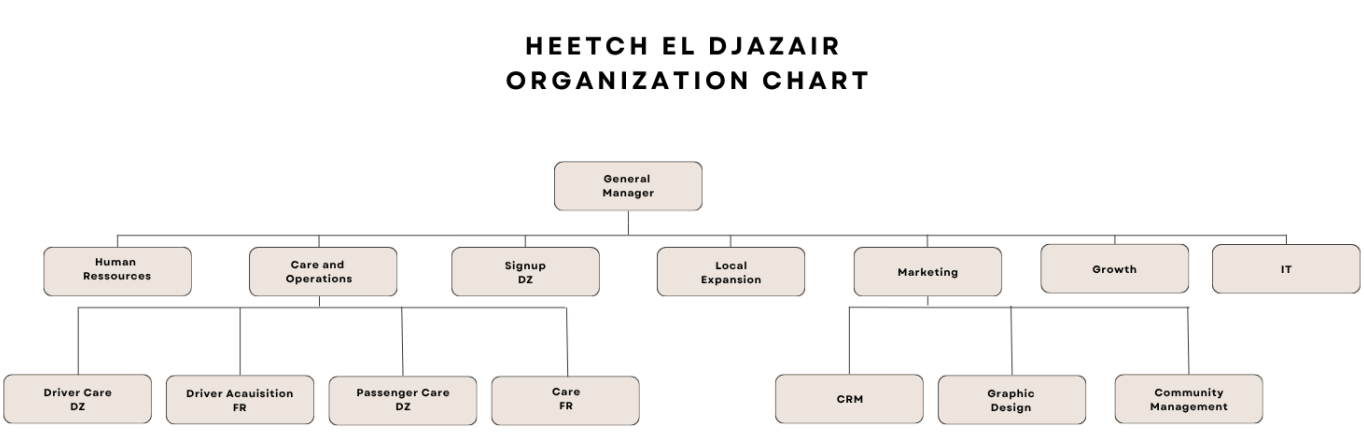
Business Name	Heetch El Djazair
Company logo	HEETCH.
Date of Establishment	September 2019
Legal Form	LLC (Limited Liability Company)
Director	BESSEDIK Oussama
Head Office	1 Rue Tripoli, Hussein Dey
Number of Employees	80_100
Phone	098 230 04 04
Email	Algerie@heetch.com
Website	https://www.heetch.com/en

Source: Author's efforts, extracted from an internal company document

3.1.5 Structure and Organizational Chart of the Company

The internal organization of an enterprise constitutes a fundamental element in ensuring its operational efficiency and overall performance. Within Heetch El Djazair, the distribution of responsibilities, tasks, and hierarchical relationships is formalized through a structured organizational framework, as illustrated in the figure below.

FIGURE 11: HEETCH EL DJAZAIR ORGANIZATION CHART



Source: extracted from an internal company document.

a) Acquisition Department

The Acquisition Department represents a key operational unit within the company. It is composed of a specialized team responsible for managing activities related to partner drivers, under the supervision of the Operations Manager. The core mission of this department is to oversee processes such as driver recruitment, registration, follow-up, and communication.

This department is divided into two complementary entities:

- The Front Office: Responsible for welcoming drivers and verifying the required documentation to ensure their eligibility and activation on the platform.
- The Back Office: Manages administrative functions, particularly the organization and maintenance of the driver database.

Furthermore, the Operations Manager ensures the coordination and supervision of all activities within the department, guaranteeing their proper execution in alignment with the company's strategic and operational objectives.

b) Care Department

Functioning as the enterprise's second core business hub, this division is dedicated entirely to Customer Relationship Management (CRM). Guided by a Care Manager, this specialized team oversees all facets of user interaction. Their primary responsibilities include processing support tickets, resolving customer grievances, and maintaining positive stakeholder relationships. By systematically collecting and analyzing in-app feedback from both passengers and partner drivers, the department serves as a vital quality-control mechanism. Furthermore, they monitor user engagement metrics—specifically tracking platform onboarding and attrition (entries and exits)—to ensure continuous improvement in service delivery.

c) Marketing Department

Acting as the strategic promotional driver of the enterprise, this department is integral to amplifying brand awareness and acquiring prospective users. It executes a comprehensive range of operational and strategic initiatives designed to maximize market visibility and drive overall profitability through highly specialized internal roles:

- Social Media Manager: Orchestrates the brand's digital footprint by conceptualizing and disseminating diverse multimedia content to foster robust community engagement.
- Graphic Designer: Tasked with the creation and maintenance of the brand's visual identity, ensuring the aesthetic coherence of logos and corporate communication materials.
- CRM Manager: Oversees targeted relationship management strategies by designing personalized campaigns and leveraging data analytics to optimize the user experience.

d) IT Department

This department is essential for keeping the company's digital systems running smoothly. Since the business is entirely app-based, the IT team makes sure that all data is secure and that the

internal networks are organized and monitored. They work closely with all the other departments to provide technical support.

e) Human Resources (HR) Department

The main mission of the HR department is to manage the company's employees to help the business perform at its best. Beyond managing staff, they also handle relationships with different economic and financial partners. Their daily tasks include coordinating projects, managing contracts, negotiating with suppliers, and taking care of basic accounting and event organization.

3.1.6 Company Mission and Values

A company's mission and values are fundamental statements that define its identity and guide its daily operations. For Heetch, these principles dictate how the brand presents itself to the public and how it builds trust with its customers. The core values that shape Heetch's corporate culture are detailed below.

- **Core Values of Heetch**

- **Make it happen:** Instead of aiming for absolute perfection, this value emphasizes efficiency, independence, and reliability. It encourages the team to be disciplined and to execute tasks effectively.
- **Play for the team:** This principle places the collective success of the organization above individual ambition. It fosters a collaborative environment where employees are encouraged to always do what is best for the company as a whole.
- **Be Kind:** Empathy and human connection are at the heart of this value. It requires everyone to be considerate of others' feelings and to treat all individuals—whether colleagues, drivers, or passengers—with genuine respect.
- **Think Different:** To survive in a highly competitive market, Heetch encourages its team to avoid conventional thinking. This value pushes the company to step off the beaten path, be creative, and constantly seek out innovative solutions (Author, 2025; based on internal company documentation)

FIGURE 12: CORE STRATEGIC VALUES OF HEETCH EL DJAZAIR



Source: extracted from an internal company document.

- **Heetch's Corporate Missions**

The company's primary missions define its long-term goals and outline exactly how it intends to impact the transportation market. These missions, which serve as the strategic compass for the organization, can be summarized as follows:

- **Building a trustworthy network:** Creating a reliable and inclusive mobility network that everyone can depend on.
- **Ensuring market fairness:** Developing a balanced and accessible platform that provides equal benefits to both partner drivers and passengers.
- **Maximizing user satisfaction:** Ensuring that passengers have a positive and engaging experience from the moment they download the application to the end of their ride.
- **Empowering partner drivers:** Cultivating a supportive environment where drivers are treated with respect, encouraging them to feel valued and to act as natural ambassadors for the brand.
- **Changing travel habits:** Disrupting traditional transportation norms by offering a mobility solution that is both enjoyable and affordable.
- **Solving everyday problems:** Addressing real-life transportation challenges by maintaining prices that are highly competitive compared to the rest of the market.
- **Offering a local alternative:** Delivering a safe, modern, and human-centered transportation option specifically designed to meet the needs of the Algerian population.
- **Inspiring through storytelling:** Promoting the Heetch brand by sharing authentic, positive stories that build an emotional connection with users.
- **Driving customer loyalty:** Improving user retention by relying on strong Customer Relationship Management (CRM) tools and strategies that always put people first (Author, 2026; based on internal company documentation).

3.2 Thematic Analysis (Qualitative Phase)

This section details the specific goals and the approach used to conduct the interview phase with the company's internal teams.

3.2.1 Methodological Framework of the Qualitative Phase

- **Objective of thematical analysis**

The qualitative phase of our research serves two primary objectives; both directly linked to our main theme: understanding how differentiating marketing actions contribute to the construction of a strong brand image.

- The Confirmatory Objective: The first goal is to verify whether the theoretical concepts discussed in our literature review are actually applied in Heetch's real-world practices. Through interviews with the staff, we want to confirm if the company consciously uses differentiation strategies to stand out. This step is essential because it helps us validate the criteria we will use later in our customer survey, specifically looking at actions related to service quality, safety measures, pricing strategies, and brand image.
- The Exploratory Objective: The second goal is to explore how theoretical concepts of brand differentiation are adapted to the unique realities of the Algerian market. Since the local VTC sector has its own specific dynamics, standard marketing models do not always apply. This phase aims to uncover specific, innovative actions Heetch uses on the ground to stand out from competitors—actions that might not be covered in traditional academic literature. Furthermore, the qualitative insights help identify the operational and behavioral challenges of building a strong brand image locally, acknowledging that some strategic company information may remain confidential.

3.2.2 Methodology and Conduct of the Interviews

a) Data Collection and Interview Guide Construction

To construct our semi-structured interview guide, we relied primarily on the theoretical foundations established in the first and second chapters of this research. Specifically, we operationalized the key concepts of differentiating marketing actions and brand image, translating these academic theories into practical, open-ended questions. This deductive approach ensured that the qualitative data collected would be directly linked to our research problem.

b) Interview Process

We conducted semi-structured interviews with seven Heetch employees on March 10, 11, and 12, 2026, with each session lasting between 20 and 30 minutes. The discussions were designed to uncover how the company practically applies differentiating marketing actions across key dimensions, such as service uniqueness and strategic brand image. Ultimately, the objective of this process was to extract meaningful, on-the-ground insights to effectively support the development and validation of our conceptual research model.

c) Structure of the Interview Guide

To ensure a logical and fluid conversation, the semi-structured interview guide was organized into four distinct phases:

- **Phase 1: Introduction and Framing:** This initial phase consisted of a clear and concise presentation of the research topic and academic objectives.
- **Phase 2: General Exploration:** Featured introductory questions regarding the employee's professional context, role, and departmental goals.
- **Phase 3: In-Depth Investigation:** The core of the interview focusing on the implementation of differentiating marketing actions (pricing, communication, customer relations, and safety).
- **Phase 4: Professional Profiling:** Concluding questions to record socio-professional characteristics for analysis contextualization.

TABLE 2: LIST OF INTERVIEWED PROFESSIONALS AND THEIR ROLES

Individuals	name, surname	profession
1	Oussama Bessedik	Country Manager
2	Mounir Ben Si Said	Operations Manager
3	Faiza Dabouz	Care Specialist
4	Abdelmalek Nouri	Global Growth Data Scientist
5	Bouara Mehdi	Marketing Manager
6	Madina Benguermi	Compet Monitoring Specialist
7	Sofi Driche	CRM Manager

Source: author's efforts, based on interviews conducted (2026).

3.2.3 Presentation of Results and Thematic Analysis

The following section presents the results of the semi-structured interviews. To ensure clarity and maintain the depth of the qualitative data, the analysis follows a thematic structure.

Theme 1: Market Evolution and Strategic Positioning

Question: How do you analyze the evolution of this market in recent years and what are the current opportunities?

Findings: The interviews reveal that the Algerian VTC market has undergone a radical transformation since 2019, evolving from a niche service for tech-savvy users into an essential "culture" and a daily necessity. This growth was accelerated after the COVID-19 pandemic and the persistent crisis in public transport. However, as of 2025, the market has reached a

stabilization phase. The respondents noted a shift from rapid expansion to a "stagnation" or market re-arrangement.

Theme 2: Determinants of Consumer Choice and Brand Differentiation

Question: Based on your internal analyses, what are the main factors that encourage an Algerian citizen to choose one ride-hailing app over another?

Findings: The interviews highlight a pragmatic hierarchy in consumer decision-making, where availability and reliability often outweigh price in urgent situations. While price is a dominant daily factor, respondents noted a "reliability paradox": a user will switch apps instantly if a driver is not found, even if it means paying a higher fare to secure a commute to work. Furthermore, a gap exists between discourse and behavior; although users cite safety as a top priority, their daily choices are primarily driven by cost and speed.

Theme 3: Comparative Usage Frequency and Competitive Dynamics

Question: How do you evaluate the frequency of Heetch's usage compared to its competitors by the same user?

Findings: The interviews indicate that Heetch is currently experiencing a decline in usage frequency primarily driven by the implementation of dynamic pricing, which fluctuates based on driver availability. Evaluating this performance against competitors remains structurally difficult due to a significant lack of direct access to external market data. Furthermore, the responses suggest that user behavior is highly volatile and dictated by external situational factors rather than consistent brand loyalty.

Theme 4: Competitive Strategy and Value Proposition

Question: In the face of this competition, what is Heetch's unique value proposition (distinctive promise)?

Findings: The interviews reveal that Heetch’s unique value proposition is centered on safety and a superior customer service experience. Unlike competitors, Heetch’s distinctive promise lies in its commitment to a high-quality brand image, where safety is not just a feature but a core priority that shapes the entire service. This is further reinforced by recent product innovations and app updates designed to improve the user experience.

Theme 5: Strategic Objectives and Market Ambition

Question: What is Heetch's primary objective on the Algerian market today: a rapid expansion of its market share or the strengthening of its brand image?

Findings: The interviews reveal a dual strategy where brand strengthening and market expansion are treated as inseparable and mutually reinforcing goals. The respondents emphasize that their primary ambition remains securing the top position in the Algerian market, using brand development as a strategic lever. Central to this objective is the core mission of democratizing transportation by making mobility accessible to everyone.

Theme 6: Strategic Actions for Enhancing User Trust

Question: What concrete actions have been implemented specifically in your department to strengthen user trust?

Findings: The interviews outline a multi-faceted approach to building trust through product optimization and active feedback loops. A major overhaul of the application was executed to improve the user experience, while simultaneously focusing on increasing driver availability. To ensure continuous improvement, the team utilizes weekly surveys and detailed investigations involving both drivers and passengers to resolve underlying issues.

Theme 7: Reassurance Features and User Priorities

Question: You have implemented measures such as GPS tracking and identity verification. Do you consider these to be the most reassuring features on the market today? Does the app's accessibility also play a major role?

Findings: The interviews reveal that while security features like GPS tracking and identity verification are integrated, they are not viewed as the primary drivers of user reassurance, currently ranking behind the more fundamental priorities of price and availability. The team has prioritized the core service utility in recent updates. Nevertheless, there is a clear strategic roadmap toward enhancing safety through future technological developments.

Theme 8: Pricing Strategy and Market Balancing

Question: How does Heetch differentiate its pricing strategy? Would you say that Heetch's greatest strength lies in the "transparency" of its prices?

Findings: Heetch’s pricing strategy is a balancing act designed to satisfy both drivers and passengers. The platform positions itself in the "middle ground" avoiding extremely high commissions while maintaining sustainable margins. This "hybrid" approach aims for affordability for the user and profitability for the driver. While transparency is an asset, it is seen as secondary to the core strengths of safety and product quality.

Theme 9: Human Capital and Service Quality Management

Question: Drivers are the first point of contact. How does Heetch manage the selection and training of its drivers to guarantee a higher level of professionalism?

Findings: Heetch has transitioned to a hybrid recruitment model involving document verification (including criminal records) and phone interviews. The company maintains a high elimination rate during selection to ensure standards. Differentiation also lies in post-onboarding reactivity, where CRM teams prioritize a human-centric approach listening to both sides of a conflict and providing continuous advice rather than penalizing drivers automatically.

Theme 10: Digital Communication Strategy and Brand Awareness

Question: Aside from the pricing policy, what recent marketing action by Heetch has been the most effective in differentiating the brand?

Findings: The most effective recent action has been the revitalization of the social media axis. For a service app, a constant and relatable online presence is more critical for differentiation than traditional marketing. While physical events help with long-term brand image reinforcement, high-frequency digital interactions allow the brand to remain "top-of-mind" for users, creating a modern and accessible image.

Theme 11: Brand Image Alignment and Market Perception

Question: Do you think there is a gap between the image you want to project and the image actually perceived by the Algerian public on the ground?

Findings: Respondents expressed confidence in the security dimension, stating there is no gap in perception regarding safety. However, a significant gap exists regarding price perception. While Heetch aims to be perceived as affordable, internal feedback suggests the public no longer views the app as being "accessible" as the company intends, creating a strategic tension between its "premium safety" reputation and its "low-cost" goals.

Theme 12: Drivers of Customer Recommendation and Word-of-Mouth

Question: In your opinion, what is the main criterion that will drive a customer to recommend Heetch to their friends?

Findings: Findings indicate that while security is a primary criterion for recommendation, a successful referral is ultimately driven by a combination of operational reliability and emotional connection. Factors such as vehicle availability and application reliability form the baseline, but the quality of service—specifically positive interactions with drivers and a perceived "human presence"—is what fosters "brand love."

Theme 13: Performance Monitoring and Strategic Success Indicators Question: What are the key performance indicators (KPIs) that you monitor daily to know if your strategy is working?

Findings: Heetch tracks core growth metrics such as terminated rides, GMV, and order volume, alongside a deep focus on the "driver lifecycle" (conversion and churn rates). On the

quality side, they target a First Response Time (FRT) of under 30 minutes. Marketing success is determined by growth in Active Users, Lifetime Value (LTV), and ROI, combined with qualitative analysis of user feedback.

Theme 14: Future Challenges and Strategic Consolidation

Question: What is the main challenge that Heetch will have to overcome in the coming years to become (or remain) the most beloved app?

Findings: The primary challenge lies in balancing rapid geographic expansion with the maintenance of a unique and trusted brand identity. Strategically, capital raising and technological adaptation are critical hurdles for pursuing the goal of being present in every wilaya. Operationally, the focus is on aggressively recruiting drivers and improving complaint resolution to ensure that the core promises of availability and price are consistently met.

3.2.4 Main results of the Thematic Analysis

In conclusion, the thematic analysis of the internal interviews successfully provides a preliminary qualitative confirmation for two research hypotheses. On one hand, the findings from Themes 11 and 12 confirm our first hypothesis (H1), indicating that Heetch has successfully managed to build a protective and safe brand image through its marketing differentiation actions by closing consumer perception gaps around security and fostering emotional user recommendations. On the other hand, the insights gathered from Theme 2 validate our second hypothesis (H2), demonstrating that the three primary differentiation actions deployed by Heetch are indeed Service Quality, Pricing Strategy, and Safety Standards, which serve as the fundamental structural pillars of consumer choice and market positioning. Nevertheless, while this qualitative phase validates both hypotheses from an internal organizational perspective, these trends remain to be empirically tested and definitively confirmed on the ground through the subsequent quantitative analysis of our consumer survey.

3.3 Quantitative Approach Confirmatory Study

To verify our research hypotheses and achieve the intended objectives, we have chosen a quantitative approach. This methodological choice is driven by the need to statistically validate the insights gained during the exploratory qualitative phase among a representative sample of passengers.

According to Quivy and Van Campenhoudt (2011), the quantitative approach is a scientific research method characterized by the objective measurement of variables using standardized instruments. In this study, numerical data is collected and analyzed statistically to identify and examine the relationships between Heetch's differentiating marketing actions and the resulting perception of its brand image among Algerian users.

3.3.1 Research objectives and Methodology

3.3.1.1 Quantitative Research Objectives

The primary objective of this quantitative phase is to move from an internal organizational perspective to an external consumer-based measurement. Specifically, it aims to test whether the differentiation levers identified (such as safety protocols and driver quality) effectively contribute to a distinctive and favorable brand image, or if situational factors primarily price and availability remain the sole determinants of consumer choice.

For the confirmatory phase of this research, an online survey was utilized to quantify the relationship between Heetch's differentiating marketing actions and its resulting brand image. The online survey is defined as a systematic method of collecting and processing questionnaire data via the internet, allowing for the analysis of consumer habits, behaviors, and opinions from a representative sample regarding a specific research topic.

We selected this quantitative instrument for our study on Heetch Algeria as it offers three primary strategic advantages:

- **Automation of Data Processing:** This method ensures that the data is structured immediately upon submission. This was essential for the rigorous cleaning of our 204 validated responses and the subsequent export into SPSS 26, as it minimizes the risk of human error during the data entry phase.
- **Digital-Native Distribution:** Since Heetch is a tech-driven service, its user base is naturally "connected." Distributing the survey via electronic channels (social media, private groups, and mobile networks) allowed us to reach active VTC users across major Algerian urban hubs.
- **Enhanced Participation and Real-Time Feedback:** The online format allows for high engagement rates by providing a mobile-friendly interface. This facilitated spontaneous responses from passengers regarding sensitive topics such as safety perception, driver professionalism, and price-to-quality ratios, which are the core pillars of our research hypotheses.

3.3.1.2 Types of Questions

There are two primary categories of questions (closed and open-ended), each comprising several subtypes. The choice of question type depends on the information we intend to collect. Our questionnaire consists of 33 questions, primarily closed-ended, which include multiple-choice questions with a single answer, as well as rating, judgment, and intention scales. Additionally, we implemented scale measurements for differentiating marketing actions and brand image to ensure the validity and reliability of the constructs studied regarding Heetch El Djazair.

3.3.1.3 The Sampling Method

Convenience sampling is a non-probability technique where participants are selected based on their proximity and accessibility rather than through random selection. In this study, the sample—which consists of 324 respondents—was not chosen randomly, meaning that all individuals within the VTC user population did not have an equal probability of being included. Also known as availability or accidental sampling, this non-random method is primarily utilized when ease of access to respondents is a fundamental requirement for the researcher (Simkus, 2025).

3.3.2 Data Collection Process

The data collection for this study was executed through a series of systematic stages designed to ensure the quality and relevance of the information gathered:

- **Stage 1. Questionnaire Design and Validation:** Initially, we developed a survey instrument centered on the core variables of our research: differentiating marketing actions and brand image. The measurement scales were adapted from established academic literature to fit the specific context of Heetch's operations in Algeria. The questionnaire was hosted on Google Forms, providing a clear and accessible structure for digital administration.

- **Stage 2. Distribution of the Questionnaire:** To reach a diverse and representative audience, the survey link was shared across multiple digital channels:

  - **Social Media Platforms:** We utilized LinkedIn, Facebook, and WhatsApp groups frequented by VTC drivers and passengers in Algeria.
  - **University Network:** The link was circulated within student and academic groups to capture the perspective of young, tech-savvy users.
  - **Professional Contacts:** Internal networking with individuals familiar with the Heetch ecosystem helped target respondents with direct experience of the service.

- **Stage 3. Data Collection Period:** The active phase of data collection lasted approximately two weeks. This duration was sufficient to achieve the target sample size while accounting for the varying schedules of the respondents.

- **Stage 4. Data Processing and Analysis:** Following the collection phase, the dataset was organized and subjected to a preliminary cleaning process. Using SPSS 26, we

performed factor analysis to validate the constructs and regression analysis to test the hypotheses concerning the impact of Heetch's differentiating marketing actions on its brand image.

This structured methodology provided a reliable framework for gathering the data necessary to support our research findings.

3.3.3 Measurement Instruments Used

In this study concerning the impact of differentiating marketing actions on the brand image of Heetch, we utilized specific measurement scales to guarantee a robust and dependable assessment of the variables:

- **Likert Scale**

To quantify the different dimensions of this research, a five-point Likert scale was employed. Participants indicated their degree of agreement with various statements according to the following values:

- **1** = Strongly Disagree
- **2** = Disagree
- **3** = Neither Agree nor Disagree
- **4** = Agree
- **5** = Strongly Agree

- **Differentiating Marketing Actions Measurement Scale**

The evaluation of differentiating marketing actions is structured around three primary dimensions: Service Quality, Pricing Strategy, and Safety Standards. For each of these dimensions, we developed a series of questions using a 5-point Likert scale (1 = Strongly disagree, 5 = Strongly agree), adapted from the framework of Yang Xue, Li Haowen, Ni Likun, and Li Teng (2021).

- **Brand Image Measurement Scale**

The evaluation of the resulting brand image is based on three primary dimensions: Perception of the Heetch Brand, Brand Associations, and Overall Brand Image.

- **Net Promoter Score (NPS) Scale:**

Grounded in the framework established by Fred Reichheld (2003), this 11-point scale (0 to 10) measures customer loyalty by assessing a respondent's likelihood to recommend Heetch to others. It segments participants into three operational categories Promoters (9–10), Passives (7–

8), and Detractors (0–6) serving as a key metric to verify whether Heetch's differentiating marketing actions and protective brand image successfully translate into active consumer advocacy on the Algerian market.

3.4 Questionnaire Processing and Discussion of Results

In this final chapter, we present the processing and evaluation of the data collected through our questionnaire to either validate or refute our research hypotheses. We utilized several statistical tools, including Excel and Google Forms for data organization, and SPSS 26 for advanced statistical processing.

The analysis of our results followed three distinct levels of processing. To address our research question effectively, we employed univariate analysis (frequency distributions) and bivariate analysis (cross-tabulations) to explore the relationships between the main dimensions of our variables. We also assessed the significance thresholds (p-values) within our bivariate analyses to determine the statistical relevance of our findings. This threshold allowed us to distinguish whether the observed correlations between variables were statistically significant or merely the result of chance. Through these methods, we aimed to gain a precise understanding of the data, providing the empirical evidence necessary to confirm or reject our initial hypotheses.

The sample for this study consisted of 324 participants, selected using a non-probability convenience sampling method. In this case study focused on Heetch Algeria, we analyzed respondent feedback to identify how differentiating marketing actions influence the perception of the brand image. This approach enabled us to identify the key factors shaping user perception and to draw strategic insights regarding the effectiveness of Heetch's market positioning.

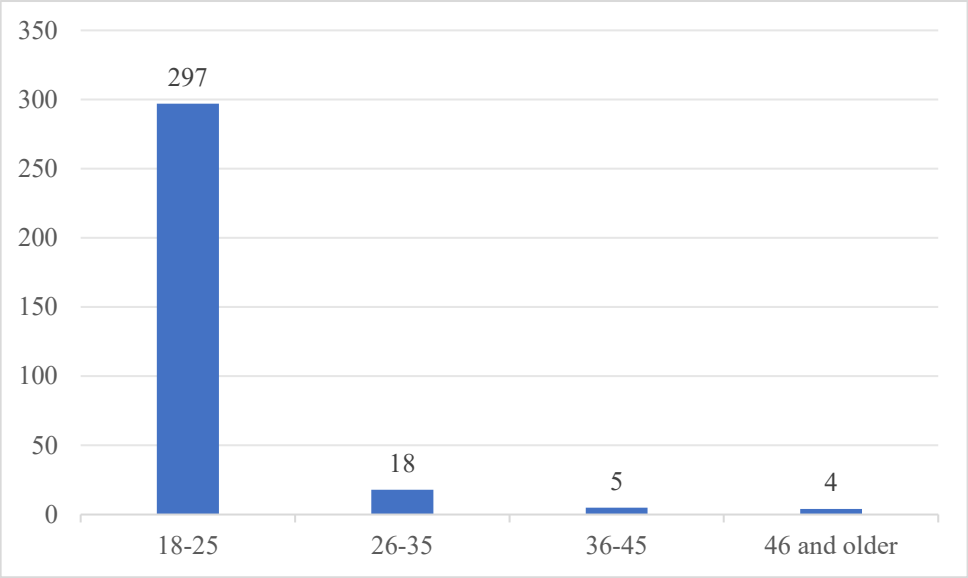
3.4.1 Sample profile

- **Sample description**

This section outlines the baseline socio-demographic profile of our 324 respondents, focusing on key descriptive variables such as age, gender, and occupation. Analyzing these core characteristics is essential for defining the composition of our sample within the Algerian VTC market. By understanding who our respondents are, we can accurately interpret how their specific profiles influence their expectations regarding Heetch's differentiating marketing actions, and ultimately, how these demographic traits shape their Overall Brand Image of the company.

- **Respondent's age**

FIGURE 13: AGE GROUP



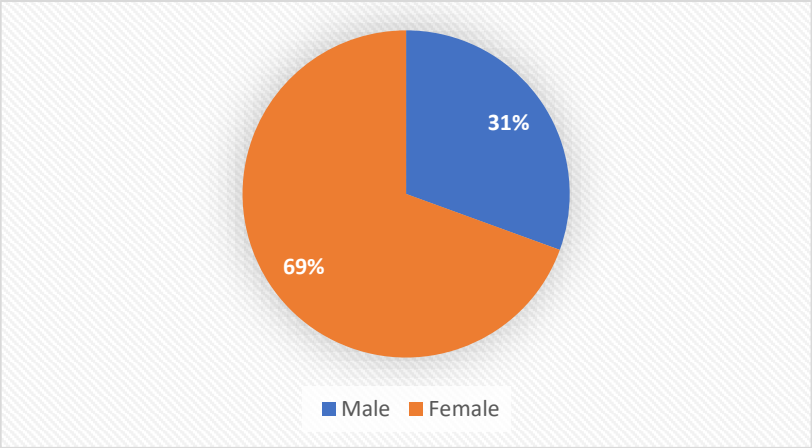
Source: Author's efforts (Excel results)

Comment :

The provided graph offers a comprehensive overview of the participants' age distribution, which is essential for identifying the specific profiles that interact with Heetch's differentiation strategies. Our sample of 324 individuals is overwhelmingly dominated by the 18 to 25 age group, representing 91.3% of the total, followed by the 26 to 35 segment at 5.8%, while those aged 36 and above constitute only a marginal fraction of the respondents. This profile is primarily characterized by a young, "digital native" population that is highly sensitive to the brand's specific marketing efforts. The strong presence of this demographic is particularly significant for our study, as it provides a targeted basis to analyze how differentiation marketing efforts shape the Overall Brand Image. Ultimately, this alignment between Heetch's actions and the expectations of its most active user base facilitates the development of positive Brand image within the competitive Algerian VTC market.

- **Respondent's gender:**

FIGURE 14: GENDER



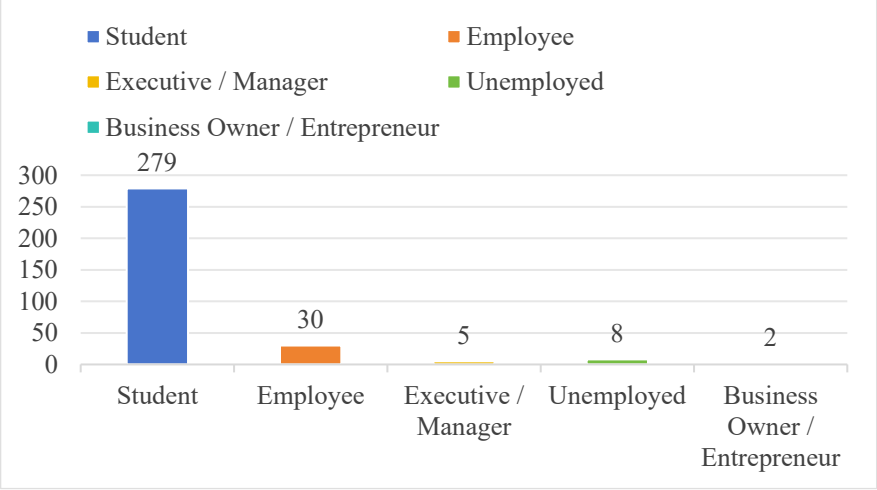
Source: Author's efforts (Excel results)

Comment:

The gender distribution reveals a significant majority of female users, representing 69% female and 31% male respondents. This finding is central to our study as it directly validates Heetch's differentiation strategy focused on safety and security. In the Algerian context, where female passengers often prioritize personal safety when choosing a transport service, this high adoption rate proves that the brand's specific actions such as strict driver vetting and the "SOS" feature have successfully built an image of trust and reliability. Ultimately, this shows that by addressing the specific concerns of women, Heetch has created a powerful brand image that gives it a massive competitive advantage over rivals who might focus only on low prices.

- **Respondent's socio-professional category:**

FIGURE 15: SOCIO-PROFESSIONAL CATEGORY



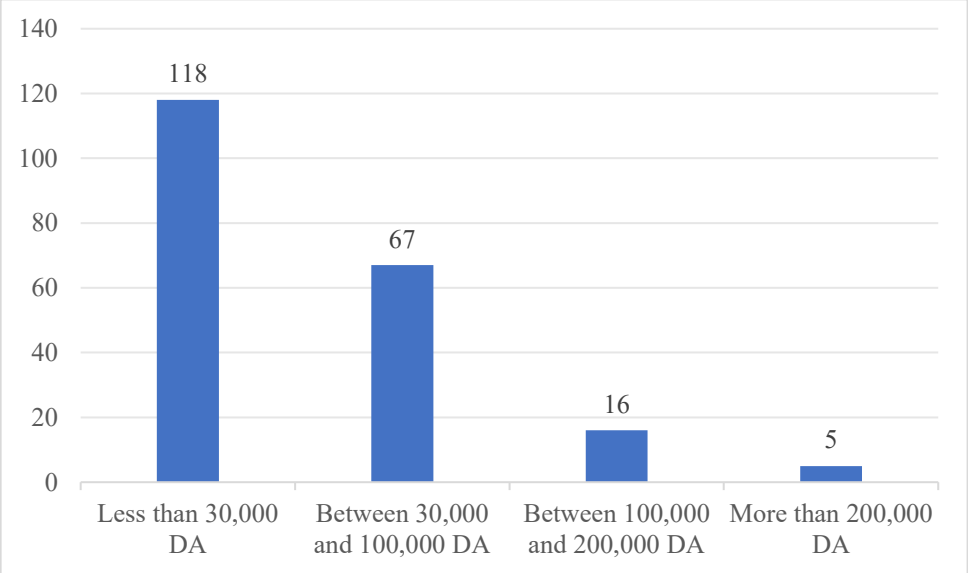
Source: Author's efforts (Excel results)

Comment:

The distribution of the sample by occupational status reveals an overwhelming predominance of students. This segment constitutes the vast majority of respondents, significantly ahead of employees and entrepreneurs. This concentration indicates that the survey reached a primarily young, academic audience, which aligns with the typical user base of mobile-hailing applications.

- **Respondent's monthly income:**

FIGURE 16: MONTHLY INCOME



Source: Author's efforts (Excel results)

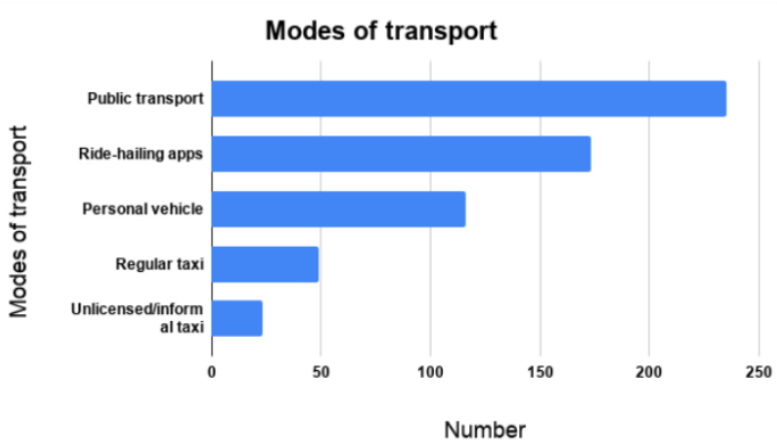
Comment:

Regarding the monthly income of the participants, the data reveals a significant skew toward the lower end of the scale, with the vast majority of respondents falling into the 'Less than 30,000 DA' bracket. This economic profile is highly consistent with the previously identified occupational data, where students constituted the majority of the sample. This economic reality is the primary reason why pricing transparency and competitiveness are so influential in the study, Heetch is perceived not merely as a convenience, but as a budget-sensitive utility. Consequently, in a market where financial resources are limited, price predictability and 'low-cost' positioning become the fundamental pillars upon which brand image is built.

3.4.2 Consumer usage patterns

- **Respondent's transport habits**

FIGURE 17: MODES OF TRANSPORT



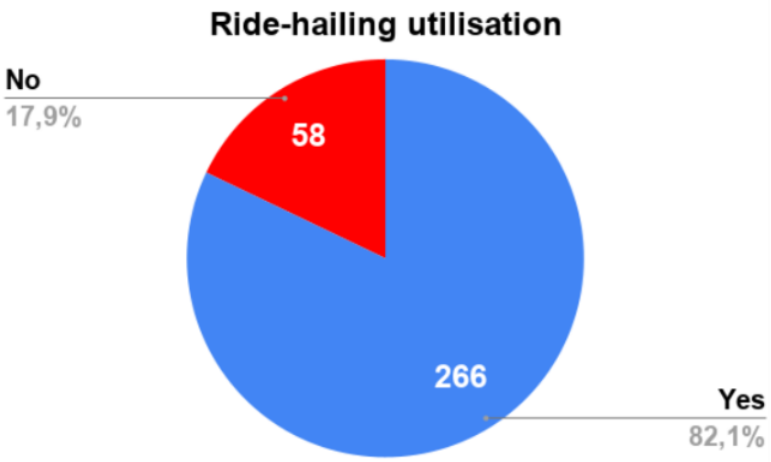
Source: Author's efforts (Excel results)

Comment

The analysis of transport habits reveals that public transport remains the most utilized mode, which aligns with the budget constraints of the student-majority sample. Crucially, ride-hailing apps have emerged as the second most preferred option, significantly outperforming personal vehicles and traditional taxis. This confirms that for the Algerian youth, ride-hailing is not a luxury but a vital mobility tool. The relatively low rate of personal vehicle ownership further solidifies Heetch's role: it bridges the gap between affordable public transit and the need for fast, on-demand urban mobility. Essentially, Heetch has successfully positioned itself as the primary alternative for a demographic that is 'mobile but vehicle-poor,' explaining why they are so sensitive to the pricing and transparency of the app.

- **Ride-hailing utilization**

FIGURE 18: RIDE-HAILING UTILISATION



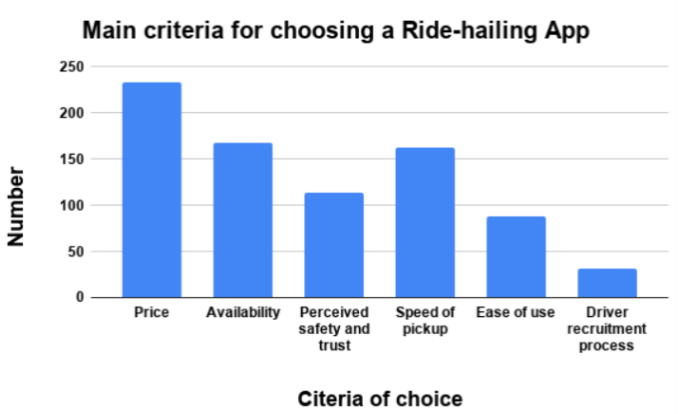
Source: Author's efforts (Excel results)

Comment :

The high percentage of active users (82.1%) ensures that the data collected regarding Heetch's brand image is based on actual user experience rather than mere perception or hearsay. This adds significant credibility to the subsequent regression and factor analyses, as the respondents are active participants in the ride-hailing ecosystem

- **Respondent's Main criteria for choosing a Ride-hailing App**

FIGURE 19: MAIN CRITERIA FOR CHOOSING A VTC APP



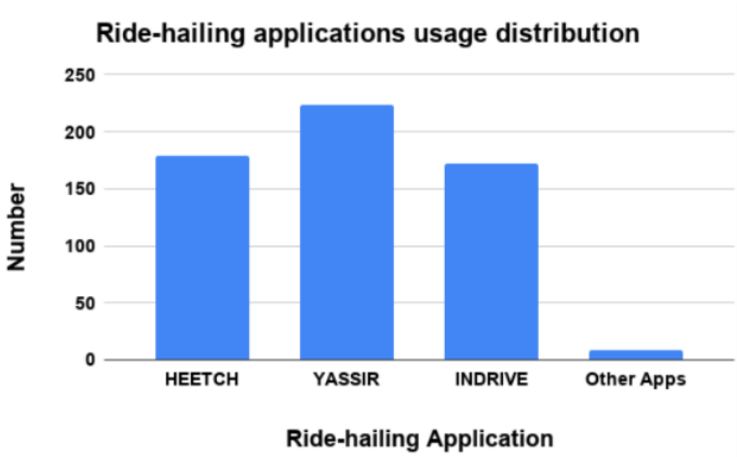
Source: Author's efforts (Excel results)

Comment:

The Main criteria for choosing a Ride-hailing App reveals a clear utilitarian hierarchy where functional efficiency and economic value are the primary drivers for the Algerian youth. Price stands as the undisputed leader, confirming that for this budget-conscious demographic, ride-hailing is viewed as a price-sensitive commodity. This is followed by the "efficiency pillar" of Availability and Speed of pickup, indicating that users prioritize immediate accessibility to solve their daily urban mobility needs. Interestingly, Perceived safety and trust functions as a "hygiene factor" a baseline expectation that users assume is met rather than an active differentiator. The low ranking of Ease of use and the Driver recruitment process further confirms that respondents are strictly outcome-oriented, valuing tangible results like cost and time over internal company logistics. These findings are highly credible as they stem from a sample of active participants whose priorities are shaped by daily, practical interactions with the service.

- **Ride-hailing application usage distribution**

FIGURE 20: RIDE-HAILING APPS USAGE DISTRIBUTION



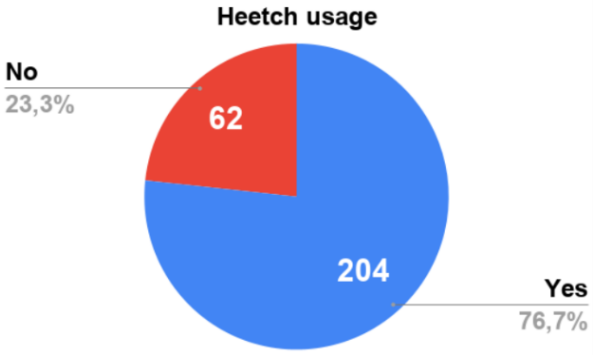
Source: Author's efforts (Excel results)

Comment:

The Ride-hailing applications usage distribution reveals a consolidated and highly competitive "triopoly" in the Algerian market, dominated by Yassir, Heetch, and InDrive. Because the total number of app selections significantly exceeds the actual respondent count, the data confirms a high rate of platform switching (multi-homing), where users maintain multiple applications to cross-compare price and arrival times in real-time. This behavior is a direct response to the "mobile but vehicle-poor" demographic's need for the best immediate value, as identified in the previous analysis of choice criteria. For this research, such a trend is vital: it demonstrates that Heetch's brand image is not formed in isolation but is perpetually benchmarked against its rivals. This ensures that the data collected is highly credible, as it stems from "expert consumers" whose evaluations are rooted in comparative, daily experience rather than mere hearsay or perception.

- **Heetch usage distibution**

FIGURE 21: HEETCH USAGE



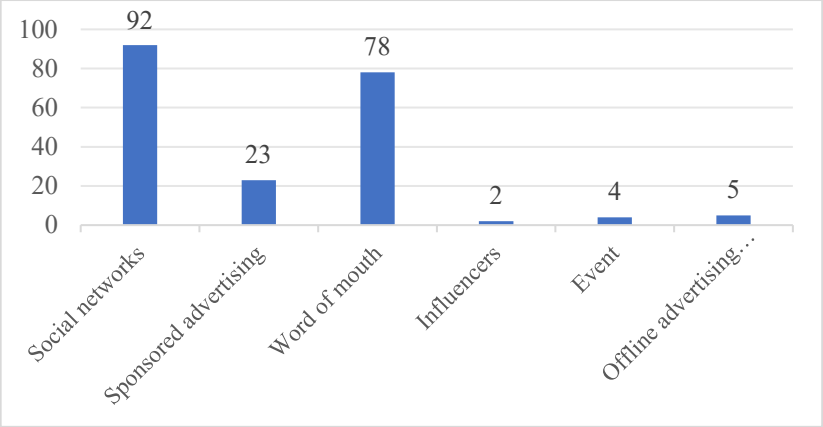
Source: Author's efforts (Excel results)

Comment:

The Heetch usage distribution highlights a significant brand-specific penetration, with 76.7% of the sample identifying as active users of the application. This high adoption rate confirms that the vast majority of respondents possess direct, firsthand experience with the service, ensuring that the collective feedback on Heetch's brand image is rooted in actual usage rather than abstract perception. Within the context of the Algerian market, this dominance underscores Heetch's success in becoming a daily mobility staple for the surveyed demographic. Meanwhile, the 23.3% non-user segment provides a necessary contrast, offering a basis for understanding existing market barriers or the influence of competing platforms. Overall, this distribution reinforces the empirical credibility of the study, as the findings reflect the lived reality of a large majority of the target audience.

- **Customer acquisition channels**

FIGURE 22: CUSTOMER ACQUISITION CHANNELS



Source: Author's efforts (Excel results)

Comment:

The Customer Acquisition Channels distribution reveals that Heetch's expansion is almost entirely driven by the synergy between social networks (45.1%) and Word of mouth (38.2%), which together account for over 83% of all user acquisitions. This heavy reliance on digital connectivity and peer-to-peer recommendations aligns perfectly with the student-majority demographic, highlighting that the brand's image is built through organic "social proof" and community validation rather than traditional marketing. The significant weight of word-of-mouth is particularly telling, as it suggests that the high utilization rates observed in previous data are supported by a strong level of user trust, where existing customers act as primary advocates for the service. In contrast, the minimal impact of Offline advertising, Events, and Influencers underscores that for the Algerian youth, traditional or top-down messaging carries far less weight than the lived experiences and digital interactions shared within their own social circles.

- **NPS score**

TABLE 3: NPS SCORE

	Frequency	Percent	Valid Percent	Cumulative Percent
Detractors	67	32,8	32,8	32,8
Passives	87	42,6	42,6	75,5
Promoters	50	24,5	24,5	100
Total	204	100	100	

Source: Author's efforts (SPSS results)

Comment:

The analysis of the Net Promoter Score (NPS) data reveals a score of -8.3, calculated by subtracting the 32.8% of detractors from the 24.5% of promoters. This negative result indicates that Heetch currently faces a deficit in brand advocacy, with more users likely to discourage others from using the service than those willing to actively recommend it. Such a score suggests that the brand's marketing differentiation efforts, particularly regarding safety and reliability, have not yet translated into a strong, loyal customer base.

The most significant finding is the high proportion of "Passives," who account for 42.6% of the respondents. This large group represents a vulnerable segment of the market that, while not actively dissatisfied, lacks the emotional engagement or perceived unique value necessary to become brand promoters. In the context of your research, this concentration of passive users reinforces the idea that Heetch is often viewed as a functional or "low-cost" utility rather than a highly differentiated, "safe" brand. To improve its competitive standing, the brand must find ways to convert this passive majority into active promoters by more effectively bridging the gap between its safety-oriented marketing and the actual customer experience.

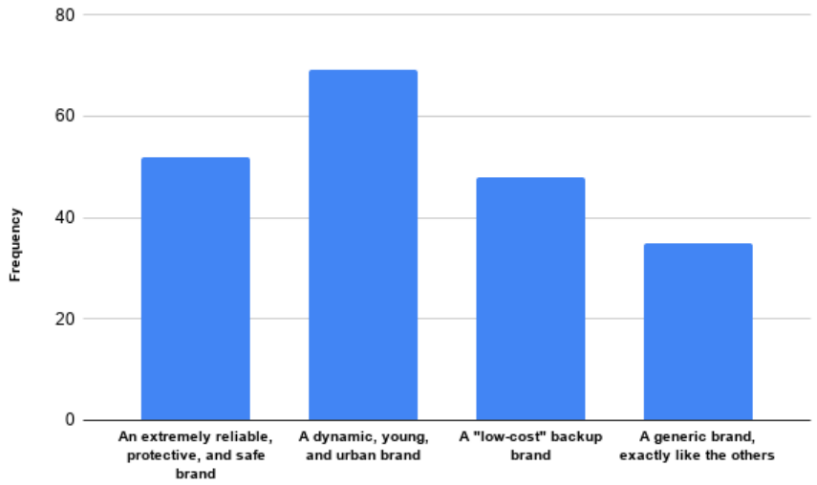
3.4.3 Current perception of Heetch's main image (Testing H1)

TABLE 4: HEETCH'S MAIN BRAND IMAGE

	Frequency	Pourcentage	Valid Percent	Cumulative Percent
An extremely reliable, protective, and safe brand	52	25,5	25,5	25,5
A dynamic, young, and urban brand	69	33,8	33,8	59,3
A "low-cost" backup brand	48	23,5	23,5	82,8
A generic brand, exactly like the others	35	17,2	17,2	100
Total	204	100	100	

Source: Author's efforts (SPSS results)

FIGURE 23: HEETCH'S MAIN IMAGE



Source: Author's efforts (Excel results)

TABLE 5: STATISTICAL SUMMARY OF CONSUMER PERCEPTIONS OF HEETCH'S MAIN IMAGE

N	Valid	204
	Missing	0
Mean		2,32
Mode		2
Standard Deviation		1,038
Variance		1,077
Skewness		0,253
Std. Error of Skewness		0,17
Kurtosis		-1,091
Std. Error of Kurtosis		0,339
Interval		3
Percentiles	25	1
	50	2
	75	3

Source: Author's efforts (SPSS results)

Interpretation of the findings:

The following analysis evaluates the survey results of 204 respondents to determine the validity of the first hypothesis regarding Heetch's brand image and its marketing differentiation.

The empirical data reveals that Heetch's primary brand image is perceived as "dynamic, young, and urban," representing 33.8% of the total responses. This attribute constitutes the mode of the distribution, confirming that the brand's lifestyle-oriented positioning remains its most recognizable trait. Regarding the first hypothesis which posits that Heetch has successfully built a protective and safe image through its marketing actions the results provide only partial support. While the "reliable, protective, and safe" category ranks second with 25.5% of the responses, it remains secondary to the brand's urban identity. The mean score of 2.32 further indicates that the overall perception leans more toward dynamic and functional attributes rather than a primary focus on security.

Statistical indicators point toward a fragmented brand perception rather than a unified image. The negative kurtosis (-1.091) reflects a platykurtic distribution, meaning that consumer opinions are widely dispersed across the four categories without a clear consensus. Furthermore, the fact that nearly 40% of respondents still view Heetch as either a "low-cost backup" or a "generic" brand suggests that marketing efforts centered on safety have not yet fully overwritten the more functional or price-sensitive perceptions held by a significant portion of the market. This spread indicates that while the safety message is reaching a quarter of the audience, it has not yet become the brand's defining characteristic.

In conclusion, Hypothesis 1 is only partially validated. Heetch has indeed managed to instill a sense of protection and reliability in the minds of a segment of its users, but this image has not yet achieved dominance. The brand's differentiation strategy regarding safety appears to be a work in progress, successfully creating a secondary pillar of trust without yet replacing the core "young and urban" identity as the main driver of its market positioning.

3.4.4 Dimensionality of marketing differentiation actions (Testing H2)

3.4.4.1 Reliability and preliminary tests for factor analysis

- **Cronbach's Alpha**

Cronbach's alpha coefficient was employed to evaluate the reliability of the measurement scales and assess the internal consistency of the items mapping to the same latent construct. In line with Hair et al. (2009), an alpha threshold above 0.70 indicates satisfactory reliability.

A summary of the Cronbach's alpha coefficients for each dimension of differentiation element**s**, along with brand image, is presented in the table below:

TABLE 6: ALPHA OF CRONBACH'S RESULTS

Construct	Number items	Alpha of Cronbach
Evaluation of Differentiation Elements	7	0,833079
Overall Brand Image	3	0,842103

Source: Author's efforts (SPSS results)

The findings demonstrate that all measurement scales possess high internal consistency, as evidenced by alpha coefficients exceeding 0.8. Consequently, these values validate the reliability of the instruments.

- **KMO (Kaiser-Meyer-Olkin) and Barlett's test**

TABLE 7: KMO AND BARLETT'S TEST RESULTS

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0,843
Bartlett's Test of Sphericity	Approx. Chi-Square	470,628
	df	21
	Sig.	0,000

Source: Author's efforts (SPSS results)

To ensure the suitability of the data for factor analysis, the Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity were conducted. The KMO value of 0.843 exceeds the recommended threshold of 0.50, indicating a meritorious and a very good level of sampling adequacy. Additionally, Bartlett's Test of Sphericity reached statistical significance ($p < 0.05$), confirming that the correlation matrix is not an identity matrix and that the variables are sufficiently inter-correlated. Together, these results provide a robust statistical justification for proceeding with the Principal Component Analysis (PCA).

3.4.4.2 Test of Normality

TABLE 9: ITEMS CODES AND LABELING

Item code	Item label
differenciation_1	protection measurement
differenciation_2	ease of use
differenciation_3	pricing transparency
differenciation_4	driver selection
differenciation_5	accessibility
differenciation_6	safety feeling
differenciation_7	professionalism drivers
overall_brand_1	positive perception
overall_brand_2	excellent reputation
overall_brand_3	sincere and respectful company

Source: Author's efforts (SPSS results)

The assessment of normality examines data distribution via indicators including the mean, variance, standard deviation, extreme values, skewness, and kurtosis. These components yield further descriptive information. A summary of these analyses for all model items is presented in the table below:

TABLE 8: TEST OF NORMALITY

	N	Minimum	Maximum	Mean	Standard Deviation	Variance	Skewness	Kurtosis
differenciation_1	204	1	5	3,71	1,007	1,014	-0,649	0,149
differenciation_2	204	1	5	3,58	0,925	0,855	-0,587	0,36
differenciation_3	204	1	5	3,34	0,992	0,984	-0,354	-0,227
differenciation_4	204	1	5	3,25	0,979	0,959	0,073	-0,348
differenciation_5	204	1	5	3,32	0,993	0,987	-0,432	-0,098
differenciation_6	204	1	5	3,6	0,944	0,891	-0,585	0,254
differenciation_7	204	1	5	3,22	1	1	-0,306	-0,35
overall_brand_1	204	1	5	3,63	0,93	0,865	-1,045	1,14
overall_brand_2	204	1	5	3,59	0,955	0,912	-0,509	-0,167
overall_brand_3	204	1	5	3,62	0,882	0,778	-0,792	0,903

Source: Author's efforts (SPSS results)

The coefficients of skewness and kurtosis for the items lie within acceptable thresholds (±2), suggesting a reasonably balanced distribution of the data.

3.4.4.3 Principal component analysis (PCA) results:

TABLE 10: THE ROTATION SUMS OF SQUARED LOADINGS

Total Variance Explained			
Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	2,144	30,635	30,635
2	1,724	24,623	55,258
3	1,255	17,922	73,18
4			
5			
6			
7			

Source: Author's efforts (SPSS results)

The Rotation Sums of Squared Loadings indicate a balanced distribution of variance across the three extracted components. Following the Varimax rotation, the first component accounts for 30.63% of the variance, while the second and third components account for 24.62% and 17.92%, respectively. Collectively, these three factors explain 73.18% of the total variance. This high cumulative percentage confirms that the reduced factor model retains a significant majority of the original data's information, providing a solid foundation for the subsequent regression analysis.

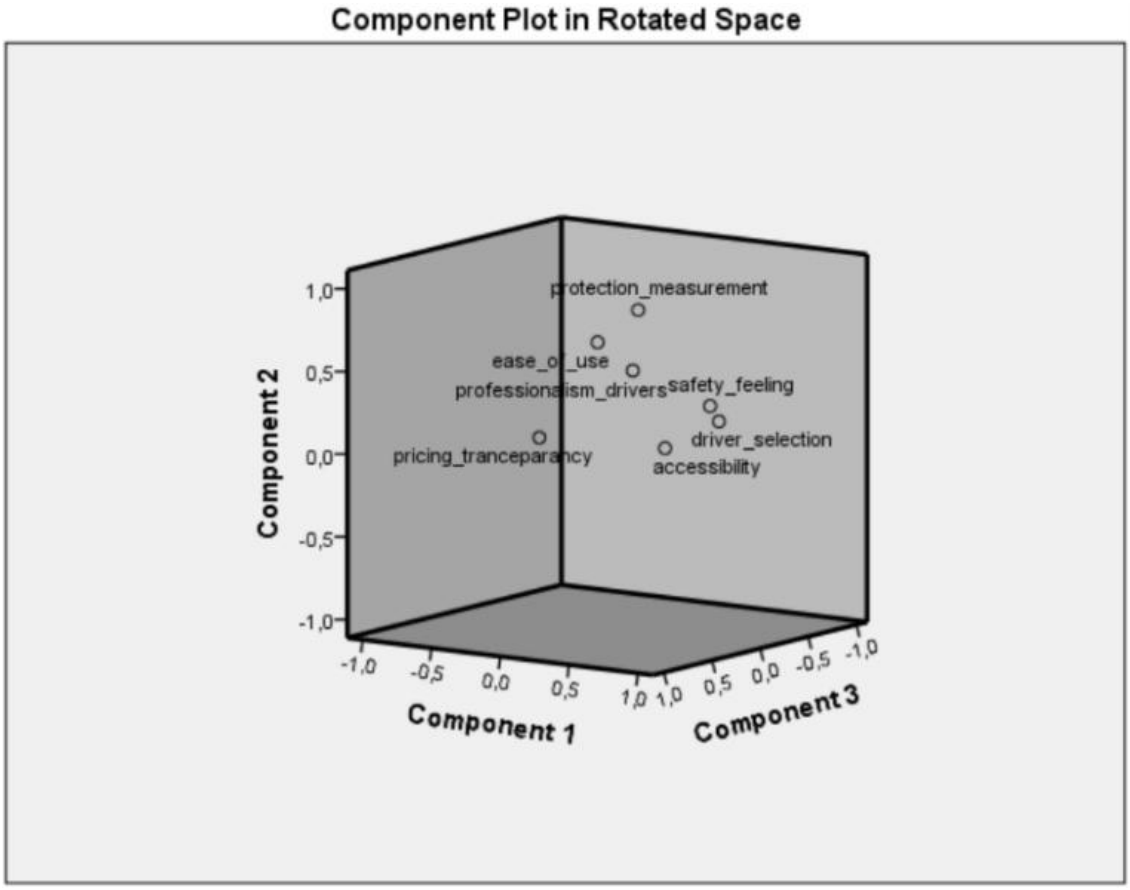
TABLE 11: THE ROTATED COMPONENT MATRIX

	Component		
	1	2	3
Heetch drivers are better selected and trained than those of competitors	0,859	0,246	0,068
How do you rate the feeling of safety inside a Heetch vehicle?	0,794	0,333	0,068
Heetch is more accessible than its competitors in terms of waiting time	0,72	0,122	0,429
The protection measures implemented by Heetch (GPS tracking, driver identity verification) are the most reassuring on the market.	0,226	0,847	0,003
How do you evaluate the ease of use of the Heetch app compared to other Algerian ride-hailing apps?	0,189	0,701	0,371
What do you think of the attitude and professionalism of Heetch drivers?	0,383	0,537	0,283
Heetch offer transparent pricing compared to the competition	0,149	0,2	0,918

Source: Author's efforts (SPSS results)

The Rotated Component Matrix identifies three distinct dimensions of Heetch's marketing differentiation strategy. Component 1, which we label 'Operational excellence and passenger trust', groups items related to driver training, waiting times, and the subjective feeling of safety. Component 2, labeled 'Driver professionalism and digital security', encompasses technical safety measures, the ease of use of the app interface and the professionalism of the service. Finally, Component 3 is uniquely defined by 'Pricing Transparency'. These findings provide partially empirical support for Hypothesis H2, confirming that Service Quality, Safety Standards, and Pricing Strategy are the three primary pillars of Heetch's differentiation actions in Algeria.

FIGURE 24: COMPONENT PLOT



Source: Author's efforts (SPSS results)

The Component Plot in Rotated Space provides a visual confirmation of the factor structure. The variables are clearly grouped into three distinct clusters, reflecting the three dimensions of marketing differentiation identified in the PCA. The spatial separation of these clusters—specifically the isolation of pricing transparency from operational and technical safety measures—demonstrates high discriminant validity. This indicates that Algerian consumers perceive these different marketing actions as separate and unique contributors to Heetch's overall brand image.

3.4.5 The impact of differentiation marketing actions on brand image (Testing H3)

Following the identification of the three core dimensions of differentiation through Principal Component Analysis (PCA), this section aims to test Hypothesis H3 and its related sub-hypotheses (H3a, H3b, H3c). The objective is to determine the predictive power of Heetch's marketing actions on its overall brand image in the Algerian market.

To achieve this, a Multiple Linear Regression analysis was employed. In this model, the three factor scores derived from the PCA Operational excellence and passenger trust, Driver professionalism and digital security, and Pricing Transparency are utilized as independent variables (predictors). The Overall Brand Image serves as the dependent variable.

Before interpreting the coefficients and the explanatory power of the model (R^2), it is statistically imperative to ensure that the data meets the rigorous requirements of the Classical Linear Regression Model (CLRM). Consequently, the following sub-section details the verification of the five fundamental assumptions: linearity, independence of residuals, normality, homoscedasticity, and the absence of multicollinearity. Only after validating these conditions can the results be considered reliable and generalizable.

3.4.5.1 Validation of Linear Regression assumptions

- **Sample size adequacy**

A fundamental prerequisite for multiple linear regression is having a sufficient number of observations relative to the number of independent variables. This ensures the statistical power of the tests and the stability of the regression coefficients. According to the widely accepted "Rule of Thumb" in social science research (Stevens, 2009), a minimum ratio of 15 observations per independent variable is required.

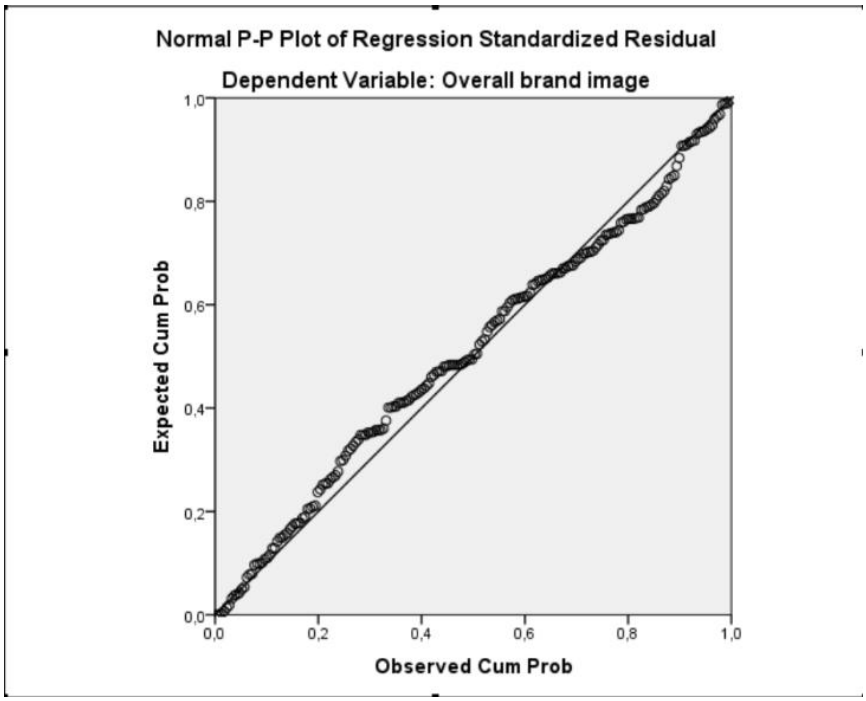
For this study, the requirement is calculated as follows:

Minimum N = 15 × 3 (Independent Variables) = 45

With a total sample size of N = 204, the study significantly exceeds this threshold. This robust observation-to-predictor ratio ensures that the model is well-powered and that the findings possess h degree of reliability and generalizability.

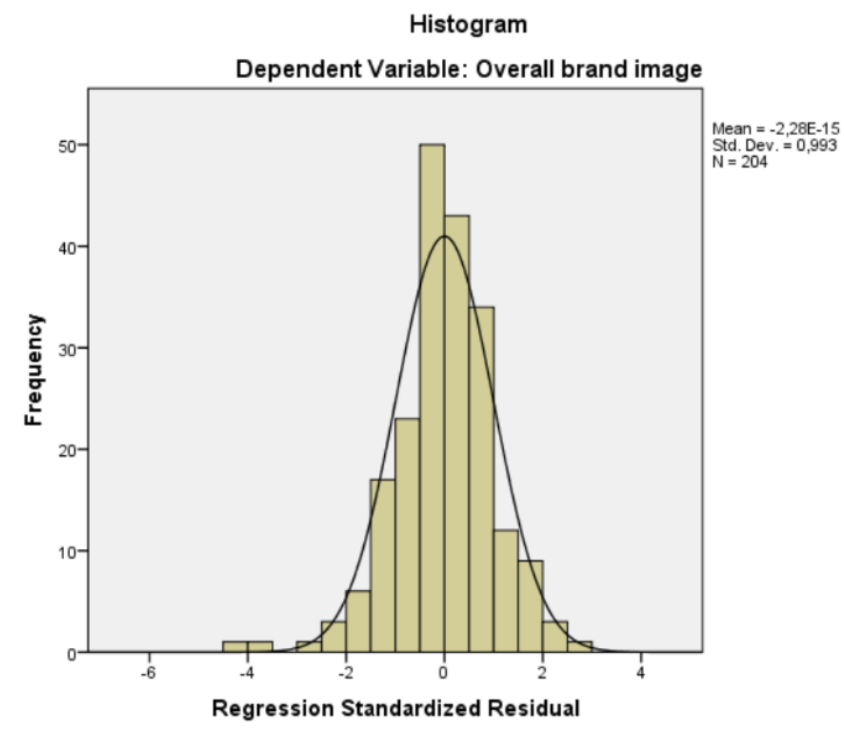
- **Normality of residuals**

FIGURE 25: NORMAL P-P PLOT



Source: Author's efforts (SPSS results)

FIGURE 26: HISTOGRAM



Source: Author's efforts (SPSS results)

To ensure that the p-values for the regression coefficients are valid, the residuals (the differences between observed and predicted values) must follow a normal distribution. This was assessed using two visual methods: the Histogram and the Normal P-P Plot.

- **Histogram Analysis**: The histogram of the regression standardized residuals shows a clear bell-shaped curve that closely follows the normal distribution line. The mean is approximately zero (Mean = -2.28 x10^{-15}) and the standard deviation is near unity (Std. Dev = 0.993), which are the expected characteristics of standardized residuals in a normal distribution.
- **Normal P-P Plot Analysis:** In the Normal Probability Plot (P-P Plot), the observed cumulative probabilities (the dots) are plotted against the expected cumulative probabilities (the diagonal line). As seen in the figure, the points closely hug the 45-degree diagonal line with no significant deviations or "S-shaped" patterns.

In conclusion both the histogram and the P-P plot confirm that the residuals are normally distributed. Therefore, the assumption of normality is fully satisfied, allowing for a reliable interpretation of the significance tests in the final model.

- **Multicollinearity**

TABLE 12: MULTICOLLINEARITY STATISTICS

	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Operational excellence and passenger trust	1,000	1,000
Driver professionalism and digital security	1,000	1,000
Pricing transparency	1,000	1,000

Source: Author's efforts (SPSS results)

Multicollinearity occurs when independent variables in a regression model are highly correlated, which can distort the significance of the coefficients. To assess this, the Tolerance and the Variance Inflation Factor (VIF) were examined. The generally accepted criteria for the absence of multicollinearity are a Tolerance value greater than 0.1 and a VIF value less than 10.

As shown in the table, the results for Heetch Algeria's differentiation factors are as follows:

- **Operational excellence and passenger trust:** Tolerance = 1.000; VIF = 1.000
- **Driver professionalism and digital security:** Tolerance = 1.000; VIF = 1.000
- **Pricing transparency:** Tolerance = 1.000; VIF = 1.000

All variables exhibit a VIF of exactly 1.000, which is the ideal score. This perfect lack of multicollinearity is a direct result of the Varimax orthogonal rotation applied during the Principal Component Analysis (PCA) phase, which ensures that the extracted factors are mathematically independent of one another. Consequently, this assumption is fully satisfied, ensuring that the individual contribution of each marketing action to the brand image can be precisely determined without overlap.

- **Independence of residuals**

TABLE 13: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,696	0,484	0,476	0,58241	1,756

Source: Author's efforts (SPSS results)

The independence of error terms was assessed using the Durbin-Watson (DW) statistic. This test ensures that the observations are independent and that there is no autocorrelation between

the residuals. The ideal value for this statistic is 2.0, with an acceptable range generally falling between 1.5 and 2.5 for survey-based research.

As shown in the Model Summary table, the calculated Durbin-Watson value is 1.756.

According to the Durbin-Watson critical value tables (N=204, k=3, alpha=0.05), the lower bound (dL) is 1.738 and the upper bound (dU) is 1.799. Because the observed value (1.756) sits in the "inconclusive" zone between dL and dU, we cannot statistically reject the hypothesis of no autocorrelation.

However, given that the value is significantly close to 2.0 and that this study utilizes cross-sectional data (where the order of responses is random), the risk of autocorrelation is negligible. Therefore, the assumption of independence of residuals is considered satisfied for the purposes of this regression model.

- **Outliers**

TABLE 14: MAHAL DISTANCE

	Minimum	Maximum	Mean	Std. Deviation	N
Mahal. Distance	0,02	14,408	2,985	2,657	204

Source: Author's efforts (SPSS results)

The final assumption for the linear regression model involves identifying multivariate outliers observations that have an unusual combination of values for the independent variables. Such outliers can disproportionately influence the regression line and reduce the accuracy of the model.

To test this, the Mahalanobis Distance was calculated for all N=204 observations. The maximum observed Mahalanobis distance must be compared against a critical value from the Chi-square (X^2) distribution table, using the number of independent variables (k=3) as the degrees of freedom and a conservative significance level of $p < 0.001$.

- **Critical Value** (df=3, p<0.001): 16.27
- **Observed Maximum Mahalanobis Distance:** 14.408

As shown in the "Outliers" table, the maximum Mahalanobis distance in our dataset is 14.408, which is well below the critical threshold of 16.27. This indicates that there are no significant multivariate outliers in the sample. Consequently, the regression model is not biased by extreme observations, and the results can be considered a reliable reflection of the general sample's perception of Heetch.

In conclusion, the data meets all the classical requirements for linear regression. This ensures that the estimates of the model are Unbiased, Consistent, and Efficient. Consequently, the results presented in the following section regarding the explanatory power of the model (R^2)

and the individual impact of each differentiation factor (beta) can be interpreted with a high level of confidence and scientific reliability.

3.4.5.2 Global model fit and significance

The evaluation of the model's performance is conducted in two stages. First, we analyze the Model Summary to determine the coefficient of determination (R^2), which quantifies the explanatory power of the independent variables. Second, we examine the ANOVA (Analysis of Variance) table to verify the statistical significance of the model as a whole.

This step is essential because it confirms whether the combination of the three factors provides a statistically superior prediction of brand image compared to a model with no predictors. Only if the global model is significant can we move forward to analyze the individual impact of each specific marketing action.

TABLE 15: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,696	0,484	0,476	0,58241	1,756

Source: Author's efforts (SPSS results)

TABLE 16: ANOVA RESULTS

	Sum of Squares	df	Mean Square	F	Sig.
Regression	63,603	3	21,201	62,504	0,000
Residual	67,839	200	0,339		
Total	131,442	203			

Source: Author's efforts (SPSS results)

The assessment of the model's overall performance began with an analysis of its explanatory power through the Model Summary. The results indicate a strong positive correlation between the set of differentiation factors and Heetch's brand image, as evidenced by a coefficient of correlation (R) of 0.696. More importantly, the coefficient of determination (R^2) reached 0.484, suggesting that the three extracted marketing dimensions collectively explain 48.4% of the total variance in Heetch Algeria's brand image. When considering the adjusted R^2 of 0.476, which accounts for the number of predictors, the model maintains a high level of robustness. In the context of consumer behavior research, an explanatory power of nearly 48% is significant, as it demonstrates that almost half of the brand's perception is directly shaped by these specific marketing actions, leaving the remaining variance to external factors such as word-of-mouth or individual past experiences.

Following the evaluation of the model's strength, an Analysis of Variance (ANOVA) was performed to determine the statistical significance of these results. The F-statistic was calculated at 62.504, indicating a high ratio of explained variance relative to the residual error. The associated significance level was recorded at .000, which is well below the standard alpha threshold of 0.05. This highly significant p-value allows for the rejection of the null hypothesis, confirming that the regression model is statistically valid and that the independent variables are effective predictors of the dependent variable. Consequently, these findings provide a solid foundation for the final stage of the analysis, which involves examining the individual regression coefficients to determine the specific weight of each differentiation factor in constructing Heetch's brand image.

3.4.5.3 Coefficient analysis

The objective of this section is to formally test the research hypotheses H3a, H3b, and H3c by examining the Coefficients Table. To evaluate the relative importance of each marketing action, we analyze the Standardized Beta coefficients, which allow for a direct comparison of the strength of each predictor. Furthermore, the t-statistics and their associated significance values (p-values) are utilized to determine if these individual relationships are statistically reliable or occurred by chance.

By interpreting these metrics, we can identify which specific differentiation pillar exerts the most profound influence on how Algerian consumers perceive the Heetch brand. This granular analysis provides the empirical evidence needed to either support or reject our proposed hypotheses and offers strategic clarity on Heetch's competitive positioning.

TABLE 17: COEFFICIENT RESULTS

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
(Constant)	3,614	0,041		88,639	0,000			
Operational excellence and passenger trust	0,335	0,041	0,416	8,189	0,000	0,416	0,501	0,416
Driver professionalism and digital security	0,414	0,041	0,514	10,122	0,000	0,514	0,582	0,514
Price transparency	0,173	0,041	0,216	4,242	0,000	0,216	0,287	0,216

Source: Author’s efforts (SPSS results)

The analysis of the regression coefficients reveals that all three differentiation factors identified through the PCA have a positive and statistically significant influence on Heetch Algeria’s brand image ($p < 0.001$). By examining the Standardized Beta coefficients,

we can determine the relative weight of each factor, thereby identifying which marketing actions contribute most effectively to the construction and reinforcement of the brand's image in the Algerian market.

Regarding Hypothesis H3b, the factor "Driver Professionalism and Digital Security" emerges as the most powerful predictor of brand image with a Standardized Beta of 0.514 (t = 10.122, p = .000). This indicates that for every one-standard-deviation increase in perceived professionalism and platform security, the brand image improves by 0.514 standard deviations. This result strongly supports H3b, suggesting that in the highly competitive Algerian VTC market, the "institutional" side of the service consisting of technical safety measures (GPS, ID verification) and the professional conduct of drivers is the primary driver of brand reputation.

The second most influential dimension is "Operational Excellence and Passenger Trust," which relates to Hypothesis H3a. This factor possesses a Standardized Beta of 0.416 (t = 8.189, p = .000). These findings confirm that the "human" and "functional" experience the subjective feeling of safety during the ride, the waiting time, and the quality of driver training plays a crucial secondary role in shaping a favorable brand image. Consequently, H3a is fully supported, as operational efficiency is proven to be a distinct and significant contributor to brand reinforcement.

Finally, Hypothesis H3c is addressed through the factor "Pricing Transparency." Although it has the lowest relative impact among the three predictors, its contribution remains positive and statistically significant with a Standardized Beta of 0.216 (t = 4.242, p = .000). This confirms that while pricing strategy is a necessary component of Heetch’s differentiation, it is perceived by Algerian consumers more as a "hygiene factor" or a baseline expectation rather than the primary builder of brand image compared to safety and professionalism. Nevertheless, the significance of the result allows us to support H3c.

The mathematical relationship between the independent variables and the predicted brand image in expressed through the following unstandardized regression equation:

Overall brand image = 3.614 + 0.335 (Operational excellence and passenger trust) + 0.414 (Driver professionalism and digital security) + 0.173 (Pricing transparency)

And expressed also through the following standardized equation:

Overall brand image = 0.416 (Operational excellence and passenger trust) + 0.514 (Driver professionalism and digital security) + 0.216 (Pricing transparency)

3.4.5.4 Synthesis of Hypothesis Validation

In conclusion, the empirical data provides strong evidence for the validation of the overarching hypothesis H3. The construction of Heetch's brand image is a multi-dimensional process where professional standards and platform security act as the leading pillars, followed closely by operational reliability and price transparency.

3.4.6 Discussion of quantitative research

In conclusion, the quantitative analysis of the 204 survey respondents provides deep empirical clarity on Heetch Algeria's competitive positioning. While Hypothesis 1 is only partially validated demonstrating that the brand image remains fragmented, with the core "young and urban" identity (33.8%) still outpacing the "protective and safe" perception (25.5%) both Hypothesis 2 and Hypothesis 3 are fully validated. The PCA confirms that Service Quality, Safety Standards, and Pricing Strategy represent the three authentic pillars of differentiation, while the multiple linear regression model reveals that these marketing actions collectively drive 48.4% of the company's overall brand image ($R^2 = 0.484$, $p < 0.001$). Strategically, the findings expose a clear hierarchy of impact where Driver Professionalism and Digital Security exerts the strongest predictive power (beta = 0.514), followed by Operational excellence and passenger trust (beta = 0.416), while Pricing Transparency acts as a baseline expectation with the lowest relative weight (beta = 0.216). Ultimately, this proves that while Heetch's differentiation strategy has successfully built a powerful framework of digital and operational trust on the ground, it works in tandem with, rather than completely replacing, its established urban lifestyle identity in the minds of Algerian consumers.

General Conclusion

In the contemporary digital economy, the mechanics behind brand positioning have transformed dramatically, particularly within service-driven ecosystems like the ride-hailing (VTC) sector. Differentiating marketing actions no longer serve as mere operational metrics; instead, they function as vital tools that actively shape consumer perceptions, guide platform choices, and dictate market survival. This research sought to evaluate how these differentiation strategies influence the construction and reinforcement of Heetch's brand image in the highly competitive Algerian market, analyzing specific dimensions across a rigorous mixed-methods empirical framework.

The empirical investigation provided definitive answers to our core research sub-questions, revealing a highly nuanced relationship between research phases and hypothesis validation. Rather than a uniform impact, the data demonstrates that marketing differentiation operates through highly selective channels, as evidenced by three primary structural insights:

- **A Divergence Between Intended and Perceived Image (Addressing Q1 & H1):**

The study uncovered a clear gap between Heetch's intended positioning and its actual consumer perception. While the preliminary qualitative phase supported the hypothesis that Heetch had successfully cultivated a primary corporate image of safety and protection, the quantitative dataset officially **rejected Hypothesis 1 (H1)** as the market's dominant driver. Instead of prioritizing a protective reputation (**25.5%**), Algerian consumers primarily perceive Heetch as a "dynamic, young, and urban brand" (**33.8%**), proving that lifestyle-centric marketing heavily overshadows the safety narrative in the public eye.

- **A Structural Shift in the Pillars of Differentiation (Addressing Q2 & H2):**

Regarding the specific marketing actions deployed by the platform, a distinct misalignment emerged between the two research methods. The initial qualitative study accepted the assumption that Heetch's market differentiation relied strictly on three traditional axes: Service Quality, Pricing Strategy, and Safety Standards. However, the subsequent quantitative factor analysis partially validated **Hypothesis 2 (H2)**, demonstrating that while distinct differentiation factors are actively at play within the Algerian market, they do not group into the exact same structural components originally hypothesized.

- **The Selective Force of Brand Reinforcement (Addressing Q3 & H3):**

Despite these structural variations, the overarching premise that differentiation actively drives corporate reputation was statistically confirmed, leading to the **acceptance of Hypothesis 3 (H3)**. Crucially, while Operational excellence and passenger trust (**H3a)** and pricing transparency (**H3c**) were not rejected and still contribute positively to the brand, the analysis identified **Hypothesis H3b (driver professionalism and digital security) as the most influential factor**. This directly answers Q3 by proving that real-world, on-the-road execution carries the absolute greatest weight in reinforcing Heetch's distinctiveness.

These cumulative results paint a highly sophisticated picture of the Algerian VTC landscape, illustrating that consumers evaluate digital platforms through the lens of concrete, emotional

experiences over administrative corporate policies. The fact that **H3b** exerts a dominant influence over **H3a** and **H3c** underscores that strong brand image and distinctiveness are built primarily through real-time service delivery and subjective feelings of physical protection, which carry far greater psychological weight than transactional variables like pricing transparency.

While this study does not claim to exhaust all dimensions of the topic, it offers critical, empirically validated insights into brand positioning within an emerging, trust-dependent market. The conclusions drawn here reflect both our academic development and our capacity to operationalize complex marketing theories within a real-world business environment. Ultimately, we hope this thesis serves as a solid foundation for future academic inquiries into digital services, contributing to a deeper understanding of how modern firms can navigate the delicate balance between corporate intent and consumer real perception.

Recommendation

Based on the theoretical frameworks established in the literature review and validated by our empirical findings, the strategic recommendations for Heetch Algeria are structured directly around the **three core pillars of marketing differentiation**:

- **Merge Safety with the Availability Promise:** Heetch should pivot its promotional strategy away from abstract safety narratives. Marketing efforts must explicitly link safety with operational reliability, positioning the platform as the secure choice that is always available when the consumer needs it most.

- **Prioritize Driver Retention to Lower Wait Times:** Because vehicle availability is the ultimate deciding factor for users on the ground, the company must focus heavily on stabilizing its driver supply. Expanding human-centric partner relations and continuous professional support will help foster driver loyalty and keep a steady volume of active vehicles on the road.

- **Stabilize Price Accessibility Perceptions:** To protect its image of market accessibility against the consumer friction caused by dynamic pricing spikes, Heetch should introduce predictable fare caps during peak hours. This ensures the app remains dependable and transparent without compromising sustainable earnings for drivers.

Limitations of the Research

While this thesis provides important practical and theoretical insights into digital service branding in an emerging market, its findings must be interpreted within the boundaries of the following structural limitations:

- **Sampling Method Constraints:** The use of a non-probability sampling technique limits the statistical generalization of the findings. To eliminate selection bias and maximize external validity, a simple random sampling method would have been more appropriate.
- **Demographic Cohort Bias:** The sample features a heavy concentration of students and younger age brackets. While they represent a vital user base, this bias means the results primarily reflect the mobility habits of a student population rather than the broader Algerian public.
- **Sample Reduction via Filtering:** The initial pool of total questionnaire responses was significantly reduced after applying a strict screening question to filter out non-users. Although essential to ensure data relevance, this sample contraction limited the final volume of analyzed consumer voices.
- **Application Update During our Research:** Right in the middle of our data collection, Heetch rolled out a major application update that changed its design and how it works. This unexpected change altered user opinions and behaviors mid-investigation, making it difficult to perfectly compare the responses collected before the update with those collected after it.

Future research directions

- **Methodological Rigor:** Future studies should employ probability sampling techniques, such as stratified random sampling, to enhance the statistical power and external validity of the findings across the Algerian population.
- **Demographic Expansion:** To address age bias, researchers should investigate diverse age cohorts (Gen X and Baby Boomers) and various socio-professional categories. This would determine if digital branding triggers vary across different life stages and digital literacy levels.
- **Sample Volume & Depth:** Future research should aim for larger initial sample sizes to compensate for necessary data filtering. Additionally, adopting a mixed-methods approach (combining surveys with interviews) would provide deeper qualitative insights into consumer motivations.
- **Longitudinal UI/UX Analysis:** Given the disruption of app updates, future work could focus on longitudinal designs that track user perception before and after major technical changes. This would quantify how "system updates" specifically impact brand loyalty and user trust.
- **Geographic Diversity:** Expanding the research scope beyond urban centers to include rural or semi-urban areas would provide a more comprehensive understanding of the digital divide and its influence on service branding in emerging markets.

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APPENDICES

5.1 Research Questionnaire (English Version)

Title of the Study: The Contribution of Differentiating Marketing Actions to the Construction of Brand Image: A Case Study of Heetch in the Algerian Ride-Hailing Market.

Introduction:

You are cordially invited to participate in this academic research survey. The primary objective of this study is to investigate how Heetch's operational differentiation strategies influence the perception and construction of its brand image among users in Algeria. Your detailed feedback will assist in identifying the critical factors that contribute to building a strong and distinctive brand identity in the domestic digital transport sector.

This survey is strictly anonymous, and all collected data will be treated with the highest degree of confidentiality, used exclusively for academic research purposes. It will take approximately 2–5 minutes to complete. Your participation is highly valuable and deeply appreciated.

Section 1: Urban Mobility Habits & App Usage

1. Generally speaking, which modes of transport do you use most often for your urban commutes in Algeria? (Select all that apply)

- [ ] Public transport (Bus, Metro, Tramway)
- [ ] Ride-hailing applications (Heetch, Yassir, inDrive, etc.)
- [ ] Personal vehicle
- [ ] Regular street taxi
- [ ] Unlicensed / informal taxi (Clandestin)

2. Do you use ride-hailing applications?

- [ ] Yes
- [ ] No

3. What are the three (3) main criteria that make you choose one ride-hailing application over another?

- [ ] Price / Affordability
- [ ] Driver availability and proximity
- [ ] Perceived safety and trust
- [ ] Speed of pickup / Low waiting times
- [ ] Ease of use of the mobile application
- [ ] Driver recruitment and selection standards
- [ ] Other (Please specify): _____

4. Which of the following applications have you already used? (Select all that apply)

- [ ] Heetch
- [ ] Yassir
- [ ] inDrive
- [ ] Other (Please specify): _____

5. Have you ever used Heetch's services at least once?

- [ ] Yes
- [ ] No

6. How did you first hear about Heetch?

- [ ] Social networks (Facebook, Instagram, TikTok, etc.)
- [ ] Sponsored digital advertising
- [ ] Word of mouth (Friends, family, colleagues)
- [ ] Influencer endorsements
- [ ] Public events or sponsorships
- [ ] Offline advertising (Billboards, posters, street marketing)
- [ ] Other (Please specify): _____

7. How often do you use Heetch compared to other applications on a monthly basis?

- [ ] Never
- [ ] Rarely (Less than 3 times a month)
- [ ] Occasionally (3 to 5 times a month)
- [ ] Often (2 to 4 times a week)
- [ ] Very often (Almost every day)

Section 2: Evaluation of Operational Differentiation Elements

Please rate your agreement with the following statements regarding your field experience with Heetch. Use a scale from 1 to 5, where:

1 = Strongly Disagree | **2** = Disagree | **3** = Neutral | **4** = Agree | **5** = Strongly Agree

Operational Statement	1	2	3	4	5
The protection measures implemented by Heetch (GPS tracking, driver identity verification) are the most reassuring on the market.					
The Heetch mobile application is highly intuitive and easy to use compared to other Algerian ride-hailing apps.					
Heetch offers transparent, fair, and predictable pricing compared to its direct market competition.					
Heetch drivers are better selected and trained than those of competitors					
Heetch is more accessible than its competitors in terms of waiting time					
How do you rate the feeling of safety inside a Heetch vehicle?					
What do you think of the attitude and professionalism of Heetch drivers?					

8. Following these marketing and operational actions, what is the primary brand image that Heetch has managed to build in your mind?

- [ ] An extremely reliable, protective, and safe brand
- [ ] A dynamic, young, and urban brand
- [ ] A "low-cost" backup brand to use only when others are unavailable
- [ ] A generic brand, functioning exactly like all the others
- [ ] Other (Please specify): _____

Section 3: Perception of the Heetch Brand

Please rate your agreement with the following statements regarding the mental image and reputation of Heetch. Use the same 1 to 5 scale:

1 = Strongly Disagree | **2** = Disagree | **3** = Neutral | **4** = Agree | **5** = Strongly Agree

Perception of the Heetch Brand	1	2	3	4	5
Would you say that Heetch has a brand identity that clearly stands out from its competitors (Yassir, inDrive)?					
The Heetch brand inspires total protection and trust, which reduces my stress during rides.					
The brand's efforts prompt me to immediately associate Heetch with "high quality" rather than a "low price"					

Section 4: Brand Associations

Please rate each statement from 1 to 5 (1 = Strongly Disagree, 5 = Strongly Agree):

Statement	1	2	3	4	5
Heetch's brand image primarily conveys a sense of high security.					
Heetch's messages match my personal values.					
I perceive Heetch as a unique application that is very different from its competitors.					

Section 5: Overall Brand Image (Dependent Variable Scale)

Please rate each statement from 1 to 5 (1 = Strongly Disagree, 5 = Strongly Agree):

Statement	1	2	3	4	5
Overall, I have a very positive perception of the Heetch brand.					
I consider that Heetch has an excellent reputation in the Algerian market.					
I perceive Heetch as a sincere, honest, and respectful company toward its customers and drivers.					

9. On a scale from 0 to 10, how likely are you to recommend Heetch to a friend, family member, or colleague?

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]
Not at all Likely Extremely Likely

10. Based on which core criterion would you primarily recommend Heetch to others?

- [ ] Competitive pricing structures
- [ ] High vehicle and driver availability
- [ ] Superior safety and security protocols
- [ ] Minimal waiting and transit times
- [ ] Professionalism and courtesy of the drivers
- [ ] Other (Please specify): _____

Section 6: Demographic Profile

11. What is your gender?

- [ ] Male
- [ ] Female

12. What is your age group?

- [ ] 18–25 years old
- [ ] 26–35 years old
- [ ] 36–45 years old
- [ ] 46 years and older

13. What is your current socio-professional category?

- [ ] Student
- [ ] Employee (Salaried private/public sector)
- [ ] Executive / Manager
- [ ] Business Owner / Entrepreneur / Freelancer
- [ ] Unemployed
- [ ] Retired

14. What is your city of residence?

-

15. What is your approximate average monthly household income range? (In Algerian Dinars - DA)

- [ ] Less than 30,000 DA
- [ ] Between 30,000 and 100,000 DA
- [ ] Between 100,000 and 200,000 DA
- [ ] More than 200,000 DA

16. Do you have any additional comments, experiences, or suggestions regarding Heetch's services in Algeria?

Thank you for your valuable participation! We sincerely appreciate you taking the time to support this academic research project. Your input is critical to our scientific findings and will remain completely confidential.

5.2 Semi-Structured Interview Guide (Intended for Heetch El Djazair Professionals)

Objective of the Guide:

This interview guide was designed to gather the perceptions, strategic choices, and operational visions of executive managers and department heads within **Heetch El Djazair**. These qualitative interview data allow for a comparison between the corporate identity intended by the company and the brand image actually perceived by users in the Algerian ride-hailing (VTC) market.

Theme 1: Market Analysis, Competition, and Value Proposition

- **Q1.** How do you analyze the evolution of the ride-hailing (VTC) market in Algeria over recent years? What are the current opportunities to seize in this market?
- **Q2.** According to your internal analyses, what are the primary factors that prompt an Algerian citizen to choose one ride-hailing application over another?
- **Q3.** How do you evaluate the usage frequency of Heetch compared to its direct competitors among the same user?
- **Q4.** Faced with this intense competition (Yassir, inDrive, etc.), what is the unique value proposition (the distinctive promise) of Heetch El Djazair?
- **Q5.** What is Heetch's priority objective in the Algerian market today: a rapid expansion of its market share or the qualitative reinforcement of its brand image?

Theme 2: Operational Differentiation Actions and Trust Building

- **Q6.** What concrete actions have been implemented specifically within your department to strengthen user trust and loyalty?
- **Q7.** You have deployed strict security measures (real-time GPS tracking, rigorous verification of drivers' identities). Do you consider these to be the most reassuring features on the current market? Does the application's temporal accessibility also play a major role?
- **Q8.** How does Heetch differentiate its pricing strategy? Would you say that Heetch's greatest strength lies in the "transparency" of its prices compared to the competition?
- **Q9.** Drivers represent the first physical point of contact with the customer. How does Heetch manage the selection, monitoring, and training of its drivers to guarantee a level of courtesy and professionalism superior to the competition?

Theme 3: Brand Image.

- **Q10.** Apart from pricing policy and safety, which recent marketing action by Heetch has been the most effective in differentiating the brand? Do you have internal trends or data to measure its impact?
- **Q11.** Do you think there is a gap between the corporate image you wish to project and the image actually perceived by the Algerian public on the ground?
- **Q12.** Beyond purely physical safety, would you say that Heetch's visual identity and messages aim to reduce the psychological "stress" of passengers during their daily urban commutes?
- **Q13.** In your opinion, what is the main criterion that drives a customer today to warmly recommend the Heetch application to their relatives?

Theme 4: Key Performance Indicators (KPIs) and Future Visions

- **Q14.** What are the key performance indicators (KPIs) that you monitor daily within your division to know if your differentiation strategies are bearing fruit?
- **Q15.** What is the main strategic challenge that Heetch must imperatively address in the coming years to become (or remain) the most preferred ride-hailing app among Algerians, while sustainably consolidating its brand image?