

## Will You Pay More Just for the Brand?

This exercise is quite easy.

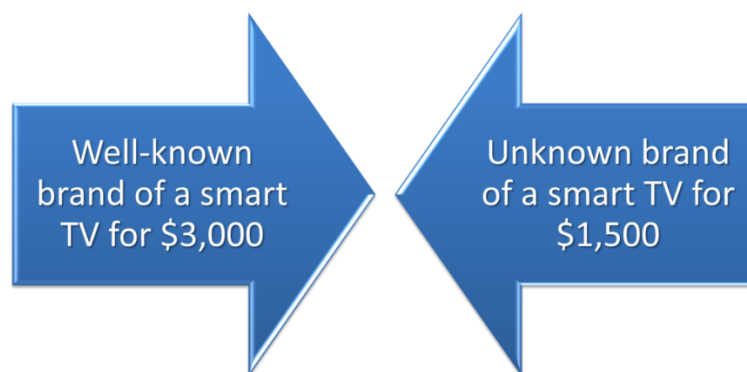
Let's assume that you are looking to buy a new Smart TV for your home. In the retailer, you are presented with two distinct choices, namely:

1. A well-known brand, that you know and trust, and their smart TV is priced at \$3,000
2. A brand that is unknown to you, that you have never heard of, and their smart TV is priced at \$1,500

You read through the product specifications and the technical features of both smart TVs seem to be similar, if not identical. In the store you spend time to watch both TVs and the picture quality appears to be the same to you.

In addition, the screen size and the overall look of each smart TV is similar as well. You turned the volume up on both televisions and you cannot tell any real difference in sound quality.

Now it is decision time... Which smart TV will you choose? The trusted brand for \$3000, or the unknown brand for half price? It's a tough choice, hopefully you will make the right decision?



---

### Student Discussion Questions

1. Which brand would you choose and why?
2. If you bought the well-known brand, you have effectively paid \$1,500 for the brand. Outline the benefits that you think you would receive from buying the well-branded smart TV.
3. If you bought the unknown brand, what concerns do you have with your purchase, if any?
4. What brand do you think most consumers would choose in real life?
5. Therefore, considering your answers to the questions above, how important is it that a company builds a strong brand?