Brand Management

Objectives

In this module, you will learn to:

- Explain what is a Brand
- Explain the importance of Brands
- Describe the attributes of a strong brand
- Explain what is Brand Management
- Describe the Purpose of Brand Management
- Explain the Brand Equity Concept
- Describe the Strategic Brand Management Process
- List the Strategic Brand Management Guidelines

Introduction

The world of the mobile phone market is crowded. The diverse products available range from the simple to the complex and every manufacturer offers the latest features.

The market is crowded with Nokia, Motorola, and Ericsson fighting it out at the top.

Also, several less successful brands like Samsung, Philips, Siemens and Panasonic are trying hard to make it into the top competitors' market share.

However, Nokia replaced all its competitors and it is now the number one brand in many markets around the world, effectively dislodging Motorola from that position.

So what made Nokia special from others? Why did customers choose Nokia? The answer lies in what the 'brand Nokia' means to customers.

Introduction

Nokia Group, a Finland-based manufacturer of mobile phones, has been steadily and consistently working on its corporate brand name over the years.

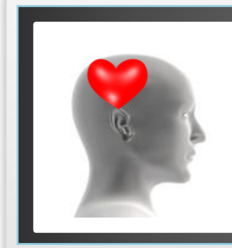
It has made a conscious effort to manage consumer perceptions of its brand.

These efforts of creating a 'brand' image in the customer's minds paid off for Nokia.

It escalated its position to become the number one brand in several markets around the world.

Nokia has successfully built a corporate brand that associates 'trust' and 'strong technology' with the word 'Nokia'.

Nokia has succeeded by putting across the human face technology-taking and dominating the emotional high ground.



Thus, you can see that a strong brand leaves an imprint on the customer's minds. Let us understand more about brands and brand management.

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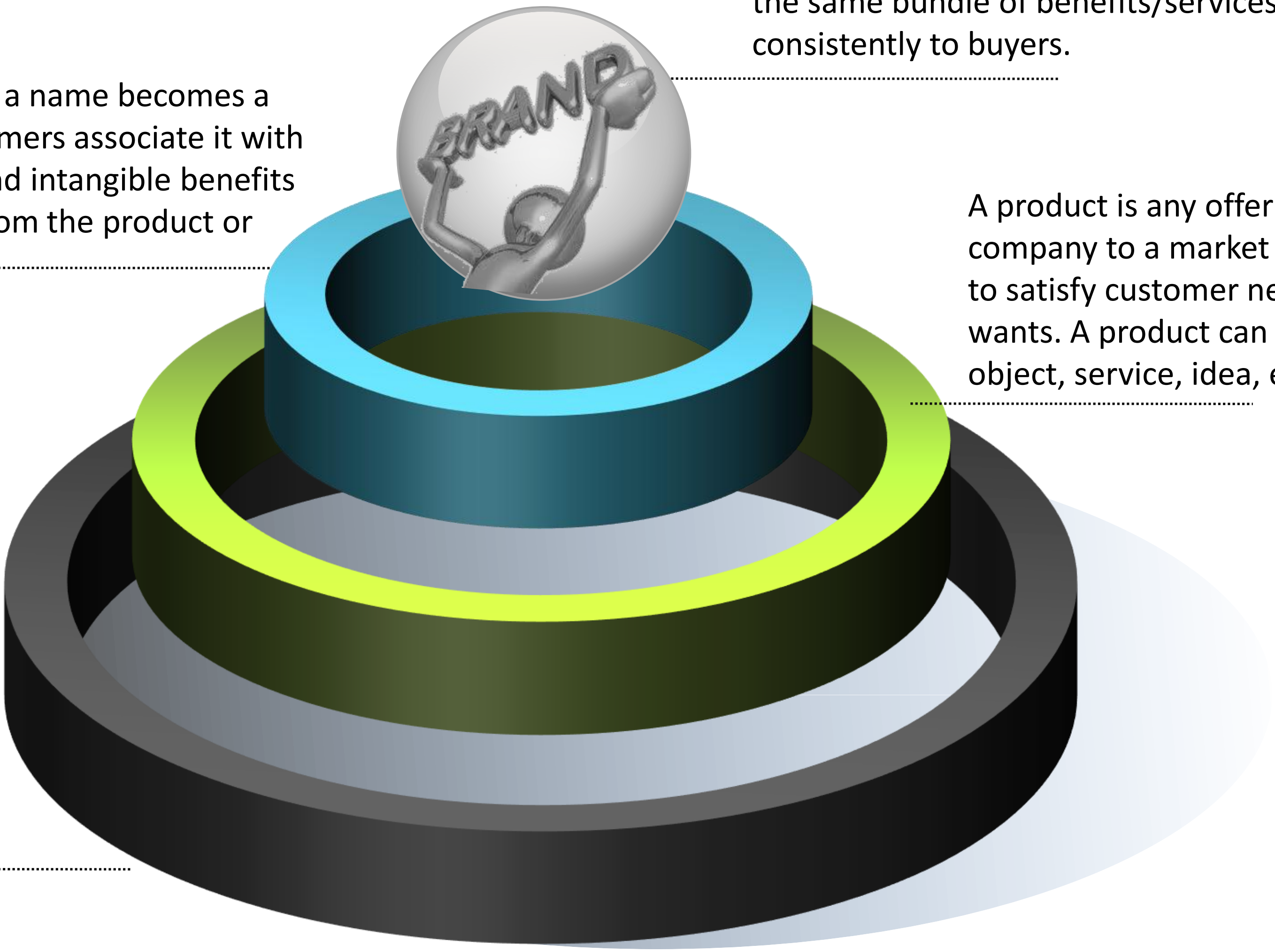
What is a Brand?

Brand is the seller's promise to deliver the same bundle of benefits/services consistently to buyers.

On the other hand a name becomes a brand when consumers associate it with a set of tangible and intangible benefits that they obtain from the product or service.



A product is any offering by a company to a market that serves to satisfy customer needs and wants. A product can be an object, service, idea, etc.

Brands are not the same as Products.

What is a Brand?

Nokia brand promises **'trust'** and **'strong technology'**

The popular Starbucks has earned its brand image from the **opinions of its customers**.

The brand Starbucks stands for **bolder, more flavorful** coffee.

Thus, you can see that Brands are **"what the consumers buy",** while products are "what concern/companies make".

Brand is a promise that the product will perform as per customer's expectations.

It is a **name, term, sign, symbol or a combination of all these** which differentiate the goods/services of one seller or group of sellers from those of competitors.

Some examples of well known brands are Wrangler, Audi, Samsung, Coca Cola, etc.

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Why do Brands Matter?

Brands have become important drivers of growth for any organization, good or service.

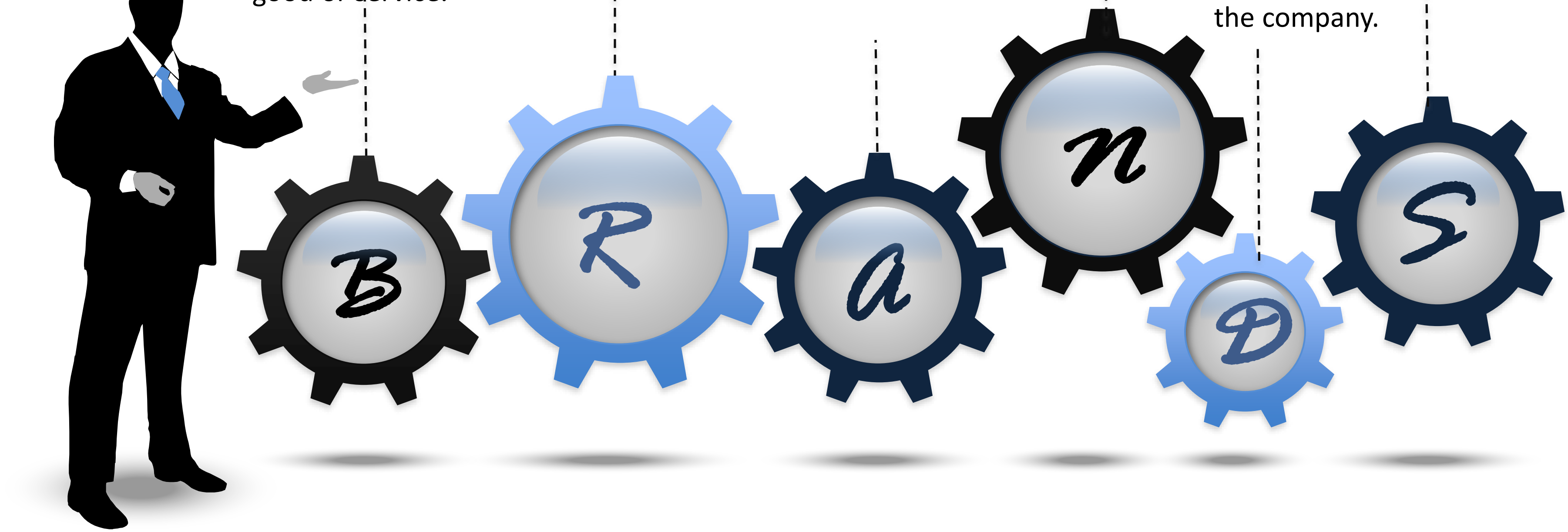
The main reason consumers flock to some brands and ignore others is that behind the brand stands an unspoken promise of value.

A Brand is a promise that the product will perform as per customer's expectations.

A brand helps make a mark and differentiate a good or service from others in marketplace.

A strong brand makes people aware of what the company represents and about the different offerings of the company.

Brands help customers to connect to the product or service on an emotional level.



Why do Brands Matter?

STATUS

Does the brand signify **status** such as in **Mercedes**?

Love Outdoors

Does it **love the outdoors** like **Nike**?

Care for Environment

Does it **care about the environment** like **Panasonic**?

Open minded & Progressive

Is it **open minded and progressive** like **Apple**?

Thus, you can see that people connect emotionally with brands that stand for things that are important to them.

Customers use brands as a means to show "This is what I stand for" and hence, use brands to express themselves.

The customers remain loyal to brands and they become advocates for those brands.

Elegant & Refined

Is it **elegant and refined** like **Omega**?

Achievers

Is it a brand for **achievers** like **Lenovo**?

Rugged

Is it a **rugged** brand like **Royal Enfield**?

Quality

Does it signify **quality** like in **Bluestar** ?

Brands for Consumers and Sellers

Source of product

Lower risk

Less cost of searching for a choice

Symbol of Quality

Symbolic device

Consumers

The word ‘Brand’ signifies different things to consumers and sellers.

Brands for Consumers and Sellers

Source of product

Lower risk

Less cost of searching for a choice

Symbol of Quality

Symbolic device

Consumers can easily make a purchase decision based on brands. Consumers usually find brands which satisfy their need.

Consumers

Click 'Back" to go back!

Back

The word 'Brand' signifies different things to consumers and sellers.

Brands for Consumers and Sellers

Source of product

Lower risk

Brands mean lower purchase risk to consumers as they are dealing with a product or organization that they trust.

Consumers

Less cost of searching for a choice

Symbol of Quality

Symbolic device

Click ‘Back” to go back!

Back

The word ‘Brand’ signifies different things to consumers and sellers.

Brands for Consumers and Sellers

Consumers

Source of product

Lower risk

Less cost of searching for a choice

Symbol of Quality

Symbolic device

If the consumers recognize a particular brand and have knowledge about it, they make quick purchase decision and save lot of time. Also, they save search costs for product.

Click 'Back" to go back!

Back

The word 'Brand' signifies different things to consumers and sellers.

Brands for Consumers and Sellers

Source of product

Lower risk

Less cost of searching for a choice

Symbol of Quality

Symbolic device

Consumers

Consumers see ‘brands’ as a symbol of quality and remain committed and loyal to a brand as long as they believe that the brand will continue meeting their expectations and perform in the desired manner consistently.

Click ‘Back” to go back!

Back

The word ‘Brand’ signifies different things to consumers and sellers.

Brands for Consumers and Sellers

NEXT

Click 'Next' to continue!

Consumers

- Source of product
- Lower risk
- Less cost of searching for a choice
- Symbol of Quality
- Symbolic device

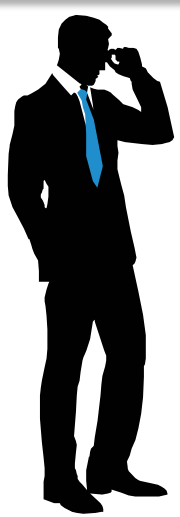
Brands play a significant role in signifying certain product features to consumers.

The word 'Brand' signifies different things to consumers and sellers.

Brands for Consumers and Sellers

Click each circle to learn more!

Seller



Means of Competitive Advantage

Legal protection of products' features

Satisfied customer

Means of Profits

The word 'Brand' signifies different things to consumers and sellers.

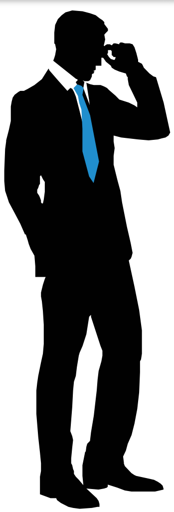
Brands for Consumers and Sellers

Means of Competitive Advantage

A brand helps the firms to provide consistently a unique set of characteristics, advantages, and services to the buyers/consumers.

Click each circle to learn more!

Seller



Legal protection of products' features

Satisfied customer

Means of Profits

Click 'Back" to go back!

Back

The word 'Brand' signifies different things to consumers and sellers.

Brands for Consumers and Sellers

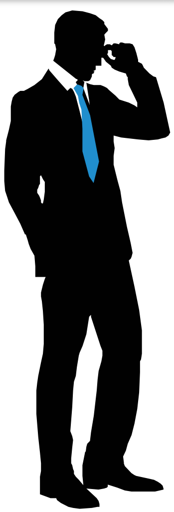
Means of Competitive Advantage

Click each circle to learn more!

Legal protection of products' features

Brands help to protect the unique features/traits of products by legal copyrights.

Seller



Satisfied customer

Click 'Back" to go back!

Means of Profits

Back

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Brands for Consumers and Sellers

Means of Competitive Advantage

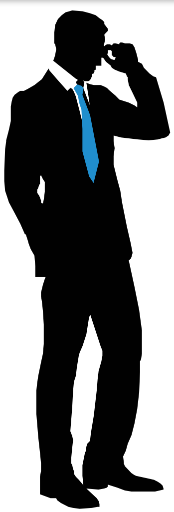
Legal protection of products' features

Satisfied customer

Means of Profits

Click each circle to learn more!

Seller



Brand represents values, ideas and even personality and hence leads to an assortment of memories in customers' mind and hence satisfied customers.

Click 'Back" to go back!

Back

The word 'Brand' signifies different things to consumers and sellers.

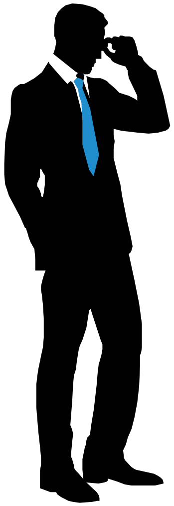
Brands for Consumers and Sellers

NEXT

Click 'Next' to continue!

Click each circle to learn more!

Seller



Means of Competitive Advantage

Legal protection of products' features

Satisfied customer

Means of Profits

Brands form the basis of purchase decision among consumers and thus are a means of financial profits.

The word 'Brand' signifies different things to consumers and sellers.

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What makes a Brand Strong?

It is important that in order to make a strong impact, a brand should be strong. There are a few characteristics that make a 'strong' brand, which are as follows:

- A strong brand is a major driver of shareholder value.
- A strong brand is like an asset. It can be used as collateral for financial loans , buying and selling as an asset.
- A strong brand has strong attributes, values and personality that the consumers associate with the brand.
- A strong brand is a means of attaining higher customer loyalty.
- A strong brand always delivers the benefits that customers truly desire.
- A strong brand makes use of and coordinates full range of marketing activities to build equity.
- A strong brand has the right blend of product quality, design, features, costs and prices.
- A strong brand is properly positioned and occupies a particular niche in consumers' minds.
- A strong brand compels consumers to willingly pay a substantial and consistent premium price for the brand versus a competing product and service.

Gillette as a Strong Brand

Gillette is one of the strongest brands in the market of men's personal care products. It has tied the actual quality of its products to various intangible factors such as:

User Imagery

The type of person who uses Gillette, the type of situations in which the brand is used, the type of personality Gillette portrays etc.

Technology

Its razor blades are as technologically advanced as possible through continuously spending millions of dollars in R&D.

Sub-branding

It has developed several sub brands such as Trac II, Altra, Sensor, Mach3 to remain on top of its competitors.

Enhancements

It makes constant improvements with modifiers like Altra Plus, Sensor Excel.

Gillette as a Strong Brand

- Gillette's tagline, 'The Best A Man Can Get', showcased in its ads through the years has created a consistent, intangible sense of product superiority.

Gillette as a Strong Brand

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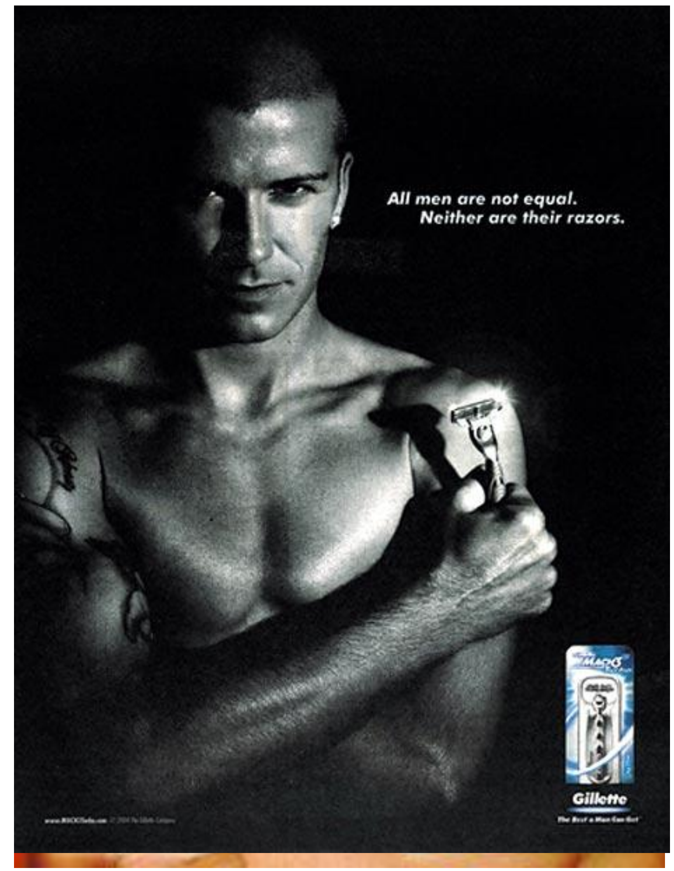
- Gillette has created a strong brand image in totality - that is, all the different perceptions, beliefs, attitudes and behaviors customers associate with their brand.



Gillette as a Strong Brand

- Gillette's tagline, 'The Best A Man Can Get', showcased in its ads through the years has created a consistent, intangible sense of product superiority.
- Gillette has created a strong brand image in totality - that is, all the different perceptions, beliefs, attitudes and behaviors customers associate with their brand.
- To keep this strong brand presence, Gillette is very protective of the name carried by its razors, blades and associated toiletries. Hence, Braun is used for the company's electric razors and its oral care products are marketed under the name, Oral B.

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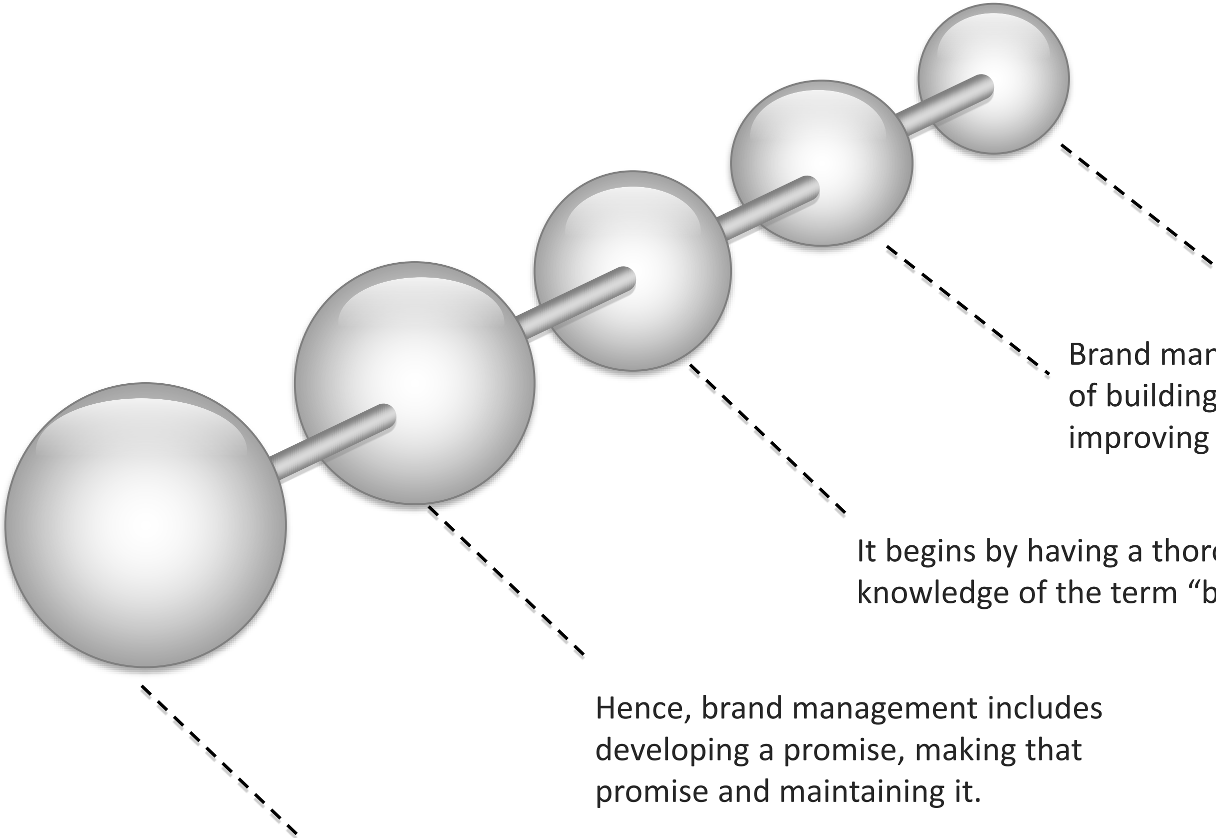
What is Brand Management?



Now, that you have learnt about ‘brands’, let us see what is brand management.

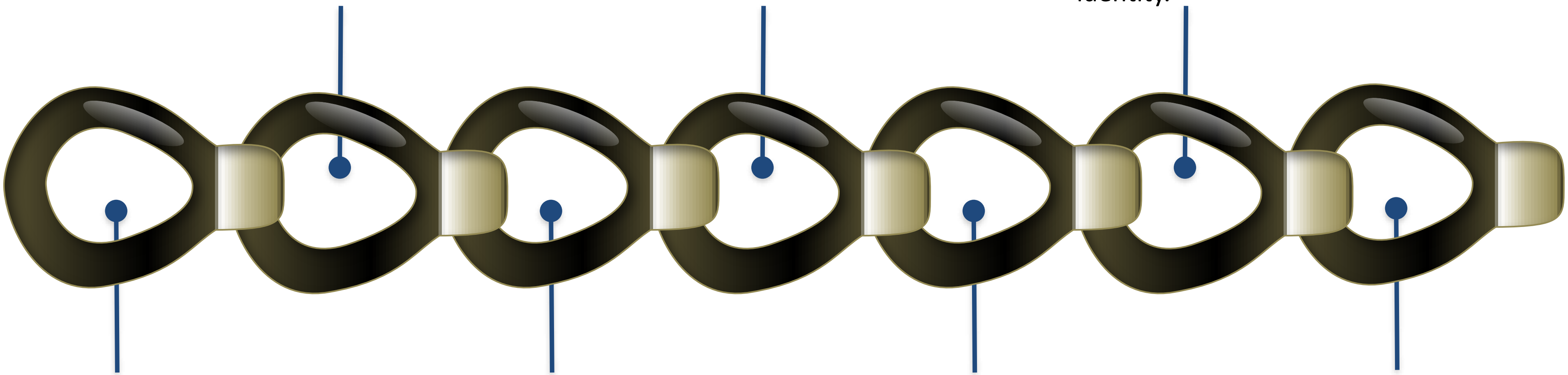
Brand management is the process of building, managing and improving a brand.

It begins by having a thorough knowledge of the term “brand”.

Hence, brand management includes developing a promise, making that promise and maintaining it.

It means defining the brand, positioning the brand, and delivering the brand. It is an art of creating and sustaining the brand.

What is Brand Management?



The tangible and intangible characteristics of brand are managed through Brand management.

The tangibles for product brands include the product itself, its characteristics, features, price, packaging, etc.

Whereas, in case of service brands, the customers' experience forms the tangibles.

The intangibles are made up of the emotional connections with the product / service.

Thus, you can see that brand management is all about Branding.

Branding is assembling of various marketing mix medium into a whole so as to give the product an identity.

It is building a brand name that captures the customer's mind.

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Purpose of Brand Management

The main aim of branding is to differentiate a company's products and services from its competitors.

Branding aims to convey a brand message vividly, create customer loyalty, persuade the buyer for the product, and establish an emotional connectivity with the customers and form customer perceptions about the product.

Brand management plays a crucial role to form brands. The brand management strategies also provide good support to the brand so that it can sustain itself in long run.

Also, through brand management, brands are managed and brand equity is built over a period of time. It helps in building a corporate image. Thus, only a competent brand management system can create a successful brand.

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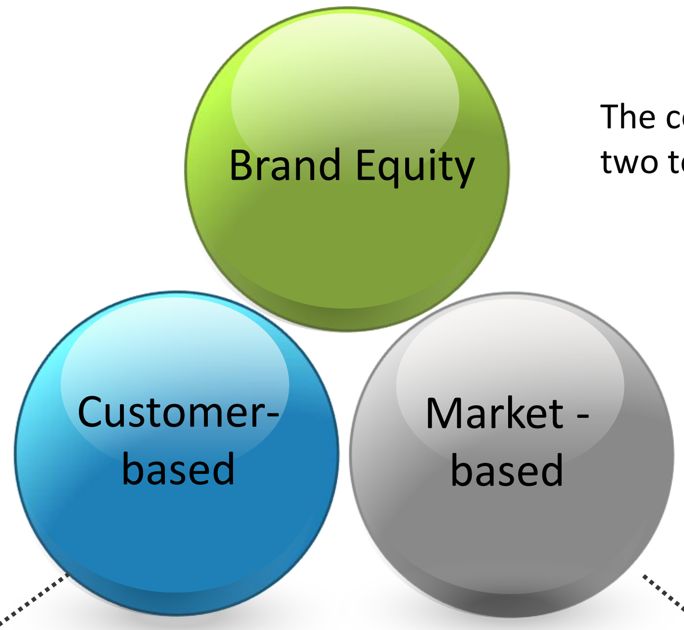
Brand Equity Concept

Brand Equity is the value, both tangible and intangible, that a brand adds to a product/service; the added value a brand name identity brings to a product or service beyond the functional benefits provided.

The concept of brand equity is measured in two terms:



The customer – based brand equity focuses exclusively on the relationship customers have with the brand

The market – based brand equity aims at producing measures in dollars, euros or yen.

Brand Equity Concept

You can see that when a commodity becomes a brand, it is said to have equity. Brand equity is the premium a brand can command in the market or the difference between the perceived value and the intrinsic value.

Brand equity can be thought of as the "added value" endowed to a product in the thoughts, words, and actions of consumers. There are many different ways that this added value can be created for a brand.

Therefore, it is important that Brand Equity should be nourished and replenished.

Brand Equity Concept

Companies must take care of its brands so that the brand equity is not diluted or dissipated.

A few examples of products with excellent brand equity include Google, Nike and Starbucks.

Let us now look at the process of building brands.

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Strategic Brand Management Process

The Strategic Brand Management Process consists of the following four steps:

Step 1: Identifying & Establishing Brand Position

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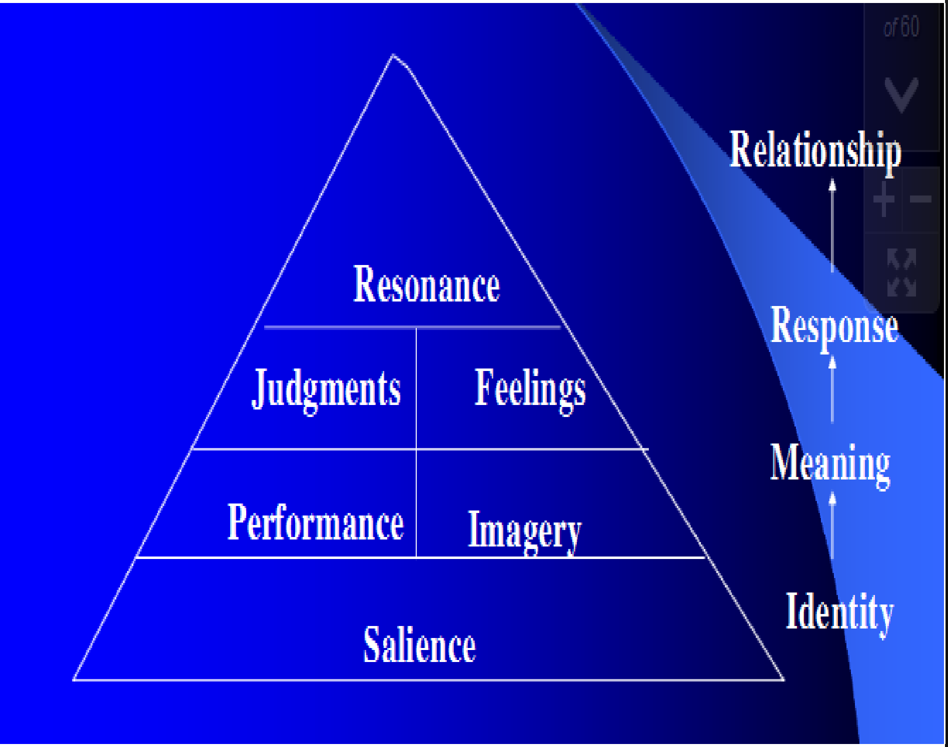


Customer Based Brand Equity

The Brand position can be identified and established by determining the customer-based brand equity using the pyramid.

- **Brand Salience:** This relates to aspects of awareness of the brand.
- **Brand Performance:** This relates to ways in which product/ service meets customers' needs.
- **Brand Imagery:** It's how customers visualize a brand abstractly, with no relevance to what the brand actually does.
- **Brand Judgments:** The customers' personal opinions and evaluations with regard to the brand.
- **Brand Feelings:** The customers' emotional responses and reactions with respect to the brand.
- **Brand Resonance:** The ultimate relationship &level of identification that the customer has with the brand.

Step 1: Identifying & Establishing Brand Position

Building a Strong Brand: Four Steps of Brand Building

The Four Steps of Brand Building are as follows:

- Identity (Who are you?)
- Meaning (What are you?)
- Response (What about you?)
- Relationship (What about you & me?)

Step 1: Identifying & Establishing Brand Position

Brand Positioning

The Brand Positioning is further divided into two parts –

- Identify and Establishing Brand Position
- Positioning Guidelines

Let us look at each one in detail.

Brand Positioning - Identify and Establishing Brand Position

Brand Positioning

Identify and Establishing Brand Position:

Basic Concepts

It is necessary to decide:

- Who the target consumer is
- Who the main competitors are
- How the brand is similar to these competitors
- How the brand is different from these competitors

Target Market

The Target Market can be decided based on two considerations:

- Segmentation Bases: a) Behavioral b) Demographic c) Psychographic d) Geographic
- Segmentation Criteria: a) Identifiability b) Size c) Accessibility d) Responsiveness

Brand Positioning - Positioning Guidelines

Brand Positioning

Positioning Guidelines:

The following are some of the positioning guidelines that firms should follow for an effective brand positioning:

- Defining and Communicating the Competitive Frame of Reference
- Choosing Points of Parity and Points of Difference
- Establishing Points of Parity and Points of Difference
- Updating Positioning Over Time

Step 2: Planning & Implementing Brand Marketing Programs

Step 2: Planning & Implementing Brand Marketing Programs

Choosing Brand Elements to Build Brand Equity

Brand Elements are sometimes called 'Brand Identities'. They are the trademark devices that help to identify and differentiate brands.

For example, the logo of tick mark of Nike, the Indian Maharaja of Air India, the rings of Audi etc. are brand elements.

Choosing Brand Elements to Build Brand Equity is further divided into two parts:

- Criteria for Choosing Brand Elements
- Options and Tactics for Brand Elements

Let us look at each one in detail.

Choosing Brand Elements to Build Brand Equity -

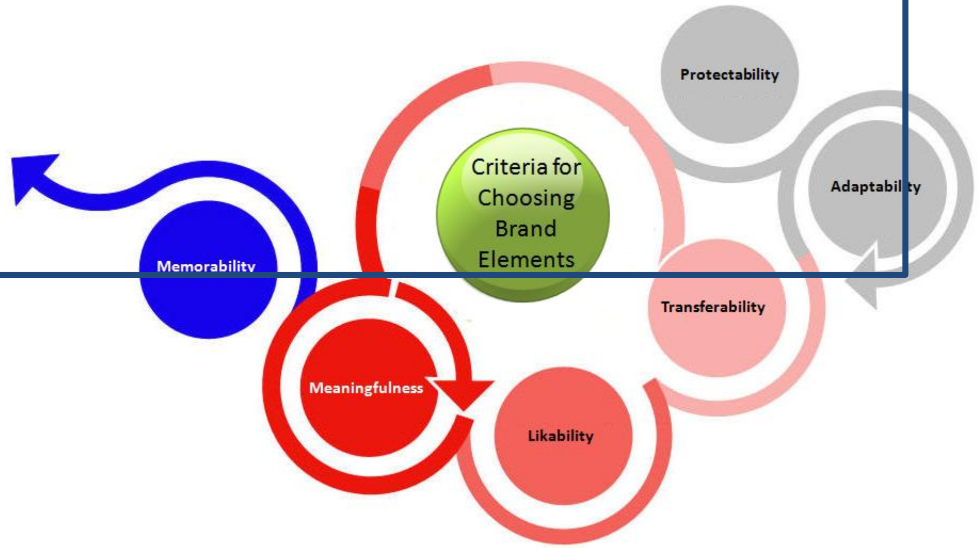
Criteria for Choosing Brand Elements

Brand Elements

Criteria for Choosing Brand Elements :

The following criteria should be met to choose relevant brand elements such as:

- Memorability – Easily Recognized, Easily Recalled
- Meaningfulness – Descriptive, Persuasive
- Likability – Fun and Interesting, Aesthetically Pleasing
- Transferability – Within Cross Product Categories, Across Geographical Boundaries and Cultures
- Adaptability – Flexible, Updateable
- Protectability – Legally Protected, Competitively Protected



Choosing Brand Elements to Build Brand Equity - Options and Tactics for Brand Elements

Brand Elements

Options and Tactics for Brand Elements:

The following are few options and tactics for Brand Elements:

Brand Names:

Descriptive brand names in which the function is described literally in brand name.

Suggestive brand names in which the name is suggestive of a benefit provided by the brand to the customer.

URLs:

- Keep the URLs as simple as possible,
- Avoid clichés,
- Use a new term for the real word
- Use catchy phrases

Logos and Symbols:

Various kinds that can be used are:

- Family Shields
- Fonts
- Symbols
- Abstract – shapes and image

Choosing Brand Elements to Build Brand Equity -
Options and Tactics for Brand Elements

Brand Elements

Options and Tactics for Brand Elements:

The following are few options and tactics for Brand Elements:

Characters:

Characters can also be used as brand elements.

Slogans:

Slogans are short phrases that are descriptive or persuasive in nature and provide more info about the brands.

Jingles:

These are musical slogans that help in reminding by repetition.

Examples: The axe song and O Fortuna, the Old Spice Theme Song.

Packaging:

Packaging is an important brand element. It helps to identify the brand, convey descriptive and persuasive information through labelling, allows protection, transportation, storage and consumption of product .

Step 2: Planning & Implementing Brand Marketing Programs

Designing Marketing Programs to Build Brand Equity

Brand Equity can be built by focussing on designing effective marketing programs keeping the following in consideration:

- Product Strategy
- Pricing Strategy
- Channel Strategy

Let us look at each one in detail.

Designing Marketing Programs to Build Brand Equity

Designing Marketing Programs to Build Brand Equity

Product Strategy

Businesses should ensure that they have an effective product strategy to remain competitive in the cutting edge markets. An efficient product strategy would ensure that the product remains updated with the latest features, technology and enhancements and has something extra to offer to the customers.

Pricing Strategy

Businesses can ensure profitability and longevity by paying close attention to their pricing strategy. An efficient pricing strategy helps companies to best position themselves within the market.

Channel Strategy

Channel Marketing is the practice of applying appropriate marketing methods to distribution channels to reach customers. It involves developing go-to-market plans, educating channel marketers or middlemen about products or services, and motivating the members of the marketing channel to promote products and services. Hence, marketing and sales alignment is critical to an effective channel strategy.

Step 2: Planning & Implementing Brand Marketing Programs

Leveraging Secondary Brand Associations to Build Brand Equity

The Leveraging Secondary Brand Associations to Build Brand Equity is further divided into three parts –

- Co-branding
- Licensing
- Celebrity Endorsement

Let us look at each one in detail.

Leveraging Secondary Brand Associations to Build Brand Equity

Leveraging Secondary Brand Associations to Build Brand Equity

Co-branding

Co-branding occurs when two or more existing brands are combined into a joint product or are marketed together in some fashion. A few examples are: Sony Ericsson, Yoplait Trix Yogurt, Nestle's Cheerios Cookie Bars

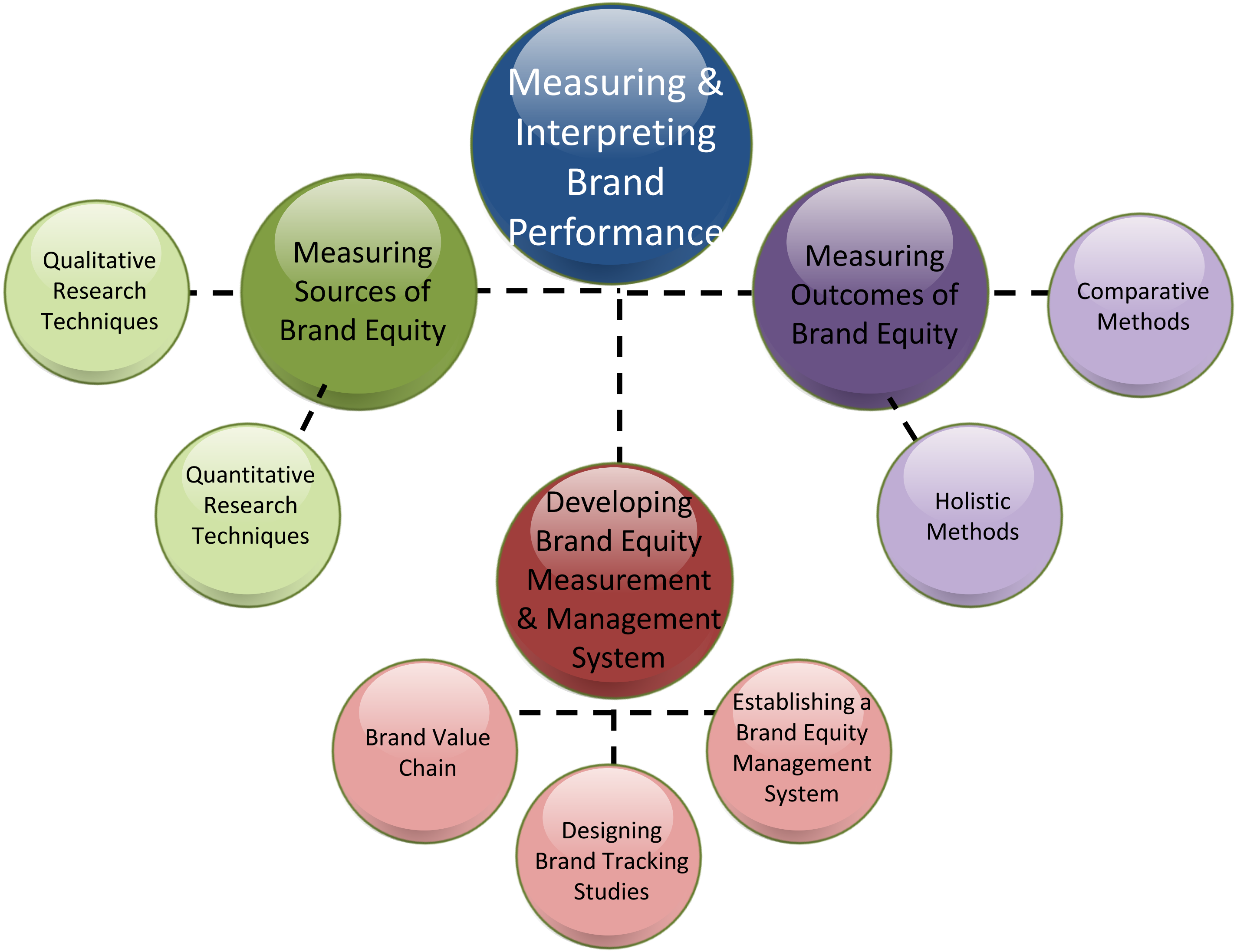
Licensing

Licensing involves contractual arrangements whereby firms can use the names, logos, characters, and so forth of other brands for some fixed fee. A few examples are: Entertainment (The Matrix, Shrek, etc.), Television and cartoon characters (Mickey Mouse), Designer apparel and accessories (Gucci, Armani, etc.)

Celebrity Endorsement

Firms can also use a celebrity to endorse their brands to help build brand equity. Celebrity endorsement helps to draw attention to the brand and to shape the perceptions of the brand. A celebrity should be greatly popular and have a high level of visibility. He or she should also have a rich set of useful associations, judgments, and feelings associated with him/her by the general public.

Step 3: Measuring & Interpreting Performance



Step 3: Measuring & Interpreting Performance

Developing a Brand Equity Measurement & Management System

The Developing a Brand Equity Measurement and Management System is further divided into three parts –

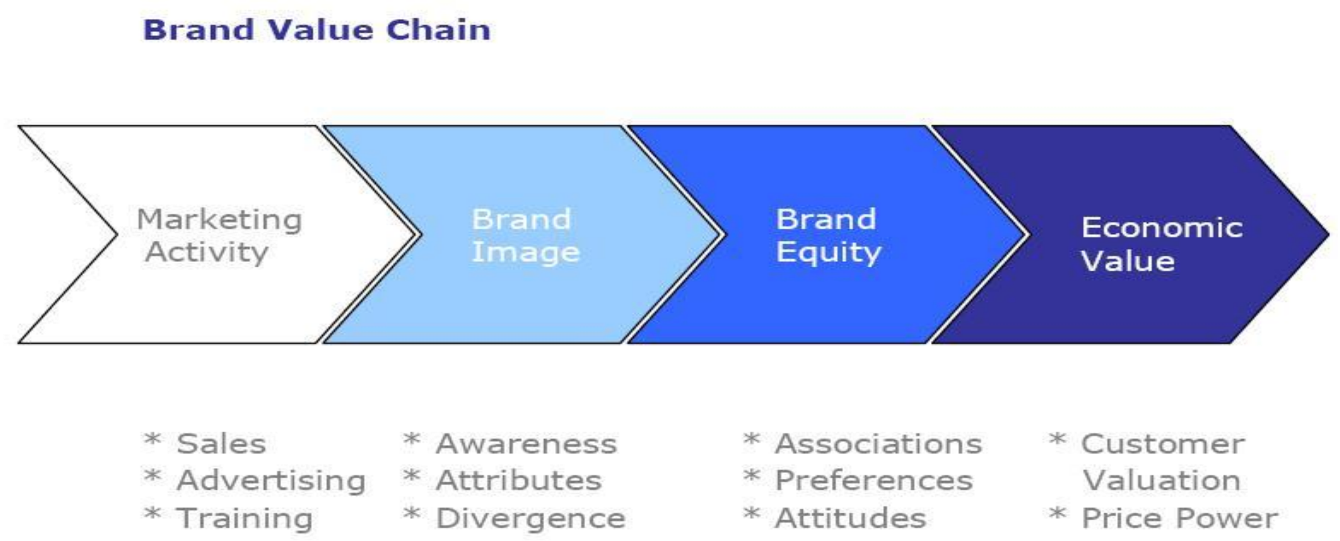
- Brand Value Chain
- Designing Brand Tracking Studies
- Establishing a Brand Equity Management System

Let us look at each one in detail.

Developing a Brand Equity Measurement & Management System

Brand Value Chain

The Brand Value Chain way of thinking leads to a strategy in which the company must focus on becoming brand oriented instead of product oriented. The Brand Value Chain provides a checklist for preparing a status of the company's branding strategy. It can also be used as a model to take a critical look at the way resources are being spent. It helps to reallocate the company's resources so that more is spent in the customer system and less in the product and distribution system. Hence, Brand Value Chain is the concept that in the future, the company must optimise itself according to its value position.



Developing a Brand Equity Measurement & Management System

Brand Tracking Studies

Brand audits provide in-depth information required for setting long-term strategic direction. However, for more short-term tactical considerations, less detailed brand-related information should be collected. This can be done by conducting on-going tracking studies. Tracking studies involve information collected from consumers on a routine basis over time. Tracking studies help to understand, where, how much and in what ways brand value is being created.

Developing a Brand Equity Measurement & Management System

Establishing a Brand Equity Management System

A brand equity management system are a set of organizational processes which are designed to improve the understanding and use of the brand equity concept within a firm. There are two useful tools that is used to used to establish a brand equity management system which are:

Brand Equity Charter:

Brand equity charter formalizes the company view of brand equity into a document. This document should:

- Clearly define the firm's view of the brand equity concept.
- Describe the scope of key brands in terms of associated products.
- Specify what the actual and desired equity is for a brand at all relevant level of the brand hierarchy.
- Provide strategic guidelines.to manage brand equity

Brand Equity Report:

The brand equity report provides descriptive and diagnostic information as to what is happening with a brand and why. It contains details of all internal and external measures of brand performance. Also, details of sources and outcomes of brand equity, a summary of consumer perceptions on key attribute or benefit associations, preferences, and reported behavior. This report is distributed to management on a regular basis such as monthly, quarterly, or annually.

Step 3: Measuring & Interpreting Performance

Measuring Sources of Brand Equity: Capturing Customer Mind-Set

There are two methods that are used for measuring the sources of brand equity or to capture the customer's mind-set, which are as follows:

- Qualitative Research Techniques
- Quantitative Research Techniques

Let us look at each one in detail.

Measuring Sources of Brand Equity –
Qualitative Research Techniques

Qualitative Research Techniques - The four parts of Qualitative Research Techniques are:

Experiential Methods:
Such methods help the researchers to improve the effectiveness of their qualitative approaches. The researchers are able to elicit more meaningful responses from consumers by tapping more directly into their actual home, work, or shopping behaviors.

Projective Techniques:
It is defined as, “Diagnostic tools that help to uncover the true opinions and feelings of consumers, when the consumers are unwilling to or unable to express themselves on the subject matter(s).”

It employs two methods to gather information:
Completion and Interpretation Tasks: This is a “Fill in the Bubble” approach for analysis.
Comparison Tasks: In this method, the consumers convey their impressions by comparing brands to people, countries, animals, activities, and so on. The brand imagery/associations is indicated by such responses.

Free Association:
Free association aims to identify the range of possible brand associations in consumers’ minds in terms of favourability, relative strength and uniqueness of brand associations. The questions should be framed so as to give relevant feedback.

Brand Personality and Values:
Brand Personality can be easily measured by asking open-ended questions linking the brand to persons, animals, objects and gather information from the responses.
The following factors of brand personality were reflected, known as ‘The Big Five’, which are:
- Sincerity
- Excitement
- Competence
- Sophistication
- Ruggedness

Measuring Sources of Brand Equity –
Quantitative Research Techniques

Quantitative Research Techniques - The four parts of Quantitative Research Techniques are:

Awareness

Brand awareness is related to the strength of the brand in memory.
Brand awareness is reflected by consumers' ability to identify various brand elements.
The following factors must be taken into consideration while measuring brand awareness:

- **Recognition:** This relates to consumers' ability to identify the brand under different circumstances.
- **Recall:** 'Unaided recall' means the identification with minimal cues. 'Aided recall' means various cues were used to assist recall.
- **Corrections for Guessing:** The research data collected for measure must consider the issue of consumers 'making up' responses or 'guessing'. These may affect strategic brand decisions.
- **Strategic Implications:** It is important that researchers understand that recognition and recall is essential in analyzing formation of consideration sets and product decisions made by consumers.

Measuring Sources of Brand Equity – Quantitative Research Techniques

Quantitative Research Techniques - The four parts of Quantitative Research Techniques are:

Image

The image of a brand relates to the lower-level consumer perceptions of specific performance and imagery attributes. The different types of specific brand associations making up the brand image can be identified by using the quantitative research approaches. The following two methods are employed for determining the brand image associations:

- **Scaling Considerations:** Different scales can be constructed such as absolute or comparative, spatial or numerical etc.
- **Other approaches:** More complex methods such as Multidimensional scaling, Conjoint Analysis, and Perceptual Mapping, are also used for the purpose of assessing brand image associations.

Quantitative Research Techniques - The four parts of Quantitative Research Techniques are:

Brand Responses:

The higher level considerations such as judgments and feelings are measured to assess and find out how consumers combine lower-level considerations about the brand in their minds to form different types of brand responses/evaluations.

Researchers have proved through studies on consumer behaviour that purchase intentions are most likely to be predictive of actual purchase when there is correspondence between any two of the following categories:

- Action(buying for own use or as gift)
- Target (specific product or brand)
- Context (type of store based on prices)
- Time (within week/month/year)

Measuring Sources of Brand Equity –
Quantitative Research Techniques

Quantitative Research Techniques - The four parts of Quantitative Research Techniques are:

Brand Relationships

The following dimensions need consideration while considering brand relationships:

- **Behavioral Loyalty:** The brand loyalty can be measured by asking questions about the previous purchases of the brand and the planned next purchases of the brand. These measures could be open ended, dichotomous, or multiple choice, or rating scales.
- **Brand Substitutability:** The greater the number of repeat purchases, the greater is the brand equity, and lesser is the chance of brand substitutability.

Step 3: Measuring & Interpreting Performance

Measuring Outcomes of Brand Equity: Capturing Market Performance

There are two methods that are used for measuring the outcomes of brand equity or to capture the market performance, which are as follows:

- Comparative methods
- Holistic methods

Let us look at each one in detail.

Measuring Outcomes of Brand Equity –
Comparative Methods

Measuring Outcomes of Brand Equity

Comparative Methods:
There are three types of methods used to measure the outcomes of brand equity which are as follows:

Brand-Based Comparative Approaches

In this approach, the target brand is compared to a competitor's or a fictitious brand. Hence, one panel of consumers responds to an element of the marketing program attributed to the target brand. Another panel responds to the same element but attributed to a competitive or fictitious brand.

Marketing-Based Comparative Approaches

This approach uses experiments in which consumers respond to changes in elements of the marketing program or marketing activity for the target brand or competitive brands.

Conjoint Analysis

This is a survey-based multivariate technique. It allows the marketers to profile the consumer decision process with respect to products and brands.

Measuring Outcomes of Brand Equity –
Holistic Methods

Measuring Outcomes of Brand Equity

Holistic Methods:

The Holistic Methods attempt to place an overall value on the brand in either abstract utility terms or concrete financial terms.

There are two approaches that are used in holistic methods:

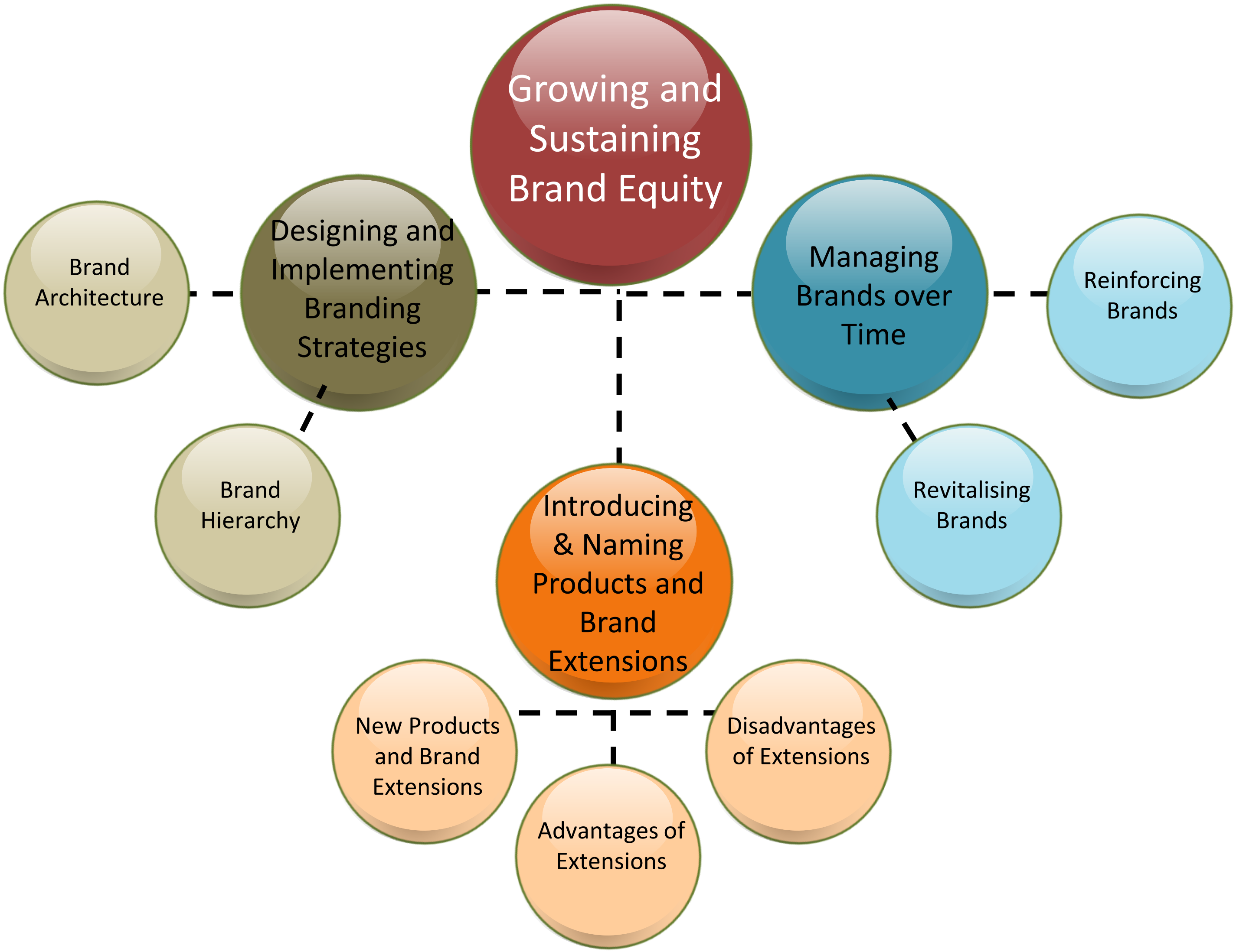
The Residual Approach

This approach attempts to examine the value of the brand. This is done by subtracting consumers' preferences based on physical attributes alone for the brand from their overall brand preferences.

The Valuation Approach

This approach attempts to place a financial value on brand equity. This value is used for accounting purposes, mergers and acquisitions, or other such reasons.

Step 4: Growing and Sustaining Brand Equity



Step 4: Growing and Sustaining Brand Equity

Designing and Implementing Branding Strategies

Most brands are part of a wider organization. The Designing and Implementing Branding Strategies is further divided into two parts –

- Brand Architecture
- Brand hierarchy

Let us look at each one in detail.

Designing and Implementing Branding Strategies –
Brand Architecture

Designing and Implementing Branding Strategies

Brand Architecture

It is the structure and organization of brands.

Breadth of a Branding Strategy

Breadth of Product Mix: Three factors determine the inherent attractiveness of a product category:

1. Aggregate market factors
2. Category factors
3. Environmental factors

Depth of Product Mix: An important rule to remember to decide the depth of the product mix is: "A product line is too short if the manager can increase long-term profits by adding items; the line is too long if the manager can increase profits by dropping items".

Depth of a Branding Strategy:

Flankers: Flanker brands are used to create stronger points of parity with competitors' brands.
Cash Cows: In firms, there are some brands that retain loyal customers and generate healthy profits with virtually no market support.
Low-end Entry-level / High-end Prestige Brands: The first category low-end entry-level are called "traffic builders" and they are able to "trade up" customers to the higher-priced brands.

Designing and Implementing Branding Strategies – Brand Hierarchy

Designing and Implementing Branding Strategies

Brand Hierarchy
It is a means of summarizing the branding strategy by displaying the number and nature of common and distinctive brand elements across the firm's products. It helps to reveal the explicit ordering of brand elements.

Potential Levels of Brand Hierarchy:

A simple representation of possible brand elements and thus, potential levels of a brand hierarchy might be as follows:

1. Corporate brand e.g. Chrysler-Daimler
2. Family brand e.g. Mercedes-Benz
3. Individual Brand e.g. 1000 SEL
4. Modifier (designating item or model) LX / VX

Brand Hierarchy Built within a Firm:

Brand hierarchy is a means of summarizing the branding strategy by displaying the number and nature of common and distinctive brand elements across the firm's products. It helps to reveal the explicit ordering of brand elements.

Let us now look at how brand hierarchy can be built within a firm. This can be done in two ways:
By Building Equity at Different Hierarchy Levels
By Creating Corporate Image Dimensions

Step 4: Growing and Sustaining Brand Equity

Introducing and Naming New Products and Brand Extensions

The Introducing and Naming New Products and Brand Extensions is further divided into three parts :–

- New Products and Brand Extensions
- Advantages of Extensions
- Disadvantages of Brand Extensions

Let us look at each one in detail.

Introducing and Naming New Products and Brand Extensions - New Products and Brand Extensions

New Products and Brand Extensions

There are three ways in which a firm can brand a product when a firm introduces a new product. These are:

1. It can develop a new brand, individually chosen for the new product.
2. It can apply in some way, one of its existing brands.
3. It can use a combination of a new brand with an existing brand.

A brand extension is when a firm uses an established brand name to introduce a new product. Brand extensions can be broadly classified into two general categories:

1. **Line Extension:** The parent brand is used to brand a new product that targets a new market segment within a product category currently served by the parent brand.
2. **Category Extension:** The new brand is used to enter a different product category from that currently served by the parent brand.

Let us now look at the Ansoff's Growth Share Matrix that helps to decide the strategy to be employed while deciding on extensions.

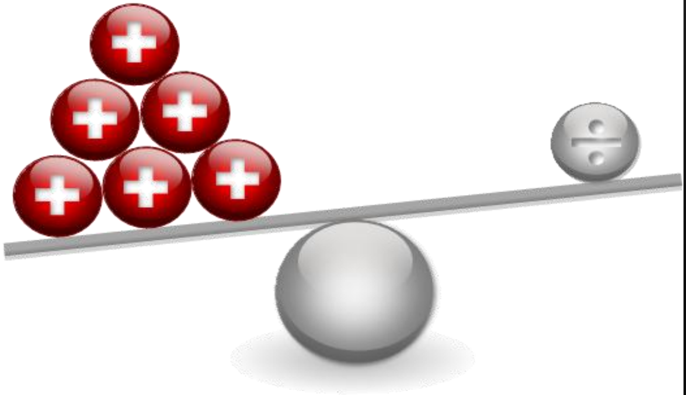
	Current Products	New Products
Current Markets	Market Penetration Strategy	Product Development Strategy
New Markets	Market Development Strategy	Diversification Strategy

Introducing and Naming New Products and Brand Extensions - Advantages of Extensions

Advantages of Extensions:

If the extensions are well-planned and well-implemented, then they can offer a number of advantages to marketers. The following are some of the advantages of extensions:

1. **Extensions that facilitate new product acceptance can:**
   - Improve brand Image
   - Reduce risk perceived by customers
   - Increase efficiency of promotional expenditures
   - Reduce costs of introductory & follow-up marketing program
   - Avoid cost of developing a new brand
   - Allow for packaging and labelling efficiencies
2. **Extensions that provide feedback benefits to the parent brand and company can:**
   - Enhance the parent brand image
   - Bring new customers into brand franchise and increase market coverage
   - Revitalize the brand

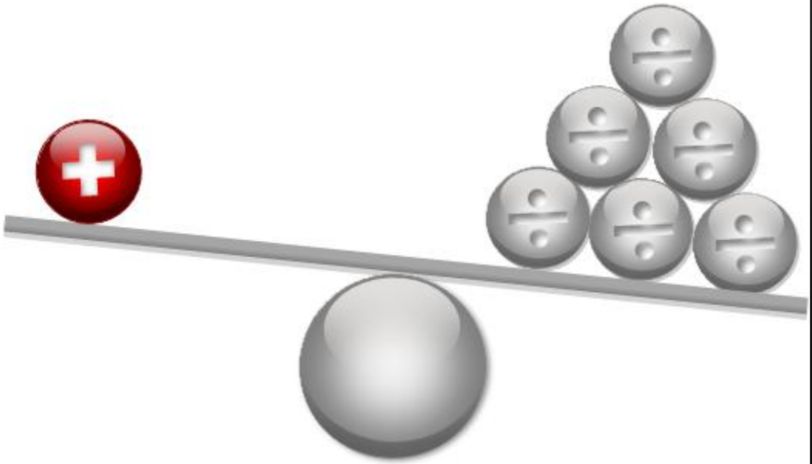


Introducing and Naming New Products and Brand Extensions - Disadvantages of Extensions

Disadvantages of Brand Extensions:

The following are some of the disadvantages of brand extensions:

- It can confuse or frustrate consumers
- It can encounter retailer resistance
- It can fail and hurt parent brand image
- It can succeed but cannibalize sales of parent brand
- It can succeed but diminish identification of any one category
- It can dilute brand meaning
- It can cause the company to forgo the chance to develop a new brand



Step 4: Growing and Sustaining Brand Equity

Managing Brands over Time

It is very important to understand the long term effects of marketing activities on the brand equity. Firms should carefully consider the consumer response to past marketing activities, the brand awareness and image, as well as the customer response to current marketing activities and to predict the response to future activities. Analyzing this information will help firms to manage the brands over a long period of time. There are various strategies that are used to manage the brands over a long period of time which are as follows:

- Reinforcing Brands
- Re-vitalising Brands

Let us look at each one in detail.

Managing Brands over Time - Reinforcing Brands

Managing Brands over Time

Reinforcing Brands

There are various ways in which the brands can be reinforced over a period of time to maintain their power.

Maintaining Brand Consistency

It is important to maintain brand consistency throughout and to continuously improve the brand to build and sustain the brand equity.

Protecting Sources of Brand Equity

It is important to protect and maintain consistently the sources of brand equity, as sustaining the sources will ensure the sustenance of the brands over the long term.

Fortifying versus Leveraging

It is vital that the strengths of the brand should be leveraged upon and the weaknesses should be fortified against any kind of pitfalls.

Fine-tuning the Supporting Marketing Program

The supporting marketing programs should be fine-tuned so that they cater to both the marketing needs of a brand- the Product-Related Performance Associations and the Non Product-Related Imagery Associations.

Managing Brands over Time - Re-vitalising Brands

Managing Brands over Time

Revitalising Brands

It is very essential that the brand should be rejuvenated from time to time to maintain its impact and freshness.

Expanding Brand Awareness

Brand awareness among the customers should be expanded by identifying additional or new usage opportunities of the brand. The customers will feel a new experience of the brand and the brand will be rejuvenated in the minds of the customers.

Improving Brand Image

The Brand Image should be improved by repositioning the Brand in the market. The brand should be placed to occupy a new niche in the market. The brand elements should be changed to achieve this.

Entering New Markets

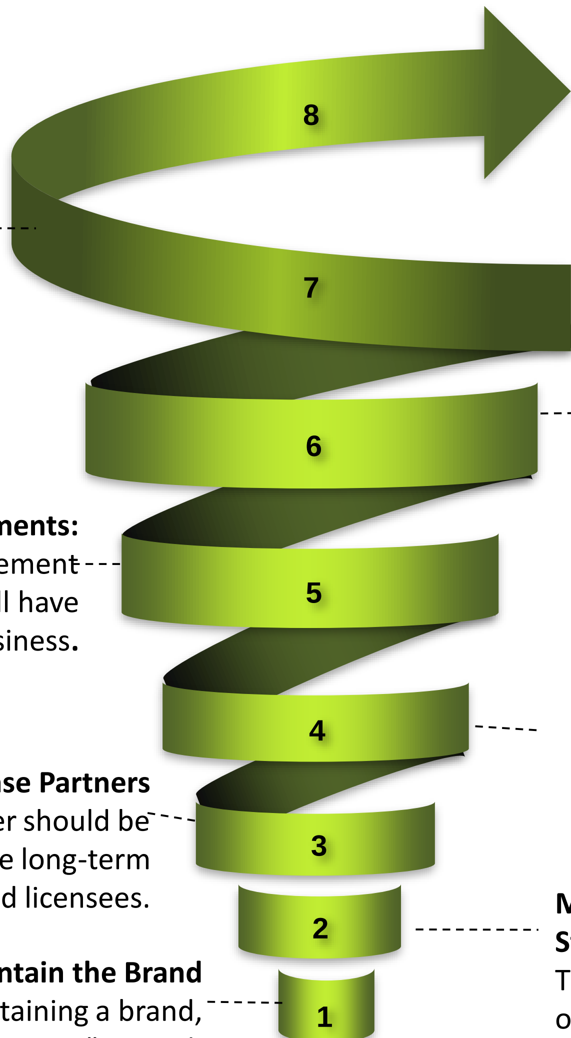
Revitalising of brands can also be done by venturing into new markets and exploring the possibility of establishing the brand in completely different arenas.

Objectives

In this module, you will learn to:

- Explain what is a Brand
- Explain the importance of Brands
- Describe the attributes of a strong brand
- Explain what is Brand Management
- Describe the Purpose of Brand Management
- Explain the Brand Equity Concept
- Describe the Strategic Brand Management Process
- List the Strategic Brand Management Guidelines

Brand Management Guidelines



Establish and Maintain the Brand
It is necessary that for establishing and maintaining a brand, a holistic approach, or an "overall brand strategy" is used.

Maintain Consistency between the Brand Strategy and Overall Business Goals
The brand strategy should be in line with the overall business goals of the organization.

Select Proper License Partners
The profile of the ideal license partner should be developed and the focus should be to ensure long-term relationships with the licensors and licensees.

Maximize the Strategic Advantage of the Brand
It is important that organizations focus on maximizing the leverage of the brand.

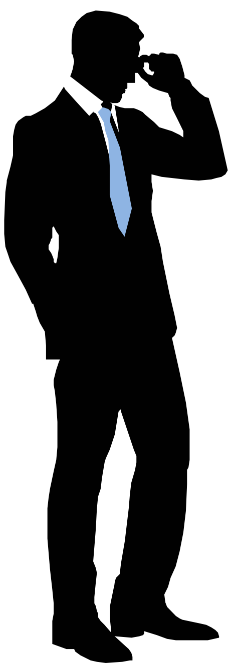
Decide about License Agreements:
The decision of whether the license agreement should be exclusive or non–exclusive will have important implications for all of the business.

Enforce Key Provisions through License agreements
Enforcing various important concerns such as quality control standards and reporting standards can be done through a properly charted out license agreements.

Affix Products & Services
An effective strategy of brand management is to ensure that the brand is associated to the most popular products and services offered by the licensee's products and services.

Actively Integrate the Brand Management Strategy into Product Development and Launch Activities
It is important that the Companies actively integrate the brand strategy into product development and launch activities by using a clear and proactive strategy.

Case Study



Coca-Cola has had strong brand equity for a long time. It has a large range of products under its brand name.

1. Conduct a thorough research and find out how Coca-Cola has built its brand equity over the years.

2. What were the strategies employed?

3. What were the major successes and pitfalls, if any?

Summary

In this module you learnt that:

Brand is a name, term, sign, symbol or a combination of all these which differentiate the goods/services of one seller or group of sellers from those of competitors.

Brand management is the process of defining the brand, positioning the brand, and delivering the brand.

Brand Equity is the value, both tangible and intangible, that a brand adds to a product/service.

The Strategic Brand Management Process consists of the following four steps:

- Identifying and Establishing Brand Position
- Planning and Implementing Brand Marketing Programs
- Measuring and Interpreting Brand Performance
- Growing and Sustaining Brand Equity

A brand equity management system is a set of organizational processes which are designed to improve the understanding and use of the brand equity concept within a firm.