

Customer Based Brand Equity

15 %

Customer Based Brand Equity

- Sources of Brand Equity
- Building a strong Brand
- Criteria for choosing brand element
- Options and tactics for brand elements

Customer Based Brand Equity

- “The basic premise of the model is that the power of a brand lies in what customers have learned, felt, seen, and heard about the brand over time. In other words, the power of a brand resides in the minds of the customers.”
– Keller, 2001

Customer Based Brand Equity Model



Customer Based Brand Equity Model

1. Brand Identity: Who Are You?

The foundation of the pyramid is ensuring customers know who you are and what you stand for. This is about building awareness and recognition.

Key Metric: Brand salience, which measures the frequency and ease of recall.

Example: *Zoom* became synonymous with virtual meetings during the pandemic because it was immediately recognizable and easy to use.

Tips:

Create a memorable logo and tagline.

Maintain consistency in branding across all platforms.

Customer Based Brand Equity Model

2. Brand Meaning: What Are You?

Once customers recognize your brand, the focus shifts to what your brand represents. Keller breaks this level into two components:

Performance: How well your product or service meets customers' functional needs. Ensure your products/services deliver on their promises. This includes aspects like functionality, reliability, durability, and customer satisfaction. Positive experiences enhance trust and credibility.

- To provide clarity, Keller's model breaks down performance into 5 specific key performance indicator categories.
- primary characteristics and features
- product reliability, durability, and serviceability
- service effectiveness, efficiency, and empathy
- style and design
- price

Imagery: The emotions and associations tied to your brand. Appeal to customers' social and psychological needs. Define your brand's personality—whether it's quirky, sophisticated, or environmentally conscious—and reflect this in your marketing. Align your imagery with your audience's values to foster emotional connections.

Tips:

Use storytelling to emphasize your brand's unique value.

Create a lifestyle image around your product.

Customer Based Brand Equity Model

3. Brand Response: What About You?

At this stage, focus on how customers perceive and evaluate your brand, both rationally and emotionally.

Judgments: Rational assessments, such as quality, credibility, and superiority.

Feelings: Emotional responses, such as happiness, pride, or nostalgia.

Example: *Dyson* is judged on innovation and superior performance, while brands like *Ben & Jerry's* evoke feelings of joy and social consciousness.

Tips:

Encourage positive reviews and testimonials.

Launch campaigns that tap into customer emotions.

Customer Based Brand Equity Model

4. Brand Resonance: What About You and Me?

The pinnacle of Keller's pyramid is brand resonance, where customers become loyal advocates and actively engage with your brand.

Example: *Fender*, the guitar brand, has a cult following of musicians who not only buy their instruments but participate in Fender-sponsored events and tutorials.

Key Components:

Behavioral loyalty (repeat purchases).

Emotional attachment (customers feel connected to the brand).

Active engagement (social media, communities, or events).

Customer Based Brand Equity Model

- Example: Apple Inc.

Brand Identity

Salience: Apple is a globally recognized brand known for its innovative technology and distinctive logo.

Performance: Apple products are known for their high quality, reliability, and user-friendly interfaces. Their devices, such as the iPhone, MacBook, and iPad, consistently perform well.

Imagery: Apple is associated with innovation, creativity, and a premium lifestyle. The brand is often linked with a sophisticated, tech-savvy user base.

Judgments: Customers generally perceive Apple products as superior in terms of design, functionality, and innovation. The brand is seen as credible and high-quality.

Feelings: Apple evokes emotions of excitement and anticipation with its new product launches. It also fosters a sense of security and confidence in its users due to its reliable customer support and secure ecosystem.

Resonance: Apple has a highly loyal customer base that exhibits strong behavioral loyalty (frequent repeat purchases) and attitudinal attachment (preference for Apple products over competitors). The brand also fosters a sense of community through events like Apple's Worldwide Developers Conference (WWDC) and active engagement via social media and customer feedback platforms.

Sources of brand equity

- Brand equity is built on a number of different sources. These include:
- Brand Awareness
- Brand awareness is the extent to which people are familiar with a brand. It is an important source of brand equity, as it can help to increase the perceived value of a brand. Brand awareness can be increased through advertising, public relations, and other marketing activities.
- Brand recognition and brand recall

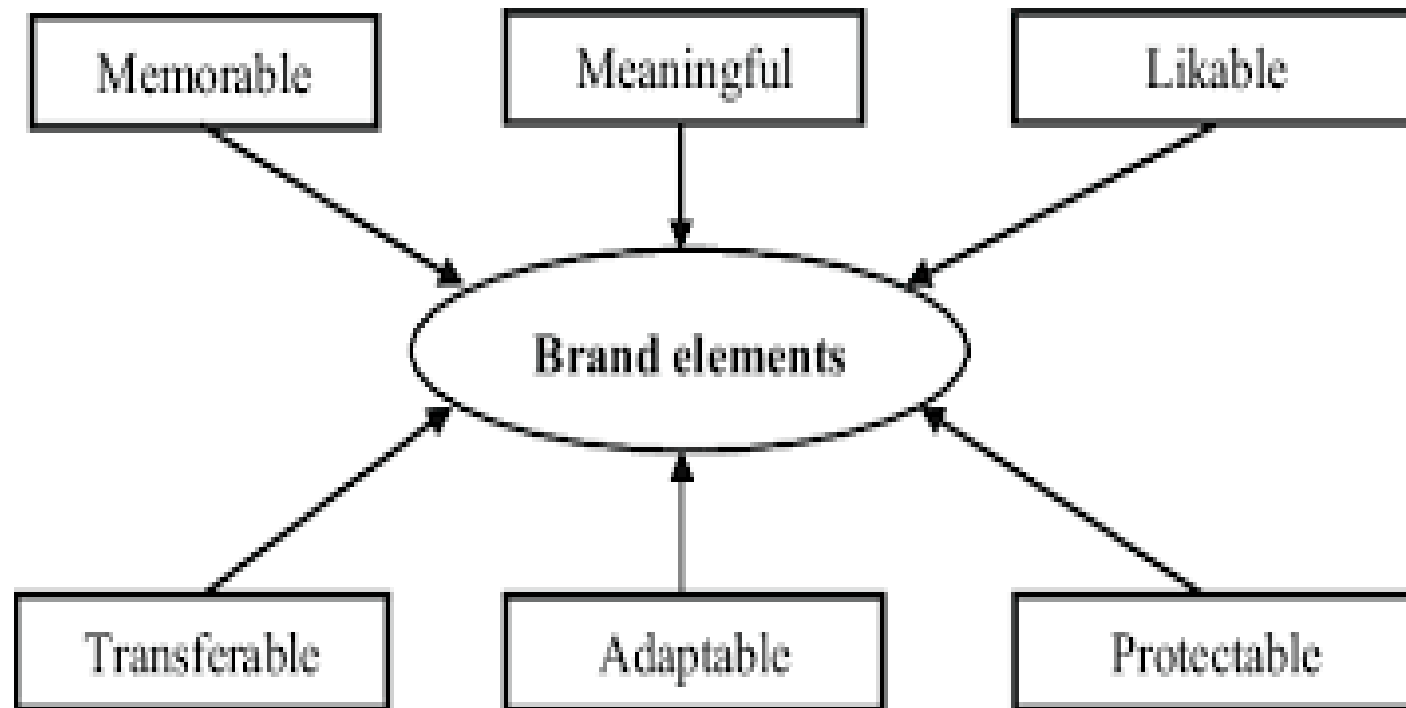
Sources of brand equity

- Brand Image
Strong brand association
- Market research
- Quality
- Marketing Mix
- Brand Extension
- Customer Opinion
- Customer Perceptions
- Customer Satisfaction & Loyalty
- Trademark & Logo
- Sponsorship & Endorsement

Building a strong brand

- Discover the purpose of Brand
 - Brand Awareness
 - Brand Image
- Know your competitors
- Determine the Target Audience
- Building Brand Strategy
- Create Brand Identity
- Live the Brand
- Consistency
 - Unique Value Proposition
 - Positioning statement

Criteria for choosing Brand elements



Criteria for choosing Brand elements

1. **Memorable**
Easily recognized
Easily recalled
2. **Meaningful**
Descriptive
Persuasive
3. **Likable**
Fun and interesting
Rich visual and verbal imagery
Aesthetically pleasing
4. **Transferable**
Within and across product categories
Across geographic boundaries and cultures
5. **Adaptable**
Flexible
Updatable
6. **Protectable**
Legally
Competitively

The six key criteria for developing brand elements are:

- **Memorability** – Easy to recognize and recall.
- **Meaningfulness** – Communicates brand values and messaging.
- **Likability** – Visually appealing and engaging.
- **Transferability** – Works across different markets and categories.
- **Adaptability** – Can evolve with trends and brand growth.

Criteria for choosing Brand elements

- Memorability

A necessary condition for building brand equity is achieving a high level of brand awareness. Brand elements that promote that goal are inherently memorable and attention-getting and therefore facilitate recall or recognition in purchase or consumption settings

Criteria for choosing Brand elements

- Meaningfulness
- Brand elements may take on all kinds of meaning, with either descriptive or persuasive content.
- General information about the function of the product or service: Does the brand element have descriptive meaning and suggest something about the product category, the needs satisfied or benefits supplied?
- Specific information about particular attributes and benefits of the brand: Does the brand element have persuasive meaning and suggest something about the particular kind of product, or its key points-of-difference attributes or benefits?

Criteria for choosing Brand elements

- Likability Independent of its memorability and meaningfulness, do customers and the brand element aesthetically appealing? Is it likable visually, verbally, and in other ways? Brand elements can be rich in imagery and inherently fun and interesting, even if not always directly related to the product.

Criteria for choosing Brand elements

- Transferability measures the extent to which the brand element adds to the brand equity for new products or in new markets for the brand.
- How useful is the brand element for line or category extensions? In general, the less specific the name, the more easily it can be transferred connotes a massive South American river and therefore as a brand across categories. For example, Amazon can be appropriate for a variety of different types of products
- To what extent does the brand element add to brand equity across geographic boundaries and market segments? To a large extent this depends on the cultural content and linguistic qualities of the brand element. One of the main advantages of nonmeaningful, synthetic names like Exxon is that they transfer well into other languages.

Criteria for choosing Brand elements

- **Adaptability** The other consideration for brand elements is their adaptability over time. Because of changes in consumer values and opinions, or simply because of a need to remain contemporary, most brand elements must be updated. The more adaptable and flexible the brand element, the easier it is to update it. For example, logos and characters can be given a new look or a new design to make them appear more modern and relevant.
- **Protectability** Another consideration is the extent to which the brand element is protectable— both in a legal and a competitive sense. Marketers should (1) choose brand elements that can be legally protected internationally, (2) formally register them with the appropriate legal bodies, and (3) vigorously defend trademarks from unauthorized competitive infringement

Options and tactics for brand elements

- Brand Name
- Brand names can be an extremely effective shorthand means of communication
- whereas an advertisement lasts half a minute, customers can notice the brand name and register its meaning or activate it in memory in just a few seconds.
- Because it is so closely tied to the product in the minds of consumers, however, the brand name is also the most difficult element for marketers to change.
- Ideally, a brand name would be easily remembered, highly suggestive of both the product class and the particular benefits that served as the basis of its positioning
- Brand names that are simple and easy to pronounce or spell, familiar and meaningful, and different, distinctive, and unusual can obviously improve brand awareness

Options and tactics for brand elements

- Marketers can shorten longer names to make them easier to recall. For example, over the years Chevrolet cars have also become known as “Chevy,” Budweiser beer has become “Bud,” and Coca-Cola is also “Coke.
- To encourage word-of-mouth exposure that helps build strong memory links, marketers should also make brand names easy to pronounce.
- The brand name should be familiar and meaningful so it can tap into existing knowledge structures.
- It can be concrete or abstract in meaning. Because the names of people, objects, birds, animals, and inanimate objects already exist in memory, consumers have to do less learning to understand their meanings as brand names.

Options and tactics for brand elements

- Consider the advantages of “Apple” as the name of a personal computer.
- Apple was a simple but well-known word that was distinctive in the product category—which helped develop brand awareness.
- The meaning of the name also gave the company a “friendly shine” and warm brand personality.
- It could also be reinforced visually with a logo that would transfer easily across geographic and cultural boundaries.
- Finally, the name could serve as a platform for sub-brands like the Macintosh, aiding the introduction of brand extensions.
- As Apple illustrates, a well-chosen brand name can make an appreciable contribution to the creation of brand equity

Options and tactics for brand elements

- Brand Awareness

Brand Awareness. Brand names that are simple and easy to pronounce or spell, familiar and meaningful, and different, distinctive, and unusual can obviously improve brand awareness

- **Enhance recall**

Marketers can shorten longer names to make them easier to recall. For example, over the years Chevrolet cars have also become known as “Chevy,” Budweiser beer has become “Bud,” and Coca-Cola is also “Coke.

- **Easy to pronounce**

To encourage word-of-mouth exposure that helps build strong memory links, marketers should also make brand names easy to pronounce. • In case of brands with difficult-to-pronounce names the firm has to devote so much of its initial marketing effort to teaching consumers how to pronounce the name. Polish vodka Wyborowa (pronounced VEE-ba-ro-va) was supported by a print and to help consumers pronounce the brand name

- **Familiarity and Meaningfulness**

The brand name should be familiar and meaningful so it can tap into existing knowledge structures.

Brand Associations

- Because the brand name is a compact form of communication, the explicit and implicit meanings consumers extract from it are important.
- A descriptive brand name should make it easier to link the reinforced attribute or benefit
- Consumers will find it easier to believe that a laundry detergent “adds fresh scent” to clothes if it has a name like “Blossom” than if it’s called something neutral like “Circle.”
- Brand names raise a number of interesting linguistic issues
 - The letter X became popular (e.g., ESPN’s X Games and Nissan’s Xterra SUV) because X represents “extreme,” “on the edge,” and “youth

Naming Procedure

- Strategic Branding Decision
- Primary Name selection
- Screening of names
- Search
- Consumer Testing
- Final name selection

URLs

- URLs (uniform resource locators) specify locations of pages on the Web and are also commonly referred to as domain names. Anyone wishing to own a specific URL must register and pay for the name.
- Every three-letter combination and virtually all words in a typical English dictionary have been registered
- Companies use coined words for new brands if they wish to have a Web site for the brand. For example, when Andersen Consulting selected its new name, it chose the coined word “Accenture” in part because the URL www.accenture.com had not been registered.
- An issue facing companies with regard to URLs is protecting their brands from unauthorized use in other domain names. A company can sue the current owner of the URL for copyright infringement, buy the name from the current owner, or register all conceivable variations of its brand as domain names ahead of time.
- In 2009, Citibank successfully led suit against Shui of China by showing that (1) Shui had a bad-faith intent to profit from using the domain name citybank.org; and (2) that the name was confusingly similar to, or dilutive of, Citibank’s distinctive or famous mark. Shui was forced to pay Citibank \$100,000 and its legal fees

Logos and Symbols

- Although the brand name typically is the central element of the brand, visual elements also play a critical role in building brand equity and especially brand awareness.
- Logos have a long history as a means to indicate origin, ownership, or association. For example, families and countries have used logos for centuries to visually represent their names.
- Logos range from corporate names or trademarks (word marks with text only) written in a distinctive form, to entirely abstract designs.
- Examples of brands with strong word marks and no accompanying logo separate from the name include Coca-Cola, Dunhill, and Kit Kat.
- Examples of abstract logos include the Mercedes star, Rolex crown, CBS eye, Nike swoosh, and Olympic rings. These non-word mark logos are also often called symbols
- Many logos fall between these two extremes. Some are literal representations of the brand name, enhancing brand meaning and awareness, such as the Arm and Hammer, American Red Cross.

Famous Brand Logos



Characters

- Characters represent a special type of brand symbol—one that takes on human or real-life characteristics
- Brand characters typically are introduced through advertising and can play a central role in ad campaigns and package designs
- Some are animated characters like the Pillsbury Doughboy, Peter Pan peanut butter, and numerous cereal characters such as Tony the Tiger and Snap, Crackle & Pop
- Others are live-action figures like Juan Valdez (Colombian coffee) and Ronald McDonald

Characters



Characters

- Band characters tend to be attention getting and quite useful for creating brand awareness.
- Brand characters can help brands break through marketplace clutter as well as help communicate a key product benefit
- The human element of brand characters can enhance likeability and help create perceptions of the brand as fun and interesting
- Brand characters can be so attention getting and well liked that they dominate other brand elements and actually dampen brand awareness.
- Characters often must be updated over time so that their image and personality remain relevant to the target market.

Slogans

- Slogans are short phrases that communicate descriptive or persuasive information about the brand.
- When Snickers advertised, “Hungry? Grab a Snickers,” the slogan also appeared on the candy bar wrapper itself
- Slogans build brand awareness by making strong links between the brand and the corresponding product category, like when Lifetime would advertise that it was “Television for Women.”
- Most important, slogans can help reinforce the brand positioning as in “Staples. That Was Easy.”
- Slogans often become closely tied to advertising campaigns and serve as tag lines to summarize the descriptive or persuasive information conveyed in the ads. DeBeers’s “A Diamond Is Forever” tag line communicates that diamonds bring eternal love and romance and never lose value.
- Slogans can be more expansive and more enduring than just ad tag lines . Nike has used tag lines specific to ad campaigns for events or sports such as “Prepare for Battle” and “Quick Can’t Be Caught” (basketball); “Write the Future,” (World Cup); “My Better Is Better” (multisport); and “Here I Am” (women) instead of the well-known brand slogan, “Just Do It

Jingles

- Jingles are musical messages written around the brand. Typically composed by professional songwriters, they often have enough catchy hooks and choruses to become almost permanently registered in the minds of listeners
- Jingles are not nearly as transferable as other brand elements.
- They can communicate brand benefits
- Jingles are perhaps most valuable in enhancing brand awareness.
- They repeat the brand name in clever and amusing ways that allow consumers multiple encoding opportunities
- A well-known jingle can serve as an advertising foundation for years. The familiar “Give Me a Break” jingle for Kit Kat candy bars has been sung in ads since 1988
- Finally, the distinctive four-note signature to Intel’s ads echoes the company’s slogan “In-tel Inside.”

Packaging

- Packaging is the activities of designing and producing containers or wrappers for a product. Like other brand elements, packages have a long history.
- From the perspective of both the firms and consumers, packaging must achieve a number of objectives:
- Identify the brand
- Convey descriptive and persuasive information
- Facilitate product transportation and protection
- Assist in at-home storage.
- Aid product consumption.

Packaging

- Often, one of the strongest associations consumers have with a brand is inspired by the look of its packaging
- For example, if you ask the average consumer what comes to mind when he or she thinks of Heineken beer, a common response is a “green bottle.”
- The package can become an important means of brand recognition and convey or imply information to build or reinforce valuable brand associations.
- Structural packaging innovations can create a point-of-difference that permits a higher margin.
- New packages can also expand a market and capture new market segments. Packaging changes can have immediate impact on customer shopping behavior and sales: a redesign of Häagen-Dazs packaging increased favor shoppability by 21 percent.

Packaging at the Point of Purchase

- The right packaging can create strong appeal on the store shelf
- Many consumers may first encounter a new brand on the supermarket shelf or in the store. Because few product differences exist in some categories, packaging innovations can provide at least a temporary edge on competition.
- For these reasons, packaging is a particularly cost-effective way to build brand equity. It is sometimes called the “last five seconds of marketing” as well as “permanent media” or “the last salesman.”
- Walmart looks at packaging critically and tests whether consumers understand the brand promise behind the package within three seconds and up to 15 feet from the shelf.

Packaging Innovations

Packaging innovations can both lower costs and/or improve demand. One important supply-side goal for many firms is to redesign packages and employ more recyclable materials to lower the use of paper and plastic

On the demand side, in mature markets especially, package innovations can provide a short-term sales boost.

The beverage industry in general has been characterized by a number of packaging innovations.

Managing Brand Over Time

10 %

Managing Brand Over Time

- Reinforcing Brand
- Revitalizing Brand
- Adjustment to Brand Portfolio

REINFORCE BRAND

- REINFORCE BRAND EQUITY BY MARKETING ACTIONS THAT CONSISTANTLY CONVRVY THE MEANING OF THE BRAND TO THE CONSUMERS IN TERMS OF BRAND AWARENESS AND BRAND IMAGE
- What products does the brand represent, what benefits does it supply, and what needs does it satisfy?(Brand Awareness)
- How does the brand make those products superior? What strong, favorable, and unique brand associations exist in the minds of consumers?(BRAND IMAGE)
- Brand Consistency
- Consistent marketing support in amount and nature
- Protecting Sources of Brand Equity
- Fortifying versus Leveraging
- Fine-Tuning the Supporting Marketing Program

Revitalizing Brand

- Expand the depth and/or breadth of awareness by improving consumer recall and recognition of the brand during purchase or consumption settings
- Improving the strength, favorability, and uniqueness of brand associations—either existing or new ---making up the brand images
- Expanding Brand Awareness
- Breadth challenge
- Improving Brand Image
- Repositioning the brand
- Changing brand location
- Entering new markets

Brand Portfolio

- A brand portfolio is known as the leading brand of a company that covers all other brands or companies operated by a company.
- Take the case of the Coca-cola company. The Coca Cola, or Coke, is one of the most popular soft drinks brands. However, it has several popular brands such as Diet Coke, Coca-Cola Zero, Fanta, Sprite, Dasani, SmartWater, and many other brands. The coca-cola is a brand umbrella for all other brands of this company.

Adjustment to Brand Portfolio

- Migration strategies
- A corporate or family branding strategy in which brands are ordered in a logical manner could provide the hierarchical structure in consumers 'minds to facilitate brand migration.
- Example: BMW with its 3- ,5- , and 7-series numbering systems
- Acquiring new customers
- Tradeoffs in their marketing efforts between attracting new customers and retaining existing ones
- Firms must proactively develop strategies to attract new customers, especially younger ones
- Retiring brands