

Strategic Brand Management

Prepared by Dr. Perihan Salah

MKT733

Brands and Brand Management

Lecture 1





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Chapter

01

LEARNING OBJECTIVES

- Define “brand,” state how brand differs from a product, and explain what brand equity is
- Summarize why brands are important
- Explain how branding applies to virtually everything
- Describe the main branding challenges and opportunities
- Identify the steps in the strategic brand management process

Chapter

01

What is a Brand?



We all know what is product

Brand gives perception & assign certain quality & characteristics

Identity (id), assets, reputation, performance. Brand is carried on generations.

WHAT IS A BRAND?

Brand

- 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.
 - Differentiate goods and services from those of competitors.
- Creates a certain amount of awareness, reputation, prominence, and so on in the marketplace.
- Whenever a marketer creates a new name, logo, or symbol for a new product, a brand has been created

Brand Elements

Brands versus Products



- The key to creating a brand:
 - Able to choose a name, logo, symbol, package design, or other characteristic that identifies a product
 - Distinguishes it from other products
- Components that identify and differentiate a brand are brand elements
- Can be based on people, places, things, and abstract images

WHAT IS A PRODUCT?

Product

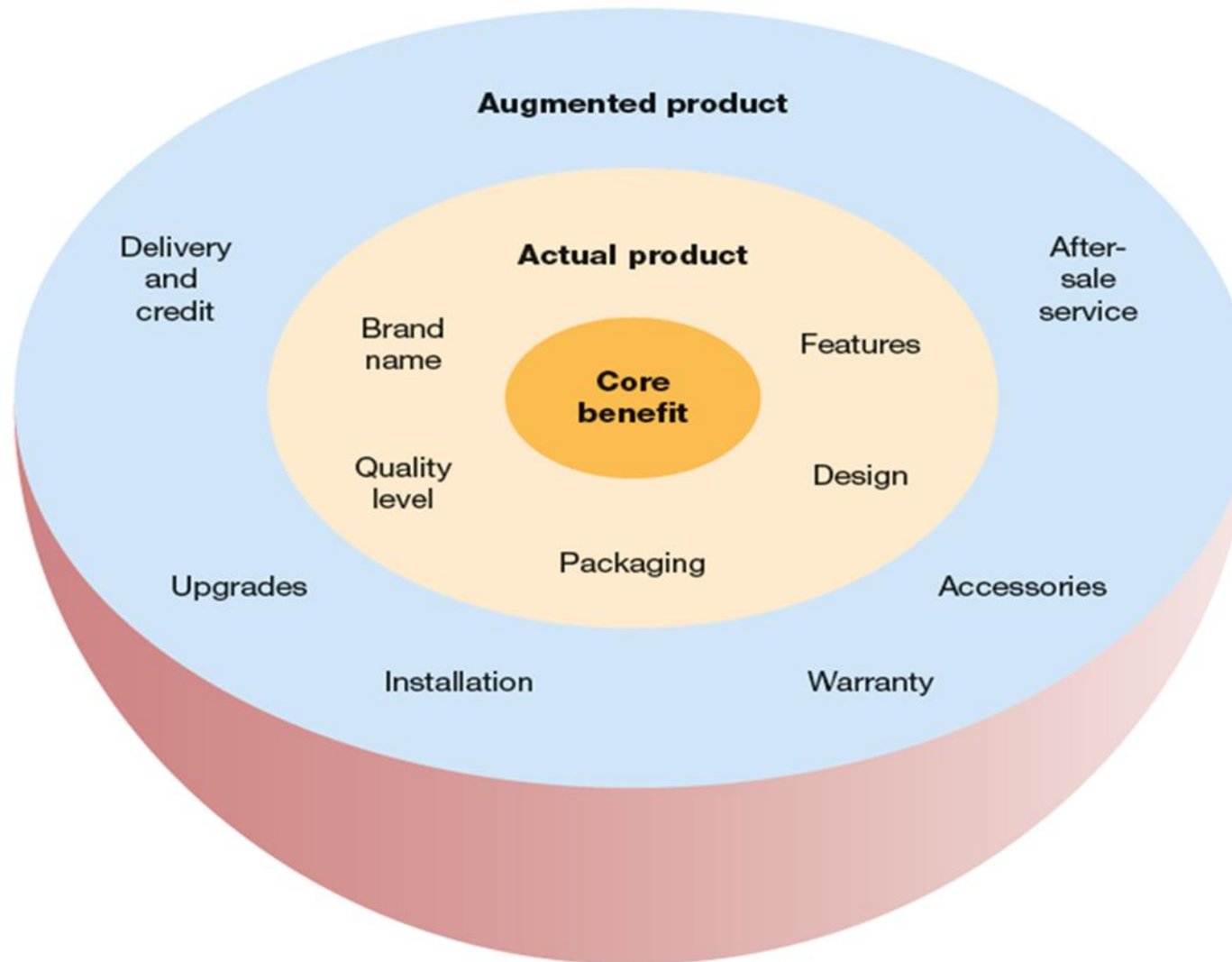
- Can be:
 - Physical good - A cereal, tennis racquet, or automobile.
 - A service - An airline, bank, or insurance company.
 - A retail outlet - Department store, specialty store, super market.
 - A person - Political figure, professional entertainer, athlete.
 - A place - City or country.
 - An idea or a social cause.



EXHIBIT 14.2

Augmenting the Basic Product

Product decisions also involve how much or how little to augment the core product with additional goods and services.



Five levels of meaning for a product:

1. **Core benefit level:** Fundamental need or want that consumers satisfy by consuming the product or service.
2. **Generic product level:** Basic version of the product containing only those attributes or characteristics absolutely **necessary** for its functioning but with no distinguishing features.
3. **Expected product level:** Set of attributes or characteristics that buyers **normally expect** and agree to when they purchase a product.
4. **Augmented product level:** Additional product attributes, benefits, or related services that **distinguish** the product from competitors.
5. **Potential product level:** All the augmentations and transformations that a product might ultimately undergo in the **future**.

Brand versus Product

Helps positioning in mind. ID
Identified & differentiated

Brand	Product
Has dimensions that differentiate it in some way from other products designed to satisfy the same need	Anything available in the market for use or consumption, that may satisfy a need or want
Can be differentiated on the basis of: • Packaging • Services provided • Customer advice • Financing • Delivery arrangements • Warehousing • Other things valued by the customers	Can be categorized into five levels namely: • Core benefit level • Generic product level • Expected product level • Augmented product level • Potential product level

Same features & benefits

Expectation
Competitive advantages

What's coming in future?
Innovations & new
versions

Brands Versus Products



Product



Brand

Difference Between

Brand



Products



- Differences between a product and a brand may be:
 - Rational and tangible:
 - Related to product performance of the brand
 - Or may be more symbolic, emotional, and intangible:
 - Related to what the brand represents
- Through branding, organizations:
 - Create perceived differences amongst products
 - Develop loyal customer franchise
 - Create value that can translate to financial profits

The Most Innovative Companies of 2022

Ranking

1-10	11-20	21-30	31-40	41-50
1 Apple	11 Meta	21 Toyota	31 Xiaomi	41 Tencent
2 Microsoft	12 Nike	22 Alibaba	32 eBay	42 General Motors ●
3 Amazon	13 Walmart	23 HP	33 Hyundai	43 Ford ●
4 Alphabet	14 Dell	24 Lenovo	34 Procter & Gamble	44 Intel ●
5 Tesla	15 Nvidia ●	25 Zalando ●	35 Adidas	45 ByteDance ●
6 Samsung	16 LG	26 Bosch	36 Coca-Cola	46 Panasonic ●
7 Moderna	17 Target	27 Johnson & Johnson	37 3M ●	47 Philips
8 Huawei	18 Pfizer	28 Cisco	38 PepsiCo	48 Mitsubishi
9 Sony	19 Oracle	29 General Electric	39 Hitachi ●	49 Nestlé ●
10 IBM	20 Siemens	30 Jingdong ●	40 SAP	50 Unilever ●

 New entrant
  Returnee

Source: BCG Most Innovative Companies (MIC) Report 2022.

Why Do Brands Matter?

Consumers

Firms

- People judge others with brands
- Positioning of people identity with brands



- Functions provided by brands to consumers (individuals or organizations):
 - Identify the source or maker of the product
 - Simplify product buying decisions
 - Lower the search costs for products internally and externally
 - Helps set reasonable expectations about what consumers may not know about the brand

Brand can signal product characteristics and attributes:

Consumers

– On the basis of attributes products can be classified as:

- **Search goods:**

- Evaluated on the basis of attributes such as strength, size, colour, style, design, weight, and ingredient composition by visual inspection.
- Example - Grocery

- **Experience goods:**

- Evaluated on the basis of features such as durability, service quality, safety, and ease of handling.
- Example - Automobile tires

- **Credence/credibility goods (unsought):**

- Consumers may rarely learn attributes.
- Example – Insurance

Brands can reduce risks in product decision:

– These risk can be categorised as:

- Functional, physical, financial, social psychological, and time

Firms

- **Brands provide valuable functions to a firm:**
 - Simplify product handling and tracing
 - Help organizing inventory and accounting records
 - Offer the firm legal protection for unique features or aspects of the product
 - Provide predictability and security of demand for the firm and creates barriers of entry for competitors
 - Provide a powerful means to secure competitive advantage

Why brands matter?

From consumer perspective

Brand=money+reputation+comp. adv

It may be a brand but not necessarily to be trademark. Unless it undergoes legal protections for years
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Roles That Brands Play

Consumers

Identification of source of product

Assignment of responsibility to product maker The maker has responsibility towards the consumer

Risk reducer For wrong decision probability

Search cost reducer

Promise, bond, or pact with maker of product Compatible with the promises you give to consumer

Symbolic device hedonic

Signal of quality Gives specific quality

Manufacturers

Means of identification to simplify handling or tracing

Means of legally protecting unique features

Signal of quality level to satisfied customers

Means of endowing products with unique associations Provide certain associations

Source of competitive advantage

Source of financial returns People will buy a lot

Brand Value as a Percentage of Market Capitalization

 +18% 482,215 \$m	 +32% 278,288 \$m	 +10% 274,819 \$m	 +26% 251,751 \$m	 +17% 87,689 \$m	 +10% 59,757 \$m	 0% 57,535 \$m	 +10% 56,103 \$m	 +14% 50,325 \$m	 +18% 50,289 \$m
11  +6% 48,647 \$m	12  +32% 48,002 \$m	13  +11% 46,331 \$m	14 LOUIS VUITTON +21% 44,508 \$m	15  +14% 41,290 \$m	16  +14% 36,516 \$m	17 FACEBOOK -5% 34,536 \$m	18  +3% 34,242 \$m	19  -8% 32,916 \$m	20  +5% 31,497 \$m
21  +23% 30,660 \$m	22 CHANEL +32% 29,259 \$m	23  +27% 27,396 \$m	24 J.P.Morgan +14% 24,335 \$m	25  +16% 24,266 \$m	26  +7% 22,637 \$m	27  +16% 22,117 \$m	28  +9% 21,928 \$m	29  +9% 21,164 \$m	30 GUCCI +23% 20,417 \$m
31  +15% 20,412 \$m	32  +1% 19,622 \$m	33  +4% 19,093 \$m	34  +23% 18,694 \$m	35  +14% 17,314 \$m	36  +17% 17,311 \$m	37  +17% 17,268 \$m	38  +19% 17,058 \$m	39  +18% 16,959 \$m	40  +9% 16,375 \$m
41  +23% 16,125 \$m	42  +19% 15,931 \$m	43  +17% 15,747 \$m	44  +3% 15,487 \$m	45  +4% 15,061 \$m	46  +11% 14,976 \$m	47  +11% 14,958 \$m	48  +10% 14,619 \$m	49  +16% 14,526 \$m	50  +12% 14,431 \$m
51  	52  	53  PORSCHE	54  	55  	56  	57  	58  	59  	60 

Brand Value as a Percentage of Market Capitalization

AUTO INDUSTRY RANKINGS IN INTERBRAND'S BEST GLOBAL BRANDS STUDY				
Company	Rank in 2022	Rank in 2021	Value (\$ million)	Value Growth
Toyota	6	7	59,757	10%
Mercedes-Benz	8	8	56,103	10%
Tesla	12	14	48,002	32%
BMW	13	12	46,331	11%
Honda	26	25	22,837	7%
Hyundai	35	25	17,314	14%
Audi	46	46	14,976	11%
Volkswagen	48	47	14,819	10%
Ford	50	52	14,431	12%
Porsche	53	58	13,504	15%
Nissan	61	59	12,212	10%
Ferrari	75	76	9,365	31%
Kia	87	86	6,612	9%
Land Rover	98	98	5,593	10%
Mini	99	96	5,579	7%

Can Anything Be Branded

Can be stored

Physical Goods

Services

Production attached to consumption
Once produced must consumed
(telecom, education, hotel,
transportation)



Can Anything Be Branded?

- Branding creates mental structures and helps consumers organize their knowledge about products and services in a way that clarifies their decision making and, in the process, provides value to the firm.
- The key to branding is that consumers perceive differences among brands in a product category.
- These differences can be related to attributes or benefits of the product or service itself, or they may be related to more intangible image considerations.

Can Anything Be Branded?

- To brand a product, it is necessary to teach consumers “who” the product is:
 - Giving it a name and using other brand elements to help identify it
 - What the product does and why consumers should care
- Marketers must give consumers a label for the product and provide meaning for the brand
- Marketers can benefit from branding whenever consumers are in a choice situation

- Physical goods are what are traditionally associated with brands:
 - Mercedes-Benz
 - Nescafé
 - Sony
- Branding has been adopted in a variety of industries:
 - Industrial business-to-business (B2B) products
 - Technologically intensive “high-tech” products

Physical Goods

Business-to-Business
Products

High-tech Products

Business-to-Business Products

- B2B: makes up a huge number of the global economy and creates a positive image and reputation for companies which in turn leads to greater selling opportunities and more profitable relationships.

High-tech Products

- High-tech products: many technology companies have struggled with branding. Marketing skills are playing an increasingly important role in the adoption and success of high-tech products supported by brands.



- **Role of branding with services:** one of the challenges in marketing services is that they are less tangible than products and vary in quality, depending on persons providing them.
- Branding a service can be an effective way to signal to consumers that a firm has designed a particular service offering that is special and deserving of its name.

Retailers and Distributors

- They can introduce their own brands by using their store names **(private label)**
- Brands provide important functions:
 - Can generate consumer interest, support, and loyalty
 - Create an image and establish positioning within an industry
 - Yield higher price margins, increased sales volumes, and greater profits



Retailers and Distributors

Haier

SAMSUNG
ELECTRONICS

Midea®

LG
Life's Good

BOSCH

Al-Futtaim

الطائر
للسيارات
al tayer
motors

AAA
الوكالة العربية للسيارات
ARABIAN AUTO AGENCY

AL NABOODA
AUTOMOBILES



- Retailers can introduce their own brands by:
 - Using their store name
 - Creating new names
 - Some combination of the two
- Many distributors, have introduced their own brands
- Products bearing these store brands or private label brands offer another way for retailers to increase customer loyalty and generate higher margins and profits

DIGITAL BRANDS



- Some of the strongest brands in recent years have been born online:
 - Amazon
 - Google
 - Facebook
 - Twitter
- Brand building has become more important in recent years to online marketers:
 - It is critical to create unique aspects of the brand
 - Brand needs to perform satisfactorily as well

Online products and services:

- To build successful brands, online marketers should:
 - Create unique aspects of the brand on dimensions that are important to consumers:
 - Example: convenience, price, and variety
 - Perform satisfactorily in areas, such as customer service, credibility, and personality.
 - Find unique ways to satisfy consumers' unmet needs.
 - Offer unique features and services to consumers.
 - Offer unique value propositions to geographically dispersed customer groups.

People and Organizations

- A product category can be a person or an organization:
 - Naming of this branding is usually straightforward
 - Usually is accompanied by well-defined images that are easily understood by consumers
 - The key to a person or organization as a brand is that people outside your industry know who you are and recognize your skills, talents, and attitude



- Product category is people or organization competing for public approval or acceptance.
- Have well-defined images that are easily understood and liked (or disliked) by others.
- The idea of brand in this category is not limited to famous and well known personalities, an individual who builds his name and reputation in a business context is essentially creating his own brand.
- Right awareness and image is invaluable in shaping the way people treat and interpret words, actions, and deeds.

Sports, Arts, and Entertainment



- A special case of marketing people and organizations as brands exists in the sports, arts, and entertainment industries:
 - Sports marketing has become highly sophisticated
 - Branding has become an especially valuable function in the arts
 - Movies have become famous for their marketing and branding:
 - For years, some of the most valuable movie franchises have featured recurring characters and ongoing stories—a classic application of branding

Sports teams:

- Market themselves through a creative combination of advertising, promotions, sponsorship, direct mail, digital, and other forms of communication.
- Build awareness, image, and loyalty to meet ticket sales targets regardless of the team's actual performance.



- Branding helps make ideas and causes more visible and concrete.
- Branding can provide much value to an organization.
- Numerous ideas and causes have been branded:
 - Especially by nonprofit organizations
- May be captured in a phrase or slogan or represented by a symbol:
 - Such as AIDS ribbons

CSR, promoting for ideas social
mktg that escalate the brand

Event has brand & slogan
Conference has brand &
slogan

Red for Aids → cause
Pink for breast cancer → cause

BrandZ™ Top 100 Most Valuable Global Brands 2020

	Brand	Category	Brand Value 2020 \$Mil.	Brand Contribution	Brand Value % Change 2020 vs. 2019	Rank Change	Country of Origin
65	 XBOX	Entertainment	19,632	2	+18%	22	
66	 orange	Telecom Providers	19,392	3	-6%	-2	
67	 HSBC	Global Banks	18,747	3	-19%	-11	
68	 Haier	IoT Ecosystem	18,713	5	+15%	21	
69	 中国农业银行 AGRICULTURAL BANK OF CHINA	Regional Banks	18,639	2	+2%	13	
70	 Pampers	Baby Care	18,502	5	-1%	9	
71	 DELL Technologies	Technology	18,194	3	-2%	10	
72	 IKEA	Retail	18,017	3	-5%	4	
73	 AIA	Insurance	17,815	3	+10%	17	
74	 J.P.Morgan	Global Banks	17,649	3	-11%	-1	
75	 LIC LIFE INSURANCE CORPORATION OF INDIA	Insurance	17,509	3	-14%	-7	

Source: BrandZ™ / Kantar (including data from Bloomberg)

Brand contribution measures the influence of brand alone on financial value, on a scale of 1 to 5, 5 being the highest

What are the Strongest Brands?



- Brands that are the “strongest” are the brands that are:
 - Best known
 - Most highly regarded
- Maintaining brand relevance and differentiation are important to the success of a brand
- Some brands failed to account for changing market conditions and they operate their business as usual.



Twenty-Five Most Valuable Global Brands



Twenty-Five Most Valuable Global Brands



Tesla	36,270	\$m	184% growth
Salesforce	14,770	\$m	37% growth
Adobe	24,832	\$m	36% growth
PayPal	14,322	\$m	36% growth
Microsoft	210,191	\$m	27% growth
Apple	408,251	\$m	26% growth
Nintendo	9,197	\$m	26% growth
Amazon	249,249	\$m	24% growth
Nike	42,538	\$m	24% growth
Zoom	5,536	\$m	24% growth

Factors Responsible for Branding Challenges

Savvy customers

Economic downturns

Brand proliferation

Media transformation

Factors Responsible for Branding Challenges

Increased Competition

Increased costs

Greater accountability

Factors Responsible for Branding Challenges

Savvy customers

- It has become increasingly difficult to pursue consumers because:
 - Consumers and businesses have become more experienced with marketing, more knowledgeable about how it works, and more demanding.
 - Current marketing environment has vast number of sources of information that consumers may consult.
 - Empowered consumers play an active role in a brand's fortune.

Economic downturns

- Changes in economy impact consumers' purchasing power.
- Research suggest that during recession consumer switch to less expensive products.

Brand proliferation

- Marketers have increasingly added new products under their brand umbrella.
- Multiple product brands complicate the decision making process for marketers.
- As large number of brands engage in expansion, channels of distribution become clogged, and brands struggle to get products on the shelf.

Factors Responsible for Branding Challenges

Media transformation

- Erosion or fragmentation of traditional advertising media and the emergence of interactive and nontraditional media, promotion, and other communication alternatives.
- Marketers are spending more on non-traditional forms of communication.

Increased competition

- Both demand and supply factors have contributed to the increase in competitive intensity.
- Demand for many products and services has flattened and hit the maturity stage, or even the decline stage, of the product life cycle.
- On the supply side, new competitors have emerged due to factors such as globalization, low priced competitors, brand extensions, deregulations.

Increased costs

- The cost of introducing a new product or supporting an existing product has increased rapidly, making it difficult to match the investment and level of support that brands received previously.

Greater accountability

- Different organizational pressures often encourage quick-fix solutions which may have adverse long-run consequences.



- Principles of branding and brand equity:
 - Differences in outcomes arise from the “**added value**” endowed to a product
 - The added value can be created for a brand in many different ways
 - Brand equity provides a common denominator for interpreting marketing strategies and assessing the value of a brand
 - There are many different ways in which the value of a brand can be exploited to benefit the firm

We r working on all previous hopefully to reach BE

We give value to the brand bcoz it is intangible (from the added value we take & brand love)

Gives high value comparing to others

We value brands differently. Equity is no. of gains you get from the brand

The Brand Equity Concept

Design and implementation of marketing programs to build measure, and manage brand equity.

Identifying and Developing Brand Plans

Designing and Implementing Brand Marketing Programs

Measuring and Interpreting Brand Performance

Growing and Sustaining Brand Equity

Very important in order to have BE

P&G did 1st disposable diaper

Show the baby is sleeping well no rash, easy to use while out

Related to the company. How it succeeded to generalize pamper name to any other diaper. Mkt leader

How can you maintain your brand equity even in front of competition. Reach the hedonic, cant be imitated. Highest level of loyalty

Strategic Brand Management Process

STEPS

KEY CONCEPTS

Identifying and developing
brand plans

- Mental maps
- Competitive frame of reference
- Points-of-parity and points-of-difference
- Core brand associations
- Brand mantra

Designing and implementing
brand marketing programs

- Mixing and matching of brand elements
- Integrating brand marketing activities
- Leveraging secondary associations

Measuring and interpreting
brand performance

- Brand value chain
- Brand audits
- Brand tracking
- Brand equity management system

Growing and sustaining
brand equity

- Brand architecture
- Brand portfolios and hierarchies
- Brand expansion strategies
- Brand reinforcement and revitalization

Depends on consumer perceptions
Helps in comparing
Not wrong to have similarity but must have differences

Elements must reflect attributes

Same products with diff brands to approach new segments
Ex. Old navy – Gap – Banana Republic

1. Identifying and Developing Brand Plans

Brand Positioning Model

1st do market research
and categorization the
know your position

Brand Resonance Model

Brand Value Chain

The brand deserves to
spend on it. Related to
expenditure

1. Identifying and Developing Brand Plans

Brand positioning model

- Describes how to guide integrated marketing to maximize competitive advantages.

Brand resonance model

- Describes how to create intense, activity loyalty relationships with customers.

Brand value chain

- Means to trace the value creation process for brands, to better understand the financial impact of brand marketing expenditures and investments.

2. Designing and implementing Brand Marketing Program

Choosing Brand Elements

Logo, design, slogan,
brand name

Integrating the Brand into Marketing Activities
and the Supporting Marketing Program

Leveraging Secondary Associations

Co-branding (support
each other)
Ex. Cinema and dining
Pepsi&chipsy
McD & cocacola

2. Designing and implementing Brand Marketing Program

Choosing brand elements

- The best test of the brand-building contribution of a brand element is what consumers would think about the product or service if they knew only its brand name or its associated logo or other element.

Integrating the brand into marketing activities and the supporting marketing program

- Although the judicious choice of brand elements can make some contribution to building brand equity, the biggest contribution comes from marketing activities related to the brand.

Leveraging secondary associations

- Because the brand becomes identified with another entity, even though this entity may not directly relate to the product or service performance, consumers may infer that the brand shares associations with that entity, thus producing indirect or secondary associations for the brand.

3. Measuring and Interpreting Brand Performance

- To manage brands profitably, managers must implement a brand equity measurement system
- Brand equity measurement system involves:
 - Brand audits
 - Brand tracking studies
 - Brand equity management system

Brand equity measurement system:

- A set of research procedures designed to provide timely, accurate, and actionable information for marketers so that they can make the best possible tactical decisions in the short run and the best strategic decisions in the long run:
 - **Brand audits:** Comprehensive examination of a brand to assess its health, uncover its sources of equity, and suggest ways to improve and leverage that equity.
 - **Brand tracking studies:** Collect information from consumers on a routine basis over time, typically through quantitative measures of brand performance on a number of key dimensions marketers can identify in the brand audit or other means.
 - **Brand equity management system:** Set of organizational processes designed to improve the understanding and use of the brand equity concept within a firm.

3. Measuring and Interpreting Brand Performance

Three steps that help implement a brand equity management system are:

1. Creating brand equity charters,
2. Assembling brand equity reports, and
3. Defining brand equity responsibilities.

4. Growing and Sustaining Brand Equity

Defining Brand Architecture (through brand portfolio and brand hierarchy)

Managing Brand Equity over Time

Managing Brand Equity over Geographic Boundaries, Cultures, and Market Segments

Defining brand architecture

- Provides general guidelines about branding strategy and the brand elements to be applied across all the different products sold by the firm.
- Two key concepts in defining brand architecture are:
 - **Brand portfolio:** Set of different brands that a particular firm offers for sale to buyers in a particular category.
 - **Brand hierarchy:** Displays the number and nature of common and distinctive brand components across the firm's set of brands.

Managing brand equity over time

- A long-term perspective of brand management recognizes that any changes in the supporting marketing program for a brand may affect the success of future marketing programs.
- Produces proactive strategies designed to enhance customer-based brand equity and reactive strategies to revitalize a brand that encounters problems.

Managing brand equity over geographic boundaries, cultures, and market segments

- In expanding a brand overseas, managers need to build equity by relying on specific knowledge about the experience and behaviors of those market segments.

- Define “brand,” state how brand differs from a product, and explain what brand equity is
- Summarize why brands are important
- Explain how branding applies to virtually everything
- Describe the main branding challenges and opportunities
- Identify the steps in the strategic brand management process



To Sum Up...

Chapter

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Thank You

