

Strategic Brand Management

Prepared by Dr. Perihan Salah

MKT733
LEVERAGING SECONDARY BRAND
ASSOCIATIONS TO BUILD BRAND EQUITY

Lecture 8





مجموعة جامعة
الجميع الذكية
للتعليم القابضة



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Chapter

08

LEARNING OBJECTIVES

- Outline the eight main ways to leverage secondary associations
- Explain the process by which a brand can leverage secondary associations
- Describe some of the key tactical issues in leveraging secondary associations from different entities

- Linking the brand to some other entity, some source factor or related person, place or thing may:
 - Create a new set of associations from the brand to the entity, consumers may form a mental association from the brand to this other entity. (Toshiba EL Araby)
 - These secondary brand associations are most likely to affect evaluations of a new product.
 - Affect the existing brand associations, when a brand is identified as linked to that entity, consumers may infer that some associations, judgments or feelings. In other words, in the mind of consumers, what is true for the entity, must be true for the brand. (TATA & Jaguar)

ELARABY

شكراً على ثقتك



- Tata Motors has purchased Jaguar and Land Rover from Ford Motor Company

- Secondary brand associations are most likely to affect evaluations of a new product when:
 - Consumers lack either the motivation or the **ability to judge** product-related concerns

- Cognitive consistency - What is true for the new association must be true for the brand



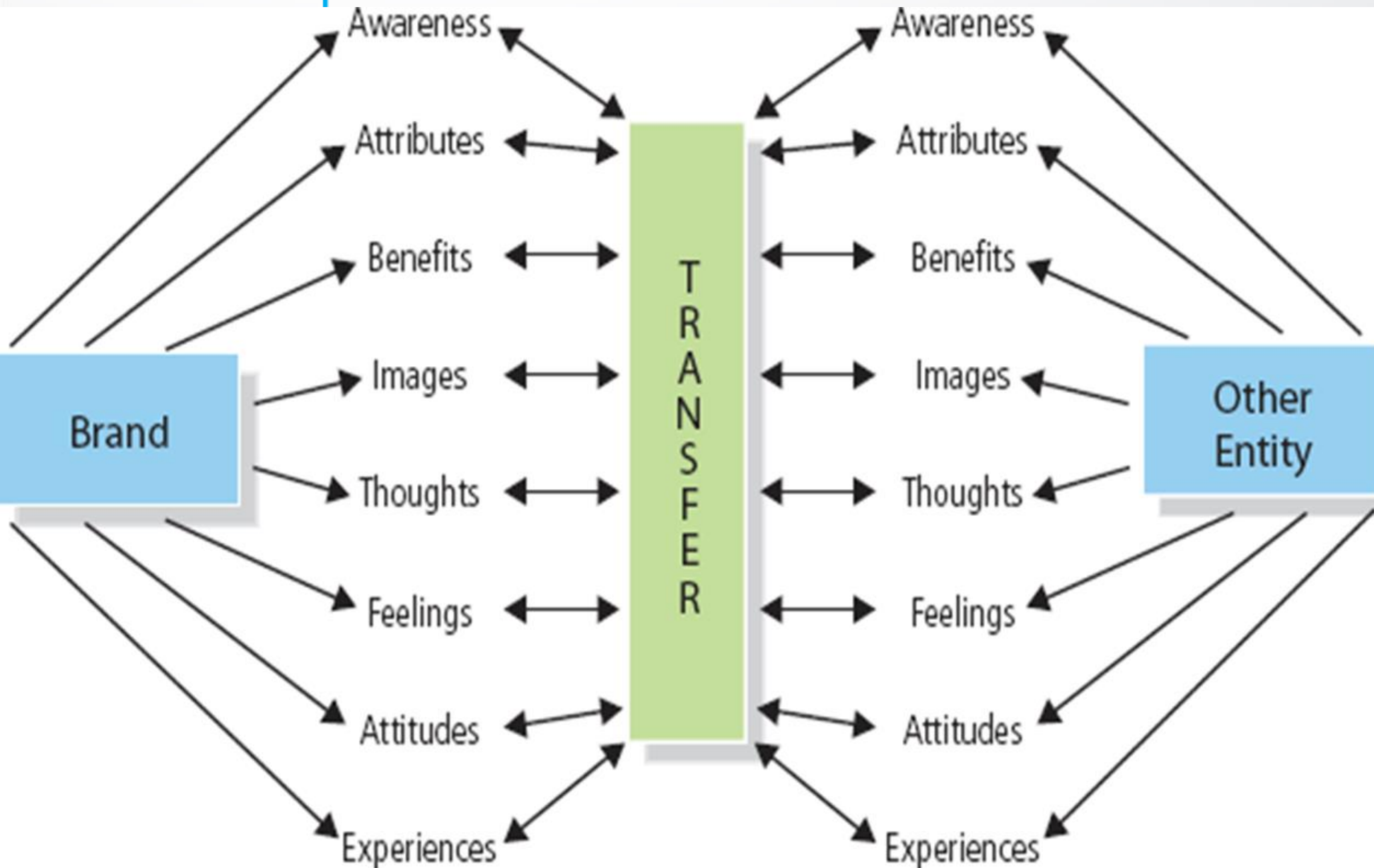


NEW ERA. NEW VISION.
GLOBAL AUTO, BMW GROUP IMPORTER IN EGYPT.

Effects on Existing Brand Knowledge



NEW ERA. NEW VISION.
GLOBAL AUTO, BMW GROUP IMPORTER IN EGYPT.



- Existing brands can be related to a corporate or family brand
- A corporate or family brand can be a source of brand equity
- Leveraging a corporate brand may or may not be useful, in some cases large companies have deliberately introduced new brands or bought successful niche brands in an attempt to convey a “smaller” image

Importance of Corporate Branding



Company



bp



Company

THE LARGEST FOOD & BEVERAGE COMPANY IN THE WORLD

Nestlé



L'ORÉAL 30%



WONKA

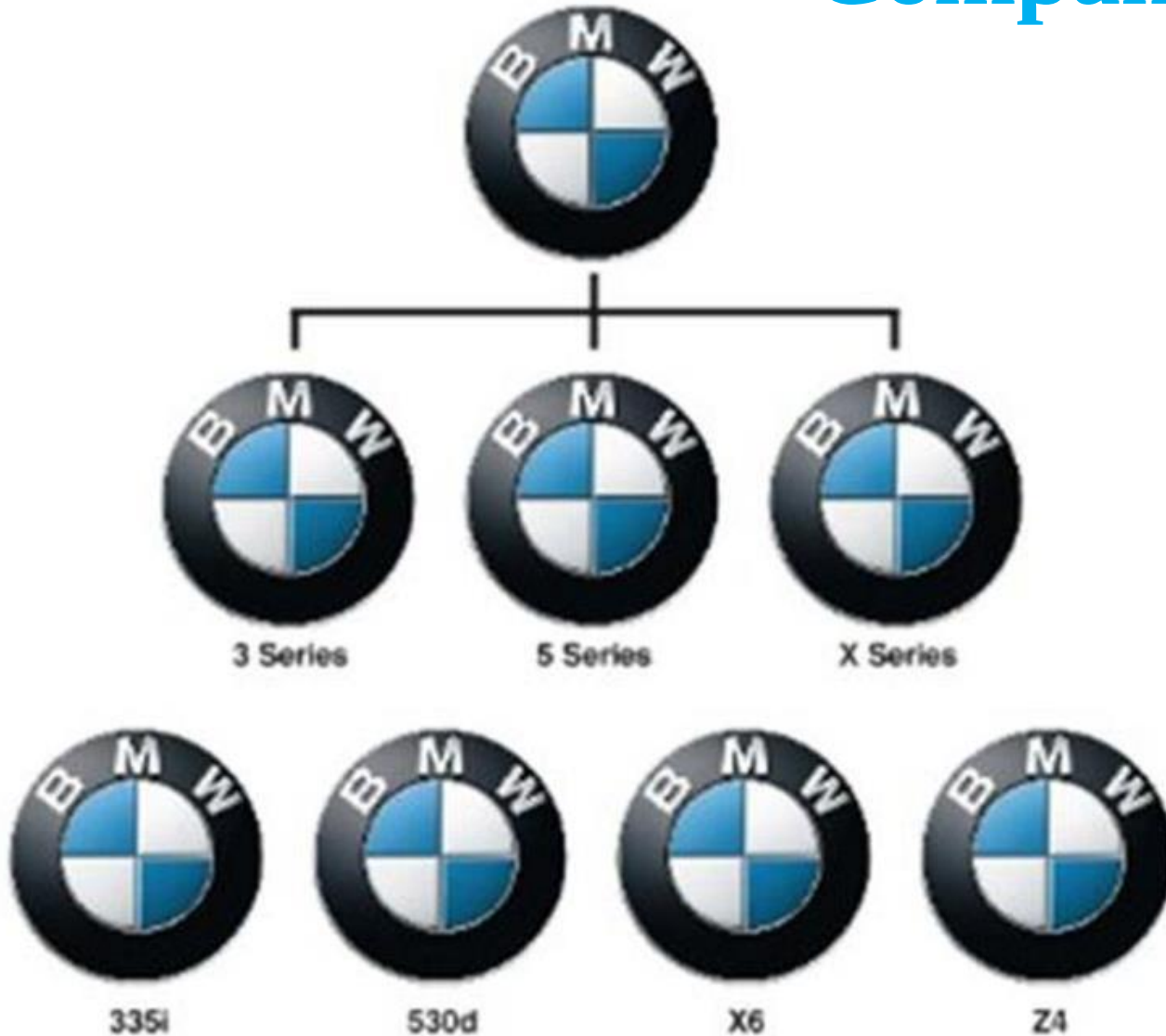


NOTE: Nestle has more than 2,000 brands worldwide.



A branded house

Company



- Can be linked to the brand to generate secondary associations.
- **Many countries have become known for expertise in certain product categories or for conveying a particular type of image.**
- **Consumers choose brands originating in different countries based on:**
 - Their beliefs about the quality of certain types of products from certain countries
 - The image that these brands or products communicate
- Can create strong points-of-difference

Country of Origin or Geographic Location



Country of Origin or Geographic Location



- Retail stores can indirectly affect brand equity through an “image transfer” process
- Retailers have their own brand images in consumers’ minds due to the following associations
 - Product assortment
 - Pricing
 - Credit policy
 - Quality of service
- Consumers may perceive the same brand differently depending on whether it is sold in a store seen as prestigious or in bargain stores.

The logo for B.TECH, featuring the text "B.TECH" in a bold, dark blue sans-serif font. The letter "B" is dark blue, and the period is a small orange circle.The logo for 2B TECHNOLOGY. It features a stylized "2B" where the "2" is black and the "B" is orange, both with white horizontal bars. Below this, the word "TECHNOLOGY" is written in a black, spaced-out, sans-serif font. A small "TM" trademark symbol is at the top right.

- When two or more existing brands are combined into a joint product or are marketed together in some fashion.
- Co- branding can reduce the cost of product introduction because it combines two well-known images.
- Co-branding also may be a valuable means to learn about consumers and how other companies approach them.

- The disadvantages of co-branding are the risks and lack of control that arise from becoming aligned with another brand in the minds of consumers.
- Unsatisfactory performance could have negative perception for both brands.

Disadvantages of Co-Branding

- Loss of control
- Risk of brand equity dilution
- Negative feedback effects
- Lack of brand focus and clarity
- Organizational distractions

Co-Branding



CO-BRANDING

- 1  +  = 
MORE AFFORDABILITY / WIDER ACCESSIBILITY
for Versace products in H&M stores
- 2  +  = 
HIGHER PREMIUM ON BLACKBERRY
since it attaches itself to the Porsche Design
brand equity
- 3  +  = 
APPEAL TO A NICHE MARKET/ CERTAIN LIFESTYLE
a wider demographic is reached Nike appealing
to Apple users and vice versa

CO-BRANDING





- Creates brand equity for materials, components, or parts that are contained within other branded products
- Branded ingredients attempt to create awareness and preference for their product that consumers will not buy a host product that does not contain the ingredients
- Uniformity and predictability of ingredient brands can reduce risks and reassure consumers. IB can become, in effect, a category point of parity. Consumers do not need to know how IB works, but just it adds value

Ingredient Branding



Ingredient Branding



Ingredient Branding



- Creates contractual arrangements whereby firms can use:
 - Names, logos, and characters of other brands to market their own brands for some fixed fee.
- Can also provide legal protection for trademarks
- Risk - A trademark may become overexposed if marketers adopt a saturation policy.
- Consumers do not necessarily know the motivation or marketing arrangement behind a product and can become confused or even angry if the brand is licensed to a product that bears no relation

- Licensing of company names, logos, or brands for use on various, often unrelated products
- Firms may license corporate trademarks to:
 - Generate extra revenue and profits
 - Protect their trademarks
 - Increase their brand exposure
 - Enhance their image
- Risk - Product may not live up-to the image established by the brand

MIDOCEAN UNIVERSITY Licensing

The Walt Disney Company
1 THE WALT DISNEY COMPANY

meredith
2 MEREDITH CORPORATION

ABG AUTHENTIC BRANDS GROUP
3 AUTHENTIC BRANDS GROUP

WarnerMedia
GLOBAL BRANDS AND EXPERIENCES
4 WARNERMEDIA GROUP

Hasbro
5 HASBRO

UNIVERSAL
BRAND DEVELOPMENT
6 NBCUNIVERSAL/
UNIVERSAL BRAND DEVELOPMENT

VIACOMCBS
Consumer Products
7 VIACOMCBS CONSUMER PRODUCTS

The Pokémon Company
INTERNATIONAL

8 THE POKÉMON COMPANY
INTERNATIONAL

BLUESTAR ALLIANCE
A Brand Management Company
9 BLUESTAR ALLIANCE

Sanrio®
10 SANRIO



- Rationale
 - A famous person can:
 - Draw attention to a brand
 - Shape brand perceptions, by virtue of consumers perceptions of the famous person

- Celebrity endorsers should have:
 - A high level of visibility
 - A rich set of potentially useful associations, judgments, and feelings.
 - Very important to choose a well- known and well-defined celebrity whose associations are relevant to the brand.
 - Also, advertising program should use the celebrity in a creative fashion that highlights the relevant associations.

Celebrity Endorsement



© Adidas/Gucci



© Adidas/Gucci

Celebrity Endorsement



- Have their own set of associations that may become linked to a sponsoring brand under certain conditions
- Contribute to brand equity by:
 - Becoming associated to the brand and improving brand awareness
 - Adding new associations
 - Improving the strength, favorability, and uniqueness of existing associations

Sporting Cultural or Other Events

2014 FIFA WORLD CUP BRAZIL™

FIFA PARTNERS



FIFA WORLD CUP SPONSORS



NATIONAL SUPPORTERS



Sporting Cultural or Other Events

3 BIGGEST ENDORSEMENT DEALS IN SPORTS HISTORY **B3**

CRISTIANO
RONALDO

NIKE

\$1 BILLION
LIFETIME
CONTRACT



LEBRON
JAMES

NIKE

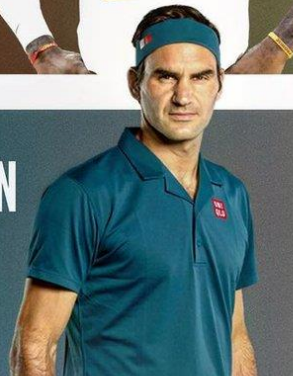
\$30 MILLION
A YEAR
FOR LIFE



ROGER
FEDERER

UNIQLO

\$300 MILLION
OVER
10 YEARS



LIFETIME CONTRACT



- Other entities include:
 - The company that makes the product
 - Where the product is made
 - Where the product is purchased
 - Related people, places, or things

- The extent to which an entity can be leveraged as a source of equity depends on:
 - Consumer knowledge of the entity
 - How easily the appropriate associations or responses to the entity transfer to the brand

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To Sum Up...



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MIDOCEAN
UNIVERSITY



Thank You

