

Strategic Brand Management

Prepared by Dr. Perihan Salah

MKT733

Customer-Based Brand Equity

Lecture 2





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الجميع الذكية
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Chapter

02

LEARNING OBJECTIVES

- Define customer-based brand equity
- Outline the sources and outcomes of customer based brand equity

Two questions often arise in brand marketing:

1. What makes a brand strong?
2. How do you build a strong brand?

These questions help in understanding customer-based brand equity.

Chapter

02

Customer-Based Brand Equity



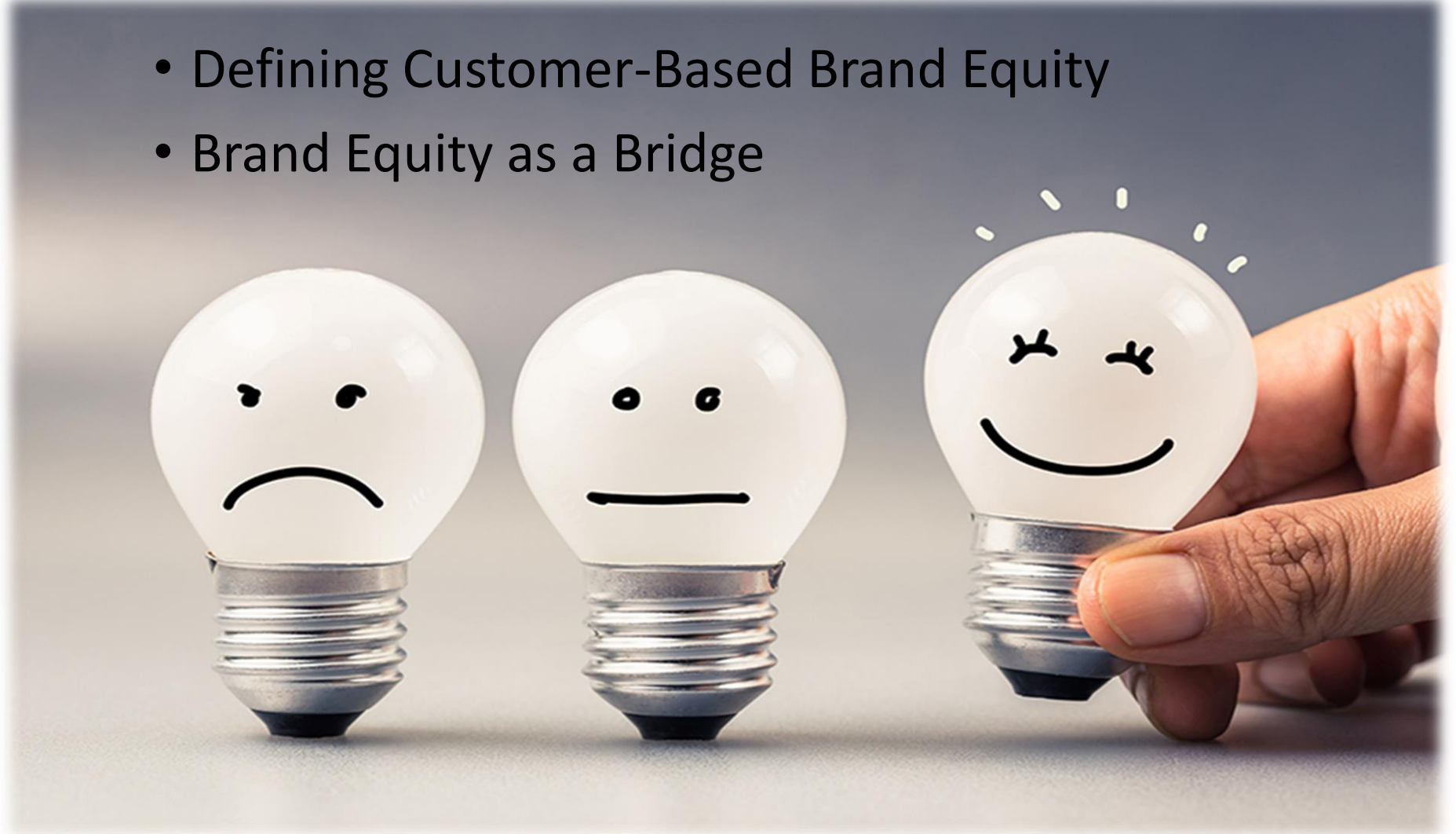
Defining Customer-Based Brand Equity (what makes a brand strong? And how to build strong brand?, what do different brands mean to consumers?, how does brand knowledge affect consumers response to marketing activity?)

Two questions often arise in brand marketing:

1. What makes a brand strong?
 2. How do you build a strong brand?
- Lets understand first what is brand equity?



- Defining Customer-Based Brand Equity
- Brand Equity as a Bridge



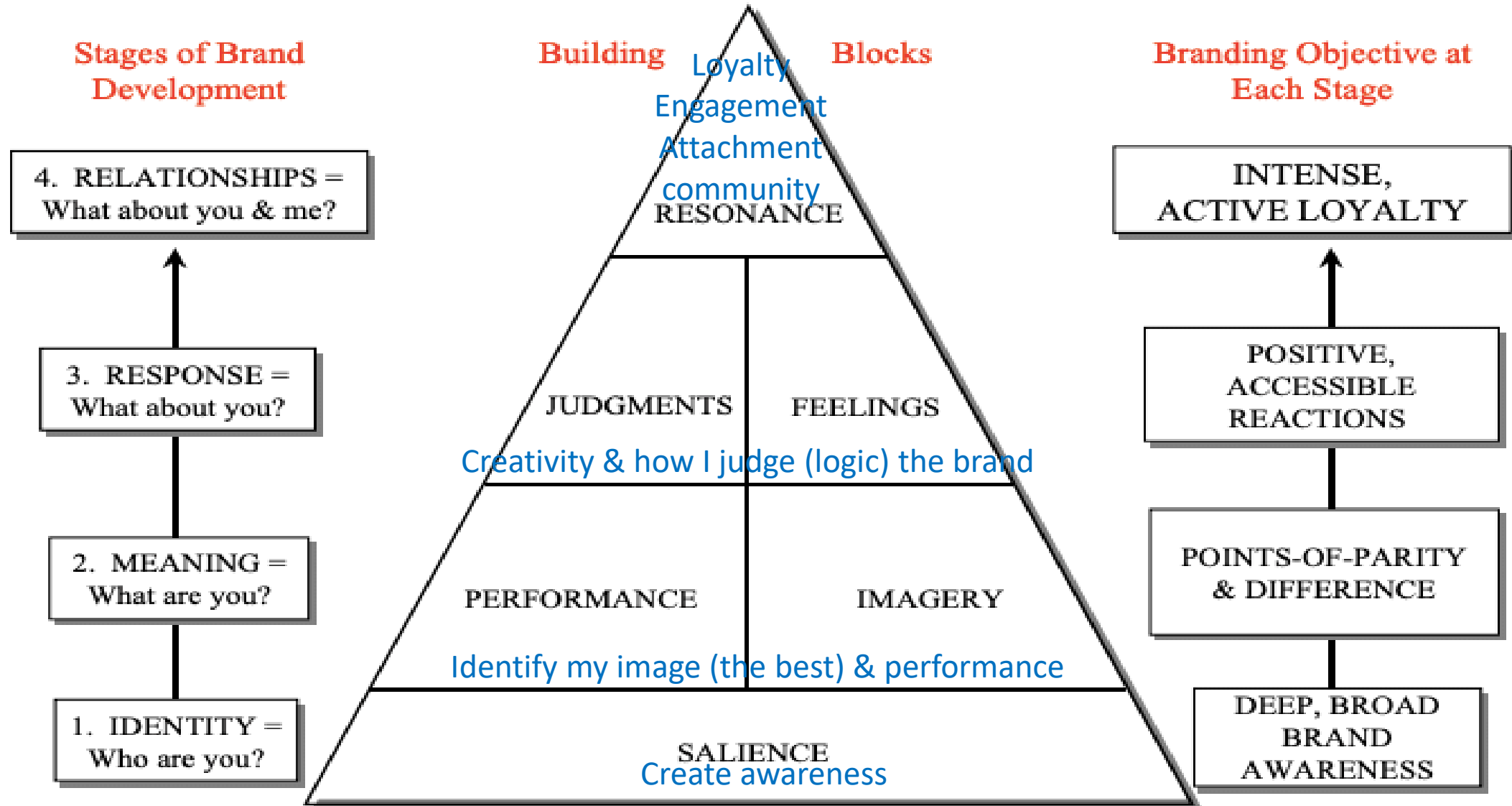
1. Defining Customer-Based Brand Equity

- **How does the customer see the brand.**
- The customer-based brand equity (CBBE) provides a unique point of view on what brand equity is and how it should best be built, measured, and managed.
- The CBBE concept approaches brand equity from the **perspective of the consumer (valuable brand)**

- From company perspective is the brand value \$
- From the perspective of the consumer is how valuable brand is it



Customer-Based Brand Equity



Customer-Based Brand Equity

	CONSUMER BASED BRAND EQUITY PYRAMID
Salience	Furniture Retailer
Imagery	Scandinavian, Price-conscious, Family friendly, Versatility, Innovative & Inspirational
Performance	Furniture leader, Low prices Function and diverse designs, DIY Short term home solutions, Lifetime guarantee
Feelings	Welcoming layout, Fun, IKEA Effect (DIY Self-respect) Socially accepted Familiar environment (security)
Judgment	"Good Deal" happiness, Low quality, Not durable Convenient flat-pack Good customer service
Resonance	Rapid purchase (cheap) Price- & distance-sensitive loyalty – low attachment IKEA Hackers & online fan community Strong engagement



Customer-Based Brand Equity

- **Positive customer-based brand equity:** When consumers react more favorably to a product and the way it is marketed. (Likeability to purchase in future and curiosity to know what's new & try)
- **Negative customer-based brand equity:** When consumers react less favorably to marketing activity for the brand compared with an unnamed or fictitiously named version of the product.
- **The three key ingredients of CBBE:**
 - Differential effect (how different you are)
 - Brand knowledge (awareness)
 - Consumer response to marketing (how do u respond to mktg efforts)

Don't judge before you try

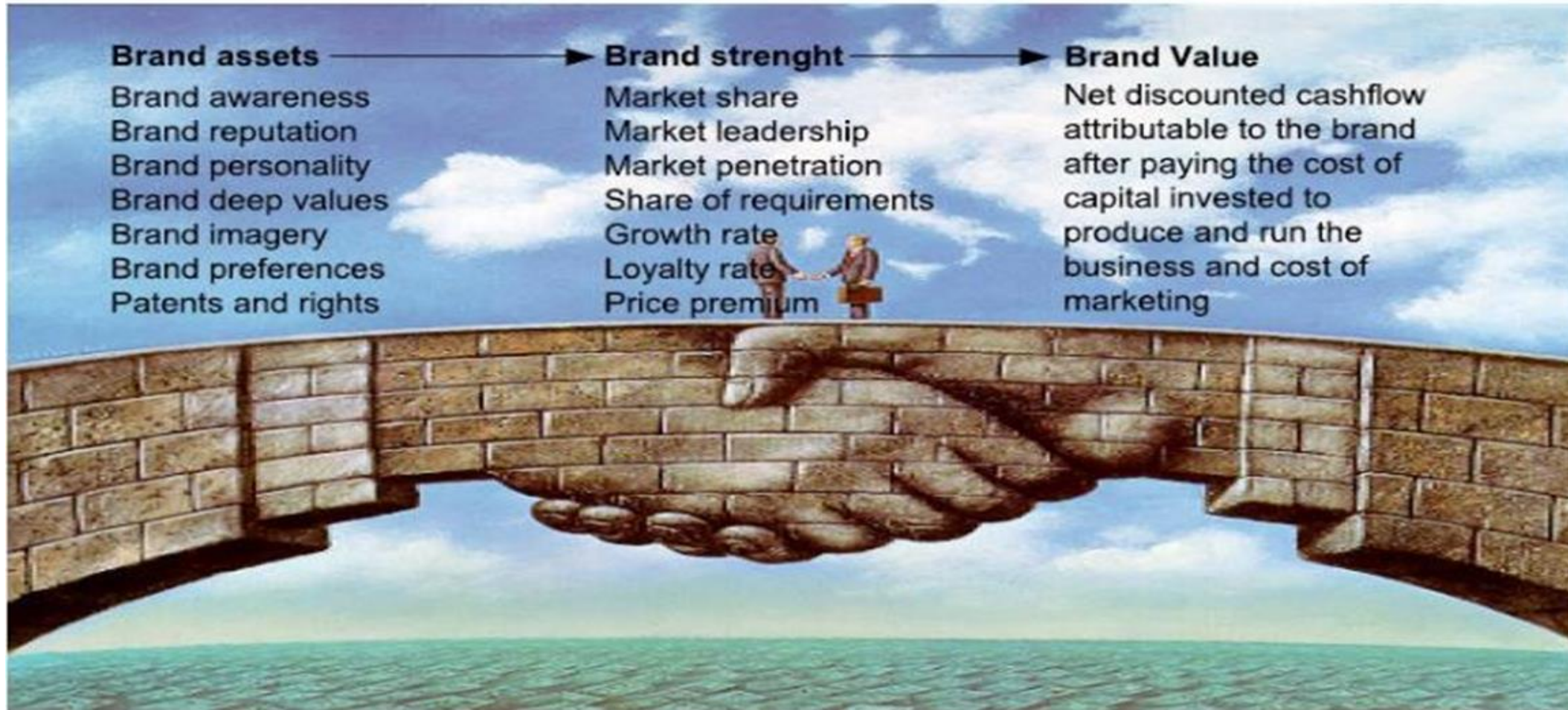


Marketing Advantages of Strong Brands

1. Improved perceptions of product performance (Perfect performance = perfect perception)
2. Greater loyalty
3. Less vulnerability to competitive marketing actions (not easily affected by mktg efforts)
4. Less vulnerability to marketing crises (McD & Cinnabon)
5. Larger margins
6. More inelastic consumer response to price increases
7. More elastic consumer response to price decreases (not necessarily low performance)
8. Greater trade cooperation and support
9. Increased marketing communication effectiveness
10. Possible licensing opportunities (Disney licensed products & Ahly club)
11. Additional brand extension opportunities (gives chance for extensions)



2. Brand Equity as a Bridge



Brand Equity as a Bridge



MORE THAN COFFEE
CAN AKDENİZ



Brand as a reflection of the past:

- Marketers should consider the money spent in brand building as an “investment.”
- On the basis of the past experience, what consumers saw, heard, learned, felt, and experienced about the brand should be analyzed.
- The quality of the investment in brand building is the most critical factor, not the quantity.

Brand as a direction to the future:

- Brand knowledge that marketers create over time, which allows them to determine appropriate and inappropriate future directions for the brand.
- Brand equity offers focus and guidance, provides a means to interpret past marketing performance, and design future marketing programs.



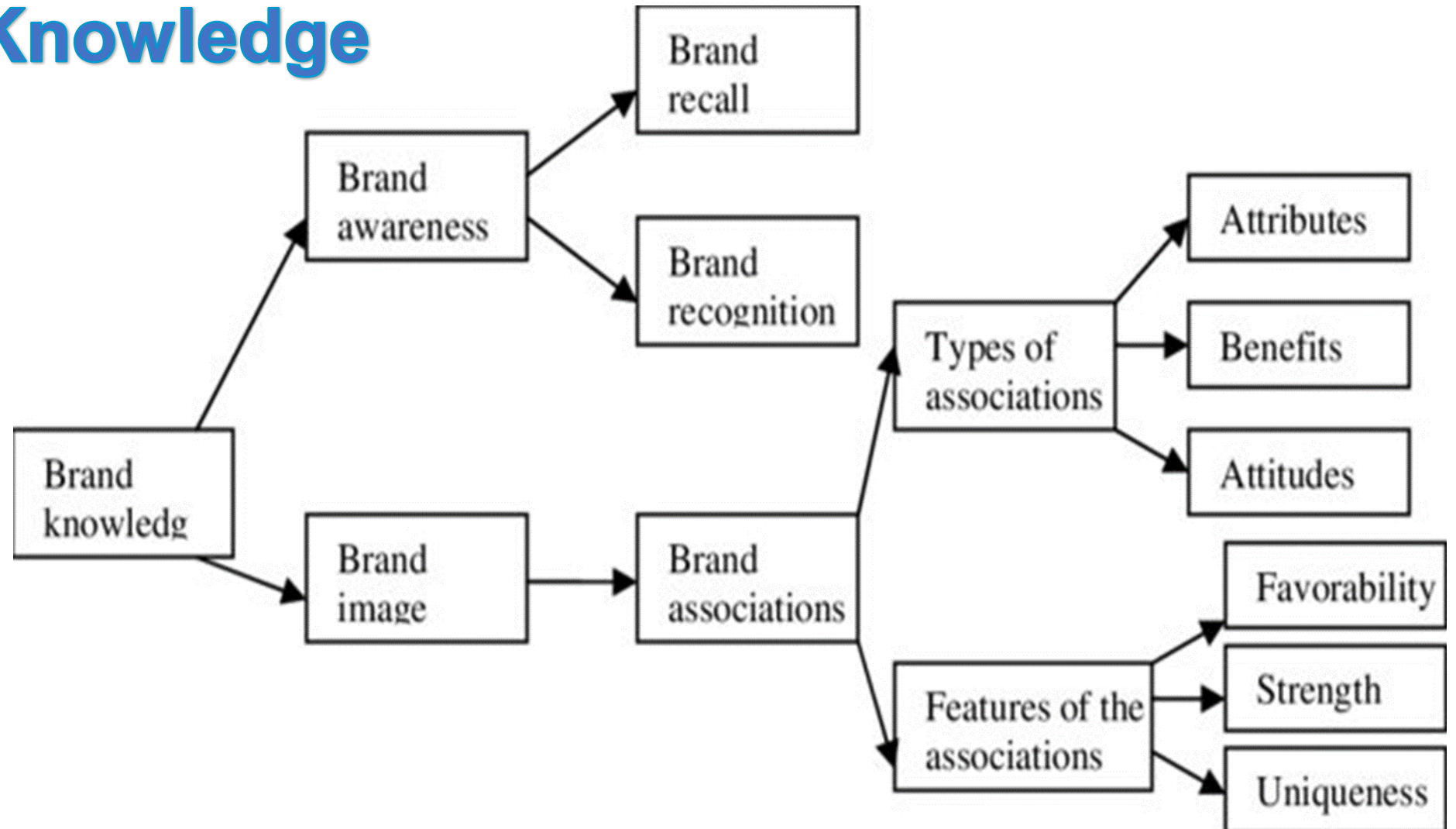
- **BRAND KNOWLEDGE (Awareness)**

is the key to creating brand equity:

- It creates the differential effect that drives brand equity (sig. diff.)
- Marketers need an insightful way to represent how brand knowledge exists in consumer memory

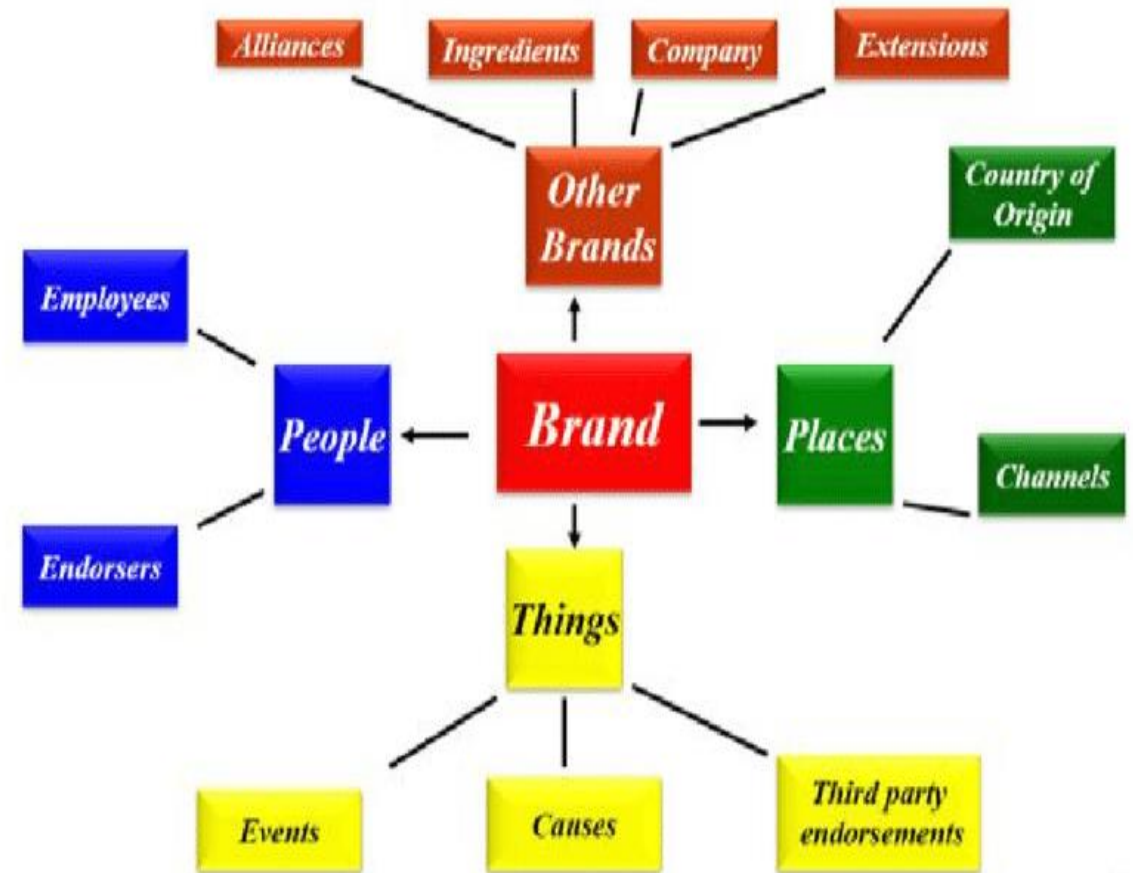
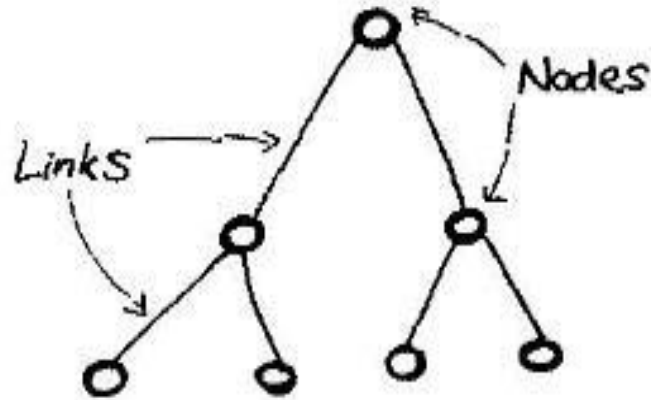


Brand Knowledge



The associative network memory model: brand knowledge

- Views memory as a network of nodes and connecting links:
 - Nodes—Represent **stored information** or concepts
 - Links—Represent the **strength** of **association** between the nodes
- Brand associations are informational nodes linked to the brand node in memory



Brand awareness:

Related to the strength of the brand **node** or trace in memory (main word)

Often a step in building brand equity

Often come into play (Reason I will achieve equity)

Brand image:

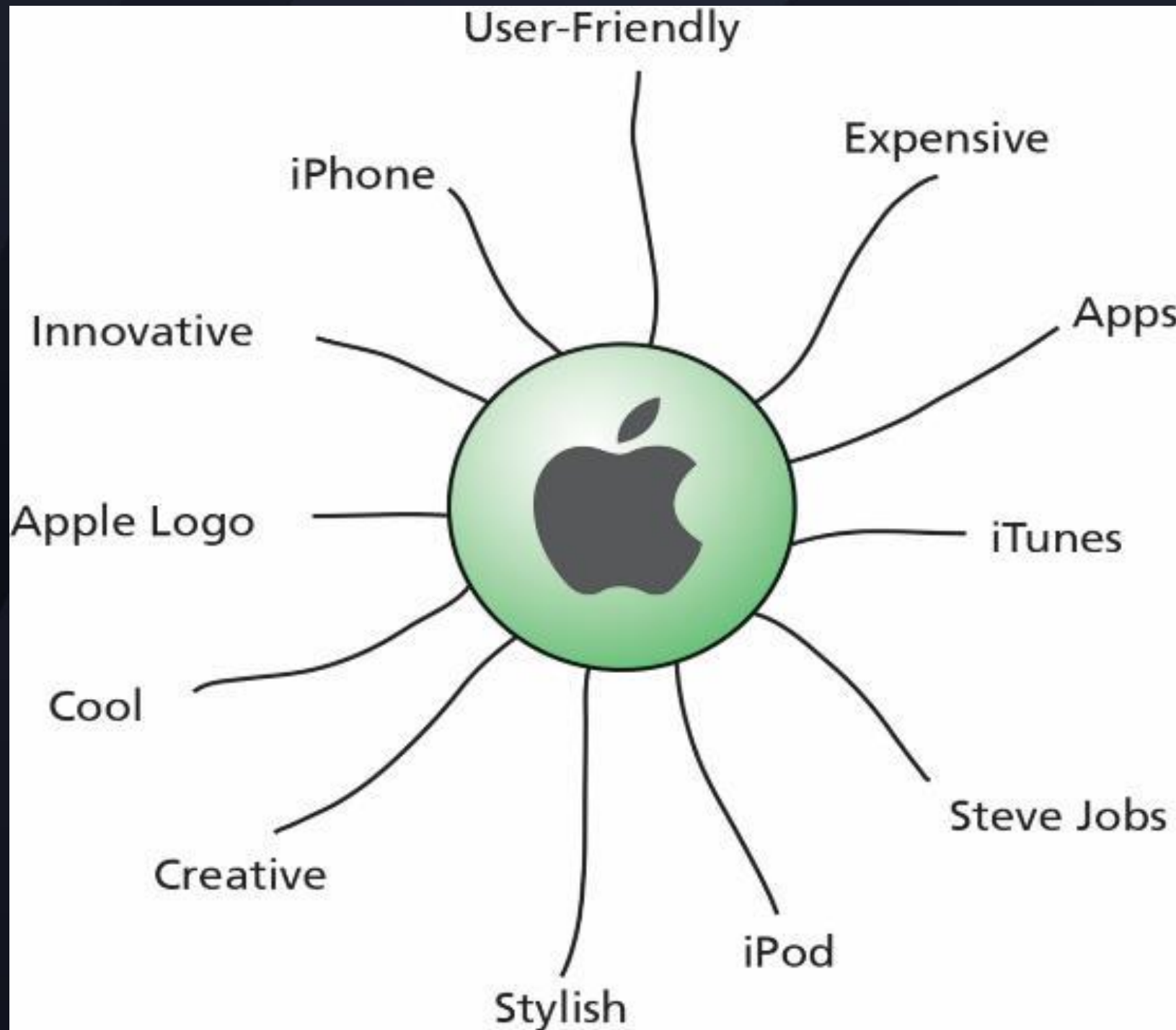
Consumers' perceptions about a brand, as reflected by the brand **associations** held in consumer memory (Image reflects my perception towards associations)



BRAND Knowledge Components

From associations I can position my brand and be different

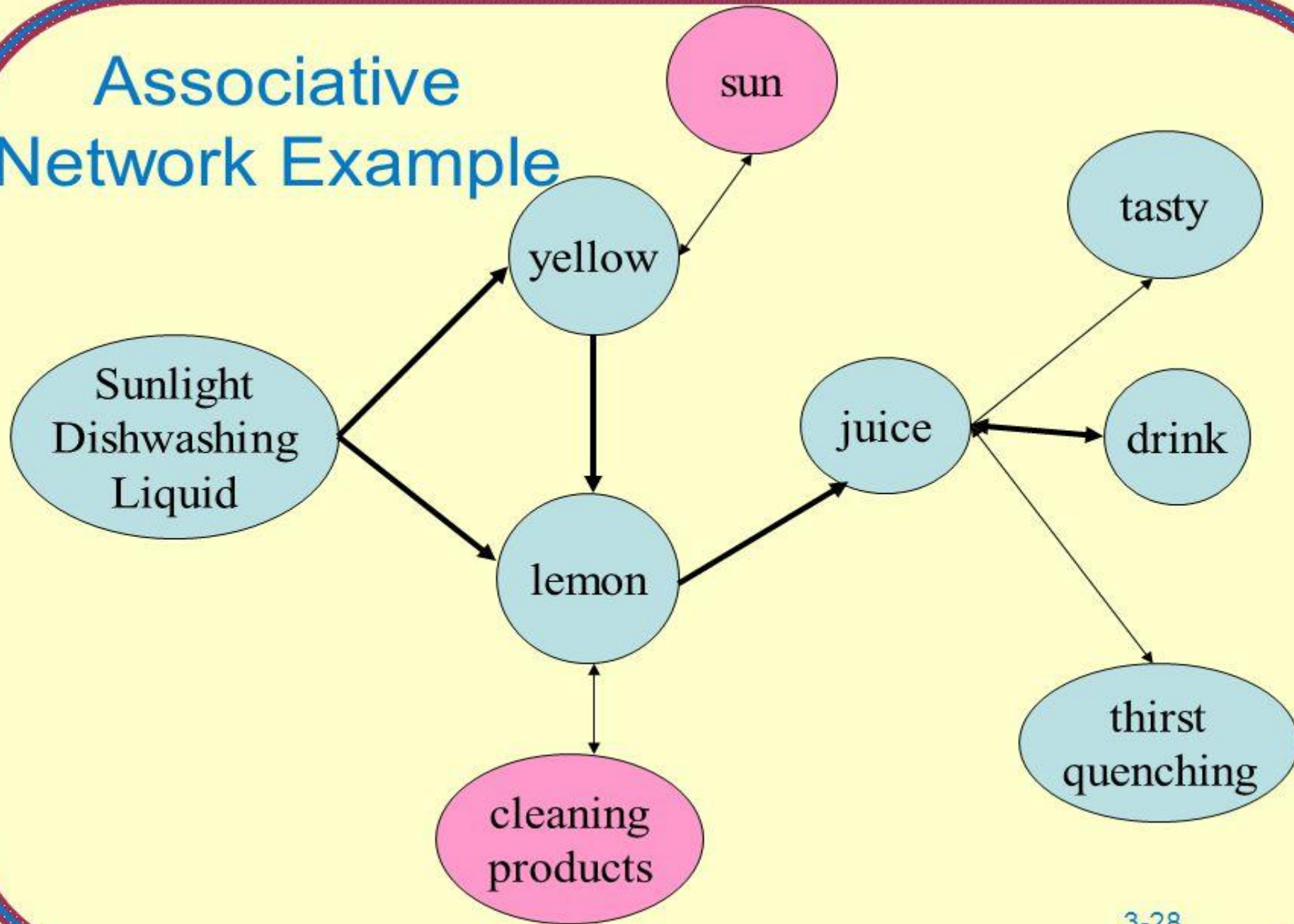
Possible Associations with the Apple Brand Name



ASSOCIATIVE NETWORK



Associative Network Example



3-28

What causes brand equity to exist?
How do marketers create it?

Sources of Brand Equity

Customer-based brand equity occurs when the consumer has a **high** level of **awareness** and familiarity with the brand and **holds** some strong, favorable, and unique brand **associations** in memory.



BRAND AWARENESS



Many consumer decisions are made at the **point of sale**, where the brand name, logo, packaging, and so on will be physically present and visible, hence **brand recognition** is very important.

If consumer decisions are mostly made in settings **away from the point of purchase**, on the other hand, then **brand recall** will be more important. ex. service and online



Brand Awareness

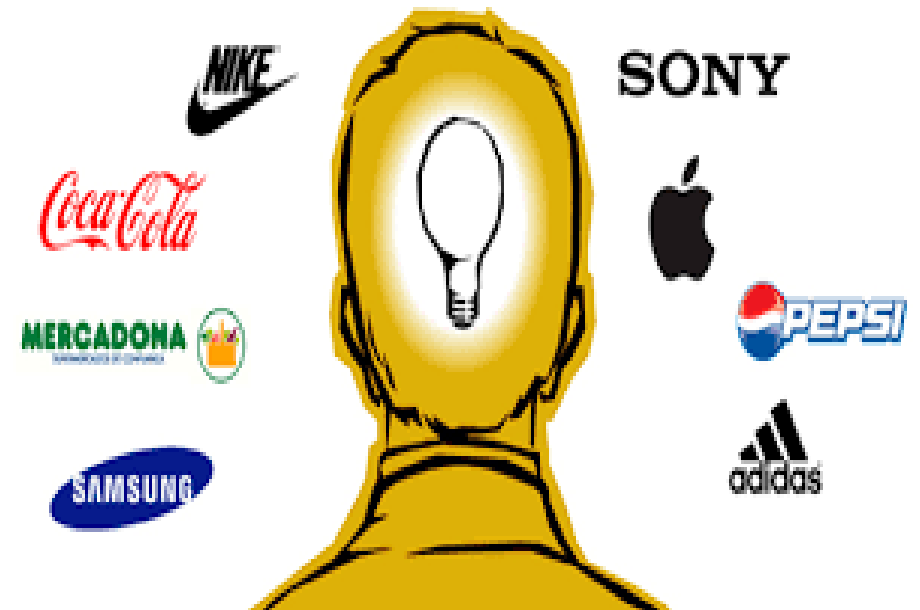
1. Brand recognition:

Consumer's ability to confirm **prior exposure** to the brand when given the brand as a cue

2. Brand recall:

Consumers' ability to retrieve the brand from memory when given:

- The product category
- The needs fulfilled by the category, or
- A purchase or usage situation as a cue





المخرج زعلان إني باكل في التيك M



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- Anything that causes consumers to experience one of a brand's element can increase familiarity and awareness of that brand element:
 - Name, symbol, logo, character, packaging, or slogan, including advertising and promotion, sponsorship and event marketing, publicity and public relations, and outdoor advertising
- **Repetition increases Recognizability:**
 - But improving brand recall also requires linkages in memory to product aspects
- **Advantages of brand awareness**
 - Learning advantages
 - Consideration advantages
 - Choice advantages
 - The elaboration- likelihood model
 - Consumer purchase motivation
 - Consumer purchase ability



2. Brand Image



1.Brand attributes:

- Descriptive features that characterize a product or service

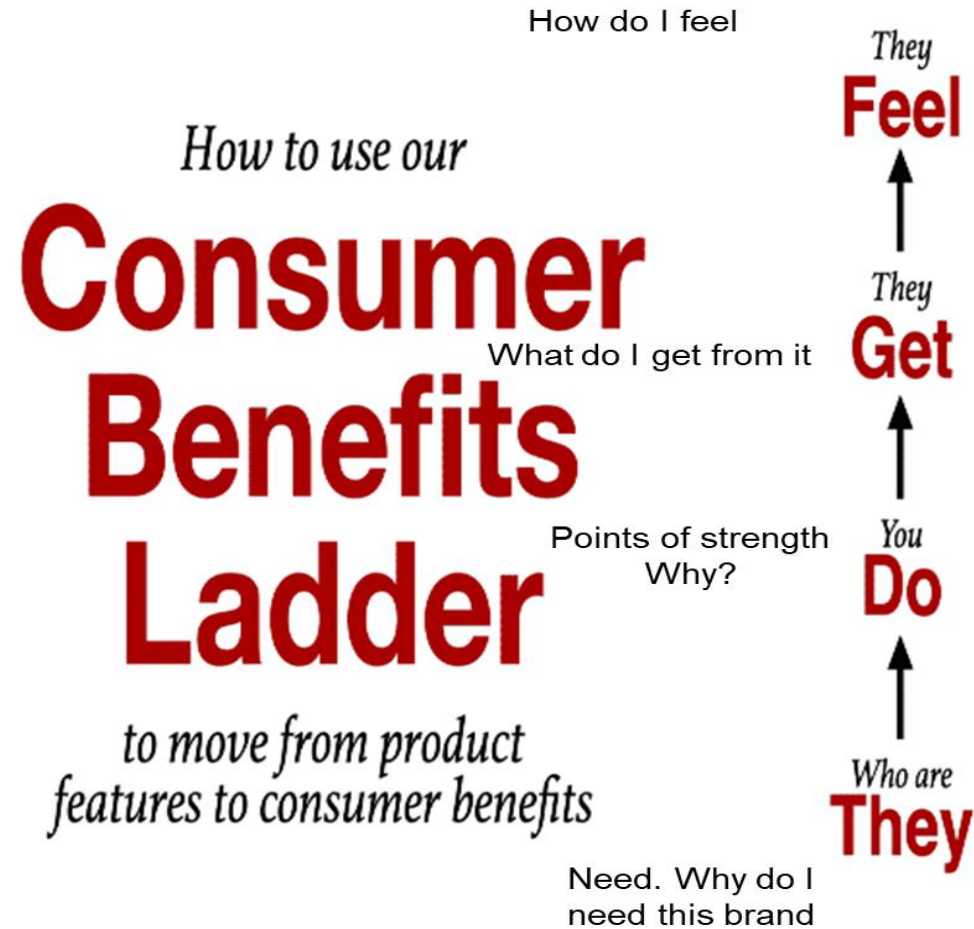
2.Brand benefits:

- The personal value and meaning that consumers attach to the product or service attributes
- (value proposition, group of benefits)

Brand attribute	Tone	Style
Vibrant	Positive, aspirational, global	• Fun, original adjectives and descriptions • Interesting analogies that evoke colorful imagery • International examples
Sophisticated	Knowledgeable, authoritative, modern, classy	• Write with authority, use “we” selectively and never “I” • Use luxury examples in language that reflect customer’s lifestyle
Quality	Reliable	• Include proof points – references to research from qualified, reliable firms and influencers
Easy to work with	Easy to read	• Use a conversational, professional tone that speaks directly to the reader • Use short blocks of text, formatting, and visuals to make the point clear

Positive Attributes

Accepting	Disciplined	Insightful	Polite
Adventurous	Empowering	Inspiring	Positive
Approachable	Energetic	Involved	Positive
Aspiring	Enthusiastic	Joyful	Present
Authentic	Ethical	Kind	Reliable
Balanced	Excited	Knowledgeable	Respectful
Brave	Flexible	Lively	Responsible
Calm	Focused	Loyal	Self-motivated
Carefree	Friendly	Magical	Sensible
Caring	Fun	Mature	Sincere
Charismatic	Gentle	Mellow	Sincere
Charitable	Genuine	Mindful	Smart
Cheerful	Giving	Moral	Strong
Compassionate	Graceful	Motivated	Sympathetic
Confident	Gracious	Natural	Thoughtful
Considerate	Healthy	Nurturing	Transparent
Cooperative	Helpful	Open	Trustworthy
Creative	Honest	Open-minded	Understanding
Dedicated	Hopeful	Passionate	Unselfish
Dependable	Influential	Patient	Wise
Devoted	Innovative	Peaceful	





Gray's Pain Relief

Emotional benefits

With Gray's, you can feel optimistic nothing will get in your way today.

Functional benefits

Gray's helps you can get on with your day.

Product features

Gray's is the fastest working headache medication.

Target and insights

Target the headache fighter with the insight of: "I wake up with headaches, but I don't want to come across like a complainer, so i keep it secret."

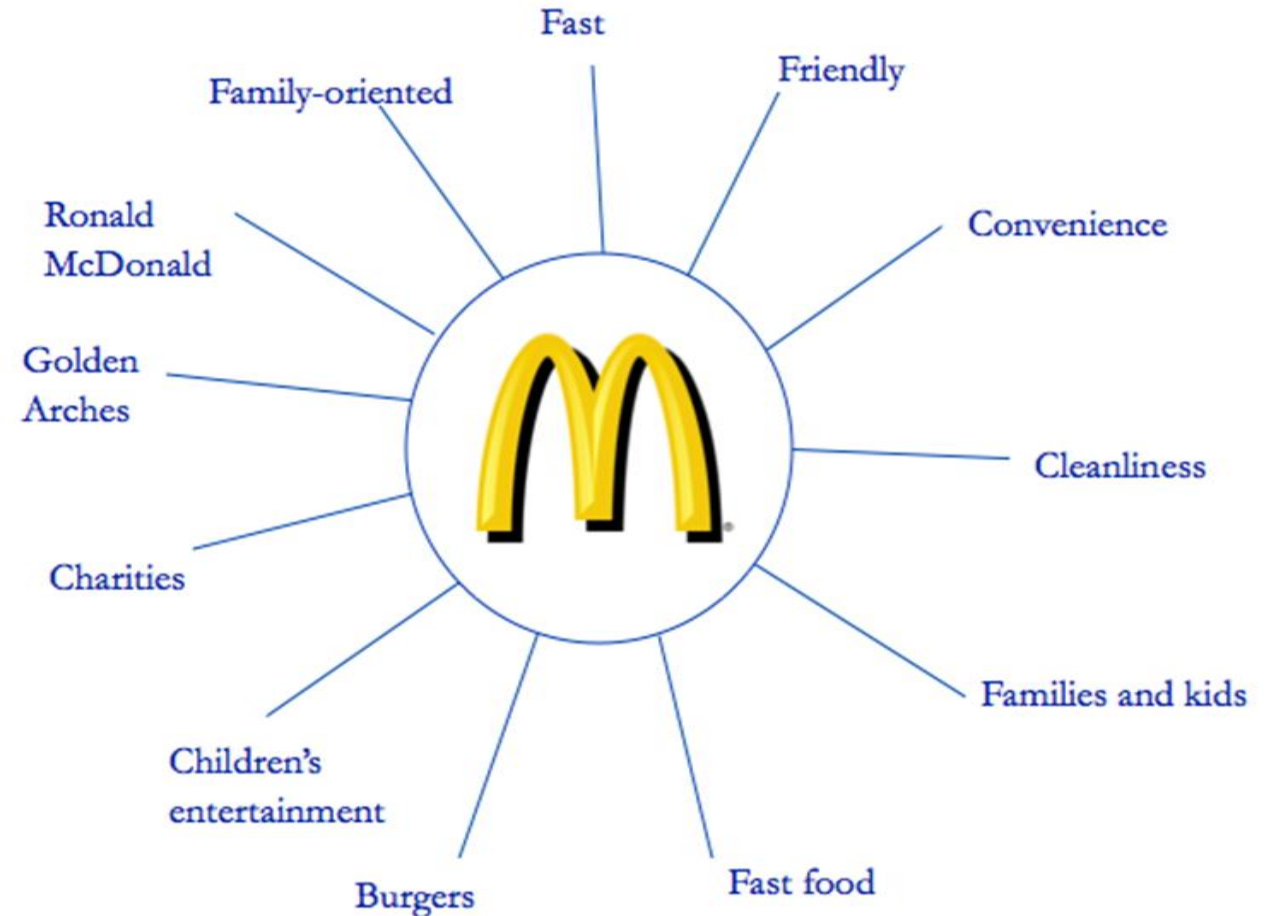
پنادر اکسپرا

بيريك من ألوان مختلفة من الألام

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Creating a positive brand image:

- Developing Brand associations may be either brand attributes or benefits
- **Strength of Brand Associations**
 - Stronger when more deeply a person thinks about product information and relates it to existing brand knowledge (recall & recognition)
- **Favorability of Brand Associations**
 - Is higher when a brand possesses relevant attributes and benefits that satisfy consumer needs and wants (Panadol)
- **Uniqueness of Brand Associations**
 - “Unique selling proposition” of the product
 - Provides brands with sustainable competitive advantage



Physical Facet:

Fast food with the famous Big Mac and happy meal
Red color and big M easily recognizable

Personality:

If Macdonald would be a human it would be someone happy and sympathetic, welcoming everyone without any differences.

Relationship:

Close to the consumer, "come as you are"



Culture:

American culture and way of life

Reflection:

Everyone can eat to Macdonald, coming with family or friends

Self-image:

I'm cool and trendy

McDonalds	Burger King
fat	whopper
mcdonalds	fat
fries	burger
food	food
big mac	fast food
burger	gross
fast food	burgers
hamburger	king
french fries	hamburger
grease	the king
unhealthy	grease
gross	greasy
greasy	have it your
crap	way
evil	crap
cheap	fries
junk	yuck
burgers	junk
golden arches	flame broiled
junk food	cheap
	disgusting



Nike Brand Associations



Brand Image in a Consumer's mind can easily be found out through the brand associations consumers have with it.

In case of Nike, It is its logo, and its positioning as quality product with high innovative design. Also, Nike is famous for its big celebrity endorsements the biggest being with Michael Jordan.



- Define customer-based brand equity
- Outline the sources and outcomes of customer based brand equity



To Sum Up...

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