



Chapter Questions

- What is a brand and how does branding work?
- What is brand equity?
- How is brand equity built, measured, and managed?
- What are the important decisions in developing a branding strategy?

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ESPN: A Strong Brand

The image shows a screenshot of the ESPN website. The URL 'http://www.espn.com' is visible in the top left. The main content area features a large article titled 'Vaguely Familiar' with a sub-headline 'WHO'S YOUR CADDY?'. The article includes a photo of a golfer and text about the movie. The ESPN logo is prominently displayed at the top of the page.

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Steps in Strategic Brand Management

- Identifying and establishing brand positioning
- Planning and implementing brand marketing
- Measuring and interpreting brand performance
- Growing and sustaining brand value

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What is a Brand?

A **brand** is a name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

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The Role of Brands



- Identify the maker
- Simplify product handling
- Organize accounting
- Offer legal protection

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The Role of Brands



- Signify quality
- Create barriers to entry
- Serve as a competitive advantage
- Secure price premium

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What is Branding?

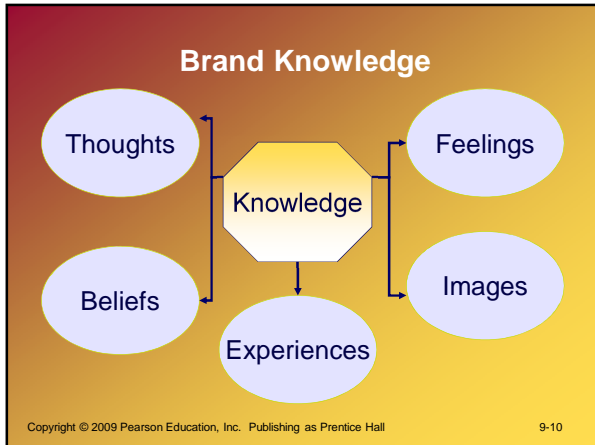
Branding is endowing products and services with the power of the brand.

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What is Brand Equity?

Brand equity is the added value endowed on products and services, which may be reflected in the way consumers, think, feel, and act with respect to the brand.

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- ### Advantages of Strong Brands
- Improved perceptions of product performance
 - Greater loyalty
 - Less vulnerability to competitive marketing actions
 - Less vulnerability to crises
 - Larger margins
 - More inelastic consumer response
 - Greater trade cooperation
 - Increased marketing communications effectiveness
 - Possible licensing opportunities
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What is a Brand Promise?

A **brand promise** is the marketer's vision of what the brand must be and do for consumers.

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Burger King Builds Its Brand with Social Connectivity



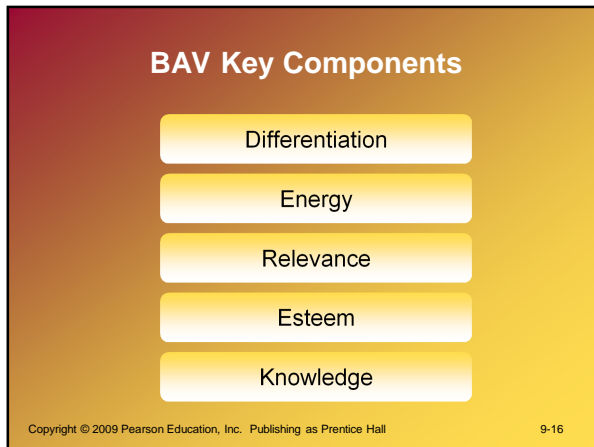
The screenshot shows a MySpace profile for 'The Original MySpace Burger King'. The profile includes a profile picture of a man with a beard and a crown, a bio stating 'The Original MySpace Burger King is in your extended network', and a recent blog entry titled 'The Original MySpace Burger King's Latest Blog Entry (Subscribe to this blog)'. The bio and blog entry mention 'The Black Boy' and 'Lunch Hubs'.

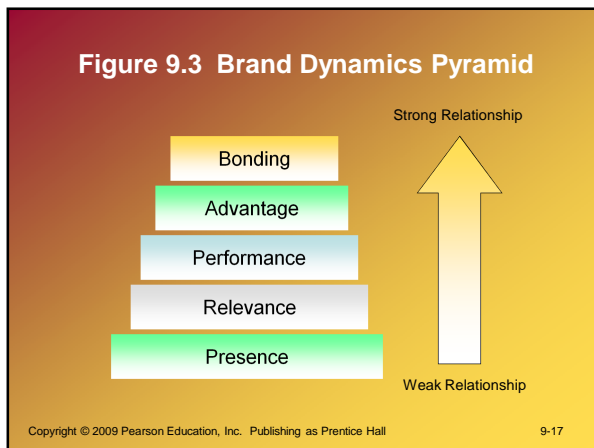
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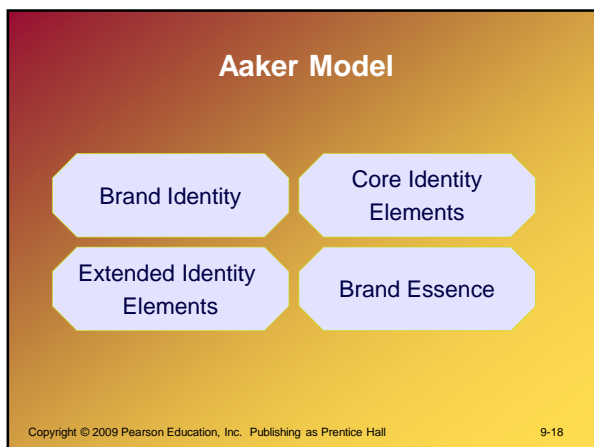
Brand Equity Models

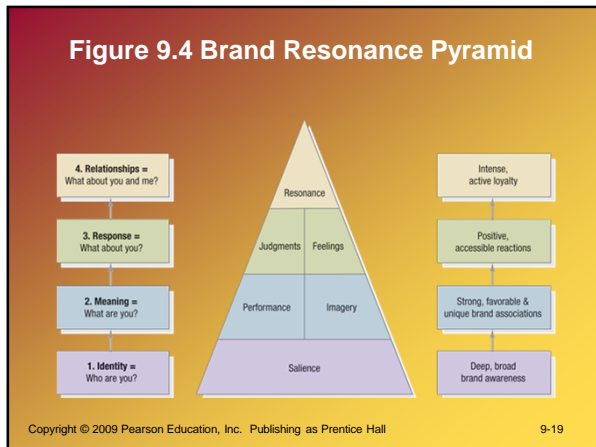
- Brand Asset Valuator
 - Aaker Model
 - BRANDZ
- Brand Resonance

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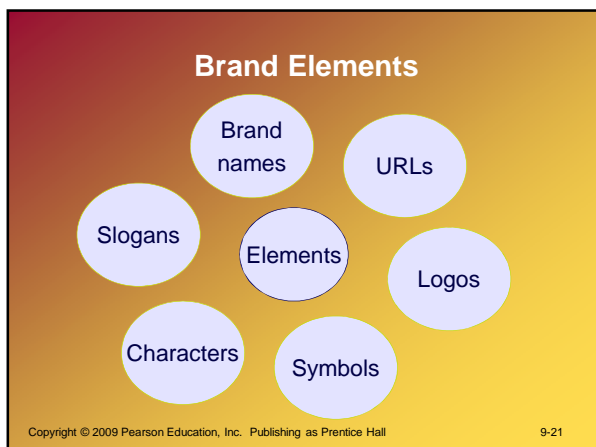












Brand Element Choice Criteria

- Memorable
- Meaningful
- Likeability
- Transferable
- Adaptable
- Protectible



Slogans

- Like a good neighbor, State Farm is there
- Just do it
- Nothing runs like a Deere
- Save 15% or more in 15 minutes or less
- We try harder
- We'll pick you up
- Nextel – Done
- Zoom Zoom
- I'm lovin' it
- Innovation at work
- This Bud's for you
- Always low prices

Designing Holistic Marketing Activities

Personalization

Integration

Internalization



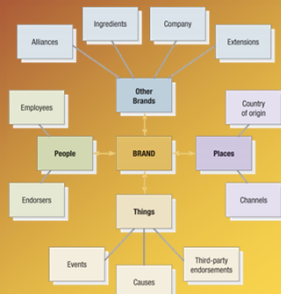
Internal Branding

- Choose the right moment
- Link internal and external marketing
- Bring the brand alive for employees

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Figure 9.5 Secondary Sources of Brand Knowledge



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Measuring Brand Equity



Brand Audits

Brand Tracking

Brand Valuation

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Table 9.2 The 10 Most Valuable Brands

Brand	2006 Brand Value (Billions)
Coca-Cola	\$67.00
Microsoft	\$56.93
IBM	\$56.20
GE	\$48.91
Intel	\$38.32
Nokia	\$30.13
Toyota	\$27.94
Disney	\$27.85
McDonald's	\$27.50
Mercedes-Benz	\$22.13

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Managing Brand Equity



Brand Reinforcement

Brand Revitalization

Brand Crises

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Interbrand's Steps in Calculating Brand Equity

- Market segmentation
- Financial analysis
- Role of branding
- Brand strength
- Brand value calculation

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Devising a Branding Strategy



- Develop new brand elements
- Apply existing brand elements
- Use a combination of old and new

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Branding Terms

- Brand line
- Brand mix
- Brand extension
- Sub-brand
- Parent brand
- Family brand
- Line extension
- Category extension
- Branded variants
- Licensed product
- Brand dilution
- Brand portfolio



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Brand Naming



- Individual names
- Blanket family names
- Separate family names
- Corporate name-individual name combo

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Reasons for Brand Portfolios

- Increasing shelf presence and retailer dependence in the store
- Attracting consumers seeking variety
- Increasing internal competition within the firm
- Yielding economies of scale in advertising, sales, merchandising, and distribution

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Brand Roles in a Brand Portfolio

Flankers	Cash Cows
Low-end Entry-level	High-end Prestige

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Marketing Debate

✓ Are brand extensions good or bad?

Take a position:

1. Brand extensions can endanger brands.

or

2. Brand extensions are an important brand-growth strategy.

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Marketing Discussion

- ✓ How can you relate the different models brand equity presented in this chapter?
- ✓ How are they similar? Different?
- ✓ Can you reconstruct a brand-equity Model that incorporates the best of each?

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