

### **Brand a New Offering**

- Master brand: primary indicator of the offering, point of reference
- Endorser brand: provides credibility and substance to the offering
- Sub-brand: augments or modifies the association of a master brand
- House-of-brands: allows firms to position brands usually on functional benefits

E.g master brand is Fed Ex, sub brands FedEx Office, FedEx Ground, FedEx Freight etc

E.g Endorsed brand is KitKat when Master Brand is Nestle

E.g. House of Brands is Procter and Gamble

### **Brand Priorities Within the Portfolio:** (3 types of strategic brands)

**Current Power Brands** – currently generate significant sales and profits, don't have cash cow status. Probably already a large dominant brand and is projected to maintain or grow its position.

**Future Power Brands** – projected to generate significant sales and profits in the future. They may also be small but earn status because of their potential in the portfolio of the future.

**Linchpin Brands** – will indirectly influence (as opposed to generate) significant sales and market position in the future. These brands are the linchpin or leverage point of a major business area or of a future vision of the firm and are likely to be branded differentiators.

### **Brand Roles with Resource Allocation Implications:**

**Niche Brands** – have become dominant in a profitable niche market but will not become power brands.

**Flanker Brands** – designed to neutralize a competitor eg Qantas brought in Jetstar to thwart low priced competitors. It doesn't always help in reaching profitability standards but useful in reducing market power of competitors.

**Cash Cow Brands** – have a worthwhile business based on a core segment but little growth potential. They should be assigned little or no investment but simply create a cash flow that can be used for other brands.

### **Trimming Brand Portfolio:** (an evaluation and consolidation process)

**Brand Equity** – what is the level of awareness, differentiation and relevance? What is the size of the loyal segment? What is the brand's driver role?

**Brand Strength** – what is the sales level, growth prospects, market position and profitability of the business the brand supports? Market leader in its niche or 3<sup>rd</sup>/4<sup>th</sup> place brand?

**Strategic Fit** – does it fit with the firm-wide strategic vision? Potential to expand into other categories? Can it be a growth platform or drive a market position?

**Branding options** – can the brand equity be transferred to another brand? Or could it merge with other brands?

### **Brand Equity Measurement and Management System**

**The New Accountability:** virtually every marketing dollar spent must be justified as effective and efficient in terms of 'return of marketing investment'. Some believers up to 70% of marketing expenditures is devoted to programs and activities that do not increase short term incremental profits but improve brand equity.

### **Conducting Brand Audits:**

→ A brand audit is a comprehensive examination of a brand to discover its sources of brand equity.

→ Brand inventory plus brand exploratory equals brand audit

**Brand Inventory:** a current and comprehensive profile of how all the products and services sold by a company are branded and marketed.

→ Brand Portfolio , brand elements, branding programs (7 P's), profile of competitive brands, PoPs and PoDs and brand mantra.

Reasons:

- Suggests the bases for positioning the brand
- Offers insights to how brand equity may be better managed
- Assesses consistency in message among activities, brand extensions and sub-brands in order to avoid redundancies, overlaps and consumer confusion

**Brand Exploratory:**

- Provides detailed info about how consumers perceive the brand
  - Awareness
  - Receptivity
  - Uniqueness of associations
- Helps identify sources of customer-based brand equity (band resonance pyramid)
- Uncovers knowledge structures for the core brand as well as its competitors (competitive analysis)

→ Interpreting qualitative research

→ Conducting quantitative research

**Brand Tracking:** tracking studies involve information collected from consumers on a routine basis, it is often continuous and provide descriptive and diagnostic information.

Three levels

- Product-Brand Tracking
- Corporate or Family Brand Tracking
- Global Tracking

## Lecture Six / Week Six

### Leveraging Secondary Brand Associations to Build Brand Equity

Secondary brand associations:

- Company
- Country of origin
- Channels
- Co-branding
- Celebrity endorsement
- Events
- Third party sources

Doing this is an effective way to grow if you:

- Have no innovation (mature consumer goods e.g. tissues)
- Lack tangible product attributes (services)
- Low brand awareness/equity (new brands)

BRAND ↔ OTHER ENTITY

Transfer of: awareness, attributes, benefits, images, thoughts, feelings, attitudes and experiences.

4 factors that determine success:

1. Awareness and knowledge of the entity
2. Meaningfulness of the knowledge of the entity