

Equity, Positioning and Emotional Branding

Brand Equity (BE)

- Sum of the intangible assets and liabilities linked to a brand that add or subtract from its value
- Depends on the perspective for what the brand is worth
- FBBE – Finance based BE
 - The ‘economic value’ of brands to firms
 - Incremental cash flows that accrue to branded products over unbranded products
- CBBE – Consumer Based BE
 - The differential effect that brand knowledge has on a consumer response to the marketing of that brand
 - The value of a brand in the eyes of the consumer
 - Consumer perspective equity is based on consumer attitudes about positive brand attributes and favourable consequences of brand use
 - IMPORTANT – cannot be effective until you understand the consumers needs and wants
- Brand champions work to marry the consumers view with the financial view of BE
- Brands are a reflection of the past and are therefore investments, not expenses
 - Quality NOT quantity
- Everything the firm does can enhance or detract from brand equity
- BE difficult to define, and therefore to measure – lack of agreement

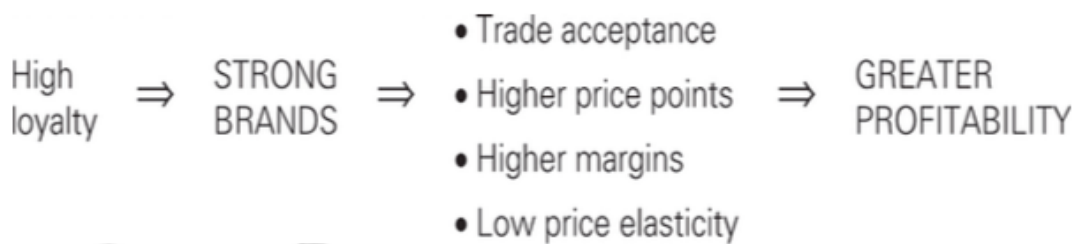
3 Components to CBBE

- Differential effect of brand
- Customer brand knowledge
- Customer response to brand marketing

Advantages of BE

1. Improved perceptions of product performance
2. Less vulnerability to competitive marketing actions and marketing crises
3. Larger margins
4. More elastic customer response to price decreases and inelastic customer responses to price increases – more robust in terms of pricing, wont be hit as hard by price wars issues
5. Greater trade or intermediary cooperation and support
6. Increased marketing communication effectiveness
7. Additional licensing and brand extension opportunities
8. Greater customer loyalty

How strong brands create BE

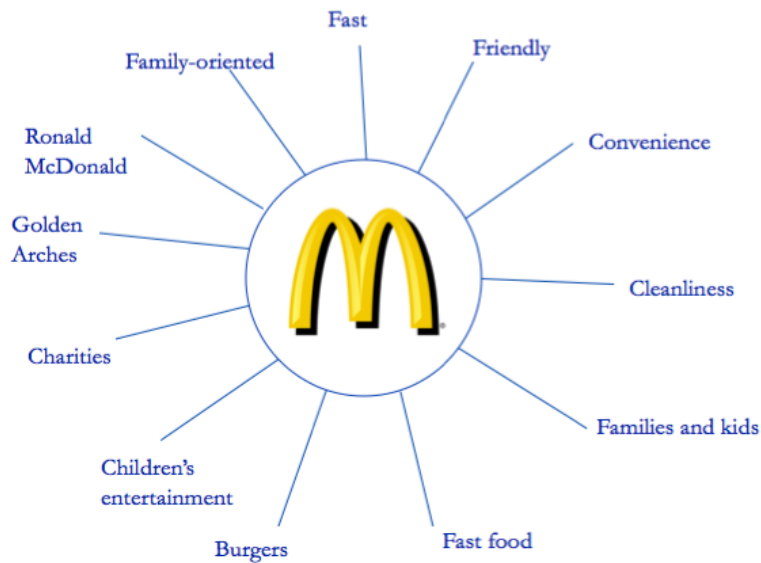


How to build a strong brand:

- Customer must be taught to
 1. Identify the brand
 - a. Label, name and other elements
 2. Learn brand meaning
 - a. Functional, emotional and symbolical
 3. Know the brand difference from other similar product brands
 - a. Performance/image and non-product related considerations

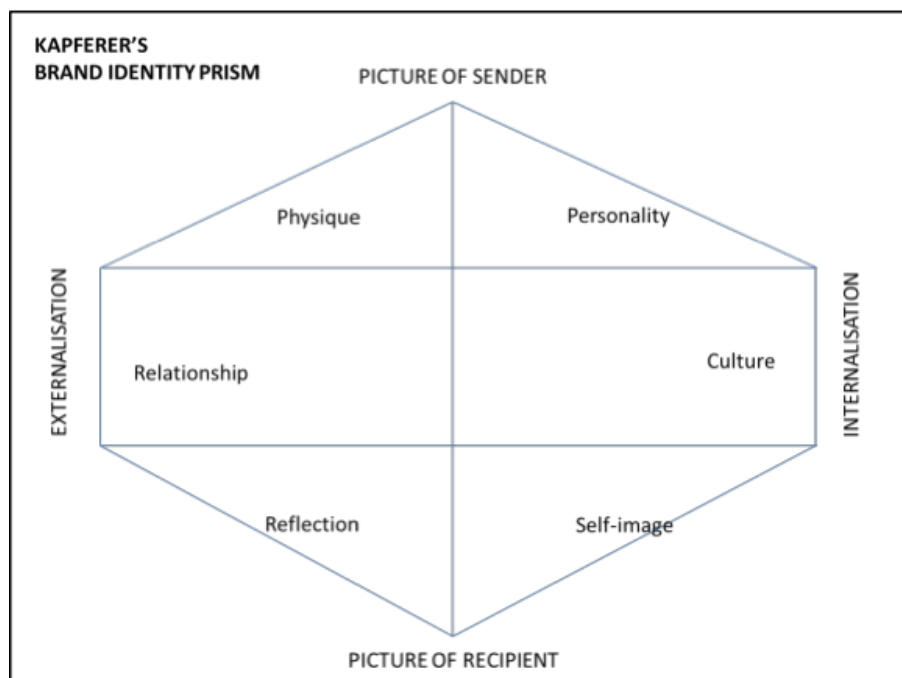
Brand Knowledge is KEY

- Consists of a brand node in the consumers memory with a variety of associations with it
- Need to ensure the consumer is remembering the identity you want to get across
 1. Brand awareness
 - a. Brand recognition
 - b. Brand recall
 2. Brand image – how consumers perceive the brand, TYPE of associations
 - a. Brand attributes
 - i. Product related, colour, size, design features
 - b. Brand benefits
 - i. Overall evaluation – attitude
 - c. Measure favorability, strength and uniqueness of these associations



Brand Identity versus Brand Image

- Brand identity
 - The contribution of all the brand elements to create awareness and image
 - A company's brand identity is how that business *wants* to be perceived by consumers
- Brand image
 - Is *how* the consumers *actually* perceive the brand



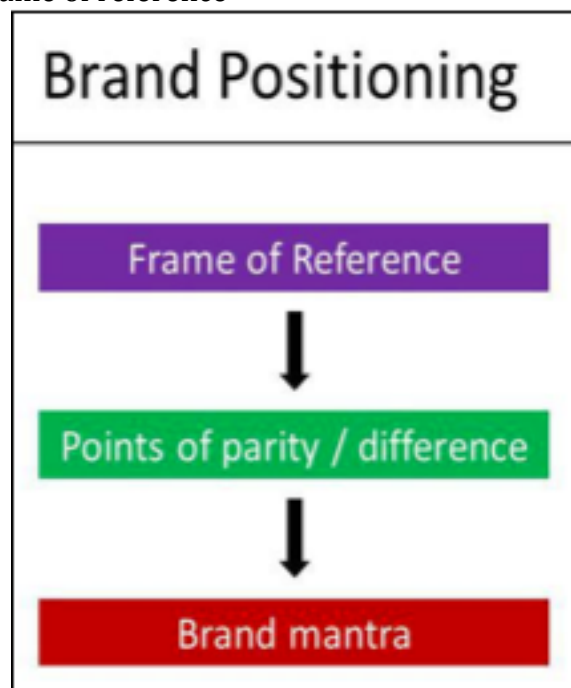
Brand Positioning

- Requires defining desired or ideal brand knowledge structures and establishing POD and POP
- Identify your target market

- All have different knowledge, different perceptions and different preferences for your brand
- Targeting a consumer segmentation assigns the competition (direct and indirect)
- Unique, meaningful POD provide a competitive advantage and the 'reasons why' consumers should buy the brand
- Want to be able to differentiate to create a sustainable competitive advantage

Developing Brand Positioning

- Frame of reference
 - Category membership of a product or which product category a brand competes with
- It is the framework used by consumers to make sense of the brand/product in question and explains the context in which this sense-making takes place
- First identify the frame of reference used by the TA in evaluating the product or service
 - Then, marketer will position the product or service in line with that frame of reference



Point of Parity (POP)

- Not unique to the brand itself but shared by others in the product category
- Minimum category barrier – EG: Nivea Deodorant, YES I will save you from social embarrassment AND we are gentle on skin
 - EG drink – YES I am thirst quenching (POP) and also healthy (POD)
- Provides another perspective in how to make or keep a brand relevant
- Key MUST HAVE
- Point of difference a competitor has over your brand that needs to be counteracted

- Category point of parity
 - Necessary category features a brand must have
- Competitive point of parity
 - Designed to negate a competitors point of parity
- Correlational point of parity
 - Potentially negative associations that arise from the existence of other more positive associations

Point of Difference (POD)

- In terms of attributes, benefits or values – relevant, distinctive and believable
- Important to establish a POD, it is equally important to nullify the competition by matching them on the POP
- Something about the brand that makes it difference
 - And this difference is valued by consumers
- Generally defined in terms of customer benefits
- Benefits that consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand
- Points of difference will not matter without the requisite point of parity
- EG: NRMA

