

## Week 1 - introduction

Brands are the heart of marketing

- Most intangible asset
- Helps to reduce risk
- Help identify the product

Implications and challenges for brand managers

- Brands are now more linked to social world
  - Part of society and who we are
  - People wear brands
- Changing market conditions
  - E.g. Starbucks - unethical practices for coffee growers --> now fair traders
- Potential for brand trouble
  - E.g. Qantas 2011 grounding entire fleet --> disruption to traffic, changed customer perception
- Strategic thought needed
  - What direction is the company going in
  - How to manage the brand

Sophisticated brand managers

- Understand marketing imperatives and the economics underpinning a brand
  - E.g. le coq sportif - originally sold at Kmart and now an equitable brand amongst certain sub cultures
- Know something of the history of the society you are selling to and cultures that surround with the brand
  - History of the company and target market
  - Be intuitive
- Possess communication and critical thinking skills
  - Deconstruct arguments into sections
  - Determine validity and usefulness

## Week 2 - brands and brand management (Chapter 1)

### What is a brand

- Name, term, design, symbol of feature that identifies a good or service as distinct from others
- Differentiate product from competition
- Resides in consumers mind
- Provides label and meaning
- Primary role in consumer choice situations
- Stored value for future sales
- Brand driver - price or non price, emotional or rational variable

### what is a brand – perspectives

- sum of all the variables that influence future sales
- vessel for stored value in the form of future sales

### brand management

- identifying brand drivers and calculation of their importance
- influences the market's perception and experience of variables
- view to retain and increase market share

### brand driver

- experienced or perceived price or non price
- emotional or rational variable
- statistically verified as significantly driving future purchase behaviour

### Difference between brand and product

- Core benefit
- Generic product
- Expected product
- Augmented product
- Potential product

### Reason for branding/brands

- Reduce search costs
- Reduce perceived risks
- Provide psychological and social reward
- Acts as an identity/symbol
- Signal quality
- Stimulate repeat purchasing
- New product interaction
- Promotional effectiveness
- Pricing decisions
- Market segmentation efforts
- Brand loyalty

- Competitive advantage

#### Risk to brands

- Social
- Psychological
- Time
- Functional
- Physical
- financial

#### Brand equity

- Brands set of assets and liabilities
- Value of a brand name and symbol of a product to the company and consumer
  - Assets and liabilities linked to the brand
    - company and customer value
  - Add or subtract from the value provided by the product itself to the firm and to consumers
    - Company value that incorporates customer value
    - Brand - commodity = brand equity
      - E.g. taking BMW out of vehicle - have generic car

#### Purpose/importance of brand equity

- Identities importance of brands role in marketing strategies
- Common denominator to interpret marketing strategies and assess value of a brand

#### Keller's customer-based brand equity (CBBE) model

- Differential effect
- Customer brand knowledge
- Customer responses to brand marketing
  - Brands exist in customers mind psychological construct
  - Look from consumer perspective
  - Revolves around brand knowledge based on responses to various marketing stimuli
- brands exist in the customer mind and have to view from their perspective, psychological construct
- brand equity evolves around brand knowledge and what consumers think based on responses to marketing stimuli

#### Reason for strategic brand management

- Branding has a specific function to a businesses philosophy - reflects what it stands for
- Tactics focus away from tactics to yield long term profit and shareholder value
- Greater yields come from creation of value to a customer
- Customer requirements, competitive positioning and implementation

## Brand management fundamentals

- Customer is the most important component
- Compete in markets where competitive advantage can be established
- Customers don't buy products
- Markets are heterogeneous (diverse)
- Markets and customers are constantly changing

## Strategic brand management

- Exists at 3 levels in organisation
- Corporate brand management --> News Corp
- Product group - marketing management --> News Aus
- Product - brand management --> The Sunday Times

## Challenges to brand management

- Price
- Market fragmentation (scattered)
- Complex brand strategies
- Brand complacency
- Shifts in resources
- Short term pressures

## Processes of strategic brand management

- Identify and develop brand plans
- Designing and implementing marketing programs
- Measuring and interpreting brand performances
- Manage, sustain and grow brand equity

## Strategic brand management

- brand equity made of 3 things
  - o Building - 1, 2
    - complementary
    - consistency
  - o Measuring 3
    - measurement system
    - full suite of research techniques
  - o Managing 4
    - maintain balance
    - making changes over time

## what makes a strong brand

- understand brand meaning
- live up to brand expectations
- adequately support brand
- patience with the brand
- adequately control the brand
- balance consistency and change

- understand BE measurement and management

#### strategic brand management process

- identifying and developing brand plans (building)
- designing and implementing marketing programs (building)
- measuring and interpreting brand performance
- manage, sustain and grow brand equity