BRAND MANAGEMENT REFINED NOTES

Week 1

Brands and their components

A brand is a **name, term, sign, symbol or design** which is intended to **identify the goods or services** of one seller or group of sellers, and to **differentiate them from competitors**. Brands impact the way we **experience** products, and the different elements that make up a brand provide consumers with information and insights into the brand or company.

The components of a brand that facilitate the differentiation between brands are known as brand elements. The brand **elements** consist of **brand names, logos, symbols, characters, spokespeople, jingles, packaging and URL's.**

Brands VS. Products

A **brand** is a name, term, sign, symbol or design intended to identify the products and services of one seller or group of sellers, and to differentiate them from competitors, whereas **products** are any offering to a market for **acquisition, attention, consumption or use that might satisfy a need or want.**

There are **5 levels of meaning** that a product is comprised of. The first of these is the **core benefit** which refers to the fundamental need or want that the product satisfies. The second is the **generic** product which is a basic version of a product, comprised of only those characteristics necessary for function. The third level is the **expected level** which refers to the set of attributes that buyers expect and agree to when purchasing a product. The **augmented** level refers to the additional attributes or benefits that distinguish a product from competitors, whilst the **potential** level includes the augmentations and transformations a product might undergo.

A brand is more than a product as it has dimensions that seek to **differentiate** it in some way from other brands. Ultimately, **competitive advantage** is not derived from differentiation at the product level, but rather at the brand level.

For example, ***Mount Franklin and Evian*** are two bottled water companies. The Mount Franklin brand is associated with purity and individual wellbeing, whilst the Evian product is linked to youth, adventure and positivity. As most people can't differentiate the taste of water, the brand is what separates the two products. Ultimately, consumers buy brands and not products. A brand is something that resides in the minds of consumers.

The role of a brand for both the consumer and firm

Brands are valuable to the firms that manufacture them, and the consumers who purchase them.

From the **consumers perspective**, a brand can **identify a source** from which to obtain a product. It can take on a **special meaning** for consumers in terms of symbolic devices, allowing self-expression and it can **fill in gaps** about unknown qualities based on known qualities. Furthermore, a brand acts as a **means of identification**, assisting consumers in distinguishing brands from competitors. A brand may act **as a shorthand device** in that it can facilitate recognition, likeability and associations and helps in purchase decisions. Consumers are more likely to buy brand they are aware of, which speeds up the purchase process. A brand may act as a **risk reducer** as familiarity with a brand can provide confidence and credibility. A brand represents an **image**, in the form of a set of associations in consumers' minds. Lastly, a brand may **adopt a value system or personality** which may reflect a consumer's values and beliefs, or their actual or ideal self.

Contrastingly, from the firm's perspective, a brand is a **means of identification** and a way to distinguish oneself from competitors. It is a source of **legal protection**, as well as a signal of quality. A brand creates **security for a firm in terms of sustained future revenue** and ultimately acts as a source of **competitive advantage.**

The four stages in the strategic brand management process.

The strategic brand management process involves the design and implementation of marketing programs and activities designed to build, measure and manage brand equity. The four steps in the process include 1. Identifying and establishing the brand. 2. Planning and implementing brand marketing programs. 3. Measuring and interpreting brand performance and 4. Growing and sustaining brand equity.

The first step involves **identifying and developing brand plans**. The strategic brand management process must start with a **clear understanding** of what the **brand represents** and how it should be **positioned** relative to competitors. This involves the brand utilising the **brand positioning model** alongside the **brand resonance model** and brand value chain. It's about **establishing the essence** of the brand through its core associations, mantra, POP's and POD's.

The second step involves **designing and implementing the brands marketing** programs. Building brand equity requires the brand to **properly position itself** in the mind of consumers, based on its **desired meaning** in order to encourage as much **brand resonance** as possible. This knowledge-building process depends on three core factors. The first of which relates to the **consideration of the brands elements** and how they are **mixed and matched** to maintain a **consistent** brand message and meaning that ultimately impacts the brands identity. The second step involves **designing marketing activities and programs** which help to further support the brand elements contributions to building brand equity. The brands marketing programs in terms of its **communications** provides the **biggest contribution to equity**. Lastly, brands must continue to build equity through **leveraging secondary associations** which involves linking the **brand to another entity** that have their own associations which **transfer** to the brand. Because the brand becomes identified with another entity, even though it may not directly relate to the product or service performance, consumers **may infer that the brand shares associations with that entity**, thus producing indirect or secondary associations.

The third step involves **measuring and interpreting brand performance** in terms of the equity it has built in previous steps. This step is about **managing the profitability** over the brand through designing and implementing a **brand equity management system** which refers to the set of **research procedures designed to provide timely, accurate and actionable information** for marketers so that they can make the best possible decisions in the short and long term. This involves conducting brand audits, designing brand tracking studies and establishing a brand equity management system. This involves audits and brand tracking activities.

The final step involves **growing and sustaining brand equity** which can present as a challenge. It's about understanding how **branding strategies should reflect corporate concerns** and be **adjusted over time** and over **geographic boundaries.** The components involved in this step include d**efining the brands architecture** which provides general guidelines about the brands branding strategy and which **elements** to apply across all the different products sold by the firm. The two key concepts in defining brand architecture include the **brand portfolio and the brand hierarchy**. The brand portfolio is the set of different brands that a firm offers in a particular category. Contrastingly, the brand hierarchy displays the number and nature of common and distinctive brand components across the firms set of brands. Furthermore, the last step involves considerations for **managing the brand equity over time**. It's about taking a **long-term view** of marketing decisions and a perspective that recognises changes may be necessary due to changing consumer knowledge which affects the success of future marketing programs. Finally, the brand must consider how to manage its equity across **different types of consumers**, and **across borders**. In expanding a brand overseas, managers need to **build equity by relying on specific knowledge** about the experiences and behaviours of those market segments.

Week 2

Consumer based brand equity

Consumer based brand equity is defined as the **differential** effect that **brand knowledge** has on consumer **responses** to the marketing of that brand. The basic premise underlying CBBE is that the power of the brand **resides in the minds of consumers.** CBBE occurs when consumers have **a high level of awareness** and familiarity with the brand, and **holds strong, favourable and unique brand associations** in memory. The importance of brands in building equity is such that brand equity arises from the d**ifferences in consumers responses** based on differences between brands. The **brand knowledge is developed through what is learnt, felt, seen or heard by the brand** and the **differential responses** that occurs as a **result of the preferences**, perceptions and behaviours. It creates the differential advantage. Marketers must understand the way in which brand knowledge resides in consumers' minds. This occurs in the form of **associative networks** or schemas which comprise of a **network of nodes** and connected links where information is stored. This brand knowledge and information can be derived from **one's own experiences**, through **word of mouth, leveraging secondary associations or through marketing communications (IMC).**

Sources of brand equity

The sources of brand equity are derived from **brand awareness and brand image**. Ultimately, this makes up consumers brand knowledge which contributes to building CBBE.

Brand awareness marks the **establishment of a memory node for a brand.** The two dimensions of brand awareness include **brand recognition and brand recall**. **Brand recognition** is the **familiarity** gained from **prior exposure** to a brand, and the ability to remember a brand when given a **cue**. For example, being exposed to the Toyota logo and recognised previous exposure to it. Contrastingly, **recall** is where an individual can **describe a stimulus that isn't present** by retrieving the brand from memory when a **need or want, or purchase situation arises.** For example, being asked to remember all the brands of chips you can. Ultimately, brands wish to establish **top of mind awareness** which leads to the **likelihood of a brand being in consumers' minds** and **considerations** set. This ultimately **engenders purchase loyalty** and behaviour which contributes to brand equity and resonance.

The **advantage** of establishing brand awareness is three-fold. The first relates to **learning advantages** which says that brand awareness influences **the formation and strength of an association** that makes up the brand image. Awareness involves establishing a brand node in memory which affects how easily the consumer learns and stores additional brand associations. The first step in building brand awareness is to **register the brand in the minds of consumers**. Furthermore, there are **consideration advantages** in that consumers **must consider the brand** whenever they are making a purchase for which it could be acceptable or fulfilling a need it could satisfy. Establishing brand awareness increases the **likelihood** the brand will **become part of a consumer's consideration set.** The brands in the consideration set are only a select few, which makes other brands less likely to be considered or recalled. Finally, there are **choice advantages** when awareness is enhancing as it can