# L5 PREP - Readings

## Creating Things to get right when building a brand

Wrong to think that because of rise of social media traditional marketing is irrelevant.

Ways of leveraging social media:

* Tools for engagement and collaboration
* Boost brand awareness
* Gain rich and unmediated customer insights to help product development

Historically marketers ask questions about attitudes and behaviors relative to brand. Now use SM to understand how a brand fits into people’s lives and explore opinions.

Social media does not drive sales, it illuminates target customers world.

Incorporate SM into playbook; revise it instead of re-writing:

* Offer and communicate a clear customer promise
* Build trust by delivering on that promise
* Drive the market by improving the promise
* Seek further advantage by innovating beyond the familiar

Advice to keep eye on the ball:

* Capitalize on speed and reach, yet protect the brand reputation
* Don’t throw out playbook, let brand promise guide actions on social media and don’t get distracted by abundance of options
* Use SM primarily for insights
* Strive to go viral but protect the brand
* Follow unwritten rules of customer engagement online: conversations are unstructured and moderated by participants themselves. People join freely, company can join but only if accepted by the participants

## Chapter 9 – Creating Brand Equity

Brand: Name, term, sign, symbol, design or combination that intend to identify goods or services of a seller and differentiate from competitors

Brand equity: added value endowed to goods/services by the brand. Reflects how customers think, feel and act with respect to a brand

Customer based brand equity: Differential effect that brand knowledge has on customer response to the marketing of the brand. 3 key ingredients:

* Brand equity arises from delta in customer response. If no difference occurs, the brand name is a commodity and competition is based on price
* Differences in response a result of customer’s brand knowledge (thoughts, feelings, images, experiences, beliefs) associated with the brand. Brands must create strong and favorable brand association with customers
* Brand equity is reflected in perceptions, preferences and behaviors related to all aspects of marketing of a brand

Brand promise: Marketers vision of what a brand must be and do for customers

Brand equity models:

Brand asset Valuator – 4 key components:

Brand Strength (DREK):

* Energized differentiation: degree to which the brand is seen ad different from others
* Relevance: Breadth of brand appeal

Brand Stature (Report Card)

* Esteem: How well a brand is regarded
* Knowledge: How familiar/intimate customers are with the brand

Brandz Brand Dynamics Pyramid (PR PABlum):

* Bonding: Emotional attachment to a brand; exclusion of most other brands (Nothing else beat it)
* Advantage: Belief that the brand has advantage over others in category (Is it better than others?)
* Performance: Belief that brand delivers acceptable performance (Can it deliver?)
* Relevance: Relevance to the customer’s needs (Does it offer me something?)
* Presence: Active familiarity based on past trials (Do I know it?)

Brand resonance model: Also a pyramid:

* Ensure customer’s identification with the brand
* Firmly establish totality of brand meaning in mind of customers
* Elicit proper customer response
* Convert brand response to crate active loyalty relationship

Building brand equity: 3 sets of equity drivers:

* Initial choice of brand elements (names, URL, logos, slogans, spokespeople). 6 Main criteria for choosing:
  + Memorable: Easily recalled
  + Meaningful: Credible and suggestive of corresponding category
  + Likeable
  + Transferable: Used to introduce new products in same or different category
  + Adaptable
  + Protectable
* Product and service and all accompanying marketing activities
* Other associations indirectly transferred to the brand by linking it to other equity

Brand contact: any information baring experience a customer or prospect has with a brand

Third way to build brand equity is to borrow it. Link the new brand to existing sources:

* Company: branding strategy
* Geographical regions: identification with product origin
* Distribution channels: channel strategy
* Other brands: co-branding
* Characters: licensing
* Spokespeople: Endorsements
* Sporting/cultural events: sponsorships
* Other 3rd party sources: awards/reviews

Internal branding: Activities and processes that help inform and inspire employees

Brand community: specialized community of customers and employees whose identification and activities focus around the brand

Measuring brand equity (!= brand valuation: estimate financial value of a brand):

* Brand audit: Customer focused exercise to assess health of brand, uncover sources of brand equity, suggest ways to improve/leverage equity
* Brand tracking studies: Collect quantitative data on customers over time to provide consistent information about brand and marketing performance

Managing Brand equity:

* Brand reinforcement: Marketing actions that convey meaning of the brand to customers in terms of:
  + what products the bran represents, what benefits it supplies
  + how the brand makes these products superior
* Brand revitalization:
  + Understand source of old brand equity
  + Determine if positive associations loosing uniqueness or fading, or negative associations being linked to the brand
  + Decide to keep and reinforce old positioning or create new one

Branding strategy: number and nature of common and distinct brand elements applied to different products.

3 ways to brand new products:

* Develop a new brand element for the product
* Apply some of existing brand elements
* Use a combination of new and existing brand elements

Brand extension: Use of an established brand to introduce a new product. The brand extension is called sub-brand to the parent brand.

Master/family brand: brand that is parent to multiple sub-brands

Brand line: all original products and line/category extensions sold under a parent brand

Brand mix: set of all brand lines that a seller makes available

Branded variants: specific brand lines supplied to specific retailers or distribution channels

Brand extension falls into 2 categories:

* Line extension: Parent brand used to brand a new product to target a new market segment within a product category currently served by the parent brand
* Category extension: Enter a product category different that the one currently served by the parent brand

Alternative branding strategies - decisions:

* Individual Brands: cpg typically brand different products by different names (ex: General Mills= old el paso, nature valley, Yoplait) (House of brands)
* Single Corporate Umbrella Brand: Use one name for range of products; brand development costs are less (ex: GE, Heinz) (Branded house)
* Sub brand names: Combine multiple brand names (ex: Kellogg’s Rice Crispies, Kellogg’s Corn Flakes)

Reason for introducing multiple brands in a category:

* Increase shelf presence
* Attract customers seeking variety
* Increase internal competition within the firm
* Economies of scale in advertising, sales, merchandising and physical distribution

Brand portfolio: Set of all brands and brand lines offered in a particular category or market segment

Types of brands:

* Flankers/Fighters: Positioned with respect to competitors brands so that more important/profitable flagship brands retain desired positioning. Flanker must be neither so attractive that it cannibalizes flagship, nor cheaply designed as to reflect poorly on the brand
* Cash Cows: Manage to maintain profitability with virtually no marketing support. Kept around despite dwelling sales (Ex: Gillette Mach 3)
* Low end/entry level: Low priced brand in the portfolio to attract customers to the brand franchise (ex: BMW 323)
* High End/Prestige: Add prestige/credibility to entire portfolio (Ex: Corvette)

Brand extensions

* Advantages:
  + Improve odds of new product successes/reduce risk
  + Positive feedback effect: renew interest and liking for the brand
  + Pre-emptive cannibalization: Consumers would have switched to competitors instead of line extension
* Disadvantages:
  + Brand dilution: Customer no linger associate brand with a specific product.
  + Generates confusion/frustrations
  + Product failure can hurt the parent brand