Chapter 10 & 11 – Creating Brand Equity & Crafting the Brand Positioning

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Brand

A name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.
The Role of Brands

- Identify the maker
- Simplify product handling
- Organize accounting
- Offer legal protection
The Role of Brands

- Signify quality
- Create barriers to entry
- Serve as a competitive advantage
- Secure price premium
Brand Equity

- **Brand equity** is a phrase used in the marketing industry which describes the value of having a well-known brand name, based on the idea that the owner of a well-known brand name can generate more money from products with that brand name than from products with a less well-known name, as consumers believe that a product with a well-known name is better than products with less well-known names.
The BRANDZ Model

Presence — Do I know about it?

Relevance — does something for me

Performance — can it deliver?

Advantage — better than others

Bonding — nothing better

Relevance — does something for me

Performance — can it deliver?

Advantage — better than others

Presence — Do I know about it?
Brand Resonance Pyramid

1. Identity = Who are you?
2. Meaning = What are you?
3. Response = What about you?
4. Relationships = What about you and me?

Salience

Performance

Imagery

Feelings

Judgments

Resonance

Intense, active loyalty

Positive, accessible reactions

Strong, favorable & unique brand associations

Deep, broad brand awareness
Brand Element Choice Criteria

- Memorable--recall and recognized
- Meaningful--credible
- Likeability--aesthetically appealing
- Transferable--introduce new product
- Adaptable--updatable
- Protectable--legality
Measuring Brand Equity

**Brand Audits**—assess health of brand, uncover sources of brand equity, ways to improve

**Brand Tracking**—baseline information about brands and marketing information

**Brand Valuation**—estimation of total financial value of the brand
Managing Brand Equity

Brand Reinforcement—meaning of the brand

Brand Revitalization—retain same or create new positioning
## The 10 Most Valuable Brands (Forbes, 2013)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Brand Value ($bil)</th>
<th>1-Yr Value Change (%)</th>
<th>Brand Revenue ($bil)</th>
<th>Company Advertising ($mil)</th>
<th>Industry</th>
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Chapter 11 - Crafting the Brand Positioning
Developing & Communicating a Positioning Strategy -

**Positioning** is the act of designing the company’s offering and image to occupy a distinctive place in the mind of the target market.
Differentiation Strategies

- Product
- Channel
- Personnel
- Image
Product Differentiation

- Product form
- Features
- Performance
- Conformance
- Durability
- Reliability
- Reparability

- Style
- Design
- Ordering ease
- Delivery
- Installation
- Customer training
- Customer consulting
- Maintenance
Personnel Differentiation: Singapore Airlines
Channel Differentiation

FIND OUT IF WE'RE DELIVERING TO YOUR NEIGHBORHOOD!

FOR HOME DELIVERY
Enter your ZIP CODE here:

GO

FOR CORPORATE DELIVERY
Enter your ZIP CODE here:

GO

Current customer? Click here to log in.

OUR FOOD IS FRESH. OUR CUSTOMERS ARE SPOILED.
Image Differentiation
Product Life-Cycle Marketing Strategies

- **Product Life Cycle Stages: Development**

  - A company develops a new product concept
  - Sales are zero and the activity is a company (marketing) cost
Product Life Cycle Stages: Introduction

- A period of slow sales growth and profit investment
- Key focus of the marketing mix will be promotion to ‘educate / inform’ the consumer
- Development of brand awareness
Product Life Cycle Stages: Growth

- Rapid market penetration and acceptance
- Critical to address channels to the consumer – focus on place
- Market expansion
- Likely to be the phase where concept moves into profit and passes breakeven
- Competitors likely to enter the market space
Product Life Cycle Stages: Maturity

- Reaching market potential or saturation
- Profits peak and may be under threat by marketing mix activity required to defend product against competition
- Focus of marketing mix on product to develop variants / extensions to maintain product differentiation
Product Life Cycle Stages: Decline

- Concept may be ‘dated’, with competition fierce
- Sales and margins decline, last opportunity to extract value possibly through price
Example: Lucozade Product Rejuvenation: Health to Energy

Source: © GlaxoSmithKline [http://www.lucozade.com]