Strategic Brand Management

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What is a brand

• Brand elements
  Brand names, URLs, logos & symbols, characters, slogans, jingles, packaging

• Brand equity concept

Some brands create competitive advantages with product performance; other brands create competitive advantages through non-product related means.
### The Most Valuable Global Brands 2012

<table>
<thead>
<tr>
<th>Rank 2011</th>
<th>Rank change</th>
<th>Rank 2012</th>
<th>Category</th>
<th>Brand</th>
<th>Brand Value 2012 ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
<td>1</td>
<td>Tech</td>
<td>Apple</td>
<td>182,951</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>2</td>
<td>Tech</td>
<td>IBM</td>
<td>155,985</td>
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<tr>
<td>3</td>
<td>-1</td>
<td>3</td>
<td>Tech</td>
<td>Google</td>
<td>107,857</td>
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<tr>
<td>4</td>
<td>0</td>
<td>4</td>
<td>Fast Food</td>
<td>McDonald's</td>
<td>95,188</td>
</tr>
<tr>
<td>5</td>
<td>0</td>
<td>5</td>
<td>Tech</td>
<td>Microsoft</td>
<td>76,651</td>
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<tr>
<td>6</td>
<td>0</td>
<td>6</td>
<td>Soft drinks</td>
<td>Coca-Cola</td>
<td>74,286</td>
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<tr>
<td>8</td>
<td>7</td>
<td>7</td>
<td>Tobacco</td>
<td>Marlboro</td>
<td>73,612</td>
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<tr>
<td>7</td>
<td>8</td>
<td>8</td>
<td>Communication Provider</td>
<td>AT&amp;T</td>
<td>68,870</td>
</tr>
<tr>
<td>13</td>
<td>9</td>
<td>9</td>
<td>Communication Provider</td>
<td>Verizon</td>
<td>49,151</td>
</tr>
<tr>
<td>9</td>
<td>10</td>
<td>10</td>
<td>Communication Provider</td>
<td>China Mobile</td>
<td>47,041</td>
</tr>
</tbody>
</table>
Figure 1.4  Brands on the balance sheet

Source: Interbrand.
Strategic brand management process

Four main steps:

1. Identifying and establishing brand positioning
2. Planning and implementing brand marketing programs
3. Measuring and interpreting brand performance
4. Growing and sustaining brand equity
Customer-based brand equity

The differential effect that brand knowledge has on consumer response to the marketing of that brand
Brand knowledge

2 components
1. Brand awareness
   – recognition, recall
   – breadth and depth
2. Brand image – strong, favorable, and unique brand associations

(possible apple computer associations)
Building a strong brand: the 4 steps

Stages of Brand Development

- Relationships
  (What about you and me)

- Response
  (What about you)

- Meaning
  (What are you)

- Identity
  (Who are you)

Branding Objective at Each Stage

- Intense, active loyalty
- Positive, accessible reactions
- Points of parity and difference
- Deep, broad brand awareness

Identifying and establishing brand positioning
Brand Positioning

- Who the target consumer is
- Who the main competitors are (frame of reference)
- How the brand is similar to these competitors
- How the brand is different from them
• Point of difference
• Point of parity

Take SourceAnywhere for example
Choosing Points of Difference

• Desirability
  – Relevance (personally relevant and important)
  – Distinctiveness
  – Believability

• Deliverability
  – Feasibility
  – Communicability
  – Sustainability
## Brand Mantra

<table>
<thead>
<tr>
<th>Emotional Modifier</th>
<th>Descriptive Modifier</th>
<th>Brand Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nike</td>
<td>Authentic</td>
<td>Performance</td>
</tr>
<tr>
<td>Disney</td>
<td>Fun</td>
<td>Entertainment</td>
</tr>
</tbody>
</table>

### Implementing a brand mantra

Brand positioning that suggests the ideal core brand associations

- brainstorming
- brand mantra candidates
Strategic brand management process

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Building Brand Equity

3 main factors

• The initial choices of brand elements or identities making up the brand
• The way the brand is integrated into the supporting marketing program
• The associations indirectly transferred to the brand by linking the brand to some other entity
Choosing Brand Elements to Build Brand Equity

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Brand Element</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Brand Names and URLs</td>
</tr>
<tr>
<td>Memorability</td>
<td>Can be chosen to enhance brand recall and recognition</td>
</tr>
<tr>
<td>Meaningfulness</td>
<td>Can reinforce almost any type of association, although sometimes only indirectly</td>
</tr>
<tr>
<td>Likability</td>
<td>Can evoke much verbal imagery</td>
</tr>
<tr>
<td>Transferability</td>
<td>Can be somewhat limited</td>
</tr>
<tr>
<td>Adaptability</td>
<td>Difficult</td>
</tr>
<tr>
<td>Protectability</td>
<td>Generally good, but with limits</td>
</tr>
</tbody>
</table>
Marketing Program

Customers

Company

Competitors

Pricing
Communication - Promotion
Channel - Place
Product
Product Strategy -> Relationship Marketing

3 important issues

• Mass Customization

• Aftermarketing — activities that occur after customer purchase

• Loyalty Programs — identifying, maintaining and increasing the yield from a firm’s best customers through long-term, interactive, value-added relationships

Planning and implementing brand marketing programs
Marketing Communication Options

• Advertising
  Television, radio, print, direct response, interactive, Place
• Sales Promotion
• Event Marketing and Sponsorship
• Public Relations and Publicity
• Personal Selling
Leveraging secondary brand associations to build brand equity

different means by which we can create secondary brand knowledge by linking the brand to the following:

1. companies.
2. countries or other geographic areas.
3. channel of distribution.
4. co-branding.
5. licensing.
6. celebrity endorsement (spokesperson).
7. sporting, cultural, or other events.
8. third-party sources.

1. Create a new brand
2. Adapt or modify an existing brand
3. Combine an existing and a new brand

Swatch and Benz – affordability, durability and stylishness

Sponsorship strategies for the Olympics Games
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The brand value chain

Value Stages

Marketing Program Investment
- Product
- Communication
- Trade
- Employee
- Other

Customer Mindset
- Awareness
- Associations
- Attitudes
- Attachment
- Activity

Market Performance
- Price premium
- Price elasticities
- Market share
- Expansion success
- Cost structure
- Profitability

Shareholder Value
- Stock prices
- P/E ratio
- Market capitalization

Multiplier

Program Quality
- Clarity
- Relevance
- Distinctiveness
- Consistency

Marketplace Conditions
- Competitive reactions
- Channel support
- Customer size and profile

Investor Sentiment
- Market dynamics
- Growth potential
- Risk Profile
- Brand contribution

Measuring and interpreting brand performance
Ends