

#11_Creating Brand Equity

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HOW DOES BRANDING WORK?

One of the most distinctive skill of professional marketers is their ability to create, mantain, enhance and protect brands.

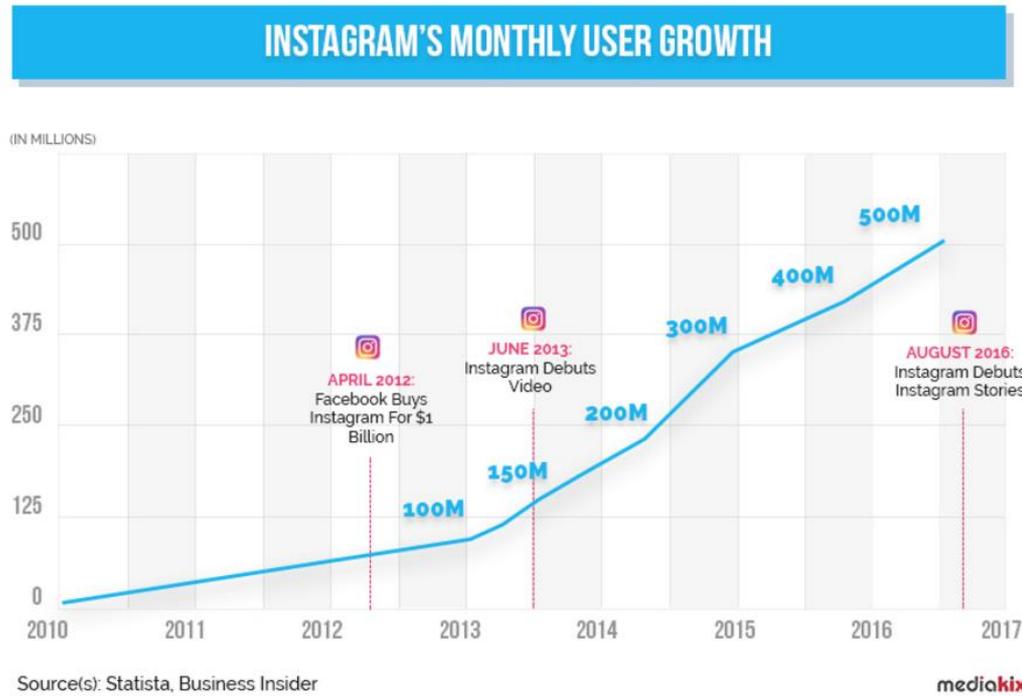
Established



New



Instagram



The role of brands

Brands' role for customers

- ♣ Set and fulfill expectations
- ♣ Reduce risk
- ♣ Simplify decision making
- ♣ Take on personal meaning
- ♣ Become part of identity

Brands' role for firms

- ♣ Simplify product handling
- ♣ Organize inventory & accounting
- ♣ Offer legal protection
- ♣ Create brand loyalty
- ♣ Secure competitive advantage



The scope of branding

Branding is the process of endowing products and services with the power of a brand.

It's all about creating differences between products. Marketers need to teach consumers “**who**” the product is - by giving it a name and other brand elements to identify it - as well as **what** the product does and **why** consumers should care.



The scope of branding

Brand equity: added value endowed to products with consumers

Customer-based brand equity: the differential effect brand knowledge has on consumer response to the marketing of that brand. Two ingredients:

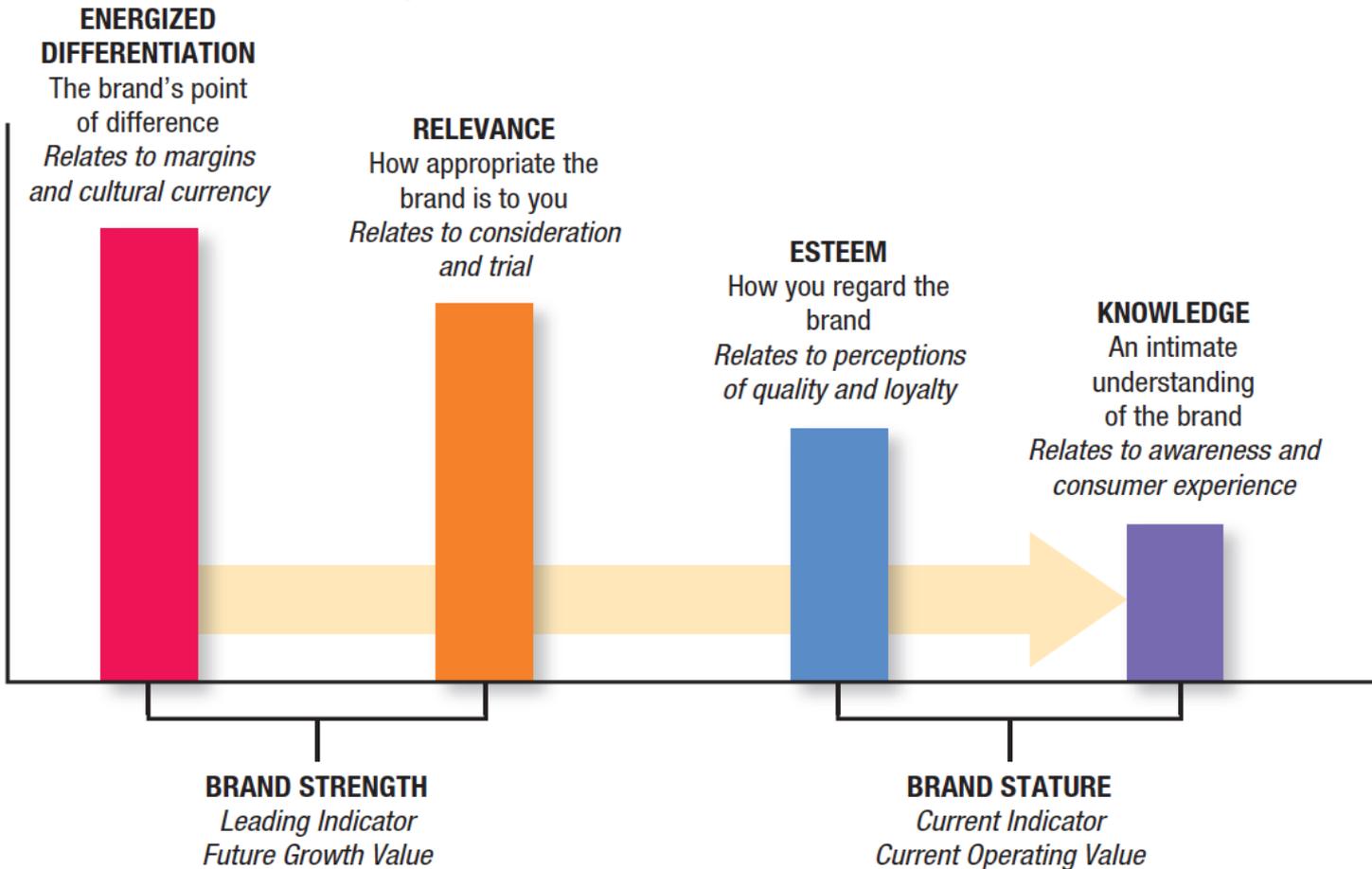
- ♣ Brand awareness (strength of node in memory, [brand recognition](#) & [brand recall](#))
- ♣ Brand image (perceptions reflected in associations – POP & POD)

Brand promise: bilateral contract between the organization and its stakeholders

Advantages of strong brands

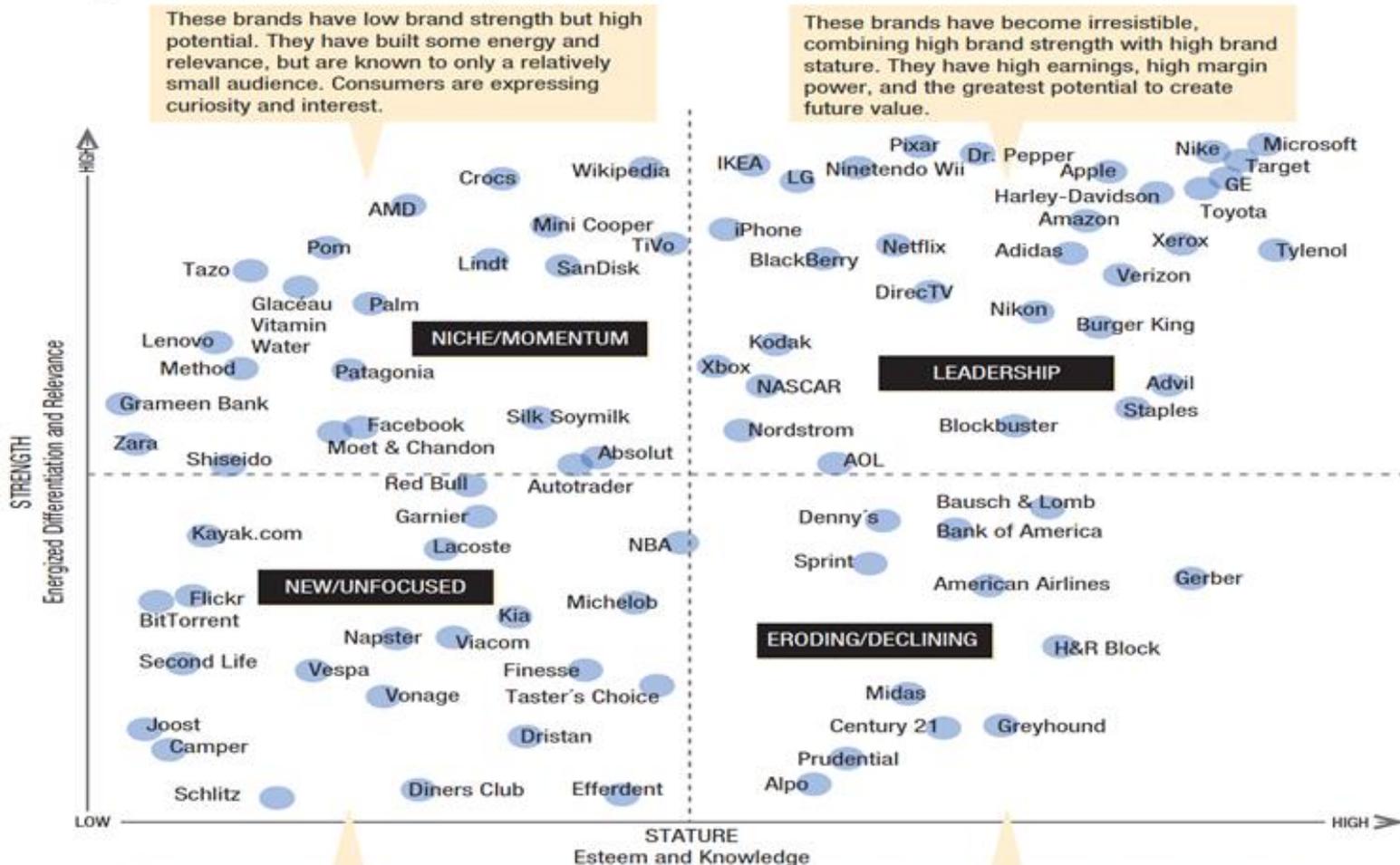
Improved perceptions of product performance	Greater trade cooperation and support
Greater loyalty	Increased marketing communications effectiveness
Less vulnerability to competitive marketing actions	Possible licensing opportunities
Less vulnerability to marketing crises	Additional brand extension opportunities
Larger margins	Improved employee recruiting and retention
More inelastic consumer response to price increases	Greater financial market returns
More elastic consumer response to price decreases	

Brand equity models: BrandAsset® Valuator





Brand equity models: The Universe of Brand Performance



These brands have low brand strength but high potential. They have built some energy and relevance, but are known to only a relatively small audience. Consumers are expressing curiosity and interest.

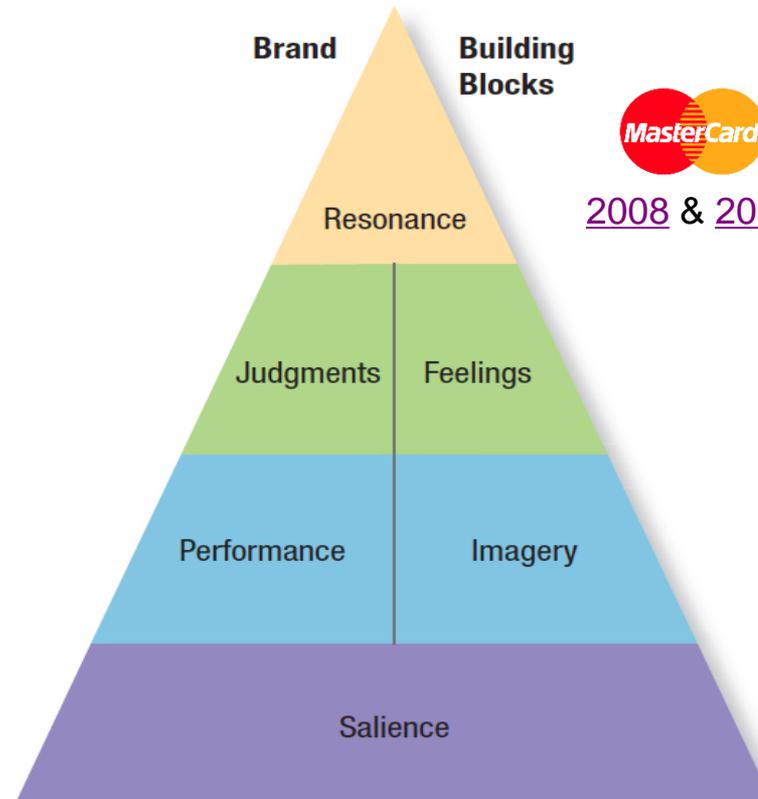
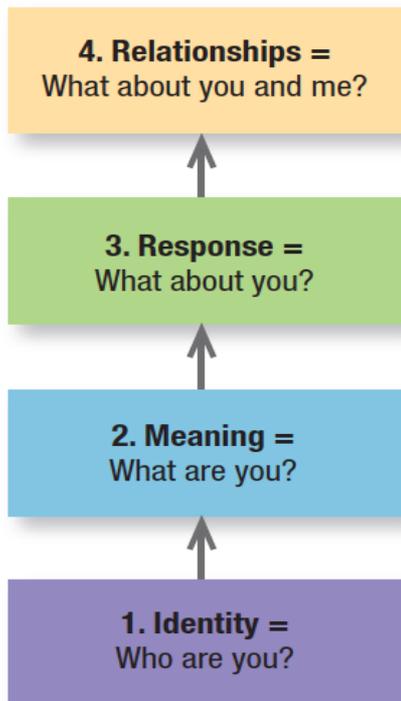
These brands have become irresistible, combining high brand strength with high brand stature. They have high earnings, high margin power, and the greatest potential to create future value.

These brands, with both low brand stature and low brand strength, are not well known among the general population. Many are new entrants; others are middling brands that have lost their way.

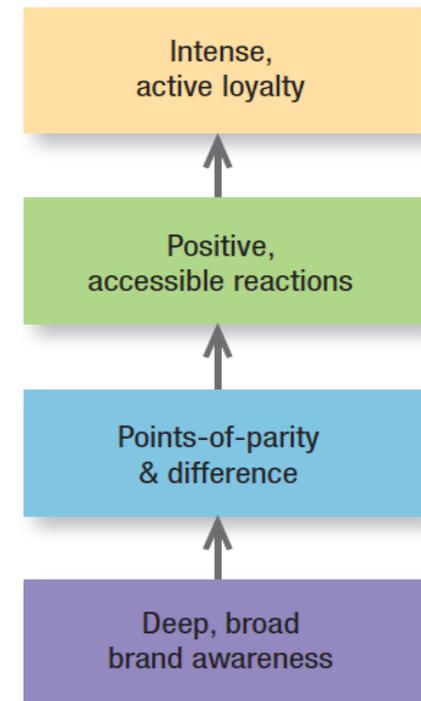
These brands show why high brand stature by itself is insufficient for maintaining a leading position. They struggle to overcome what consumers already know about and expect from them.

Brand equity models: Brand Resonance Pyramid

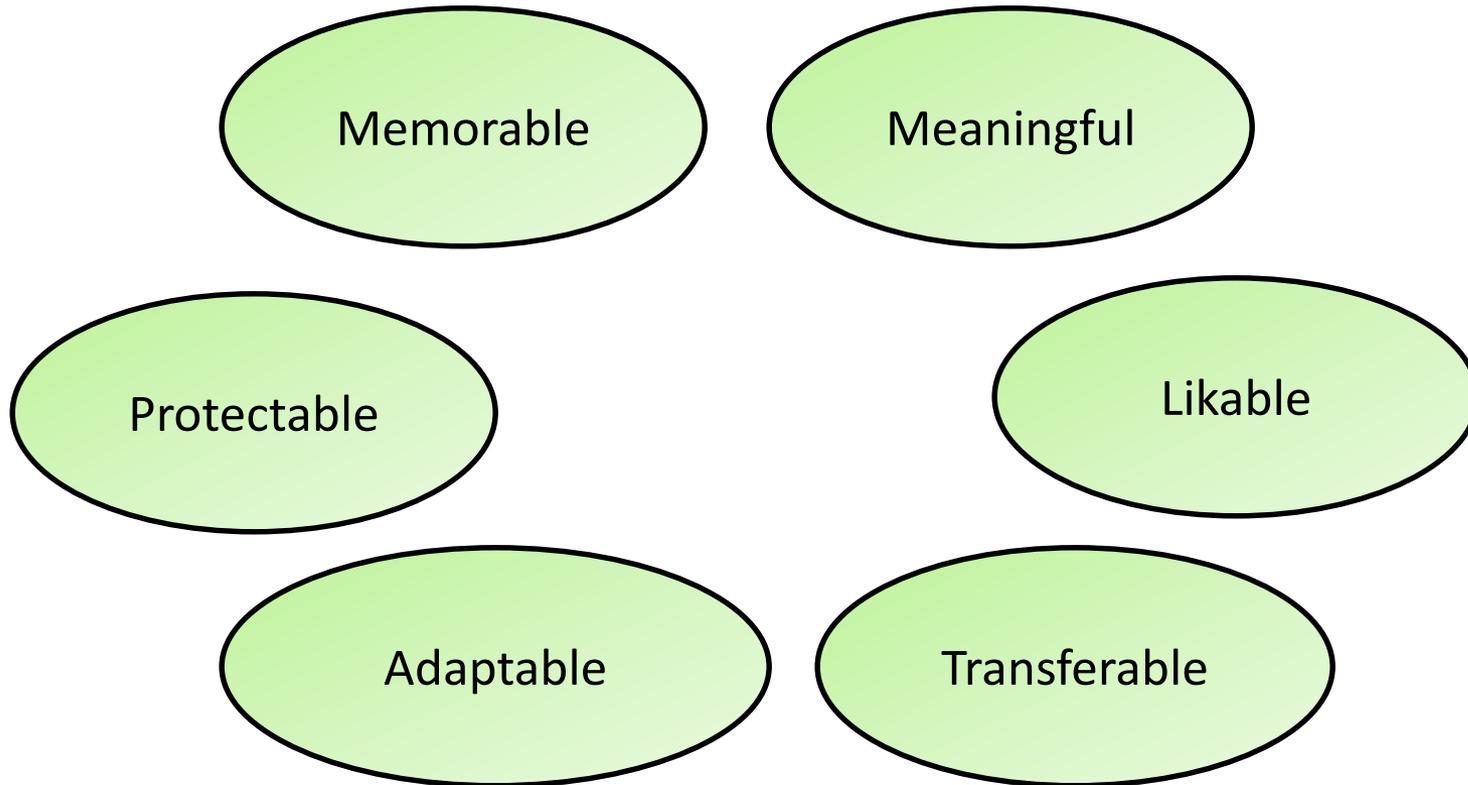
Stages of Brand Development



Branding Objective at Each Stage



1) Brand elements choice (brand name, logo, symbols, slogan, jingle, packaging)

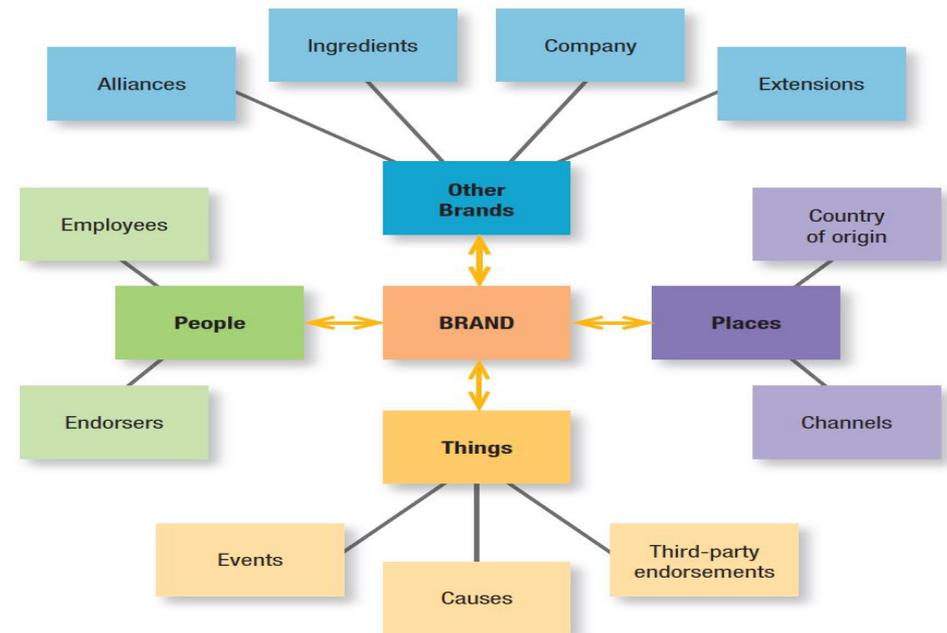


2) Designing holistic marketing activities

Importance of all **brand contacts**: any information-bearing experience (positive or negative) a customer or prospect has with the brand, its product category, or its market.

Coherency is the key!

3) Leveraging secondary associations



Brand reinforcement

Requires the brand always be moving forward



Brand revitalization

Almost any kind starts with the product





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DEVisING A BRAND STRATEGY

Branding decisions: alternative branding strategies

Individual or separate family brand names

Corporate umbrella or company brand name

Sub-brand name

House of brands



Branded house



Brand portfolio

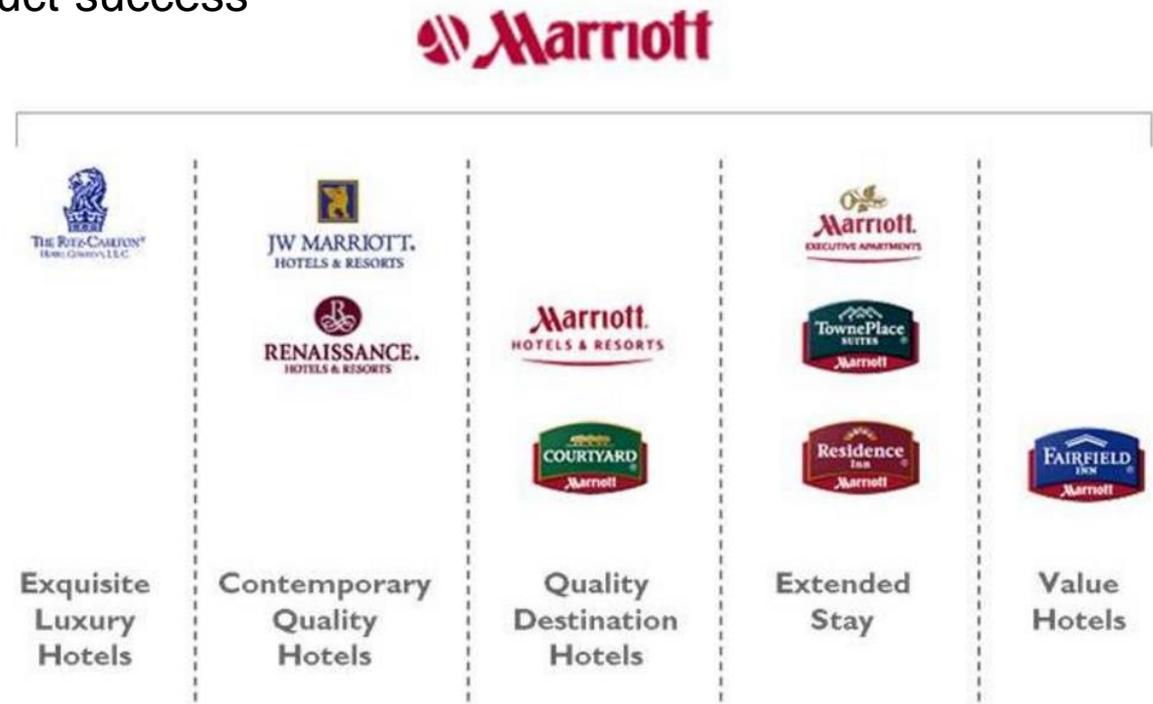
The set of all brands and brand lines a particular firm offers for sale in a particular category or market segment



Branding decisions: brand extensions

Introducing a host of new products under a firm's strongest brand names

- ♣ Improved odds of new-product success
- ♣ Positive feedback effects
- ♣ Risk of brand dilution
- ♣ May harm parent brand



Thank you for your kind attention!



(Have A Nice Day!)

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