

# MMK280

# Brand Management

# Overview

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## Learning Objectives

### **Week 1 – Marketing, Brands and Brand Management**

- Define “brand,” state how brand differs from a product, and explain what brand equity is
- Summarise why brands are important.
- Explain how branding applies to virtually everything.
- Describe the main branding challenges and opportunities.
- Identify the steps in the strategic brand management process.

### **Week 2 – Customer-based Brand Equity & Brand Positioning**

- Define customer-based brand equity.
- Outline the sources and outcomes of customer-based brand equity.
- Identify the four components of brand positioning.
- Describe the guidelines in developing a good brand positioning.
- Explain brand mantra and how it should be developed.

### **Week 3 – Brand Resonance & Brand Value Chain**

- Define brand resonance.
- Describe the steps in building brand resonance.
- Define the brand value chain.
- Identify the stages in the brand value chain.

### **Week 4 – Choosing Brand Elements to Build Brand Equity**

- Identify the different types of brand elements.
- List the general criteria for choosing brand elements.
- Describe key tactics in choosing different brand elements.
- Explain the rationale for ‘mixing and matching’ brand elements.
- Highlight some of the legal issues surrounding brand elements.

### **Week 5 – Designing Marketing Programs to Build Brand Equity**

- Identify some of the new perspectives and developments in marketing (changing landscape).
- Describe how marketers enhance product experience through different strategies including experiential marketing, relationship marketing, promotions.
- Explain the rationale for different pricing strategies.
- List some of the direct and indirect channel options.
- Summarise the reasons for the growth in private labels (also see pp. 210-212 of text).

### **Week 6 – Integrating Marketing Communications to Build Brand Equity**

- Describe some of the changes in the new media environment
- Outline the major marketing communications options
- Describe some of the key tactical issues in evaluating different communication options
- Identify the choice criteria in developing an integrated marketing communication program
- Explain the rationale for mixing and matching communication options

**Week 7 – Leveraging Secondary Brand Associations to Build Brand Equity**

- Outline the eight main ways to leverage secondary associations
- Explain the process by which a brand can leverage secondary associations
- Describe some of the key tactical issues in leveraging secondary associations from different entities

**Week 8 – Developing a Brand Equity Measurement and Management System**

- Describe the new accountability in terms of ROMI (return on marketing investment)
- Outline the two steps in conducting a brand audit
- Describe how to design and conduct tracking study (p. 301 of textbook for example)

**Measuring Sources of Brand Equity: Capturing Customer Mind Set**

- Describe effective qualitative research techniques for tapping into consumer brand knowledge.
- Identify effective quantitative research techniques for measuring brand awareness, image, responses, and relationships.
- Profile and contrast some popular brand equity models.

**Week 9 – Measuring Outcomes of Brand Equity: Capturing Market Performance**

- Recognise the multidimensionality of brand equity and the importance of multiple methods to measure it
- Contrast different comparative methods to assess brand equity
- Explain the basics of how conjoint analysis works

**Week 10 – Management Designing and Implementing Brand Architecture Strategies & Introducing and Naming New Products and Brand Extensions**

- Define the key components of brand architecture
- Outline the guidelines for developing a good brand portfolio
- Assemble a basic brand hierarchy for a brand
- Explain the rationale behind cause marketing and green marketing

**Introducing and Naming New Products and Brand Extensions**

- Define the different types of brand extensions
- List the main advantages and disadvantages of brand extensions
- Evaluating brand extension opportunities

**Week 11 – Managing Brands Over Time & Managing Brands Over Geographical Boundaries and Market Segments**

- Understand the important considerations in brand reinforcement
- Describe the range of brand revitalisation options to a company
- Outline the various strategies to improve brand awareness and brand image
- Understand the rationale for developing a global brand
- Outline the main advantages and disadvantages of developing a standardised global marketing program
- Define the strategic steps in developing a global brand positioning
- Describe unique characteristics of brand building in developing markets - India, China

## Week 1 – Marketing, Brands & Brand Management

### *L1: Define brand, state how brands differ from a product and explain what brand equity is*

**Brand:** Is a name, term, sign, symbol or design or a combination, intended to identify the goods and services of one seller or groups of sellers to differentiate from competition

- Can be perceptions and experiences surrounding a product/service

**Differentiation:** Product is made in factory, brand is bought by a consumer. A product can be copied by a competitor; brand is unique

- Brand is more than a product
- Is something that resides in minds of consumers (what does the brand do?)

Brand	Product
Has dimensions that <b>differentiate</b> it in some way from other products designed to satisfy the same need	Anything available in the market for use or consumption, that may <b>satisfy a need or want</b>
Can be differentiated on the basis of: <ul style="list-style-type: none"> <li>• Packaging</li> <li>• Services provided</li> <li>• Customer advice</li> <li>• Financing</li> <li>• Delivery arrangements</li> <li>• Warehousing</li> <li>• Other attributes valued by the customers</li> </ul>	Can be categorised into five levels namely: <ul style="list-style-type: none"> <li>• Core benefit level – what we are actually buying</li> <li>• Generic product level – basic version of the product</li> <li>• Expected product level – what buyers normally expect</li> <li>• Augmented product level – value-added services that differentiate from competitors</li> <li>• Potential product level – augmentations and transformations that might happen in the future</li> </ul>

**Branding:** defining, promising and delivering a unique brand experience consistently

- Creates mental structure and helps consumers organize their knowledge about products and services in a way that clarifies their decision making and, in the process, creates value for the firm
- Through branding, organisations:
  - Create perceived differences amongst products
  - Develop loyal customer franchise
  - Create value that can translate to financial profits

**Personal brand:** A personal identity that stimulates precise, meaningful perceptions in its audience about the values and qualities that a person stands for

**Brand Equity:** The value of a brand from a consumer perspective, it is based on consumer attitudes about positive brand attributes

- Added value endowed on products and services, which may be reflected in a way consumers think, feel and act with respect to the brand



*L2: Summarise why brands are important*

**Importance of Branding**

Customers	Organisations
<p><b>Identify the source</b> of maker of product</p> <p><b>Symbol of quality</b> assures customers of product quality and workmanship based on awareness, reputation, prominence or previous experience</p> <p><b>Simplify product decisions</b>, e.g. less cognitive decisions</p> <p><b>Lower search costs</b> for products internally (how much they have to think) and externally (research) e.g. product performance</p> <p><b>Helps set reasonable expectations</b> about what consumers don't know about the brand</p> <p><b>Symbolic and emotional attachment</b> e.g. brands reflect self-image and possess unique personal meaning</p> <p><b>Assist in assessing and interpreting benefits</b>, buying brands can reduce risks in product choice decision</p> <ul style="list-style-type: none"> <li>○ Financial – price/quality mismatch</li> <li>○ Physical – threat to consumers</li> <li>○ Functional – does not meet expectations</li> <li>○ Psychological – affects mental well-being</li> <li>○ Time – cost of finding a new product</li> <li>○ Social – embarrassment from others</li> </ul>	<p><b>Simplify product handling and tracing</b> e.g. Unilever requires multiple chemicals from multiple sources to manufacture soap – branding helps sort and identify right type of supplies</p> <p><b>Offer firm legal protection</b> for unique features or aspects of product e.g. brand name-trademarks, manufacturing processes-patents, packaging-copyrights and designs</p> <p><b>Creates barriers of entry for competitors</b> providing predictability and security of demand for firm</p> <p><b>Securing a competitive advantage</b> through value and differentiation</p>

### *L3: Explain how branding applies to virtually everything*

- Branding is **universal and pervasive** in different product categories
- Applicable to both **tangible and intangible** offerings of an organisation
- Organisations reap **financial benefits** from positive brand images
- **Technological** developments have impacted the way organisations market their offerings

### *L4: Challenges and Opportunities of Branding*

**Consumer expectations:** gap between performance and expectation is growing

- Companies need to continuously **improve quality of product** to keep up with expectations of customers
- **Brands need to be emotionally attached to consumers.** Brand must possess emotions. Once you make a brand possess emotions, you strengthen the brand and consumers will tend to like that brand

**Media:** Traditional advertising media is getting fragmented

**Cost:** To get that return of marketing investment it takes brands months to reach breakeven

**Clutter:** Too many advertisements going on. Getting more difficult to grab consumer's attention

**Fragmentation:** Variations of TV/Radio stations are growing. More and more people are subscribing to Netflix etc. Difficult to reach target customers

**Technology:** Enables customers power to avoid commercials, adblock etc.

**Buzz and Guerilla Marketing:** Non-traditional media which is more interactive is emerging: e.g. outdoor branding and event sponsorship, market activations, superstore shelf branding etc.

**Increased Competition:** Due to

- **Globalisation** – threat of new entrants who want to enter market as source of revenue
- **Low priced competitors** – Chinese products, main bargain is low cost
- **Brand extensions** – many companies extend their existing brand into new category which is a threat
- **Deregulation** – when government deregulate industries and allow new entrants

**Increased Cost:** Results in more competition, more investment needed to establish a new brand or supporting an existing brand

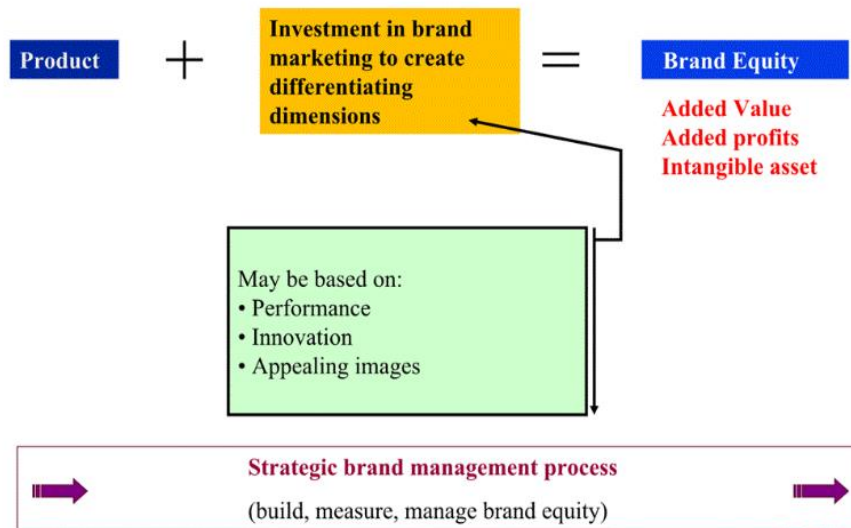
- Because of this factor, many new brands eventually fail which is another reason why marketers decide to go for a brand extension to enter new product category

**Greater accountability:** Exists a pressure to meet short term revenue and profit targets

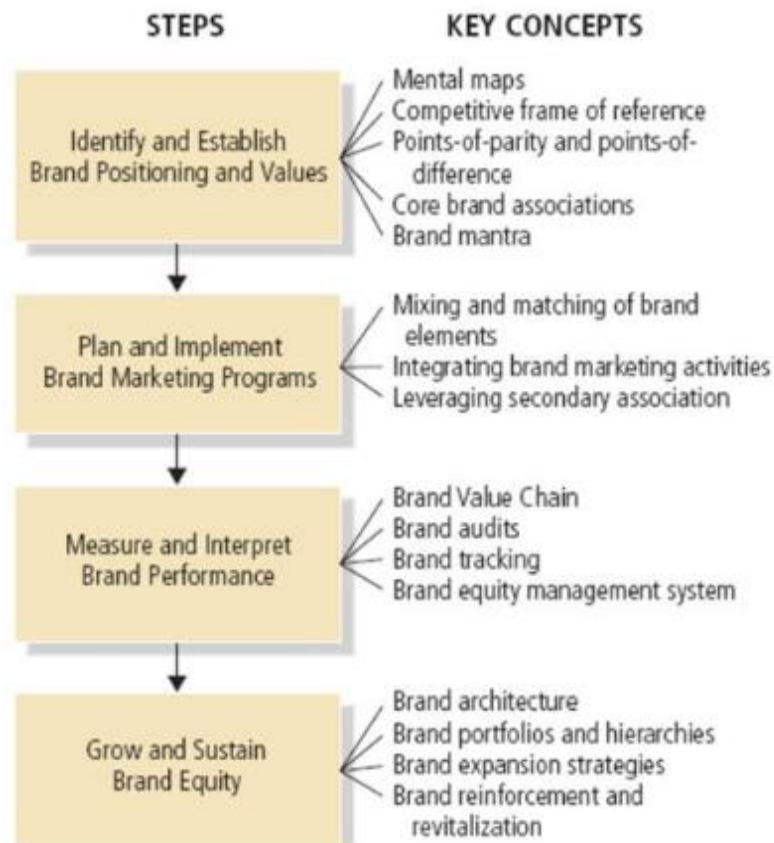
- This might create adverse long-term effects on the brand

### L5: Identify the steps in a strategic brand management process

- Any brand, no matter how strong at one point in time – is vulnerable and susceptible to poor brand management.
- Even top brands, if they become complacent lose and do not continue to add value can lose a competitive advantage and ultimately lose market share rapidly.



## Strategic Brand Management Process



## Week 2 – Brand Equity and Brand Positioning

### *L1: Define customer-based brand equity*

#### **Brand equity: a strategic bridge from past to future**

- Interpretation past marketing performances in an effort to design future marketing programs
- Marketing activities as investments into what customers see, hear, feel and experience about the brand
- Create right knowledge structures, and valuable, enduring memory traces in consumers' mind about brand
- Marketing actions can help enhance or detract from brand equity
- Consumers dictate future directions for the brand based on their brand knowledge

#### **CBBE:** Brand is created in mind and heart of consumers

- CBBE says that the strength of a brand in *what consumers have learned, felt, seen, and heard about the brand as result of their experiences over time*
- Strong BE is created through *brand knowledge*, which is from *brand awareness and brand image*

#### **Importance of CBBE for marketers:** CBBE framework gives marketers the understanding of how consumers perceive a brand and interact with it

- Consumer knowledge gives marketers ability to manage a brand to achieve a competitive advantage over rival brands

#### **Advantages of strong brands**

- Improved perceptions related to product performance
- Greater Loyalty
- Larger profit margins
- Greater cooperation from suppliers & marketing intermediaries
- Increased IMC effectiveness
- Favourable consumer response to price changes
- Less vulnerability to competitors' marketing actions and marketing crisis

#### **3 ingredients to CBBE**

**Differential effect:** the brand needs to be unique and different in the minds of the consumer. Starting point of establishing a strong brand equity is crafting a unique brand positioning

**Brand knowledge:** differential effect needs to be communicated to the consumers and that is how consumers will have a knowledge about your brand (this is when brand equity is created). This knowledge is created through the sources of brand equity

**Consumer response to marketing:** signifies the outcomes of brand equity



## L2: Outline the sources and outcomes of customer-based brand equity

### L2. Sources of Brand Equity



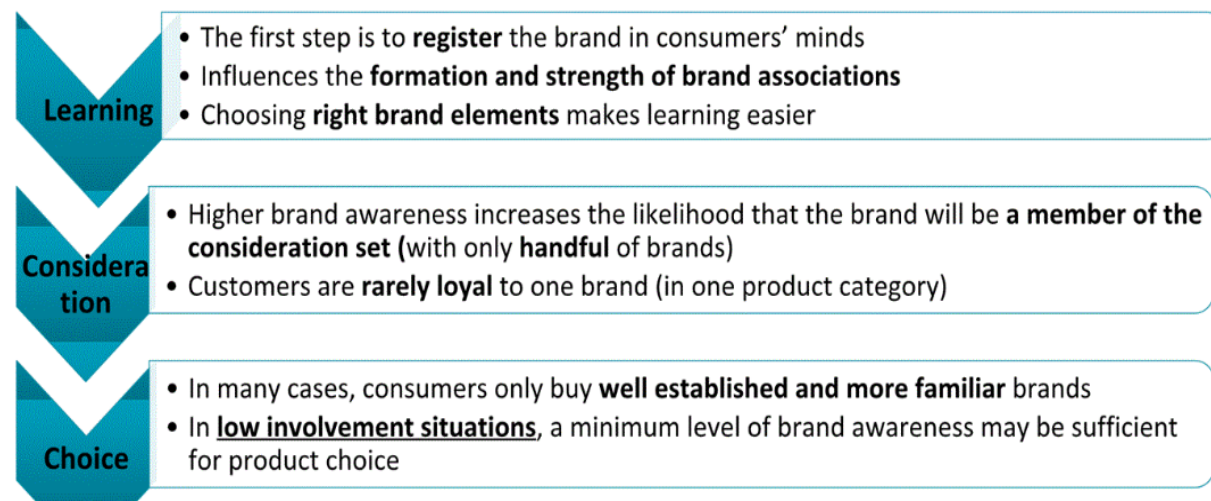
CBBE occurs when customers:

- Have a high level of awareness and familiarity with the brand
- In low involvement decision situations (e.g. Fast moving consumer goods, brand awareness alone is sufficient)
- Hold strong, favourable and unique brand associations in memory
- Brand awareness & brand image = CBBE

**Brand awareness:** in high involvement situations, strength, favourability and uniqueness of brand associations play a critical role in determining the differential response that makes up brand equity

- **Brand recognition:** consumer ability to recognise a brand as one they have been exposed to before – point of purchase situations
- **Brand recall:** consumer ability to retrieve the brand from memory when given a product category, needs fulfilled by the category or a purchase or usage of situations as a cue – what and how much is recalled?

### Brand awareness benefits



**Brand image:** Having created a sufficient level of brand awareness, marketers can emphasize to craft brand image

- Hold some strong, favourable, and unique brand associations in memory
- Relating to brand attributes or brand benefits

<b>Strength of Brand Associations</b>	<ul style="list-style-type: none"> <li>• <b>Personal relevance and consistent information</b> lead to strong associations</li> <li>• Strong association sources are <b>personal experience, WOM</b>, whereas firm-influenced sources of information (e.g. advertising) create weakest associations</li> </ul>
<b>Favorability of Brand Associations</b>	<ul style="list-style-type: none"> <li>• BA is higher when a brand possesses relevant attributes and benefits that satisfy consumer needs and wants</li> <li>• Consumers do not value all brand associations equally important across purchase or consumption situations</li> </ul>
<b>Uniqueness of Brand Associations</b>	<ul style="list-style-type: none"> <li>• <b>'Unique selling proposition'</b> of the product</li> <li>• Provides brands with <b>sustainable competitive advantage</b></li> <li>• Shared associations establish category membership and define the scope of competition with other brands in same category (e.g. Cola is brown)</li> </ul>

### *L3: Identify the four components of brand positioning*

**Brand positioning:** act of designing the company's offer and image, so that it occupies a **distinct and valued** place in the target customers' minds

- Allows consumers to think about a product or service in the right perspective

#### The four components of positioning

1. **Identify their target customers** (target market)
2. **Analyse the type of competition** they might face in the identified market base
3. **Identify** product features/associations that are similar to competitors (point of parity)
4. **Identify** product features/associations different to competitors (point of difference)

**POINTS OF PARITY ASSOCIATION:** Attributes shared with other brands, and not necessarily unique to the brand

- **Category points of parity:** necessary conditions for brand choice
- **Competitive points of parity:** association designed to negate competitors' points of difference
- **Correlational points of parity:** potential negative associations that arise from the existence of other, more positive associations for the brand

		
<b>POD</b>	Joy, family, moments, happiness	Sweeter, younger target, adventure, fun
<b>POP</b>	Refreshment, American history and culture, symbols, contemporary	