

Branding 1

A brand identifies and differentiates a firm's products.

- Brand loyalty contributes to a firm's long-term success and profitability.
- Brand recognition—consumers often grow attached to certain brand logos and symbols.
 - Firms like Nike and McDonald's employ brand marks —the swoosh or golden arches.

Brand Recognition

Gap learned how attached consumers can become to a brand mark when it tried to replace its logo (on the left) with a modified version (on the right) to represent the company's modern edge.



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Branding 2

Developing Your Personal Brand

- Brand image signifies what the brand presently stands for in the minds of others.

Components of a Successful Brand

- Deliver a product that provides value.
- Create a consistent brand image.
- Create consistent brand messaging.
- Capture feedback.

Building a Brand Image



Chick Fil-A has had numerous billboards and commercials featuring cows, but each drives home the same message encouraging customers to "Eat More Chikin".

Brand Equity 1

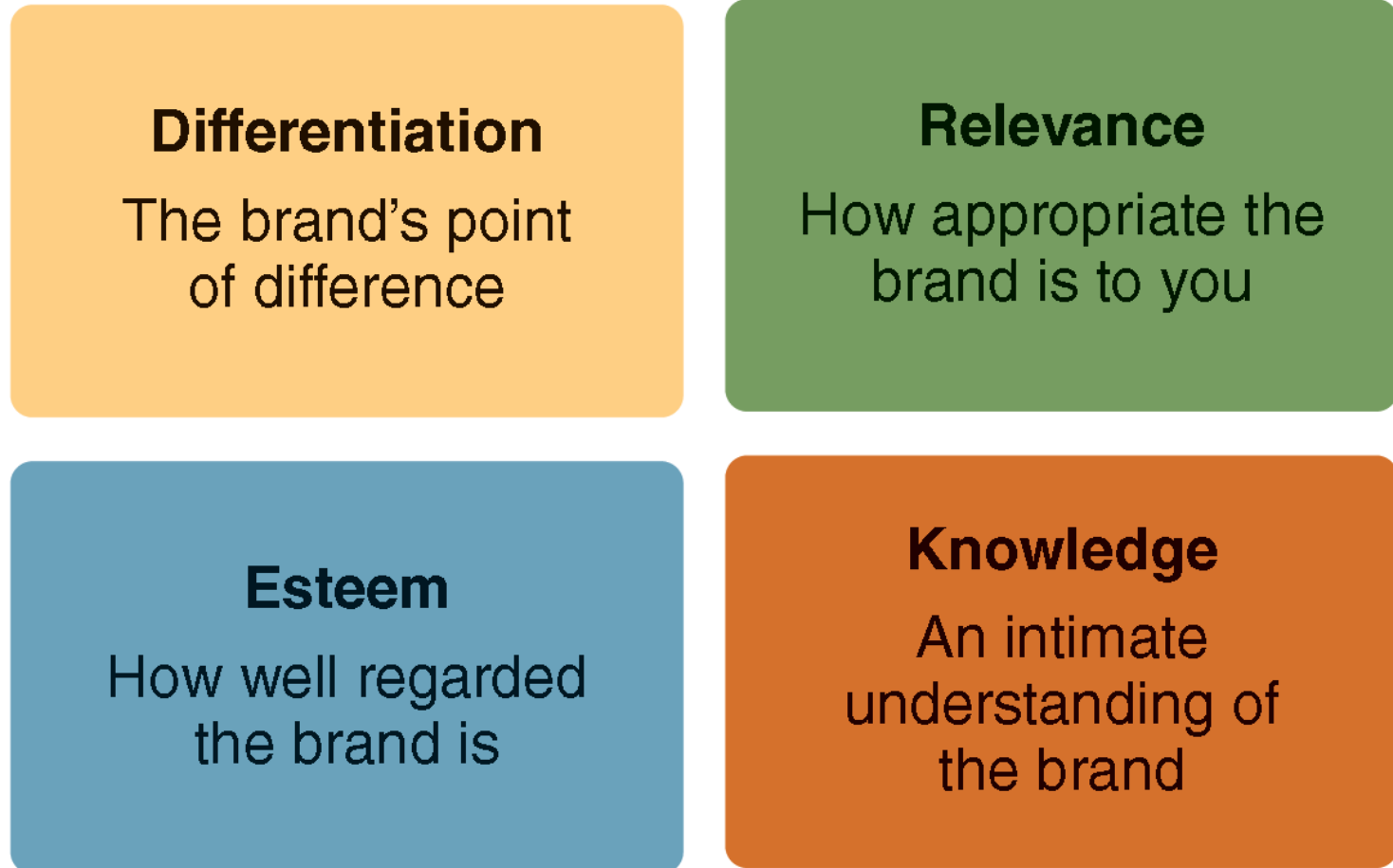
Brand equity increases likelihood of consumers purchasing the firm's brand over a competing brand.

- Based on four dimensions: differentiation, relevance, esteem, and knowledge.

Benefits

- Increases firm's ability to succeed in a difficult competitive environment.
- Facilitates a brand's expansion into new markets.
- Contributes to positive perceptions of product quality.

Figure 14.1 The Four Dimensions of the BrandAsset Valuator



Source: Y&R, "Y&R BrandAsset Valuator," n.d., <http://young-rubicam.de/tools-wissen/tools/brandasset-valuator/?lang=en>.

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Brand Equity Provides Benefits

IBM has been ranked near the top of a list of firms with the highest brand equity and sees many benefits as a result, including the ability to succeed in a competitive industry like technology.



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Brand Equity 2

Measuring Brand Equity

- Qualitative methods
 - Free association
 - Projective techniques
- Quantitative methods
 - Brand recognition
 - Brand recall
 - Customer lifetime value (CLV)

CLV = Average value of a sale times number of repeat transactions times average retention time in months or years for a typical customer



Measuring Brand Equity

Companies like Taco Bell can measure their brand equity using free association or projective techniques. Consider for a moment what comes to your mind when you hear the name *Taco Bell*.



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