



Brand management (IEBM II module)

Section 1: Understanding brands and branding

Presentation 1: Key definitions

In this presentation we will discuss...

- ▶ Brand definitions
- ▶ Branding definition
- ▶ Customer-based brand equity

Brand definitions

- ▶ Three different definitions adopting three different perspectives on *brand*
 - ▶ **Definition 1:** A brand is a “name, term, sign, symbol, or design, or a combination of them, intended to **identify** the goods and services of one seller or group of sellers and to differentiate them from those of the competitors” (*American Marketing Association*)
 - ▶ **Definition 2:** A brand is the result of a brand strategy and the set of marketing programmes and actions that create a certain amount of **awareness, reputation, prominence** in the marketplace
 - ▶ **Definition 3:** A brand is a **set of perceptions** that reside in the minds of consumers. It is a perceptual entity “rooted in reality, but it is more than that”

What is a brand?

Definition 1: the attention is on the brand elements (name, logo, symbol, package, design and other characteristics identifying and distinguishing the product). So, the brand is the apple, colours/palettes, the position of the bite...

Definition 2: the attention is on the price policy, product design and quality, the apple stores and retailing strategy, the broader set of distribution channels ...

Definition 3: the attention is on the brand projection capacity in customers' minds



What is branding?

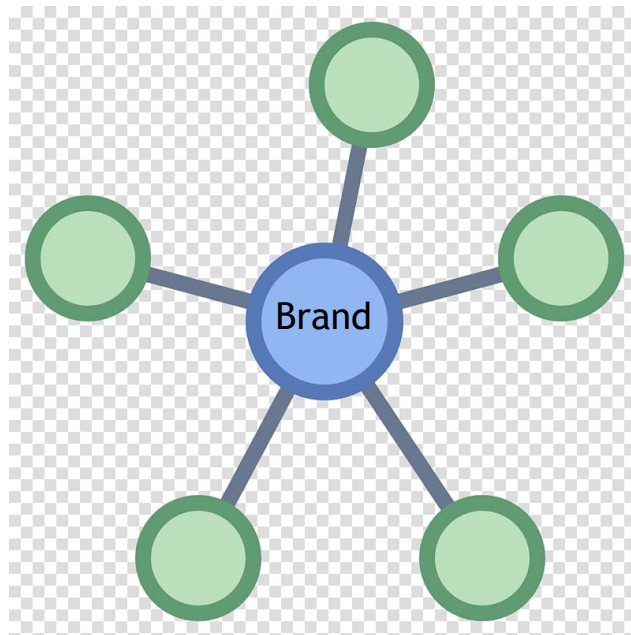
- ▶ Strategy and the consequent actions to build:
 - ▶ Brand identification
 - ▶ Brand meanings (why consumers should care)
 - ▶ Perception of difference among brands
 - ▶ A “supporting device” for customers in front of *choice*
 - ▶ Brand equity
- ▶ An effective branding:
 - ▶ Deliver a clear and valuable promise
 - ▶ Enhance and maintain the brand promise clear and valuable (relevant to the customer) over time (*brand management*)
- ▶ It consists in:
 - ▶ Planning, implementing, monitoring and evaluating actions

Customer-based brand equity

- ▶ The **differential effect** that customers' **brand knowledge** has on their **response** to the marketing programmes
 - ▶ Example: if the brand has high equity, the customer can be more likely to accept an increase in the product price (the brand might reduce price elasticity)
- ▶ Pay particular attention to the three components of this definition:
 - ▶ Differential effect (no differential effect, no brand equity)
 - ▶ Brand knowledge (what is learnt, felt, perceived, heard about the brand)
 - ▶ Consumer response to marketing (preference and behaviours)

Brand knowledge

- ▶ Brand knowledge is the basis to build the brand equity
- ▶ The associative network memory model helps investigate the knowledge structure in consumers' minds (node and links)
- ▶ It is composed of brand awareness (the blue node) and brand image (the links or associations, the links and the green circles)



Brand awareness: related to the **strength of the brand node** or trace in memory (familiarity), which we measure as the consumer's ability to identify the brand **under different conditions**. It is a necessary, but not a sufficient, step in building brand equity (with the exception of some low-involvement purchase decisions)

Brand image: brand image corresponds to consumers' perceptions about a brand, as reflected by the **set of brand associations** held in consumer memory. In other words, brand associations are **the other informational nodes linked to the brand node** in memory and contain the meanings of the brand for consumers.

Brand awareness

- ▶ Brand awareness has two components
 - ▶ **Brand recognition:** consumers' ability to confirm prior exposure to the brand when given the brand as a cue (important for in-store purchase)
 - ▶ **Brand recall:** consumers' ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as a cue



*Yes, I know it...
(brand recognition)*



*This is Nutella!
(brand recall)*