

Managing Marketing in 21st century

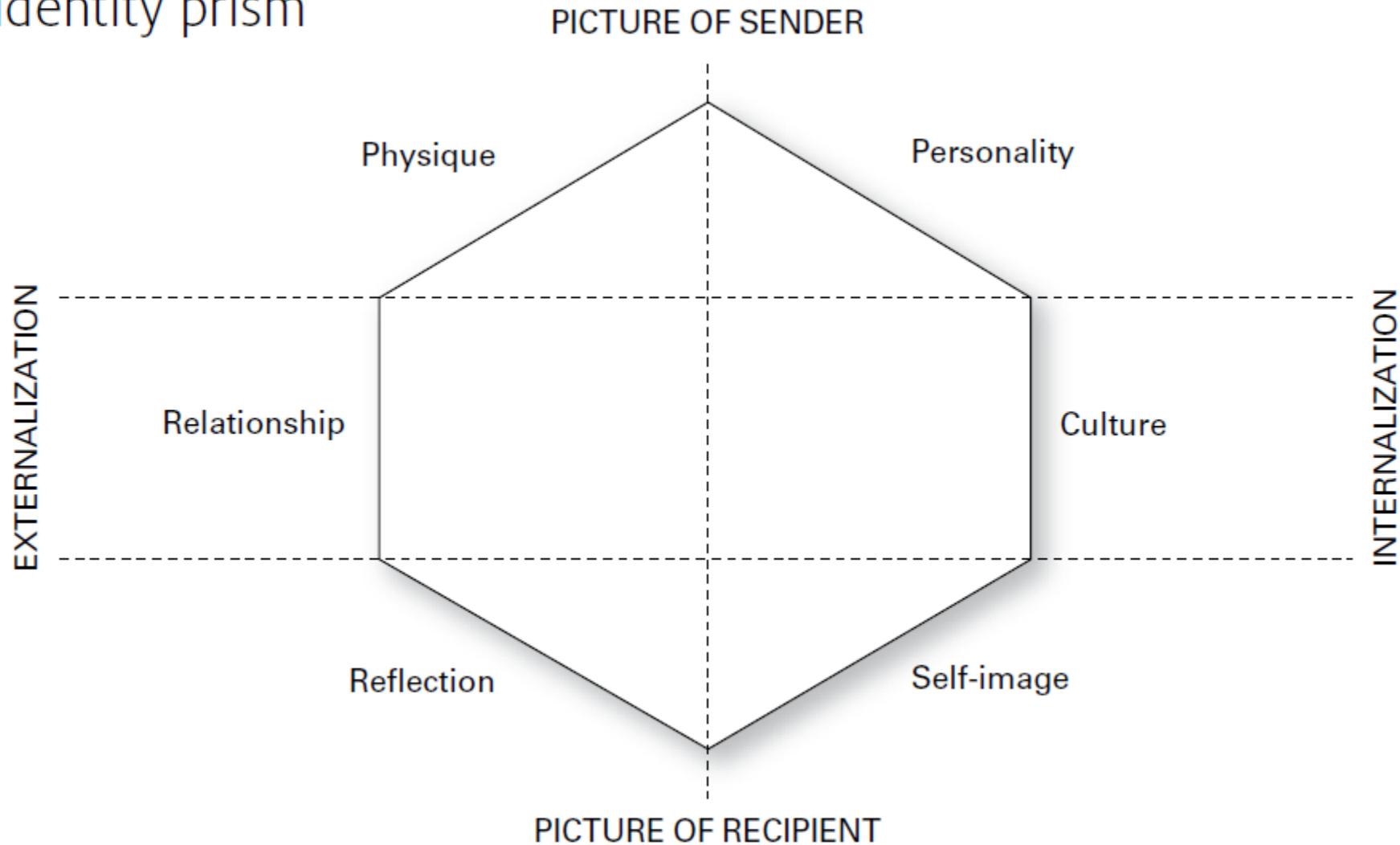
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Based on Noel Capon's book

Chapter 11: Managing Brands

Six facets of brand identity

Brand identity prism



Six facets of brand identity

Polo

From casual to formal,
always comfortable

Social
distinctiveness
Exclusive

They are comfortable, young men
of good social standing, nice,
rich: Ideal son-in-law

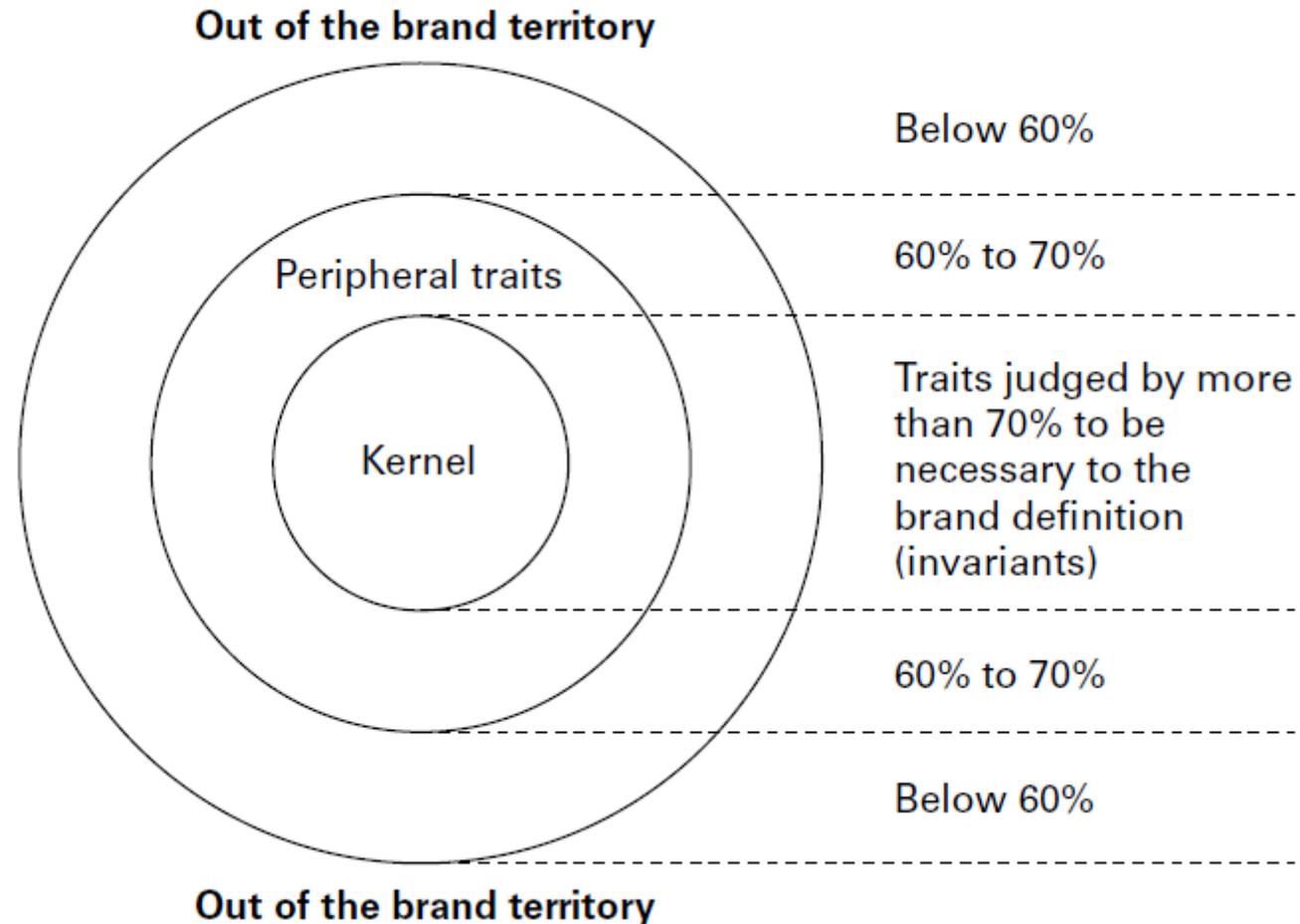


Self confident

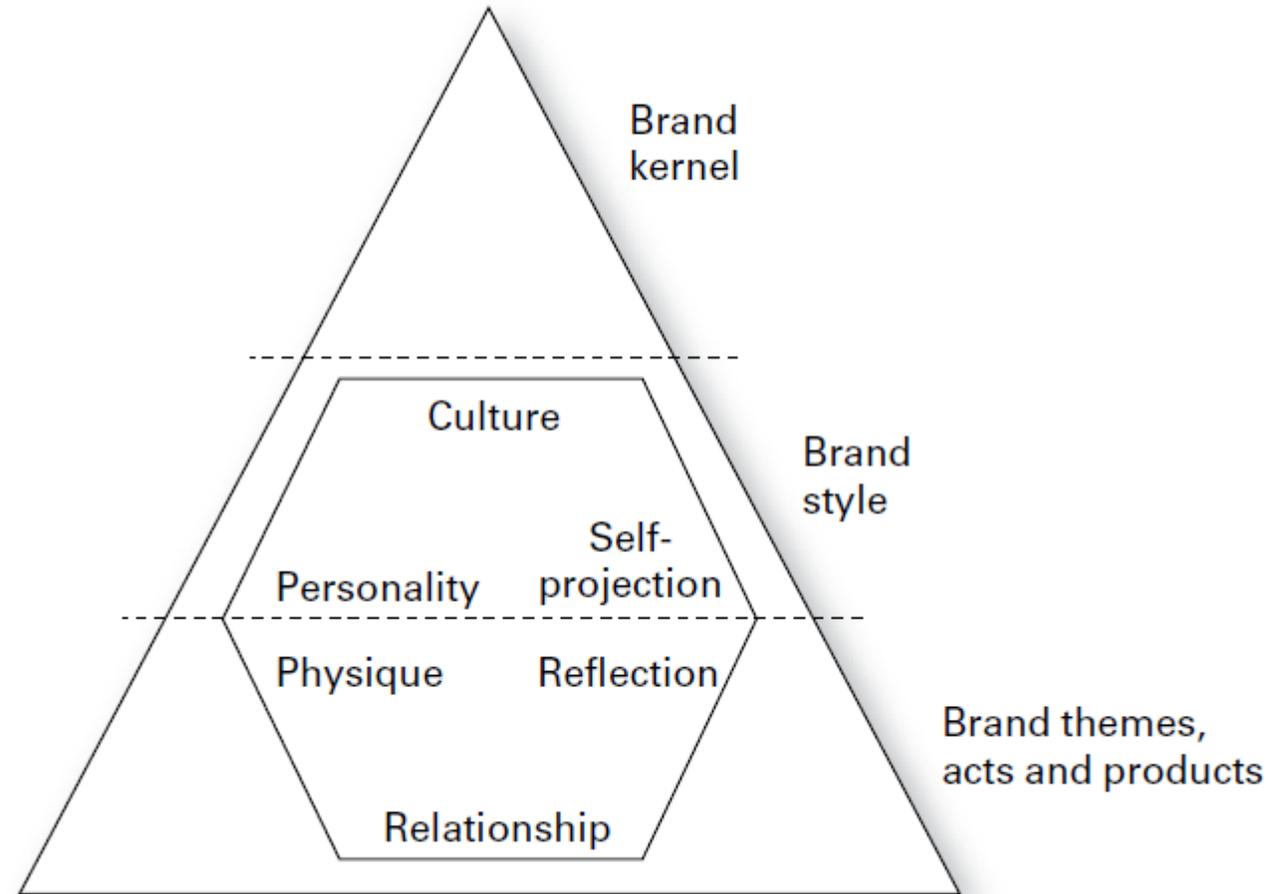
WASP
Boston elitism
American
Luxury

I belong to my time
I am fashionable
I am the elite

What traits are necessary to a brand?

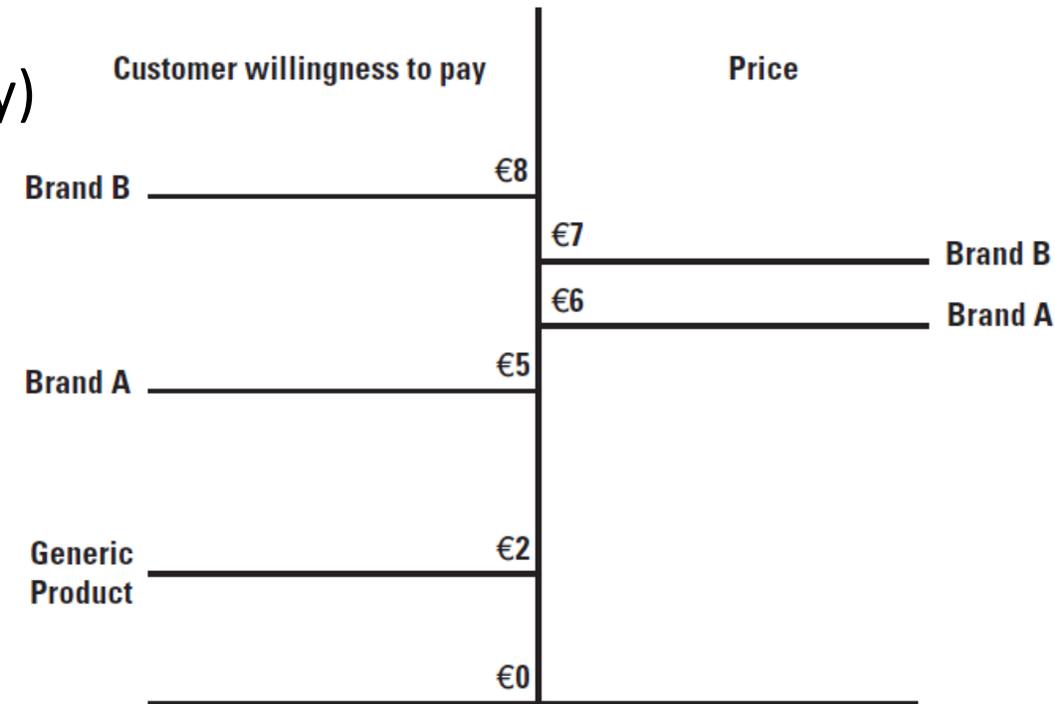


Identity pyramid model



Monetizing brand equity

- Customer brand equity: how much customer is willing to pay more for a branded product vs. generic product
- Firm brand equity:
 - Revenue component (customer brand equity)
 - Cost component (cost of supporting the brand)
- Problems:
 - Not all products have generic unbranded versions
 - It will ignore brand broadening potential



Monetizing brand equity

- Market value method = *market value – book value and all intangible assets*
- Internal methods:
 - Replacement cost: *brand replacement cost × success chance*
 - Cash flow methods: **Interbrand**
 1. *Firms after tax profits – an unbranded average sales profit*
 2. *Brand strength multipliers:*
 - *Market leadership (25 points)*
 - *Stability (15 points)*
 - *Market and competition (10)*
 - *Internationality (25)*
 - *Ability to make trends in industry (25)*
 - *Support consistency (10)*
 - *Legal protection (5)*

Relationship between customer and firm brand equity

Monetary Value of Firm Brand Equity

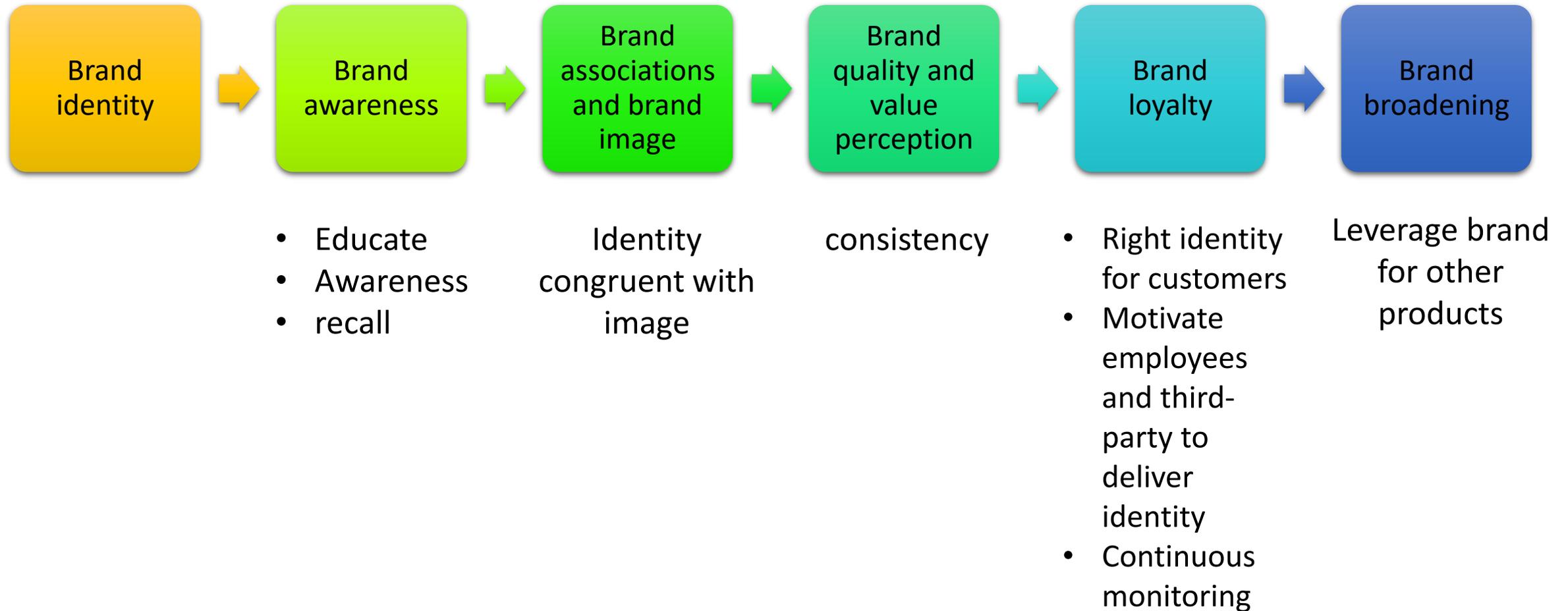
		Low	High
Monetary Value of Customer Brand Equity	High	Specialty	Iconic
	Low	Commodity	Mass Market

Building and sustaining a strong brand



- Personality
- Brand promise (vision, mission, values)
- Brand name
 - Availability
 - Length
 - Memorability
 - Pronounceability
 - Associations
 - Different languages
- Visual appearance
 - Color
 - Shapes
 - Materials
 - Styles
 - Themes
 - Advertising
 - packaging

Building a strong brand



Sustaining a strong brand

Type of Measure	Measure	Description of Measure
Purchasing and sales	Market share	Brand sales versus total market sales (units and/or euros)
	Market breadth	Number and type of customers purchasing the brand
	Market depth	Extent of repeat purchase
Perceptual	Awareness	Degree of awareness of the brand
	Uniqueness	Extent of differentiation from competition
	Quality	Perception of brand quality (from blind tests)
	Brand image	Brand associations, congruence with brand identity
	Value	Extent to which the brand provides good value for money
Marketing Support	Advertising	Market share/advertising share
		Advertising/total marketing spend
	Distribution	Extent of distribution coverage in target outlets
		For retail goods, quality of display, especially key accounts
	Relative price	Price compared to competitive brands
Profitability	Profit	Gross margin earned from the brand
		Economic value added (EVA) of the brand

Global branding

pros

- Increased global media reach
- Growth in new (**untouched**) markets
- Global appeal
- Cross-border travel (**now less than previous**)
- Homogeneity of customer tastes
- Aspirational values and association to global events
- Competitive advantage
- Human capital
- Best practices
- Consistent brand identity

Cons

- Segmentation
- Positioning
- Localized needs
- Misinterpretation of associations
- Different production and pricing

Brand broadening

Brand Extension	Examples
A. Same product, different form	Cranberries: Ocean Spray cranberries to cranberry juice cocktail Pineapples: Del Monte pineapples to crushed pineapples
B. Distinctive component/ingredient	Baking soda: Arm & Hammer cat litter Cream cheese: Philadelphia cream cheese salad dressing
C. Companion product	Cameras: Kodak batteries for cameras Pancake mix: Aunt Jemima pancake syrup (formerly just pancake mix)
D. Expertise	Electronics: Sony Walkman and Discman Low-cost manufacturing: Bic disposable razors and pens
E. Common benefit or attribute	Deodorising: Harpic for the air, toilet bowl, tiles Mildness: Cussons Imperial Leather in soap and shampoo
F. Customer franchise	Harley-Davidson: restaurants, armchairs Coca-Cola: clothing, fishing lures
G. Designer/ethnic image	Ralph Lauren: clothing, sunglasses Ferrari: automobile, watches

Brand broadening

Opportunities and obstacles

- Potential demand?
- Competition?
- Distribute with current channels?
- Sufficient production quantity?
- Inputs and supplies?
- Necessary competencies?

Branding issues

- Brand perception fit
- Can brand associations transfer?
- How associations of new product back transfer to original brand?
- How corporate brand relates to them?

Brand broadening

		Product Form or Product Class	
		Existing	New
Brand	Existing	Line Extension	Brand Leveraging
	New	Flanker Brand (Defender brand)	New Product

Brand migration and alliance

Brand migration

- Associating retired brand with surviving brand
- Dropping retired brand

Strategic alliances

- Co-branding partner can transfer positive attitude
- Suppliers and customers
- Parent/endorsed brand

Brand aging

- Target new market segment
- Change brand associations
- Alter the competitive target
- Avoid revitalization by continuous innovation

End of Session 13 – thanks.