

Brand Equity Measurement and Assessment of Remedy Drinks



Written by: Araminta Lipke (45807424)
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1.0 Introduction

Remedy Drinks is an alternative brewing company, founded in 2012 in Melbourne. The brand is known for their kombucha and other no or low sugar drinks. The brand was founded when Sarah and Emmet Condon noticed how popular the drink was among their friends and family when they would prepare it for them (Remedy Drinks, 2020). In 2018 Lion purchased a part of the company, assisting with the expansion into supermarkets, restaurants and events (Britner, 2019). This acquisition is the first of Lion's alternative drinks companies (IBISWorld, 2019).

This brand equity measurement report aims to identify the currently relevant opportunities and challenges of Remedy Drinks. Competitors discussed throughout the report are other health drink brands, rather than traditional soft drinks or energy drinks.

2.0 Measuring Brand Equity

2.1 Overview of Remedy Drinks and Brand Equity

2.1.1 Brand Portfolio

Remedy Drinks has several sub-brands, each a different variety of alternative drink (Remedy Drinks, 2020).

- *Remedy Kombucha* includes the original offering from Remedy which over time has been further developed and expanded to now include 11 different flavours. The kombucha sub-brand is the most well known.
- *Remedy Soda* is an alternative to traditional sodas. The range is sugar-free and made through a fermentation process, with traditional flavours (e.g. cola and lemonade).
- *Remedy Switchel* and *Remedy Tepache* are other alternatives to traditional sodas, with a focus on tropical/citrus flavours. Ginger and vinegar are used to replicate traditional soda.
- *Remedy Kefir* is another tropical/fruity soda alternative made from coconut water.
- *Remedy Good Energy* is Remedy Drink's newest sub-brand. Good Energy is kombucha containing green coffee extract. The line is popular as it is sugar and chemical-free.

2.1.2 Brand Elements

Remedy's most distinct brand element is their logo, a round black disk featuring the word 'Remedy' in cursive in the middle. Over the life of the brand, the logo has had a few stylistic changes, however, it is still very similar to its original version. Remedy is also recognised for their distinct bright packaging of their drinks. Each can or bottle is a different colour to match the flavour associations (Remedy Drinks, 2020).

2.1.3 Communications

Remedy Drinks focuses on creating positive, healthy and fun associations with their communications. The brand primarily markets on social media and at events.

Remedy drinks use popular the health and lifestyle blog *SporteLuxe* to promote each new product launch (Remedy Drinks Instagram, 2020). Remedy Drinks also has an in-house blog

which focuses on sharing new recipes, health tips and answers to popular kombucha questions (Remedy Drinks Blog, 2020).

The company is very active on both Instagram and Facebook. Their platforms use bright colours and quirky graphics to catch the attention of their followers as they make their way through their feeds and create a young and fun persona for the brand. Their social media pages are full of consumers engaging their friends in conversation about the brand through the use of competitions and copywriting encouraging engagement (Remedy Drinks Instagram, 2020).

Remedy also sponsors events throughout Australia. In 2019 Remedy was a key sponsor of the *Melbourne Comedy Festival* and hosted their self-titled *Remedy Alley* festival in Melbourne (Remedy Drinks Instagram, 2020).

2.1.4 Brand Equity

Customer-based brand equity is the brand's success which is derived from the customer's attitudes and perceptions towards the brand. Brand equity can be measured both with marketing and financial metrics. Brand equity is extremely important for Remedy Drinks as the brand is unable to offer unique attributes due to the product's nature. Remedy Drinks must therefore differentiate another way.

2.2 Research Approach

The data for this report was gathered through a series of both qualitative and quantitative collection methods.

First, primary research was conducted by completing a short interview with five respondents (Appendix A). This was used to gain a preliminary understanding of the knowledge/associations most consumers would have with the brand. This was followed by a survey filled out by 27 people. The survey and interview were carefully drafted to ensure that all dimensions of the CBBE Model were accounted for. Further secondary research was conducted by reading customer reviews, comments and industry reports.

2.3 Analysis and Findings

2.3.1 Summary of Analysis Method

The qualitative data and data collected from multi-choice questions were analysed primarily by identifying the relative frequency of associations with the brand. Some adjustments were made to group similar associations from interview responses.

The quantitative data was analysed by finding the mean and standard deviations of responses to determine the most frequent, unique, memorable and favourable associations.

2.3.2 Brand Performance against CBBE Dimensions

Respondents generally fell into two categories, frequent consumers and non-consumers.

Due to the infancy of the industry, many respondents were unaware of the brands and products on offer. Frequent consumers tended to have a greater knowledge of the industry.

- *Brand Salience:* Remedy Drinks was the most recalled brand when asked which brands consumers were aware of. 48% of survey respondents were familiar with it. Furthermore, 33% identified it as the first Kombucha brand they think of.
- *Brand Performance:* Strength, favourability and uniqueness of the associations 'contains natural ingredients' and 'have a very large variety of products/flavours' were examined. Associations were strong (3.69 and 3.38 respectively). Both associations were regarded as highly favourable for Remedy to hold (4.69 and 4.19). Consumers were unsure whether these associations were unique (2.56/5 and 2.56/5).
- *Brand Imagery:* Strength, favourability and uniqueness of two imagery associations were tested. Similarly to brand performance, the associations 'healthy' and 'great for social gatherings' were strong (3.69/7 and 2.5/5) and favourable (4.5/5 and 3.56/5), whereas, they were not rated as unique (2.69/1.94).
- *Brand Judgements:* Perceived quality of Remedy drinks was used to understand brand judgements. The majority of respondents felt impartial towards the quality or rated it 'slightly good' or 'moderately good'.
- *Brand Feelings:* The highest-ranked feelings Remedy brought to respondents was social approval, followed by fun and excitement.
- *Brand Resonance:* Loyalty was measured in the interviews. No consumer identified that they would be sad or disappointed if the brand were to disappear, or that they are

necessarily loyal to the brand currently. This is likely due to the lack of uniqueness identified in the performance section.

3.0 Analysis of Customer-Based Brand Equity and Remedy Drinks

3.1 Customer-Based Brand Equity Pyramid

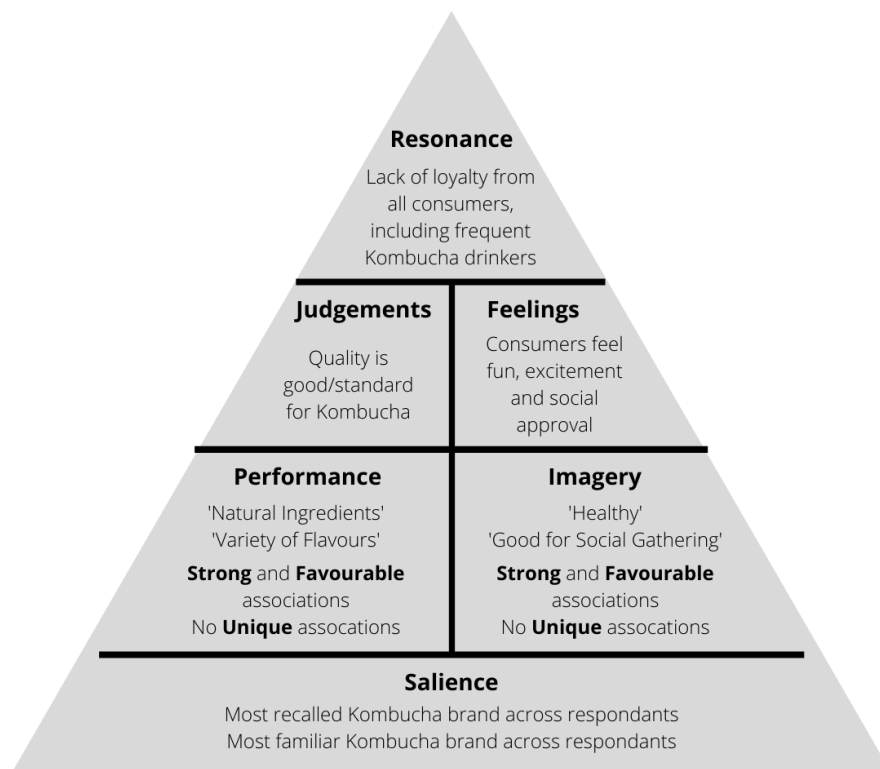


Figure 1: Remedy Customer Based Brand Equity (CBBE) Pyramid

Remedy performed very highly on the salience and feelings dimensions of the CBBE pyramid. Both of these attributes are very desirable for a company to hold, as consumers were able to easily recall the brand and associate positive feelings and memories to their experiences with the brand.

Performance on the performance and imagery dimensions was average. Although the associations identified were positive and favourable, they were not unique. This is both good and bad for Remedy. Consumers felt positively about the key selling points Remedy focuses on, health and bringing people together, however, as consumers identified in the judgements section as well, Kombucha is very similar between brands.

Finally, Remedy performed poorly on the resonance dimension. Again, this would be linked to the lack of differentiation between Remedy and other health drinks, beyond the packaging. This is disadvantageous for the brand, as a lack of loyalty makes it very hard for Remedy to predict how consumers will act as pricing varies with specials and competitors release new marketing campaigns.

3.2 Classification of Brand Equity Dimensions

- *Brand Salience*: Remedy ranks high in brand salience. This rating is justified as it was the most recalled brand when named against competitors and the brand which most consumers associate with the product category.
- *Brand Performance*: Strength and favourability of associations were high, however, due to the low ranking of uniqueness brand performance is medium.
- *Brand Imagery*: Remedy ranks medium for brand imagery. Strength and favourability of the imagery associations were high, however, they were not unique.
- *Brand Judgements*: Remedy has medium brand judgement. Consumers who responded to the survey most commonly rate the quality of the goods 'neither good nor bad' 'slightly good' or 'moderately good'. There were very few ratings for 'extremely good' or 'extremely bad'. It is suspected that the lack of uniqueness in brand performance associations is a contributing factor, as most Kombuchas/health drinks are similar in their qualities.
- *Brand Feelings*: A lot of the respondents struggled to identify relevant feelings towards the brand. Those who did identified many positive feelings, ranked moderately (2-4/5). Due to this, the brand ranks medium on brand feelings.
- *Brand Resonance*: Remedy ranked low in brand resonance. This is due to their consumer base's lack of loyalty towards the brand as well as their feelings that if the brand were to leave the market they would be easily able to find a substitute. Again, this is likely because Remedy and its competitors have very similar products with limited unique features.

3.3 Critique of Brand's Performance on the CBBE Model

Remedy Drinks has very successfully created a positive image for themselves. Although customers can identify and describe the brand, Remedy Drinks has failed to create unique associations and a loyal following.

Remedy Drinks is very active on social media and their blog, however, the brand does not use traditional marketing mediums such as TV, magazines and street signage. This would have negatively contributed to the brand's 48% awareness rate among consumers. By completing additional traditional marketing activities, Remedy Drinks is more likely to become a household brand name.

The effective use of social media has created positive feelings, performance and imagery associations among consumers. A capture of their Instagram (See Appendix D) shows that the brand is committed to maintaining their healthy, fun and exciting image among their consumers (Rehman, 2016). These associations were identified in both surveys and interviews. Remedy Drinks has also run several campaigns (See Appendix E) which enforce the idea that Remedy is made to share. These campaigns positively contribute to the brand's performance and imagery associations (Barreto, 2020).

Remedy Drinks has failed to prove to consumers that the drinks which they offer are of a higher quality or standard to that of their competitors. This has hurt the brand's judgement in the CBBE Pyramid.

As Remedy's key sales channels are supermarkets and restaurants it is hard for consumers to become loyal to the brand as the goods are homogenous, pushing the consumer to choose a product based on price (Wesana, Schouteten, Evi Van Acker, & Steur, 2019). Remedy has attempted to tackle this by creating a discounted subscription service (See Appendix F) for their drinks, however, as it is available on their website, the majority of consumers are not exposed to this promotion. As well as this, cartons of Kombucha are cheaper at the supermarkets when they are on special.

4.0 Current Threats to Equity and Recommendations

4.1 Threats and Weaknesses of the Brand Equity

The greatest strength identified was Remedy's brand salience. Both interview and survey respondents most commonly identified Remedy as a brand which they are familiar with, and survey respondents identified it as the first brand which comes to mind when thinking about the product category. This is advantageous for Remedy as it indicated brand intention when purchasing from the product category (Hassan, Rafi, & Kazmi, 2016). Additionally, creating salience assists in developing brand loyalty (Lans, Pieters, & Wedel, 2008).

The greatest threat to Remedy based on their performance on the CBBE pyramid is the lack of brand loyalty discovered under the resonance section. Loyalty is generally achieved when a consumer enjoys a product from a new product category as they perceive the risk of trying a new brand as higher than getting the same brand again (Villas-Boas, 2004). However, in a product category where brand features are identical, this loyalty is harder to build. Creating customer loyalty is costly, however, should be viewed as an investment. The lifetime value of a customer is much greater than the single transaction purchase value of another, make it essential for Remedy to create a strategy to increase loyalty (Shugan, 2005).

4.2 Recommendations

While it is very hard to create loyalty when the products in the market are homogenous, there are a few differentiating factors Remedy could capitalise on to ensure that positive feelings and associations surround the brand, bringing loyalty. The following campaign proposal is recommended for Remedy as it will have a positive impact on all dimensions of the CBBE Pyramid.

Remedy should create a campaign, focusing on their subscription service. Many brands have been able to launch successful subscription services recently, emphasising convenience, price and variety. One example is Dinnerly (See Appendix G). Dinnerly's

campaign featured a fast-paced, bright and eye-catching video which emphasised all the of great features of Dinnerly's subscription service, as opposed to shopping at a grocery store (Dinnerly's key competitor). This video was placed on pre-roll ads on online videos, on TV and was accompanied by posters on bus stops and billboards around the world.

Creating a similar campaign for Remedy would boost Remedy's loyalty (**brand resonance**), as locking a consumer into a subscription requires inconvenience for the consumer to switch brands. As Remedy has already attracted positive **brand feelings**, the fun, excitement and health associations will only be cemented during this campaign. The quality dimension, seen in **brand judgements**, can be enforced through an emphasis on the reliability of the service and joy the brand brings to consumers. **Brand performance** and **brand imagery** associations can be modified to focus on the convenience of the subscription and how a healthy, daily boost can be delivered because of the subscription. Finally, **brand salience** will naturally increase as advertising is expanded. An adaptation of Dinnerly's campaign to suit Remedy's product has been created (See Appendix H).

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Appendices

Appendix A: Summary of Interview Responses (5 Participants)

Q1. What brands come to mind when you think of health drinks?

Popular Responses: Gatorade, Nexba, Mount Franklin, Kombucha (product category)

Q2. What do you think of when you think about Remedy Drinks? Any associations?

Popular Responses: Kombucha. Note: failure by any participant to name any other of the six product categories

Q3. Compared to other health drinks, how does Remedy satisfy your basic needs?

Popular Responses: Flavour variance is better than other brands. No other unique features identified.

Q4. How stylish do you find Remedy Drinks?

Popular Responses: Packaging considered much more appealing compared to other brands in the category, 40%. Failure to picture Remedy Drinks, 60%.

Q5. How much do you like the people who drink Remedy Drinks?

Popular Responses: Indifferent.

Q6. To what extent does Remedy Drinks bring about pleasant memories?

Popular Responses: memories of social gatherings, failure to identify the brand of Kombucha, however, product category association was commonly identified.

Q7. How much do you trust Remedy Drinks?

Popular Responses: No reason not to trust the brand.

Q8. How likely are you to recommend Remedy Drinks to another person?

Popular Responses: Likely, 40%. Unlikely 60%.

Q9. To what extent does Remedy Drinks offer advantages that other brands don't?

Popular Responses: No advantages over other brands, 100%

Q10. How does Remedy Drinks make you feel?

Popular Responses: Healthy, fun, indifferent

Q11. Do you consider yourself loyal to Remedy Drinks?

Popular Responses: No, 100%

Q12. Would you miss the brand if it were to go away?

Popular Responses: No, 100%

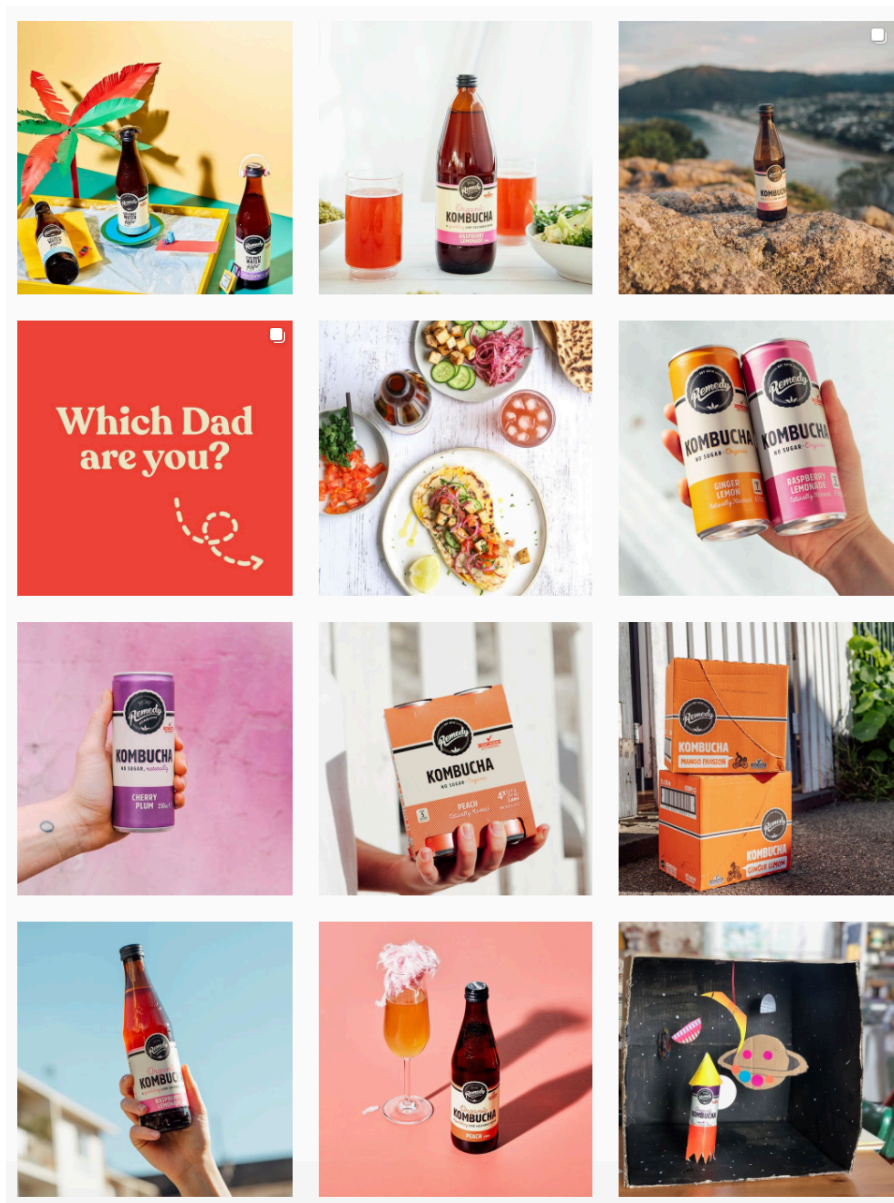
Appendix B: Summary of Survey Responses with Survey Questions (27 Participants)

Q1. When was the last time you bought Kombucha or an alternative Health Drink?
Popular Responses: Never (32%), one month to six months ago (32%)
Q2. What brand do you think of when you think of Kombucha?
Popular Responses: Remedy (33%), Nexba (7%), GT's (7%)
Q3. Which of the following brands have you heard of?
Popular Responses: Remedy (48%), Mojo (28%), Nexba (21%)
Q4. How familiar are you with Remedy Drinks?
Popular Responses: Not at all (43%), Very (30%)
Q5. Which of the following products are you aware that Remedy sells?
Popular Responses: Kombucha (84%)
Q6. How would you rate the following feelings you have towards Remedy Drinks?
Popular Responses: Very high: fun, excitement, self respect. Moderate: Warmth, security, social approval.
Q7. To what extent do you agree with the following characteristics in describing Remedy Drinks?
Popular Responses: High: natural ingredients, large variety of flavours, healthy.
Q8. To what extent do you agree with the following characteristics being good or bad for Remedy Drinks to have?
Popular Responses: High/Very High: Contain natural ingredients, variety of flavours, healthy, great for social gatherings.
Q9. To what extent do you agree with the following characteristics being unique to Remedy Drinks?
Popular Responses: Low: great for social gatherings, healthy, contains natural ingredients
Q10. How does Remedy Drinks fit your practical needs?
Popular Responses: Moderately well (50%)
Q11. How good is the quality of Remedy Drinks?
Popular Responses: Moderately good (31%), Slightly good (25%), Neither bad nor good (25%)
Q12. If price were not a consideration, how likely would you be to purchase Remedy products?
Popular Responses: Neither likely or unlikely (31%), Extremely likely (25%), slightly likely (18%)

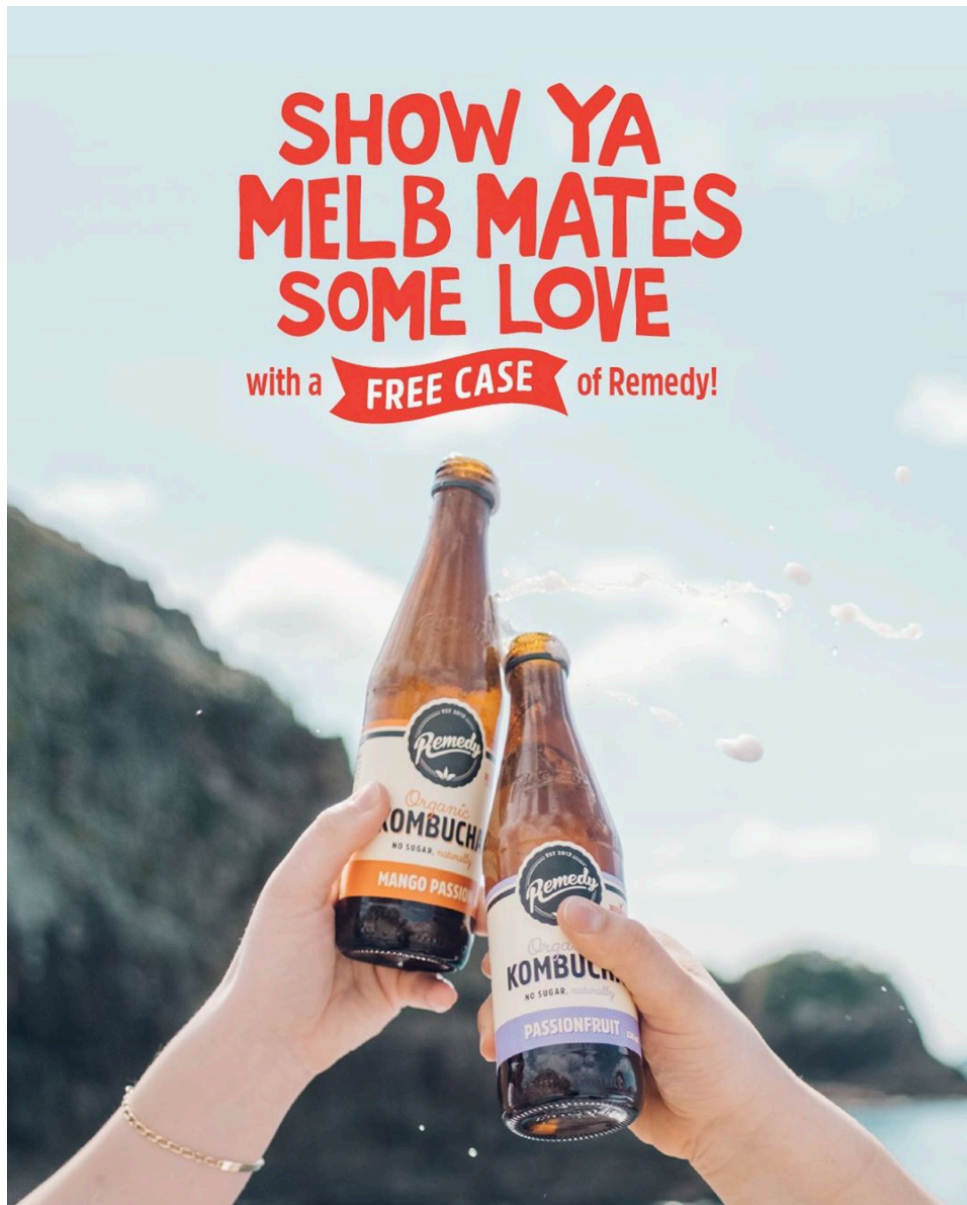
Appendix C: Consumer Based Brand Equity Assessment; Full Results

Dimension	Overview	Classification
Salience	<ul style="list-style-type: none"> - Most recalled brand - Most thought of brand based on product category 	High
Performance	<ul style="list-style-type: none"> - Strength of associations high - Favourability of association high - Associations were not unique 	Medium
Imagery	<ul style="list-style-type: none"> - Strength of associations high - Favourability of association high - Associations were not unique 	Medium
Feelings	<ul style="list-style-type: none"> - Fun, exciting, healthy - Moderately ranked 	Medium
Judgements	<ul style="list-style-type: none"> - Judgements were neither positive or negative - Judgements were not unique to the brand 	Medium
Resonance	<ul style="list-style-type: none"> - No consumers were loyal to the brand - Frequent consumers said that if price were not an issue they would always choose Remedy 	Low

Appendix D: Remedy Instagram



Appendix E: Example Remedy Campaign



Appendix F: Remedy Subscription Service



\$43.20

✓ In stock

Choose a size 330ML 12 PER CARTON



330ML
12 PER CARTON



250ML
24 PER CARTON

- ☐ One-off purchase (No subscription)
- ☐ Weekly Subscription
- ☐ Fortnightly Subscription
- ☒ Monthly Subscription

Monthly Subscription Details

Regular Payments	\$43.20
Billing Cycle	Monthly
Delivery Cycle	1 carton delivered each month
Additional Information	Subscribe, save 10% and get a monthly delivery of our delicious bevies direct to your door! For more information, click here

Appendix G: Dinnerly Advertisement

- Dinnerly TV Commercial, 'Delicious Dishes: Three Free ...



Dinnerly TV Commercial, 'Delicious Dishes: Three Free Meals'. Ad ID:

2448719 30s 2019 (Inactive ...

Sep 25, 2019

Key Focuses of Advertisement
- Price per meal (savings compared to the shop)
- Convenience, delivered to your door
- Variety of dishes
- Fun, for the whole family

Appendix H: Proposed Campaign Remedy Drinks

Key Focuses of Advertisement	Relevant CBBE Dimension
- Savings on a subscription. Consumer identified in the survey they would be likely to buy if price were not a consideration.	Brand Judgements
- Convenience , delivered to your door	Brand Performance, Brand Imagery
- Variety of flavours, ability to switch up subscription e.g. Kombucha one period, Kefir next period. This will bring awareness to Remedy's less known product categories.	Brand Performance
- Fun, exciting, healthy treat	Brand Feelings, Brand Judgements