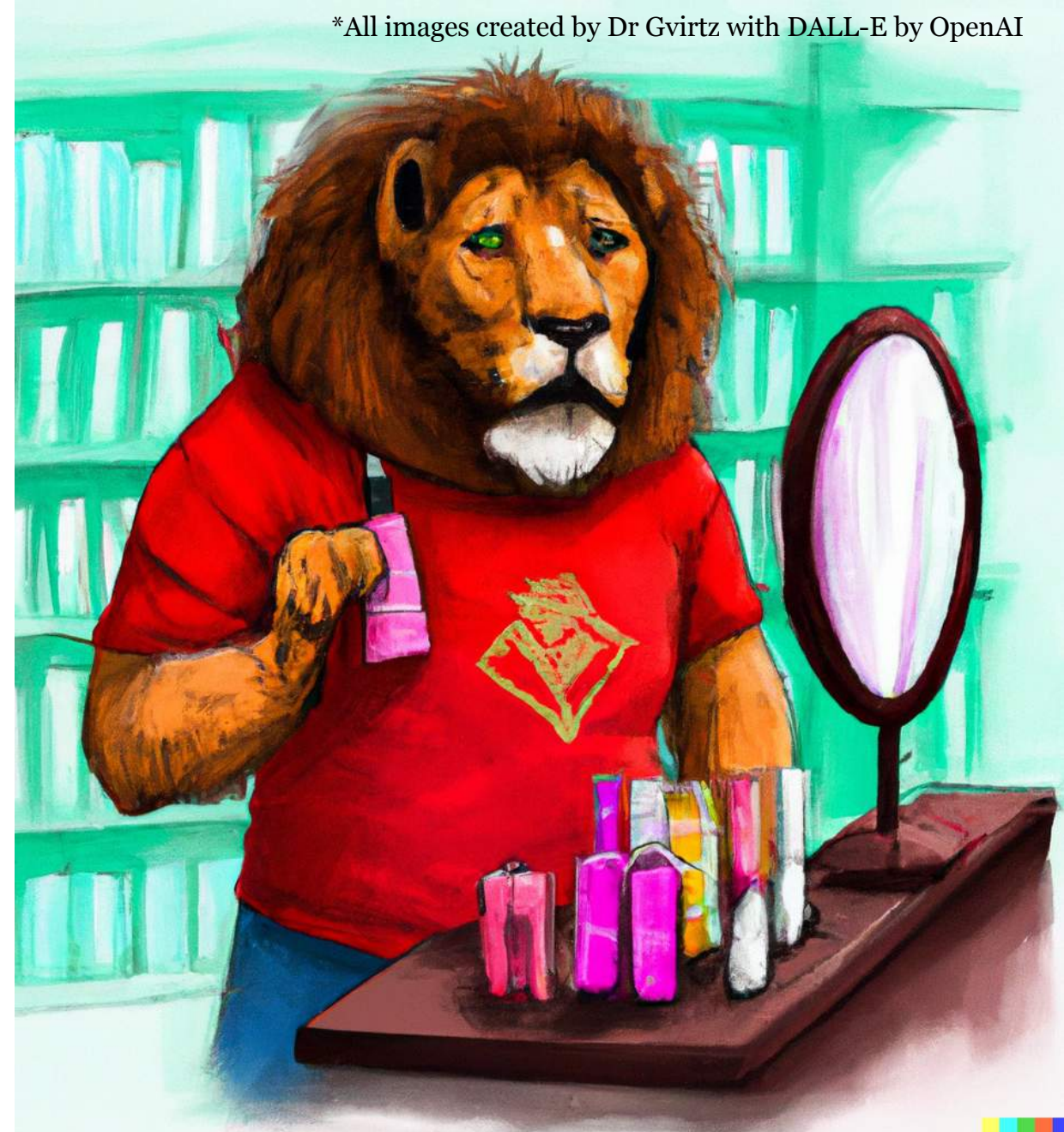


HAPPY NEW YEAR.



The choice of Italy

A tale of two hand creams



How could we compare different hand creams?

Which do you prefer?

A

B

No
difference

788% difference in price

GBP 0.59 / 100 ml



GBP 4.65 / 100 ml



Brand Management

Dr Andrés Gvirtz,
Lecturer in Marketing Technology and Innovation

Your instructor:

Dr Andrés Gvirtz

Andrés Gvirtz is a Lecturer in Marketing Technology and Innovation. His research focuses on 'who' and 'where' consumers are, aiming to improve our understanding of consumer behaviour by combining personality data (who) with spatial information (where).

Andrés advises several technology start-ups and routinely collaborates with companies, e.g. with the Nokia Bell Labs. He has a background in management consulting, having worked at McKinsey & Company, Boston Consulting Group, UBS and PwC.

Before joining KCL, he was a supervisor for Marketing at Judge Business School, University of Cambridge and taught Psychometrics at the Department of Psychology, University of Cambridge, where he was nominated for the Student Led Teaching Awards

He holds a PhD from the University of Cambridge and was a Visiting Fellow at Harvard Business School.

Contact: andres.gvirtz@kcl.ac.uk



Agenda – Lecture 1

Part 1:

What is a Brand?

Part 2:

Why Do Brands Matter?

Part 3:

Strategic Brand Management Process

Part 4:

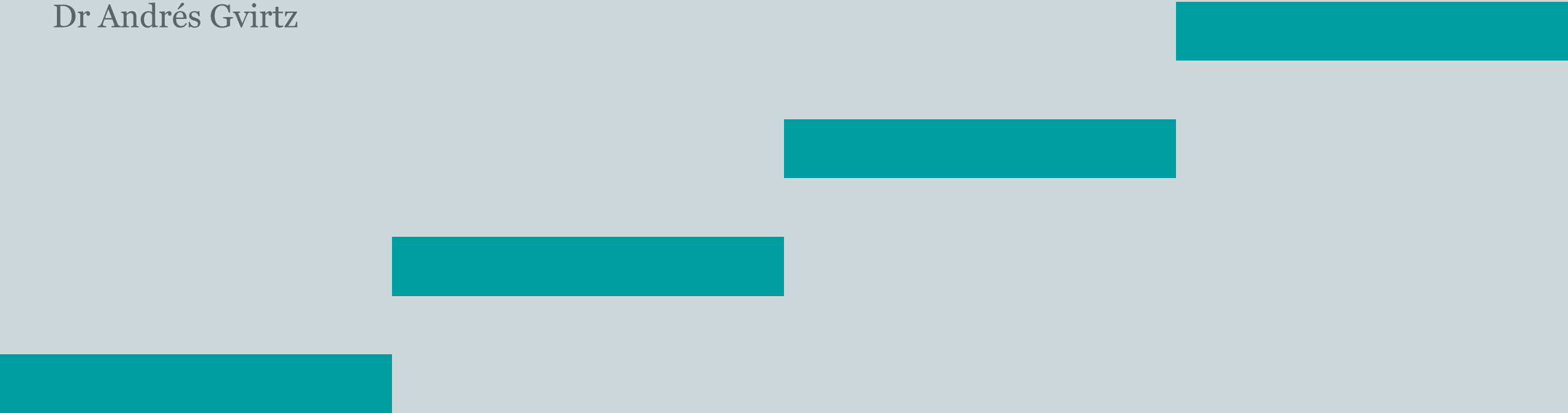
Understand the assessment structure and expectations for this module



Part 1

What is a brand?

Dr Andrés Gvirtz



What is a Brand?

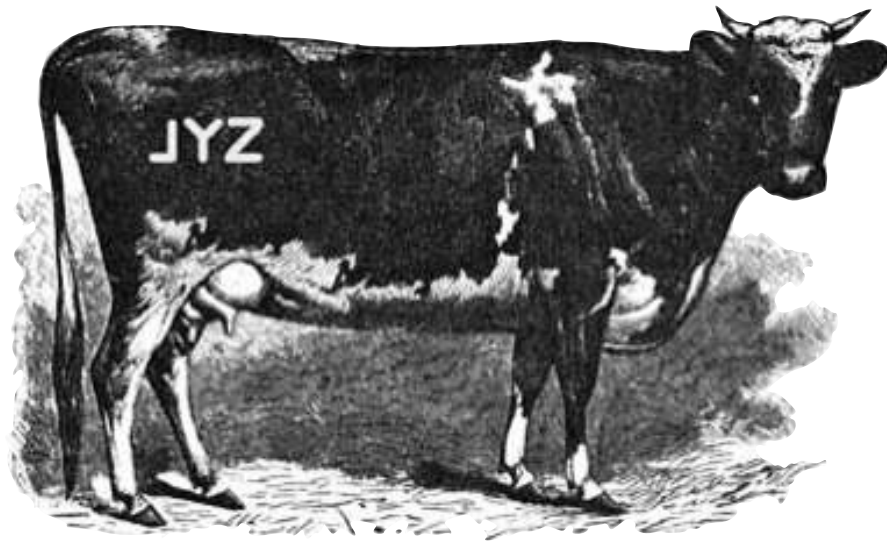
“A **name, term, design, symbol, or any other feature** that **identifies** one seller's good or service as **distinct** from those of other sellers. The legal term for brand is **trademark**. A brand may identify **one item, a family of items**, or all items of that seller. If used for the firm as a whole, the preferred term is **trade name**”.



(based on Alexander 1960)

What is a Brand?

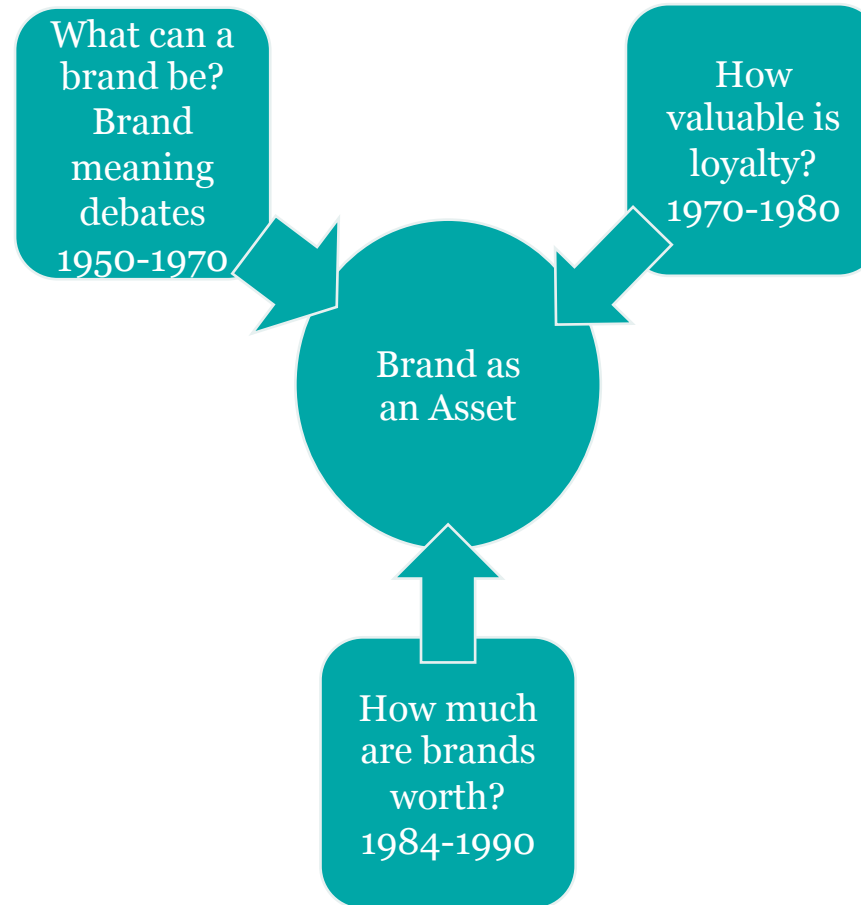
“A BRAND (...) IDENTIFIES ONE SELLER'S GOOD OR SERVICE AS DISTINCT FROM THOSE OF OTHER SELLERS”



CATTLE BRAND.

Brands are more than just means to mark one's products!

What is a Brand?

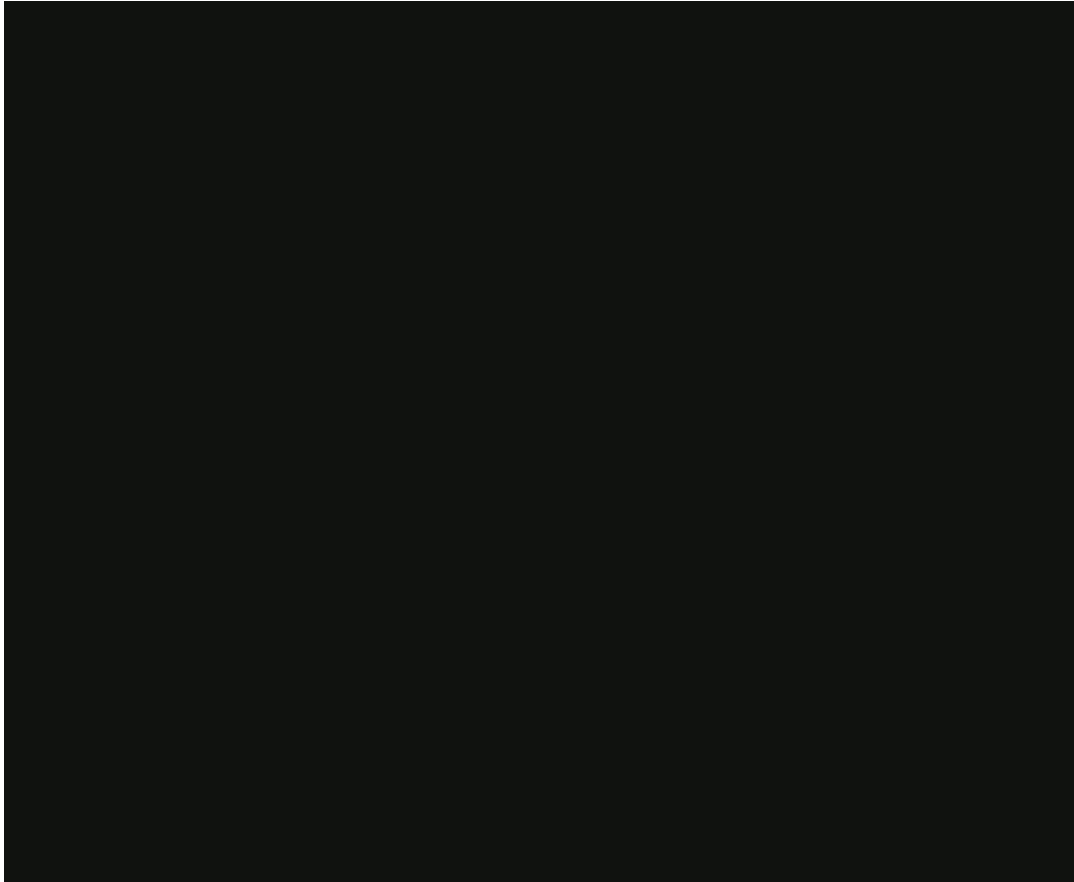


A large, realistic-looking lion statue stands in the center of a museum hall. The lion is wearing a bright red short-sleeved shirt. The background features large, multi-paned windows and other museum exhibits, including a display case filled with various items. The lighting is warm and slightly dim, typical of a museum interior.

**We are about to jump 25 years back –
who could provide us with insights?**

*All images created by Dr Gvirtz with DALL-E by OpenAI

What is a Brand?



1976



1977



1998



2001



2007



Today

Steve Jobs, 1997

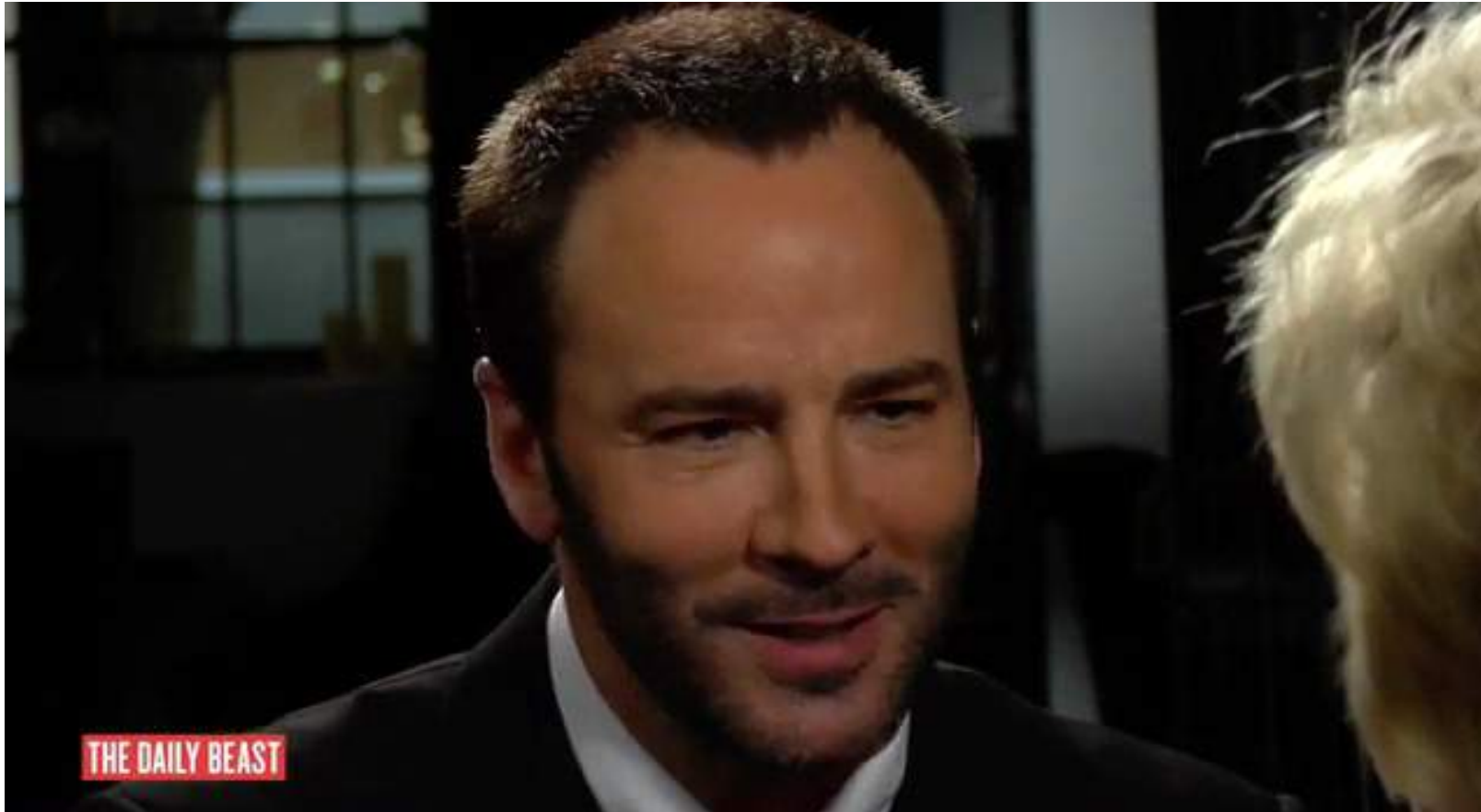
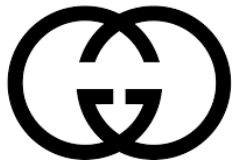
What is a brand?

“What people say about you when you aren’t in the room.”

Jeff Bezos

What is a Brand?

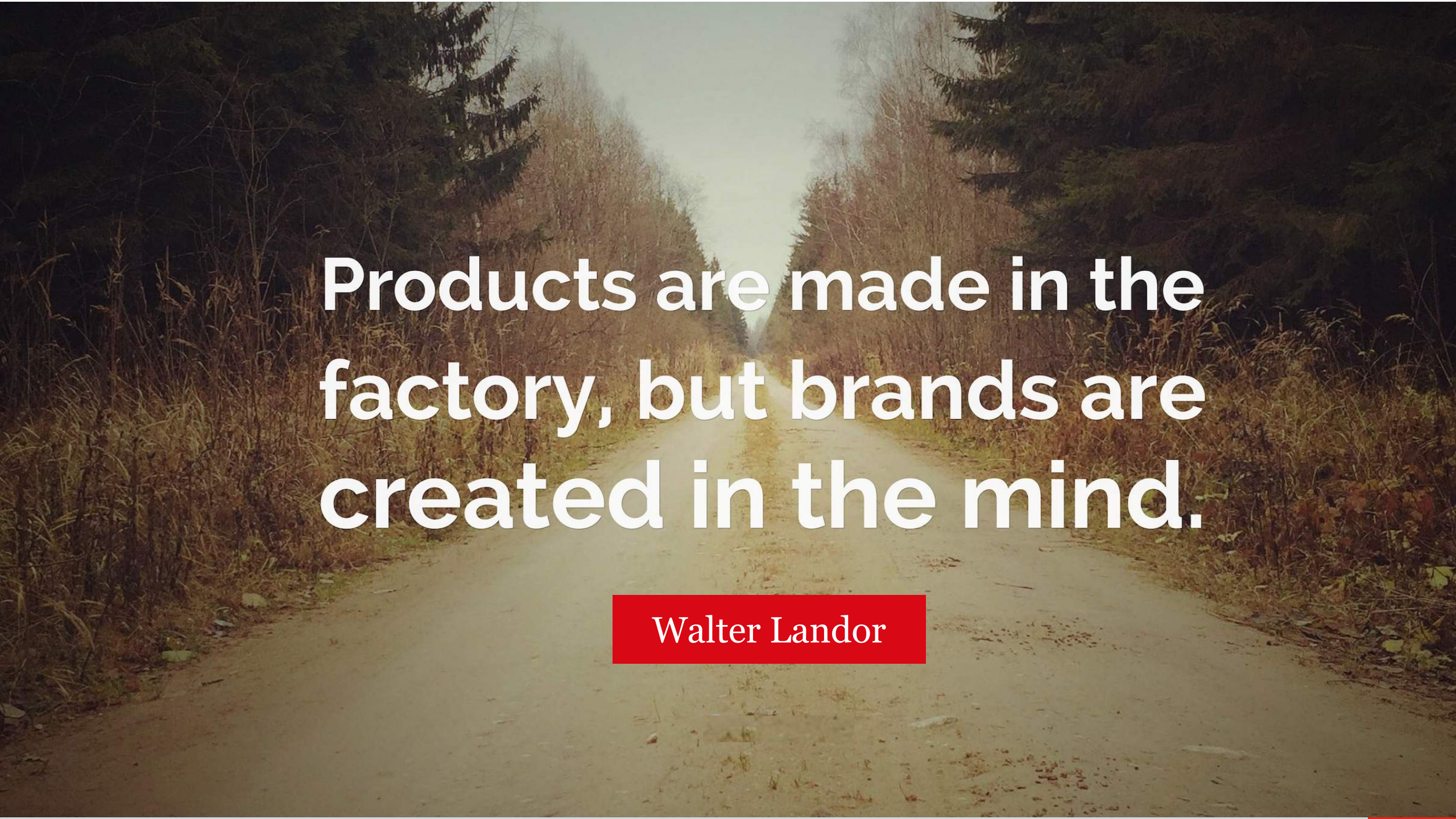
GUCCI



Tom Ford
(Fashion
Designer &
Former
Creative
Director of
Gucci & Yves
Saint
Laurent)

What is a brand?

Author	Brand Definition
Assael (1990)	“...name, symbol, packaging, and service reputation ”
Schmitt (1990)	“a rich source on sensory, affective and cognitive associations that result in memorable and rewarding brand experiences”
Riezebos (2003)	“... every sign that is capable of distinguishing the goods or services of a company and that can have a certain meaning for consumers both in material and in immaterial terms”
Keller (2008)	“...something that has actually created a certain amount of awareness, reputation, prominence ...in the marketplace”
De Chernatony et al. (2010)	“...a brand is a cluster of functional and emotional values that enables organisations to make a promise about a unique and welcomed experience”
International Organization for Standardization (ISO)	““is an intangible asset that is intended to create “ distinctive images and associations in the minds of stakeholders , thereby generating economic benefit/values .”

A dirt road winding through a forest. The road is light brown and leads into the distance. On either side of the road are tall, dry grasses and some evergreen trees. The sky is overcast and grey.

**Products are made in the
factory, but brands are
created in the mind.**

Walter Landor

Product vs. Brand

Product

Anything available in the market for use or consumption, that may satisfy **a need or want** (Keller 2013).



Further Differences:

- Products are tangible or intangible
- Made by a company to be purchased in exchange for money
- Products can be easily copied and replaced
- Products can become obsolete
- Products are instantly meaningful

Brand

Has dimensions that **differentiate** it in some way from **other products** designed to **satisfy the same need or want**



- Brands are always intangible
- Brands are ultimately built in the minds and hearts of customers
- Brands are unique (distinguished identity)
- (Good) Brands are timeless
- Brands only become meaningful over time

Even without the logo...



Even without the logo...



Can **Anything** be Branded?



Can **Anything** be Branded?



Can **Anything** be Branded?



Can **Anything** be Branded?



Can **Anything** be Branded?



Can **Anything** be Branded?



Can **Anything** be Branded?

**The
Guardian**

Sunday, 12 Jan 2020

Harry and Meghan seek global trademark for 'Sussex Royal' brand

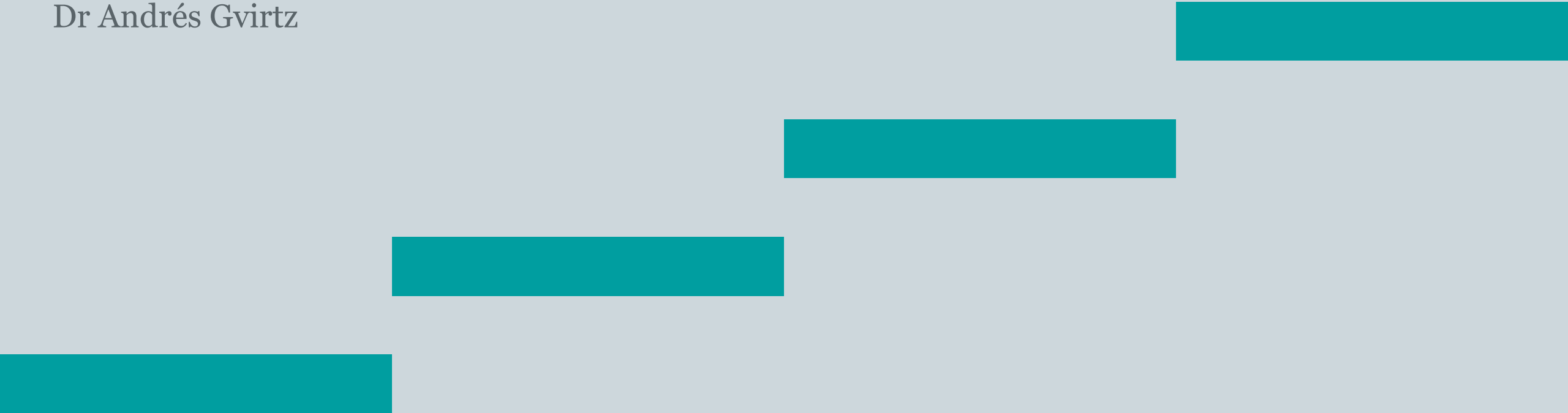
Filings suggest plans for items and activities from clothing to 'emotional support groups'



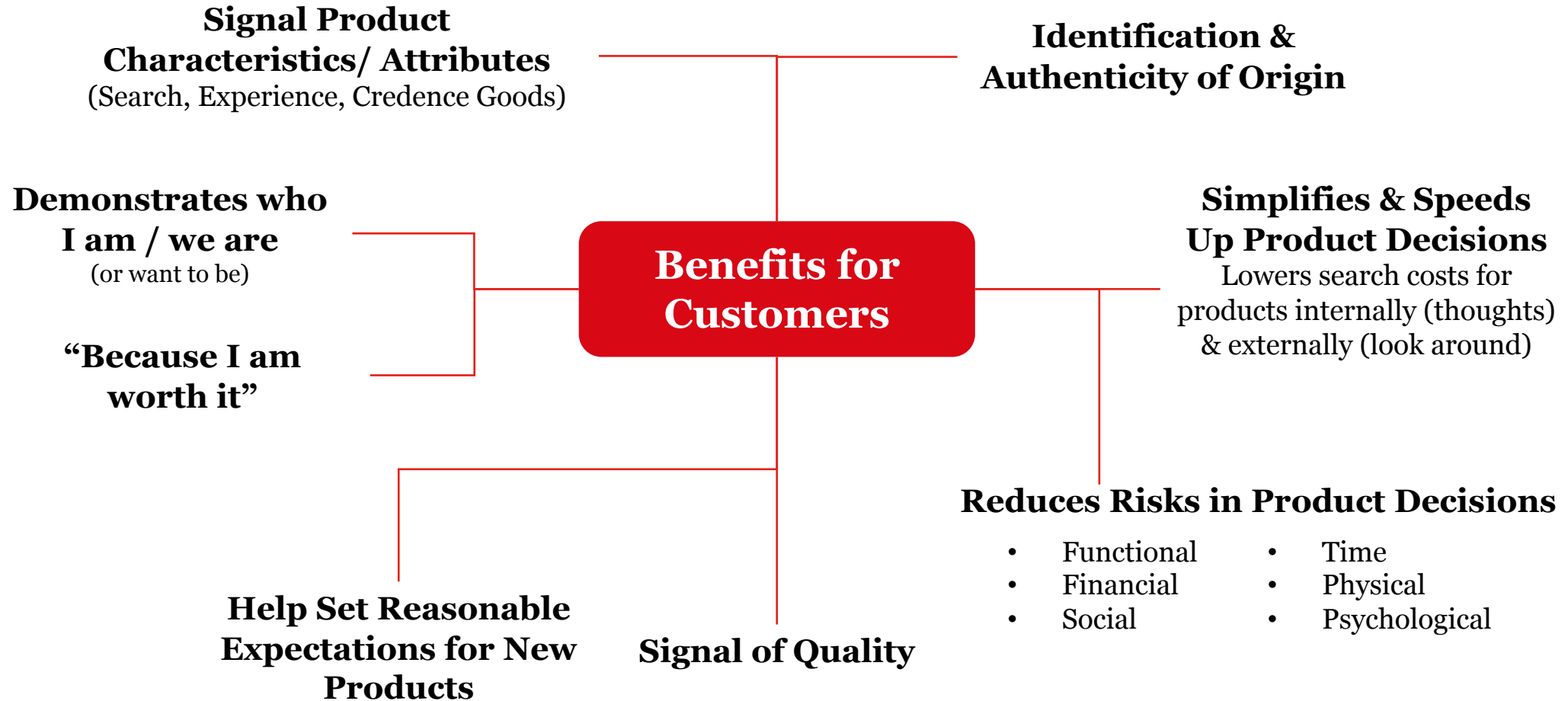
Part 3

Why do brands matter?

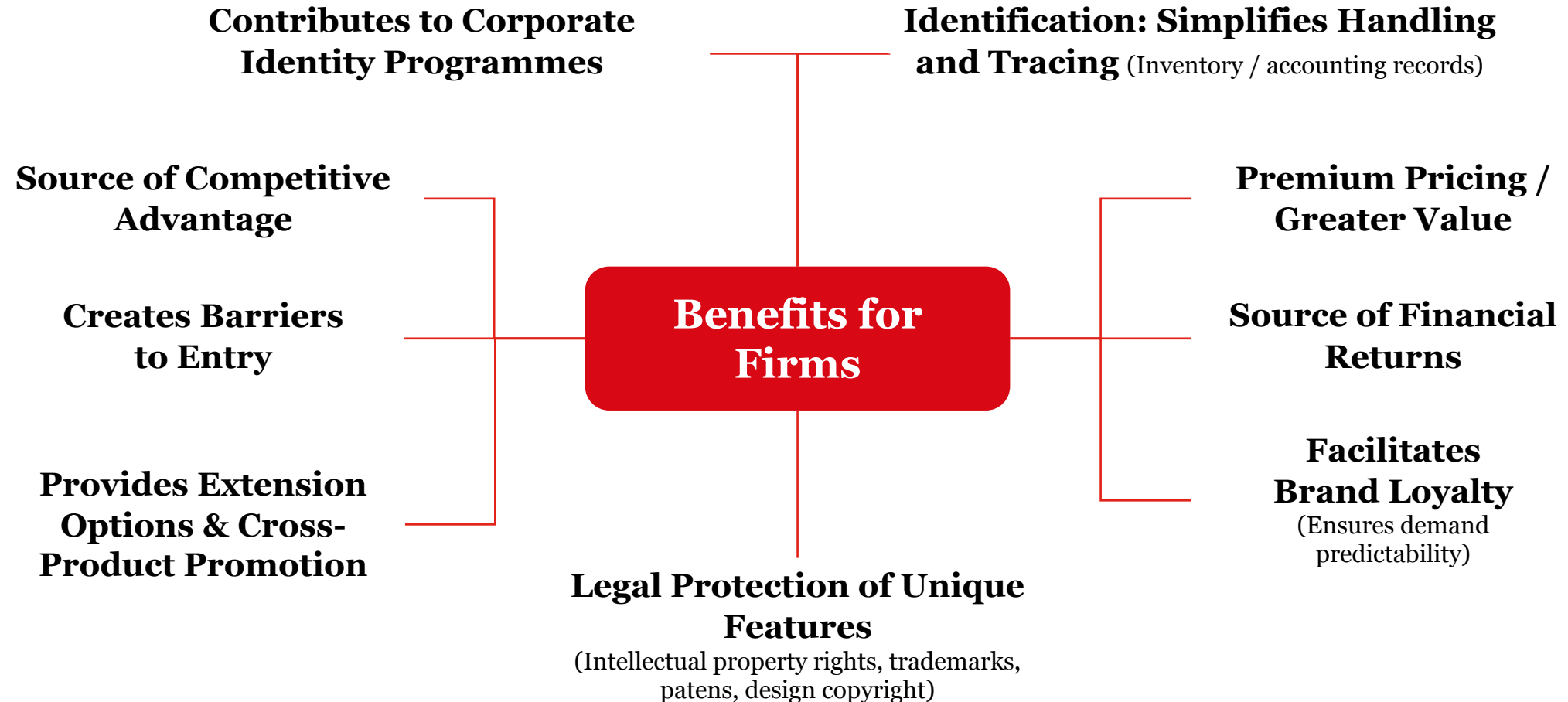
Dr Andrés Gvirtz



Why Do Brands Matter?



Why Do Brands Matter?



Brand Equity

- Brands are products and services that have **added value**
- This value is **deliberately designed** by marketing managers to **augment products** with **values** and **associations** that induce **feelings** and **emotions**
- Brand equity is the “**added value produced** by the brand names or symbols for the physical products” (Farquhar and Russel, 1990)
- Brand equity relates to the fact that “**different outcomes** result from marketing a product or service because of its brand than if that same product or service had not been identified by that brand” (Keller, 2008)
- “**Brand assets (or liabilities)** linked to a brand’s name and symbol that add (or subtract) value from a product or service” (Aaker, 1991)

Brand Equity

**‘Marketing effects uniquely
attributable to a brand’ ‘**



**Customer-Based
Brand Equity**

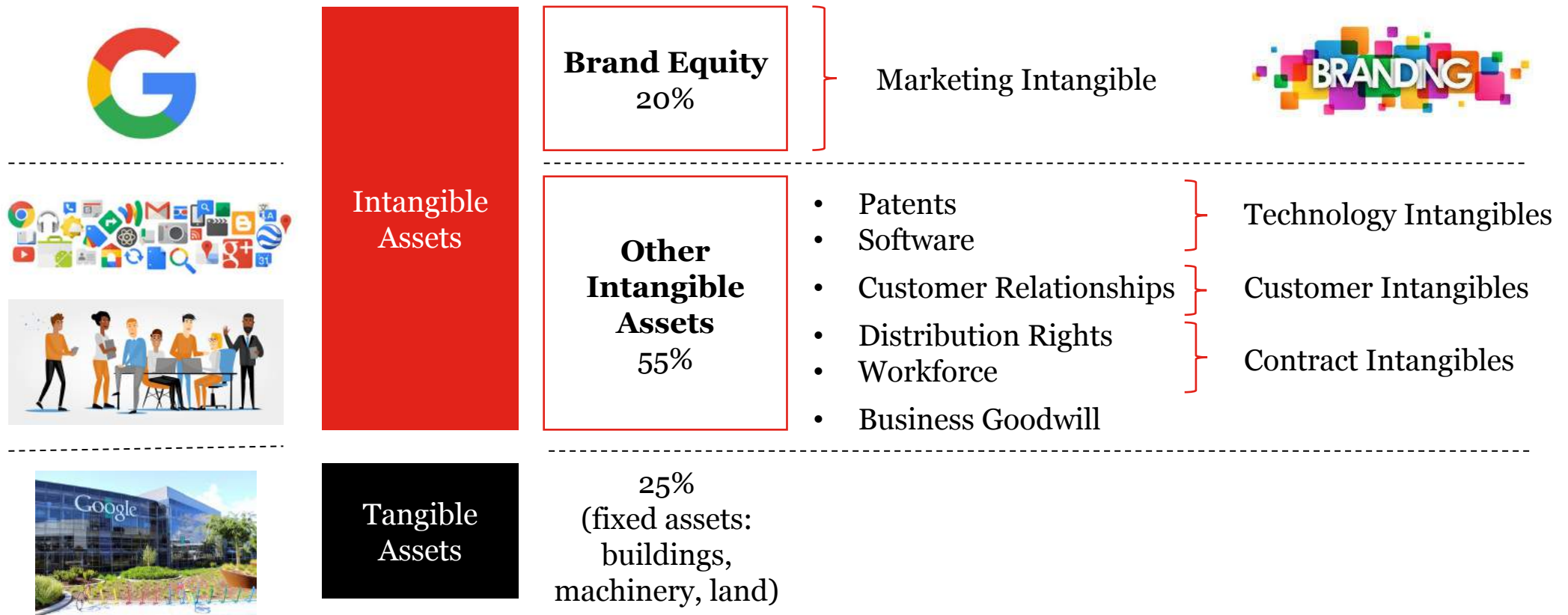
**Financial-Based
Brand Equity**



**The value of profits imputable
to the brand in the future**

Brand Equity

- Brand Equity represent **at least 20% of the intangible value** of businesses



2022 MOST VALUABLE GLOBAL BRANDS

Rank	Brand	Brand Value (US\$ Mil.)	% Brand Value Change vs 2021	Category	Rank change	Market of Origin
1	APPLE	947,062	55%	Consumer Technology	1	US
2	GOOGLE	819,573	79%	Media and Entertainment	1	US
3	AMAZON*	705,646	3%	Retail	-2	US
4	MICROSOFT	611,460	49%	Business Solutions and Technology Providers	0	US
5	TENCENT**	214,023	-11%	Media and Entertainment	0	China
6	MCDONALD'S	196,526	27%	Fast Food	3	US
7	VISA	191,032	0%	Payments	1	US
8	FACEBOOK	186,421	-18%	Media and Entertainment	-2	US
9	ALIBABA***	169,966	-14%	Retail	-2	China
10	LOUIS VUITTON	124,273	64%	Luxury	11	France
11	NVIDIA	124,161	19%	Business Solutions and Technology Providers	1	US
12	MASTERCARD	117,253	4%	Payments	-2	US
13	NIKE	109,601	31%	Apparel	4	US
14	MOUTAI	103,380	-5%	Alcohol	-3	China
15	VERIZON	101,962	0%	Telecom Providers	-2	US
16	ARAMCO	99,327	N/A	Energy	N/A	Saudi Arabia
17	COCA-COLA****	97,883	12%	Food and Beverages	-1	US
18	IBM	96,992	6%	Business Solutions and Technology Providers	-3	US
19	ADOBE	92,830	18%	Business Solutions and Technology Providers	1	US
20	INSTAGRAM	92,098	11%	Media and Entertainment	-2	US
21	UPS	91,361	25%	Logistics	1	US
22	ORACLE	90,356	49%	Business Solutions and Technology Providers	6	US
23	AT&T	87,169	-13%	Telecom Providers	-9	US
24	YOUTUBE	86,212	83%	Media and Entertainment	15	US
25	THE HOME DEPOT	84,220	19%	Retail	0	US

Rank	Brand	Brand Value (US\$ Mil.)	% Brand Value Change vs 2021	Category	Rank change	Market of Origin
26	ACCENTURE	82,597	28%	Business Solutions and Technology Providers	1	US
27	HERMÈS	80,323	73%	Luxury	16	France
28	PAYPAL	78,745	-2%	Payments	-9	US
29	TESLA	75,933	78%	Cars	18	US
30	NETFLIX	73,518	3%	Media and Entertainment	-6	US
31	SAP	69,014	0%	Business Solutions and Technology Providers	-5	Germany
32	TELEKOM/T-MOBILE	64,572	50%	Telecom Providers	14	Germany
33	QUALCOMM	62,439	29%	Business Solutions and Technology Providers	4	US
34	INTEL	62,387	-13%	Business Solutions and Technology Providers	-11	US
35	STARBUCKS	61,758	2%	Fast Food	-6	US
36	XFINITY	61,613	4%	Telecom Providers	-5	US
37	WALMART	61,492	3%	Retail	-7	US
38	DISNEY	60,487	10%	Media and Entertainment	-5	US
39	MARLBORO	58,384	2%	Tobacco	-7	US
40	LINKEDIN	58,077	63%	Media and Entertainment	14	US
41	CISCO	57,026	22%	Business Solutions and Technology Providers	0	US
42	TEXAS INSTRUMENTS	56,123	14%	Business Solutions and Technology Providers	-7	US
43	SALESFORCE	54,970	12%	Business Solutions and Technology Providers	-7	US
44	SAMSUNG	54,029	16%	Consumer Technology	-2	S. Korea
45	CHANEL	53,021	13%	Luxury	-5	France
46	TATA CONSULTANCY SERVICES	50,349	61%	Business Solutions and Technology Providers	12	India
47	INTUIT	49,618	38%	Business Solutions and Technology Providers	6	US
48	COSTCO	49,614	41%	Retail	7	US
49	SPECTRUM	49,554	5%	Telecom Providers	-11	US
50	L'ORÉAL PARIS	47,480	24%	Personal Care	-2	France

*Brand Value of Amazon includes Prime and Amazon Web Services. **Brand Value of Tencent includes QQ, WeChat, WeSing, WeBank and v.qq.com.
 Brand Value of Alibaba includes Alipay, Ant Financial, Freshhema, Taobao and Tmall. *The Brand Value of Coca-Cola includes Lights, Diet and Zero.
 Source: Kantar/BrandZ (including data from Capital IQ and Kantar Consulting)

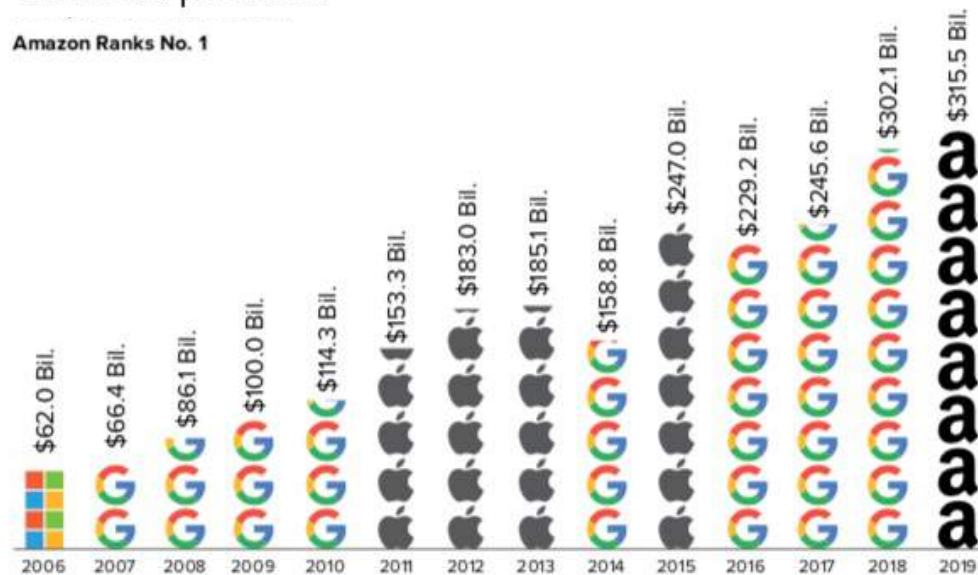
Jump to pre-pandemic: Top 100 Brands: **Key Trends**

No. 1

Amazon captures the lead position

Amazon Ranks No. 1

amazon®



Source: BrandZ™/Kantar (with data from Bloomberg)



Jump to pre-pandemic: Top 100 Brands: **Key Trends**




**Top
Riser**
Instagram
value
increases 95%

BrandZ™ Top 20 Risers

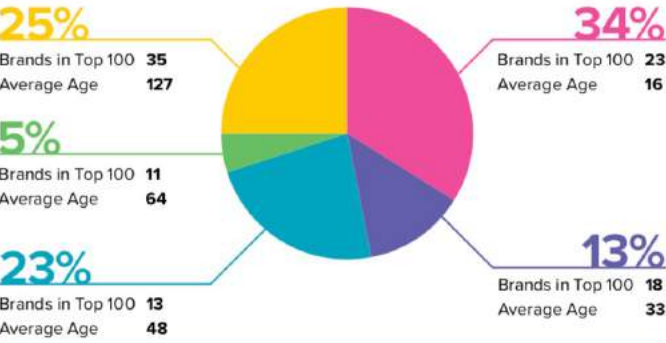
	Brand	Category	Brand Value 2019 \$Mil.	Brand Value 2018 \$Mil.	YOY%	Country of Origin
1	 Instagram	Technology	28,205	14,496	+95%	
2	 lululemon	Apparel	6,921	3,912	+77%	
3	 NETFLIX	Entertainment	34,290	20,819	+65%	
4	 LinkedIn	Technology	26,917	17,026	+58%	
5	 Adobe	Technology	27,930	17,831	+57%	
6	 SHISEIDO	Personal Care	5,986	3,827	+56%	
7	 amazon	Retail	315,505	207,594	+52%	
8	 Uber	Transport	24,206	16,045	+51%	
9	 LinkedIn	Technology	22,816	15,657	+46%	
10	 CHIPOTLE <small>MEXICAN GRILL</small>	Fast Food	6,201	4,422	+40%	
11	 CISCO	Technology	28,861	21,331	+35%	
12	 Mastercard	Payments	91,929	70,872	+30%	
13	 GEICO	Insurance	9,261	7,164	+29%	
14	 YouTube	Entertainment	29,613	22,958	+29%	
15	 DIOR	Luxury	4,658	3,612	+29%	
16	 Domino's	Fast Food	9,570	7,446	+29%	
17	 WHOLE FOODS	Retail	9,101	7,088	+28%	
18	 Microsoft	Technology	251,244	200,987	+25%	
19	 PayPal	Payments	44,166	35,440	+25%	
20	 UNDER ARMOUR	Apparel	3,938	3,160	+25%	

Source: BrandZ™ / Kantar (including data from Bloomberg)

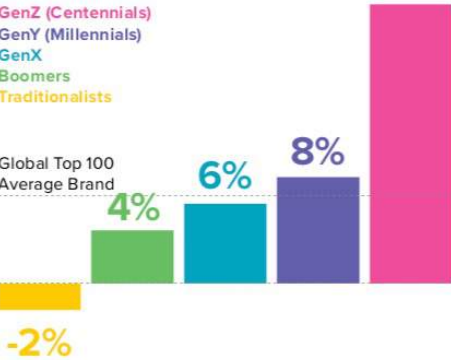
Jump to pre-pandemic: Top 100 Brands: Key Trends

Gen Z Brand Dominance

Brands by Social Generation
% of Top 100 Value



Value Growth
% brand value growth 2019 vs. 2018



Brand Personalities

Social Generations

Generation	Born	STENGTHS AND UNIQUE STRENGTHS
GenZ (Centennials)	1996-present	Creative Adventurous Rebellious
GenY (Millennials)	1977-1995	Creative Assertive In Control
GenX	1965-1976	Creative Trustworthy Desirable
Boomers	1946-1964	Trustworthy Straightforward Friendly
Traditionalists	Pre-1946	Assertive Trustworthy Wise

Jump to pre-pandemic: Top 100 Brands: Key Trends

Shift East

Ranking welcomes more Asian brands

Fifteen Chinese brands rank in the 2019's BrandZ™ Global Top 100 Most Valuable Brands, compared with only one Chinese brand, 13 years ago, the telecom provider China Mobile.



Rank 2019	Brand	Category	Brand Value 2019 \$Mil.	Brand Value % Change 2019 vs. 2018	Year Entered Top 100
7	Alibaba Group 阿里巴巴集团	Retail	131,246	+16%	2015
8	Tencent 腾讯	Technology	130,862	-27%	2011
27	中国移动 China Mobile	Telecom Providers	39,322	-15%	2006
29	ICBC 中国工商银行	Regional Banks	38,432	-16%	2007
35	茅台 MOUTAI	Alcohol	33,924	+6%	2012
40	中国平安 PING AN	Insurance	29,470	+13%	2011
47	HUAWEI	Technology	26,908	+8%	2015
59	中国建设银行 China Construction Bank	Regional Banks	22,709	-4%	2007
63	Baidu 百度	Technology	20,879	-22%	2010
66	京东 JD	Retail	20,609	-2%	2016
71	DiDi	Transport	20,041	NEW	2019
74	Xiaomi	Technology	19,805	NEW	2019
78	美团 Meituan	Lifestyle Platform	18,760	NEW	2019
82	中国农业银行 AGRICULTURAL BANK OF CHINA	Regional Banks	18,199	-5%	2011
89	Haier	IoT Ecosystem	16,272	NEW	2019

103,380

Source: BrandZ™ / Kantar (including data from Bloomberg)

List your favourite luxury brands? (Up to 10)

Top 100 Brands: Key Trends



BRANDZ™ LUXURY TOP 10

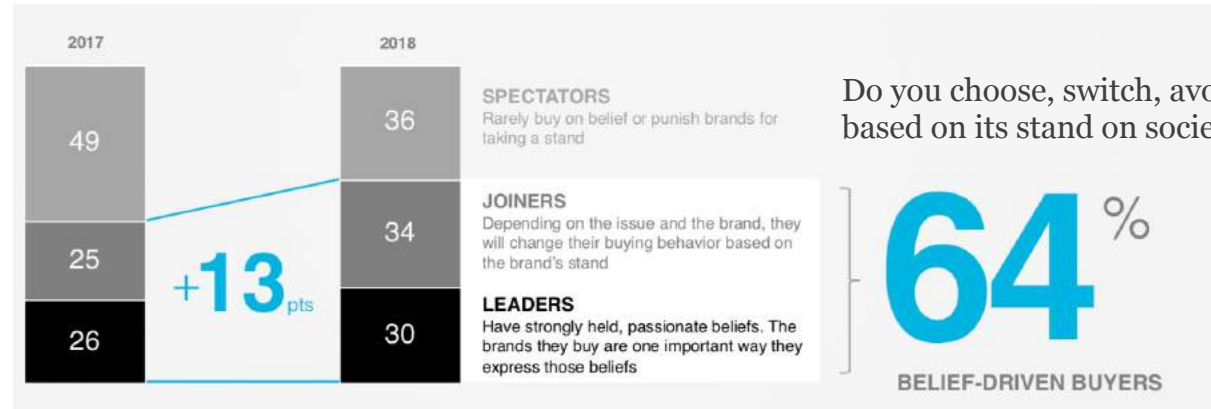
		Brand Value 2019 \$ Million	Brand Value 2018 \$ Million	Brand Value % Change 2019 vs. 2018
1	Louis Vuitton	47,214	41,138	+15%
2	Chanel	37,006	NEW	
3	Hermès	30,966	28,063	+10%
4	Gucci	25,274	22,442	+13%
5	Rolex	8,389	8,721	-4%
6	Cartier	5,998	7,040	-15%
7	Burberry	4,698	4,483	+5%
8	Dior	4,658	3,612	+29%
9	Saint Laurent/Yves Saint Laurent	3,572	3,316	+8%
10	Prada	3,504	3,925	-11%



Brand Challenges & Opportunities

- Brands increasingly expected to **act responsibly**
- **Values-based communication** is as **effective** as product-based communication in **driving purchase intent**
- Nearly 2 in 3 now **Belief-Driven Buyers**

Percent who express purchase intent after viewing a product or brand communication



Brand Challenges & Opportunities

Unilever CEO Alan Jope: 'We'll dispose of brands that don't stand for something'

By Stephen Lepitak - 19 June 2019 16:58pm



Jope cited Dove, which recently launched its #ShowUs beauty campaign, as a brand leading the way through purpose



Brand Challenges & Opportunities: Patagonia



patagonia

REDUCE

WE make useful gear that lasts a long time
YOU don't buy what you don't need

REPAIR

WE help you repair your Patagonia gear
YOU pledge to fix what's broken

REUSE

WE help find a home for Patagonia gear
you no longer need
YOU sell or pass it on*

RECYCLE

WE will take back your Patagonia gear that
is worn out
YOU pledge to keep your stuff out of the
landfill and incinerator

REIMAGINE

TOGETHER we reimagine a world where we
take only what nature can replace



Kitchen for rent? Ikea to trial leasing furniture

Retailer to test idea of renting office furniture - but home products could be next



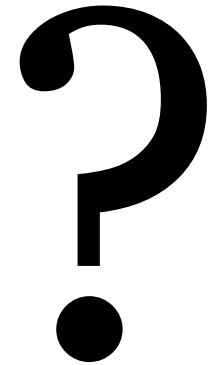
▲ An Ikea kitchen showroom. The retailer is trialling renting office furniture to business customers.
Photograph: Alamy

Ikea is to start renting out furniture as part of attempts to build a more environmentally friendly business.

The Guardian

In class Exercise: Brand Challenges & Opportunities

Should brands take a
stand on social and
political issues?



Brand Challenges & Opportunities: **Adidas**

