

M A R K E T I N G   S C I E N C E   I N S T I T U T E



# **Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands**

Kevin Lane Keller

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WORKING PAPER

• REPORT NO. 01-107 •

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# Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands

*Kevin Lane Keller*

Building a strong brand has been shown to provide numerous financial rewards to firms, and has become a top priority for many organizations. In this report, author Keller outlines the Customer-Based Brand Equity (CBBE) model to assist management in their brand-building efforts.

According to the model, building a strong brand involves four steps: (1) establishing the proper brand identity, that is, establishing breadth and depth of brand awareness, (2) creating the appropriate brand meaning through strong, favorable, and unique brand associations, (3) eliciting positive, accessible brand responses, and (4) forging brand relationships with customers that are characterized by intense, active loyalty. Achieving these four steps, in turn, involves establishing six brand-building blocks—brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance.

The most valuable brand-building block, brand resonance, occurs when all the other brand-building blocks are established. With true brand resonance, customers express a high degree of loyalty to the brand such that they actively seek means to interact with the brand and share their experiences with others. Firms that are able to achieve brand resonance should reap a host of benefits, for example, greater price premiums and more efficient and effective marketing programs.

The CBBE model provides a yardstick by which brands can assess their progress in their brand-building efforts as well as a guide for marketing research initiatives. Accordingly, a set of candidate measures for the six brand-building blocks is included in the appendix. In addition, a critical application of the CBBE model is in planning, implementing, and interpreting brand strategies. The model provides a comprehensive means of covering important branding topics, as well as useful insights and guidelines to help marketers set strategic direction and inform their brand-related decisions. To provide perspective, the paper also relates the CBBE model to other leading models of brand equity.

*Kevin Lane Keller is E. B. Osborn Professor of Marketing at the Amos Tuck School of Business, Dartmouth College.*



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# Introduction

Building a strong brand is the goal of many organizations. Building a strong brand with significant equity is seen as providing a host of possible benefits to a firm, including greater customer loyalty and less vulnerability to competitive marketing actions and marketing crises, larger margins as well as more favorable customer response to price increases and decreases, greater trade or intermediary cooperation and support, increased marketing communication effectiveness, and licensing and brand-extension opportunities.

With this keen interest in brand building, two questions often arise: (1) What makes a brand strong? and (2) How do you build a strong brand? To help answer both of these questions, this paper develops a model of brand building called the Customer-Based Brand Equity model. Although a number of useful perspectives concerning brand equity have been put forth, the Customer-Based Brand Equity model provides a unique perspective on what brand equity is and how it should best be built, measured, and managed.

The development of the Customer-Based Brand Equity model was driven by three goals. First, the model had to be logical, well-integrated, and grounded. The model needed to reflect state-of-the-art thinking about branding from both an academic and industry point of view. Second, the model had to be versatile and applicable to all possible kinds of brands and industry settings. As more diverse applications of branding continued to emerge for products, services, organizations, people, places, and so forth, the model needed to have far-ranging relevance. Third, the model had to be comprehensive with enough breadth to cover important branding topics as well as enough depth to provide useful insights and guidelines. The model needed to help marketers set strategic direction and inform their brand-related decisions.

With this broad set of objectives in mind, the Customer-Based Brand Equity model was developed. The basic premise of the model is that the power of a brand lies in what customers have learned, felt, seen, and heard about the brand over time. In other words, the power of a brand resides in the minds of customers. The challenge for marketers in building a strong brand is ensuring that customers have the right type of experiences with products and services and their accompanying marketing programs so that the desired thoughts, feelings, images, beliefs, perceptions, opinions, and so on become linked to the brand. The remainder of the paper outlines in detail how this “brand knowledge” should be created and how the brand-building process should be handled.



# The Four Steps of Brand Building

Building a strong brand, according to the Customer-Based Brand Equity model, can be thought of in terms of a sequence of steps, in which each step is contingent upon the successful completion of the previous step. All steps involve accomplishing certain objectives with customers, both existing and potential. The first step is to ensure identification of the brand with customers and an association of the brand in customers' minds with a specific product class or customer need. The second step is to firmly establish the brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations. The third step is to elicit the proper customer responses to this brand identity and brand meaning. The fourth and final step is to convert brand response to create an intense, active loyalty relationship between customers and the brand.

These four steps represent a set of fundamental questions that customers invariably ask about brands, implicitly if not explicitly:

Who are you? (brand identity)

What are you? (brand meaning)

What about you? What do I think or feel about you? (brand responses)

What about you and me? What kind of association and how much of a connection would I like to have with you? (brand relationships)

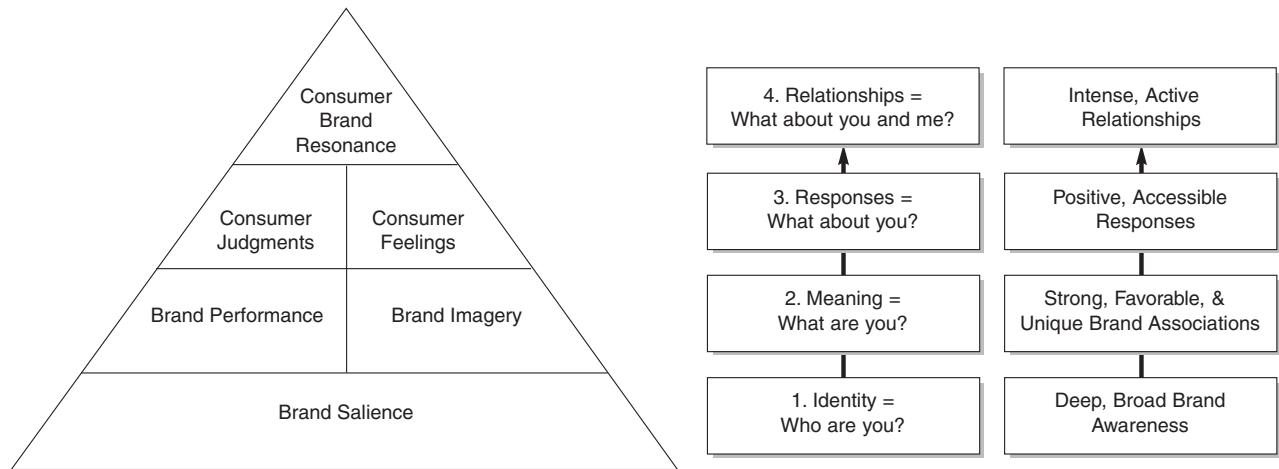
There is an obvious sequence in this “branding ladder,” that is, meaning cannot be established unless identity has been created; responses cannot occur unless the right meaning has been developed; and a relationship cannot be forged unless the proper responses have been elicited.



# Brand-Building Blocks

Enacting the four steps to create the right brand identity, brand meaning, brand responses, and brand relationships is a complicated and difficult process. To provide some structure, it is useful to think of six “brand-building blocks” to accomplish the four steps necessary to create a strong brand. To connote the sequencing involved, these building blocks can be assembled as a brand pyramid. Creating significant brand equity involves reaching the pinnacle of the pyramid and will only occur if the right brand-building blocks are in place. The corresponding brand steps represent different levels of the pyramid as illustrated in Figure 1. Figure 2 examines each of the building blocks in detail.

**Figure 1. Customer-Based Brand Equity Pyramid**



**Figure 2. Subdimensions of Brand-Building Blocks**



### Brand Identity

*Brand Salience.* Achieving the right brand identity involves creating brand salience. *Brand salience* relates to aspects of customer awareness of the brand. How easily and often is the brand evoked under various situations or circumstances? To what extent is the brand top-of-mind and easily recalled or recognized? What types of cues or reminders are necessary? How pervasive is brand awareness?

Formally, brand awareness refers to customers' ability to recall and recognize a brand. Brand awareness is more than just the fact that customers know a brand name and the fact that they have previously seen it, perhaps even many times. Brand awareness also involves linking the brand—brand name, logo, symbol, and so forth—to certain associations in memory. In particular, building brand awareness involves making sure that customers understand the product or service category in which the brand competes. There must be clear links to other products or services sold under the brand name. At a broader, more abstract level, however, building brand awareness also means ensuring that customers know which of their needs the brand is designed to satisfy—through these products. In other words, what basic functions does the brand provide for customers?

Salience forms the foundational building block in developing brand equity and provides three important functions. First, salience influences the formation and strength of brand associations that make up the brand image and gives the brand meaning. Second, creating a high level of brand salience in terms of category identification and needs satisfied is of crucial importance during possible purchase or consumption opportunities. Brand salience influences the likelihood that the brand will be a member of the consideration set, those handful of brands that receive serious consideration for purchase. Brand salience is also important during

possible consumption settings in terms of maximizing potential usage. Third, when customers have “low involvement” with a product category, they may make choices based on brand salience alone. Low involvement occurs when customers lack either: (1) purchase motivation (e.g., when customers do not care about the product or service) or (2) purchase ability (e.g., when customers do not know anything else about the brands in a category or lack the expertise to judge quality even if they do know some things).

### **Key Criteria for Brand Identity**

Brand awareness can be distinguished in terms of two key dimensions—depth and breadth. Depth of brand awareness refers to how easily customers can recall or recognize the brand. Breadth of brand awareness refers to the range of purchase and consumption situations in which the brand comes to mind. A highly salient brand is one that possesses both depth and breadth of brand awareness, so that customers always make sufficient purchases as well as always think of the brand in a variety of settings in which the brand could be employed or consumed.

Thus, in terms of creating brand salience, in many cases it is not only the depth of brand awareness that matters, but also the breadth of brand awareness and the proper linkage of the brand to various categories and cues in the minds of customers. In other words, it is important that the brand not only be “top-of-mind” and have sufficient “mind share,” but it must also do so at the right times and right places.

Breadth is an often-neglected consideration, even for brands that are category leaders. With many brands, the key question is not whether customers can recall the brand, but rather, where do they think of the brand, when do they think of the brand, and how easily and often do they think of the brand? In particular, many brands and products are ignored or forgotten in possible usage situations.

Increasing the salience of the brand in those settings can be an effective means to drive consumption and increase sales volume. For example, a potentially effective strategy for market leader Campbell’s Soup might be to ensure that its customers think of the soup during possibly overlooked consumption opportunities (e.g., as a sidedish at dinner).

### **Brand Meaning**

Brand salience is an important first step in building brand equity, but is usually not sufficient in and of itself. For most customers in most situations, other considerations, such as the meaning or image of the brand, also come into play. Creating brand meaning involves establishing a brand image—what the brand is characterized by and should stand for in the minds of customers. Although a myriad of different types of brand associations are possible, brand meaning can broadly be distinguished in terms of functional, performance-related considerations versus abstract, imagery-related considerations. Thus, brand meaning is made up of two major categories of brand associations that exist in customers’ minds—related to performance and imagery—with a set of specific subcategories within each. These brand associations can be formed directly—from a customer’s own experiences and

contact with the brand—or indirectly—through the depiction of the brand in advertising or by some other source of information (e.g., word-of-mouth).

We next describe the two main types of brand meaning and the subcategories within each.

*Brand Performance.* The product itself is at the heart of brand equity, as it is the primary influence of what consumers experience with a brand, what they hear about a brand from others, and what the firm can tell customers about the brand in their communications. Designing and delivering a product that fully satisfies consumer needs and wants is a prerequisite for successful marketing, regardless of whether the product is a tangible good, service, or organization. To create brand loyalty and resonance, consumers' experiences with the product must at least meet, if not actually surpass, their expectations. Numerous studies have shown that high quality brands tend to perform better financially, for example, yielding higher returns on investment.

Brand performance relates to the ways in which the product or service attempts to meet customers' more functional needs. Thus, brand performance refers to the intrinsic properties of the brand in terms of inherent product or service characteristics. How well does the brand rate on objective assessments of quality? To what extent does the brand satisfy the utilitarian, aesthetic, and economic needs and wants of customers in its product or service category?

The specific performance attributes and benefits that constitute functionality will vary widely by category. Nevertheless, there are five important types of attributes and benefits that often underlie brand performance:

1. *Primary characteristics and secondary features.* Customers often hold beliefs about the levels at which the primary characteristics of a product operate (e.g., low, medium, high, or very high). They may also hold beliefs about special, perhaps even patented, features or secondary elements of a product that complement these primary characteristics.
2. *Product reliability, durability, and serviceability.* As noted, customers can view the performance of products or services in a broad manner. *Reliability* refers to the consistency of performance over time and from purchase to purchase. *Durability* refers to the expected economic life of the product. *Serviceability* refers to the ease of servicing the product if it needs repair. Thus, perceptions of product performance are impacted by factors such as the speed, accuracy, and care of product delivery and installation; the promptness, courtesy, and helpfulness of customer service and training; the quality of repair service and the time involved; and so on.
3. *Service effectiveness, efficiency, and empathy.* Customers often have performance-related associations with the service interactions they have with brands. Along those lines, *service effectiveness* refers to how completely the brand satisfies customers' service requirements. *Service efficiency* refers to the manner in which these services are delivered in terms of speed, responsiveness, and so forth. Finally, *service empathy* refers to the extent to which service providers are seen as trusting, caring, and having the customer's interests in mind.

*4. Style and design.* Consumers may have associations with a product that go beyond its functional aspects to more aesthetic considerations such as its size, shape, materials, and color. Thus, performance may also depend on sensory aspects —how a product looks and feels and perhaps even what it sounds or smells like.

*5. Price.* Finally, the pricing policy for the brand can create associations in consumers' minds to the relevant price tier or level for the brand in the category, as well as to its corresponding price volatility or variance (in terms of the frequency or magnitude of discounts, etc.). In other words, the pricing strategy adopted for a brand can dictate how consumers categorize the price of the brand (e.g., low, medium, or high) and how firm or flexible that price is perceived to be (e.g., as frequently or infrequently discounted).

Brand performance thus transcends the “ingredients” that make up the product or service to encompass aspects of the brand that augment these ingredients. Any of these different performance dimensions can serve as a means by which the brand is differentiated. Often, the strongest brand positioning involves performance advantages of some kind, and it is rare that a brand can overcome severe deficiencies in this area.

*Brand Imagery.* The other main type of brand meaning involves brand imagery. Brand imagery deals with the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customers' psychological or social needs. Brand imagery is how people think about a brand abstractly rather than what they think the brand actually does. Thus, imagery refers to more intangible aspects of the brand.

Many different kinds of intangibles can be linked to a brand, but four categories can be highlighted:

*1. User profiles.* One set of brand imagery associations involves the type of person or organization who uses the brand. This imagery may result in a profile or mental image by customers of actual users or more aspirational, idealized users. Associations of a typical or idealized brand user may be based on descriptive demographic factors or more abstract psychographic factors. Demographic factors might include gender, age, race, income, and marital status. Psychographic factors might include attitudes toward life, careers, possessions, social issues, or political institutions. In a business-to-business setting, user imagery might relate to the size or type of the organization. User imagery may focus on the characteristics of more than just one type of individual and center on broader issues in terms of perceptions of a group as a whole. For example, customers may believe that a brand is used by numerous people and therefore view the brand as “popular” or a “market leader.”

*2. Purchase and usage situations.* A second set of associations concerns the conditions under which the brand could or should be bought and used. Associations of a typical purchase situation may be based on a number of different considerations, such as: (1) type of channel (e.g., department store, specialty store, or direct through Internet or some other means); (2) specific store (e.g., Macy's, Foot Locker, or Fogdog.com); and (3) ease of purchase and associated rewards, if any.

Similarly, associations of a typical usage situation may be based on a number of different considerations, such as: (1) time of the day, week, month, or year when the brand is used; (2) place where the brand is used (e.g., inside or outside the home); and (3) type of activity for which the brand is used (e.g., formal or informal).

*3. Personality and values.* Brands may also take on personality traits and values similar to those of people. Brand personality is often related to the more descriptive usage imagery but involves much richer, more contextual information. Five dimensions of brand personality (with corresponding subdimensions) that have been identified are: (1) sincerity (e.g., down-to-earth, honest, wholesome, and cheerful); (2) excitement (e.g., daring, spirited, imaginative, and up-to-date); (3) competence (e.g., reliable, intelligent, successful); (4) sophistication (e.g., upper-class and charming); and (5) ruggedness (e.g., outdoorsy and tough).<sup>1</sup>

*4. History, heritage, and experiences.* Finally, brands may take on associations with their past and with certain noteworthy events in the brand history. These types of associations may involve distinctly personal experiences and episodes or be related to past behaviors and experiences of friends, family, or others. Consequently, these types of associations may be fairly idiosyncratic, although they sometimes exhibit certain commonalities. Alternatively, these associations may be more public and broad-based and therefore will be shared to a larger degree. In either case, associations with history, heritage, and experiences involve more specific, concrete examples that transcend the generalizations that make up the usage imagery.

### **Key Criteria for Brand Meaning**

Thus, a number of different types of associations related to performance and imagery may become linked to the brand. Regardless of the type involved, the brand associations that make up the brand image and meaning can be characterized and profiled according to three important dimensions:

Strength—How strongly is the brand identified with a brand association?

Favorability—How important or valuable is the brand association to customers?

Uniqueness—How distinctively is the brand identified with the brand association?

Successful results in these three dimensions produce the most positive brand responses, the underpinning of intense and active brand loyalty. To create brand equity, it is important that the brand have strong, favorable, and unique brand associations, *in that order*. In other words, it does not matter how unique a brand association is unless customers evaluate the association favorably, and it does not matter how desirable a brand association is unless it is sufficiently strong so that customers actually recall it and link it to the brand. At the same time, it should be recognized that not all strong associations are favorable and not all favorable associations are unique.

Creating strong, favorable, and unique associations is a real challenge for marketers, but it is essential to build customer-based brand equity. Strong brands typically have firmly established strong, favorable, and unique brand associations with consumers—for example, Volvo and Michelin (safety), Intel (performance and compatibility), Marlboro (western imagery), Coke (Americana and refreshment), Disney (fun, magical, family entertainment), Nike (innovative products and peak athletic performance), BMW (styling and driving performance), and so on.

### **Brand Responses**

Brand responses refer to how customers respond to the brand, its marketing activity, and other sources of information, that is, what customers think or feel about the brand. Brand responses can be distinguished according to brand judgments and brand feelings, that is, in terms of whether they arise more from the “head” or from the “heart.”

*Brand Judgments.* Brand judgments focus upon customers’ personal opinions and evaluations with regard to the brand. Brand judgments involve how customers put together all the different performance and imagery associations for the brand to form different kinds of opinions. Customers may make all types of judgments with respect to a brand, but in terms of creating a strong brand, four types of summary brand judgments are particularly important (and are cited in ascending order of importance):

1. *Brand quality.* There are a host of attitudes that customers may hold toward brands, but the most important relate in various ways to the perceived quality of the brand. Other notable attitudes related to quality pertain to perceptions of value and satisfaction.
2. *Brand credibility.* Customers may form judgments that transcend specific brand quality concerns to consider broader issues related to the company or organization making the product or providing the service associated with the brand. In other words, customers may form judgments with respect to the company or organization behind the brand. *Brand credibility* refers to the extent to which the brand as a whole is seen as credible in terms of three dimensions—perceived expertise, trustworthiness, and likability. In other words, to what extent is the brand seen as: (1) competent, innovative, and a market leader (brand expertise); (2) dependable and sensitive to the interests of customers (brand trustworthiness); and (3) fun, interesting, and worth spending time with (brand likability).
3. *Brand consideration.* Eliciting favorable brand attitudes and perceptions of credibility is important but may be insufficient if customers do not actually seriously consider the brand for possible purchase or usage. Consideration is more than mere awareness of a brand; it suggests the likelihood that customers will actually include the brand in the set of brands they might buy or use. Consideration depends in part on how personally relevant customers find the brand, that is, the extent to which they view the brand as being appropriate and meaningful for themselves. Thus, customers often make an overall appraisal as to whether they have any personal interest in a brand and whether they would or should ever buy

that brand. Brand consideration is a crucial filter in terms of building brand equity. No matter how highly regarded or credible a brand may be, unless the brand also receives serious consideration and is deemed relevant, customers will always keep a brand at a distance and never closely embrace it. Brand consideration will depend in large part on the extent to which strong and favorable brand associations can be created as part of the brand image.

*4. Brand superiority.* Finally, superiority relates to the extent to which customers view the brand as unique and better than other brands. In other words, do customers believe that the brand offers advantages that other brands do not?

Superiority is absolutely critical in terms of building intense and active relationships with customers and will depend to a great degree on the number and nature of unique brand associations that make up the brand image.

*Brand Feelings.* Brand feelings are customers' emotional responses and reactions with respect to the brand. Brand feelings also relate to the social currency evoked by the brand. What feelings are evoked by the marketing program for the brand or by other means? How does the brand affect customers' feelings about themselves and their relationship with others? These feelings can be mild or intense, positive or negative, in nature. There are six important types of brand-building feelings:<sup>2</sup>

*1. Warmth.* Warmth refers to soothing types of feelings—the extent to which the brand makes consumers feel a sense of calm or peacefulness. Consumers may feel sentimental, warmhearted, or affectionate about the brand.

*2. Fun.* Feelings of fun are also upbeat types of feelings. Consumers may feel amused, lighthearted, joyous, playful, cheerful, and so on.

*3. Excitement.* Excitement relates to the extent to which the brand makes consumers feel that they are energized, and are experiencing something special. Brands that evoke feelings of excitement may result in a sense of elation or "being alive"; the customer may feel cool, sexy, and so forth.

*4. Security.* Security feelings occur when the brand produces a feeling of safety, comfort, and self-assurance in the customer, who associates the brand with the elimination of worries or concerns they might otherwise have felt.

*5. Social approval.* Social approval occurs when the brand results in consumers' feeling positively about the reactions of others to them; that is, when consumers feel that others look favorably on their appearance, behavior, and so forth. This approval may result from others' direct acknowledgement of the consumer using the brand or, less overtly, from attributing the product itself to consumers.

*6. Self-respect.* Self-respect occurs when the brand makes consumers feel better about themselves, for example, when consumers feel a sense of pride, accomplishment, or fulfillment.

The first three are experiential and immediate, increasing in level of intensity. The latter three are more private and enduring, increasing in level of gravity.

## **Key Criteria for Brand Responses**

Although different types of customer responses—both “head” and “heart”—are possible, ultimately what matters is how positive these responses are. Additionally, it is important that they are accessible and readily come to mind when consumers think of the brand. Brand judgments and feelings can favorably impact consumer behavior only if consumers internalize or think of positive responses in their encounters with the brand.

## **Brand Relationships**

*Brand Resonance.* The final step of the model, brand relationships, focuses upon the ultimate relationship and level of identification that the customer has with the brand. *Brand resonance* refers to the nature of the relationship that customers have with the brand and the extent to which they feel that they are “in sync” with the brand. Brand resonance is characterized in terms of intensity or the depth of the psychological bond that customers have with the brand as well as the level of activity engendered by this loyalty (e.g., repeat purchase rates, the extent to which customers seek out brand information, events, other loyal customers, and so on).

Specifically, brand resonance can be broken down into four categories:

1. *Behavioral loyalty.* The first dimension of brand resonance is behavioral loyalty in terms of repeat purchases and the amount, or share, of category volume attributed to the brand. In other words, how often do customers purchase a brand and how much do they purchase? For bottom-line profit results, the brand must generate sufficient purchase frequencies and volumes.
2. *Attitudinal attachment.* Behavioral loyalty is necessary but not sufficient for resonance to occur. Some customers may buy out of necessity—for example, because the brand is the only product being stocked or readily accessible, or the only one they can afford to buy, and so on. To create resonance, a strong personal attachment is also necessary. Customers must go beyond simply having a positive attitude to view the brand as being something special in a broader context. For example, customers with a great deal of attitudinal attachment to a brand may state that they “love” the brand, describe it as one of their favorite possessions, or view it as a “little pleasure” that they look forward to.
3. *Sense of community.* The brand may also take on broader meaning to the customer in terms of a sense of community. Identification with a brand community may reflect an important social phenomenon whereby customers feel a kinship or affiliation with other people associated with the brand. These connections may involve fellow brand users or customers or, instead, employees or representatives of the company.
4. *Active engagement.* Finally, *perhaps the strongest affirmation of brand loyalty occurs when customers are willing to invest time, energy, money, or other resources into the brand beyond those expended during purchase or consumption of the brand.* For example, customers may choose to join a club centered on a brand, receive updates, and exchange correspondence with other brand users or formal or informal representatives of the brand itself. They may choose to visit brand-related websites, partici-

pate in chat rooms, and so forth. In this case, customers themselves become brand evangelists and ambassadors on behalf of the brand, communicate about the brand, and strengthen the brand ties of others. Strong attitudinal attachment or sense of community are typically necessary for active engagement with the brand to occur.

### **Key Criteria for Brand Relationships**

Brand relationships can usefully be characterized in terms of two dimensions—intensity and activity. *Intensity* refers to the strength of the attitudinal attachment and sense of community. In other words, how deeply felt is the loyalty? *Activity* refers to how frequently the consumer buys and uses the brand, as well as engages in other activities not related to purchase and consumption. In other words, in how many different ways does brand loyalty manifest itself in day-to-day consumer behavior? Examples of brands with high resonance include Harley-Davidson, Apple, and eBay.

# Brand-Building Implications

The Customer-Based Brand Equity (CBBE) model maintains that building a strong brand involves a series of logical steps: (1) establishing the proper brand identity, (2) creating the appropriate brand meaning, (3) eliciting the right brand responses, and (4) forging appropriate brand relationships with customers. More specifically, according to this model, building a strong brand involves: establishing breadth and depth of brand awareness; creating strong, favorable, and unique brand associations; eliciting positive, accessible brand responses; and forging intense, active brand relationships (see Figure 1). Achieving these four steps, in turn, involves establishing six brand-building blocks—brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance.

The strongest brands excel in all six of these areas and thus entail the full execution of all four steps in building a brand. With the CBBE Model, the most valuable brand-building block, brand resonance, occurs when all the other brand-building blocks are completely synchronized with customers' needs, wants, and desires. *In other words, brand resonance reflects a completely harmonious relationship between customers and brand.* With true brand resonance, customers display a high degree of loyalty such that they actively seek means by which to interact with the brand and share their experiences with others. Firms that are able to achieve resonance and affinity with their customers should reap a host of valuable benefits, for example, greater price premiums and more efficient and effective marketing programs.

In short, the basic premise of the CBBE model is that the true measure of the strength of a brand depends on how consumers think, feel, and act with respect to that brand. Achieving brand resonance requires eliciting the proper cognitive appraisals and emotional reactions to the brand from customers. That, in turn, necessitates establishing brand identity and creating the right meaning in terms of brand performance and brand imagery associations. A brand with the right identity and meaning can result in a customer's believing that the brand is relevant and "my kind of product." The strongest brands will be those to which consumers become so attached and passionate that they, in effect, become evangelists on their behalf.

The key point to recognize is that the power of the brand and its ultimate value to the firm resides with customers. It is through their learning about and their experiences with a brand that they end up thinking and acting in a way that allows the firm to reap the benefits of brand equity. Although marketers must take responsibility to design and implement the most effective and efficient brand-building marketing programs possible, the success of those marketing efforts depends ultimately on how consumers respond. This response, in turn, depends on the brand knowledge that has been created in their minds.



# Applications

The importance of the Customer-Based Brand Equity model is in the road map and guidance it provides for brand building. It provides a yardstick by which brands can assess their progress in their brand-building efforts as well as a guide for marketing research initiatives. With respect to the latter, one CBBE application is in terms of brand tracking and providing quantitative measures of the success of brand-building efforts. The appendix contains a set of candidate measures for the six brand-building blocks. It should be recognized, however, that the brand-building blocks at the bottom two levels of the pyramid—brand salience, performance, and imagery—are typically more idiosyncratic and unique to a product and service category than are the others. Consequently, they may require some customization that goes beyond these generic versions of questions.

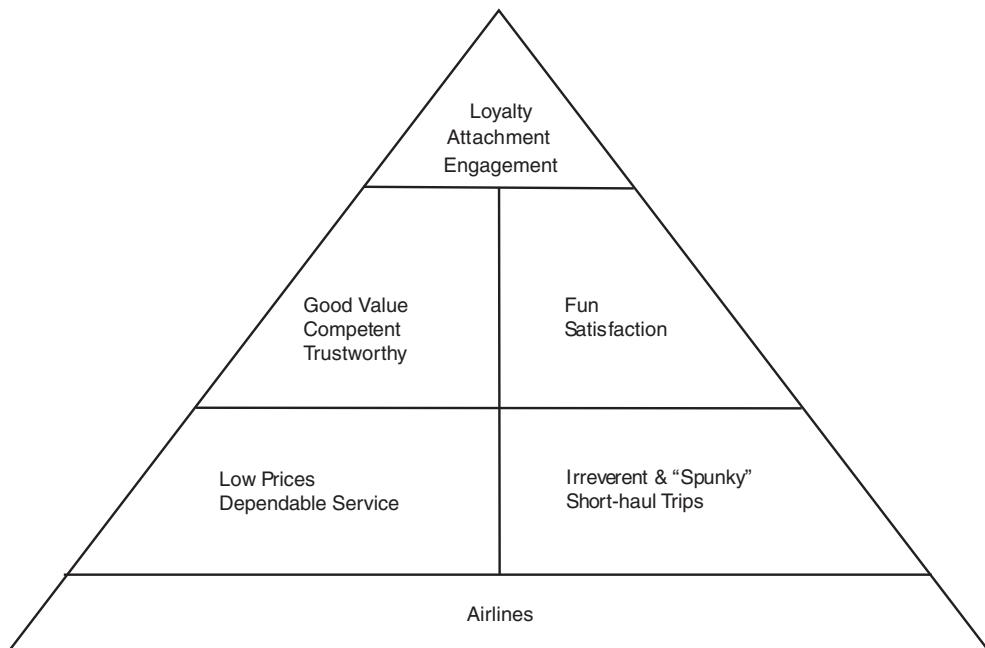
A critical application of the CBEE model lies in planning, implementing, and interpreting brand strategies. In the remainder of this section, we illustrate ways in which the model can be used and the principles that underlie it by broadly addressing three questions:

1. Why do certain categories or markets seem not to have any strong brands? In some product and service categories, there appear to be few if any brands that have amassed significant brand equity. For example, although there are many successful banks and airlines, there are relatively few that can be characterized as truly strong brands, despite the high involvement nature of those categories. The CBBE model can be used to interpret this failure. In a basic sense, brands in these categories have been unable to elicit positive responses and intense, active loyalty, primarily because the brand meaning does not include sufficiently strong, favorable, and unique brand associations. Consequently, these brands fail to achieve resonance with their customers. An exception to this rule is Southwest Airlines, which has been able to achieve resonance through a well-designed and -executed marketing program that has established the necessary brand meaning (see Figure 3).

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**Figure 3. CBBE Pyramid for Southwest Airlines (Selected Key Dimensions)**

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Brand resonance is the pinnacle of the CBBE model and provides important focus and priority for marketing decisionmaking. Marketers who build brands should use brand resonance as a goal and a means to interpret their brand-related marketing activities. The question to ask is: To what extent is marketing activity affecting the key dimensions of brand resonance—consumer loyalty, attachment, community, or engagement with the brand? Is marketing activity creating brand performance and imagery associations and consumer judgments and feelings that will support these brand resonance dimensions?

*At the same time, it must be recognized that it is virtually impossible for consumers to experience an intense, active loyalty relationship with all the brands they purchase and consume.* Thus, some brands will be more meaningful to consumers than others, in part due to the nature of the associated product or service, the characteristics of the consumer, and so on. In those cases where it is difficult to create a varied set of feelings and imagery associations, marketers might not be able to obtain the “deeper” aspects of brand resonance (e.g., active engagement). By taking a broader view of brand loyalty, however, marketers may be able to gain a more holistic appreciation of their brand and how it connects with consumers. By defining the proper role for the brand, higher levels of brand resonance should be obtainable.

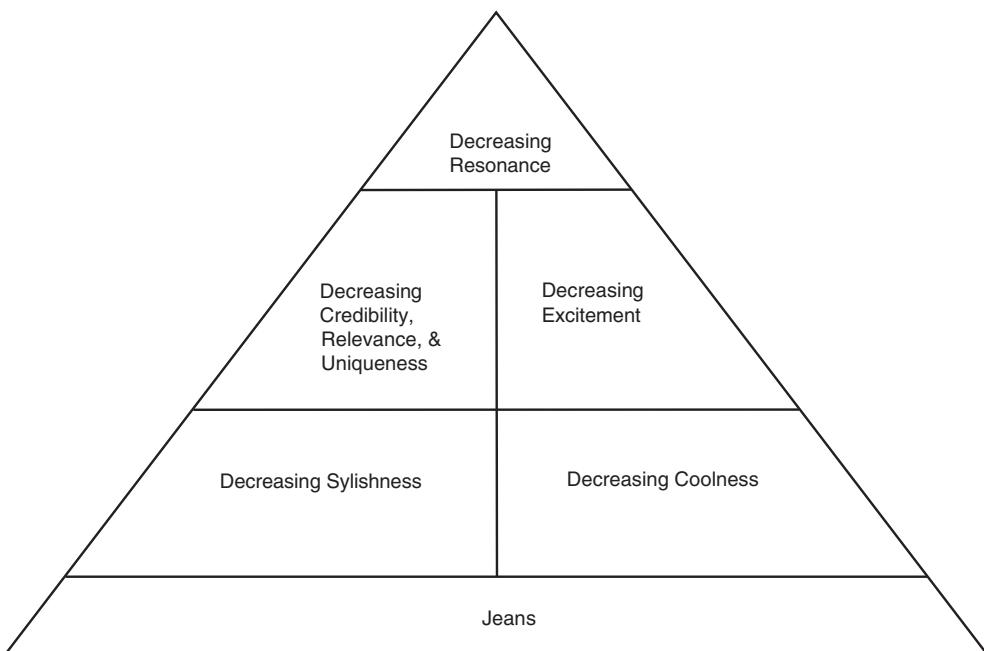
In short, although branding can apply to any product or service category, some categories inherently permit stronger brands than others. Nevertheless, all brands can benefit from systematic brand-building activities to better realize their brand potential.

2. How do strong brands get into trouble? In recent years, a number of brand pioneers have encountered difficulties, faltering and in some cases even losing their market leadership position. Diverse brands such as Kodak, Oldsmobile, Montgomery Wards, Revlon, Miller Lite, and Kellogg's have all experienced market downturns and a diminishment of brand equity—even their very existence—in recent years. The CBBE model can be used to help explain how this might have happened. Although such brands may have deep, broad awareness, they often run into trouble with their brand meaning and the strength, favorability, or uniqueness of their brand associations. Competitive actions, consumer shifts, environmental changes, and other such forces can change the nature of brand associations, often fairly quickly. The brand may lose its performance or imagery advantage as a result. Consequently, the judgments and feelings of consumers toward the brand become less positive, and brand resonance begins to dissipate. Figure 4 illustrates how Levi's failure to innovate and stay relevant affected its brand image, ultimately leading to less resonance and a sizable drop in market share.

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**Figure 4. CBBE Pyramid Diagnosis for Levi's (Selected Key Dimensions)**

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*Even strong brands must continually engage in brand-building activities to maintain or enhance their equity.* Failing brands may run into trouble with a variety of different aspects of brand building. The level of detail in the CBBE model can be helpful in highlighting a number of possible ways to create additional meaning with consumers and a range of possible avenues to elicit consumer responses. It is impor-

tant that, collectively, this enhanced meaning and resulting responses continue to strengthen consumer bonds to the brand.

Along these lines, one important point reinforced by the CBBE model is that strong brands have a duality and appeal both to the head *and* the heart. Thus, although there are perhaps two different ways to build loyalty and resonance—“going up the left-hand side” of the pyramid in terms of more product-related performance associations and resulting judgments or “going up the right-hand” in terms of more nonproduct-related imagery associations and resulting feelings—strong brands such as Coca-Cola, Nike, McDonald’s, Starbucks, and others often do *both*.

*Strong brands blend product performance and imagery to create a rich, varied, but complementary set of consumer responses to the brand.* By appealing both to rational and emotional concerns, a strong brand provides consumers with multiple access points to the brand while reducing competitive vulnerability. Rational concerns satisfy utilitarian needs, whereas emotional concerns satisfy psychological or emotional needs. Combining the two allows brands to create a more formidable position. Strong brands, thus, must have both breadth (in terms of duality) *and* depth (in terms of richness).

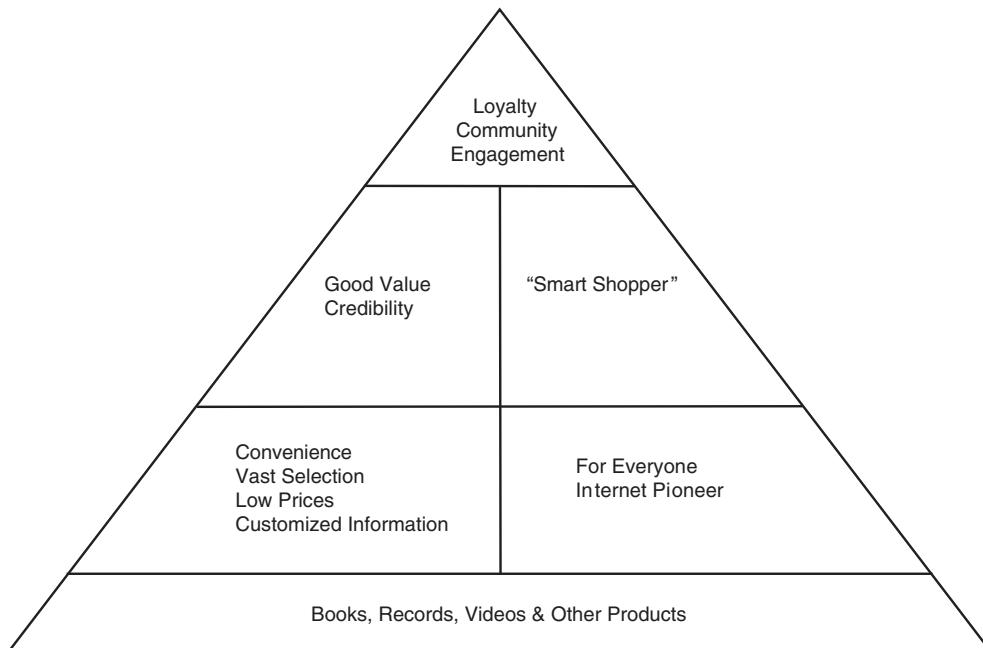
3. What makes a great online brand? Much effort has been devoted in recent years to building “virtual” or online brands. Unfortunately, many of those efforts have failed. Using the CBBE model, we can point to some possible reasons for that failure. In many cases, online brands failed to achieve satisfactory baseline levels of brand awareness. Lavish, expensive “shock” advertising campaigns may have helped to register the brand name—facilitating brand recognition—but failed to link it to the corresponding line of business (e.g., Outpost.com), creating problems with brand recall. Moreover, by not providing a compelling brand image in terms of performance or imagery advantages, many online brands failed to create any richness in meaning. Not surprisingly, consumers’ responses were fairly tepid as a result.

Some notable online branding success stories are Yahoo, E\*TRADE, and eBay. The strength of these brands can be seen in the resonance that they have been able to achieve with consumers. These brands established brand awareness through publicity and word-of-mouth and offered a compelling product and service with clear performance advantages. Consequently, they have elicited positive brand response—loyalty, attachment, community, and engagement, to varying degrees. Figure 5 displays a CBBE pyramid for Amazon.com that reveals how they first achieved brand salience and a strong brand image on their way to achieving resonance with consumers.

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**Figure 5. CBBE Pyramid for Amazon (Selected Key Dimensions)**

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The CBBE model reinforces the fact that there are no shortcuts in building a brand, especially online brands. A great brand is not built by accident but rather is the product of carefully accomplishing—explicitly or implicitly—a series of logically linked steps with consumers. The more explicitly the steps are recognized and defined as concrete goals, the more likely it is that they will receive the proper attention and thus be fully realized, providing the greatest contribution to brand building.

*The length of time required to build a strong brand will therefore be directly proportionate to the amount of time it takes to create sufficient awareness and understanding among customers so that they can form strong beliefs and attitudes about the brand, which will serve as the foundation for brand equity.* It is important to recognize that brand-building steps may not be equally difficult. In particular, creating brand identity is a step that an effectively designed marketing program can often accomplish in a relatively short period of time. Unfortunately, this step is one that many brand marketers tend to skip in their mistaken haste to establish an image for the brand (e.g., as evidenced by the numerous “dot com” brands whose target markets have no inkling as to what they do). It is difficult for consumers to appreciate the advantages and uniqueness of a brand unless they have some sort of frame of reference as to what the brand is supposed to do and with whom or what it is supposed to compete. Similarly, it is difficult for consumers to achieve higher levels of positive responses without having a reasonably complete understanding of the various dimensions and characteristics of the brand.

Over time, however, marketers should attempt to more firmly establish each of the six building blocks. Building blocks can have hierarchies in their own right. For example, with respect to brand awareness, it is important to first establish category identification in some way before considering strategies to expand brand breadth by focusing on the needs satisfied or the benefits offered by the brand. With brand performance, it is often necessary to first link primary characteristics and related features before attempting to link additional, more peripheral associations.

Similarly, brand imagery often begins with a fairly concrete initial articulation of user and usage imagery that, over time, leads to broader, more abstract brand associations of personality, value, history, heritage, and experiences. Brand judgments usually begin with positive quality and credibility perceptions that can lead to brand consideration and then perhaps ultimately to assessments of brand superiority. Initial brand feelings are usually either experiential (i.e., warmth, fun, and excitement) or inward (i.e., security, social approval, and self-respect.) Finally, resonance has a clear ordering; behavioral loyalty is a starting point, but attitudinal attachment or a sense of community is almost always needed for active engagement to occur.

# Relationship to Other Models

As noted, the Customer-Based Brand Equity model was designed to satisfy five main criteria; that is, it was meant to be comprehensive, cohesive, well-grounded, up-to-date, and actionable. The three applications provide some insight into how the CBBE model can be used and some of the brand-building principles on which it is based. In closing, we will look briefly at several other well-known industry models of brand equity, which can be seen as representing subsets of the CBBE model.

The four pillars that make up the foundation of Young and Rubicam's BrandAsset Valuator model, for example, can be directly related to aspects of the CBBE model (in parentheses): (1) Differentiation (Superiority), (2) Relevance (Consideration), (3) Esteem (Credibility), and (4) Knowledge (Resonance). Similarly, the five sequenced stages of Millward Brown's BrandDynamics model—Presence, Relevance, Performance, Advantage, and Bonding—can be related to the four ascending steps of the CBBE model (Identity, Meaning, Responses, and Relationships) and specific CBBE model concepts (e.g., Salience, Consideration, Performance or Quality, Superiority, and Resonance). Finally, Research International's comprehensive brand equity model, Equity Engine, has two key factors—Affinity and Performance—with Affinity composed of three dimensions (each of which, in turn, is composed of three subdimensions): (1) Authority (heritage, trust, and innovativeness), (2) Identification (bonding, caring, and nostalgia), and (3) Approval (prestige, acceptability, and endorsement). Each of these dimensions and subdimensions can also be directly related to components of the CBBE model.

The CBBE model, thus, subsumes concepts and measures from each of the three leading industry models. At the same time, it provides much additional substance and insight. Several particularly noteworthy aspects of the CBBE model are: (1) its emphasis on brand salience and breadth and depth of brand awareness as the foundation of brand building; (2) its recognition of the dual nature of brands and the significance of both rational and emotional considerations in brand building; and (3) the importance it places on brand resonance as the culmination of brand building and a more meaningful way to view brand loyalty. Finally, in closing, it should be noted that although the CBBE model provides a detailed blueprint for brand building, specific applications should refine, edit, and embellish the model to suit the needs of its users.



# Appendix. Candidate Measures of Brand-Building Blocks

## I. Salience

What brands of product or service category can you think of? (using increasingly specific product category cues)

Have you ever heard of these brands?

Which brands might you be likely to use under the following situations?

How frequently do you think of this brand?

## II. Performance

Compared to other brands in the category, how well does this brand provide the basic functions of the product or service category?

Compared to other brands in the category, how well does this brand satisfy the basic needs of the product or service category?

To what extent does this brand have special features?

How reliable is this brand?

How durable is this brand?

How easily serviced is this brand?

How effective is this brand's service—does it completely satisfy your requirements?

How efficient is this brand's service in terms of speed, responsiveness, etc.?

How courteous and helpful are the providers of this brand's service?

How stylish do you find this brand?

How much do you like the look, feel, and other design aspects of this brand?

Compared to other brands in the category in which it competes, are this brand's prices generally higher, lower, or about the same?

Compared to other brands in the category in which it competes, do this brand's prices change more frequently, less frequently, or about the same amount?

### **III. Imagery**

To what extent do people you admire and respect use this brand?

How much do you like people who use this brand?

How well do the following words describe this brand?

down-to-earth, honest, daring, up-to-date, reliable, successful, upper-class, charming, outdoorsy

What places are appropriate to buy this brand?

How appropriate are the following situations to use this brand?

Can you buy this brand in a lot of places?

Is this a brand that you can use in a lot of different situations?

To what extent does thinking of Coca-Cola bring back pleasant memories?

To what extent do you feel you grew up with Coca-Cola?

### **IV. Judgments**

#### ***Quality***

What is your overall opinion of this brand?

What is your assessment of the product quality of this brand?

To what extent does this brand fully satisfy your product needs?

Does this brand offer good value?

#### ***Credibility***

How knowledgeable are the makers of this brand?

How innovative are the makers of this brand?

How much do you trust the makers of this brand?

To what extent do the makers of this brand understand your needs?

To what extent do the makers of this brand care about your opinions?

To what extent do the makers of this brand have your interests in mind?

How much do you like this brand?

How much do you admire this brand?

How much do you respect this brand?

### ***Consideration***

How likely would you be to recommend this brand to others?

Which are your favorite soft drinks?

How personally relevant is this brand to you?

### ***Superiority***

How unique is this brand?

To what extent does this brand offer advantages that other brands cannot?

How superior is this brand to others in the category?

## **V. Feelings**

Does this brand give you a feeling of warmth?

Does this brand give you a feeling of fun?

Does this brand give you a feeling of excitement?

Does this brand give you a feeling of security?

Does this brand give you a feeling of social approval?

Does this brand give you a feeling of self-respect?

## **VI. Resonance**

### ***Loyalty***

I consider myself loyal to this brand.

I buy this brand whenever I can.

I buy as much of this brand as I can.

I feel this is the only brand of this product I need.

This is the one brand I would prefer to buy/use.

If this brand were not available, it would make little difference  
to me if I had to use another brand.

I would go out of my way to use this brand.

### ***Attachment***

I really love this brand.

I would really miss this brand if it went away.

This brand is special to me.

This brand is more than a product to me.

### ***Community***

I really identify with people who use this brand.

I feel like I almost belong to a club with other users of this brand.

This is a brand used by people like me.

I feel a deep connection with others who use this brand.

### ***Engagement***

I really like to talk about this brand with others.

I am always interested in learning more about this brand.

I would be interested in merchandise with this brand's name on it.

I am proud to have others know I use this brand.

I like to visit the website for this brand.

Compared to other people, I closely follow news about this brand.

# Notes

1. See Jennifer Aaker, "Dimensions of Brand Personality," *Journal of Marketing Research* 34 (August 1997), 347-57.
2. See Lynn R. Kahle, Basil Poulos, and Ajay Sukhdial, "Changes in Social Values in the United States During the Past Decade," *Journal of Advertising Research* 28 (1) (February/March 1988), 35-41.





MARKETING SCIENCE INSTITUTE

1000 Massachusetts Avenue

Cambridge, MA 02138 USA

Phone: 617.491.2060

[www.msi.org](http://www.msi.org)