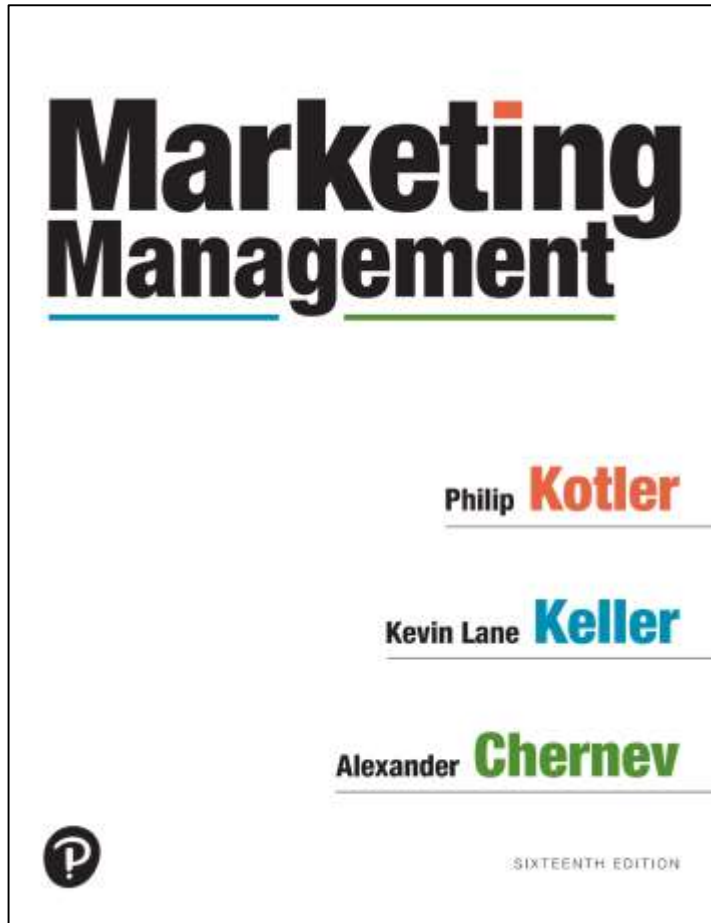


Marketing Management

Sixteenth Edition



Chapter 10

Building Strong Brands

Learning Objectives

- 10.1** Explain the role of brands in creating market value.
- 10.2** Describe the key principles in designing brand elements and associations.
- 10.3** Discuss how a company should design the hierarchy of its brands.
- 10.4** Explain how a company should manage its brands over time.
- 10.5** Describe the key aspects of luxury branding.

How Does Branding Work?

- American Marketing Association
 - A **brand** is “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”



The Essence of Branding

- **Branding**
 - The process of endowing products and services with the power of a brand



The Role of Brands (1 of 2)

- Brands' role for consumers
 - Set and fulfill expectations
 - Reduce risk
 - Simplify decision making
 - Take on personal meaning
 - Become part of identity



The Role of Brands (2 of 2)

- Brands' role for firms
 - Simplify product handling
 - Organize inventory and accounting
 - Offer legal protection
 - Create brand loyalty
 - Secure competitive advantage



Brand Equity

- **Brand equity**
 - The monetary value of a brand
 - **Goodwill**
 - The monetary value of all intangible assets of a company

Measuring Brand Equity

- Gauging brand equity
 - **Cost approach**
 - **Market approach**
 - **Financial approach**

Brand Power

- **Brand power**
 - The ancillary value contributed by the brand to a product or a service
 - Customer-based brand equity



Measuring Brand Power

- **Brand audit**
 - Focused series of procedures to assess the health of the brand, uncover its sources of brand equity, and suggest ways to improve and leverage its equity
- **Brand tracking**
 - Brand audit is used as input to collect quantitative data from consumers over time, providing consistent, baseline information

Designing the Brand (1 of 3)

- **Brand mantra**
 - A three- to five-word articulation of the heart and soul of the brand
 - Communicate brand's uniqueness
 - Simplify brand essence
 - Inspire

Designing the Brand (2 of 3)

- Choosing brand elements:
 - Memorable
 - Meaningful
 - Likable
 - Transferable
 - Adaptable
 - Protectable

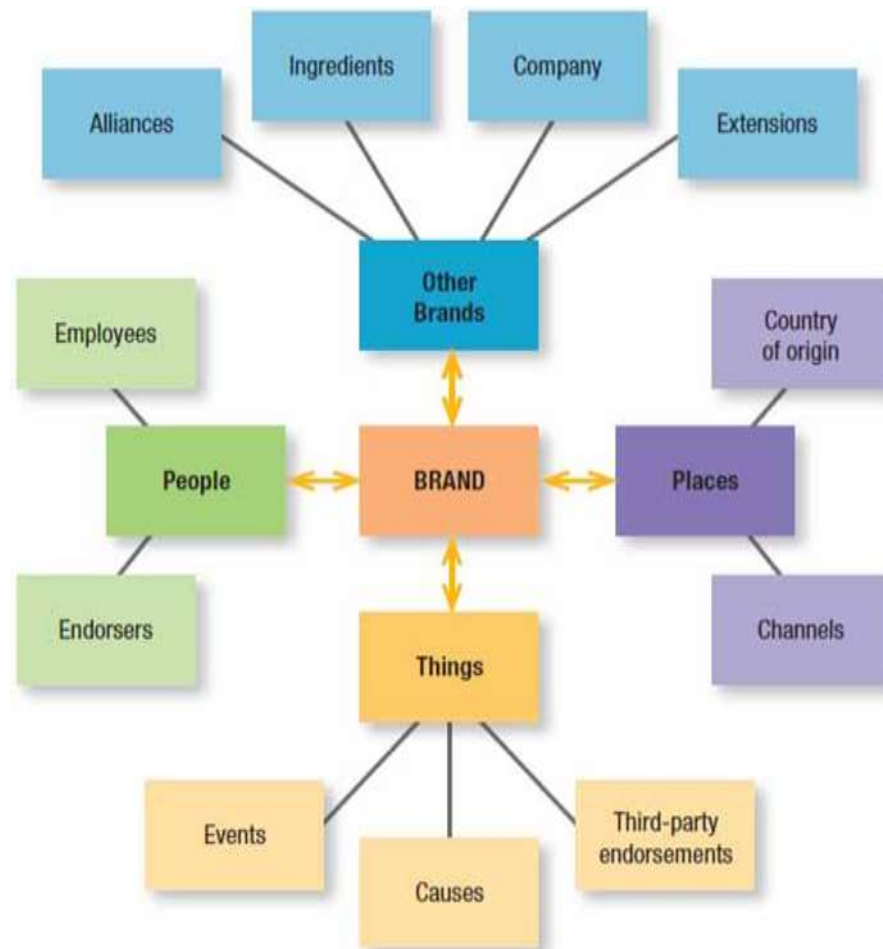
Designing the Brand (3 of 3)

- **Brand characters**
 - A special type of brand symbol—one with human characteristics that both enhance likability and tag the brand as interesting and fun

Choosing Secondary Associations

- **Brand personality**
 - The specific mix of human traits that we can attribute to a particular brand

Figure 10.1 Secondary Sources of Brand Knowledge



Brand Hierarchy

- **Brand hierarchy**
 - Reflects the way in which a company's brands are related to a company's products and services, as well as to one another

Managing Brand Portfolios (1 of 2)

- **Brand portfolio**
 - The set of all brands and brand lines a particular firm offers for sale in a particular category or market segment

Managing Brand Portfolios (2 of 2)

- Three strategies:
 - House-of-brands strategy
 - Branded-house strategy
 - **Flagship product**
 - **Branded variants**
 - Sub-brand strategy

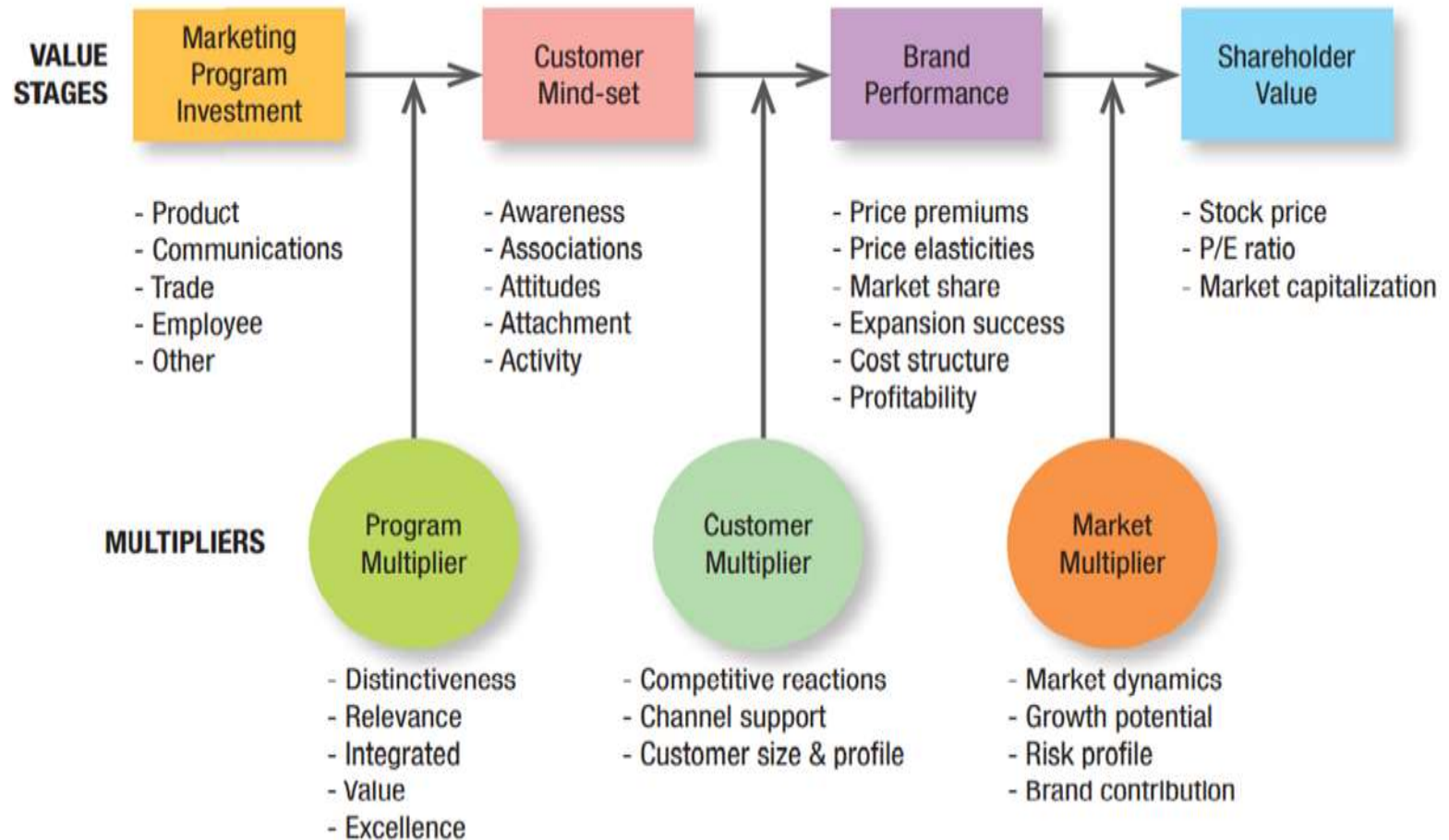


Cobranding

- **Cobranding** aka dual branding
 - Two or more brands marketed together
 - Same company cobranding
 - Joint venture cobranding
 - Ingredient cobranding



Figure 10.2 Brand Value Chain



Brand Dynamics (1 of 2)

- Brand repositioning
 - Back to basics strategy
 - Reinvention strategy



Brand Dynamics (2 of 2)

- Brand extension
 - Advantages
 - Disadvantages
 - **Brand dilution**



Managing a Brand Crisis

- Guidelines
 - Empathy
 - Value
 - Strategy
 - Innovation

Luxury Branding (1 of 2)

- Characteristics:
 - Quality
 - Uniqueness

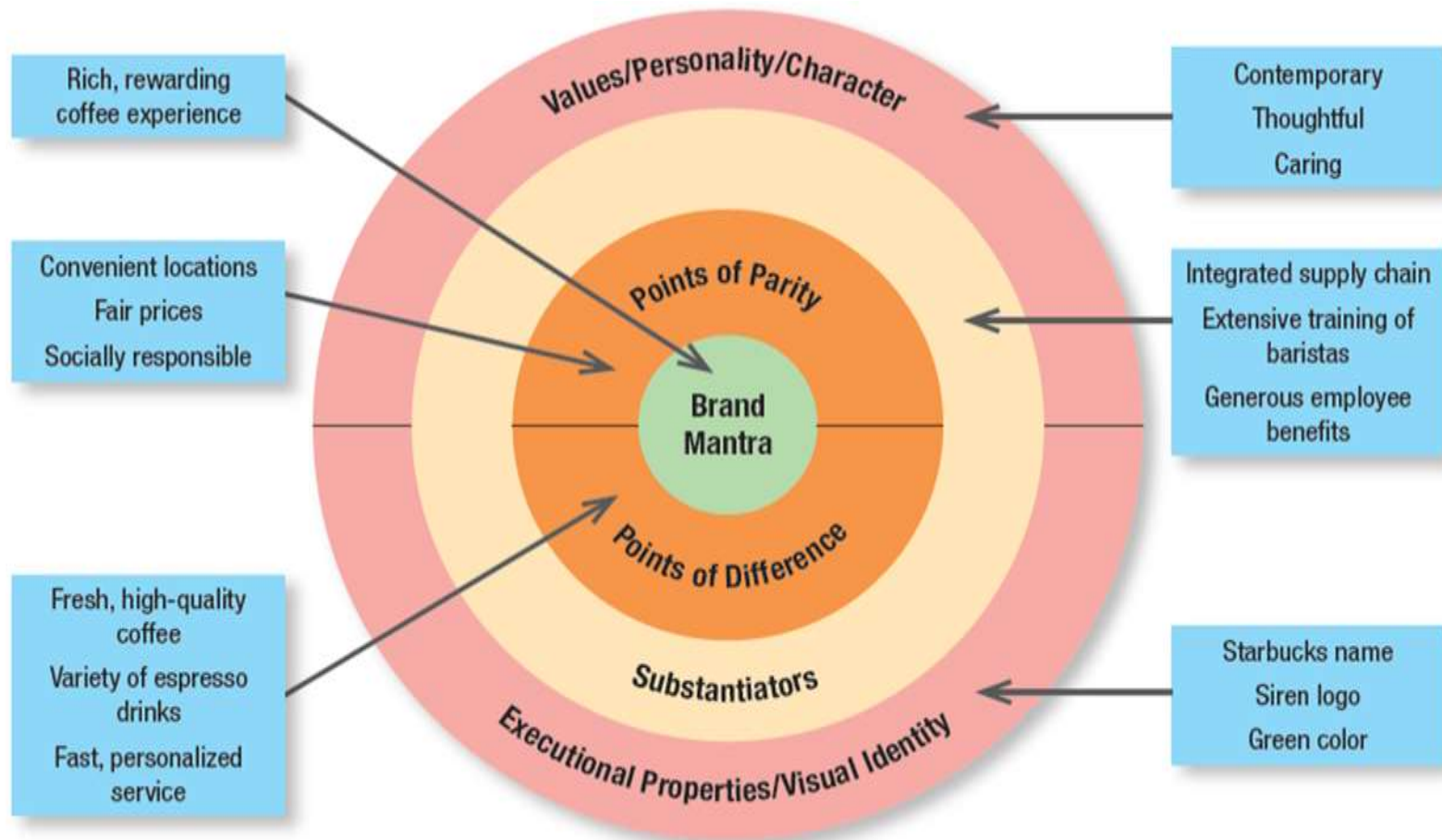


Luxury Branding (2 of 2)

- Managing luxury brands
 - Finding the right balance



Figure 10.3 A Hypothetical Example of a Starbucks Brand Positioning Bull's-Eye



Discussion Questions (1 of 2)

- BMW, aka “the ultimate driving machine,” has built its brand by differentiating it from the competition and suggesting, through its message, that it is superior to everything else on the market.
 - Consider how BMW has built its brand. How do the brand’s elements create brand equity?
 - How has the brand evolved?

Discussion Questions (2 of 2)

- The Rolling Stones, considered by many to be the greatest rock-n-roll band in the world, is not only the band's name, but also its brand.
 - Discuss the Rolling Stones as a brand. What image is it trying to convey? How is the brand reinforced?
 - How does the tongue logo used across its merchandise line, tickets, and so on reinforce the brand created by the band?

Copyright



This work is protected by United States copyright laws and is provided solely for the use of instructors in teaching their courses and assessing student learning. Dissemination or sale of any part of this work (including on the World Wide Web) will destroy the integrity of the work and is not permitted. The work and materials from it should never be made available to students except by instructors using the accompanying text in their classes. All recipients of this work are expected to abide by these restrictions and to honor the intended pedagogical purposes and the needs of other instructors who rely on these materials.