



**BRAND
EQUITY**

Brand Equity: Creating Value Through Branding



Brand Equity: Building Value Through Branding

Brand equity drives 50-90% of purchase decisions across categories. It's the value premium generated from consumer perception.

For top companies, this creates enormous value. Apple's brand is worth \$153 billion. Microsoft follows at \$101 billion.

What Is Brand Equity?

Definition

Brand equity is commercial value derived from consumer perception. It creates a differential advantage over competitors.

Components

Three key elements: perception, effects, and resulting value. These determine price premiums consumers will pay.

Impact

Brand equity affects consumer behavior beyond price considerations. It drives loyalty and purchase decisions.

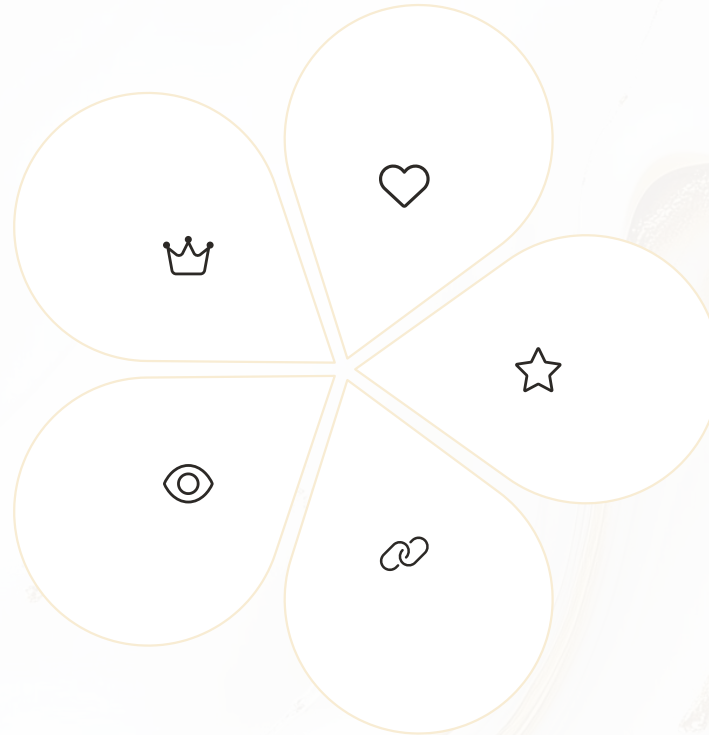
The Five Elements of Brand Equity

Proprietary Assets

Patents, trademarks, channel relationships

Brand Awareness

Recognition and recall in consumer minds



Brand Loyalty

Consumer commitment and repeat purchasing

Perceived Quality

Subjective assessment of excellence

Brand Associations

Mental connections to brand attributes

Brand Awareness

94%

Coca-Cola

Global population recognition

91%

Google


Search engine market share

100%

Nike

Swoosh recognition without text

Brand awareness represents recognition level among target consumers. It drives top-of-mind recall during purchase decisions.



orbes

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YouTube

Why All Brands Should Study Stanley Cu...

Every so often, product marketing creates such a frenzy it becomes its own cultural moment -...



Experience the world's most recognizable brands,

Experience the world's most recognizable brands and everyday life.

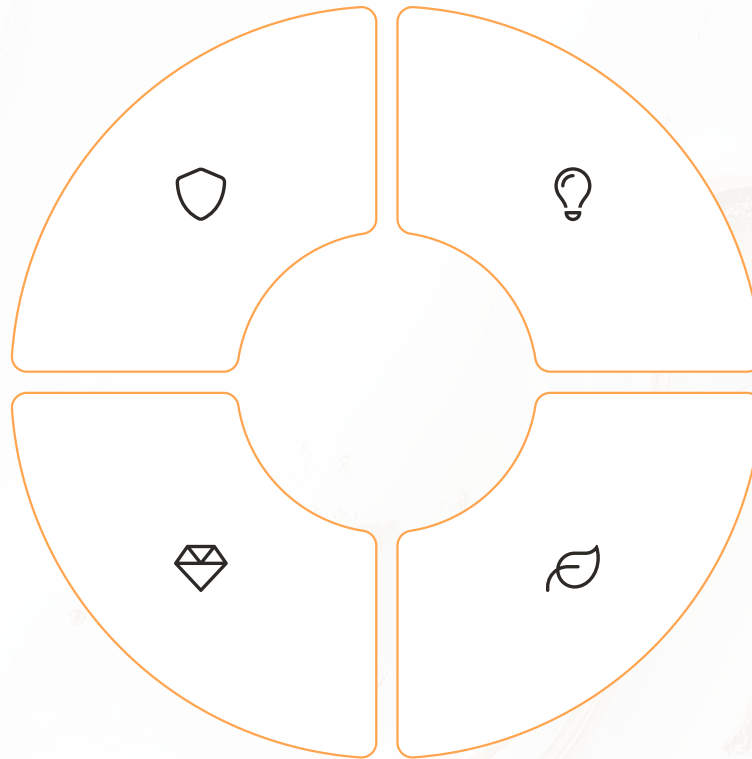
Brand Associations & Perceived Quality

Volvo = Safety

Known for crash protection
innovations

Mercedes = Luxury

Commands 40-60% price premium



Apple = Innovation

Sleek design and cutting-edge
technology

Patagonia = Environmental

Commitment to sustainability
practices

Brand Loyalty



Apple's 91% Retention

iPhone users rarely switch to competitors. They eagerly await new releases.



Starbucks Rewards

40% of sales come from rewards members. They visit more frequently.



Harley-Davidson Community

Devoted fans tattoo the logo on their bodies. They embody the lifestyle.

Brand loyalty reduces customer acquisition costs by 5-7x. Loyal customers spend 67% more than new ones.



Building Brand Equity: Key Strategies



Consistent Brand Messaging

Maintain unified voice across all touchpoints



Exceptional Customer Experiences

Exceed expectations at every interaction



Emotional Connections

Build relationships beyond transactions



Quality and Innovation

Continuously improve and evolve offerings



Two main Brand Equity Model

- 1 Aaker's Brand Equity Model
- 2 Keller's Customer-Based Brand Equity (CBBE) Model

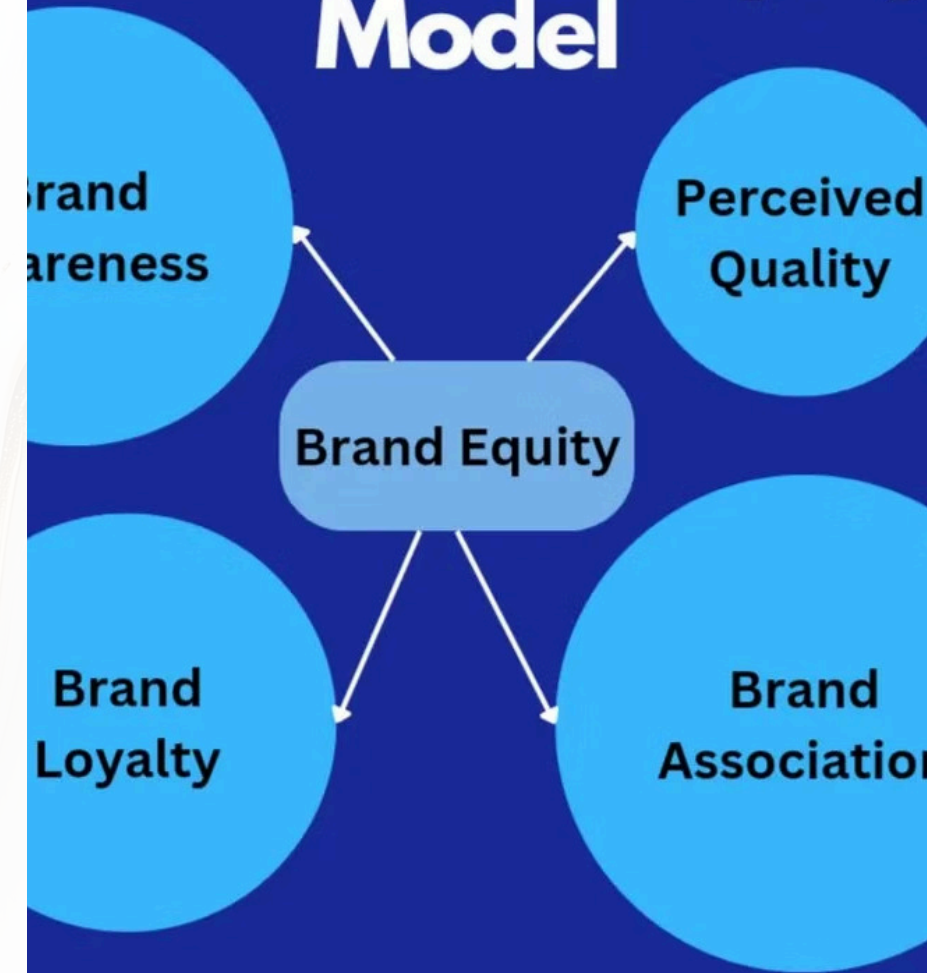
Aaker's Brand Equity Model

David Aaker's model revolutionized brand management by identifying five key pillars that contribute to a brand's strength.

This systematic framework helps companies quantify intangible brand value and develop targeted enhancement strategies.

Successful brands like Apple and Nike leverage all five elements simultaneously, creating powerful competitive advantages.

Aaker Brand Equity Model



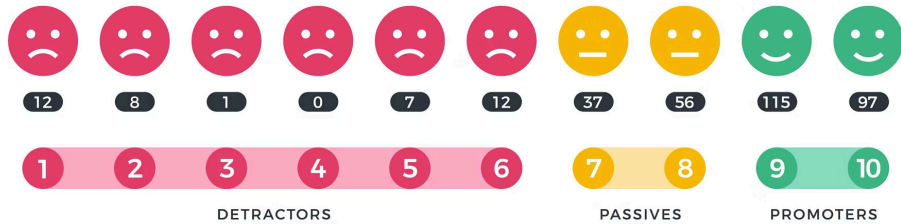
Loyal Pyramid Level

Brand Loyalty

- Switchers: Price-sensitive, no brand loyalty
- Satisfied Buyers: No reason to change, but vulnerable
- Satisfied Buyers with Switching Costs: Change involves cost/inconvenience
- Likers: Genuine affection for the brand
- Committed Customers: Brand evangelists and advocates



NET PROMOTER SCORE



$$\text{NPS} = \% \text{PROMOTERS} - \% \text{DETRACTORS}$$



detractors	40	11.6%	total 345
passives	93	26.9%	
promoters	212	61.5%	

Loyalty Measurement Metrics:

- Repeat purchase behavior
- Net Promoter Score (NPS)
- Customer Lifetime Value (CLV)
- Share of wallet
- Retention rates

Brand Awareness

Awareness Hierarchy:

- Unaided Recall: Brand mentioned without prompts
- Aided Recall: Brand recognized when mentioned
- Brand Recognition: Brand identified when seen
- Top-of-Mind Awareness: First brand recalled in category





Building Awareness Strategies

- Consistent visual identity across touchpoints
- Memorable advertising campaigns
- Strategic media placement
- Sponsorship and event marketing
- Digital presence optimization

Perceived Quality

A hand holding a magnifying glass over a wristwatch, symbolizing inspection and quality control. The background is a light gray with diagonal lines.

- Performance: Primary functional characteristics
- Features: Secondary characteristics that supplement basic function
- Reliability: Probability of failure-free operation
- Conformance: Meeting design specifications
- Durability: Economic life of the product
- Serviceability: Speed, competence, and courtesy of repair
- Aesthetics: How product looks, feels, sounds, tastes, or smells
- Perceived Quality: Inference about overall quality based on intrinsic and extrinsic cues

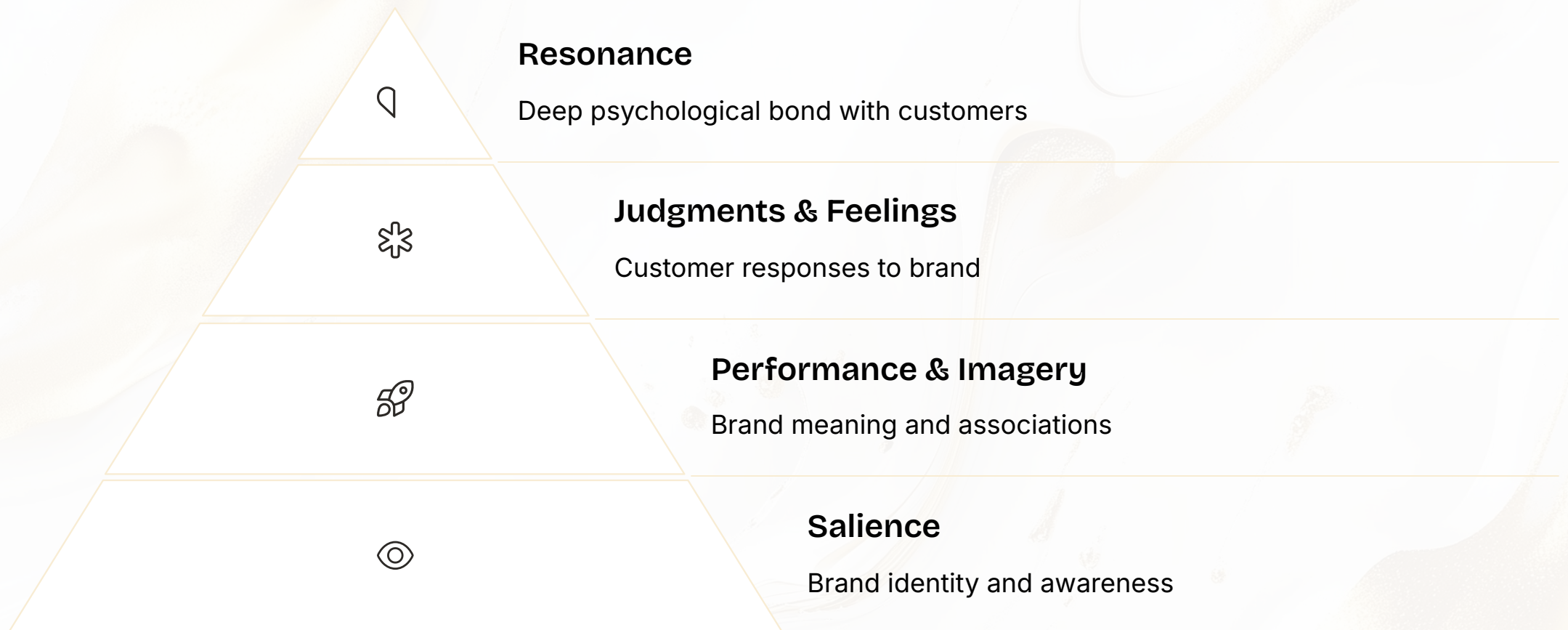


Brand Associations

- 1 • Product Attributes: Features, benefits, uses
- 2 • Intangibles: Perceived quality, technology leadership
- 3 • Customer Benefits: Functional, experiential, symbolic
- 4 • Relative Price: Premium, competitive, value positioning
- 5 • Use/Application: When, where, how the product is used
- 6 • User/Customer: Type of person associated with the brand
- 7 • Celebrity/Person: Spokesperson or endorser
- 8 • Lifestyle/Personality: Brand personality characteristics
- 9 • Product Class: Category associations
- 10 • Competitors: Direct competitive positioning
- 11 • Country/Geographic Area: Origin associations

Keller's Customer-Based Brand Equity (CBBE) Model

The Customer-Based Brand Equity model views brand building as a sequence of steps, each dependent on successfully achieving the previous level.



Unlike other frameworks, Keller's model emphasizes the consumer perspective. Strong brands excel at creating meaningful connections at each level.

Brand Equity Measurement

Effective brand equity measurement enables organizations to quantify their brand's value and track performance over time.

Financial Metrics

- Price premium analysis
- Market share tracking
- Revenue growth attribution
- Brand valuation calculations

Customer-Based Metrics

- Brand awareness surveys
- Net Promoter Score (NPS)
- Brand association mapping
- Purchase intention studies

Comparative Metrics

- Competitive positioning analysis
- Brand strength index
- Share of voice measurement
- Brand equity scorecards

Digital Metrics

- Social media engagement
- Brand sentiment analysis
- Website traffic patterns
- Search volume trends

Brand Portfolio Management

Strategic Brand Architecture

Effective portfolio management balances resources across multiple brands to maximize overall equity.

Companies must decide between branded house, house of brands, or hybrid approaches.

- Optimize brand relationships and hierarchies
- Eliminate redundant brands that cannibalize sales
- Allocate resources based on strategic importance
- Balance short-term performance with long-term growth



Brand Architecture Strategies

Branded House

Single master brand covers all offerings. Creates strong unified identity with efficient marketing spend.

- Example: FedEx (Express, Ground, Freight)
- Best for consistent customer experiences

Hybrid/Endorsed

Sub-brands maintain unique identities while leveraging parent brand's equity.

- Example: Marriott (Courtyard by Marriott)
- Best for balancing differentiation with synergy

House of Brands


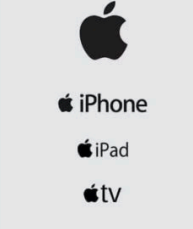


Independent brands operate separately. Allows targeted positioning for different market segments.

- Example: P&G (Tide, Pampers, Gillette)
- Best for diverse product categories

Private Label

Retailer-owned brands that compete with manufacturer brands at lower price points.

- Example: Amazon Basics, Kirkland Signature
- Best for margin improvement and customer loyalty

Branded House	Sub-Brands	Endorsed Brands	House of Brands
<p>One brand creates a single powerful image, sometimes with a descriptor</p> 	<p>Combining the corporate brand with strong sub-brands Sub brands help differentiate and boost corporate brand</p> 	<p>Leading with a strong sub-brand but leveraging corporate brand as endorser</p> 	<p>Decentralized companies targeting diverse markets</p> 

Brand Analysis Activity

Objective

Students will analyze an existing brand using either Aaker's Brand Equity Model or Keller's Customer-Based Brand Equity (CBBE) Model, demonstrating understanding of brand equity theory and practical application skills.

Presentation Requirements

- Duration: 12-15 minutes presentation + 5 minutes Q&A
- Choose ONE model (Aaker's OR Keller's)
- Select a well-known brand for analysis
- Include visual aids and supporting materials
- Provide actionable recommendations

Expected Deliverables

- PowerPoint/visual presentation
- Brand analysis using chosen model
- Supporting evidence and examples
- Strategic recommendations
- References and citations

Scoring Overview

Total Points: 100 points | **Grading Scale:** A (90-100), B (80-89), C (70-79), D (60-69), F (Below 60)

4

**Excellent
(90-100%)**

3

**Good
(80-89%)**

2

**Satisfactory
(70-79%)**

1

**Needs Improvement
(Below 70%)**



Presentation Rubric

Assessment Criteria	Excellent (4 points)	Good (3 points)	Satisfactory (2 points)	Needs Improvement (1 point)
Model Understanding & Application Weight: 25% (25 points)	Excellent 23-25 points Comprehensive understanding of chosen model. All dimensions/stages correctly identified and explained. Sophisticated application with clear theory-practice connections.	Good 20-22 points Solid understanding of model. Most dimensions correctly identified. Good application with clear connections, minor explanation gaps.	Satisfactory 18-19 points Basic understanding evident. Some dimensions correctly identified. Adequate application but theory-practice connections could be stronger.	Needs Improvement Below 18 points Limited understanding. Few dimensions correctly identified. Weak application with unclear theoretical connections.
Brand Analysis Quality Weight: 20% (20 points)	Excellent 18-20 points Thorough, insightful analysis. Deep research evident. Clear understanding of brand's market position, consumer perception, competitive landscape.	Good 16-17 points Good quality analysis with adequate depth. Research into brand position evident. Well-organized with most key aspects covered.	Satisfactory 14-15 points Basic analysis present but lacks depth. Limited research evident. Covers main points but misses important aspects.	Needs Improvement Below 14 points Superficial analysis with minimal depth. Little research evidence. Incomplete with significant gaps in understanding.
Evidence & Examples Weight: 15% (15 points)	Excellent 14-15 points Extensive relevant, current examples. Multiple credible sources cited. Examples strongly support analysis and theory application.	Good 12-13 points Good use of relevant examples. Some credible sources cited. Examples generally support analysis effectively.	Satisfactory 11 points Basic examples provided but may lack currency. Limited sources cited. Examples somewhat support analysis.	Needs Improvement Below 11 points Few or irrelevant examples. Minimal sources cited. Examples don't effectively support analysis.
Critical Thinking & Insights Weight: 15% (15 points)	Excellent 14-15 points Original thinking and unique insights. Goes beyond surface analysis. Identifies patterns, trends, implications. Synthesizes information effectively.	Good 12-13 points Good analytical thinking with some insights. Draws appropriate conclusions. Understanding of broader implications.	Satisfactory 11 points Basic analytical thinking. Some conclusions drawn but may lack depth. Limited original thinking evident.	Needs Improvement Below 11 points Limited analytical thinking. Few meaningful conclusions. Analysis remains at surface level.
Strategic Recommendations Weight: 10% (10 points)	Excellent 9-10 points Specific, actionable, well-justified recommendations. Clear flow from analysis. Addresses opportunities/weaknesses. Implementation considered.	Good 8 points Relevant, generally actionable recommendations. Connect to analysis. Some implementation consideration.	Satisfactory 7 points Basic recommendations but may lack specificity. Limited connection to analysis. Minimal implementation consideration.	Needs Improvement Below 7 points Vague or inappropriate recommendations. Little connection to analysis. No implementation consideration.
Presentation Delivery Weight: 10% (10 points)	Excellent 9-10 points Confident, engaging delivery. Excellent eye contact and vocal variety. Well-paced within time limits. Professional Q&A handling.	Good 8 points Clear, confident delivery. Good eye contact. Generally well-paced. Handles most questions appropriately.	Satisfactory 7 points Adequate delivery with some nervous habits. May go slightly over/under time. Basic question handling.	Needs Improvement Below 7 points Poor delivery with significant issues. Unclear speech, no eye contact. Time management problems. Difficulty with questions.
Visual Aids & Organization Weight: 5% (5 points)	Excellent 5 points Professional, visually appealing slides. Excellent organization with clear flow. Appropriate use of images, charts, graphics.	Good 4 points Well-designed slides supporting content. Good organization with clear structure. Appropriate visual elements.	Satisfactory 3 points Basic slide design adequately supporting content. Some organizational issues but generally logical flow.	Needs Improvement Below 3 points Poor slide design distracting from content. Unclear organization or illogical flow. Inappropriate visuals.

Presentation Rubric

Additional Assessment Guidelines

Bonus Opportunities (+5 points)

- Exceptional creativity in presentation approach
- Use of primary research or original data
- Outstanding use of multimedia or interactive elements
- Comparative analysis using both models
- Industry expert interview integration

Common Pitfalls to Avoid

- Choosing a model without justification
- Superficial application of theoretical concepts
- Lack of current, relevant examples
- Generic recommendations not specific to brand
- Poor time management during presentation

Instructor Feedback Areas

- Theoretical understanding and application
- Quality and depth of brand research
- Strength of supporting evidence
- Practicality of recommendations
- Overall presentation effectiveness

Student Self-Assessment Questions

- Did I demonstrate clear understanding of my chosen model?
- Is my brand analysis comprehensive and well-researched?
- Do my examples effectively support my analysis?
- Are my recommendations specific and actionable?
- Was my presentation engaging and well-organized?