



MK 201 Principles of Marketing

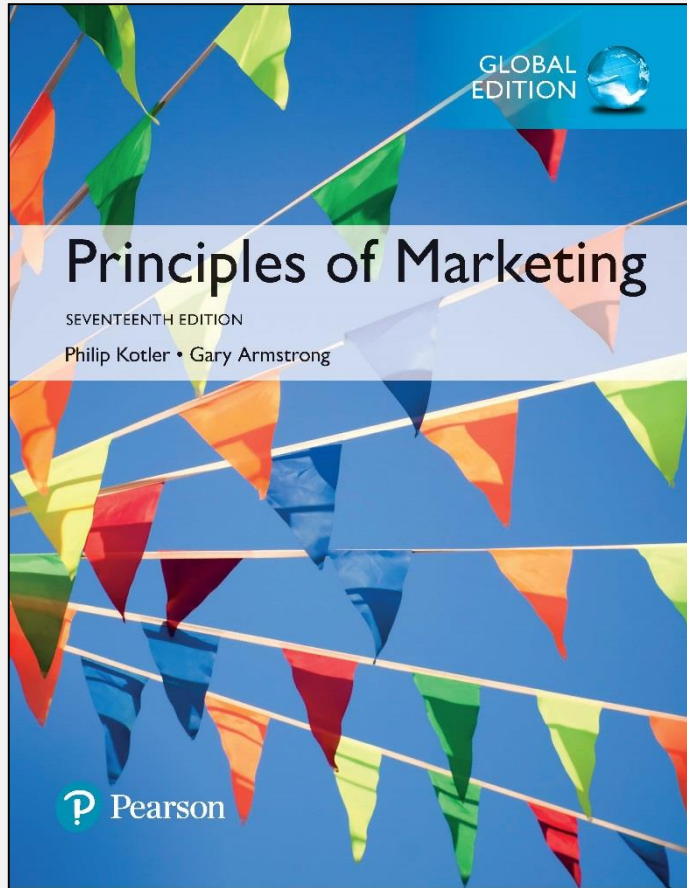
Building a Strong Brand

Part 1

By Ajarn Suwalya K.

Principles of Marketing

Seventeenth Edition

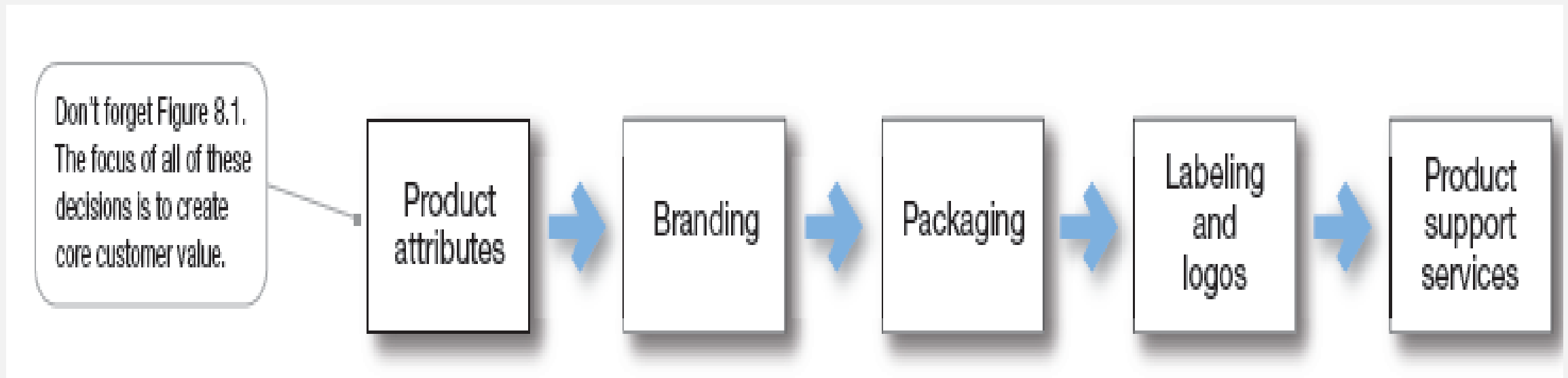


Chapter 8

Products, Services, and Brands: Building Customer Value

Product and Service Decisions

Figure 8.2 Individual Product Decisions



What is a brand?

What is a brand?

- ▶ For the American Marketing Association (AMA), a brand is a “name, term, sign, symbol, or design, or a combination of them, intended to **identify** the goods and services of one seller or group of sellers and to **differentiate** them from those of competition.”
- ▶ These different components of a brand that identify and differentiate it are **brand elements**.

What is a brand?

- Many practicing managers refer to a brand as more than that— as something that has actually created a certain amount ***of awareness, reputation, prominence***, and so on in the marketplace.

Brands vs. Products

- ▶ A *product* is anything we can offer to a market for **attention, acquisition, use, or consumption** that might satisfy a need or want.
- ▶ A *product* may be a physical good, a service, a retail outlet, a person, an organization, a place, or even an idea.

What is a Brand?



Top of Mind



Fast Food
Shampoo
Deodorant
Soft Drink
Cars

Can everything be branded?

- Ultimately a brand is **something that resides** in the minds of consumers.
- The key to branding is that consumers **perceive differences among brands** in a product category.
- Even **commodities can be branded**:
 - Coffee (Maxwell House), bath soap (Ivory), flour (Gold Medal), beer (Budweiser), salt (Morton), oatmeal (Quaker), pickles (Vlasic), bananas (Chiquita), chickens (Perdue), pineapples (Dole), and even water (Perrier)

What is branded?



Physical goods



Services



Retailers and distributors



Online products and services



People and organizations



Sports, arts, and entertainment



Geographic locations



Ideas and cause

Discuss branding strategy—the decisions companies make in building and managing their brands.

Brand Strategy: Building Strong Brands

Brand Equity and Brand Value

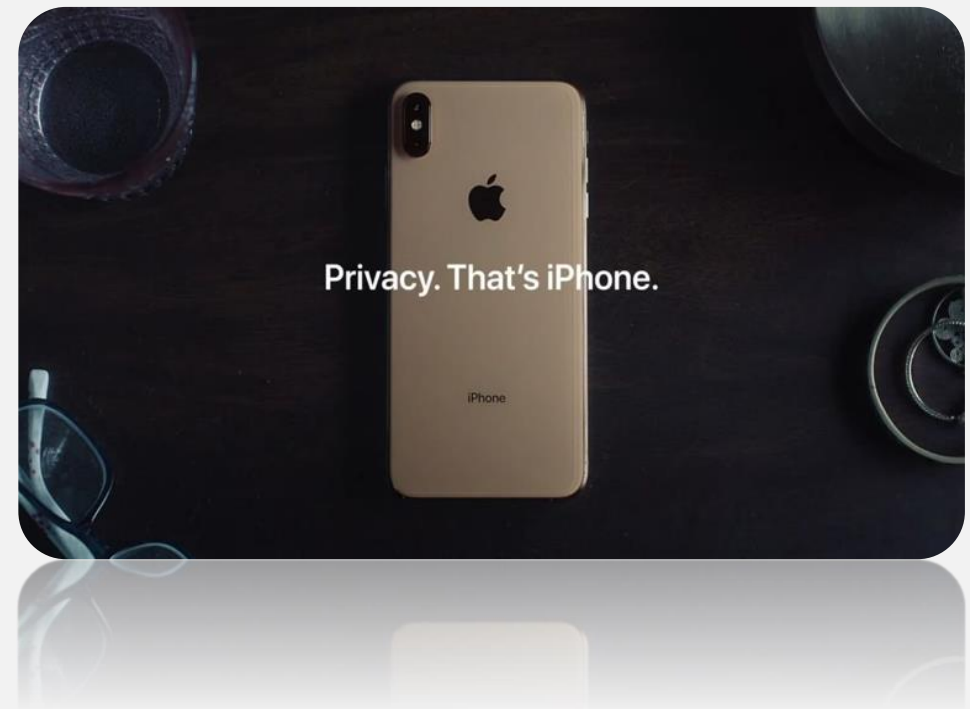
- **Brand equity** is the differential effect that knowing the brand name has on customer response to the product or its marketing.
- **Brand value** is the total financial value of a brand.

Brand Strategy: Building Strong Brands

Brand Equity and Brand Value

Brands are more than just names and symbols. They are a key element in the company's relationships with consumers. **Brands represent consumers' perceptions and feelings about a product and its performance—everything** that the product or the service *means* to consumers.

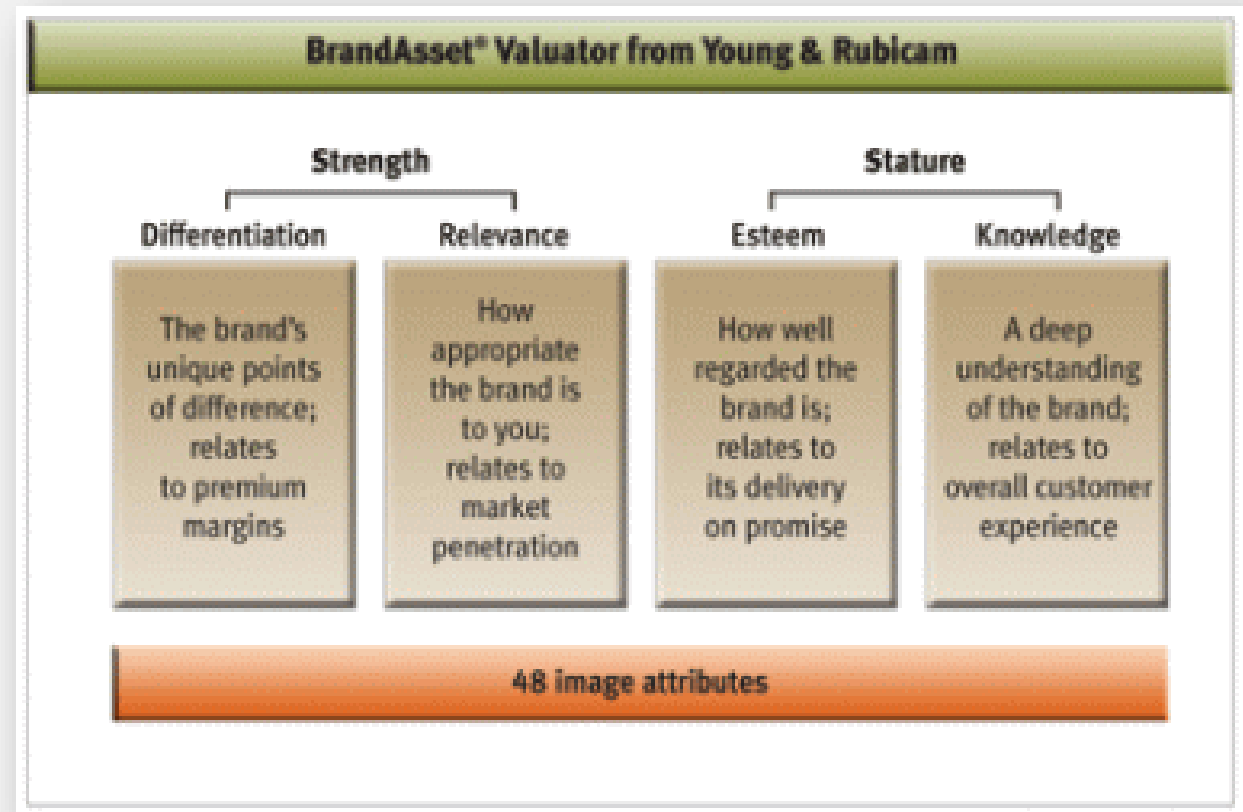
A powerful brand has high *brand equity*. It's a measure of the brand's ability to capture consumer preference and loyalty. A brand has positive brand equity when consumers react more favorably to it than to generic or unbranded products.



Brand Strategy: Building Strong Brands

Brand Equity and Brand Value

Ad agency Young & Rubicam's BrandAsset Valuator measures brand strength along four consumer perception dimensions: *differentiation*, *relevance*, *knowledge*, and *esteem*. Brands with strong brand equity rate high on all four dimensions.



Brand Strategy: Building Strong Brands

Brand Equity and Brand Value

Positive brand equity derives from consumer feelings about and connections with a brand.

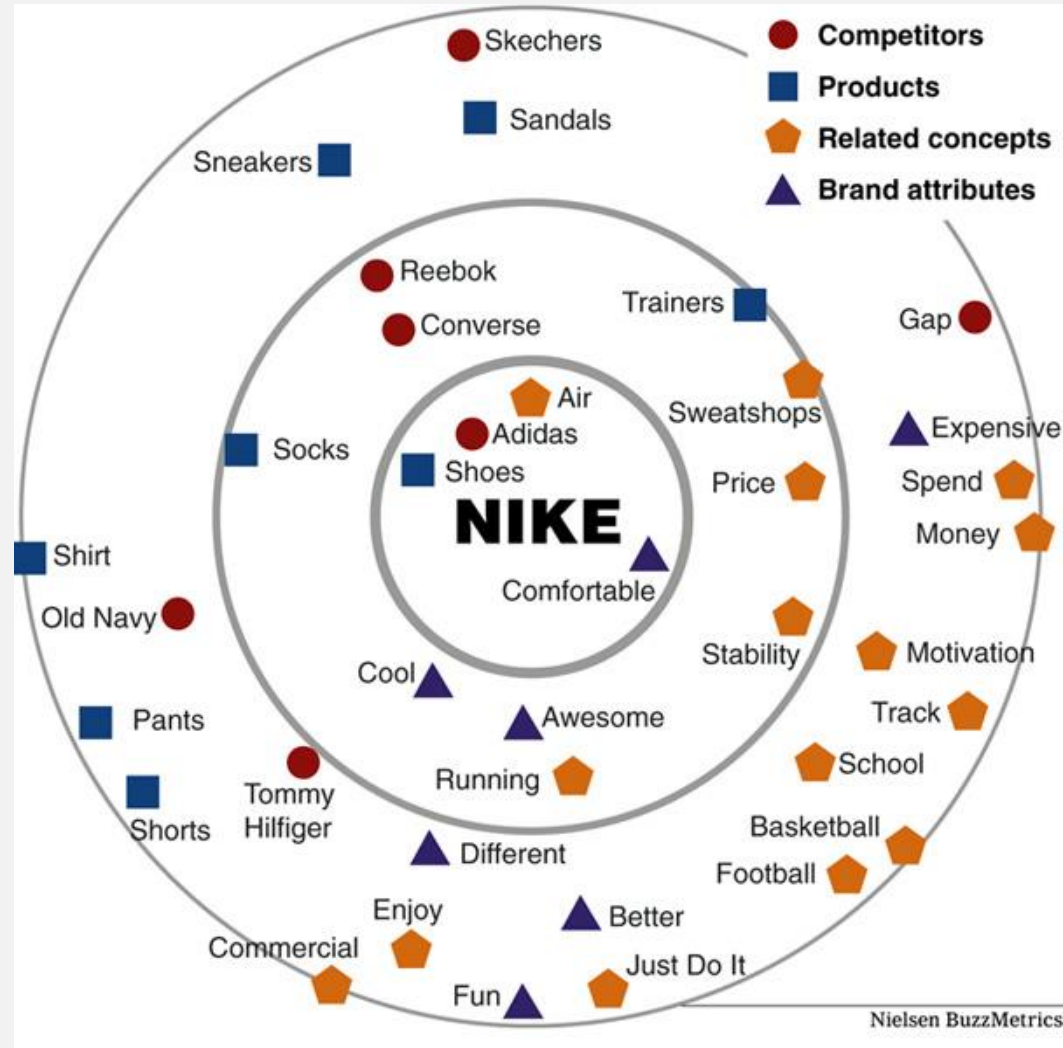
Strong brands are built around an ideal of improving consumers' lives in some relevant way.



Brand Associations



Brand Associations



What are the strongest brands?



Brand Strategy: Building Strong Brands

Brand Equity and Brand Value

A brand with high brand equity is a very valuable asset. *Brand valuation* is the process of estimating the total financial value of a brand. Measuring such value is difficult. However, according to one estimate, the brand value of Apple is a whopping \$185 billion, with Google at \$113.6 billion, IBM at \$112.5 billion, McDonald's at \$90 billion, Microsoft at \$70 billion, and Coca-Cola at \$78.4 billion

Forbes Top 10 Most Valuable Brands

Rank ▲	Brand	Brand Value (\$bil)	1-Yr Value Change (%)	Brand Revenue (\$bil)	Company Advertising (\$mil)	Industry
1	 Apple	124.2	19	170.9	1,100	Technology
2	 Microsoft	63.0	11	86.7	2,300	Technology
3	 Google	56.6	19	51.4	2,848	Technology
4	 Coca-Cola	56.1	2	23.8	3,266	Beverages
5	 IBM	47.9	-5	99.8	1,294	Technology
6	 McDonald's	39.9	1	89.1	808	Restaurants
7	 General Electric	37.1	9	126.0	-	Diversified
8	 Samsung	35.0	19	209.6	3,818	Technology
9	 Toyota	31.3	22	182.2	4,200	Automotive
10	 Louis Vuitton	29.9	5	9.7	4,707	Luxury

	Rank	Brand/Category	
-	1		Samsung Consumer Electronics
↑	2		Sony Consumer Electronics
↓	3		Apple Consumer Electronics
-	4		NESTLE Food
-	5		Panasonic Consumer Electronics
↓	6		LG Consumer Electronics
↑	7		Nike Retail
↓	8		Canon Consumer Electronics
-	9		Chanel Retail
↓	10		Adidas Retail

Top 10 brands in APAC based consumer survey

Source: Chandler Nguyen

A Digital Marketing & Technology Blog for SEA, Sept 2014

- “As you could see, Samsung is the number 1 brand across APAC. Samsung is also the number 1 brand in Singapore, Hong Kong, Indonesia, Malaysia, India, Australia, Korea, Thailand, the Philippines.

It is interesting to see quite a good balance of APAC origin brands vs international brands amongst the top 10.

From industry point of view, Consumer Electronics contributes 6/10 brands in the top 10, followed by Retail (3/10) and Food (1).”



Brand Strategy: Building Strong Brands

Brand Equity and Brand Value

High brand equity provides a company with many competitive advantages:

- high level of consumer brand awareness and loyalty
- more leverage in bargaining with resellers
- easier launch of line and brand extensions
- defense against fierce price competition



Brand Strategy: Building Strong Brands

Brand Equity and Brand Value

A powerful brand forms the basis for building strong and profitable customer relationships.

The fundamental asset underlying brand equity is *customer equity*—the value of customer relationships that the brand creates.

Companies need to think of themselves not as portfolios of brands but as portfolios of customers.



Brand Strategy: Building Strong Brands

Brands are powerful assets that must be carefully developed and managed. As this figure suggests, building strong brands involves many challenging decisions.

Marketers need to position their brands clearly in target customers' minds. They can po-



● FIGURE | 8.5 Major Brand Strategy Decisions

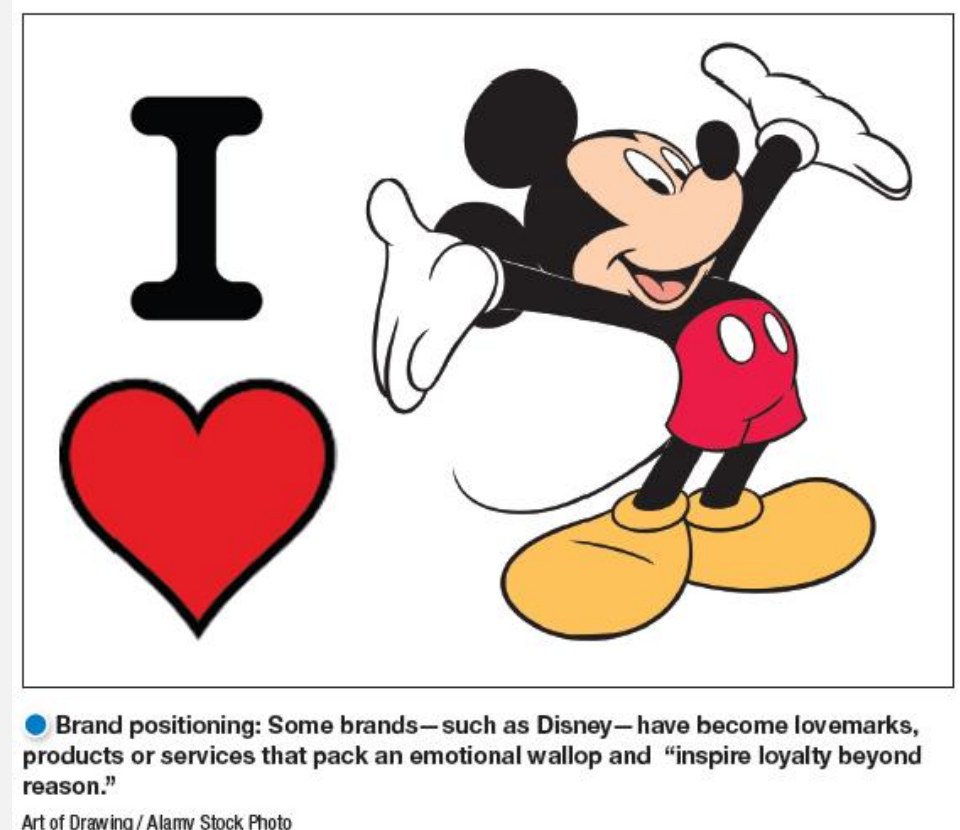
Brand Strategy: Building Strong Brands

Building Strong Brands

Brand Positioning

Marketers can position brands at any of three levels.

- Attributes
- Benefits
- Beliefs and values



Brand Positioning

- Pampers
 - Product attributes
 - Fluid absorption, fit, disposability
 - Product benefits
 - Skin-health benefits from dryness
 - Beliefs and values
 - Where we grow together, happy babies, baby development
 - Lovemarks



Successful brands engage customers on an **emotional** level, as does this ad, which suggests the connection that Pampers users concern their babies .

Brand Strategy: Building Strong Brands

- Marketers need to position their brands clearly in target customers' minds. They can position brands at any of three levels.
- At the lowest level, they can position the brand on **product attributes**. For example, P&G's Pampers' early marketing focused on attributes such as fluid absorption, fit, and disposability. Attributes are the least desirable level for brand positioning because competitors can easily copy attributes. Customers are not interested in what the attributes are—they are interested in what the attributes will do for them.

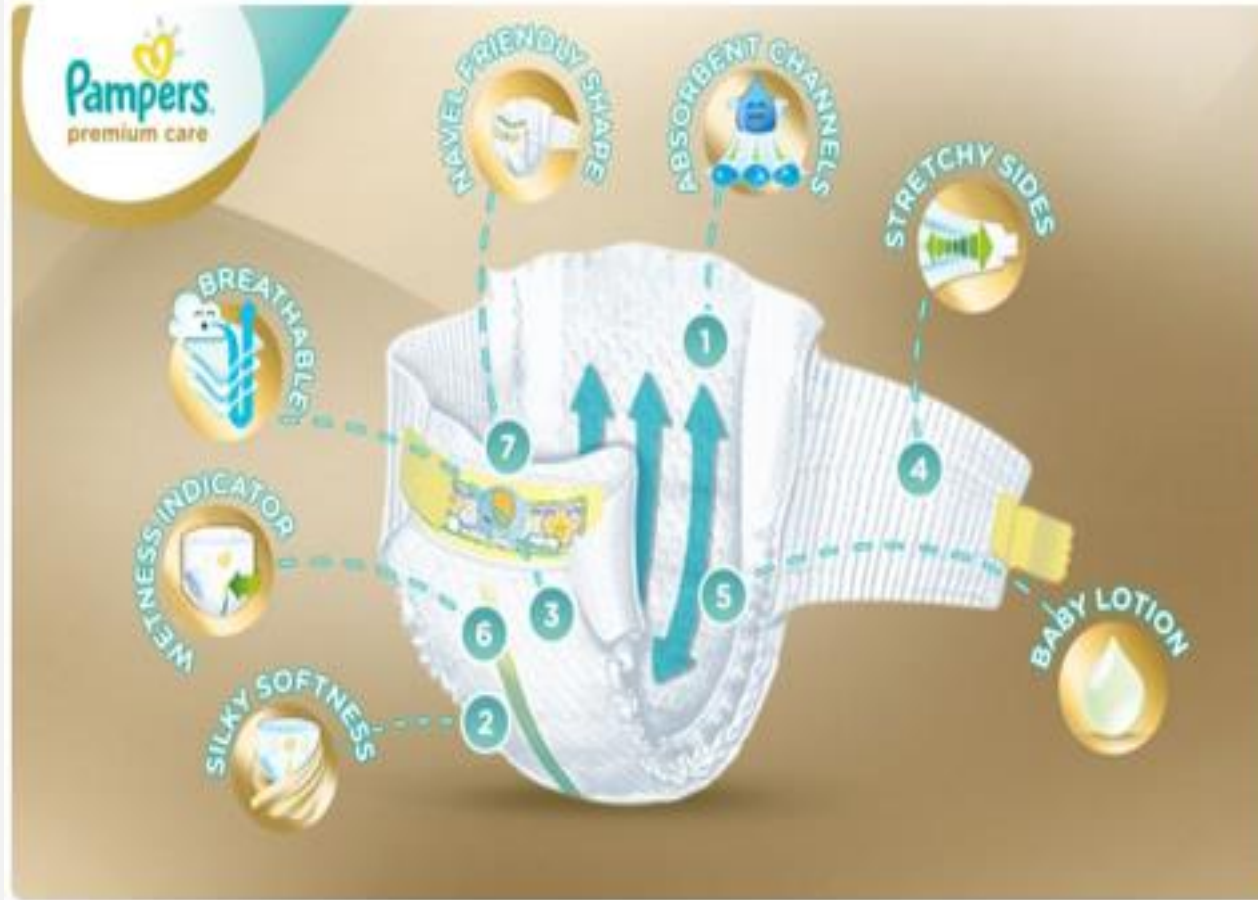




Brand Strategy: Building Strong Brands

- A brand can be better positioned by associating its name with a desirable **benefit**. Thus, Pampers can go beyond technical product attributes and talk about the resulting containment and skin-health benefits from dryness.

The first and only diaper with new absorbent channels



Pampers®

For softness
and dryness
like no other

FLEX - Easy Tear Sides
Sides tear away quickly
and neatly

Comfortable Contoured Fit -
to trim fit between the legs

Extra Dry Layer -
Locks away wetness
for up to 12 hours



Engaging Characters -
fun characters to
entertain your baby

Brand Strategy: Building Strong Brands

- The strongest brands are positioned on strong ***beliefs and values, engaging customers on a deep, emotional level***. For example, Pampers is positioned as a “love, sleep, and play brand where we grow together” that’s concerned about happy babies, parent-child relationships, and total baby care.



Hey Brands, we love peace!!!

Brand Strategy: Building Strong Brands

- Successful brands engage customers on a deep, emotional level. Brands ranging from Apple, Google, Disney, and Coca-Cola to Google and Pinterest have achieved this status with many of their customers. **Customers don't just like these brands, they have strong emotional connections with them and love them unconditionally.**
- When positioning a brand, the marketer should establish a mission for the brand and a vision of what the brand must be and do. A brand is the company's promise to deliver a specific set of features, benefits, services, and experiences consistently to buyers. The brand promise must be simple and honest



Pampers Rewards: Parents Club

Pampers by P&G - Diapers, Baby products & Rewards Shopping

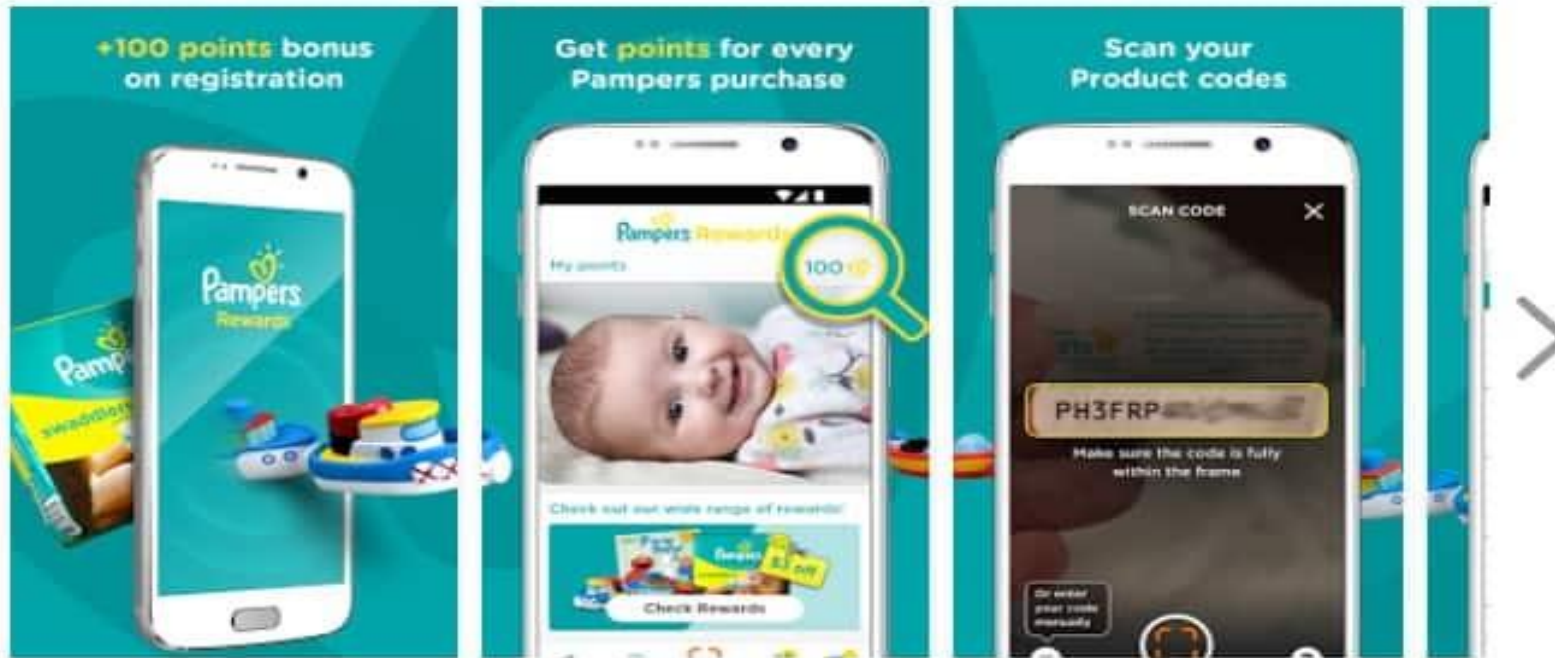
★★★★★ 3,122

E Everyone

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Brand Strategy: Building Strong Brands

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