Brand awareness and brand image

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Building brand equity
To build brand equity, we need to start with the building blocks of brand equity. They include brand awareness, and brand image or the associations that a brand evokes.

Brand awareness
Brand awareness has two components: breadth and depth.

Let us first consider *depth*. While a consumer may be aware of many brands, all brands are not equal in terms of awareness. The depth of awareness may vary and this may have profound implications for brand equity. For instance, a brand may be the first brand that comes to mind (*top-of-mind recall*), or it may be one of the many brands mentioned by the consumer when asked (*unaided recall*), or it may be recognized only when prompted (a*ided recall*).

The *breadth* of a brand refers to its association with different consumption occasions. For instance, if Coke is associated with having lunch, going to the movies, relaxing with friends, relaxing alone, quenching thirst or watching TV, then it has a greater breadth compared to a brand of orange juice that may only be associated with being had at breakfast.

Another way of looking at brand awareness is to view the brands known to customers as belonging to an *evoked* or an *elicited* set. The evoked set consists of those brands that are voluntarily mentioned by a consumer when asked to name brands. It is from this set that a consumer is likely to choose the brand he or she is likely to use. The elicited set, on the other hand, consists of brands that a consumer knows but doesn't think of unprompted. Brands in the elicited set have a lower likelihood of purchase since they do not come readily to mind.

Brand image
Brand image refers to brand perception, or the associations evoked by a brand. Brand perception may or may not be based on factual information. Favourable brand images - irrespective of the source of their origin - contribute to brand equity.

Brand image depends on three factors:
1. How *strong* are the brand associations?
2. How *positive* are the brand association?
3. How *unique* are the brand associations?

Let's look at the first aspect of brand image - strength. Not all brand associations are equally strong. For instance, a brand may be perceived to be of higher quality and yet this association between the brand and quality may be weak. When making a purchase a consumer has to make a choice among competing alternatives. Consider a consumer for whom quality is important. If he or she is presented with two brands that are both of high quality, other things being equal, the consumer is more likely to choose the brand that has a stronger association with quality than the one with a weaker association.

The second aspect of brand image is that the image should be a positive one. No brand equity is obtained through a strong brand association, if the association is negative. However, some brand associations are not necessarily positive or negative. They are positive or negative depending on our brand strategy. Being perceived as 'inexpensive' may be positive for a brand that is positioned as price competitive but may not be positive for a brand that is being promoted as an exclusive. So a positive brand image means positive for the brand under consideration.

The third aspect, uniqueness, means that the brand should have a distinct image. This aspect of brand image plays a key role in building brand loyalty. A brand may have many strong and positive associations. However, if such strong and positive associations are also shared by competing brands, the brand is vulnerable to competitive pressures. A brand needs to be seen as unique in some way.

Brand equity, then, is generated when a brand has strong, positive associations that are unique. These three characteristics of brand image aid brand awareness. To the extent that a brand has unique, strong, and positive associations, it is likely to be part of the evoked set of brands.

Measuring brand equity

There are two approaches to measuring brand equity: *indirect* and *direct* .

Indirect approach

Traditional marketing research techniques tend to favour the indirect approach. In this approach, we measure aided and unaided recall of brands, brand image (strength, positiveness and uniqueness). The techniques of measurement here can range from purely qualitative (e.g. brand associations in a focus group setting) to quantitative.

The indirect approach assumes that there is a correlation between brand recall, brand image and brand equity. It is not an unreasonable assumption. In fact, it is consistent with the generally accepted theoretical model that connects recall and image with equity. All the same, indirect measures deal with sources of brand equity and not with its outcomes.

Direct approach

In reality, there is no way of 'directly' measuring brand equity. However, it is possible to be more direct (compared to the 'indirect' approach) measuring the effect of brand equity. In this approach, we design controlled marketing experiments to study what conditions actually influence consumer attitudes. For instance, consider the questions below.

1. To what extent does having a high degree of brand recall influence positive attitudes?

2. To what extent does having a strong, positive and unique image lead to a positive perception of the brand's marketing activities such as its advertising?

To answer questions such as these, we can actually identify groups with different recall rates and assess the impact on attitudes.

If we restrict our research to a *specific brand* , then, we can compare the ratings of a brand in two different contexts: as a branded product and as a blind product.

Marketing experiments can also be carried out to assess how different marketing tactics - such as a specific promotional efforts - affect consumer response.

There are two basic approaches to assessing brand equity. In the *residual* approach, the effect is assumed to be the difference between consumer preference for a product when it is not branded and for the same product when it is branded. In the *valuation* approach a financial value is placed on such effects for the purposes of assessing the monetary value of a brand.

Exhibit 1
Building blocks of brand equity

Brand:
1) *Awareness*
a) Deep
b) Broad

2) *Image*
a) Strong
b) Positive
c) Unique

Brand strategy framework

Brand strategy refers to the overall strategy adopted by the firm in marketing a brand. The two main tools used for this purpose are brand hierarchy and brand-product matrix.

Brand hierarchy

Brand hierarchy is an explicit depiction of a brand's portion in the context of products marketed by a firm. Brand hierarchy can be created in many ways. For instance, the hierarchy of a brand can be (at different levels, from the general to the specific) a corporate brand, family brand, individual brand, or specialized brand. Many brand names are designed to reflect the hierarchy. To illustrate, the brand *Dell Dimension XPS R400* identifies it at four hierarchical levels: corporate (Dell), family (Dimension - desktop models), individual (XPS) and specialized (R400 or 400 megahertz).

The level of hierarchy identified in a brand name depends on the nature of the product. In general, more levels are identified for technical products (such as computers) than for non-technical products (such as high-end cosmetics).

Identification of a brand hierarchy serves at least two purposes:

1. It lets the buyer know the characteristics of the brand being sold (as in the Dell example above);

2. It extends corporate image to support the brand image (as in Bell Mobility). Brand extensions exploit the fact that the consumer is already sold on the brand.

While the term hierarchy implies that the higher level lends credence to the lower level, it can work in the reverse direction. Many excellent brands may strengthen the corporate image.

Brand-product matrix

A brand-product matrix is a visual representation of brands and products sold by the firm. The matrix has products as columns and brands as rows.

Exhibit 2
Brand product matrix

Brand	Product			
	A	B	C	D
	a1	b1	c1	d1
	a2	b2	c2	
	a3		c3	

A brand-product matrix can be analyzed from two different but related perspectives: a brand-product perspective and a product-brand perspective.

Brand-product perspective . When we look down the column of a brand-product matrix, we identify the brand-product relationships: Do we have gaps? Do we have brand extension opportunities? Can we leverage our current position in the market to introduce new brands? If so what are the likely outcomes of the introduction of a new brand in terms of recall and image? Given current market conditions, what is the optimal brand extension strategy?

Product-brand perspective . For each product category, this perspective attempts to identify a brand portfolio strategy in terms of the characteristics and the number of brands to be marketed. Different brands within each category may have different roles: A low-priced brand to ward off competition on the basis of price, and a high priced brand to capture the premium market. We can also have brands that are on the decline if they have a loyal core of customers and are profitable. A brand portfolio can include a brand that shadows a major competitor in terms of features and price in order to forestall customer erosion.

Such analysis of brand portfolio is important for several reasons. The most critical reason is to ensure that overall profitability is maximized. The purpose of a low-cost brand, for instance, may be to retain price sensitive switchers within the firm even though the brand itself may generate only marginal profits. The purpose of a high quality brand may be to retain customers who want to upgrade to a more expensive brand. Analysis of the brand portfolio aims to look at the firm's strategy to optimize its profitability as opposed to maximizing the profitability of each brand individually, to the potential detriment of the firm's current or future profitability.

Branding strategies can be carried out in terms of breadth (increasing potential usage occasions), depth (increasing the level of commitment on a given occasion), or both.

Defining the scope of brand equity

Brand equity is seldom global. It varies with market segment, geographic location and demographic characteristics of the population. This may not be critical in terms of measuring brand equity as it exists. However, when we attempt to leverage brand equity to create new brands or to extend the current franchise in different countries, the overall brand equity becomes less relevant than brand equity whose scope is more precisely defined.

As examples, consider a brand with a very high brand equity. The firm can decide to introduce a high priced brand to leverage its current equity. However, if the equity solely comes from the low-end of the market, then the high-priced brand will have no brand equity while entering the high-end market. As another example, a brand may have a very high brand equity in Canada, which may lead to successful brand extension within the country. But, no matter how high the brand equity is in Canada, the brand may have little equity when it enters the U.S. market. So, when measured for strategic purposes it is important to define the source and scope of brand equity.

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