

Brand Equity Concept

- Understand the brand equity concept
- Learn why brand knowledge is important
- Understand the role of customer mindset in the process of building brand equity



The concept of brand equity has been discussed both in the **accounting and marketing** literature and has highlighted the importance of having a long-term focus within brand management (Wood, 2000).

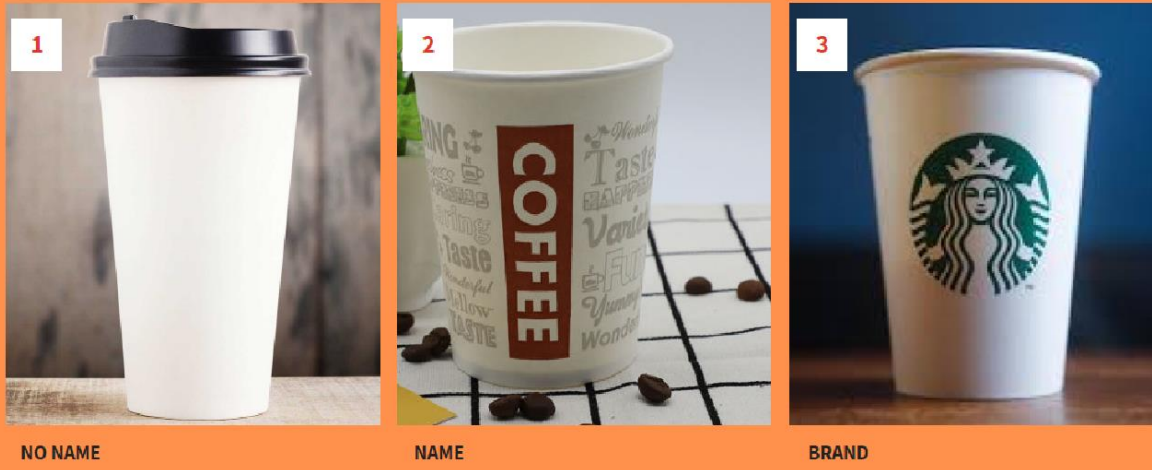


definition:
“set of assets and liabilities linked to a brand, its name and symbol, that adds to or subtracts from the value provided by a product or service”



WHEN THE CUSTOMER KNOWLEDGE MATTERS

DO YOU THINK THE CUSTOMER SEE THE DIFFERENCE?



Brand Equity



“brand equity is the differential effect that knowing the brand name has on the customer’s response to the product and its marketing. It’s a measure of the brand’s ability to capture consumer preference and loyalty”

“set of assets and liabilities linked to a brand, its name, and symbol that adds to or subtracts from the value provided by a product or service”.

Why Brand Equity is important?

The relationship that is created between the brand and customers can provide a high level of consumer loyalty.



A brand can have **positive** brand equity. Customers favor this brand more than its competitors' products in the same category.

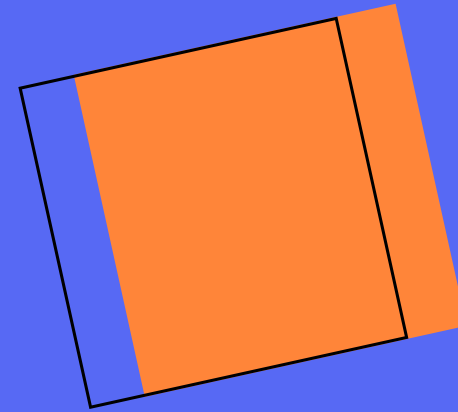
It has **negative** brand equity if consumers favor this brand less than competitors' products of the same category.

High positive brand equity gives the company many advantages.

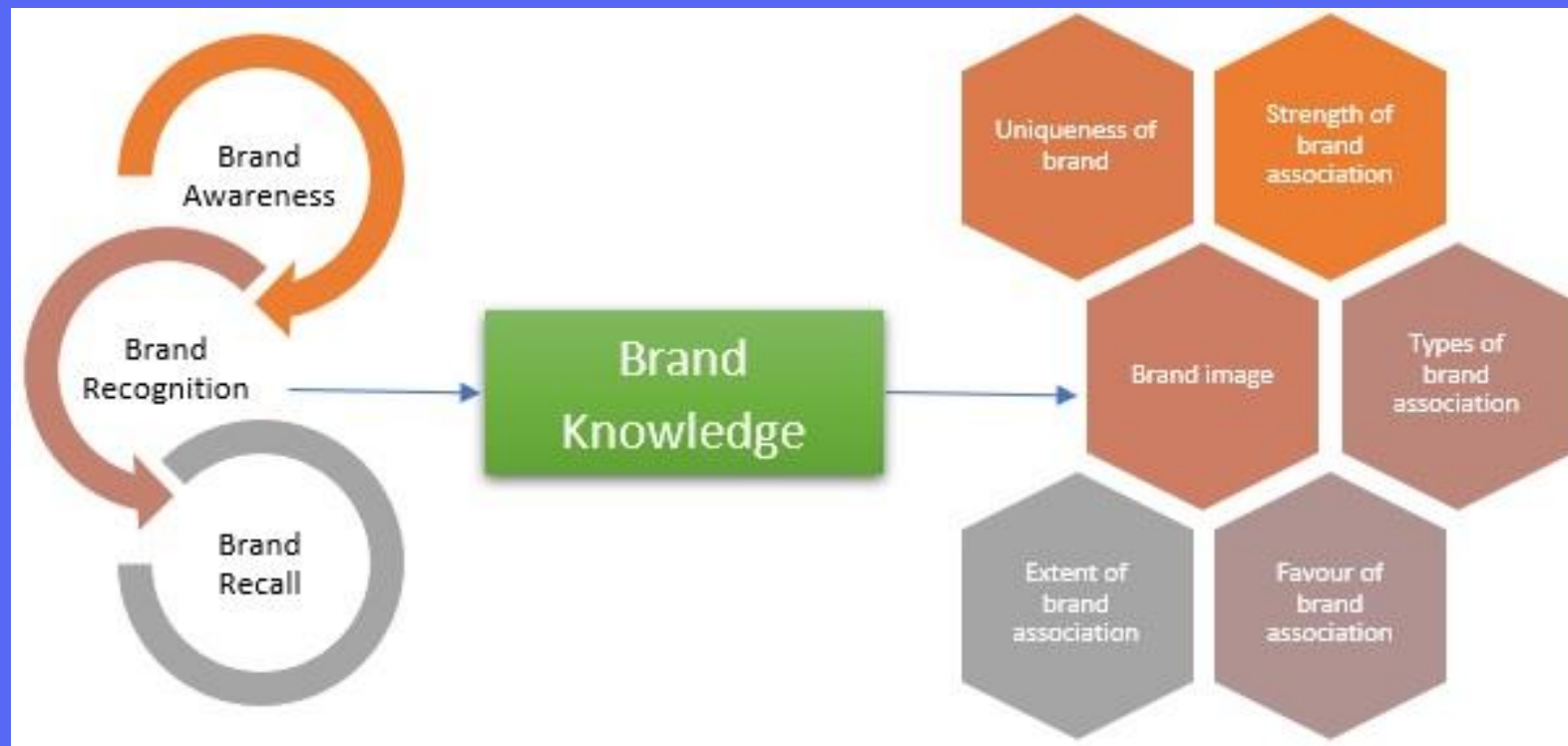


is developed based on the five dimensions of brand loyalty, name awareness, perceived quality, brand associations, and other proprietary brand assets





Brand knowledge:
The consumer's understanding and recalling of a brand and its products.



Sources of brand equity arise from the **customer mindset**. It is important to understand that to create marketing content that resonates with the target market.

The firm needs to get inside the customers' heads.

Marketers need to find out what makes customers tick, what they love and hate, and what they aspire to achieve and fear becoming.

There can be identified **different tools** to help marketers gain a better understanding of their customer's mindset:



 brandY

Brand equity components:

Creating a **buyer or user persona**. It is a strategic marketing tool that creates a picture of a firm's ideal customer. Persona development generally involves both primary and secondary research.



Furthermore, it is very interesting to use **journey mapping**. It is the strategic marketing practice of detailing a persona's path to purchase. The goal is to outline the steps that ideal customers take as they move from needs awareness to research and comparison, ultimately making a purchase decision and becoming a loyal customer/brand customer.

Another tool is **the surveys and focus groups**. Interviews with customers give the firm insights into an individual's decision-making processes, surveys and focus groups are strategic marketing tools that give broad and accurate information on the firm's target market.

Elements of brand equity:

brand recognition, brand awareness, customer experience, customer preference, customer retention, perceived quality and USP (unique selling proposition).

brand recognition. In general, we can say it is how quickly a consumer recognizes and discriminates against the brand when any of its elements is shown, e.g., logo, or slogan (Keller, 1993). Firms gain brand recognition by becoming more visible to the target market.

Recognition, together with brand recall, is a part of **brand awareness**. It can be described as how familiar (aware) consumers are with a brand or its products. It can be the measure of how memorable and recognizable a brand is to its target audience. It is essential in buying decision-making.

The third element can be described in a holistic way. **Customer experience** is the result of every interaction a customer has with the company, from navigating the website to talking to customer service and receiving the product/service they bought.



1. How would you explain brand equity to your classmates?
2. What are the main elements of brand equity?
3. Is the level of brand knowledge connected to brand equity, If yes how?

