Chapter 2
Brand Management Process

brandY

Learning objectives

Models	Process	Approaches
Know different models of brand management	Develop process of strategic brand management	Know paradigm and approaches to brand management

brandY

Agenda

- Models of brand mamagement
- Process of brand management
- Paradigms and approaches to brand management
- Enlarged scope of brand management
- Future of brand priorities

Brand management

- Brand management is certainly a complex and complicated process, and at the same time extremely important for building a company's competitive advantage
- Shaping a strong brand requires taking into account a whole range of elements and making numerous decisions
- There are two main approaches:
  - *classic approach to brand management*
  - *model based on brand leadership*

brandY

Feature	Classic model	Brand leadership model
Perspective	Tactical and Responsive	Strategic and Forward Looking
Brand manager status	Medium level of management, shorter time horizon	High level of management, long time horizon
Conceptual model	Brand image	Brand capital
Focus	Short-term financial measures	Brand equity measures
Product-market objective	Short-term financial measures	Measure capital measures
Structure of the brand	Simple	Comprehensive brand architecture
Number of brands	Focus on individual brands	Focus on category
Range	Single country	Global perspective
Direction of communication	External client	Internal and external client
The basis of the strategy	Sales and market share	Brand identity

brandY

Classic model of brand management

The classic approach to brand management was presented by D. Arnold (1992), which includes:

- Market analysis
- Brand situation analysis
- Defining the future position of the brand
- Research on new brand positions
- Planning and evaluation of results

brandY

Leadership model of brand management

In the model of building a competitive advantage based on brand management, the following elements should be distinguished (Dębski, 2009):

- Relationship to the brand of both consumers and competitors
- Marketing research
- Brand identification
- Brand identities
- Marketing-mix instruments
- Organizational culture

brandY

Strategic brand management proces

- Identifying and developing brand plans
- Designing and implementing brand marketing programs
- Measuring and interpreting brand performance
- Growing and sustaining brand equity

brandY

Identifying and developing brand plans

Brand planning, uses the following three interlocking models:

- The *brand positioning model* describes how to guide integrated marketing to maximize competitive advantages
- The *brand resonance model* describes how to create intense, activity loyalty relationships with customers
- The *brand value chain* is a means to trace the value creation process for brands, to better understand the financial impact of brand marketing expenditures and investments

:brandY

Designing and implementing brand marketing programs

Consumer knowledge building process will depend on three factors:

- The initial choices of the brand elements making up the brand and how they are mixed and matched
- The marketing activities and supporting marketing programs and the way the brand is integrated into them
- Other associations indirectly transferred to or leveraged by the brand as a result of linking it to some other entity (such as the company, country of origin, channel of distribution, or another brand)

brandY

Choosing brand elements

- The most common brand elements are brand names, URLs, logos, symbols, characters, packaging, and slogans
- The best test of the brand-building contribution of a brand element is what consumers would think about the product or service if they knew only its brand name or its associated logo or other element
- Because different elements have different advantages, marketing managers often use a subset of all the possible brand elements or even all of them

:brandY

Integrating the brand into marketing activities and the supporting marketing program

- Although the judicious choice of brand elements can make some contribution to building brand equity, the biggest contribution comes from marketing activities related to the brand
- This text highlights only some particularly important marketing program considerations for building brand equity

brandY

Leveraging secondary associations

- Brand associations may themselves be linked to other entities that have their own associations, creating these secondary associations
- For example, the brand may be linked to certain source factors, such as:
  - company,
  - countries or other geographical regions
  - channels of distribution
  - other brands, characters, spokespeople, sporting or cultural events, or some other third-party sources

brandY

Measuring and interpreting brand performance

- Brand equity measurement system is a set of research procedures designed to provide timely, accurate, and actionable information for marketers so that they can make the best possible tactical decisions in the short run and the best strategic decisions in the long run
- Implementing such a system involves three key steps - conducting *brand audits*, designing *brand tracking* studies, and establishing a *brand equity management system*

brandY

Brand audit

- Brand audit is a comprehensive examination of a brand to assess its health, uncover its sources of equity, and suggest ways to improve and leverage that equity
- Audit requires understanding sources of brand equity from the perspective of both the firm and the consumer
- Once marketers have determined the brand positioning strategy, they are ready to put into place the actual marketing program to create, strengthen, or maintain brand associations

brandY

Brand tracking

- Brand tracking studies collect information from consumers on a routine basis over time, typically through quantitative measures of brand performance on a number of key dimensions marketers can identify in the brand audit or other means

:brandY

Brand equity management system

- Brand equity management system is a set of organizational processes designed to improve the understanding and use of the brand equity concept within a firm
- Three major steps help implement a brand equity management system:
  - creating brand equity charters
  - assembling brand equity reports
  - defining brand equity responsibilities

brandY

Growing and sustaining brand equity

- Maintaining and expanding on brand equity can be quite challenging
- Brand equity management activities take a broader and more diverse perspective of the brand's equity:
  - understanding how branding strategies should reflect corporate concerns
  - be adjusted, if at all, over time or
  - over geographical boundaries or multiple market segments

brandY

Defining brand architecture

- Brand architecture provides general guidelines about branding strategy and which brand elements to apply across all the different products sold
- Two key concepts in defining brand architecture are brand portfolios and the brand hierarchy
- The *brand portfolio* is the set of different brands that a particular firm offers for sale to buyers in a particular category
- The *brand hierarchy* displays the number and nature of common and distinctive brand components across the firm's set of brands

brandY

Managing brand equity over time

- A long-term perspective of brand management recognizes that any changes in the supporting marketing program for a brand may, by changing consumer knowledge, affect the success of future marketing programs

- A long-term view also produces proactive strategies designed to maintain and enhance customer-based brand equity over time and reactive strategies to revitalize a brand that encounters some difficulties or problems

:brandY

Managing brand equity over geographic boundaries, cultures, and market segments

- Another important consideration in managing brand equity is recognizing and accounting for different types of consumers in developing branding and marketing programs
- International factors and global branding strategies are particularly important in these decisions
- In expanding a brand overseas, managers need to build equity by relying on specific knowledge about the experience and behaviors of those market segments

brandY

Brand management paradigms

- Positivistic paradigm
- Constructive or interpretive paradigm

brandY

Positivistic paradigm

- The positivistic stance implies a notion of the brand being 'owned' by the marketer, who controls the communication to a passive recipient/consumer.
- Brand equity is perceived to be created by the marketer and the brand is seen as: 'a manipulable lifeless artefact (product plus that is created by its owners/managers and that can be positioned, segmented and used to create an image)'

brandY

Constructive or interpretive paradigm

- The interpretive paradigm reflects on the nature of the brand and the value of brand equity as something created in the interaction between marketer and an active consumer:
  - 'as holistic entities with many of the characteristics of living beings' and
  - 'as a living entity (with a personality with which we can form a relationship and that can change and evolve over time)'

brandY

Seven approaches to brand

The economic approach

The identity approach

The consumer-based approach

The personality approach

The relational approach

The community approach

The cultural approach

:brandY

The economic approach

- The point of departure for brand management is that it is a breakaway discipline from the broad scope of marketing
- Hence, the discipline starts out with a research environment marked by traditional marketing mix theory (the Four Ps)
- The creation of brand value is investigated as influenced by changes in e.g. distribution channels, price modifications and promotions

:brandY

The identity approach

- The economic approach lays the foundation for brand management as an independent scientific discipline, but one more stream of research is also influential during the first years of this inquiry
- This approach behind the notion of corporate branding is the second oldest one in this context, but is still very influential an under constant theoretical development
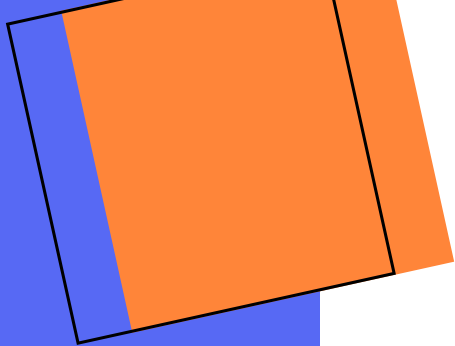
brandY

The consumer-based approach

- The brand is perceived as a cognitive construal in the mind of the consumer
- It is assumed that a strong brand holds strong, unique and favorable associations in the minds of consumers
- In this fashion, attention shifts from the sender towards the receiving end of brand communication
- The consumer is the 'owner' of the brand in this approach, but still an assumption of linear communication applies

brandY

The personality approach

- The personality approach is rooted in human personality psychology and uses of quantitative scaling techniques in a combination with more explorative methods to identify and measure brand personality
- The personality approach is a prerequisite for and very much associated with the relational approach

brandY

The relational approach

- The idea of a dyadic relationship between brand and consumer profoundly changed the academic discipline of brand management
- The notion of the brand being a viable relationship partner builds on the same human brand metaphor as the personality approach
- The approach extends the dialogue-based approach to brand management as instigated in the personality approach

brandY

The community approach

- The community approach is based on anthropological research into so-called brand communities
- Brand value is created in these communities where a brand serves as the pivotal point of social interaction among consumers
- This approach thus adds an understanding of the social context of consumption to the overall picture of brand management

brandY

The cultural approach

- The brand is seen as a cultural artefact in this approach, giving life to both a fierce antibranding discourse and a theory of how to build an iconic brand
- The approach borrows from the scientific tradition of cultural studies and makes use of a wide variety of qualitative methods
- The attention has shifted from the transaction between a marketer and a consumer (or groups of consumers) to a macro perspective

brandY

Enlarged scope of brand management

From transaction to relationships

From purchase to satisfaction and experiential delight

Bonding through aspirational values

Brands need brand content

brandY

Future brand priorities

- Fully and Accurately Factor the Consumer into the Branding Equation
- Go Beyond Product Performance and Rational Benefits
- Make the Whole of the Marketing Program Greater than the Sum of the Parts
- Understand Where You Can Take a Brand (and How)
- Do the "Right Thing" with Brands
- Take a Big Picture View of Branding Effects - Know What Is Working (and Why)

:brandY

List of references

- Aaker, D.A (1991), *Managing Brand Equity,* New York: Free Press
- Aaker, D.A. & Joachimsthaler, E. (2000), *Brand Leadership,* New York: Free Press
- Aaker, D.A. (1996), *Building Strong Brands,* New York: Free Press
- Adamson, A. (2006), *Brand Simple,* New York: Palgrave Macmillan
- Arnold, D. (1992), *The Handbook of Brand Management*, Resseus Book
- Davis, S.M. (2000), *Brand Asset Management,* New York: Free Press
- Fournier, S.M. (1998), *Consumers and Their Brands: Developing Relationship Theory in Consumer Research*, Journal of Consumer Research 24: 343–373
- Franzen, G. & Moriarty, S. (2009), *The Science and Art of Branding,* Armonk, NY: M. E. Sharpe

brandY

List of references

- Gerzema, J. & Lebar, E. (2008), *The Brand Bubble,* New York: Jossey-Bass
- Godin, S (1999) *Permission Marketing*, Simon Schuster, New York
- Hanby, T. (1999), *Brand dead or alive*, Journal of Market Research Society, 41 (1): 7-19
- Heding, T. Knudtzen, C.F. & Bjerre, M. (2009), *Brand Management. Research, theory and practice*, New York: Routledge
- Holbrook, M and Hirschmann, E (1982), *The experiential aspects of consumption*, Journal of Consumer Research, 9(2): 132–40
- Kapferer, J-N. (2005), *Strategic Brand Management*, New York: Free Press
- Kapferer, J-N. (2012), New *Strategic Brand Management*, London: Kogan Page
- Kapferer, J-N (1990) *Rumors: Image uses and management*, Transaction Books, New Brunswick

:brandY

List of references

- Keller, K.L. (2013), *Strategic Brand Management. Building, Measuring and Managing Brand Equity*, Harlow: Pearson Education LTD.
- Kelly, F.J. & Silverstein, B. (2005), *The Breakaway Brand,* New York: McGraw-Hill
- Kotler, Ph. (1997), *The Marketing of Nations*, McGraw Hill, New York
- Kotler, Ph. (1994), *Marketing. Analiza, planowanie, wdrażanie i kontrola*, Warszawa: Gebethner & Ska
- Kozinets, R. (2002), *Tribalized marketing: the strategic implications of virtual communities of consumption*, European Management Journal, 17: 252–64
- Loken, B., Ahluwalia, R. & Houston, M.J. (2010), *Brands and Brand Management: Contemporary Research Perspectives*, New York: Taylor and Francis

:brandY

List of references

- Rapp, S. & Collins, L. (1994), *Beyond Maxi-Marketing*, McGraw-Hill
- Schmitt, B. (1999), *Experiential Marketing*, Free Press, New York
- Sherrington, M. (2003), *Added Value: The Alchemy of Brand-Led Growth,* Hampshire, UK: Palgrave Macmillan
- Taylor, D. (2010), *The Brand Gym*, Chichester, UK: John Wiley & Sons
- Tybout, A.M. & Calkins, T. (2005), *Kellogg on Branding*, Hoboken, NJ: John Wiley & Sons
- Veloutson, C. & Guzman, F. (2017), *The evolution of brand management thinking over the last 25 years as recorded in the Journal of Product and Brand Management*, Journal of Product and Brand Management 26(1): 2-12
- Wheeler, A. (2018), *Designing Brand Identity,* New Jersey: John Wileay & Sons, Inc.

If you have a question, contact me

Sławomir Smyczek

slawomir.smyczek@uekat.pl