Instructor

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Brands and Brand Management

Learning Objectives
After reading this chapter, you should be able to:
1. Define "brand," state how brand differs from a product, and explain what brand equity is.
2. Summarize why brands are important.
3. Explain how branding applies to virtually everything.
4. Describe the main branding challenges and opportunities.
5. Identify the steps in the strategic brand management process.

A brand can be a person, place, firm, or organization.

Sources: Pictorial Press Ltd / Alamy; Damian E. Casta/Alamy; somchais/Shutterstock; Jason Lindsey/Alamy
Creating strong brands that simplify decision making, reduce risk, and set expectations and maintaining and enhancing the strength of those brands over time, is a management imperative.
What is a Brand?

✓ Branding has been around for centuries as a means to distinguish the goods of one producer from those of another.

✓ The word *brand* is derived from the Old Norse word *brandr*, which means “to burn,” as brands were and still are the means by which owners of livestock mark their animals to identify them.
What is a Brand?

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.”

✔ Technically speaking, then, whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand.

Yet, many practicing managers refer to a brand as more than that.
What is a Brand?

✓ In fact, brand is something that has actually created a certain amount of awareness, reputation, prominence, and so on ... in the marketplace.

✓ Thus we can make a distinction between the AMA definition of a “brand” with a small b and the industry’s concept of a “Brand” with a big B.
What is a Brand?

Brand Elements

- According to the AMA definition, is to be able to choose a name, logo, symbol, package design, or other characteristic that identifies a product and distinguishes it from others.
  - These different components of a brand that identify and differentiate it are brand elements.

- Brand elements like names, logos and symbols …. can be based on people, places, things, and abstract images.

- In creating a brand, marketers have many choices about the number and nature of the brand elements they use to identify their products.
What is a Brand?

Brand versus Products

★ A **product** is anything we can offer to a market for attention, acquisition, use, or consumption that might satisfy a need or want.

★ Thus, a product may be:

1) A physical good like a cereal, tennis racquet, or automobile;
2) A service such as an airline, bank, or insurance company;
3) A retail outlet like a department store, specialty store, or supermarket;
4) A person such as a political figure, entertainer, or professional athlete;
5) An organization like a nonprofit, trade organization, or arts group;
6) A place including a city, state, or country;
7) An idea like a political or social cause.
What is a Brand?

Product Levels:

1) The **core benefit level** is the fundamental need or want that consumers satisfy by consuming the product or service.

2) The **generic product level** is a basic version of the product containing only those attributes or characteristics absolutely necessary for its functioning but with no distinguishing features.

3) The **expected product level** is a set of attributes or characteristics that buyers normally expect and agree to when they purchase a product.

4) The **augmented product level** includes additional product attributes, benefits, or related services that distinguish the product from competitors.

5) The **potential product level** includes all the augmentations and transformations that a product might ultimately undergo in the future.
What is a Brand?

<table>
<thead>
<tr>
<th>Level</th>
<th>Air Conditioner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Core Benefit</td>
<td>Cooling and comfort.</td>
</tr>
<tr>
<td>2. Generic Product</td>
<td>Sufficient cooling capacity (Btu per hour), an acceptable energy efficiency rating, adequate air intakes and exhausts, and so on.</td>
</tr>
<tr>
<td>3. Expected Product</td>
<td>Consumer Reports states that for a typical large air conditioner, consumers should expect at least two cooling speeds, expandable plastic side panels, adjustable louvers, removable air filter, vent for exhausting air, environmentally friendly R-410A refrigerant, power cord at least 60 inches long, one year parts-and-labor warranty on the entire unit, and a five-year parts-and-labor warranty on the refrigeration system.</td>
</tr>
<tr>
<td>4. Augmented Product</td>
<td>Optional features might include electric touch-pad controls, a display to show indoor and outdoor temperatures and the thermostat setting, an automatic mode to adjust fan speed based on the thermostat setting and room temperature, a toll-free 800 number for customer service, and so on.</td>
</tr>
<tr>
<td>5. Potential Product</td>
<td>Silently running, completely balanced throughout the room, and completely energy self-sufficient.</td>
</tr>
</tbody>
</table>
What is a Brand?

✓ In many markets most competition takes place at the product augmentation level, because most firms can successfully build satisfactory products at the expected product level.

✓ Harvard’s Ted Levitt argued

  ✓ “the new competition is not between what companies produce in their factories but between what they add to their factory output in the form of packaging, services, advertising, customer advice, financing, delivery arrangements, warehousing, and other things that people value.”

• A brand is therefore more than a product, because it can have dimensions that differentiate it in some way from other products designed to satisfy the same need.

  ✓ These differences may be rational and tangible—related to product performance of the brand—or more symbolic, emotional, and intangible—related to what the brand represents.
What is a Brand?

✓ Some brands create competitive advantages with product performance.
  ✓ Steady investments in research and development have produced leading-edge products, and sophisticated mass marketing practices have ensured rapid adoption of new technologies in the consumer market.

Yet,

✓ John Stuart, CEO of Quaker Oats from 1922 to 1956, who famously said, “If this company were to split up I would give you the property, plant and equipment and I would take the brands and the trademarks and I would fare better than you.”
Why do Brands Matter?

For Customers (Consumers and Industrial Customers)

- Brands identify the source or maker of a product and allow consumers to assign responsibility to a particular manufacturer or distributor.
- Because of past experiences with the product and its marketing program over the years, consumers find out which brands satisfy their needs and which ones do not.
- Brands provide a shorthand device or means of simplification for their product decisions.
Why do Brands Matter?

For Customers (Consumers and Industrial Customers) ...

✓ If consumers recognize a brand and have some knowledge about it, then they do not have to engage in a lot of additional thought or processing of information to make a product decision.

✓ From an economic perspective, brands allow consumers to lower the search costs for products both
  ✓ Internally (in terms of how much they have to think) and
  ✓ Externally (in terms of how much they have to look around).

✓ Based on what they already know about the brand—its quality, product characteristics, and so forth—consumers can make assumptions and form reasonable expectations about what they may not know about the brand.
Why do Brands Matter?

For Customers (Consumers and Industrial Customers) ...

✓ The meaning imbued in brands can be quite profound, allowing us to think of the relationship between a brand and the consumer as a type of bond or pact.

✓ Consumers offer their trust and loyalty with the implicit understanding that the brand will behave in certain ways and provide them utility through consistent product performance and appropriate pricing, promotion, and distribution programs and actions.
Why do Brands Matter?

For Customers (Consumers and Industrial Customers) ...

- Brands can serve as symbolic devices, allowing consumers to project their self-image.
- Certain brands are associated with certain types of people and thus reflect different values or traits.
- Consuming such products is a means by which consumers can communicate to others—or even to themselves—the type of person they are or would like to be.
Why do Brands Matter?

For Customers (Consumers and Industrial Customers) ...

✔ Brands can also play a significant role in signaling certain product characteristics to consumers.

✔ Researchers have classified products and their associated attributes into three categories:

✔ For **Search goods** like grocery produce, consumers can evaluate product attributes like sturdiness, size, color, style, design, weight, and ingredient composition by visual inspection.

✔ For **Experience goods** like automobile tires, consumers cannot assess product attributes like durability, service quality, safety, and ease of handling or use so easily by inspection, and actual product trial and experience is necessary.

✔ For **Credence goods** like insurance coverage, consumers may rarely learn product attributes.
Why do Brands Matter?

For Customers (Consumers and Industrial Customers) ...

Given the difficulty of assessing and interpreting product attributes and benefits for experience and credence goods, brands may be particularly important signals of quality and other characteristics to consumers for these types of products.
Why do Brands Matter?

For Customers (Consumers and Industrial Customers) ...

- Brands can reduce the risks in product decisions:
  - **Functional risk:** The product does not perform up to expectations.
  - **Physical risk:** The product poses a threat to the physical well-being or health of the user or others.
  - **Financial risk:** The product is not worth the price paid.
  - **Social risk:** The product results in embarrassment from others.
  - **Psychological risk:** The product affects the mental well-being of the user.
  - **Time risk:** The failure of the product results in an opportunity cost of finding another satisfactory product.

- Brands can be a very important risk-handling device, especially in business-to-business settings where risks can sometimes have quite profound implications.
Why do Brands Matter?

For Firms (Manufacturers)

✓ Brands serve an identification purpose, to simplify product handling or tracing.
  ✓ Operationally, brands help organize inventory and accounting records.

✓ They also offer the firm legal protection for unique features or aspects of the product.
  ✓ A brand can retain intellectual property rights, giving legal title to the brand owner.
  ✓ The brand name can be protected through registered trademarks; manufacturing processes can be protected through patents; and packaging can be protected through copyrights and designs.
Why do Brands Matter?

For Firms (Manufacturers) ...

✔ Brands can signal a certain level of quality so that satisfied buyers can easily choose the product again.
  ✔ This brand loyalty provides predictability and security of demand for the firm and creates barriers of entry that make it difficult for other firms to enter the market.

✔ Although manufacturing processes and product designs may be easily duplicated, lasting impressions in the minds of individuals and organizations from years of marketing activity and product experience may not be so easily reproduced.
  ✔ In this sense, branding can be seen as a powerful means to secure a competitive advantage.
Why do Brands Matter?

Consumers
Identification of source of product
Assignment of responsibility to product maker
Risk reducer
Search cost reducer
Promise, bond, or pact with maker of product
Symbolic device
Signal of quality

Manufacturers
Means of identification to simplify handling or tracing
Means of legally protecting unique features
Signal of quality level to satisfied customers
Means of endowing products with unique associations
Source of competitive advantage
Source of financial returns
Can Anything be Branded?

How are brands created?
How do you “brand” a product?

✓ Although firms provide the impetus for brand creation through their marketing programs and other activities, ultimately a brand is something that resides in the minds of consumers.

✓ A brand is a perceptual entity rooted in reality, but it is more than that—it reflects the perceptions and perhaps even the idiosyncrasies of consumers.
To brand a product it is necessary to teach consumers “who” the product is—by giving it a name and using other brand elements to help identify it—as well as “what” the product does and why consumers should care.

Marketers must give consumers a *label* for the product (“here’s how you can identify the product”) and provide *meaning* for the brand (“here’s what this particular product can do for you, and why it’s special and different from other brand name products”).
Can Anything be Branded?

✓ Branding creates mental structures and helps consumers organize their knowledge about products and services in a way that clarifies their decision making and, in the process, provides a product category.

  ✓ These differences can be related to attributes or benefits of the product or service itself, or they may be related to more intangible image considerations.

✓ Whenever and wherever consumers are deciding between alternatives, brands can play an important decision-making role.

  ✓ Accordingly, marketers can benefit from branding whenever consumers are in a choice situation.

  ✓ Given the myriad choices consumers make each and every day—commercial and otherwise—it is no surprise how pervasive branding has become.
Can Anything be Branded?

Brands for Physical Goods

✓ Physical goods are what are traditionally associated with brands and include many of the best-known and highly regarded consumer products, like Mercedes-Benz, Nescafé, and Sony.

✓ Brands have begun to emerge among certain types of physical goods that never supported brands before.
Can Anything be Branded?

I. **Business to Business Branding**

- Some of the world’s most accomplished and respected brands belong to business marketers, such as ABB, Caterpillar, DuPont, FedEx, GE, Hewlett-Packard, IBM, Intel, Microsoft, Oracle, SAP, and Siemens.

- Creating a positive image and reputation with business customers is thought to lead to greater selling opportunities and more profitable relationships.

- A strong brand can provide valuable reassurance and clarity to business customers who may be putting their company’s fate—and perhaps their own careers!—on the line.

- A strong business-to-business brand can thus provide a strong competitive advantage.
Can Anything be Branded?

Six specific guidelines can be defined for marketers of B2B brands:

I. Ensure the entire organization understands and supports branding and brand management.

II. Adopt a corporate branding strategy if possible and create a well-defined brand hierarchy.

III. Frame value perceptions.

IV. Link relevant non-product-related brand associations.

V. Find relevant emotional associations for the brand.

VI. Segment customers carefully both within and across companies.
Can Anything be Branded?

II. High-tech Products

✓ Many technology companies have struggled with branding.
✓ Managed by technologists, these firms often lack any kind of brand strategy and sometimes see branding as simply naming their products.
✓ In many of their markets, however, financial success is no longer as simply naming their products driven by product innovation alone, or by the latest and greatest product specifications and features.
✓ Marketing skills are playing an increasingly important role in the adoption and success of high-tech products.
Can Anything be Branded?

✓ Ten guidelines that managers for high-tech companies can use to improve their company’s brand strategy:

I. It is important to have a brand strategy that provides a roadmap for the future.
II. Understand your brand hierarchy and manage it appropriately over time.
III. Know who your customer is and build an appropriate brand strategy.
IV. Realize that building brand equity and selling products are two different exercises.
V. Brands are owned by customers, not engineers.
VI. Brand strategies need to account for the attributes of the CEO and adjust accordingly.
VII. Brand building on a small budget necessitates leveraging every possible positive association.
VIII. Technology categories are created by customers and external forces, not by companies themselves.
IX. The rapidly changing environment demands that you stay in tune with your internal and external environment.
X. Invest the time to understand the technology and value proposition and do not be afraid to ask questions.
Can Anything be Branded?

Brands for Services

✓ One of the challenges in marketing services is that they are less tangible than products and more likely to vary in quality, depending on the particular person or people providing them.

✓ For that reason, branding can be particularly important to service firms as a way to address intangibility and variability problems.

✓ Brand symbols may also be especially important, because they help make the abstract nature of services more concrete.

✓ Brands can help identify and provide meaning to the different services provided by a firm.
专业服务公司如Accenture（咨询）、Goldman Sachs（投资银行）、Ernst & Young（会计）和Baker Botts（法律）提供专业化服务，对其他企业和组织提供支持。

专业服务的塑造是一门结合B2B品牌和传统消费者服务品牌的混合艺术。

企业信誉在专业知识、可信度和可亲性方面至关重要。

差错更是一个问题，因为很难标准化咨询公司的服务，而与典型消费者服务公司的服务相比。

长期的关系同样至关重要；失去一个客户会非常灾难性，如果它是足够大的账单。
Can Anything be Branded?

✓ One big difference in professional services is that individual employees have a lot more of their own equity in the firm and are often brands in their own right!
  ✓ The challenge is therefore to ensure that their words and actions help build the corporate brand and not just their own.
  ✓ Ensuring that the organization retain at least some of the equity that employees (especially senior ones) build is thus crucial in case any of them leave.

✓ Referrals and testimonials can be powerful when the services offered are highly intangible and subjective.
  ✓ Emotions also play a big role in terms of sense of security and social approval.
  ✓ Switching costs can be significant and pose barriers to entry for competitors, but clients do have the opportunity to bargain and will often do so to acquire more customized solutions.
Branding for Retailers and Distributors

- Brands can generate consumer interest, patronage, and loyalty in a store, as consumers learn to expect certain brands and products.
- To the extent “you are what you sell,” brands help retailers create an image and establish positioning.
- Retailers can also create their own brand image by attaching unique associations to the quality of their service, their product assortment and merchandising, and their pricing and credit policy.
- Finally, the appeal and attraction of brands, whether manufacturers’ brands or the retailers’ own brands, can yield higher price margins, increased sales volumes, and greater profits.
Can Anything be Branded?

**Store brands or private label**

✓ Retailers can introduce their own brands by using their store name, creating new names, or some combination of the two.

✓ Many distributors, especially in Europe, have actually introduced their own brands, which they sell in addition to—or sometimes even instead of—manufacturers’ brands.

✓ Products bearing these **store brands** or **private label** brands offer another way for retailers to increase customer loyalty and generate higher margins and profits.
Can Anything be Branded?

Branding for Online Products and Services

✓ Some of the strongest brands in recent years have been born online.
  ✓ Google, Facebook, and Twitter are three notable examples.

✓ Yet, the onset of the Internet, many online marketers made serious—and sometimes fatal—mistakes.
  ✓ Some oversimplified the branding process, equating flashy or unusual advertising with building a brand.
  ✓ More often than not they failed to create awareness of what products or services the brand represented, why those products or services were unique or different, and most important, why consumers should visit their Web site.
Online marketers have found that it is critical to create unique aspects of the brand on some dimension that is important to consumers, such as convenience, price, or variety.

At the same time, the brand needs to perform satisfactorily in other areas, such as customer service, credibility, and personality.

For instance, customers increasingly began to demand higher levels of service both during and after their Web site visits.

Online brands also learned the importance of off-line activities to draw customers sites.

Home page Web addresses, or URLs, began to appear on all collateral and marketing material.

Partnerships became critical as online brands developed networks of online partners and links.

They also began to target specific customer groups—often geographically widely dispersed—for which the brand could offer unique value propositions.
Can Anything be Branded?

**Branding for People**

- When the product category is people or organizations, the naming aspect of branding, at least, is generally straightforward.
  - These often have well-defined images that are easily understood and liked (or disliked) by others.
  - That’s particularly true for public figures such as politicians, entertainers, and professional athletes.

- That’s not to say that only the well-known or famous can be thought of as a brand.
  - Certainly, one key for a successful career in almost any area is that co-workers, superiors, or even important people outside your company or organization know who you are and recognize your skills, talents, attitude, and so forth.
  - By building up a name and reputation in a business context, you are essentially creating your own brand.
Branding for Sports, Arts, and Entertainment

✓ Sports marketing has become highly sophisticated in recent years, employing traditional packaged-goods techniques.
✓ No longer content to allow win–loss records to dictate attendance levels and financial fortunes, many sports teams are marketing themselves through a creative combination of advertising, promotions, sponsorship, direct mail, digital, and other forms of communication.

✓ By building awareness, image, and loyalty, these sports franchises are able to meet ticket sales targets regardless of what their team’s actual performance might turn out to be.
✓ Brand symbols and logos in particular have become an important financial contributor to professional sports through licensing agreements.

Can Anything be Branded?
Can Anything be Branded?

Arts (Movies, Television, Music, and Books)

✓ These offerings are good examples of experience goods:
  ✓ Prospective buyers cannot judge quality by inspection and must use cues such as the particular people involved, the concept or rationale behind the project, and word-of-mouth and critical reviews.

✓ Think of a movie as a product whose “ingredients” are the plot, actors, and director.
  ✓ Certain movie franchises such as Spider Man, James Bond, and Twilight have established themselves as strong brands by combining all these ingredients into a formula that appeals to consumers and allows the studios to release sequels (essentially brand extensions) that rely on the title’s initial popularity.
Can Anything be Branded?

Branding for Geographic Locations

✓ Increased mobility of both people and businesses and growth in the tourism industry have contributed to the rise of place marketing.
  ✓ Cities, states, regions, and countries are now actively promoted through advertising, direct mail, and other communication tools.

✓ These campaigns aim to create awareness and a favorable image of a location that will entice temporary visits or permanent moves from individuals and businesses alike.
Can Anything be Branded?

Branding for Ideas and Causes

✓ Numerous ideas and causes have been branded, especially by nonprofit organizations.
  ✓ They may be captured in a phrase or slogan and even be represented by a symbol, such as AIDS ribbons. By making ideas and causes more visible and concrete, branding can provide much value.

✓ cause marketing increasingly relies on sophisticated marketing practices to inform or persuade consumers about the issues surrounding a cause.
What are the Strongest Brands?

1. Interbrand
   ✓ (http://interbrand.com/best-brands/best-global-brands/2016/)

2. Forbes
   ✓ (http://www.forbes.com/powerful-brands/list/)
Branding Challenges and Opportunities

1. Savvy customers
2. More complex brand families and portfolios
3. Maturing markets
4. More sophisticated and increasing competition
5. Difficulty in differentiating
6. Decreasing brand loyalty in many categories
7. Growth of private labels
8. Increasing trade power
9. Fragmenting media coverage
10. Eroding traditional media effectiveness
11. Emerging new communication options
12. Increasing promotional expenditures
13. Decreasing advertising expenditures
14. Increasing cost of product introduction and support
15. Short-term performance orientation
16. Increasing job turnover
17. Pronounced economic cycles
Branding Challenges and Opportunities

Marketing Brands in Recession

✓ Explore the Upside of Actually Increasing Investment
✓ Now, More Than Ever, Get Closer to Your Consumer
✓ Rethink How You Spend Your Money
✓ Put Forth the Most Compelling Value Proposition
✓ Fine-Tune Your Brand and Product Offerings
The Brand Equity Concept

✓ Fundamentally, branding is all about endowing products and services with the power of brand equity.

✓ Despite the many different views, most observers agree that brand equity consists of the marketing effects uniquely attributable to a brand.

  ✓ That is, brand equity explains why different outcomes result from the marketing of a branded product or service than if it were not branded.
The Brand Equity Concept

✓ Branding is all about creating differences.
✓ Most marketing observers also agree with the following basic principles of branding and brand equity:
  1. Differences in outcomes arise from the “added value” endowed to a product as a result of past marketing activity for the brand.
  2. This value can be created for a brand in many different ways.
  3. Brand equity provides a common denominator for interpreting marketing strategies and assessing the value of a brand.
  4. There are many different ways in which the value of a brand can be manifested or exploited to benefit the firm (in terms of greater proceeds or lower costs or both).
Strategic Brand Management Process

✓ **Strategic brand management** involves the design and implementation of marketing programs and activities to build, measure, and manage brand equity including four main steps:

1. Identifying and establishing brand positioning and values
2. Planning and implementing brand marketing programs
3. Measuring and interpreting brand performance
4. Growing and sustaining brand equity
**Steps**

1. Identify and Establish Brand Positioning and Values
2. Plan and Implement Brand Marketing Programs
3. Measure and Interpret Brand Performance
4. Grow and Sustain Brand Equity

**Key Concepts**

- Mental maps
- Competitive frame of reference
- Points-of-parity and points-of-difference
- Core brand associations
- Brand mantra
- Mixing and matching of brand elements
- Integrating brand marketing activities
- Leveraging secondary association
- Brand value chain
- Brand audits
- Brand tracking
- Brand equity management system
- Brand architecture
- Brand portfolios and hierarchies
- Brand expansion strategies
- Brand reinforcement and revitalization
1) Identifying and establishing Brand Positioning and Values

- The strategic brand management process starts with a clear understanding of what the brand is to represent and how it should be positioned with respect to competitors. 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.
2) **Planning and Implementing Brand Marketing Programs**

- Building brand equity requires properly positioning the brand in the minds of customers and achieving as much brand resonance as possible.

- In general, this knowledge-building process will depend on three factors:
  1. The initial choices of the brand elements making up the brand and how they are mixed and matched;
  2. The marketing activities and supporting marketing programs and the way the brand is integrated into them; and
  3. 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).
3) Measuring and Interpreting Brand Performance

✓ To manage their brands profitably, managers must successfully design and implement a brand equity measurement system.

✓ A **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:
  1) Conducting **brand audits**,  
  2) Designing **brand tracking** studies, and  
  3) Establishing a **brand equity management system**.
Strategic Brand Management Process

✓ The task of determining or evaluating a brand’s positioning often benefits from a brand audit.

✓ A **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.

✓ A brand 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.

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.
Strategic Brand Management Process

✔ A 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:
  1. Creating brand equity charters,
  2. Assembling brand equity reports, and
  3. Defining brand equity responsibilities.
Strategic Brand Management Process

4) Growing and Sustaining Brand Equity

✓ Brand equity management activities take a broader and more diverse perspective of the brand’s equity
  ✓ Understanding how branding strategies should reflect corporate concerns and be adjusted, if at all, over time or over geographical boundaries or multiple market segments.

1) Defining Brand Architecture.
2) Managing Brand Equity over Time.
3) Managing Brand Equity over Geographic Boundaries, Cultures, and Market Segments.
Strategic Brand Management Process

1) **Defining Brand Architecture.**

✓ The firm’s brand architecture provides general guidelines about its branding strategy and which brand elements to apply across all the different products sold by the firm.

✓ Two key concepts in defining brand architecture are:
1. Brand portfolios and
2. 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.
2) **Managing Brand Equity over Time.**

- Effective brand management also requires taking a long-term view of marketing decisions.

- 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.

- It 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.
Strategic Brand Management Process

3) **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.
The End