



Param Puja Dr. Babasaheb Ambedkar Smarak Samiti's

Dr. Ambedkar Institute of Management Studies & Research

Deeksha Bhoomi, Nagpur - 440010 (Maharashtra State) INDIA

NAAC Accredited with 'A' Grade

Tel: +91 712 6521204, 6521203, 6501379

Email: info@daimsr.in

IMC & Brand Management

For Internal Circulation and Academic
Purpose Only

Topic: Brand Equity

- **Learning objectives:**
- To make the students understand the concept of Brand Equity, its meaning and components of brand equity.



Brand loyalty

- When consumers become committed to a brand and make repeat purchases over time.
- Brand loyalty is a result of consumer behaviour and is affected by a person's preferences.
- Loyal customers will consistently purchase products from their preferred brands, regardless of convenience or price.
- Companies will often use different marketing strategies to cultivate loyal customers, be it is through loyalty programs i.e. rewards programs

Factors affecting brand loyalty

- Different measurements of brand attitude and purchase habits are expressed by brand loyalty.
- The distribution decision of the company is also valuable element
- It is very important to provide the product to the consumer at convince place.
- Brand loyalty has been defined as an attitudinal and behavioural concept
- Relationship between brand loyalty & uniqueness that was not statistically significant indicating that the business people should not focus their efforts on the uniqueness of the brand name because this factor does not affect brand loyalty at all.

Benefits from brand loyalty

- Dramatic effects on profitability
- Longer tenure as a customer
- Lower sensitivity to price increases




Brand equity

- Brand equity is a phrase used in the marketing industry which describes the value of having a well-known brand name
- It is based on the idea that the owner of a well-known brand name can generate more money from products with that brand name than from products with a less well known name
- A brand's power derived from the goodwill and name recognition that it has earned over time, which translates into higher sales volume and higher profit margins against competing brands

Advantages

- Allow you to charge a price premium compared to competitors with less brand equity.
- Strong brand names simplify the decision process for low cost and non-essential products.
- Brand name can give comfort to buyers unsure of their decision by reducing their perceived risk.
- Maintain higher awareness of your products.
- Use as leverage when introducing new products.
- Often interpreted as an indicator of quality.

- 
- High Brand Equity makes sure your products are included in most consumers' consideration set.
 - Your brand can be linked to a quality image that buyers want to be associated with.
 - It can lead to greater loyalty from customers. Offer a strong defence against new products and new competitors.
 - It can lead to higher rates of product trial and repeat purchasing due to buyers' awareness of your brand, approval of its image/reputation and trust in its quality.

Drivers of Brand Equity

Brand Elements

Marketing Activities

Meaning Transference

Perceived quality of brands

- Perceived quality can be defined as the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives.
- Perceived quality is, first, a perception by customers. It thus differs from several related concepts, such as:
 - a) Actual or objective quality: the extent to which the product or service delivers superior service
 -
 - b) Product-based quality: the nature and quantity of ingredients, features, or services included
 -
 - c) Manufacturing quality: conformance to specification, the "zero defect" goal

Brand Equity

- IS BRAND EQUITY ALWAYS POSITIVE ???
- There are two schools of thought regarding the existence of negative brand equity.
- One perspective states brand equity **cannot be negative**, hypothesizing only positive brand equity is created by marketing activities such as advertising, PR, and promotion.
- A second perspective is that negative equity can exist, due to catastrophic events to the brand, **such as a wide product recall or continued negative press attention**

Brand Equity

EXAMPLES OF NEGATIVE BRAND EQUITY???

COKE – pesticide content

AIR FRANCE – Unexpected Air Crash

TATA INDICA/ NANO – Defects in manufacturing

MARKS & SPENCER – Poor Innovation in Fashion Trends

Impact on Brand Negative – but confined to short time Frame

Reference Books

- Integrated Marketing Communication ; Tom Duncan; Tata McGraw
- Strategic Brand Management; Kevin Lane Keller; PHI