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IMC & Brand Management

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Purpose Only



Topic: Measurement of Brand Equity- Competitive Analysis

Learning objectives:

To understand how brand equity is measured.

Measuring Brand Equity

Brand Audits

Brand Tracking

Brand Valuation

Why Measure Brand Equity?

- Metrics are an integral part of the brand strategy process.

Reasons to Measure Brand Equity

- Understand drivers of brand strength in order to support strategic decision – making.
- To evaluate performance of brand management in increasing equity over time.
- To evaluate efficacy of brand building programs – ROMI.
- To assess the value of the brand for purposes of licensing or sale.

Strategic Marketing Framework



Brand Equity vs. Brand Value

- Brand value and brand equity are not the same. Brand value is a financial measure specific to a point in time that is especially useful in M&A or licensing. Brand equity represents the potential for your brand to impact your business.

“(For most companies) the operative question is less what their brand is worth than what their brand could do for them in terms of revenue and profit. ...gaining an understanding of the causal activities related to the changes would make brand equity measures more actionable.”

– Tom Reynolds & Carol Phillips

*“In Search of True Brand Equity Metrics: All Market Share Ain’t Created Equal”
Journal of Advertising Research, 2005*



Methods for Measuring Brand Equity:

- Qualitative Techniques
- Quantitative Techniques
- Comparative Methods

Qualitative Research Techniques

- The various qualitative research Techniques are:
 1. Free Association
 2. Interview
 3. Projective Techniques
 4. Focus Group
 5. Experimental Methods

Qualitative Research Techniques

1. Free Association

- The purpose of free association tasks is to identify the range of possible brand associations in consumers' minds.
- They may also provide a rough indication of the relative strength, favorability and uniqueness of brand associations.

Qualitative Research Techniques

1. Projective Techniques

- Projective Techniques are diagnostic tools to uncover the true opinions and feelings of consumers when they are unwilling or otherwise unable to express themselves.
- Here the subject is given an incomplete or ambiguous stimulus that might not make sense by itself.
- Eg. Rorschach Test

Qualitative Research Techniques

1. Projective Techniques

- Types of Projective Techniques:
 - Completion & Interpretation Tasks
 - Comparison Tasks
 - » **Brand Personality and Values**
 - The Big Five: factors of Brand personality
 - a. Sincerity
 - b. Excitement
 - c. Competence
 - d. Sophistication
 - e. Ruggedness

Qualitative Research Techniques

1. Experimental Methods

- These methods involve approaches which go beyond traditional qualitative techniques to research consumers in their natural environment.
- Eg. Giving a Polaroid camera to a business traveler to document their feelings and actions in hotel rooms etc.

Quantitative Research Techniques

- The Quantitative Techniques involves the measurement of the following:
 1. Brand Awareness
 2. Brand Loyalty
 3. Brand Image

Quantitative Research Techniques

1. Brand Awareness

- Brand Awareness is related to the Strength of the brand in memory of the consumers.
- **Brand Recognition:** Here the Consumers are able to discriminate a stimulus- a word, object, image etc as something they have previously seen.
- Brand Recognition relates to consumers' ability to identify the brand under various circumstances and can involve the identification of any of the brand elements.

Quantitative Research Techniques

1. Brand Awareness

- **Brand Recall:** Brand Recall can provide some insight into category structure and brand positioning in consumer's mind.
- The category structure that exists in consumers' minds- as reflected by brand recall performance- can have profound implications for consumers choice and ,marketing strategy.

Quantitative Research Techniques

1. Brand Image

- Strong, favourable and unique associations provide the foundation for customer-based brand equity.
- It is important to measure the lower-level considerations related to consumer perceptions of specific performances and imagery attributes relative to a brand.

Quantitative Research Techniques

1. Brand Image

- **Beliefs:** these are descriptive thoughts that a person holds about something.
- The qualitative research approaches described previously are useful in understanding the different types of specific brand associations making the brand image.
- The belief associations have to be measured on the basis of ***strength, favorability and uniqueness*** to understand its contribution in brand equity.

Quantitative Research Techniques

- **Multidimensional Scaling (MDS):**
 - It is a procedure to determine the perceived relative images of a set of objects, such as products or brands.
 - MDS transforms consumer judgments of similarity or preference into distances represented in perceptual space.
 - Respondents can base their similarity between brands on any basis- tangible or intangible.

Quantitative Research Techniques

- **Brand Response**
 - The purpose of measuring the higher level considerations is to find out how consumers combine all of the specific, lower-level considerations about the brand in their minds to form different types of brand responses and evaluations.
 - **Purchase Intentions:** Another measure related to brand attitudes and considerations is Purchase Intentions.

Quantitative Research Techniques

- **Brand Relationships:**
 - It can be characterized in terms of brand resonance and offered possible measures or each of the four key dimensions:
 - Behavioral Loyalty
 - Attitudinal Attachment
 - Sense of Community
 - Active Engagement.
 - Behavioral Loyalty
 - Brand Substitutability

Comparative Methods

There are two types of comparative methods:

- Brand-based comparative approaches
- Marketing-based comparative approaches

Comparative Methods

- **Brand-based comparative approaches:**
 - Consumers may interpret the marketing activity of a product with a general product category knowledge.
 - It is very important to examine how the consumers evaluate a proposed new campaign.
 - Brand-based comparative approaches help in understanding the brand purchase or consumption research for a new or existing products, as long as the brand identification can be hidden in some way for unbranded control group.

Comparative Methods

- **Marketing-based Comparative Approaches:**
 - Marketing-based comparative approaches hold the brand fixed and examine consumer response based on changes in the marketing program.
 - It can be applied in other ways by assessing consumer response to different;
 - Advertising Strategies
 - Executions
 - Or media plans



Assessment questions:

1. List down the factors you know for the measurement of brand equity.

Reference Books

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