CHAPTER: 3
BRAND RESONANCE AND THE BRAND VALUE CHAIN
Learning Objectives

- Define brand resonance
- Describe the steps in building brand resonance
- Define the brand value chain
- Identify the stages in the brand value chain
- Contrast brand equity and customer equity
Building a Strong Brand: The Four Steps of Brand Building

1. Ensure identification of the brand with customers and an association of the brand in customers’ minds with a specific product class, product benefit, or customer need.

2. Firmly establish the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations.

3. Elicit the proper customer responses to the brand.

4. Convert brand responses to create brand resonance and an intense, active loyalty relationship between customers and the brand.
Building A Strong Brand: The Four Steps of Brand Building

1. Who are you? (brand identity)
2. What are you? (brand meaning)
3. What about you? What do I think or feel about you? (brand response)
4. What about you and me? What kind of association and how much of a connection would I like to have with you? (brand relationships)
Building a Strong Brand: The Four Steps of Brand Building

- Brand salience
- Brand performance
- Brand imagery
- Brand judgments
- Brand feelings
- Brand resonance
- Brand-building implications
Figure 3.1 - Customer-Based Brand Equity Pyramid

- **Stages of Brand Development**
  - 1. **Identity**: Who are you?
  - 2. **Meaning**: What are you?
  - 3. **Response**: What about you?
  - 4. **Relationships**: What about you and me?

- **Brand Equity Pyramid**
  - **Salience**
  - **Performance**
  - **Imagery**
  - **Feelings**
  - **Judgments**
  - **Resonance**

- **Branding Objective at Each Stage**
  - Deep, broad brand awareness
  - Points of parity and difference
  - Positive, accessible reactions
  - Intense, active loyalty
Brand Salience

- Measures various aspects of the awareness of the brand:
  - To what extent is the brand top-of-mind and easily recalled or recognized?
  - What types of cues or reminders are necessary?
  - How pervasive is this brand awareness?
Brand Salience

- Breadth and Depth of Awareness
- Product Category Structure
- Strategic Implications
Breadth and Depth of Awareness

- **Brand awareness** gives the product an identity by linking brand elements to a product category and associated purchase and consumption or usage situations.

- **Breadth** - Range of purchase and usage situations in which the brand element comes to mind.
- **Depth** - Ease with which brand elements can be recalled.
Product category Structure

- Beverages
  - Water
    - Milk
    - Hot beverages
  - Flavored
    - Juices
    - Soft drinks
  - Nonalcoholic
  - Alcoholic
    - Wine
    - Distilled spirits
    - Beer
Product category Structure

• How are product categories organized in the consumer’s memory?
  • Tropicana Orange Juice
  • Valio Milk
  • Gatorage
Strategic Implications

The brand must not only be top-of-mind and have sufficient “mind share,” but it must also do so at the right times and places.

- Where do consumers think about a brand?
- When do consumers think of a brand?
- How often do consumers think of a brand?
Brand Performance

Describes how well the brand is:

- Meets customers’ more functional needs
- Rate on objective assessments of quality
- Satisfies utilitarian, aesthetic, and economic customer needs and wants in the product or service category
Attributes and benefits that underlie Brand Performance

- **Reliability** measures the consistency of performance over time and from purchase to purchase.
- **Durability** is the expected economic life of the product.
- **Serviceability**: The ease of repairing the product if needed.
- **Effectiveness** measures how well the brand satisfies customers’ service requirements.
- **Efficiency** describes the speed and responsiveness of service.
- **Empathy** is the extent to which service providers are seen as trusting, caring, and having the customer’s interests in mind.
- **Style and design**: a functional aspect in terms of how a product works that affects performance associations.
- **Price**: Consumers may organize their product category knowledge in terms of the price tiers of different brands.
Brand Imagery

- User profile/imagery
- Purchase and usage situations/imagery
- Brand personality and values
- Brand history, heritage, and experiences
User Profile/Imagery

- Type of person or organization who uses the brand.
- Results in customers’ mental image of actual users or more aspirational, idealized users.
- Consumers may base associations of a typical or idealized brand user on descriptive demographic factors or more abstract psychographic factors.
  - Demographic factors: Gender (Venus vs Mach 3 Gillette), age (Pink vs Victoria Secret), race, income (Polo shirts, BMW automobile).
  - Psychographic factors: Attitudes toward life, careers, possessions, social issues, or political institutions.
Purchase and usage situations/imagery

• Associations that tell consumers under what conditions or situations they can or should buy and use the brand

• Associations to a typical usage situation can relate to the time to use the brand, location, and type of activity during which to use the brand
Brand personality and values

- Through consumer experience or marketing activities, brands may take on personality traits.
- Five dimensions of brand personality:
  - **Sincerity** (down-to-earth, honest, wholesome, and cheerful)
  - **Excitement** (daring, spirited, imaginative, and up-to-date)
  - **Competence** (reliable, intelligent, successful)
  - **Sophistication** (upper class and charming)
  - **Ruggedness** (outdoorsy and tough)
Brand history, heritage, and experiences

• Associations that tell consumers under what conditions or situations they can or should buy and use the brand.

• Associations to a typical usage situation can relate to the time to use the brand, location, and type of activity during which to use the brand.
Brand Judgements

- Quality
- Credibility
- Consideration
- Superiority
Quality

• Specific attributes and benefits of the brand that help develop consumer attitudes toward the brand.
• Important consumer attitudes relate to its perceived quality and to customer value and satisfaction.
• Perceived quality measures are inherent in many approaches to brand equity.
Credibility

• Extent to which customers see the brand as credible in terms of perceived:
  • Expertise - Competence, innovation, and ability to lead.
  • Trustworthiness - Dependability and keeping customer interests in mind.
  • Likability - Fun, interesting, and worth spending time with.
Consideration and Superiority

- **Consideration**
  - How personally relevant customers find the brand.
  - Crucial filter in terms of building brand equity.

- **Superiority**
  - Extent to which customers view the brand as unique and better than other brands.
  - Critical to building intense and active relationships with customers.
  - Depends to a great degree on the number and nature of unique brand associations that make up the brand image.
Brand Feelings

- Customers’ emotional responses and reactions to the brand
  - What feelings are evoked by the marketing program for the brand or by other means?
  - How does the brand affect customers’ feelings about themselves and their relationship with others?
Important Brand Feelings

- **Warmth** - Soothing feelings that make consumers feel a sense of calm or peacefulness.
- **Fun** - Upbeat feelings that make consumers feel amused, lighthearted, joyous, playful, and cheerful.
- **Excitement** - Ability of the brand to make consumers feel energized and experience something special.
- **Security** - Ability of a brand to produce a feeling of safety, comfort, and self-assurance.
- **Social approval** - Gives consumers a belief that others look favorably on their appearance and behavior.
- **Self-respect** - Brand makes consumers feel better about themselves.
Brand Resonance

- **Behavioral loyalty** - Gauged in terms of repeat purchases and the share of category volume attributed to the brand.

- **Attitudinal attachment** - Strong personal attachment with product (i.e. “I love this brand”).

https://hbr.org/2003/12/the-one-number-you-need-to-grow
Brand Resonance

- **Sense of community** - Sense of affiliation with other people associated with the brand.

- **Active engagement** - The strongest affirmation of brand loyalty occurs when customers are engaged, or willing to invest time, energy, money, or other resources in the brand beyond those expended during purchase or consumption of the brand.
Customer Engagement

[Diagram showing a network of concepts related to customer engagement, including Involvement, Customer Participation, Brand Community Involvement, Customer Engagement, Value, Trust, Affective Commitment, Word of Mouth, Loyalty, and P1 to P10b relationships.]
Brand Building Implications

- Customers own the brand

  The strongest brands will be those to which consumers become so attached and passionate that they become evangelists or missionaries and attempt to share their beliefs and spread the word about the brand. The power of the brand and its ultimate value to the firm reside with customers.
Brand Building Implications

- Don’t take shortcuts with brands
- Brands should have a duality
- Brands should have richness
- Brand resonance provides important focus
Figure 3.2 - Subdimensions of Brand Building Blocks

- **Resonance**
  - Loyalty
  - Attachment
  - Community
  - Engagement

- **Feelings**
  - Warmth
  - Fun
  - Excitement
  - Security
  - Social Approval
  - Self-Respect

- **Performance**
  - Primary Characteristics and Secondary Features
  - Product Reliability,
  - Durability, and Serviceability
  - Service Effectiveness,
  - Efficiency, and Empathy
  - Style and Design
  - Price

- **Imagery**
  - User Profiles
  - Purchase and Usage
  - Situations
  - Personality and Values
  - History, Heritage, and Experiences

- **Judgments**
  - Quality
  - Credibility
  - Consideration
  - Superiority

- **Salience**
  - Category Identification
  - Needs Satisfied

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Figure 3.4 – Possible measures of brand building blocks

I. **Salience**

What brands of product or service category can you think of? (using increasingly specific product category cues)

Have you ever heard of these brands?

Which brands might you be likely to use under the following situations . . . ?

How frequently do you think of this brand?
II. **Performance**

- Compared with other brands in the category, how well does this brand provide the basic functions of the product or service category?
- Compared with other brands in the category, how well does this brand satisfy the basic needs of the product or service category?
- To what extent does this brand have special features?
- How reliable is this brand?
- How durable is this brand?
- How easily serviced is this brand?
- How effective is this brand’s service? Does it completely satisfy your requirements?
- How efficient is this brand’s service in terms of speed, responsiveness, and so forth?
- How courteous and helpful are the providers of this brand’s service?
- How stylish do you find this brand?
- How much do you like the look, feel, and other design aspects of this brand?
- Compared with other brands in the category with which it competes, are this brand’s prices generally higher, lower, or about the same?
- Compared with other brands in the category with which it competes, do this brand’s prices change more frequently, less frequently, or about the same amount?
III. Imagery
To what extent do people you admire and respect use this brand?
How much do you like people who use this brand?
How well do the following words describe this brand: down-to-earth, honest, daring, up-to-date, reliable, successful, upper class, charming, outdoorsy?
What places are appropriate to buy this brand?
How appropriate are the following situations to use this brand?
Can you buy this brand in a lot of places?
Is this a brand that you can use in a lot of different situations?
To what extent does thinking of the brand bring back pleasant memories?
To what extent do you feel you grew up with the brand?
Figure 3.4 – Possible measures of brand building blocks

IV. Judgments

Quality
What is your overall opinion of this brand?
What is your assessment of the product quality of this brand?
To what extent does this brand fully satisfy your product needs?
How good a value is this brand?

Credibility
How knowledgeable are the makers of this brand?
How innovative are the makers of this brand?
How much do you trust the makers of this brand?
To what extent do the makers of this brand understand your needs?
To what extent do the makers of this brand care about your opinions?
To what extent do the makers of this brand have your interests in mind?
Figure 3.4 – Possible measures of brand building blocks

**Credibility (cont.)**

How much do you like this brand?
How much do you admire this brand?
How much do you respect this brand?

**Consideration**

How likely would you be to recommend this brand to others?
Which are your favorite products in this brand category?
How personally relevant is this brand to you?

**Superiority**

How unique is this brand?
To what extent does this brand offer advantages that other brands cannot?
How superior is this brand to others in the category?
### Figure 3.4 – Possible measures of brand building blocks

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<thead>
<tr>
<th>V.</th>
<th><strong>Feelings</strong></th>
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<tbody>
<tr>
<td></td>
<td>Does this brand give you a feeling of warmth?</td>
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<td></td>
<td>Does this brand give you a feeling of fun?</td>
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<td></td>
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Figure 3.4 – Possible measures of brand building blocks

VI. Resonance

Loyalty
I consider myself loyal to this brand.
I buy this brand whenever I can.
I buy as much of this brand as I can.
I feel this is the only brand of this product I need.
This is the one brand I would prefer to buy/use.
If this brand were not available, it would make little difference to me if I had to use another brand.
I would go out of my way to use this brand.

Attachment
I really love this brand.
I would really miss this brand if it went away.
This brand is special to me.
This brand is more than a product to me.
Figure 3.4 – Possible measures of brand building blocks

**Community**
I really identify with people who use this brand.
I feel as if I almost belong to a club with other users of this brand.
This is a brand used by people like me.
I feel a deep connection with others who use this brand.

**Engagement**
I really like to talk about this brand to others.
I am always interested in learning more about this brand.
I would be interested in merchandise with this brand’s name on it.
I am proud to have others know I use this brand.
I like to visit the Web site for this brand.
Compared with other people, I follow news about this brand closely.
Figure 3.5 - Brand Value Chain

**VALUE STAGES**

**Marketing Program Investment**
- Product
- Communications
- Trade
- Employee
- Other

**Customer Mind-set**
- Awareness
- Associations
- Attitudes
- Attachment
- Activity

**Market Performance**
- Price premiums
- Price elasticities
- Market share
- Expansion success
- Cost structure
- Profitability

**Shareholder Value**
- Stock price
- P/E ratio
- Market capitalization

**MULTIPLIERS**

**Program Multiplier**
- Distinctiveness
- Relevance
- Integrated
- Value
- Excellence

**Customer Multiplier**
- Competitive reactions
- Channel support
- Customer size & profile

**Market Multiplier**
- Market dynamics
- Growth potential
- Risk profile
- Brand contribution
To Sum up...

- Implications of brand value chain
  - A necessary condition for value creation is a well-funded, well-designed, and well-implemented marketing program
  - Value creation requires more than the initial marketing investment
  - Allows to estimate shareholder value and the investor sentiment multiplier through investor analysis and interviews
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