

GLOBAL
EDITION

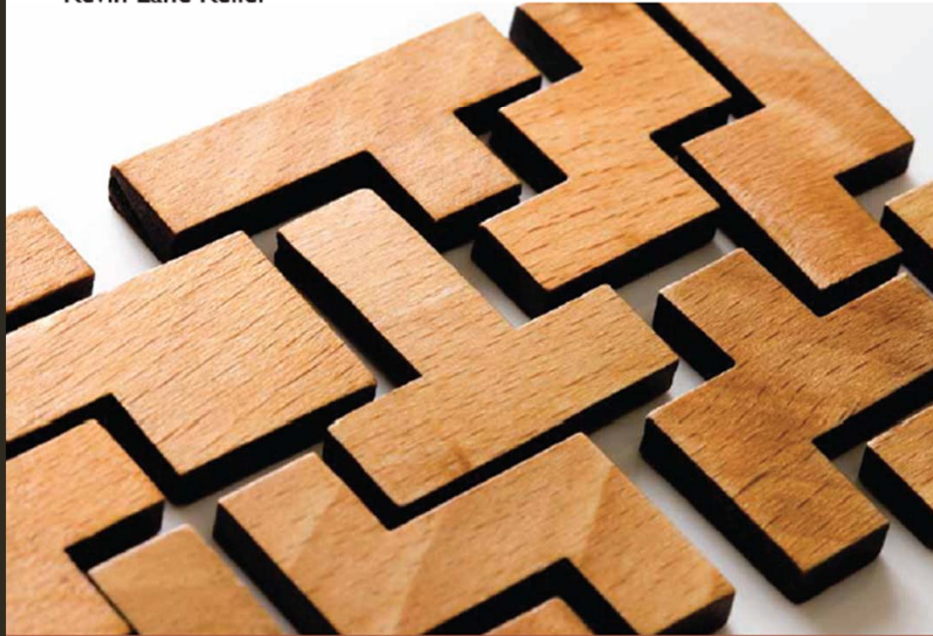


Strategic Brand Management

Building, Measuring, and Managing Brand Equity

FOURTH EDITION

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ALWAYS LEARNING

PEARSON

CHAPTER: 7 LEVERAGING SECONDARY BRAND ASSOCIATIONS TO BUILD BRAND EQUITY

Learning Objectives

- Outline the eight main ways to leverage secondary associations
- Explain the process by which a brand can leverage secondary associations
- Describe some of the key tactical issues in leveraging secondary associations from different entities

Different means that can leverage secondary brand association

1. Companies (through branding strategies)
2. Countries or other geographic areas (through identification of product origin)
3. Channels of distribution (through channel strategy)
4. Other brands (through co-branding)
5. Characters (through licensing)
6. Spokespersons (through endorsements)
7. Events (through sponsorship)
8. Other third-party sources (through awards or reviews)

Different means that can leverage secondary brand association

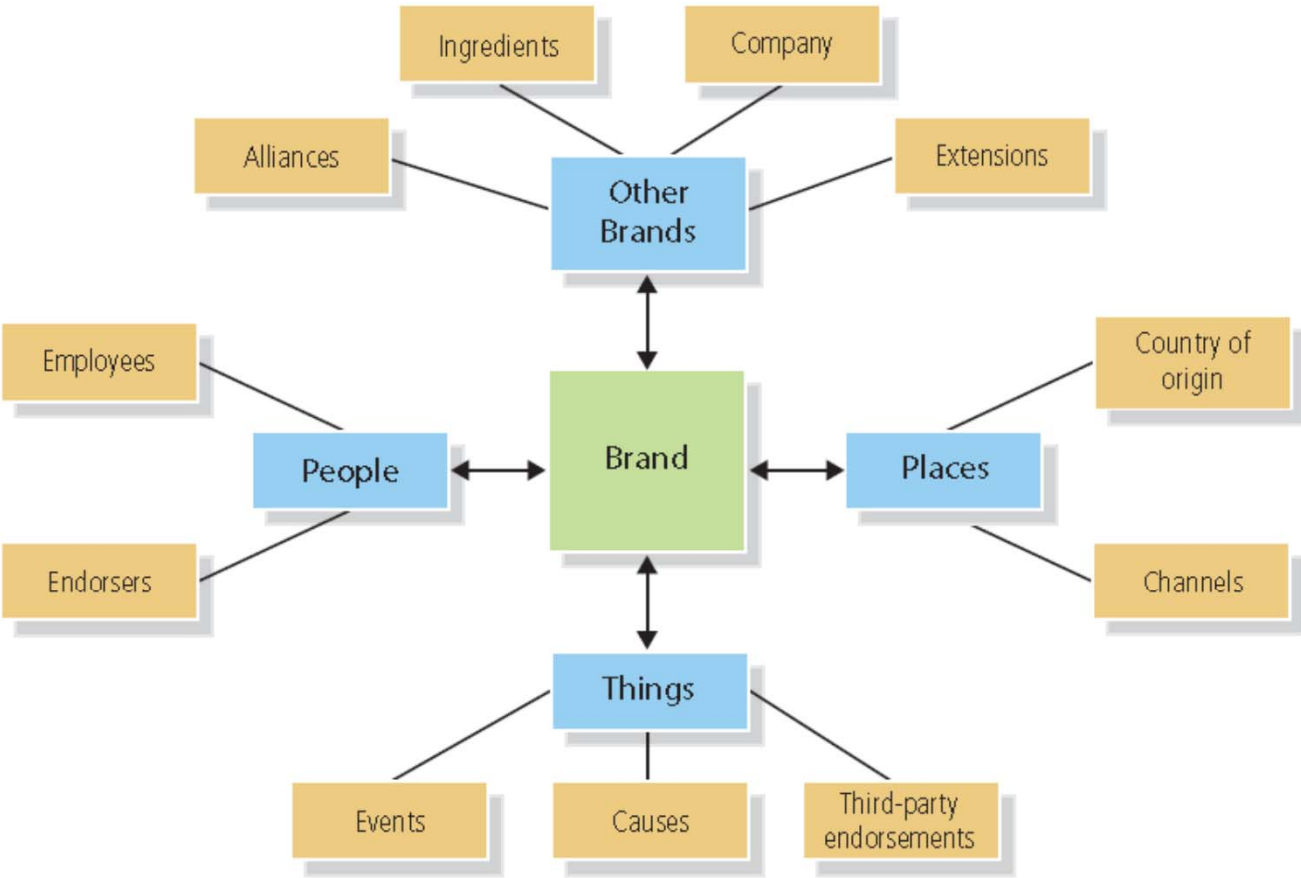


FIGURE 7-1
Secondary Sources of
Brand Knowledge

Conceptualizing the Leveraging Process

- Linking the brand to some other entity may:
 - Create a new set of associations from the brand to the entity
 - Affect the existing brand associations
 - When a brand is identified as linked to that entity, consumers may infer that some of the particular associations, judgments, or feelings that characterize the entity may also characterize the brand.
 - What is true for the entity, must be true for the brand.

Creation of New Brand Associations

- Secondary brand associations are most likely to affect evaluations of a new product when:
 - ▣ Consumers lack either the motivation or the ability to judge product-related concerns

Effects on Existing Brand Knowledge

1. *Awareness and knowledge of the entity:* If consumers have no awareness or knowledge of the secondary entity, then obviously there is nothing they can transfer from it. Consumers would be aware of the entity; hold some strong, favorable, and perhaps even unique associations about it; and have positive judgments and feelings about it.

Effects on Existing Brand Knowledge

2. *Meaningfulness of the knowledge of the entity:*

Given that the entity evokes some positive associations, judgments, or feelings, is this knowledge relevant and meaningful for the brand?

Effects on Existing Brand Knowledge

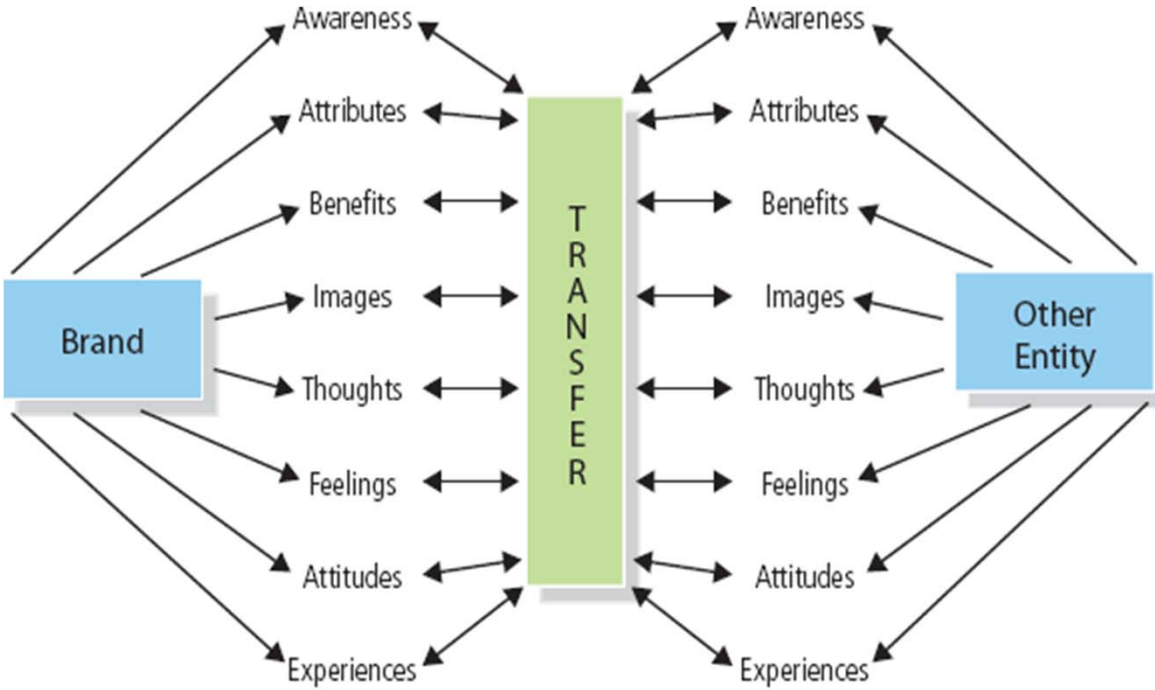
3. *Transferability of the knowledge of the entity:*

Assuming that some potentially useful and meaningful associations, judgments, or feelings exist regarding the entity and could possibly transfer to the brand, how strongly will this knowledge actually become linked to the brand?

Effects on Existing Brand Knowledge

- What do consumers know about the other entity?
- Does any of this knowledge affect what they think about the brand when it becomes linked or associated in some fashion with this other entity?

Figure 7.2- Understanding Transfer of Brand Knowledge



Company

- A corporate or family brand can be a source of brand equity
- If the brand is linked to an existing brand, then knowledge about the existing brand may also become linked to the brand.
- Examples: Samsung and Nestlé

Country of Origin or Geographic Location

- Can be linked to the brand to generate secondary associations
- Consumers choose brands originating in different countries based on:
 - Their beliefs about the quality of certain types of products from certain countries
 - The image that these brands or products communicate
- Can create strong points-of-difference

Country of Origin or Geographic Location

Some examples:

Levi's jeans → United States

Johnnie Walker → Scotland

Chanel perfume → France

Toyota → Japan

Barilla pasta and Gucci → Italy

BMW → Germany

Mont Blanc pens → Switzerland

??? → Finland

??? → Australia

??? → Taiwan

??? → Vietnam

??? → Bulgaria

Cachaça and Açaí ??? → Brazil

Channels of Distribution

- Retail stores can indirectly affect brand equity through an “image transfer” process
- Retailers have their own brand images in consumers’ minds due to the following associations
 - ▣ Product assortment
 - ▣ Pricing
 - ▣ Credit policy
 - ▣ Quality of service
- Customer base can be expanded by tapping into new channels of distribution

Co-branding

- When two or more existing brands are combined into a joint product or are marketed together in some fashion
- Examples:
 - ▣ Mercedes Benz and Swatch → Smart Car
 - ▣ Nestlé and Coca-Cola → Nestea → in order to compete against the Lipton Ice Tea another co-branding (PepsiCo and Unilever)
 - ▣ McDonald's and Hershey's M&M or Kraft's Oreo



Licensing

- Creates contractual arrangements whereby firms can use:
 - ▣ Names, logos, and characters of other brands to market their own brands for some fixed fee
- Can also provide legal protection for trademarks
 - ▣ Example: Calvin Klein, Ralph Lauren and Coca-Cola
- Risk - A trademark may become overexposed if marketers adopt a saturation policy
 - ▣ Example: Disney Consumer Products

Celebrity Endorsement

□ Rationale

■ A famous person can:

- Draw attention to a brand
- Shape brand perceptions, by virtue of consumers perceptions of the famous person

□ Celebrity endorsers should have:

■ A high level of visibility

■ A rich set of potentially useful associations, judgments, and feelings

- Videos: Best Celebrity, John Travolta (Ypioca), Jean-Claude van Damme (Volvo) and Harrison Ford (Kirin Beer)

Sporting Cultural or Other Events

- Have their own set of associations that may become linked to a sponsoring brand under certain conditions
- Contribute to brand equity by:
 - Becoming associated to the brand and improving brand awareness
 - Adding new associations
 - Improving the strength, favorability, and uniqueness of existing associations
 - McDonald's for the Olympic Games
 - Heineken for the Champions League

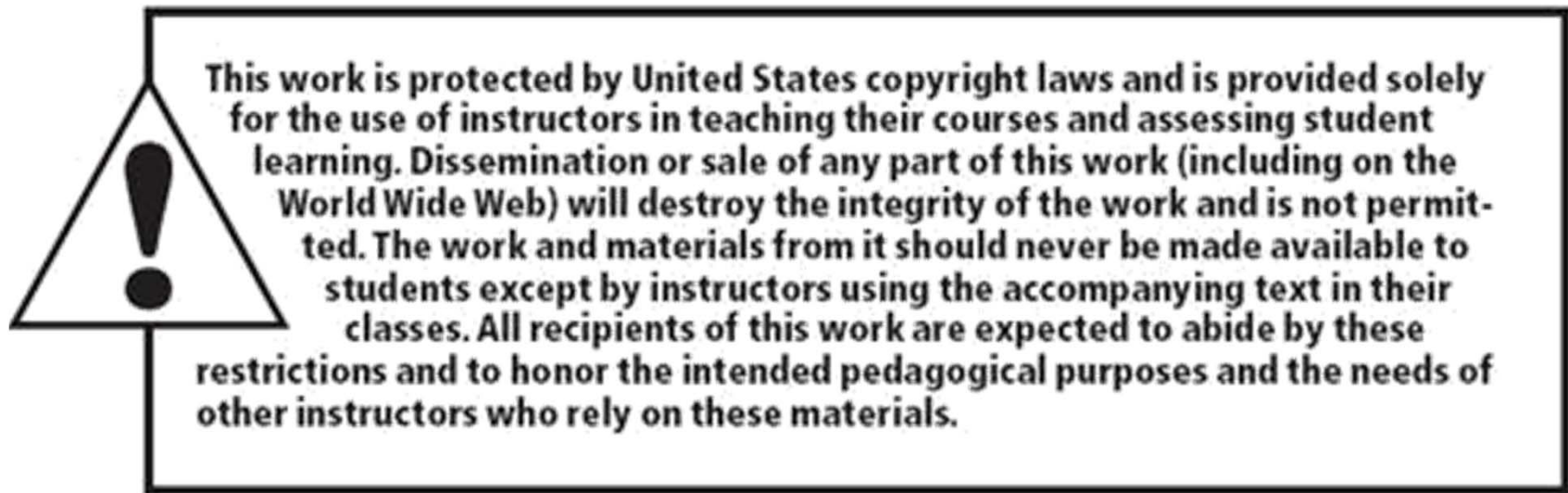
Third Party Sources

- Involves linking the brand to various third party sources
- Example - Grey Goose's eventual success was a taste-test result from the Beverage Testing Institute that ranked Grey Goose as the number-one imported vodka



To Sum Up...

- Other entities include:
 - ▣ The company that makes the product
 - ▣ Where the product is made
 - ▣ Where the product is purchased
 - ▣ Related people, places, or things
- The extent to which an entity can be leveraged as a source of equity depends on:
 - ▣ Consumer knowledge of the entity
 - ▣ How easily the appropriate associations or responses to the entity transfer to the brand



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