CHAPTER 9:
MEASURING SOURCES OF BRAND EQUITY: CAPURING CUSTOMER MINDSET
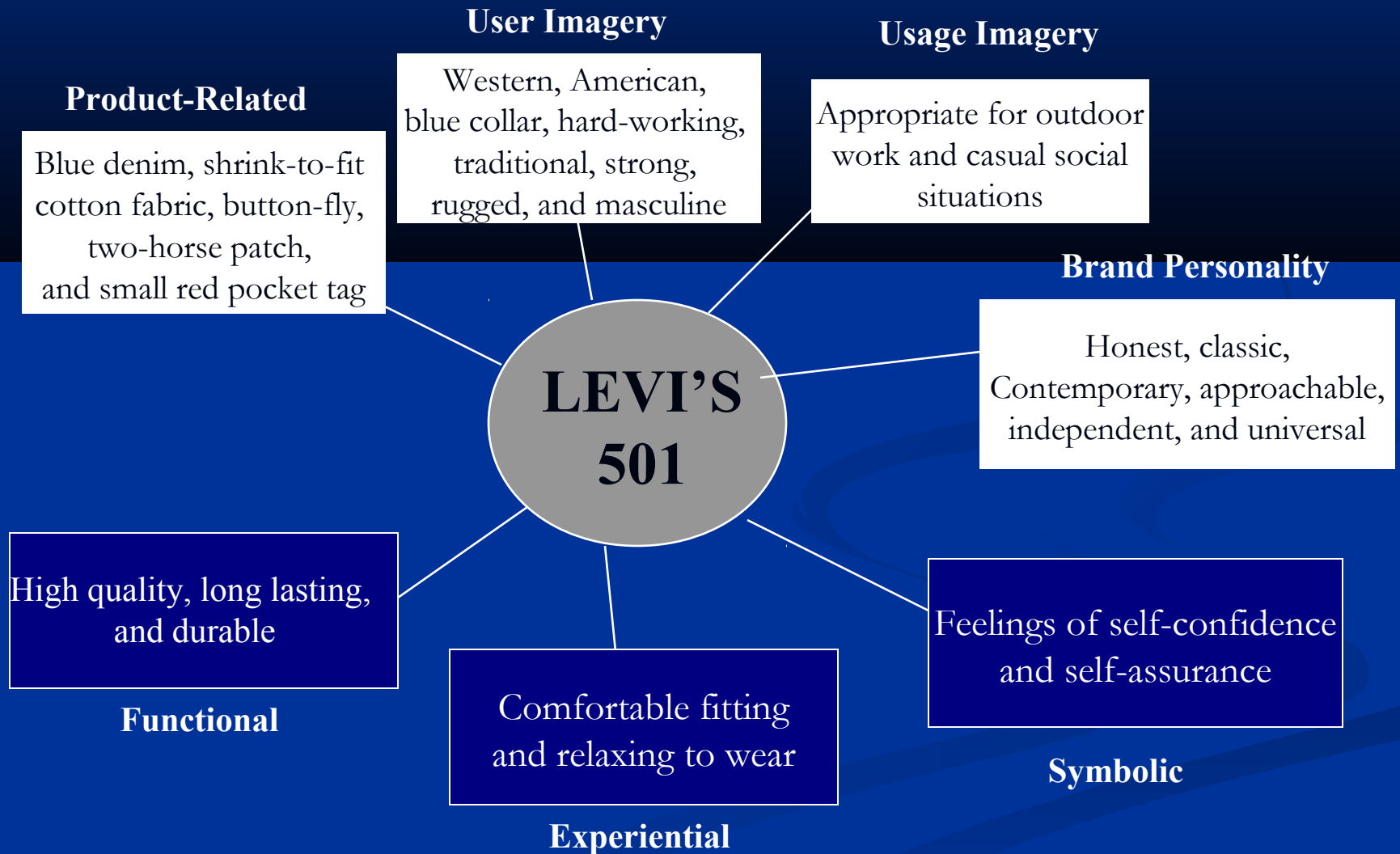
Kevin Lane Keller

Tuck School of Business

Dartmouth College

9.1

Qualitative Research Techniques

- Free association
  - What do you like best about the brand? What are its positive aspects?
  - What do you dislike? What are its disadvantages?
  - What do you find unique about the brand? How is it different from other brands? In what ways is it the same?

9.2

Free Associations

ATTRIBUTES

Product-Related

Blue denim, shrink-to-fit cotton fabric, button-fly, two-horse patch, and small red pocket tag

User Imagery

Western, American, blue collar, hard-working, traditional, strong, rugged, and masculine

Usage Imagery

Appropriate for outdoor work and casual social situations

Brand Personality

Honest, classic, Contemporary, approachable, independent, and universal

LEVI'S 501

High quality, long lasting, and durable

Functional

Comfortable fitting and relaxing to wear

Experiential

Feelings of self-confidence and self-assurance

Symbolic

BENEFITS

9.3

Qualitative Research Techniques

- Projective techniques
  - Diagnostic tools to uncover the true opinions and feelings of consumers when they are unwilling or otherwise unable to express themselves on these matters

9.4

Projective Techniques

- Consumers might feel that it would be socially unacceptable to express their true feelings
- Projective techniques are diagnostic tools to uncover the true opinions and feelings of consumers
- Examples:
  - Completion and interpretation tasks
  - Comparison tasks

New approach: ZMET

- Zaltman Metaphor Elicitation Technique (ZMET)

- ZMET is "a technique for eliciting interconnected constructs that influence thought and behavior."

9.6

ZMET

- The guided conversation consists of a series of steps that includes some or all of the following:
  - Story telling
  - Missed images
  - Sorting task
  - Construct elicitation
  - The most representative picture
  - Opposite images
  - Sensory images
  - Mental map
  - Summary image
  - Vignette

Brand Personality and Values

- *Brand personality* refers to the human characteristics or traits that can be attributed to a brand.
- The Big Five
  - Sincerity (down-to-earth, wholesome, and cheerful)
  - Excitement (daring, spirited, imaginative, and up-to-date)
  - Competence (reliable, intelligent, and successful)
  - Sophistication (upper class and charming)
  - Ruggedness (outdoorsy and tough)

Jennifer Aaker, 1997

9.8

Identifying Key Brand Personality Associations

	BUSH	KERRY
■ **Coffee**	Dunkin' Donuts	Starbucks
■ **Technology**	IBM	Apple
■ **Auto**	Ford	BMW
■ **Retail**	Kmart	Target
■ **Fast Food**	McDonald's	Subway

2004 U.S. presidential election, random sample of undecided voters

9.9

Experiential Methods

- By tapping more directly into their actual home, work, or shopping behaviors, researchers might be able to elicit more meaningful responses from consumers.

- Advocates of the experiential approach have sent researchers to consumers' homes in the morning to see how they approach their days, given business travelers Polaroid cameras and diaries to capture their feelings when in hotel rooms, and conducted "beeper studies" in which participants are instructed to write down what they're doing when they are paged.

9.10

Quantitative Research Techniques

- Awareness

- Image

- Brand responses

- Brand relationships

Awareness

- Recognition
  - Ability of consumers to identify the brand (and its elements) under various circumstances
- Recall
  - Ability of consumers to retrieve the actual brand elements from memory
  - Unaided vs. aided recall

9.12

Awareness

- Corrections for guessing
  - Any research measure must consider the issue of consumers making up responses or guessing.
- Strategic implications
  - The advantage of aided recall measures is that they yield insight into how brand knowledge is organized in memory and what kind of cues or reminders may be necessary for consumers to be able to retrieve the brand from memory.
  - The important point to note is that the category structure that exists in consumers' minds—as reflected by brand recall performance—can have profound implications for consumer choice and marketing strategy.

Image

- Ask open-ended questions to tap into the strength, favorability, and uniqueness of brand associations.

- These associations should be rated on scales for quantitative analysis.

9.14

Brand Responses

- Research in psychology suggests that purchase intentions are most likely to be predictive of actual purchase when there is correspondence between the two in the following categories:

- Purchase Intentions
  - Action (buying for own use or to give as a gift)
  - Target (specific type of product and brand)
  - Context (in what type of store based on what prices and   other conditions)
  - Time (within a week, month, or year)

9.15

Brand Relationships

- Behavioral loyalty

- Brand substitutability

- Other brand resonance dimensions
  - For example, in terms of engagement, measures could explore word-of-mouth behavior, online behavior, and so forth in depth

Comprehensive Models of Customer-Based Brand Equity

- Brand dynamics

- Equity engines

- Young & Rubicam's Brand Asset Valuator (BAV)

Brand Dynamics

- The Brand Dynamics model adopts a hierarchical approach to determine the strength of relationship a consumer has with a brand.
- The five levels of the model are:
  - Presence
  - Relevance
  - Performance
 - Advantage
  - Bonding

9.18

Equity Engines

- This model delineates three key dimensions of brand affinity—the emotional and intangible benefits of a brand—as follows:

  - *Authority:* The reputation of a brand, whether as a long-standing leader or as a pioneer in innovation

  - *Identification:* The closeness customers feel for a brand and how well they feel the brand matches their personal needs

  - *Approval:* The way a brand fits into the wider social matrix and the intangible status it holds for experts and friends

9.19

Young & Rubicam's Brand Asset Valuator (BAV)

- There are five key components of brand health in BAV—the five pillars.

- Each pillar is derived from various measures that relate to different aspects of consumers' brand perceptions and that together trace the progression of a brand's development.

  - Differentiation
  - Energy
  - Relevance
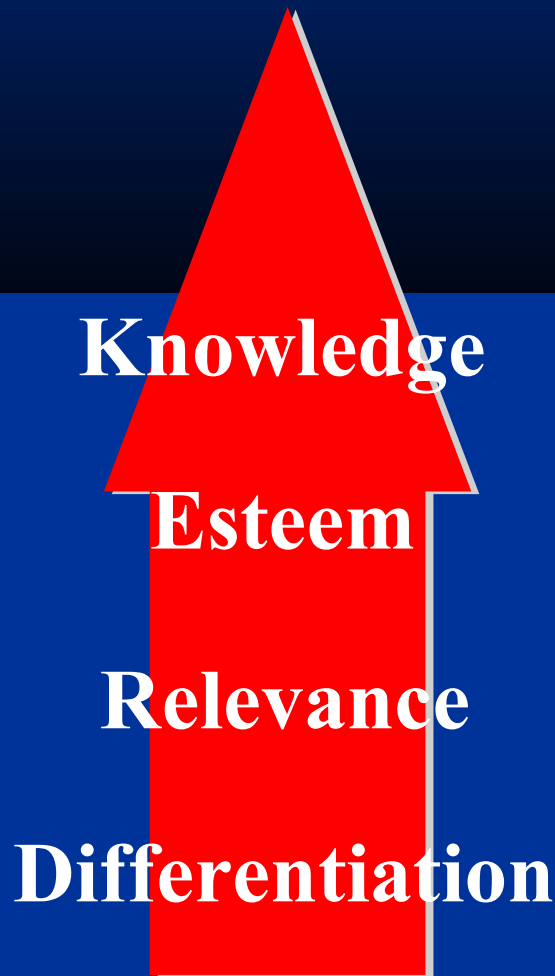 - Esteem
  - Knowledge

9.20

BrandAsset® Valuator (BAV)

- 240,000+ consumers
- Up to 181 categories
- 137 studies
- 40 countries
- 8 years
- 56 different brand metrics
- Common methodology
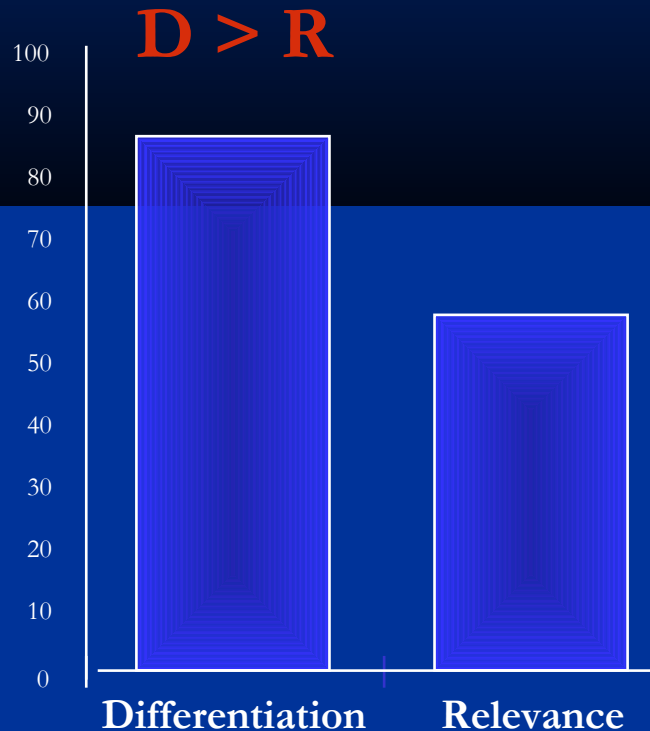
9.21
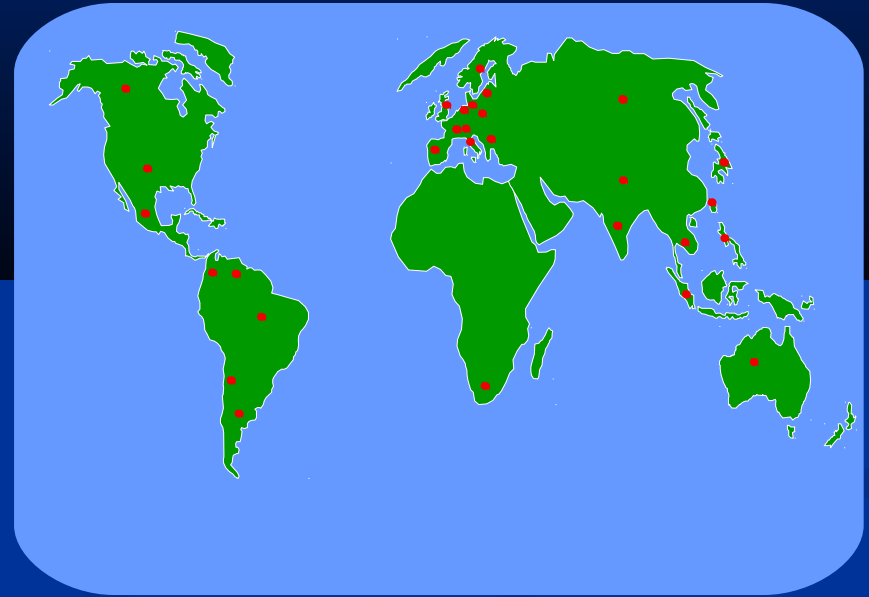
How Brands Are Built

Four Primary Aspects

Knowledge

- The culmination of brand building efforts; acquisition of consumer experience

Esteem

- Consumer respect, regard, reputation; a fulfillment of perceived consumer promise

Relevance

- Relates to usage and subsumes the five Ps of marketing; relates to sale

Differentiation

- The basis for consumer choice; the essence of the brand, source of margin

9.22

Healthy Brands Have Greater Differentiation than Relevance

D > R

Examples:_____

Harley Davidson

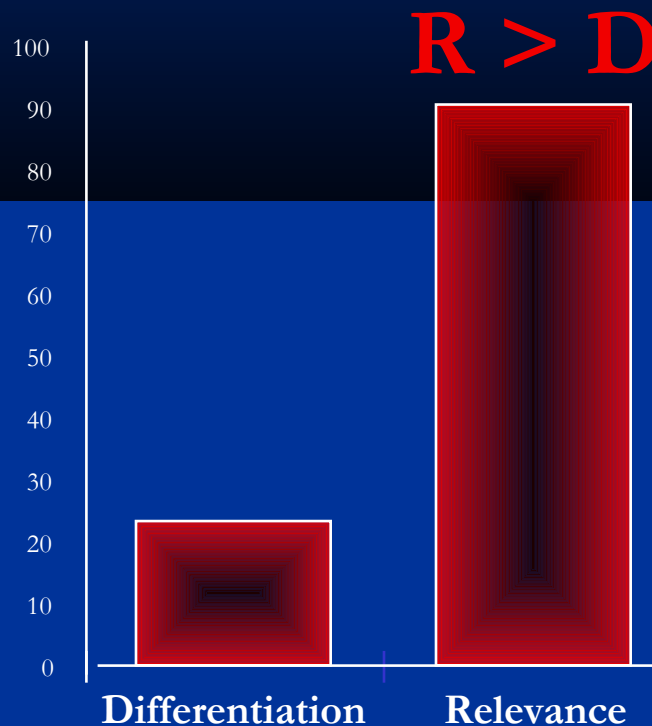Yahoo!

AOL

Williams-Sonoma

Ikea

Bloomberg Business News

Chart showing Differentiation bar at approximately 86 and Relevance bar at approximately 58, with y-axis from 0 to 100.

Room to grow...
Brand has power to build relevance.

9.23

Brands with greater Relevance than Differentiation Are in Danger of Becoming Commodities

R > D

Examples:_____

Exxon
Mott's
McDonald's
Crest
Minute Maid
Fruit of the Loom
Peter Pan (peanut butter)

Chart:
- Y-axis: 0, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100
- Bars: Differentiation (low), Relevance (high)
- X-axis labels: **Differentiation**   **Relevance**

Uniqueness has faded; price becomes dominant reason to buy.

9.24

More Esteem than Knowledge Means, "I'd like to get to know you better"

E > K

Chart:
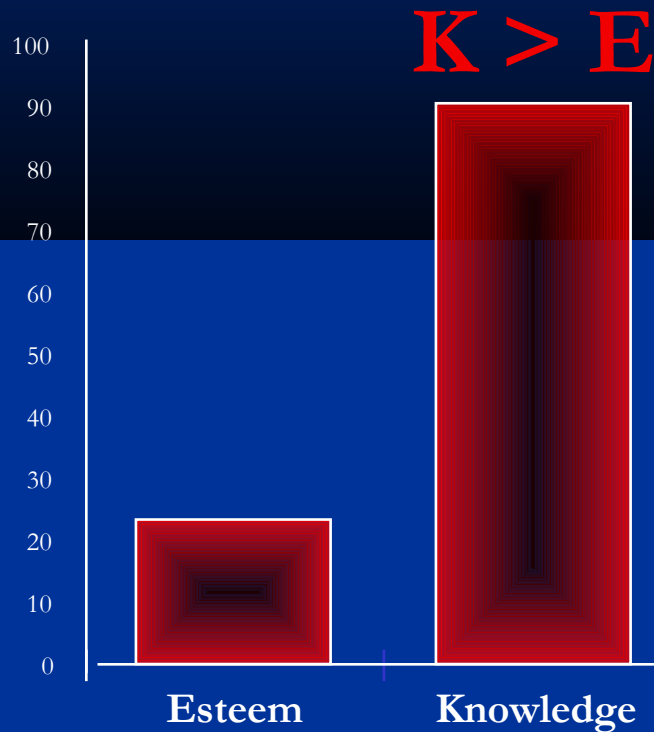- Y-axis: 0, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100
- Esteem bar: ~86
- Knowledge bar: ~57
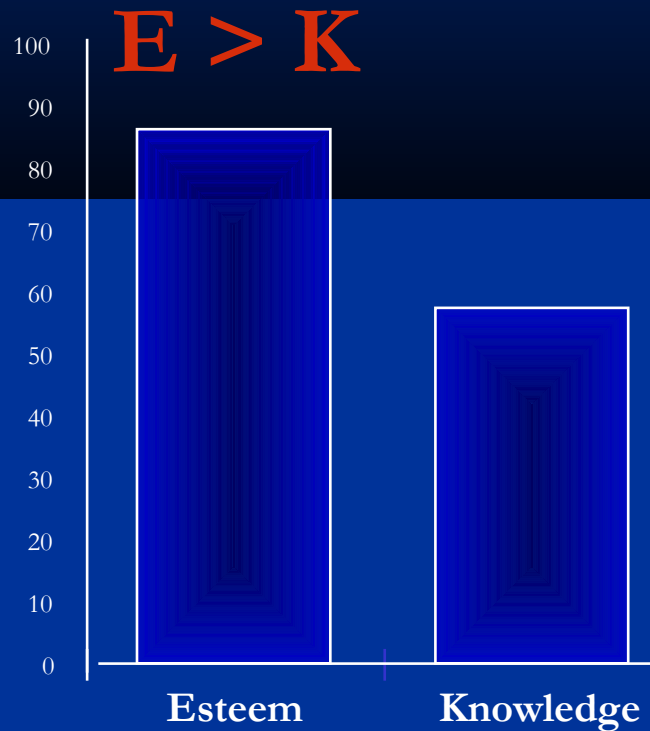
Examples:_____

Coach leatherwear
Tag Heuer
Calphalon
Movado
Blaupunkt
Pella Windows
Palm Pilot
Technics

Brand is better liked than known.

9.25

Too Much Knowledge Can Be Dangerous:
"I know you and you're nothing special"
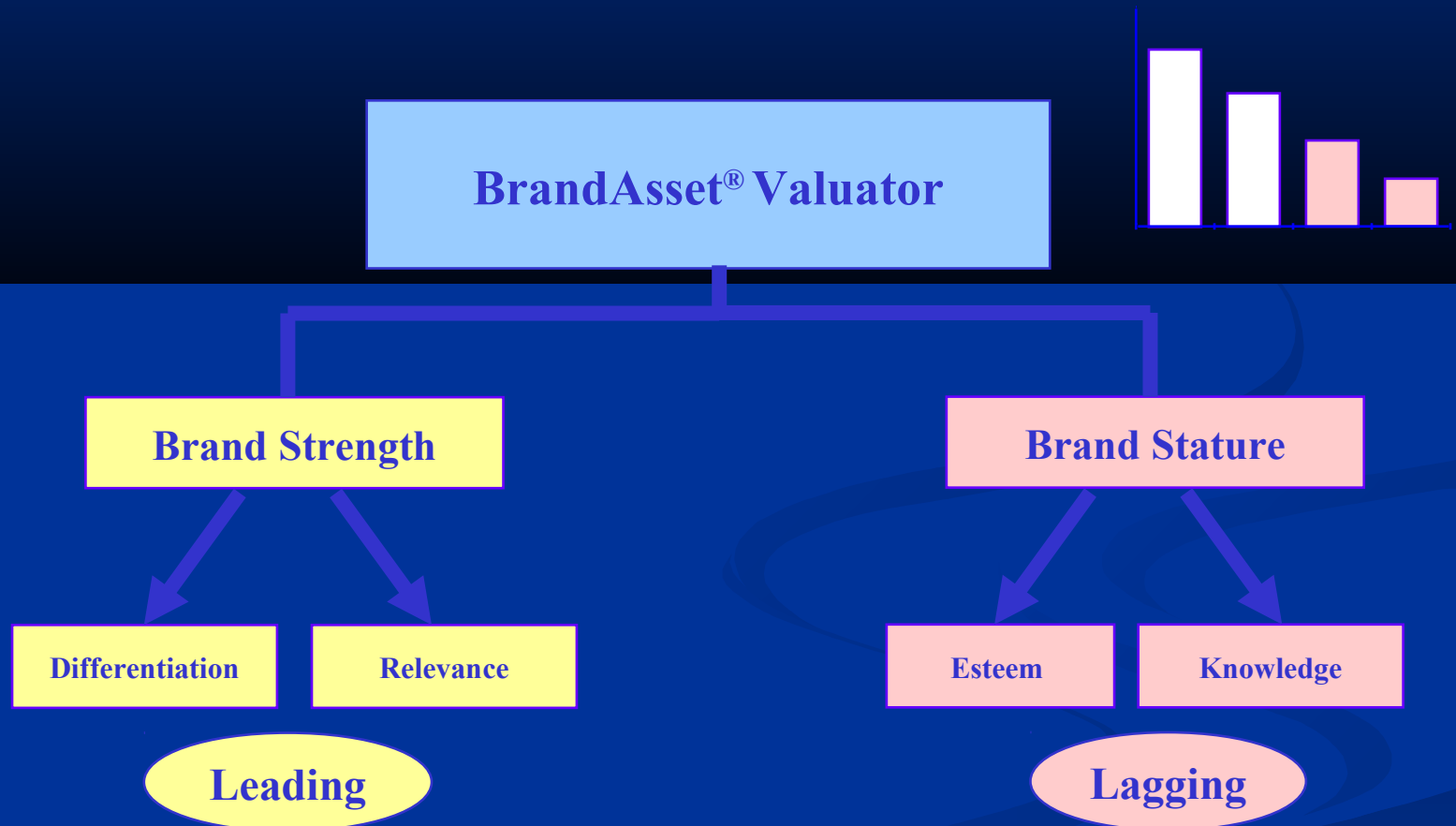
K > E

Examples:
———

Plymouth
TV Guide
Spam
Woolworths
Chrysler
Maxwell House
National
Enquirer
Sanka

Brand is better known than liked.

A Two-Dimensional Framework for Diagnosing Brands: The Power Grid

BrandAsset® Valuator

Brand Strength

Brand Stature

Differentiation

Relevance

Esteem

Knowledge

Leading

Lagging

9.27

Brand Health Is Captured on the PowerGrid

Niche/ Unrealized Potential

Power Leaders

Declining Leaders

Eroded

New

Unfocused

BRAND STRENGTH (Differentiation and Relevance)

BRAND STATURE (Esteem and Knowledge)

9.28
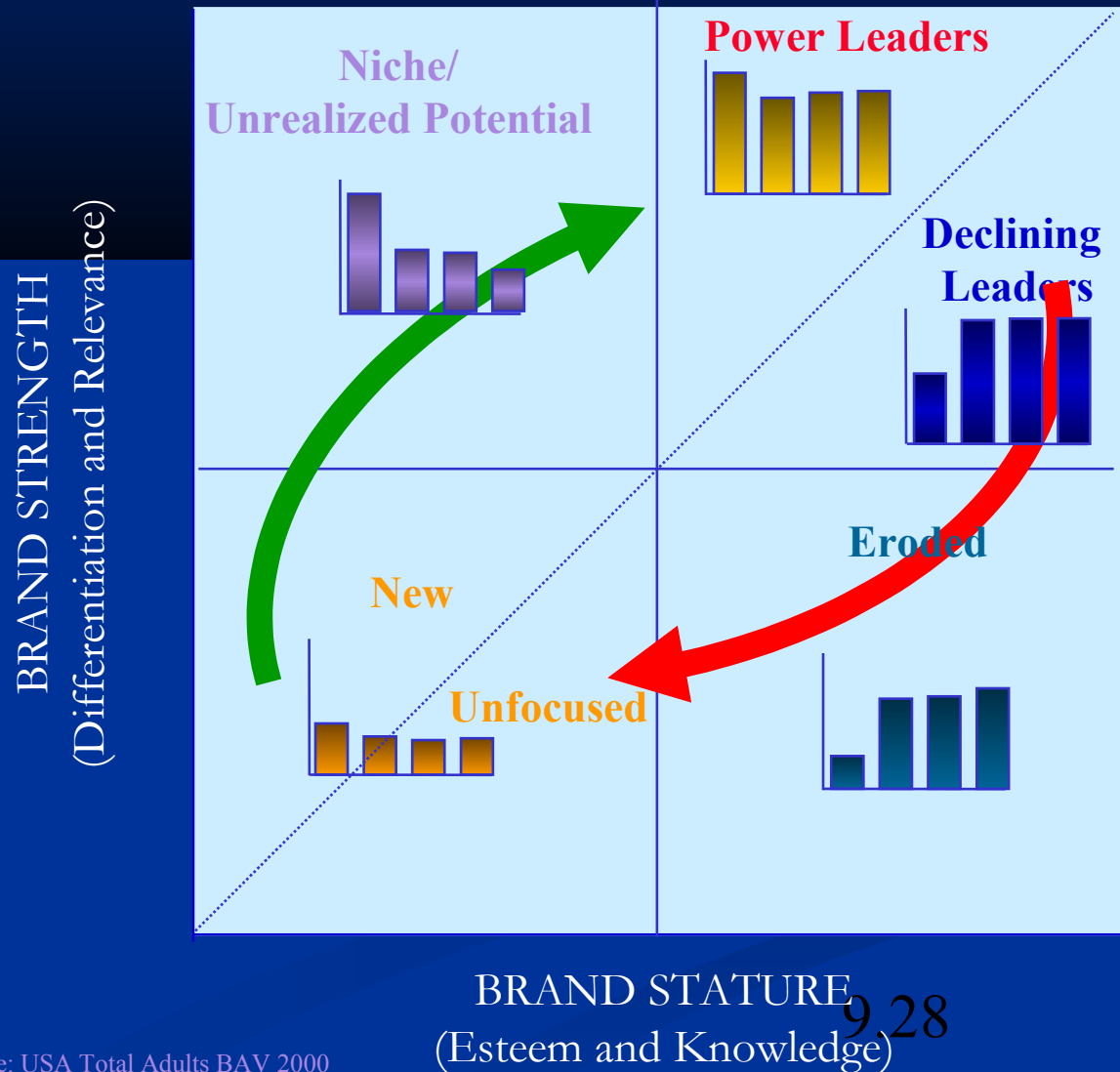
USA 1999 PowerGrid Sample

BRAND STRENGTH (y-axis: 0 to 100)

BRAND STATURE (x-axis: 0 to 100)

Top-left quadrant:
Arizona Iced Tea
Aeropostale
Newman's Own
Sundance Channel
DreamWorks
Bloomberg Business
News
CDnow
IKEA

Top-right quadrant:
Coca-Cola
Ocean Spray
Nike
Pepperidge Farm
M&Ms
Disney
Jeopardy!
Hallmark

Bottom-left quadrant:
San Pellegrino
Sun Microsystems
Wired
Quest Telecomm
Nokia
iVillage.com
NetGrocer
Iridium

Bottom-right quadrant:
Plymouth
Bazooka
Ivory Snow
Pert
Rolaids
Keds
Howard Johnson
TWA
Greyhound

Base: USA Total Adults BAV 1999

9.29

Y&R Resonance Research

Resonance
ACE
(10%)

Community | Engagement
15%

Attachment (30%)

Loyalty (60%)

Usage

9.30
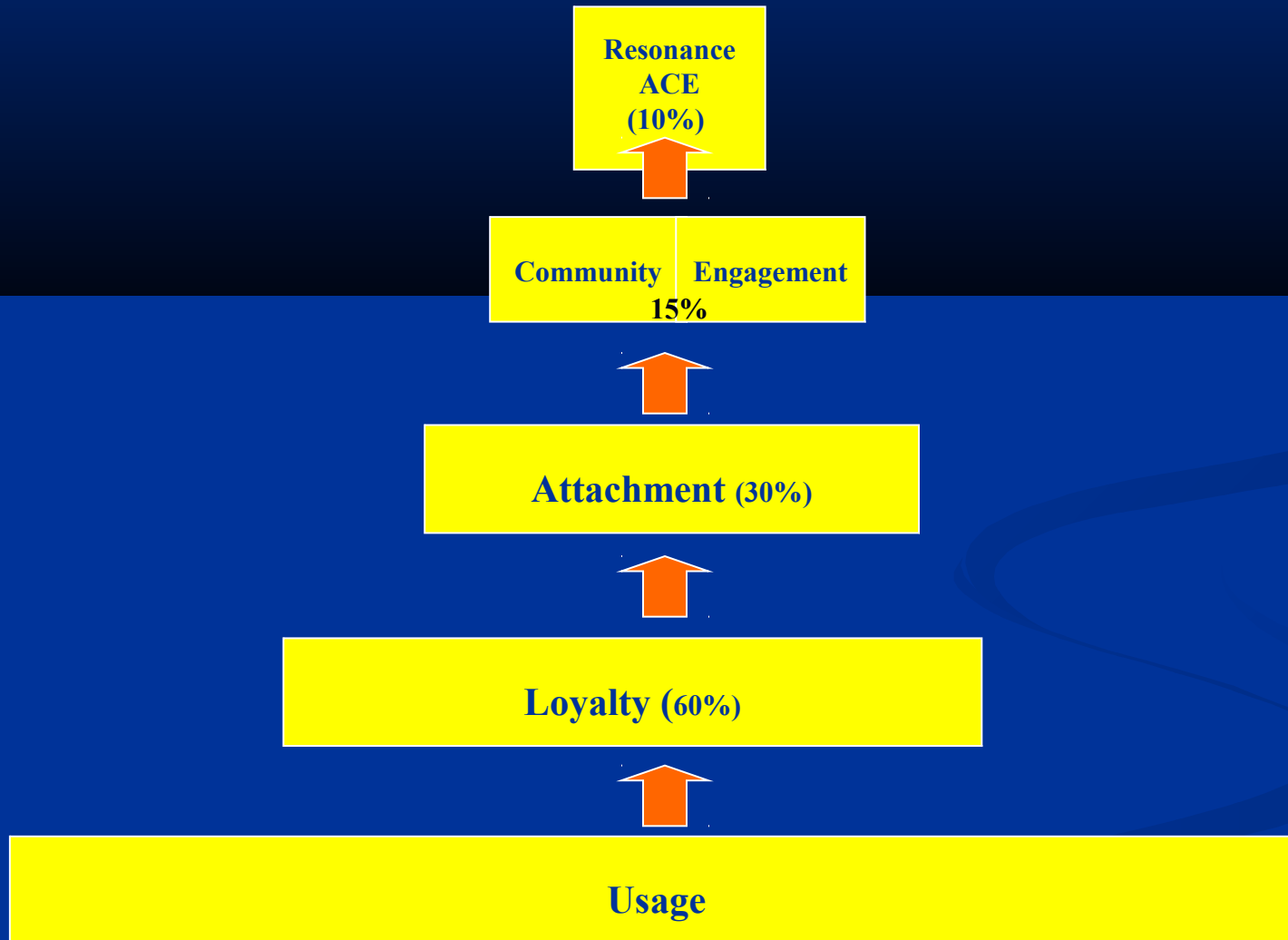
Y&R Resonance Research with BAV

Brand Strength

Brand Stature

100

50

0

0   50   100

Resonance
Engaged

Community
Attached

Loyal

Differentiation

Non-Loyals

Resonance

Engaged

Community

Attached

Loyal Users

Non-Loyal Users

9.31
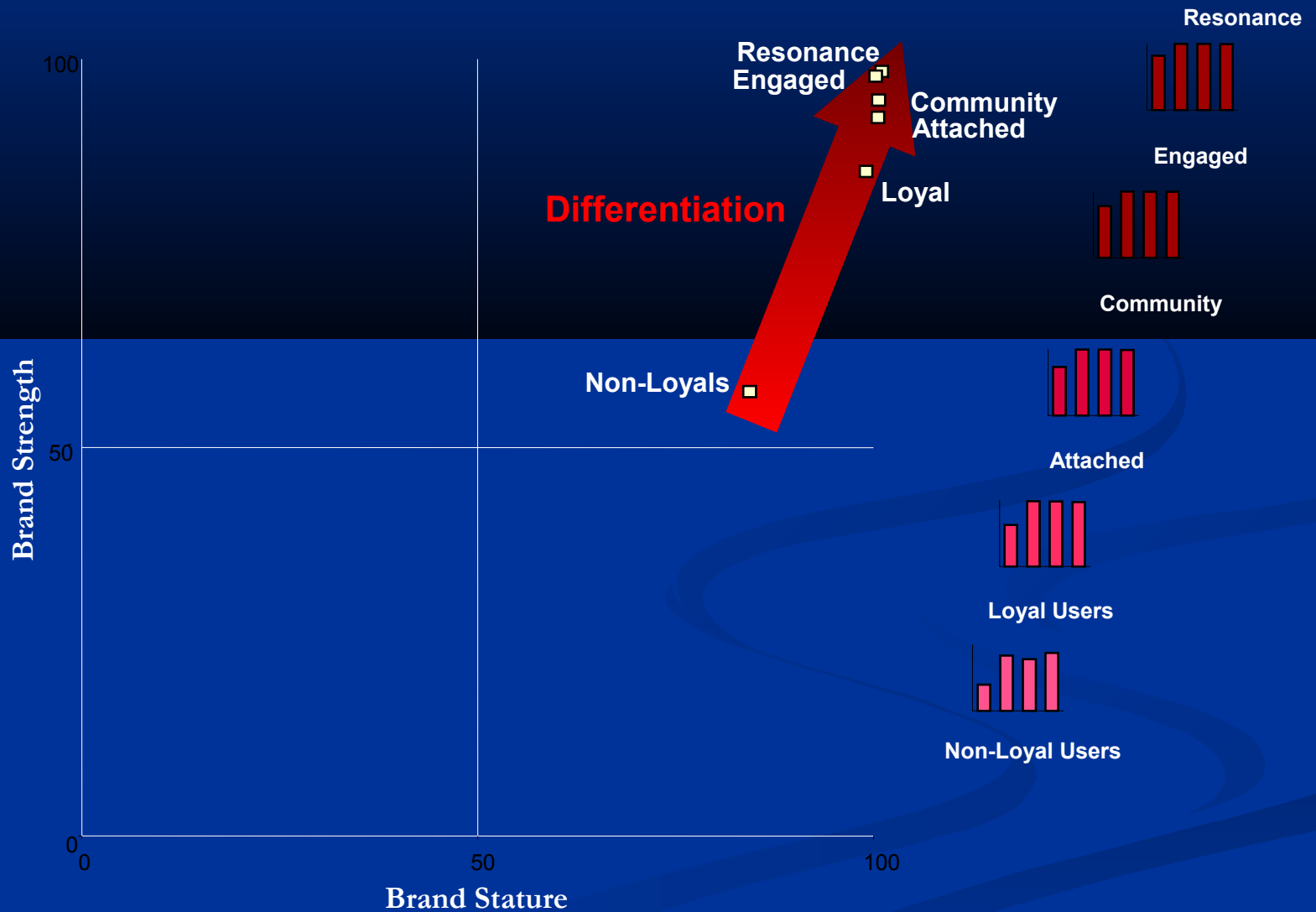
Average U.S. Packaged Goods Brand

Proportion of Consumers	Consumer Loyalty
7% Bonded	38%
32% Advantage	20%
35% Performance	19%
43% Relevance	17%
76% Presence	13%

9.32

Commonalty Between the Basic BAV Model and the CBBE Framework

- BAV's knowledge relates to CBBE's brand awareness and familiarity.

- BAV's esteem relates to CBBE's favorability of brand associations.

- BAV's relevance relates to CBBE's strength of brand associations (as well as perhaps favorability).

- BAV's energy relates to CBBE's favorability of associations.

- BAV's differentiation relates to CBBE's uniqueness of brand associations.

9.33