Marketing management debates assignment

Art & Culture

For example, the company needs to make sure that any extension to the brand supports those brand elements or attributes that customers associate with the brand. Any product extensions that conflict, deteriorate or dilute the brand. Brand extensions can be a refutable business growth strategy by associating the new product with the existing strong brand that the company has developed. For example, Nikkei started out as a running shoe manufacturer.

They built their brand equity by developing the brand elements of being memorable by: * Memorable & Meaningful – have a simple tag line of “ just do it” was easy to remember and evoked an emotion of accomplishment/satisfaction, * Likeable – their products were well made and designed, * Predictable – their innovated Waffle’ pattern on the show sole as well as their name was patented and copy write predictable, and * Adaptable – they expanded heir shoe product line to include hiking, walking and cross trainers. The last criteria of the brand elements, transferable, Is what made Nikkei more profitable and successful.

Leveraging the strong market position and brand equity, Nikkei extended their brand out into active clothing wear. This extension decision was a great growth-strategy, as the product(s) complemented and enhanced their brand image. By offering active wear, then could create additional associations to affiliations to professional athletes (non-runners) as well as fashion conscious consumers. Brand Equity Model: Brand Equity is measured based on how well the brand Is recognized and favored over Its competitors. It Is the added value endowed on products and services.

The value-addition may be reflected in the way consumers think, feel, and act with respect to the brand as well as in the prices, market share and profitability the brand commands for the firm. If a brand has a positive perception In the consumers mind, we can say It has a positive brand equity. Brands with positive brand equity will consistently generate, maximize, and grow cash flows. They achieve this by madding a price premium, allowing for brand extensions and licensing, attracting an retaining more valuable customers, and reducing the costs of customer acquisition.

Coca-Cola Is the brand with the highest brand-equity and a brand valued at $70 billion. As defined, the value-addition is not always tangible and measurable. There are several marketing organizations which came up with their own metrics, analytics, and models to measure and manage brand equity. Advertising agency Young and Arabica (Y; R) developed a brand equity model called Brand Asset Valuator (ABA). Please referrer. Differentiable. Mom/explore. Young and Orbicular, based on its research with almost 500, 000 consumers in 44 countries, has come up 1 OFF or Uniqueness measures the degree to which the brand is seen as different from others. Energy measures the brand's sense of momentum. – Relevance or Appropriateness measures the breadth of a brand's appeal. – Esteem or Likeability measures how well the brand is measured and respected. – Knowledge or Awareness measures how familiar and intimate consumers are with the brand. The relationship among these factors form the Power Grid (as shown minnow. Differentiable. Com/explore). Select brands like Coca-Cola, Google, etc, and you will quickly realize that they are shown on the top right corner of the grid. These are the leaders with high earning and high potential.

Similarly, brands like Safely will appear in the fourth quadrant, which is an indication of an aging brand and has some serious challenges. Virgin Atlantic appears in the New/linefeed category of the Powering. Other important Brand Equity models are: Millard Brown's Brand Dynamics, Brand Matricides, Brand Resonance Model, and Asker model. Chapter 9 To develop an effective positioning, a company must study competitors as well as actual and potential customers. Marketers need to identify competitor's strategies, objectives, strengths and weaknesses.