



Erasmus+

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Tem

Topic Brand Equity Lesson 1:

Customer-based Brand Management

Introduction

The effect of marketing is greater when applied to a branded product than to a non-branded product. That's what brand equity explains to us. Brand equity consists of the marketing effects uniquely attributable to a brand (Keller, 2013).

In this Lesson, we will learn about what is customer-based brand equity and why does it matter for your company. We will talk about:

- What is brand equity
- What is source of brand equity
- Brand image
- Brand awareness

Brand equity consists of the marketing effects uniquely attributable to a brand. The effect of marketing is greater when applied to a branded product than to a non-branded product. That's what brand equity explains to us. Now consider how products with the same characteristics of different manufacturers (brands) have big differences in price. An example could be Apple's mobile phone compared to Chinese competitors Huawei or Xiaomi.

Defining Customer-based Brand Equity

Customer-based brand equity (CBBE) is a concept by which brand equity is approached from a consumer perspective. It is important to understand their needs and desires and present the products in a way that satisfies them, and that is the essence of good marketing.



Source: Pixabay

Source of Brand Equity

Consumers must not think all brands in the category are the same (Keller, 2013). Establishing a positive brand image in consumer memory—strong, favorable, and unique brand associations—goes hand in-hand with creating brand awareness (Keller, 2013). Customers must not think that all brands are the same. It is necessary to create a positive brand image that the customer will remember. It has to be strong, they have to like it and, and that’s important for brand awareness.

Brand Awareness

Brand awareness consists of brand recognition and brand recall performance (Keller, 2013):

Brand recognition is the ability of a customer to recognize a brand when some elements of that brand are presented to him. It is essentially a question of whether customers will recognize that brand when they see it in the store.

Brand recall is consumers’ ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as a cue (Keller, 2013).

Brand Image

Once brand awareness is created, when customers become familiar with the brand through constant brand exposure, marketers can begin to create a brand image.

Creating a positive brand image requires marketing activities that connect strong, unique and favorable associations with the brand in the minds of customers (Keller, 2013).

Brand associations can be either attributes of a brand or its benefits. Brand attributes characterize a brand. Brand benefits are the personal values and meanings that customers attach to a brand.

Conclusions

We have now shown only the basis of brand equity. It helps us understand the source of branding power and how important users are to brand strength.