Strategic Brand Management

Building, Measuring, and Managing Brand Equity

Fifth Edition

Kevin Lane Keller

Tuck School of Business Dartmouth College

Vanitha Swaminathan

Katz Graduate School of Business University of Pittsburgh



BRIEF CONTENTS

PART I	Opening Perspectives 1
CHAPTER 1	Brands and Brand Management 1
PART II	Developing a Brand Strategy 37
CHAPTER 2	Customer-Based Brand Equity and Brand Positioning 37
CHAPTER 3	Brand Resonance and the Brand Value Chain 76
PART III	Designing and Implementing Brand Marketing Programs 111
CHAPTER 4	Choosing Brand Elements to Build Brand Equity 111
CHAPTER 5	Designing Marketing Programs to Build Brand Equity 147
CHAPTER 6	Integrating Marketing Communications to Build Brand Equity 184
CHAPTER 7	Branding in the Digital Era 219
CHAPTER 8	Leveraging Secondary Brand Associations to Build Brand Equity 261
PART IV	Measuring And Interpreting Brand Performance 297
CHAPTER 9	Developing a Brand Equity Measurement and Management System 297
CHAPTER 10	Measuring Sources of Brand Equity: Capturing Customer Mind-Set 331
CHAPTER 11	Measuring Outcomes of Brand Equity: Capturing Market Performance 370
PART V	Growing and Sustaining Brand Equity 395
CHAPTER 12	Designing and Implementing Brand Architecture Strategies 395
CHAPTER 13	Introducing and Naming New Products and Brand Extensions 438
CHAPTER 14	Managing Brands Over Time 481
CHAPTER 15	Managing Brands Over Geographic Boundaries and Market Segments 516
PART VI	Closing Perspectives 549

CHAPTER 16 Closing Observations 549

CONTENTS

Preface xxi About the Authors xxix

PART I

Opening Perspectives 1

CHAPTER 1	Brands and Brand Management 1	
	Preview 2	
	What Is a Brand? 2	
	Brand Elements 2	
	Brands versus Products 3	
	BRANDING BRIEF 1-1: Coca-Cola's Branding Lesson 5	
	Why Do Brands Matter? 6 Consumers 6	
	Firms 7	
	Can Anything Be Branded? 8	
	BRANDING BRIEF 1-2: Branding Commodities 9	
	Physical Goods 10	
	THE SCIENCE OF BRANDING 1-1: History of Branding 10	
	THE SCIENCE OF BRANDING 1-2: Understanding Business-to-Business Branding	11
	Services 12	
	BRANDING BRIEF 1-3: Adobe 13	
	Retailers and Distributors 14	
	Digital Brands 14	
	People and Organizations 16 Sports, Arts, and Entertainment 17	
	BRANDING BRIEF 1-4: Place Branding 19	
	Geographic Locations 19	
	Ideas and Causes 19	
	What Are the Strongest Brands? 19	
	THE SCIENCE OF BRANDING 1-3: On Brand Relevance and Brand Differentiation	21
	Branding Challenges and Opportunities 22	
	Unparalleled Access to Information and New Technologies 22	
	Downward Pressure on Prices 22 Ubiquitous Connectivity and the Consumer Backlash 23	
	Sharing Information and Goods 23	
	Unexpected Sources of Competition 24	
	Disintermediation and Reintermediation 24	
	Alternative Sources of Information about Product Quality 25	
	Winner-Takes-All Markets 25 Media Transformation 26	

Identifying and Developing Brand Plans29Designing and Implementing Brand Marketing Programs29

```
Measuring and Interpreting Brand Performance 30
Growing and Sustaining Brand Equity 31
Review 31
Discussion Questions 32
BRAND FOCUS 1.0: Unlocking the Secrets of Digital Native Brands 32
Notes 34
```

PART II Developing a Brand Strategy 37

CHAPTER 2	Customer-Based Brand Equity and Brand Positioning	37
	Preview 38	
	Customer-Based Brand Equity 38 Defining Customer-Based Brand Equity 38 Brand Equity as a Bridge 39	
	Making a Brand Strong: Brand Knowledge 41	
	Sources of Brand Equity 42 Brand Awareness 42 Brand Image 46	
	Identifying and Establishing Brand Positioning 47 Basic Concepts 47 Target Market 48 Nature of Competition 51 Points-of-Parity and Points-of-Difference 52	
	BRANDING BRIEF 2-1: Subaru Finds Its Groove 52	
	Positioning Guidelines54Defining and Communicating the Competitive Frame of Reference54Choosing Points-of-Difference55Establishing Points-of-Parity and Points-of-Difference56	
	BRANDING BRIEF 2-2: Positioning Politicians 57 Straddle Positions 58 Updating Positioning over Time 59	
	THE SCIENCE OF BRANDING 2-1: Brand Values Pyramid 61	
	Developing a Good Positioning 63	
	Defining a Brand Mantra 63 Brand Mantras 63	
	BRANDING BRIEF 2-3: Nike Brand Mantra 64	
	BRANDING BRIEF 2-4: Disney Brand Mantra 65	
	THE SCIENCE OF BRANDING 2-2: Branding Inside the Organization 67	
	Review 67	
	Discussion Questions 68	
	BRAND FOCUS 2.0: The Marketing Advantages of Strong Brands 68 Notes 70	
CHAPTER 3		
	Preview 77	
	Building a Strong Brand: The Four Steps of Brand Building 77 Brand Salience 77 Brand Performance 82 Brand Imagery 83	

147

THE SCIENCE OF BRANDING 3-1: How Customer Experiences Define a Brand 86

Brand Judgments 87 Brand Feelings 89 Brand Resonance 90

BRANDING BRIEF 3-1: Building Brand Communities 91

Brand-Building Implications 92

BRANDING BRIEF 3-2: How Digital Platform-Based Brands Create Customer Engagement 97

The Brand Value Chain 98

Value Stages 99 Implications 101 Review 102 Discussion Questions 104

BRAND FOCUS 3.0: Creating Customer Value 104 Notes 107

PART III **Designing and Implementing Brand Marketing Programs** 111

CHAPTER 4

CHAPTER 5

Choosing Brand Elements to Build Brand Equity 111

Preview 112 Criteria for Choosing Brand Elements 112 Memorability 113 Meaningfulness 113 Likability 113 Transferability 113 Adaptability 114 THE SCIENCE OF BRANDING 4-1: Counterfeit Business Is Booming 115 Protectability 116 Options and Tactics for Brand Elements 117 Brand Names 117 URLs 123 Logos and Symbols 124 Characters 125 BRANDING BRIEF 4-1: StarKist's Charlie the Tuna 126 Slogans 128 BRANDING BRIEF 4-2: Updating Betty Crocker 128 Jingles 131 Packaging 132 Putting It All Together 136 **BRANDING BRIEF 4-3:** Do-Overs with Brand Makeovers 136 Review 138 Discussion Questions 139 BRAND FOCUS 4.0: Legal Branding Considerations 139 Notes 142 **Designing Marketing Programs to Build Brand Equity** Preview 148 New Perspectives on Marketing 148 Integrating Marketing

150

BRANDING BRIEF 5-1: Yeti Is the "Cooler" Brand 150 Personalizing Marketing 151 Reconciling the Different Marketing Approaches 156 Product Strategy 156 Perceived Quality 156 Managing Customers Post-Purchase 157 Pricing Strategy 159 **THE SCIENCE OF BRANDING 5-1:** Understanding Consumer Price Perceptions 160 Consumer Price Perceptions and Setting Prices 160 Summary 165 Channel Strategy 166 Channel Design 166 THE SCIENCE OF BRANDING 5-2: Research on Omnichannel 168 Indirect Channels 168 BRANDING BRIEF 5-2: Chew on This: How Milk-Bone Brushing Chews Connected with Customers 170 Direct Channels 172 Online Strategies 174 Summary 174 Review 175 Discussion Questions 175 **BRAND FOCUS 5.0:** Private-Label Strategies and Responses 176 Notes 179 CHAPTER 6 Integrating Marketing Communications to Build Brand Equity 184 Preview 185 The New Media Environment 186 Challenges in Designing Brand-Building Communications 186 Role of Multiple Communications 188 Four Major Marketing Communication Options 188 Advertising 188 THE SCIENCE OF BRANDING 6-1: The Importance of Database Marketing 195 Promotion 198 Online Marketing Communications 200 Events and Experiences 200 BRANDING BRIEF 6-1: Brand Building via the X Games 203 Brand Amplifiers 205 Public Relations and Publicity 205 Word-of-Mouth 206 **Developing Integrated Marketing Communication Programs** 206 Criteria for IMC Programs 207 THE SCIENCE OF BRANDING 6-2: Coordinating Media to Build Brand Equity 209 Using IMC Choice Criteria 211 Review 211 Discussion Questions 212 BRAND FOCUS 6.0: Empirical Generalizations in Advertising 213 Notes 215

CHAPTER 7 Branding in the Digital Era 219

Preview 220

Key Issues for Branding in the Digital Era 220

Changes in the Consumer Decision Journey 220 Growth of Online Retailing 222

BRANDING BRIEF 7-1: The Phenomenal Rise of Amazon 222

Advertising and Promotions Using Digital Channels 224

BRANDING BRIEF 7-2: Igniting a Digital Firestorm 224

One-to-Many to Many-to-Many Channels225Increase in Consumer Touchpoints226Increase in Data Availability226Digital Personalization227Loss of Control over Brand Message and Co-Creation of Brand MeaningUser Experience Is the Key to Digital Brand Success231

THE SCIENCE OF BRANDING 7-1: Is Co-Creation of Brands and Products Always Good? 231

229

Brands as Cultural Symbols 232

Brand Engagement 233

Brand Engagement Pyramid234Negative Brand Engagement234

BRANDING BRIEF 7-3: Shaving the Price of Razors 235

THE SCIENCE OF BRANDING 7-2: Drivers of Brand Engagement 236

Digital Communications 236

Company Web Sites238E-mail Marketing238

BRANDING BRIEF 7-4: Campaigning Using Clicks with Google AdWords 240

Overview of Social Media Paid Channels 242

Facebook 242 Twitter 245 Instagram 245 Pinterest 246 Video 246 Global Use of Social Media 247

BRANDING BRIEF 7-5: On Being Social in China 247

Mobile Marketing 248

BRANDING BRIEF 7-6: Turning Flight Delays into Marketing Opportunities 249

Influencer Marketing and Social Media Celebrities 250

Content Marketing 251

Guidelines for Good Content Marketing251Case Studies252Legal and Ethical Considerations252The Pros and Cons of Paid Channels and the Need for Integration253

Brand Management Structure 254

Review 255

Discussion Questions 255

BRAND FOCUS 7.0:Understanding How Online Word-of-Mouth Influences Brands andBrand Management256

Notes 257

CHAPTER 8 Leveraging Secondary Brand Associations to Build Brand Equity 261 Preview 262 Conceptualizing the Leveraging Process 263 Creation of New Brand Associations 263 Effects on Existing Brand Knowledge 263 Guidelines 265 Company 266 BRANDING BRIEF 8-1: IBM Promotes a Smarter Planet 266 Country of Origin and Other Geographic Areas 268 BRANDING BRIEF 8-2: Selling Brands the New Zealand Way 270 Channels of Distribution 272 THE SCIENCE OF BRANDING 8-1: Understanding Retailers' Brand Images 272 Co-Branding 273 Guidelines 274 THE SCIENCE OF BRANDING 8-2: Understanding Brand Alliances 275 Ingredient Branding 277 BRANDING BRIEF 8-3: Ingredient Branding the DuPont Way 279 Licensing 280 Guidelines 282 **Celebrity Endorsement** 283 Potential Problems 284 BRANDING BRIEF 8-4: Rachael Ray's Nutrish 285 Guidelines 287 BRANDING BRIEF 8-5: Managing a Person Brand 288 Social Influencers as the New Celebrities 289 Sporting, Cultural, or Other Events 289 Third-Party Sources 290 Review 291 Discussion Questions 291 **BRAND FOCUS 8.0:** Going for Corporate Gold at the Olympics 292 Notes 293 PART IV **Measuring And Interpreting Brand Performance** 297

CHAPTER 9

Developing a Brand Equity Measurement and Management

System 297 Preview 298 The New Accountability 298 **Conducting Brand Audits** 299 Brand Inventory 300 Brand Exploratory 302 Brand Positioning and the Supporting Marketing Program 306 THE SCIENCE OF BRANDING 9-1: The Role of Brand Personas 307 **Designing Brand Tracking Studies** 308 What to Track 308 BRANDING BRIEF 9-1: Sample Brand Tracking Survey 309 Big Data and Marketing Analytics Dashboards 311 Marketing Analytics Dashboards 312

BRANDING BRIEF 9-2: How Taco Bell Uses Data-Driven Social Media Marketing to Engage Its Customers 312 Establishing a Brand Equity Management System 314 BRANDING BRIEF 9-3: Understanding and Managing the Mayo Clinic Brand 314 Brand Charter or Bible 316 Brand Equity Report 317 Brand Equity Responsibilities 318 THE SCIENCE OF BRANDING 9-2: Maximizing Internal Branding 318 Review 321 Discussion Questions 321 BRAND FOCUS 9.0: Sample Rolex Brand Audit 322 Notes 329 **Measuring Sources of Brand Equity: Capturing Customer** CHAPTER 10 Mind-Set 331 Preview 332 Qualitative Research Techniques 332 BRANDING BRIEF 10-1: Digging Beneath the Surface to Understand Consumer Behavior 333 Free Association 334 THE SCIENCE OF BRANDING 10-1: Using Text Mining to Uncover Brand Associations and Positioning 336 Projective Techniques 336 BRANDING BRIEF 10-2: Once Upon a Time . . . You Were What You Cooked 337 Zaltman Metaphor Elicitation Technique 338 Neural Research Methods 339 Brand Personality and Values 341 Ethnographic and Experiential Methods 342 **BRANDING BRIEF 10-3:** Making the Most of Consumer Insights 342 **BRANDING BRIEF 10-4**: Netnography as a Digital Research Technique 343 BRANDING BRIEF 10-5: How P&G Innovates Using Qualitative Research Data 345 Summary 345 Quantitative Research Techniques 345 Brand Awareness 346 Brand Image 348 Social Media Listening and Monitoring 350 BRANDING BRIEF 10-6: Gatorade's Social Media Command Center 351 Brand Responses 352 BRANDING BRIEF 10-7: Understanding Attribution Modeling 353 Brand Relationships 354 THE SCIENCE OF BRANDING 10-2: Understanding Brand Engagement 357 Comprehensive Models of Consumer-Based Brand Equity 359 Review 359 Discussion Questions 360 BRAND FOCUS 10.0: Young & Rubicam's Brand Asset Valuator 361 Notes 367

CHAPTER 11 Measuring Outcomes of Brand Equity: Capturing Market Performance 370

Preview 371

Comparative Methods 372

Brand-Based Comparative Approaches 372 Marketing-Based Comparative Approaches 373 Conjoint Analysis 375

Holistic Methods 376

Residual Approaches377Valuation Approaches378

Brand Valuation: A Review of Major Approaches 382

Interbrand 382 BrandZ 383 Brand Finance 384 Comparing the Major Brand Valuation Approaches 384

THE SCIENCE OF BRANDING 11-1: Understanding Brand Valuation 386

Review 387

Discussion Questions 388

BRAND FOCUS 11.0: Financial Perspectives on Brands and the Brand Value Chain 389

Notes 391

PART V Growing and Sustaining Brand Equity

CHAPTER 12

Designing and Implementing Brand Architecture Strategies 395

Preview 396

Developing a Brand Architecture Strategy 396

THE SCIENCE OF BRANDING 12-1: The Brand–Product Matrix 397 Step 1: Defining Brand Potential 398

BRANDING BRIEF 12-1: Google: Expanding Beyond Search

Step 2: Identifying Brand Extension Opportunities 401

Step 3: Specifying Brand Elements for Branding New Products and Services 402 Summary 402

Brand Portfolios 402

BRANDING BRIEF 12-2: Expanding the Marriott Brand 403

Brand Hierarchies 406

Levels of a Brand Hierarchy407Designing a Brand Hierarchy409

BRANDING BRIEF 12-3: Netflix: Evolving a Brand Architecture to Grow the Brand 409

Corporate Branding 416

BRANDING BRIEF 12-4: Corporate Reputations: The Most Admired U.S. Companies 417

THE SCIENCE OF BRANDING 12-2: Brand Architecture Strategies: House of Brands or Branded House? 417

399

Corporate Image Dimensions 418

BRANDING BRIEF 12-5: Corporate Innovation at 3M 419

Managing the Corporate Brand 422

THE SCIENCE OF BRANDING 12-3: When Brands Trade Hands 425

Brand Architecture Guidelines 427

Review 428

Discussion Questions 429

	BRAND FOCUS 12.0:Corporate Social Responsibility And Brand Strategy430Notes434
CHAPTER 13	Introducing and Naming New Products and Brand Extensions 438
	Preview 439
	New Products and Brand Extensions 439
	BRANDING BRIEF 13-1: Growing the McDonald's Brand 440
	Advantages of Extensions 442 Facilitate New-Product Acceptance 442 Provide Feedback Benefits to the Parent Brand 445
	Disadvantages of Brand Extensions 447
	Can Confuse or Frustrate Consumers 447 Can Encounter Retailer Resistance 447 Can Fail and Hurt Parent Brand Image 448 Can Succeed but Cannibalize Sales of Parent Brand 448
	Can Succeed, but Diminish Identification with Any One Category 448
	BRANDING BRIEF 13-2: Are There Any Boundaries to the Virgin Brand Name? 449
	Can Succeed, but Hurt the Image of the Parent Brand 450 Can Dilute Brand Meaning 450
	Can Cause the Company to Forego the Chance to Develop a New Brand 451
	Understanding How Consumers Evaluate Brand Extensions451Managerial Assumptions452Brand Extensions and Brand Equity452Vertical Brand Extensions454
	THE SCIENCE OF BRANDING 13-1: Scoring Brand Extensions 454
	BRANDING BRIEF 13-3: Levi's Extends Its Brand 457
	Evaluating Brand Extension Opportunities458Define Actual and Desired Consumer Knowledge about the Brand459Identify Possible Extension Candidates459Evaluate the Potential of the Extension Candidate459Design Marketing Programs to Launch Extension461Evaluate Extension Success and Effects on Parent Brand Equity462
	Extension Guidelines Based on Academic Research 462
	Review 470
	Discussion Questions 470
	BRAND FOCUS 13.0: Apple: Creating a Tech Megabrand 471
	Notes 475
CHAPTER 14	Managing Brands Over Time 481
	Preview 482
	Reinforcing Brands 482
	Maintaining Brand Consistency 485
	BRANDING BRIEF 14-1: Patagonia 486
	BRANDING BRIEF 14-2: Pabst 488
	Protecting Sources of Brand Equity 489
	BRANDING BRIEF 14-3: Volkswagen 490
	THE SCIENCE OF BRANDING 14-1: Understanding Brand Crises 491 Fortifying versus Leveraging 493 Fine-Tuning the Supporting Marketing Program 493
	The ranning the supporting marketing more than 155

Revitalizing Brands 495

BRANDING BRIEF 14-4:Harley-Davidson Motor Company496BRANDING BRIEF 14-5:A New Morning for Mountain Dew498BRANDING BRIEF 14-6:Remaking Burberry's Image499Expanding Brand Awareness501Improving Brand Image504

Adjustments to the Brand Portfolio 507

Migration Strategies 507 Acquiring New Customers 507 Retiring Brands 507 Obsoleting Existing Products 508

Review 509

Discussion Questions 510

BRAND FOCUS 14.0: Responding to a Brand Crisis 511

Notes 513

CHAPTER 15 Managing Brands Over Geographic Boundaries and Market Segments 516

Preview 517

Regional Market Segments 517

Other Demographic and Cultural Segments 518 Marketing Based on Age 518

Marketing Based on Ethnicity 520

Global Branding 521

BRANDING BRIEF 15-1: Marketing to Ethnic Groups 522

Why Should a Brand Focus on Global Markets?524Advantages of Global Marketing524Disadvantages of Global Marketing525

THE SCIENCE OF BRANDING 15-1: Key Insights Regarding Global Brand Strategies Based on Research Findings 527

Strategies for Creating & Managing Global Brands 529

Creating Global Brand Equity 529 Global Brand Positioning 529

BRANDING BRIEF 15-2: Coca-Cola's Global Brand Strategy with Local Elements 531

Customizing Marketing Mix Elements in Local Markets for Global Brands 532

Product Strategy532Communication Strategy533Pricing Strategy533

Marketing to Consumers in Developing and Developed Markets 534

Ten Commandments to Building Global Customer-Based Brand Equity 534

BRANDING BRIEF 15-3: Marketing to Bicultural Consumers Using Bilingual Advertising 536

BRANDING BRIEF 15-4: Managing Global Nestlé Brands 538

Review 542

Discussion Questions 542

BRAND FOCUS 15.0: China's Global Brand Ambitions 543

Notes 544

PART VI Closing Perspectives 549

CHAPTER 16 Closing Observations 549

Preview 550

Strategic Brand Management Guidelines 550

Summary of Customer-Based Brand Equity Framework 550 Tactical Guidelines 552

What Makes a Strong Brand? 556

BRANDING BRIEF 16-1: The Brand Report Card 556

BRANDING BRIEF 16-2: Reinvigorating Branding at Procter & Gamble 558

Future Brand Priorities 560

Fully and Accurately Factor the Consumer into the Branding Equation560Go Beyond Product Performance and Rational Benefits562Make the Whole of the Marketing Program Greater Than the Sum of the Parts563Understand Where You Can Take a Brand (and How)565Do the "Right Thing" with Brands566Take a Big Picture View of Branding Effects. Know What Is Working (and Why)566Finding the Branding Sweet Spot567New Capabilities for Brand Marketers568

Review 570

Discussion Questions 570

BRAND FOCUS 16.0: Special Applications 570

Notes 576

Index 579