Papers

Understanding brands, branding and brand equity

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Abstract
Branding has become a top management priority which has necessitated that all members of an organisation have an understanding and appreciation of some branding basics. Towards that goal, this paper outlines some important principles of brands, branding and brand equity. The paper also highlights some key concepts in building, measuring and managing brand equity.

Introduction

In an increasingly complex world, individuals and businesses are faced with more and more choices, but seemingly have less and less time to make those choices. The ability of a strong brand to simplify consumer decision making, reduce risk and set expectations is thus invaluable. More and more firms and other organisations have therefore come to the realisation that one of their most valuable assets is the brand names associated with their products or services. Creating strong brands that deliver on that promise and maintaining and enhancing the strength of those brands over time is thus a management imperative — but a major challenge at the same time. In fact, the prestigious Marketing Science Institute designated 'brands and branding' as the second most important 'top-tier' priority facing marketers for 2002–2004 and a topic deserving of intensive research attention. Accordingly, the purpose of this paper is to review some branding fundamentals and key concepts to help provide a foundation to such efforts.[1]

Brands

According to the American Marketing Association (AMA), a brand is a 'name, term, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition'.[2] Technically speaking, then, whenever a marketer creates a new name, logo, symbol, etc for a new product, he or she has created a brand. It should be recognised that many practising managers, however, refer to a brand as more than that — defining a brand in terms of having actually created a certain amount of awareness, reputation, prominence and so on in the marketplace. In some sense, a distinction can thus be made between the AMA definition of a 'small "b" brand' versus the sometimes industry practice of a 'big "b" brand' — a 'brand' versus a 'Brand'. It is important to recognise this distinction, as disagreements about branding principles or guidelines can

often revolve around the definition of what is meant by a ‘brand’ as much as anything.

Why are brands important? What functions do they perform that make them so valuable to marketers?

In terms of the roles of brands to consumers, they provide:

Roles of brands

— identification of source of product
— assignment of responsibility to product maker
— risk reducer
— search cost reducer
— promise, bond or pact with maker of product
— symbolic device
— signal of quality.

In terms of the roles of brands to firms, they provide:

— means of identification to simplify handling or tracing
— means of legally protecting unique features
— signal of quality level to satisfied customers
— means of endowing products with unique associations
— source of competitive advantage
— source of financial returns.

Branding

Brands clearly provide important benefits to consumers — both individuals and firms. An obvious question then is, how are brands created? How do you ‘brand’ a product? Although firms provide the impetus to brand creation through their marketing programmes and other activities, ultimately a brand is something that resides in the minds of consumers. A brand is a perceptual entity that is rooted in reality but is more than that and reflects the perceptions and perhaps even the idiosyncrasies of consumers.

Branding a product or service

To brand a product, it is necessary to teach consumers ‘who’ the product is — by giving it a name and using other brand elements to help identify it — as well as ‘what’ the product does and ‘why’ consumers should care. In other words, to brand a product or service it is necessary to give consumers a label for the product (ie ‘here is how you can identify the product’) and to provide meaning for the brand to consumers (ie ‘here is what this particular product can do for you and why it is special and different from other brand-name products’). Branding involves creating mental structures and helping consumers organise their knowledge about products and services in a way that clarifies their decision making and, in the process, provide value to the firm.

For branding strategies to be successful and brand equity to be created, consumers must be convinced that there are meaningful differences among brands in the product or service category. The key to branding is that consumers must not think that all brands in the category are the same. Brand differences are often related to attributes or benefits of the product itself. For example, brands such as Gillette, Merck, Sony, 3M and others

have been leaders in their product categories for decades due, in part, to continual innovation. Other brands create competitive advantages through non-product-related means. For example, Coca-Cola, Calvin Klein, Chanel No. 5, Marlboro and others have become leaders in their product categories by understanding consumer motivations and desires and creating relevant and appealing images surrounding their products.

Brand equity

Branding is thus all about creating differences. Most marketing observers also agree with the following basic principles of branding and brand equity. These differences in outcomes arise from the 'added value' endowed to a product as a result of past marketing activity for the brand. There are many different ways that this value can be created for a brand. Brand equity provides a common denominator for interpreting marketing strategies and assessing the value of a brand; and there are many different ways as to how the value of a brand can be manifested or exploited to benefit the firm — in terms of greater proceeds and/or lower costs.

The marketing advantages of strong brands can be summarised as:

The marketing advantages of strong brands

— improved perceptions of product performance
— greater loyalty
— less vulnerability to competitive marketing actions
— less vulnerability to marketing crises
— larger margins
— more inelastic consumer response to price increases
— more elastic consumer response to price decreases
— greater trade cooperation and support
— increased marketing communication effectiveness
— possible licensing opportunities
— additional brand extension opportunities.

Although various perspectives have been employed to study brand equity,[3] customer-based approaches view brand equity from the perspective of the consumer.[4] The basic premise of customer-based brand equity models is that the power of a brand lies in what customers have learned, felt, seen, heard, etc about the brand as a result of their experiences over time. In other words, the power of a brand lies in the minds of consumers or customers and what they have experienced and learned about the brand over time.

The challenge for marketers in building a strong brand is therefore ensuring that customers have the right type of experiences with products and services and their accompanying marketing programmes so that the desired thoughts, feelings, images, beliefs, perceptions, opinions and so on become linked to the brand. Consumer knowledge is what drives the differences that manifest themselves in terms of brand equity. This realisation has important managerial implications. In an abstract sense, according to this view, brand equity provides marketers with a vital strategic 'bridge' from their past to their future, as follows.

Brands as a reflection of the past

All of the dollars spent each year on manufacturing and marketing products should not be thought so much as 'expenses' but as 'investments' — investments in what consumers learned, felt, experienced, etc about the brand. If not properly designed and implemented, these expenditures may not be 'good' investments, in that the right knowledge structures may not have been created in consumers' minds, but they should be considered investments nonetheless. Thus, the *quality* of the investment in brand building is the most critical factor, not necessarily the *quantity* of investment beyond some minimal threshold amount.

Brand equity as a bridge

In that sense, it is actually possible to 'overspend' on brand building if money is not being spent wisely. For example, in the beverage category, brands such as Michelob, Miller Lite and 7Up saw their sales decline in the 1990s despite sizeable marketing support, arguably because of poorly targeted and delivered marketing campaigns. Conversely, there are numerous examples of brands which amass a great deal of brand equity by judiciously spending on marketing activities that create valuable, enduring memory traces in the minds of consumers. For example, despite being outspent by such beverage brand giants as Coca-Cola, Pepsi and Budweiser, the California Milk Processor Board was able to reverse a decades-long decline in consumption of milk in California partly through their well-designed and executed 'Got Milk?' campaign.

Brands as direction for the future

At the same time, the brand knowledge that has been created over time by these marketing investments dictates appropriate and inappropriate future directions for the brand. Consumers, be they individuals or organisations, will decide, based on their brand beliefs, attitudes, etc, where they think the brand should go and grant permission (or not) to any marketing action or programme. Thus, at the end of the day, the true value and future prospects of a brand rest with consumers and their knowledge about the brand and their likely response to marketing activity as a result of this knowledge. Understanding consumer brand knowledge — all the different kinds of things that become linked to the brand in the minds of consumers — is thus of paramount importance as the underpinning and foundation of brand equity.

Building strong brands

From a customer-based brand equity perspective, building a strong brand can be thought of in terms of a sequential series of steps, where each step is contingent upon successfully achieving the previous step.[5] All steps involve accomplishing certain objectives with customers — both existing and potential customers. The first step is to ensure identification of the brand with customers and an association of the brand in customers' minds with a specific product class or customer need. The second step is to establish firmly the totality of brand meaning in the minds of customers — ie by strategically linking a host of tangible and intangible brand associations with certain properties. The third step is to elicit the proper

customer responses to this brand identification and brand meaning. The fourth and final step is to convert brand response to create an intense, active loyalty relationship between customers and the brand.

These four steps represent a set of fundamental questions that customers invariably ask about brands — at least implicitly if not even explicitly — as follows (with corresponding brand steps in parentheses).

Four steps to build a brand

— Who are you? (Brand identity.)
— What are you? (Brand meaning.)
— What about you? What do I think or feel about you? (Brand responses.)
— What about you and me? What kind of association and how much of a connection would I like to have with you? (Brand relationships.)

Branding ladder

There is an obvious ordering of the steps in this 'branding ladder', from identity to meaning to responses to relationships. That is, meaning cannot be established unless identity has been created; responses cannot occur unless the right meaning has been developed; and a relationship cannot be forged unless the proper responses have been elicited.

Brand building blocks

Enacting the four steps to create the right brand identity, brand meaning, brand responses and brand relationship is a complicated and difficult process. To provide some structure, it is useful to think of sequentially establishing six 'brand building blocks' with customers. That is, constructing a strong brand can be seen as establishing a logically constructed set of six building blocks to accomplish the four steps necessary to create a strong brand. To connote the sequencing involved, these brand building blocks can be assembled in terms of a brand pyramid (see Figure 1). Creating significant brand equity involves reaching the top

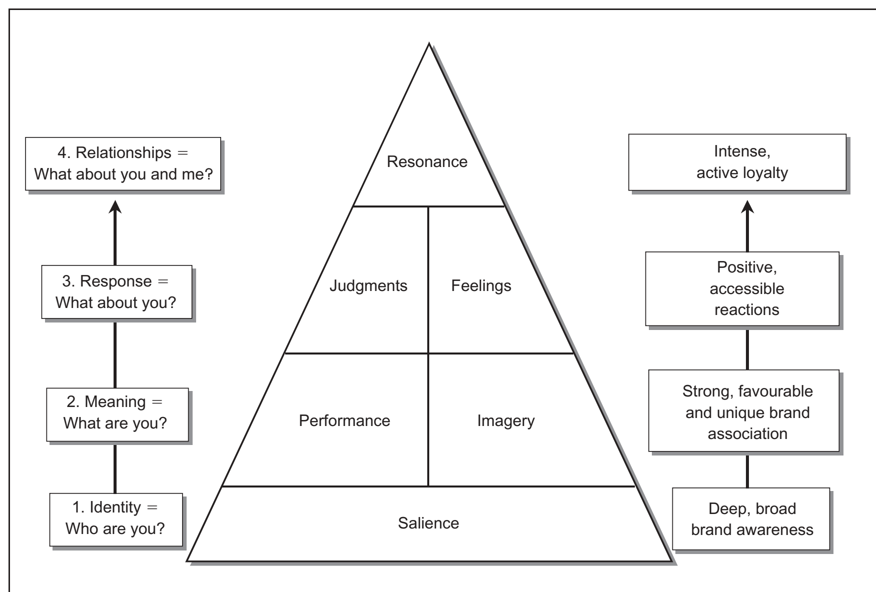

Figure 1: Customer-based brand equity pyramid

or pinnacle of the brand pyramid and will only occur if the right building blocks are put into place. The corresponding brand steps represent different levels of the brand pyramid, as follows.

Brand identity

Breadth and depth of brand awareness

Achieving the right brand identity involves creating brand salience with customers. Brand salience relates to aspects of the awareness of the brand, eg how often and easily the brand is evoked under various situations or circumstances. To what extent is the brand top-of-mind and easily recalled or recognised? What types of cues or reminders are necessary? How pervasive is this brand awareness? A highly salient brand is one that has both depth and breadth of brand awareness, such that customers always make sufficient purchases as well as always think of the brand across a variety of settings when it could possibly be employed or consumed. As an example, soft drinks have much breadth in awareness in that they come to mind in a variety of different consumption situations. A consumer may consider drinking one of the different cola varieties of Coke virtually anytime, anywhere. Other beverages have much more limited perceived consumption situations, eg alcoholic beverages, milk and juices.

Brand meaning

Brand image

Brand salience is an important first step in building brand equity, but usually not sufficient. For most customers in most situations, other considerations, such as the meaning or image of the brand, also come into play. Creating brand meaning involves establishing a brand image and what the brand is characterised by and should stand for in the minds of customers. Although a myriad of different types of brand associations are possible, brand meaning broadly can be distinguished in terms of more functional versus more abstract considerations.

'Brand performance' relates to the ways in which the product or service attempts to meet customers' more functional needs. Thus, brand performance refers to the intrinsic properties of the brand in terms of inherent product or service characteristics. How well does the brand rate on objective assessments of quality? To what extent does the brand satisfy utilitarian, aesthetic and economic customer needs and wants in the product or service category?

'Brand imagery' deals with the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customers' more psychological or social needs. Brand imagery is how people think about a brand abstractly rather than what they think the brand actually does. Thus, imagery refers to more intangible aspects of the brand such as user imagery, usage imagery, brand personality and values and brand history, heritage and experiences. With functional differences on the basis of brand performance becoming increasingly competed away, creating differences on the basis of brand imagery has gained importance.

Thus a number of different types of associations related to either performance or imagery may become linked to the brand. Regardless of

the type involved, the brand associations making up the brand image and meaning can be characterised and profiled according to three important dimensions that provide the key to building brand equity.

Dimensions of brand image

— Strength. How strongly is the brand identified with a brand association?
— Favourability. How important or valuable is the brand association to customers?
— Uniqueness. How distinctively is the brand identified with the brand association?

Successful results on these three dimensions produce the most positive brand responses, the underpinning of intense and active brand loyalty. To create brand equity, it is important that the brand have some strong, favourable and unique brand associations *in that order*. In other words, it does not matter how unique a brand association is unless customers evaluate the association favourably, and it does not matter how desirable a brand association is unless it is sufficiently strong that customers actually recall it and link it to the brand. At the same time, it should be recognised that not all strong associations are favourable and not all favourable associations are unique.

Brand responses

Brand responses refer to how customers respond to the brand and all its marketing activity and other sources of information — what customers think or feel about the brand. Brand responses can be distinguished according to brand judgments and brand feelings, ie in terms of whether they arise more from the 'head' or from the 'heart'.

Brand judgments and feelings

Brand judgments focus upon customers' own personal opinions and evaluations with regard to the brand. Brand judgments involve how customers put together all the different performance and imagery associations for the brand to form different kinds of opinions. Customers may make all types of judgments with respect to a brand, but in terms of creating a strong brand, four types of summary brand judgments are particularly important: brand quality, brand credibility, brand consideration and brand superiority.

Brand feelings are customers' emotional responses and reactions with respect to the brand. Brand feelings also relate to the social currency evoked by the brand. What feelings are evoked by the marketing programme for the brand or by other means? How does the brand affect customers' feelings about themselves and their relationship with others? These feelings can be mild or intense and be positive or negative in nature. Six important types of brand-building feelings are warmth, fun, excitement, security, social approval and self-respect.[6] The first three are more experiential and immediate, increasing in level of intensity. The latter three are more private and enduring, increasing in level of gravity.

Although all types of customer responses are possible — driven from both the head and heart — ultimately what matters is how positive they are. Additionally, it is important that they are accessible and come to

mind when consumers think of the brand. Brand judgments and feelings can only favourably impact on consumer behaviour if it is the case that consumers internalise or think of positive responses in any of their encounters with the brand.

Brand relationships

Brand resonance

The final step, brand relationships, focuses upon the level of identification that the customer has with the brand. 'Brand resonance' refers to the nature of the relationship that customers have with the brand and the extent to which customers feel that they are 'in sync' with the brand. Consumers 'own' brands in the brand knowledge they create, but if that knowledge is not favourable (eg if the judgments and feelings are not positive), consumers will choose not to develop any loyalty or even preference towards a brand.

Intense, active loyalty

Brand relationships can be usefully characterised in terms of two dimensions — intensity and activity. Intensity refers to the depth of the psychological bond that customers have with the brand, eg how strong are the attitudinal attachment to the brand and sense of community with other brand users or the company itself? In other words, how deeply felt is the loyalty? Activity refers to how frequently the consumer buys and uses the brand, as well as engages in other activities not related to purchase and consumption — the extent to which customers seek out brand information, events, other loyal customers and so on. In other words, in how many different ways does brand loyalty manifest itself in day-to-day consumer behaviour? Examples of brands with high resonance include such brands as Harley-Davidson, Apple, Jeep, eBay and others.

The strongest brands excel on all six of these factors and thus fully execute all four steps in building a brand. The most valuable brand building block, brand resonance, occurs when all the other brand building blocks are completely 'in sync' with respect to customers' needs, wants and desires. In other words, brand resonance reflects a completely harmonious relationship between customers and the brand. With true brand resonance, customers have a high degree of loyalty marked by a close relationship with the brand, such that customers actively seek means to interact with the brand and share their experiences with others. Firms that are able to achieve resonance and affinity with their customers should reap a host of valuable benefits, including greater price premiums and more efficient and effective marketing programmes.

Illustrative example

A brand powerhouse essentially built in the 1990s, Starbucks amassed a great deal of brand equity by establishing a strong set of brand building blocks. Becoming closely identified with quality coffee has led to a great deal of brand salience. This reputation can also be found in consumer perceptions of brand performance and imagery. Starbucks has concertedly provided superior delivery of a desired benefit by recognising America's need for 'a really good cup of coffee'. Based initially on lessons learned overseas, Starbucks has delivered a superior product in part by extreme vertical integration. Starbucks is involved in its coffee from start to finish

— from the selection and procurement of the coffee beans to their roasting and blending to their ultimate consumption.

In terms of usage imagery, Starbucks also creates key core brand values in its retail distribution through company-owned coffeehouses. Starbucks views them as a 'third place' — not work and not home — where customers can be rewarded with a rich sensory experience. Starbucks attempts to create the most satisfying possible experience in its coffeehouses by appealing to all five senses — through the rich aroma of the beans, the premium taste of the coffee, the product displays and attractive artwork adorning the walls, the contemporary music playing in the background and even the cosy, clean feel of the tables and chairs. The 'Starbucks experience' is to create stores with an inviting, enriching environment that is comfortable and accessible yet also stylish and elegant.

Building Starbucks' brand equity

Through innovative and unique product formulation and retail service delivery, Starbucks has also been able to create much credibility and emotionality. In the words of one of their key marketers, Starbucks likes to be seen as the 'chief protagonist of the coffee culture'. By virtue of its perceived expertise and trustworthiness, Starbucks has successfully introduced new products leveraging their coffee reputation, such as Frappuccino iced coffee and premium coffee ice cream. By creating a rich sensory experience, Starbucks has been able to elicit a strong emotional response both individually and in a broader social context.

The startling success of Starbucks in creating brand resonance is evidenced by the fact that its customers average 18 store visits a month with an expenditure of $3.50 a visit. This high level of consumer involvement and aggressive product development resulted in Starbucks realising an annual growth rate of sales and profits exceeding 50 per cent through much of the 1990s, and also resulted in the brand performing comparatively strongly in the economic slump that characterised the beginning of the following decade. A customer-based brand equity perspective, however, also provides diagnostic insight into where the brand could go wrong. Perceived over-expansion, exploitation of its name and loss of a personal touch could erode the valuable sense of credibility and emotionality that the brand worked so hard to attain.

Integrated marketing communications and brand equity

According to a customer-based brand equity perspective, building brand equity requires, in part, creating awareness of the brand; linking strong, favourable and unique associations to the brand in consumers' memory; eliciting positive brand judgments or feelings; and/or facilitating stronger consumer-brand connections and brand resonance. In general, this knowledge-building process will depend on all brand-related contacts — whether marketer initiated or not. From a marketing management perspective, there are three main sets of factors or 'brand equity drivers'.

— The initial choices for the brand elements or identities making up the brand (eg brand names, URLs, logos, symbols, characters, spokespeople, slogans, jingles, packages and signage).

Brand equity drives

— The marketing activities and supporting marketing programme and the manner by which the brand is integrated into it (eg product, pricing, distribution and communication strategies).
— Other associations indirectly transferred to the brand by linking it to some other entity (eg the company, country of origin, channel of distribution or another brand).

Although the judicious choice of brand elements and secondary associations can make some important contributions to building brand equity, the primary input comes from the marketing activities related to the brand. Given its importance and complexity, it is worth briefly considering the role of marketing communications in particular in more detail.

Role of marketing communications

Marketing communications can be defined as the means by which firms attempt to inform, persuade and remind consumers — directly or indirectly — about the brands that they sell. In a sense, marketing communications represent the 'voice' of the brand and are a means by which it can establish a dialogue and build relationships with consumers. Although advertising is often a central element of a marketing communications programme, it is usually not the only one — or even the most important one — in terms of building brand equity. Listed below are some of the commonly used marketing communication options.

Marketing communication options

— Media advertising: TV, radio, newspapers, magazines.
— Direct response advertising: mail, telephone, broadcast media, print media, computer-related, media-related.
— Online advertising: websites, interactive ads.
— Place advertising: billboards and posters, movies, airlines, lounges, product placement, point of purchase.
— Point-of-purchase advertising: shelf talkers, aisle markers, shopping cart ads, in-store radio or TV.
— Trade promotions: trade deals and buying allowances, point-of-purchase display allowances, push money, contests and dealer incentives, training programmes, trade shows, cooperative advertising.
— Consumer promotions: samples, coupons, premiums, refunds/rebates, contests/sweepstakes, bonus packs, price-offs.
— Event marketing and sponsorship: sports, arts, entertainment, fairs and festivals, cause-related.
— Publicity and public relations.
— Personal selling.

Although different communication options can play different roles in the marketing programme, one important purpose of all marketing communications is to contribute to brand equity. In addition to forming the desired brand knowledge structures, marketing communication

programmes can also provide incentives that elicit the differential response that makes up customer-based brand equity.

Thus, perhaps the simplest — but most useful way — to judge advertising and/or any other communication option is in its ability to achieve the desired brand knowledge structures and elicit the differential response that makes up brand equity. For example, how well does a proposed ad campaign contribute to awareness or creating, maintaining or strengthening certain brand associations? Does a sponsorship cause consumers to have more favourable brand judgments and feelings? To what extent does a direct mail piece or promotion encourage consumers to buy more of a product? At what price premium?

Mixing and matching marketing communications

One implication of this conceptualisation of customer-based brand equity is that the *manner* in which brand knowledge is created does not matter — only the resulting nature of that knowledge.[7] For example, The Body Shop created a global brand image without even using conventional advertising. Their strong associations to personal care and environmental concern occurred through their products (natural ingredients only, never tested on animals, etc); packaging (simple, refillable, recyclable); merchandising (detailed point-of-sale posters, brochures and displays); staff (encouraged to be enthusiastic and informative concerning environmental issues); sourcing policies (using small local producers from around the world); social action programme (requiring each franchisee to run a local community programme); and public relations programmes and activities (taking visible and sometimes outspoken stands on various issues).

Building brand equity at The Body Shop

Communications and customer-based brand equity

In particular, from the perspective of customer-based brand equity, marketers should evaluate *all* possible communication options available to create knowledge structures according to effectiveness criteria as well as cost considerations. In particular, customer-based brand equity provides a common denominator by which the effects of different communication options can be evaluated. Each communication option can be judged in terms of the effectiveness and efficiency by which it affects — directly or indirectly — brand salience, brand meaning, brand responses and brand relationships.

Different communication options have different strengths and can accomplish different objectives. Thus, it is important to employ a 'mix' of different communication options, each playing a specific role in building or maintaining brand equity. For example, some media are demonstrably better at generating trial than engendering long-term loyalty (eg sampling or other forms of sales promotion). At the same time, the marketing communication programme should be put together in a way such that the 'whole' is greater than the 'sum of the parts'. In other words, as much as possible there should be a 'match' among certain communication options so that the effects of any one communication option are enhanced by the presence of another. For example, as part of the highly successful 'Drivers Wanted' campaign, VW has used television to introduce a story line that it continued and embellished on its website.

Measuring brand equity

Direct and indirect approaches of brand equity measurements

Given that customer-based brand equity models define brand equity in terms of the differences that arise in customers' response to marketing activity as a result of the knowledge that customers have about the brand, there are two basic approaches to measuring brand equity. An 'indirect' approach could assess potential sources of customer-based brand equity by identifying and tracking consumers' brand knowledge structures in terms of the brand identity, meaning, responses and relationships dimensions identified above. A 'direct' approach, on the other hand, could measure customer-based brand equity more directly by assessing the actual impact of brand knowledge on consumer response to different elements of the marketing programme, eg in terms of the marketing advantages listed earlier in this paper.

The two general approaches are complementary, and both can and should be employed by marketers.[8] In other words, for brand equity to provide a useful strategic function and guide marketing decisions, it is important for marketers to understand fully the sources of brand equity, how they affect outcomes of interest (eg sales) and how these sources and outcomes change, if at all, over time. For the purposes of determining the overall financial value of brands, the various consumer benefits emanating from the brand that were outlined above can be assessed and combined to provide an overall estimate of brand equity and value. For example, one popular industry method by Interbrand concentrates on the price premiums afforded the brand and then considers a number of discount factors to determine the appropriate long-term brand value.[9]

Managing long-term brand equity

Short-term and long-term marketing effects

Effective brand management requires taking a long-term view of marketing decisions — the ability to think at least one to three years down the line, if not longer. Any action that a firm takes as part of its marketing programme has the potential to change consumer knowledge about the brand in terms of some aspect of brand awareness or brand image. These changes in consumer brand knowledge from current marketing activity will also have an indirect effect on the success of *future* marketing activities. Thus, from the perspective of customer-based brand equity, it is important when making marketing decisions to consider how the changes in brand awareness, image, response and relationships that could result from those decisions may help or hurt subsequent marketing decisions. For example, the frequent use of sales promotions involving temporary price decreases may create or strengthen a 'discount' association to the brand, with potentially adverse implications for customer loyalty and responses to future price changes or non-price-oriented marketing communication efforts.

A long-term perspective of brand management recognises that any changes in the supporting marketing programme for a brand may, by changing consumer knowledge, affect the success of future marketing programmes. Additionally, a long-term view necessitates proactive strategies designed to maintain and enhance customer-based brand equity

over time in the face of external changes in the marketing environment and internal changes in a firm's marketing goals and programmes.

Reinforcing brand equity

Brand equity must be actively managed over time by reinforcing the brand meaning and, if necessary, by making adjustments to the marketing programme to identify new sources of brand equity. Brand equity is reinforced by marketing actions that consistently convey the meaning of the brand to consumers in terms of what products the brand represents; what core benefits it supplies; what needs it satisfies; and how the brand makes those products superior and which strong, favourable and unique brand associations should exist in the minds of consumers.

Reinforcing and leveraging brand equity

In managing brand equity it is important to recognise the trade-offs that exist between those marketing activities that fortify the brand and reinforce its meaning and those that attempt to leverage or borrow from its existing brand equity to reap some financial benefit. At some point, failure to fortify the brand will diminish brand awareness and weaken brand image. Without these sources of brand equity, the brand itself may not continue to yield as valuable benefits.

For example, as Coors Brewing devoted increasing attention in its marketing on growing the equity of less-established brands (eg Coors Light beer) and introducing new products (eg Zima clear malt beverage), ad support for the flagship Coors beer slipped from a peak of about $43m in 1985 to a meagre $4m by 1993. Perhaps not surprisingly, sales of Coors beer dropped by half from 1989 to 1993. In launching a new ad campaign to prop up sales, Coors returned to its iconoclastic, independent Western image. Marketers at Coors now admit they did not give the brand the attention it deserves. 'We've not marketed Coors as aggressively as we should have in the past ten to 15 years.'

Another example of the downside of failing to support a brand adequately occurred in the oil and gas industry. In the late 1970s consumers had an extremely positive image of Shell Oil and saw clear differences between the brand and its major branded competitors. In the early 1980s, for various reasons, Shell went through a period of time where it cut back considerably on its advertising and marketing support for the brand. As a result, Shell no longer enjoys the same special status in the eyes of consumers and is now seen as much more similar to other oil companies.

Importance of innovation and relevance

Reinforcing brand equity thus requires consistency in the amount and nature of the supporting marketing programme for the brand. Although the specific tactics may change, the key sources of equity for the brand should be preserved and amplified where appropriate. Product innovation and relevance are paramount in maintaining continuity and expanding the meaning of the brand.

Conclusion

In summary, regardless of the particular definition adopted, the value to marketers of brand equity as a concept ultimately depends on how they use it. Brand equity can offer focus and guidance, providing marketers

with a means to interpret their past marketing performance and design their future marketing programmes. Everything the firm does can help to enhance or detract from brand equity. Those marketers who build strong brands have embraced the concept and use it to its fullest as a means of clarifying, communicating and implementing their marketing actions. Towards that goal, this paper advanced some concepts and principles with respect to customer-based brand equity, a set of approaches with much potential managerial insight.

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