



By Ian Rheeder
(60 second Tip of The Month)

Brand Equity



*"Trade is a **social** act."* John Stuart Mills

The ultimate method of creating real loyalty (brand preference and insistence) and demand for your services or product is to deliver positive *Brand Associations* over time. For consumer products this often required very expensive "feel-good" advertising.

We've all heard of Pepsi, but few of us drink it due to weak past associations, perhaps during our formative years.

In a business-to-business environment, the *4R Model* will build these associations, and very often relies most heavily on face-to-face interaction.

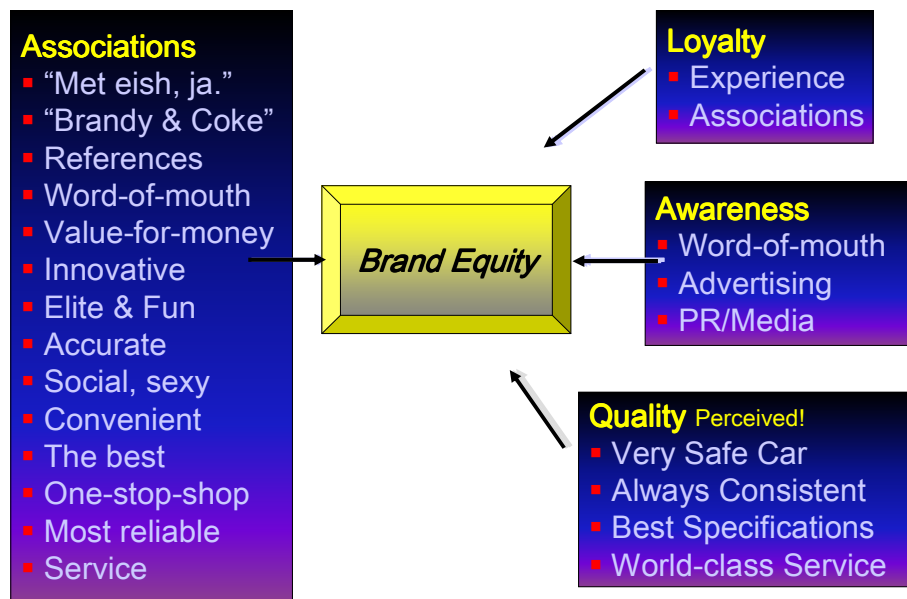
4R Model (For building Associations)
Risk reduction
References please
Relationships
Realization of Performance (show me the evidence)

Brand Equity Model to Understand "Promotion"

Unless your product is 'sexy' using sex to gain awareness often may leave you with undesired associations (see a modern Camel advert top right where "sex does sell" appropriately). In search of a competitive advantage and strong *brand equity*, it needs to be pointed out that **awareness** is only the start of Customer *loyalty*; however awareness through promotion does not necessarily create brand **preference** and brand **insistence**. It is with this backdrop that we can say **'Advertising to merely create awareness is the marketer's fools-gold.'**

Brand Equity

'Associations', the most important for longevity.



The above Brand Equity model demonstrates that Associations are the most important ingredient in building a firm's reputation and Brand Equity. For consumer products, associations tend to be more 'emotionally' driven. In a business-to-business (B2B) environment, associations are almost exclusively functionally-left-brain or 'logically' driven. For example, the desire to make or save money is a very relevant brand association for a struggling business.

Quote for the Brand Equity Model:

"Young people place less value on TV commercials than their predecessors did. They rely on friends for word-of-mouth. They appreciate being on the front line of discovery and passing things along. Viral marketing (word-of-mouth on the net) quickly positioned Buraer Kina as more relevant." Chief Marketing Officer (CMO) Buraer Kina

ian@markitects.co.za

www.markitects.co.za