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THE BASICS OF BRAND MANAGEMENT

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Assume that you are going to a supermarket in order just to buy some fruit juice. Most probably, the related shelves are full of different brands of fruit juice and you have to choose only one. This situation is a very common one in the current life style. People have to make a decision about which brand to buy in even such simple situations. It is important for consumers to choose the correct brand in order to express themselves and their lifestyles properly; and it is important for companies to be chosen in order to survive in the competitive environment. Therefore, it can be argued that in shopping malls, supermarkets, along streets, in the office, at home, thousands of brands waiting to be chosen surround us.

Some brands become enormously successful and people prefer to call the brand name instead of the product itself; like using Selpak instead of tissue. However, not all the brands succeed like that and many of the brands are forgotten in months or even in days. Therefore, it is so significant to manage brands carefully and properly. The aim of this paper is to explore what brand management is and how to manage brands accordingly. However, since the concept is a comprehensive one, only the most important parts those are essential to understand brand management will be discussed. In order to achieve this purpose, the concept of brand will be explained first. Secondly, the branding concept will be defined. Thirdly, brand equity which is one of the most significant concepts in this discipline, will be discussed in detail with its related notions like brand elements, brand awareness etc. Moreover, a special type of brand equity, the customer-based brand equity and how to measure the brand equity will be also introduces. Throughout the paper, there will be provided real-life examples.

In fact, brand is not a newly emerged concept. When people began to exchange their goods to buy what they do not own, the idea of brand emerged. At that time, especially artisans used trademarks in order to specify their unique products.[1]

Surely, today, brand is a different and a more important concept than it was. As there are more communication channels, people had the chance to reach more information, especially thanks to Internet. Therefore, people are more conscious about brands and their specifications. Thus, there are globally available brands in the world. In this situation, it can

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[1] Landa, R. (2006), *Designing Brand Experience,* Thomson Delmar Learning: New York, p.xx

be argued that we are living in a branded culture, and brands are the most important modes of communication in the modern media environment. [2]

According to the American Marketing Association, brand is defined as *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 other sellers*.[3] In that sense, brand is one of the most valuable assets of a firm that also creates an understanding about the future products of the firm.

Landa suggests that there are three integrated meanings of brand, provides another definition for the concept brand[4]:

- ✓ *A brand is the sum total of all characteristics of the good or service, which includes physical features, emotional assets, and cultural associations. These characteristics are essential in order to differentiate the good or service from its competitors.*
- ✓ *The brand identity as applied to a single or an extended family of good(s) or service(s) should also be taken into consideration. The brand identity is a program, which integrates all visual and verbal elements of a brand.*
- ✓ *The ongoing perception by the audiences, consumer, or public, of the brand is also significant. The target audience, which is a specific group of consumers for a brand, should be selected carefully and their perception should be investigated continuously.*

At this point, the difference between a product and a brand should be clearly understood in order to capture the importance of brand management. A product can be anything, which is offered in the market to satisfy a need. However, a brand is a product that adds other dimensions that differentiate the product in some way from its competitors designed to satisfy the same need.[5] Therefore, as it is mentioned previously, brands are

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[2] Danesi, M. (2006), *Brands,* Taylor&Francis Inc.:New York, p. 3

[3] http://www.marketingpower.com/_layouts/Dictionary.aspx?dLetter=B

[4] Landa, R. (2006), *Designing Brand Experience,* Thomson Delmar Learning: New York, p. 4-6

[5] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, pp. 3-4

much more significant for a firm in order to survive. Moreover, there are several other benefits of a brand in a firm's perspective. Firstly, a brand serves for identification purpose to simplify product handling or tracing for the firm. Secondly, brands are useful in organizing inventory and accounting records. Thirdly, thanks to strong brands, firms are able to influence consumer behavior. Fourthly, and most importantly, brands are the major sources of intellectual property rights of a firm. They provide legal protection for unique features and aspects of the product, which are the most valuable assets of a company.[6]

After having a basic understanding of the concept of brand and its beneficial side, the concept of branding can be discussed in detail. There is a variety of ways to define the notion of branding. For instance, Landa prefers to define it as *the entire development process of creating a brand, brand name, brand identity, and brand advertising*.[7] On the other hand, branding is endowing the product or service with the power of brand.[8] As a general definition, the following may be accepted:

> "*Branding is the creation of signals conveying what the brand stands for and it establishes the difference in people's mind. Brand is the idea and branding is the transmission of that idea.*"[9]

According to Adamson[10], before beginning any branding project, there are three basic questions to ask: What is the business strategy of the firm?; What does the brand stand for in the minds of the customers?; Can the firm deliver on the promise of the brand idea? These questions are essential in order to understand whether the brand will be beneficial for the firm or not. If the brand is not suitable of the business strategy, even if the brand has a potential, the firm will probably cannot manage it appropriately and the result will be negative cash flow. Moreover, if the brand does not offer anything special according to consumers, the result will be the same with the previous one. For the last crucial question,

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[6] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 11

[7] Landa, R. (2006), *Designing Brand Experience,* Thomson Delmar Learning: New York, p. 9

[8] Kotler,P., Keller, K. (2006), *Marketing Management,* Pearson Education Inc.: New Jersey, p. 275

[9] Adamson, A.P. (2006), *Brand Simple,* Palgrave MacMillan: New York, p. 18

[10] Adamson, A.P. (2006), *Brand Simple,* Palgrave MacMillan: New York, p. 53

the situation is the same; if the firm is not able to deliver the brand with its promises, the firm will probably lose money and reputation.

Since there is no end for innovating new products, branding will always be an essential concern of companies. In order not to experience such difficulties mentioned above, managers should give additional attention to branding. It is important to remember that branding is mainly about creating difference. Therefore, brand managers should be sure that their consumers are aware of some points that are significant for successful branding. Firstly, the consumer must know "who" the product is. Thus, the brand should have proper name and related brand elements, which give the facility to consumer to identify the product. Secondly, the targeted audience must know "what" the product is. Any consumer will pay attention to the brand without knowing what it stands for. Thirdly, and lastly, it should be clearly defined "why" consumers should consider the brand.[11] For a brand to be doing well, it is so essential to explain clearly to consumers why they should care for that specific brand, what it offers differently from its competitors. The explanation must cover all the questions in mind and consumers must be convinced that the product offers something special and different from its counterparts. The most dangerous thing in branding is considering all brands in the same category as equal. In this situation, consumers buy the first brand that they see on shelves which means poor brand management. The brand manager must create loyalty for the brand by convincing consumers about the specialties of the brand.

In order to achieve this goal, brand managers should work carefully on creating a strong brand construct, which is the conceptual and strategic platform for a brand.[12] As it is mentioned above, differentiation is the key concept. The more the brand offers differentiation, the more the probability of attracting consumers. Moreover, the brand should be relevant to consumers' life. The targeted audience has to find a bond with the brand and its own life style. Another significant concept in building the brand construct is the consistency of the brand. The brand must offer something feasible and consistent messages to people in order to reach as many targeted consumers as possible.

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[11] Kotler,P., Keller, K. (2006), *Marketing Management,* Pearson Education Inc.: New Jersey, p. 275

[12] Landa, R. (2006), *Designing Brand Experience,* Thomson Delmar Learning: New York, p. 60

As discussed previously, creating differences is the main goal of branding. Companies try to add value to their products with various marketing activities. Brand equity is this benefit endowed to products and services.[13] Although brand equity is one of the most crucial concepts in brand management, there is not a commonly accepted definition for it. As the points of view differ, so do the explanations. Therefore, there is a variety of definitions of brand equity and its methods to measure. From a financial point of view, brand equity is a valuable asset for a firm, which is beneficial for cash flow. On the other hand, from a marketer point of view, the concept implies the importance of a brand to its customers.[14] This means that brand equity is the willingness for customers to continue to purchase the brand or not.[15] This difference emphasizes the importance to distinguish the concepts of brand equity and brand value. The former is an intrapersonal construct that moderates the impact of marketing activities, where the latter is the sale or replacement value of a brand.[16] Therefore, it can be argued that brand equity is what the brand means to the consumer and brand value is what the brand means to the company. In fact, it seems that these two points of views act together at the end. The brand equity increases as more customers prefer the brand or customers prefer the brand more, so does the financial position of the owner of the brand. However, Raggio and Leone[17] suggest that purchasing a brand does not necessarily show that brand equity exists. Similarly, not purchasing a brand does not suggest that the brand lacks brand equity. The authors give the example of Rolex, which is a quite expensive brand for a watch. According to their research among university students, most of the respondents think that Rolex has brand equity, however due to its price none of the students prefers to buy a Rolex, at least in the near future. Therefore, large market shares

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[13] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 42

[14] Ambler, T. (1995), *Brand equity as a relational concept,* The Journal of Brand Management, Volume2 Number 6, p. 386

[15] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 43

[16] Raggio, R.D., Leone, R.P. (2007), *The theoretical separation of brand equity and brand value: Managerial implications for strategic planning,*Brand Management Volume 14, No 5, p. 380

[17] Raggio, R.D., Leone, R.P. (2007), *The theoretical separation of brand equity and brand value: Managerial implications for strategic planning,*Brand Management Volume 14, No 5, p. 380-395

are neither necessary nor sufficient to establish brand equity. Instead, it depends on the perception or desire that a brand will meet a promise of benefits. On the other hand, brand value implies the financial side. It is directly related to the sales volume, the profitability, and the capabilities of the brand given the resources; and indirectly related to lowering costs.

To sum up, since there are different points of view and concerns by different parties, there are different ways to define the concept of brand equity. The financial and marketer views create the basis of this difference and should be analyzed separately by distinguishing the concepts as brand equity and brand value.

Since brand equity is important for the future of the brand, the sources to build brand equity should be decided carefully. There are a number of sources of brand equity. In this paper, the most important ones will be analyzed.

In order to build brand equity one of the most significant thing is to choose the right brand elements. Some of the scholars prefer to call this concept as brand identities. This concept mainly refers to the trademark able devices that serve to identify and differentiate the brand.[18] Brand name, logos like Ralph Lauren's polo equestrian, symbols, characters like the bear of Yumoş, slogans like Nike's "Just Do It", and jingles are just few examples of brand elements. There is not a rule for how many brand elements to be used for a brand. Brand managers have the flexibility to choose as many brand elements as needed for building brand equity. However, there are some criteria to choose which brand elements to use in order to be beneficial. According to Keller[19], there are six major criteria for choosing the right brand elements.

Firstly, a brand element must be *memorable* meaning that the consumer can easily recognize and recall the brand. Short brand names can be considered as memorable.

Secondly, a brand element must be *meaningful* to the consumer. The content of the brand element should be consistent with what the consumer would expect to see from a

[18] Kotler,P., Keller, K. (2006), *Marketing Management,* Pearson Education Inc.: New Jersey, p. 281

[19] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 177-180

brand in that specific product category. Therefore, a brand element should be seen credible in that product category by giving general information. Moreover, a brand element to be meaningful in terms of being persuasive, it must explain to targeted audience what the brand would likely be, to some extent. Thus, the consumer should realize that s/he is the one to use that brand.

Thirdly, a brand element must be *likable*. For this purpose, a brand element should be rich in visual and verbal imagery, fun and interesting, and aesthetically pleasing. Thus, the consumer must like the brand element in order to build brand equity.

Fourthly, a brand element should be something *transferrable*. This criterion refers to the extent that the brand element can be useful for a line or category extensions. This transferability involves both within and across product categories, and across geographic boundaries and cultures.

Fifthly, a brand element should be *adaptable*. Since the consumers and their demands are changing continuously and rapidly, the brand elements should be adaptable and updatable accordingly. Therefore, creating flexible brand elements will facilitate easier updates for future.

Sixthly, a brand element should be *protectable* in terms of both legally and competitively. The brand elements should be registered with appropriate bodies and be protected legally in both national and international arenas. Moreover, brand elements should not be easily copied.

These six criteria can be classified into two according to their purposes. The first three criteria (memorability, meaningfulness, and likability) are to build brand equity by choosing sensible elements. The latter three criteria (transferability, adaptability, and protectability) are to leverage the brand equity through selected brand elements.

Brand elements are especially important in the case of low involvement. If the consumer has no specific information about the product category or the product, buying a brand usually occurs due to the attractive side of the brand. If the brand name or its slogan is attractive, the consumer with low involvement would prefer that brand instead of another. Therefore, brand elements should create a centre of attention at the first sight. Moreover, if the brand is successful at the first time, the probability to buy that brand may increase. Thus, choosing the right brand elements are highly important in building brand equity and in its maintenance.

Brand awareness is another source of building brand equity. In order to create brand awareness, choosing the right and strong brand elements is crucial. Therefore, it can be argued that brand awareness reflects how well the brand elements serve the function of identifying the product or service.[20] Thus, this concept is mainly about creating an identity for the product or service. In this sense, the targeted audience should understand in which product category the brand competes with the help of brand awareness. Another important point of this concept is that the significance of the "different conditions." Brand awareness provides the ability to its customers to distinguish the brand under different circumstances thanks to the brand elements.

There are two important notions in order to explain the concept of brand awareness in a full sense. The first notion is *brand recognition,* which is essential to build brand awareness. Brand recognition is mainly about remembering the product. According to Keller[21], to what extent consumers can correctly discriminate the brand, as having previously seen or heard is the key to build brand recognition. For this purpose, repetition of the exposure is necessary. The more the exposure the customer receives, the more the familiarity of the brand occurs. However, in order to be successful in the stage of exposure, the attention of the consumer is essential. Therefore, the goal of the brand manager is to compete for the attention of the customers.[22]

The second part of brand awareness is brand recall performance. This concept is about the ability to recall the brand when seeing the product category.[23] Consumers should

[20] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 67-70

[21] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 67-70

[22] Solomon, M. R. (2006), *Consumer behavior: buying, selling, and being,* Pearson Education Inc.: New Jersey, pp. 60-67

[23] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 67-70

correctly retrieve the brand from memory when given a relevant cue. Therefore, for a high brand recall performance, it is essential to build linkages in memory to the appropriate product category. In this sense, product category structure is highly significant. There are several benefits of a correctly structured product category[24]. Firstly, it increases the possibility of the retrieval of the number of brands in the product category. This is necessary for customers in order to make a highly involved decision. Secondly, the product category structure increases the possibility of a consistent decision making process. As the consumer recalls a variety of brands in the same product category, and as s/he makes her/his decision accordingly, the likelihood of a consistent evaluation and choice increases. According to this information, it can be argued that brand recall performance is highly important for the brands that are served online or that are owned by a service sector company. Since the consumer has no chance to see the product physically at the time of evaluation, s/he must recall the brand when given a relevant cue. On the other hand, if the consumer can reach the product physically, brand recognition becomes more significant. As the consumer goes to the market to buy cereals, recall of the Kellogg's Corn Flakes is dependent on the consumer's ability to retrieve the brand in the store.

Brand image is another and highly significant source of brand equity. The concept refers to building strong, favorable, and unique associations to the brand in the memory.[25] Brand managers should focus on creating a well-communicated brand image in order to extend the life of the brand and therefore to enhance the market performance to the brand. Thus, managers have to emphasize the meaning of the brand at first, and then to maintain that meaning. [26] Consequently, the brand image should be a long-term concern of a company for the survival of its brand. For instance, the Ivory soap has been maintaining its "purity" image for years since it supports its position.

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[24] Nedugandi,P., Chattopadhyay A., Muthurrishnan A.V.,(2000) *Category Structure, Brand Recall and Choice,* Insead R&D, p.17

[25] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 70

[26] Park, C.W., Jaworski B.J., Maclnnis D.J. (1986), *Strategic Brand Concept-Image Management,* Journal of Marketing Vol. 50, pp. 135-145

Although advertising activities are considered as the most important way of building brand image, there are number of ways to do this like the brand name, sales promotions, packaging and design, public relations, etc. However, the brand image should not rely on only a single method of building. The brand image should be based on the understanding consumers' derive from the total set of brand related activities. In order to have a long-term brand image, every single method should be analyzed carefully, and implemented accordingly. The Body Shop is a good example of creating a brand image without using conventional advertising. Its products, packaging, social action programs etc are all related to the associations to personal care and environmental concerns.[27]

There are two key factors in building a strong brand image: Personal relevance and consistency[28]. In fact, personal relevance may be at the heart of the whole brand management concept. If the consumer cannot find anything related to her/himself of the brand, the likelihood of buying that brand is not high. In addition, in the case of brand image, the associations must also be personally relevant. Therefore, the brand should include relevancy to the consumer in all terms. However, the degree of relevancy should be based on two issues: the consumer that the company wants to talk to and the number of consumers that the company needs to appeal to make a profit. Therefore, identifying a differentiated idea that is relevant to a relatively small number of people is a considerable way of building brand image. [29] Luxury brands like Louis Vuitton, Christian Dior, or Burberry have achieved such a success by creating associations that are personally relevant to their consumers. The consistency is another factor affecting the strength of the brand image. This factor is related to the previous one. The personally relevant associations must be presented consistently. This consistency will help the consumer to recall the brand correctly and to ensure the consumer that the brand still offers its promises.

Brand image is also an essential part of positioning that means the act of designing the company's offering and image to occupy a distinctive place in the mind of the target

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[27] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 70

[28] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 71

[29] Adamson, A.P. (2006), *Brand Simple,* Palgrave MacMillan: New York, p. 8

market.[30] The whole reason of the positioning is to put the brand in the minds of consumers to gain maximum benefit for the firm. For this purpose, there are vital decisions to make on the target consumer, on major competitors, on the points of differences, and on the points of similarities.[31] Although the first two concerns are also essential for positioning, the last two decisions are more significant for the brand image. Therefore, in this paper, those two concerns will be mentioned in detail.

After determining on the targeted audience and the major competitors, the next step should be to define strong associations based on differences and similarities in accordance with the positioning strategy of the brand. These differences and similarities are called points of difference and points of parity in marketing context.

According to Kotler and Keller[32], points of difference are attributes or benefits consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand. Points of difference are essential for competitive brand positioning and the focus should be on creating strong, favorable, and unique ones for this purpose. There is a variety of ways to create such points of difference. They may emphasize the performance of the product, the imagery associations of the product, or the superior quality of the product. For example, the famous cigarette brand Marlboro uses the western imagery as a point of difference, or the luxury car brand Lexus prefers to emphasize its superior quality that is unique to the brand. Since the reason of creating points of difference is to attract consumers' attention by generating associations, consumers should find these points desirable. For this purpose, these points must be relevant and important, distinct and superior, and believable and credible to the target customers.[33]

The other essential part of positioning is to define points of parity that refer to the associations that are not necessarily unique to the brand and that may be shared with other

[30] Kotler,P., Keller, K. (2006), *Marketing Management,* Pearson Education Inc.: New Jersey, p. 310

[31] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 120

[32] Kotler,P., Keller, K. (2006), *Marketing Management,* Pearson Education Inc.: New Jersey, p. 312-313

[33] Kotler,P., Keller, K. (2006), *Marketing Management,* Pearson Education Inc.: New Jersey, p. 312-313

brands.[34] These points can provide benefits if adequate number of consumers believe that the brand fulfills its promises which does not mean that the brand is just the same with its competitors. For example, in order to be realized as a travel agency, it must offer the necessities like ticket reservations, different payment opportunities etc. It is significant to build points of parity in order to make consumers convinced that the brand is good and strong enough to consider buying. After this convincing part, the brand should begin to emphasize its superior unique qualifications in order to create and improve the brand image that is an important part of the brand equity.

Since anything can be branded and can be marketed in the continuously changing world, consumers, who need something endlessly, are the key of successful brand management. Brands should provide long-term, and preferably, lifetime value of customer relationships. This means that the brand should focus on the whole transactions with the consumer as long as the consumer has a relationship with the company and with the brand. Moreover, the value of the brand becomes individualized more and more, and brands are the key factors in reflecting lifestyles of consumers. Consequently, the focus of companies should be on individual and on consumer level. Thus, brand manager have to shift their concerns from brand equity to customer-based brand equity. The former one refers to the sum of customers' assessments of brand intangible qualities positively or negatively, whereas the latter one refers to the sum of lifetime values of all the firm's customers across all the firm's brands.[35]

According to Keller[36], the power of brand lies in the minds of existing or potential customers and what they have experienced directly and indirectly about the brand, and there are three key components of the customer-based brand equity. Firstly, the aim of the brand equity is to create differences in response and to make the product more than a commodity. Secondly, these differential responses are results of brand knowledge that are

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[34] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 133

[35] Rust, T.R., Zeithaml V.A., Lemon, N.L. (2004), *Customer-based Brand Management,* Harvard Business Review, p. 110-118

[36] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 60-61

the consequences of experiences of customers. Therefore, the real basis of brand equity depends on the minds of the customers. Thirdly, these differential responses will reflect the perceptions, preferences, and behavior of the consumer in response to the marketing of the brand. In consistent with these components, the customer-based brand equity refers to the differential effect that brand knowledge has on the consumer response to the marketing of that brand.

Since customer-based brand equity becomes more and more important, companies should adopt their way of managing brand to customer-based brand management. According to this new kind of brand management, the consumer is at the heart of the whole process. There are several alternatives for what a company can do to achieve this goal.[37] A company should focus on building brands in accordance with customer segments rather than product segments. This means that there will be several brands targeted to different segments of customers. The clothing brand, Zara, will be a good example. Zara targeted customers from the middle-income group at a wide range of age, where its other brand Massimo Dutti prefers to the working age people. Another alternative is to give priority to customer-segment managers rather than to brand managers. Large companies like IBM prefer this kind of management for its important customers in order to satisfy their needs in more detail.

The next step after building brand equity is to measure the value of the brand equity in order to figure out whether it is working or not. Although there are several models for this purpose, Brand Asset Valuator (BAV) will be discussed in detail in this paper since it is one of the most comprehensive models for measuring brand equity.

Brand Asset Valuator is a very useful tool in gauging the current and the future value of brand equity. The main objective of BAV is to discover how a brand is performing relative to all other brands in the market.[38] Most importantly, the model focuses not only on the product category that the brand belongs to, but on the entire market. Therefore, BAV provides comprehensive measures of the equity value of thousands of brands across

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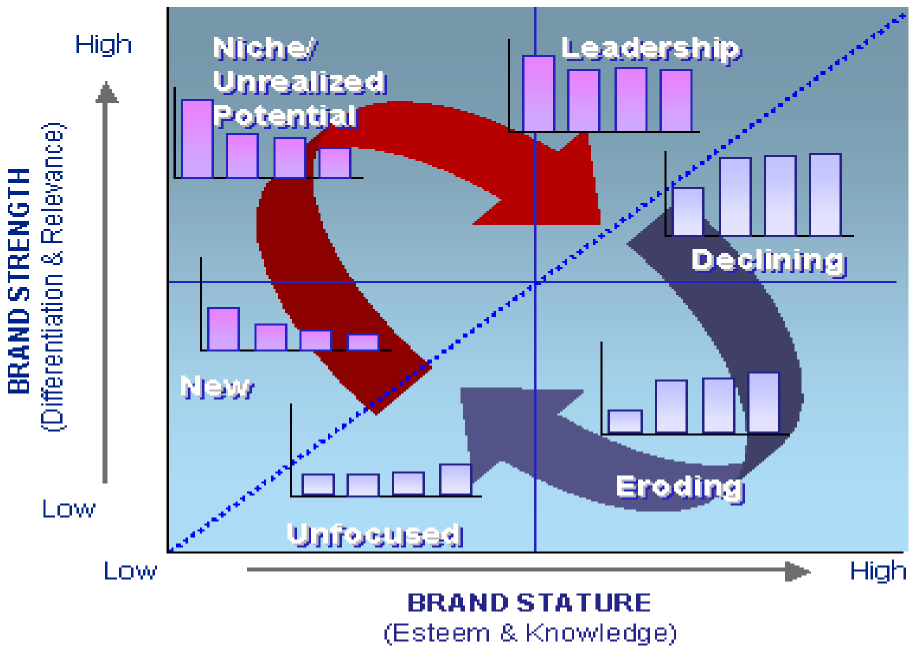
[37] Rust, T.R., Zeithaml V.A., Lemon, N.L. (2004), *Customer-based Brand Management,* Harvard Business Review, p. 110-118

[38] Adamson, A.P. (2006), *Brand Simple,* Palgrave MacMillan: New York, p. 10

hundreds of different categories. [39] According to the creators of the model, BAV is a prescriptive and predictive model. It is not only useful in creating the brand, but also it is functional in managing the brand in the long term. [40]

There are four brand dimensions based on consumers' perceptions that are the basic components of the model. [41] The first dimension is *differentiation* that is the degree to which a brand is considered as different from others. The brand should reflect a different, unique, and distinctive position from its competitors. This dimension is the most significant one at the beginning of building the brand to be successful. [42] The second dimension is *relevance* that measures whether this differentiation is appropriate for the targeted audience or not. The third one is *esteem* that gauges how well the brand is regarded in the market. The fourth and the final dimension is *knowledge* that measures how well consumers know and understand the brand. These four dimensions are the main components of the power grid of the BAV model, which is based on the brand strength and the brand stature.



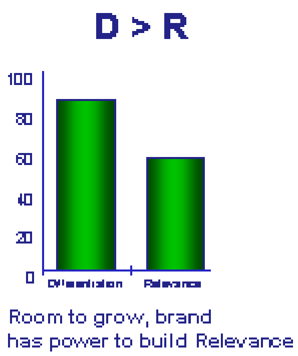
[39] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, p. 509

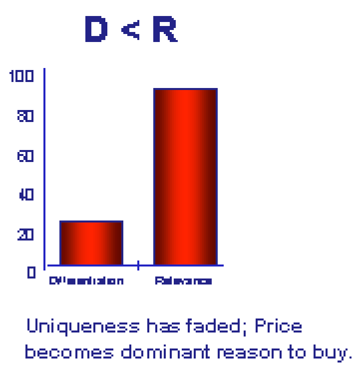
[40] *BAV Blue Book* retrieved on 20.10.2009 from the website www.yrbav.com

[41] Adamson, A.P. (2006), *Brand Simple,* Palgrave MacMillan: New York, p. 10-13

[42] *BAV Blue Book* retrieved on 20.10.2009 from the website www.yrbav.com

The first two dimensions, differentiation and relevance, are the components of the brand strength that is a leading indicator of the viable existence of the brand in the market place. [43] The brand strength is about creating a difference that is relevant to the consumer. In the case of higher level of differentiation than that of relevance, the brand has an advantageous position because this situation gives to the brand room to grow. In a contrary situation, higher level of relevance than that of differentiation, the product becomes a commodity and the price becomes the dominant reason to buy the brand, which is the case in Bic and Energizer.[44]





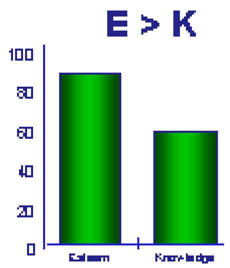
The latter two dimensions, esteem and knowledge, are the components of the brand stature, which indicated the brand's pervasiveness in the market place. [45] A brand with higher level of esteem than that of knowledge means that the brand has a good reputation without having much information. Thus, the brand is better liked than known. This is a good opportunity for the brand in order to convince consumers to get to know the brand better. However, a brand with higher level of knowledge than that of esteem is a very dangerous case for the brand. This means that the brand is better known that liked. At this point, the difference between knowledge and brand awareness should be realized. The former one is a

[43] *BAV Blue Book* retrieved on 20.10.2009 from the website www.yrbav.com

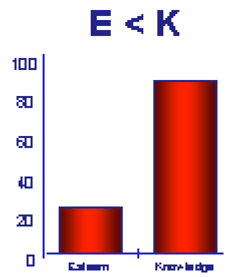
[44] Adamson, A.P. (2006), *Brand Simple,* Palgrave MacMillan: New York, p. 10-13

[45] Adamson, A.P. (2006), *Brand Simple,* Palgrave MacMillan: New York, p. 10-13

source of greater intimacy that the latter, therefore it is a better indicator of consumers' opinion.



Brand is better liked than known.



Brand is better known than liked.

The power grid also shows the stages in the development of the brand. [46] The first stage is usually the lower left quadrant, where the brand should create difference that is relevant. Most of the time, the brand strength improves before the development of a strong brand stature. Therefore, the movement from the first quadrant is usually to the upper left quadrant, which is either for a niche market or a market that has an unrealized potential. The upper left quadrant is for the brand leaders of which brand strength and brand stature are at high levels, and all of the four pillars are strong. The final quadrant is for brands that loses strength and stature.

People have to choose a brand over the others even for the simplest buying decisions like chewing gum. Thus, companies have to learn how to manage their brands for survival, since brands are their most significant assets. In order to manage brands successfully, there are important concepts that should be taken into consideration. After understanding what brand and branding is, brand managers should focus on how to build brand equity, which is the most crucial part of strategic brand management. There are several significant decisions to build brand equity, like choosing the right brand elements, creating brand awareness and brand image. Every decision should be made carefully in order to make consumers buy the brand more. Therefore, another concern should be on emphasizing the importance of consumers who are the determinants of the continued existence of the brand. Consequently, in building brand equity, consumers should be at the centre of the project.

[46] Keller, K.L. (2003), *Strategic Brand Management Building, Measuring, and Managing Brand Equity,* Pearson Education Inc.: New Jersey, pp. 510-511

After building brand equity, it is important to measure it for further improvements or for necessary modifications. Brand Asset Valuator is one of the models for measuring brand equity. According to this model, it is possible to decide where the brand is located in the market place compared to all other brands in the market, not specifically brands in the same product category.