

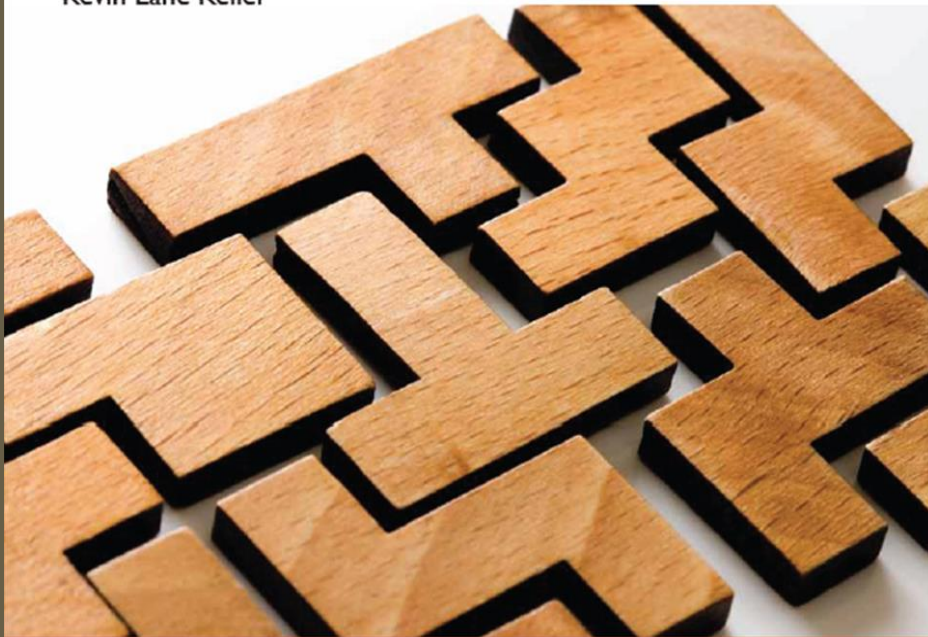
GLOBAL
EDITION 

Strategic Brand Management

Building, Measuring, and Managing Brand Equity

FOURTH EDITION

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ALWAYS LEARNING

PEARSON

CHAPTER: 7 LEVERAGING SECONDARY BRAND ASSOCIATIONS TO BUILD BRAND EQUITY

Learning Objectives

- Outline the eight main ways to leverage secondary associations
- Explain the process by which a brand can leverage secondary associations
- Describe some of the key tactical issues in leveraging secondary associations from different entities

Conceptualizing the Leveraging Process

- Linking the brand to some other entity may:
 - ▣ Create a new set of associations from the brand to the entity
 - ▣ Affect the existing brand associations

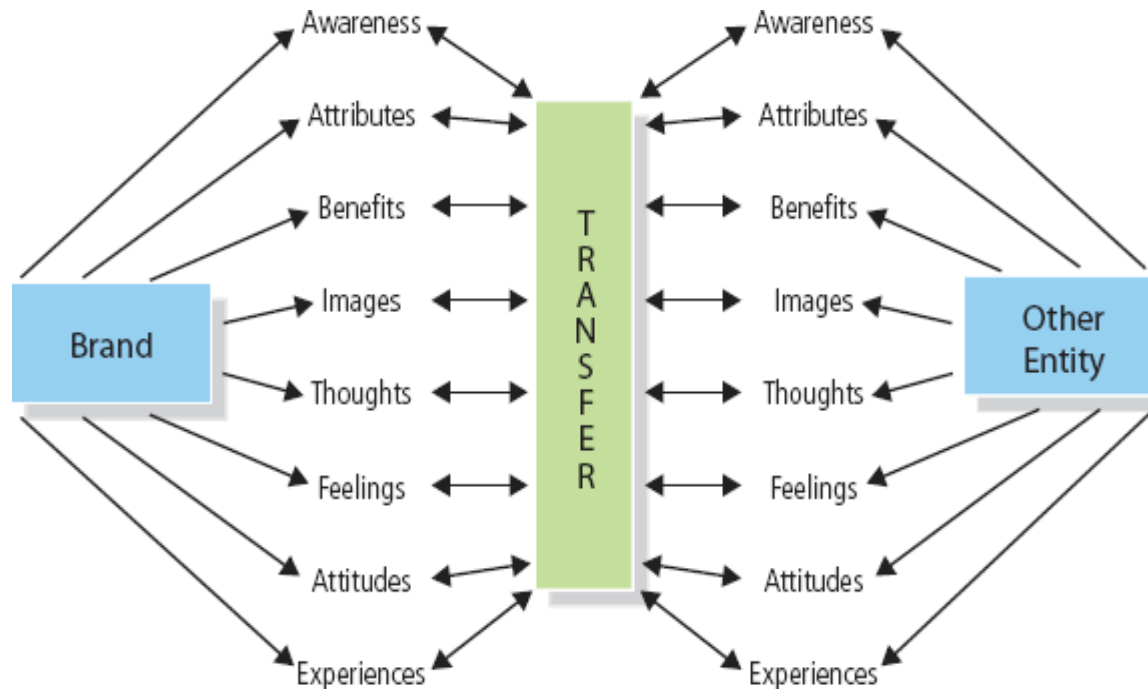
Creation of New Brand Associations

- Secondary brand associations are most likely to affect evaluations of a new product when:
 - ▣ Consumers lack either the motivation or the ability to judge product-related concerns

Effects on Existing Brand Knowledge

- Cognitive consistency - What is true for the new association must be true for the brand

Figure 7.2- Understanding Transfer of Brand Knowledge



Company

- Existing brands can be related to a corporate or family brand
- A corporate or family brand can be a source of brand equity
- Leveraging a corporate brand may or may not be useful

Country of Origin or Geographic Location

- Can be linked to the brand to generate secondary associations
- Consumers choose brands originating in different countries based on:
 - Their beliefs about the quality of certain types of products from certain countries
 - The image that these brands or products communicate
- Can create strong points-of-difference

Channels of Distribution

- Retail stores can indirectly affect brand equity through an “image transfer” process
- Retailers have their own brand images in consumers’ minds due to the following associations
 - ▣ Product assortment
 - ▣ Pricing
 - ▣ Credit policy
 - ▣ Quality of service
- Customer base can be expanded by tapping into new channels of distribution

Co-branding

- When two or more existing brands are combined into a joint product or are marketed together in some fashion
- Example - Betty Crocker paired with SunKist Growers to market a lemon chiffon cake mix

Ingredient Branding

- Creates brand equity for materials, components, or parts that are contained within other branded products
- Branded ingredients are often a signal of quality
- Uniformity and predictability of ingredient brands can reduce risks and reassure consumers

Licensing

- Creates contractual arrangements whereby firms can use:
 - ▣ Names, logos, and characters of other brands to market their own brands for some fixed fee
- Can also provide legal protection for trademarks
- Risk - A trademark may become overexposed if marketers adopt a saturation policy

Corporate trademark licensing

- Licensing of company names, logos, or brands for use on various, often unrelated products
- Firms may license corporate trademarks to:
 - ▣ Generate extra revenue and profits
 - ▣ Protect their trademarks
 - ▣ Increase their brand exposure
 - ▣ Enhance their image
- Risk - Product may not live up-to the image established by the brand

Celebrity Endorsement

□ Rationale

■ A famous person can:

- Draw attention to a brand
- Shape brand perceptions, by virtue of consumers perceptions of the famous person

□ Celebrity endorsers should have:

- A high level of visibility
- A rich set of potentially useful associations, judgments, and feelings

Sporting Cultural or Other Events

- Have their own set of associations that may become linked to a sponsoring brand under certain conditions
- Contribute to brand equity by:
 - Becoming associated to the brand and improving brand awareness
 - Adding new associations
 - Improving the strength, favorability, and uniqueness of existing associations

Third Party Sources

- Involves linking the brand to various third party sources
- Example - Grey Goose's eventual success was a taste-test result from the Beverage Testing Institute that ranked Grey Goose as the number-one imported vodka

To Sum Up...

- Other entities include:
 - ▣ The company that makes the product
 - ▣ Where the product is made
 - ▣ Where the product is purchased
 - ▣ Related people, places, or things
- The extent to which an entity can be leveraged as a source of equity depends on:
 - ▣ Consumer knowledge of the entity
 - ▣ How easily the appropriate associations or responses to the entity transfer to the brand



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