

Lecture 6 - Building Strong Brands

Building Strong Brands and Branding strategies

Building brand loyalty is the basis of gaining profitable growth

Pareto rule 20/80. 80% of sales come from 20% of consumers.

A "brand" guarantees to the consumer satisfaction of a specific want through products with unique combinations of attributes.

Brand = Promise of specific consumer satisfaction

Brands lower consumer anxiety. They are consistent, so lead to certainty and certainty leads to trust.

Brand lifecycle: Introduction, Recognition, Acceptance, Devotion!

At devotion stage, loyalty is achieved!

Brand loyalty is classified as the relative attitude towards the focal brand as well as the repetition of purchase behaviour.

- Sustainable Loyalty (Positive attitude/ High repeat purchasing behaviour)
- Latent Loyalty (Positive attitude/ Low RPB)
- Spurious Loyalty (Negative attitude/ High RPB)
- No Loyalty (Negative Attitude/ Low RPB)

Benefits of Branding

To consumer:

- lowers the levels of anxiety, re-assuring effect
- eases the decision process, speeds it up

To brand owner:

- regular purchases lead to revenue stream
- sustainability - brands are sustainable offerings
- create barriers to entry
- higher value purchases - improved margins
- Intangible assets - boosts share value

Brand Loyalty has a positive correlation with market share. Brands with higher awareness, have higher levels of RPB, leading to higher market share, and vice versa.

Brand identity is the meaning and essence of the brand. It is the brand as a product, as an organisation, as a person and as a symbol

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