

FAQ's

1. What is brand leveraging?

Brands are associated with brand elements, and these brand associations create a favorable or unfavorable image of the brand in the customer's mind. Strong brand leveraging gives the customers a sense of familiarity with the associations.

2. What factors determine the extent of brand leveraging?

Brand leveraging is described as the process of associating brand elements to leverage on its favourable images. The extents of these associations are determined by the current

- a. Awareness and knowledge of the entity
- b. Meaningfulness of the knowledge of the entity
- c. Transferability of the knowledge of the entity

3. State the Importance of brand leveraging

Brand Leveraging is a preferred process of introducing a new product in comparison to new product introductions because

the element of risk of an unknown brand is reduced , the familiarity of the product brand in terms of brand associations, brand knowledge, brand attitudes and brand feelings and experiences is higher than for a new product.

Reduces risk associated with complicated technology products

Helps reduce cost incurred

Ensures higher market share
Larger shelf space to induce sales opportunities

4. Explain Co branding

Co branding is a type of branding which is an alliance of two strong brands where the strengths of two brands are combined together and marketed as one. Co branding is also known as brand bundling and brand alliance. Co Branding practiced by the companies are in various forms for eg.

i.) within the same company or brand eg. Maggie and Kitkat are bundled and sold, both products are Nestle products.ii) Joint Venture co branding where two different brands are bundled for eg. Citibank credit card with Indian oil petrol pumps, Axis card holders are given an additional 5% discount at Westside.iii) multiple co branding where a number of brands are promoted together to form an alliance and this is common during promotions and events.iv)Retail co branding where two retail outlets to utilize resources or are mutually beneficial to set up a good marketing destination for the customers. Eg. Big Bazaar and McDonalds. Both the stores are opened together in the same complex, to bring convenience of shopping to the customers.

5. What are brand equity models

Brand equity models are developed to measure brand equity through different measurement variables. There are four main types of brand equity models namely

1. Brand Asset Valuator which measures on the basis of five key points. Differentiation, Energy, Relevance, Esteem and Knowledge.

2. Brandz is a popular model developed for measuring brand strength
3. Aaker model discusses how brand awareness, brand loyalty and brand associations together add and deduct the value of the equity of the brand.
4. Brand Resonance Model entails the rational route and the emotional route to build brands to develop brand equity.

6. Explain the Brand Asset Valuator (BAV)?

The Brand Asset Valuator is a brand equity model, developed by Young and Rubicam(Y&R), the brands were evaluated by the customers across countries on the basis of five key components.

- Differentiation- the degree to which the brand is different from the other brands in the same category.
- Energy-is the measure of the brand sense of momentum
- Relevance is the measure of the extent of brand appeal
- Esteem is a measure of the value and the respect given to a brand
- Knowledge is a measure of the familiarity of a brand.

The variables Differentiation, Energy and Relevance determines the brand strength whereas factors Esteem and Knowledge together an image of the stature of the brand. A power grid of brand stature against brand strength is formed as shown in Fig 1. The key components are represented by DEREK (Differentiation, Energy, Relevance, Esteem and Knowledge) which reflects the equity of the products and the market created for the product or service.

The variable Differentiation is highest for niche markets. In declining markets, the relevance, energy and knowledge have an equal representation but the differentiation is lower. In eroding markets the differentiation of the product or services are further eroded. The new and unfocussed segment of the power grid reflects the differentiation of the brand to be high but the relevance, energy and knowledge are quite low and hence the segment focuses on the need to develop these three variables.

7. Describe the role of Brandz (equity models)?

Brandz is a popular model developed for measuring brand strength by the research consultants Millward Brown and WPP. This model specifies the need to carry out a series of steps to build a brand. It indicates building relationships through loyal and bonded customers. The numbers of loyal customers at the top of the pyramid are few in numbers but the customers at the lower steps are large in numbers. The efforts of the marketers have ensured pushing the customers up the pyramid steps through various marketing programs designed.

8. Describe the role of Aaker model (equity models)?

Aaker Model developed to measure brand equity was developed by a marketing professor David Aaker. According to Aaker, brand awareness, brand loyalty and brand associations together add and deduct the value of the equity of the brand. The unique associations of the brand stand out for the customers as a promise of the delivery of expected services or functional benefits of the product and services and an aspirational brand image. The

brand identity has eight to twelve elements that symbolize perceptions of product scope, product attributes, quality, value, uses, users country of origin, organizational attributes, brand personality and symbols. The core differentiating elements, identified are a good reminder for the customers and it reflect the cultural strategy of the business.

9. What is a celebrity endorsement

Celebrities are admired by the people and they follow their favourite stars and emulate their favourite things, lifestyles and fashion amongst others. The marketers therefore use the celebrities in their common advertising and branding strategies to promote their products and prompt them to buy.

10. What is Ingredient branding ?

Ingredient Branding is another popular form of Co branding. The core ingredient of the product is also branded giving the customer a confidence in the performance of the product. Eg Intel Inside. Intel chips are used in the manufacture of computers. Intel Inside assures the customer of the quality of the computer based on the usage of the quality of the main ingredient: the computer chip.

11. What is Composite branding?

Composite branding is another form of co branding, where two known and popular brands need not necessarily be from the same category of products together form a new

product or service beneficial to the customers. Eg. Sea World and Southwest Airlines