

LECTURE-20

Brand Equity Measurement and Management System

Brand equity is the heart of brand management. The brand managers are engaged in building strong brand equity as it directly affects the consumer's buying decisions, defines market share of the product, and determines the brand position in the market.

A brand equity measurement system is a set of research procedures that is designed to provide timely, accurate, and actionable information to marketers so that they can make the best possible tactical decisions in the short run and strategic decisions in the long-run.

A system design to effectively measure source and outcome of branding strategies there by providing a set of information, which can be delivered to concern decision makers to act on, is called a brand equity measurement system.

Developing a Brand Equity Measurement and Management System

Marketers have various tools at their disposal to build a strong consumer based brand equity. Through this tool, they have developed many strategically important marketing communication programs. It is important for survival of brand to understand how effective these programs have been. If these programs have been able to induce a positive image and increased brand knowledge among consumer then, it can be concluded that strategy employed is successful. A deliberate effort has to be carried out to measure success of marketing communication programs. This deliberate effort should be in direction of effective and efficient measurement system and also ways to manage these systems.

There are two ways forward in designing measurement system. One such measurement system relies on indirect method, where in emotional level changes in consumer are sorted and recorded. Other system rather relies on direct measurement method where in consumer response towards brand in terms of sales etc are measured and analyzed. A system design to effectively measure source and outcome of branding strategies there by

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Although there is a broad consensus among marketers for need to measure brand equity, not many of them are aware and among them very few actually know how to make full use of it. In a normal course measurement is done by return on investment basis. This ROI measure definitely considers a very short term measure of marketing programs and activities. But marketing programs and activities design to build as strong brand activity on a long term basis. But this does not mean there should not be short term analysis to confirm path towards long term goal. Therefore, brand measurement should be able to project future cash flow associated with brand which can lead overall value of the company. Other part, which needs to be strongly put forward, is that marketing programs are looking to change consumer action.

The whole process starting from finalizing of marketing program to end result in form of financial cash flow is evaluate through the brand value chain. It basically sets out chart of build up to brand equity. First value step is to set up marketing investment where the current brand equity is analyzed and program designed. Here particular attention is given to quality of program design by asking relevant questions. After the execution of the program, consumer mind set in new environment is analyzed to see whether there has been any expected impact. Another interesting point would be look at the competitors' reaction and to understand how market has reacted to program. The immediate action would be seen in consumer behavior towards brand; positive if marketing program has hit the mark and vice-versa. If positive then it leads to definite creation of shareholder value in terms of improved profit and increase in stock price.

It is always good to conduct an audit of whatever process developed to track efficiency and measure proper utilization of investor money. This tracking can be done with respect to product brand, usually in form of survey after any purchase. This is tracking for brand awareness, brand image, brand performance and brand appeal with respect to consumer. Next it tracks overall feeling associated with brand purchase and specific attributes which has created an impression. Another form of tracking is corporate brand tracking a sort of umbrella tracking where you track

everyone in the family. This sort of tracking tries to understand tracking in co-relation between individual brand and consumer perception of the company. If the company is global in nature then you want to track way the brand is performing as market could vary from infant stage to a mature market.

These tracking activities are likely to generate great amount of data which has to be converted into information for decision making process. This information will lead to setting up of brand equity report and creating responsibility centers to oversee development of efficient marketing department, thereby creating a perfect brand equity measurement and management system.