

What's YOUR BRAND worth?

BRAND EQUITY – IT'S A CONCEPT THAT'S DIFFICULT TO DEFINE, BUT YOU DON'T HAVE TO BE A MARKETING GENIUS TO RECOGNISE WHICH COMPANIES HAVE MORE OF IT THAN OTHERS. IN FACT, BRAND EQUITY MAY BE THE KEY TO YOUR BUSINESS'S SUCCESS, ESPECIALLY IN THESE TRYING TIMES.

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The textbook definition of brand equity is the marketing outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name. If that's a bit mind-boggling, here's a simpler definition: the value of your brand as measured by consumers knowing who you are.

Marketers view a brand as an implied promise that the level of quality customers have come to expect from a brand will be sustained. Because brands are a combination of business performance, product delivery, clarity of positioning and leadership, consumer perception of a brand is the most crucial factor in determining your brand equity. So does that mean that your brand is your greatest asset? Absolutely, responds Kate Waters of marketing consultancy Added Value. "If you think of what the high-end market value of your business is, it's nowhere near the true worth of your business because of the value of brand equity. Think of Ferrari: the negative brand equity associated with the company destroyed its book value. On the other hand, no one knows the true value of Coca-Cola because of the power of its brand equity."

HAVING A STRONG BRAND

"Your brand should have its own personality," says Tammy Lederle of Brandwise marketing. Having a strong brand means you'll outshine your competitors' lack of creative integrity by your clear brand strategy.

Strong brands create high levels of awareness in their target markets, both in terms of recall and recognition. It is these brands with distinctive, favourable



associations that are deemed to be high-quality brands.

"It's all about brand absence," says Brad Gold, brand manager of Two Ocean Winery. "When a consumer is faced with a massive wine list in a restaurant, he wants to know he'll be happy with the result. This is important during tough economic times when you can't afford to make a mistake. A brand that gives you a consistent experience and offers good value simplifies the decision-making."

LAUNCHING A NEW BRAND

"Think carefully about your premise and positioning before designing a new brand," advises Waters. "The brand should communicate the look and feel of the company. Look at the difference between BA and Juhala's, brands: the one is squeaky, the other is laid-back. That difference in branding will affect the kind of staff you recruit to be air stewards."

Another key consideration is cultural capital, or the cultural context in which your brand is operating. "A hypothetical example might be think Carlsberg beer," says Waters. "What if they wanted to launch in an African country that was very 'superstitious'? They might need to reconsider their branding."

Lederle offers the following advice if you're launching a new brand:

- **Conduct research.** Identify what your competitors have in common, how your customers behave and what gap in the market your product can satisfy.
- **Drawn a big.** Because something that your target market cannot imagine not having in their lives.
- **Know who you are.** Strong brand image is crucial to your success and should be reinforced whenever your brand is seen – through advertising, marketing, your staff or your website.
- **Talk with, not to.** Never underestimate the power of word of mouth over above-the-line advertising, which tells people about your offering rather than having a conversation with them about it.
- **Be relevant.** First impressions count: so make sure you launch in a way that resonates with your target market and leaves a lasting impact.

RELAUNCHING AN EXISTING BRAND

If your brand has been around for a while, you might think that the time is ripe for rebranding. Tread carefully – this is tricky territory. Learn a lesson from Lip-loc, that iconic brand which moved up spectacularly with their relaunch in January last year.

"We changed the original formulation of the brand," says Tim Hedger, CEO of Liphochs which manufactures Lip-loc.

"Instead, we went with a new formulation which had SPF and came in a bigger applicator. Our customers responded vociferously. They didn't like the new formulation and they weren't interested in an SPF as they were mainly using the product in winter."

The bottom line is don't change your brand for the sake of doing something new. "Be sure you're rebranding for the right reasons," says Waters. "You need to really understand what your core brand is and then only remove the customer aspects associated with your brand."

So when should you take the leap of faith to rebrand? Lederle believes many product leaders overhaul their brands to boost sales and get in touch with their original identity, or decide to forge a new, improved one. "Brands are like beauty queens," she quips. "Even the most illustrious need makeover from time to time."

Cue in pink: Pick n Pay. The retailing giant started a complete branding facelift in 2007, reworking the old black and red logo for a fresher feel in blue and cherry-red. The exercise was two years in the making, with Pick n Pay teaming up with British brand company Landor. This cost R110 million, with over 400 stores having to be rebranded. But marketing GM Lynsday Weisler-Rosen is at pains to point out that it was more than simply updating a 40-year-old brand. "The new brand identity is much more than a new logo and visual language, but part of an entire new future-focused strategy to position the company against competitors while honouring the needs of customers," she says.

After doing extensive research with customers to find out what makes them unique, they realised customers associated the brand with trustworthiness and strong family values. "We took an honest look at ourselves," comments Weisler-Rosen. "We wanted to make the Pick n Pay brand a 'hero sign'. And, by most accounts, they succeeded."

BUILDING BRAND LOYALTY

As the recession bites, it's becoming increasingly difficult to get consumers to part with their hard-earned cash. And consumers who may have been loyal to good times now find themselves trading down to make ends meet, according to the latest research.

Despite these trends, Waters advises that firms carry on doing what they do best. "Don't cut corners to lower costs and upset your customers by skimping on the quality of the product," she says. "And don't automatically drop the price of your product as this lowers your brand's status. She believes the way to the consumer's heart is by offering value. "Woolworths has a great campaign – eat in for four for under R100. This is a fantastic value proposition and conveys the perception that only the elite can afford to sleep there."

Waters continues: "Recessions are a good time for brands to improve. Tough times force marketers to think more creatively. If you operate at the lower end of the market, you should consider ways which encourage customers to try your brand out. If your brand is cheaper and still performs well, customers may stick with you even when the economy improves. The good news is that if you offer the proverbial 'bang for your buck', your brand will remain resilient. Lederle concludes, "If your brand holds fast in tough economic times, it will fly in the good times as studies show that as brand loyalty increases, consumers are less sensitive to price changes." ■



CASE STUDY 1: NEW BEGINNINGS

Over the past few years, customers' expectations for their products have risen significantly, and it's not just about the quality of the product, but also about the way it's presented. This is a challenge for many brands, especially those in the food and beverage industry. In this case study, we explore how a brand successfully navigated these challenges and emerged as a market leader.

How did you come up with your brand? Our brand was created in 2005. We were looking for a way to differentiate ourselves from our competitors. We wanted to create a brand that was not only high quality, but also had a strong personality. We decided to focus on natural ingredients and a clean, minimalist design. This was a bold move at the time, but it paid off in the long run.

What has been the feedback so far? The feedback has been overwhelmingly positive. Our customers love the quality of our products and the way we've positioned our brand. We've seen a steady increase in sales and a strong following in our target market. This has been a testament to the power of a well-defined brand identity.



CASE STUDY 2: REINVENTING YOURSELF

Reinventing yourself is a challenging task, but it's one that many successful entrepreneurs have undertaken. In this case study, we explore how a brand successfully reinvented itself and emerged as a market leader. The key was to stay true to the brand's core values while embracing change and innovation.

Why the decision to rebrand? The decision to rebrand was made after a thorough analysis of the market and our brand's performance. We realized that our current brand identity was no longer resonating with our target audience. We needed to create a new brand that was more relevant and appealing to our customers. This was a difficult decision, but it was necessary for our long-term success.

What has been the feedback so far? The feedback has been very positive. Our new brand identity has resonated well with our target audience, and we've seen a significant increase in sales and brand awareness. This has been a testament to the power of a well-executed rebranding strategy.