

eARTICLE

BRAND PLANNING

by Kevin Lane Keller



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This is a free eArticle based on the [eBook](#) and [video](#) of *Brand Planning*. It offers key points from the full title – giving you the ability to learn something new about this business topic in just a few minutes while discovering how to get even more from the full length versions.

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INTRODUCTION

Great brands are no accidents. They are a result of thoughtful and imaginative planning. Anyone building or managing a brand must carefully develop and implement creative brand strategies. To aid in that planning, three tools or models are helpful. Like the famous Russian nesting "matrioshka" dolls, the three models are inter-connected and become larger and increasing in scope: The first model is a component into the second model; the second model, in turn, is a component into the third model. Combined, the three models provide crucial micro and macro perspectives to successful brand building. Specifically, the three models are as follows, to be described in more detail below:

1. **Brand positioning model** describes how to establish competitive advantages in the minds of customers in the marketplace;
2. **Brand resonance model** describes how to create intense, activity loyalty relationships with customers; and
3. **Brand value chain model** describes how to trace the value creation process to better understand the financial impact of marketing expenditures and investments.

Collectively, these three models help marketers devise branding strategies and tactics to maximize profits and long-term brand equity and track their progress along the way.¹

¹ This paper is based on a series of research articles written by the author and others, as summarized in Keller, Kevin Lane (2008), *Strategic Brand Management*, 3rd edition, Upper Saddle River, NJ: Prentice-Hall.

1. BRAND POSITIONING

Positioning is the act of designing the company's offering and image to occupy a distinctive place in the minds of the target market.

There are four key components to a superior competitive positioning: 1) a competitive frame of reference in terms of the target market and nature of competition; 2) the points-of-difference in terms of strong, favorable, and unique brand associations; 3) the points-of-parity in terms of brand associations that negate any existing or potential points-of-difference by competitors; and 4) a brand mantra that summarizes the essence of the brand and key points-of-difference in 3-5 words.

Competitive Frame of Reference

The competitive frame of reference defines which other brands a brand competes with and therefore which brands should be the focus of analysis and study.

Points-of-difference (PODs) are attributes or benefits consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand. Examples in the automobile market are Volvo (*safety*), Toyota (*quality and dependability*), and Mercedes-Benz (*quality and prestige*).

There are three key criteria that determine whether or not a brand association can truly function as a point-of-difference:

1. *Desirable to consumer*
2. *Deliverable by the company*
3. *Differentiating from competitors*

Points-of-parity (POPs), on the other hand, are associations that are not necessarily unique to the brand but may in fact be shared with other brands.

Competitive points-of-parity are associations designed to negate *competitors'* points-of-difference. If, in the eyes of consumers, a brand can "break even" in those areas where the competitors are trying to find an advantage *and* achieve advantages in other areas, the brand should be in a strong—and perhaps unbeatable—competitive position.

Creating POPs and PODs

One common difficulty in creating a strong, competitive brand positioning is that many of the attributes or benefits that make up the points-of-parity and points-of-difference are negatively correlated. For example, it might be difficult to position a brand as "inexpensive" and at the same time assert that it is "of the highest quality."

SIMPLIFIED EXAMPLE OF PODS AND POP'S: MILLER LITE

At launch: *Competitive frame of reference was Budweiser (and similar brands)*

POD	Less Filling (1/3 less calories)
POP	Great Taste

After launch of competitive 'Lite' Beers: *Competitive frame of reference became Bud Lite, Coors Lite etc. Therefore the POD and POP changed.*

POD	Great Taste
POP	Less Filling

Brand Mantras

To provide further focus as to the intent of the brand positioning and how firms would like consumers to think about the brand, it is often useful to define a brand mantra. A brand mantra is highly related to branding concepts such as "brand essence" or "core brand promise." A *brand mantra* is an articulation of the "heart and soul" of the brand. Brand mantras are short, three- to five-word phrases that capture the irrefutable essence or spirit of the brand positioning. Their purpose is to ensure that all employees within the organization and all external marketing

partners understand what the brand most fundamentally is to represent with consumers so that they can adjust their actions accordingly.

An example of a brand mantra for Nike would be "authentic, athletic performance". Note: a brand mantra will inspire the external brand slogan but it is not necessarily the same as the slogan used in advertising. It's main focus is for internal use.

DESIGNING A BRAND MANTRA

Here are the three key criteria for a brand mantra.

- **Communicate:** A good brand mantra should define the category (or categories) of business for the brand and set the brand boundaries. It should also clarify what is unique about the brand.
- **Simplify:** An effective brand mantra should be memorable. As a result, it should be short, crisp, and vivid in meaning.
- **Inspire:** Ideally, the brand mantra would also stake out ground that is personally meaningful and relevant to as many employees as possible.

Summary of Brand Positioning

A few final comments - First, a good brand positioning has a "foot in the present" and a "foot in the future." It needs to be somewhat aspirational so that the brand has room to grow and improve.

Second, a good positioning is careful to identify all relevant points-of-parity. Too often marketers concentrate only on areas of strength and ignore crucial areas where the brand is potentially disadvantaged.

Finally, it is important a duality exists in the positioning of a brand such that there are rational and emotional components. In other words, a good positioning contains points-of-difference and points-of-parity that appeal both to the "head" and the "heart."

2. BRAND RESONANCE

Building a strong brand can be thought of in terms of a sequence of steps, in which each step is contingent on successfully achieving the previous step.

1. **Who are you?** (brand identity)
2. **What are you?** (brand meaning)
3. **What about you? What do I think or feel about you?** (brand responses)
4. **What about you and me? What kind of association and how much of a connection would I like to have with you?** (brand relationships)

Brand Building Blocks

Performing the four steps to create the right brand identity, brand meaning, brand responses, and brand relationship is a complicated and difficult process. To provide some structure, it is useful to think of sequentially establishing six "brand building blocks" with customers. To connote the sequencing involved, these brand building blocks can be assembled in terms of a brand pyramid. →

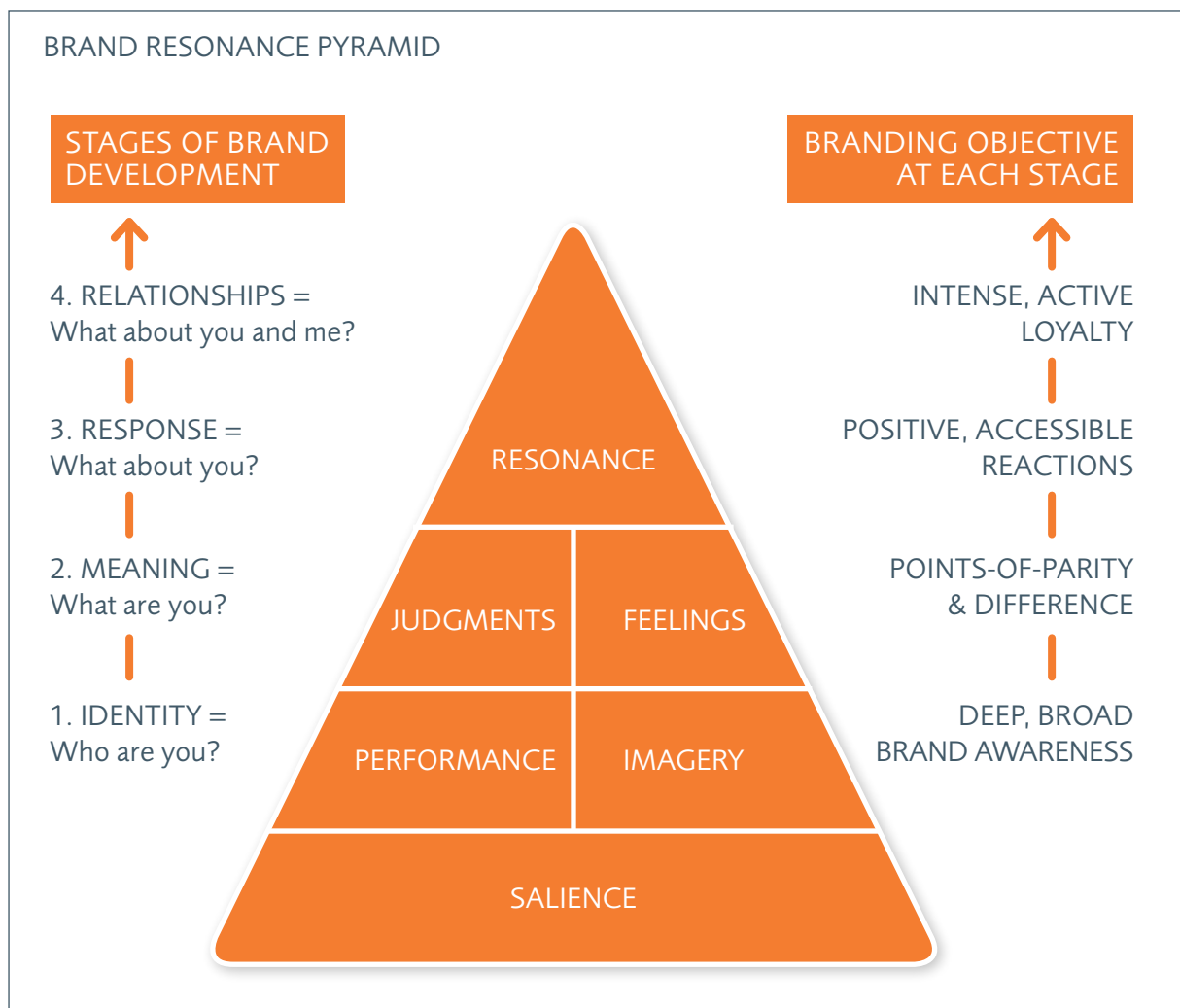


figure 1

Brand salience relates to aspects of the awareness of the brand, for example, how often and easily the brand is evoked under various situations or circumstances.

Brand Meaning is made up of two major categories of brand associations that exist in customers' minds related to performance and imagery, with a set of specific subcategories within each. These brand associations can be formed directly (from a customer's own experiences and contact with the brand) or indirectly (through the depiction of the brand in advertising or by some other source of information, such as word of mouth). These associations serve as the basis for the positioning of the brand and its points-of-parity and points-of-difference.

Creating strong, favorable, and unique associations and the desired points-of-parity and points-of-difference can be difficult for marketers, but essential in terms of building brand resonance. Strong brands typically have firmly established favorable and unique brand associations with consumers.

Brand responses refers to how customers respond to the brand and all its marketing activity and other sources of information—that is, what customers think or feel about the brand. Brand

responses can be distinguished according to brand judgments and brand feelings, that is, in terms of whether they arise from the "head" or from the "heart."

Brand judgments focus on customers' personal opinions and evaluations with regard to the brand. Brand judgments involve how customers put together all the different performance and imagery associations of the brand to form different kinds of opinions.

Brand feelings are customers' emotional responses and reactions with respect to the brand. Brand feelings also relate to the feelings that are evoked by the marketing program for the brand or by other means?

Brand resonance refers to the nature of this relationship and the extent to which customers feel that they connect with a brand and feel "in sync" with it. With true brand resonance, customers have a high degree of loyalty marked by a close relationship with the brand such that customers actively seek means to interact with the brand and share their experiences with others. Examples of brands which have had high resonance include Harley-Davidson, Apple, and eBay.

Brand Building Implications of the Resonance Model

The importance of the brand resonance model is in the road map and guidance it provides for brand building. It provides a yardstick by which brands can assess their progress in their brand-building efforts as well as a guide for marketing research initiatives.

Brands Should Have a Duality. One important point reinforced by the model is that a strong brand has a duality. A strong brand appeals to both the head and the heart.

Strong brands blend product performance and imagery to create a rich, varied, but complementary set of consumer responses to the brand.

3. BRAND VALUE CHAIN

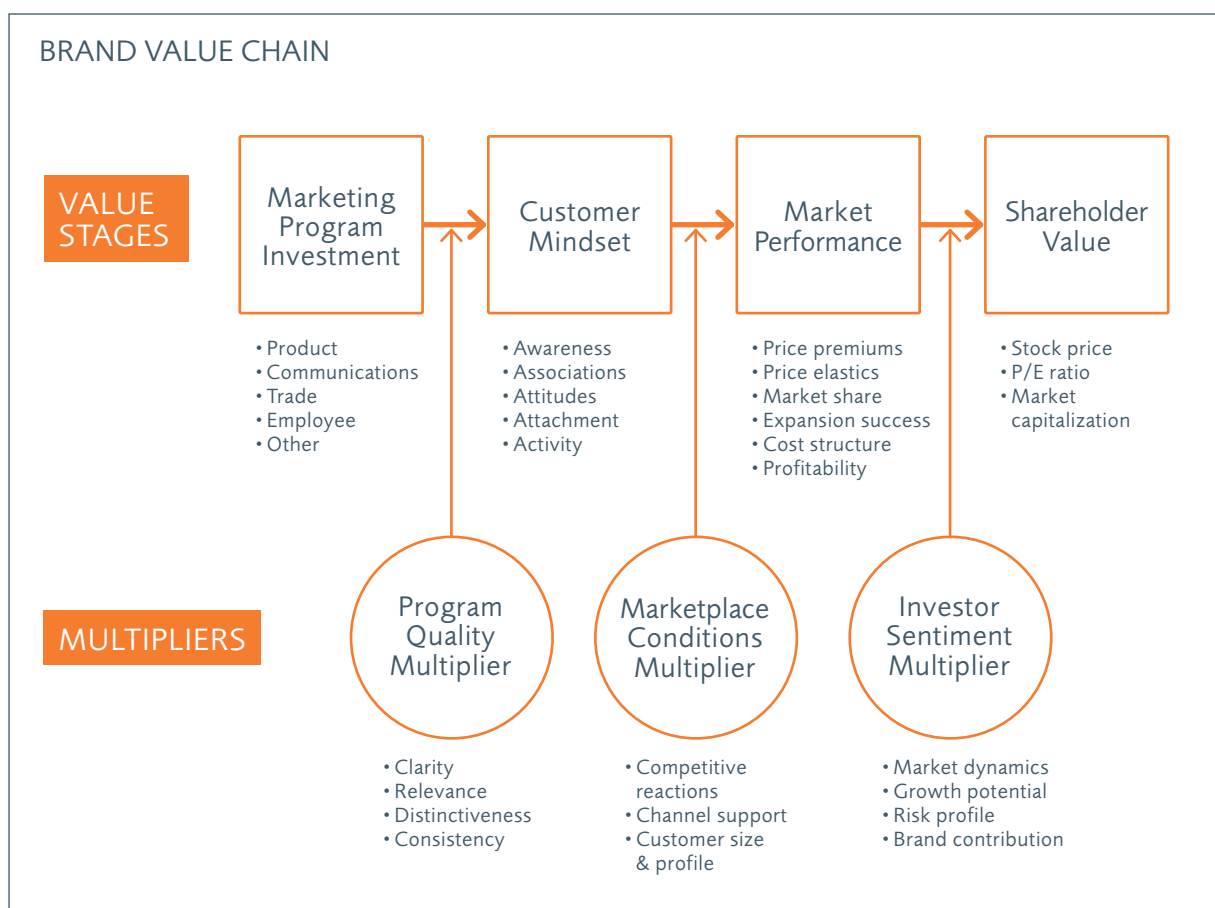


figure 2

The brand value chain is a structured approach to assessing the sources and outcomes of brand equity and the manner by which marketing activities create brand value.

The brand value chain has several basic premises. Fundamentally, it assumes that the value of a brand ultimately resides with customers. Based on this insight, the model next assumes that

the brand value creation process begins when the firm invests in a marketing program targeting actual or potential customers. The marketing activity associated with the program then affects the customer mindset with respect to the brand. This mindset, across a broad group of customers, then results in certain outcomes for the brand in terms of how it performs in the marketplace.

Finally, the investment community considers this market performance and other factors such as replacement cost and purchase price in acquisitions to arrive at an assessment of shareholder value in general and a value of the brand in particular.

The model also assumes that a number of linking factors intervene between these stages. These linking factors determine the extent to which value created at one stage transfers or "multiplies" to the next stage.

Marketing Program Investment

The ability of a marketing program investment to transfer or multiply farther down the chain will thus depend on qualitative aspects of the marketing program via the program quality multiplier.

Program Quality Multiplier

To illustrate, four particularly important factors are as follows:

1. **Clarity:** How understandable is the marketing program?
2. **Relevance:** How meaningful is the marketing program to customers?
3. **Distinctiveness:** How unique is the marketing program from those offered by competitors?
How creative or differentiating is the marketing program?
4. **Consistency:** How cohesive and well integrated is the marketing program?

Not surprisingly, a well-integrated marketing program that has been carefully designed and implemented to be highly relevant and unique to customers is likely to achieve a greater return on investment from marketing program expenditures.

Marketplace Conditions Multiplier. The extent to which value created in the minds of customers affects market performance depends on various contextual factors external to the customer. Three such factors are as follows:

1. *Competitive superiority:* How effective are the quantity and quality of the marketing investment of other competing brands.

2. *Channel and other intermediary support*: How much brand reinforcement and selling effort is being put forth by various marketing partners.
3. *Customer size and profile*: How many and what types of customers (e.g., profitable or not) are attracted to the brand.

Investor Sentiment Multiplier. The extent to which the value engendered by the market performance of a brand is manifested in shareholder value depends on various contextual factors external to the brand itself. Financial analysts and investors consider a host of factors in arriving at their brand valuations and investment decisions. Among these considerations are the following:

1. *Market dynamics*: What are the dynamics of the financial markets as a whole (e.g., interest rates, investor sentiment, or supply of capital)?
2. *Growth potential*: What are the growth potential or prospects for the brand and the industry in which it operates? For example, how helpful are the facilitating factors and how inhibiting are the hindering external factors that make up the firm's economic, social, physical, and legal environment?
3. *Risk profile*: What is the risk profile for the brand? How vulnerable is the brand likely to be to those facilitating and inhibiting factors?
4. *Brand contribution*: How important is the brand as part of the firm's brand portfolio and all the brands it has?

Implications of the Brand Value Chain Model

According to the brand value chain, marketers create value first through shrewd investments in their marketing program and then by maximizing, as much as possible, the program, customer, and market multipliers that translate that investment into bottom-line financial benefits. The brand value chain thus provides a structured means for managers to understand where and how value is created and where to look to improve that process. Certain stages will be of greater interest to different members of the organization.

CONCLUSION

Brand planning is essential to successfully managing a brand. Three helpful brand planning models (and their key concepts and particular areas of emphasis) are:

1. **Brand Positioning Model** (Category frames of reference; points-of-parity and points-of-difference; and brand mantra)
2. **Brand Resonance Model** (Six building blocks: Salience, Performance, Imagery, Judgments, Feelings, and Resonance)
3. **Brand Value Chain Model** (Value stages and multipliers)

A more detailed explanation of these 3 models together with the illustrative case studies and advice on how to apply them are outlined in Professor Kevin Lane Keller's video and eBook available from [SOGiants.com](https://www.sogiants.com)

More smart thinking

This is only a summary eArticle of *Brand Planning*. You'll **find much more in the eBook and video** with plenty of valuable information to give you a new and in-depth insight into key business subjects. Quickly gain expert business knowledge you can use right away.

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