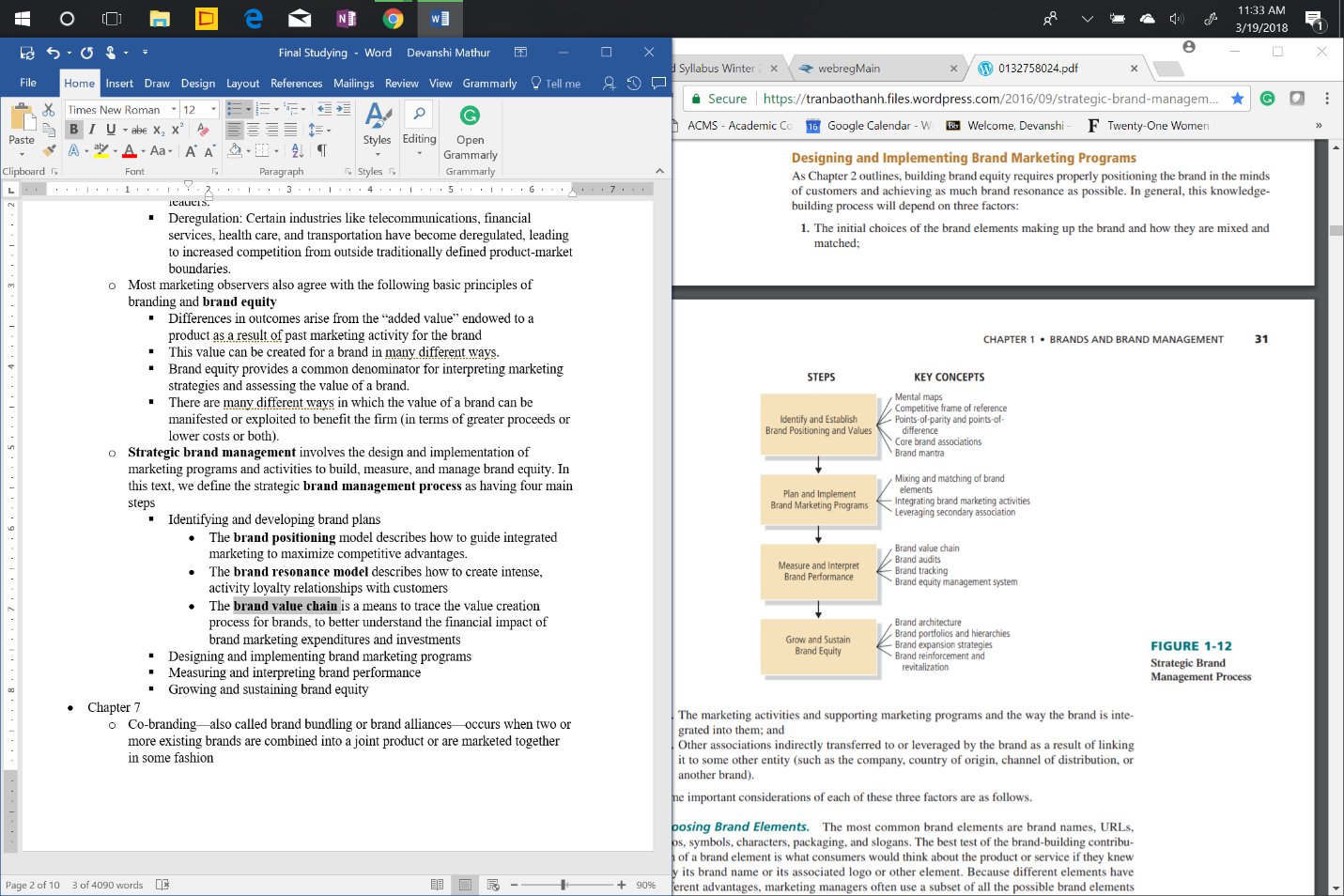
* Chapter 1
  + According to the American Marketing Association (AMA), a **brand** is a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition
  + These different components of a brand that identify and differentiate it are **brand elements**.
  + A **product** is anything we can offer to a market for attention, acquisition, use, or consumption that might satisfy a need or want.
  + We can define five levels of meaning for a product
    - The **core benefit** level is the fundamental need or want that consumers satisfy by consuming the product or service.
    - The **generic product** level is a basic version of the product containing only those attributes or characteristics absolutely necessary for its functioning but with no distinguishing features. This is basically a stripped-down, no-frills version of the product that adequately performs the product function
    - The **expected product** level is a set of attributes or characteristics that buyers normally expect and agree to when they purchase a product
    - The **augmented product** level includes additional product attributes, benefits, or related services that distinguish the product from competitors.
    - The **potential product** level includes all the augmentations and transformations that a product might ultimately undergo in the future.
  + As with the term product, this book uses the term **consumer** broadly to encompass all types of customers, including individuals as well as organizations.
  + Brands can reduce the risks in product decisions. Consumers may perceive many different types of risks in buying and consuming a product:
    - Functional risk: The product does not perform up to expectations.
    - Physical risk: The product poses a threat to the physical well-being or health of the user or others.
    - Financial risk: The product is not worth the price paid.
    - Social risk: The product results in embarrassment from others
    - Psychological risk: The product affects the mental well-being of the user
    - Time risk: The failure of the product results in an opportunity cost of finding another satisfactory product.
  + Products bearing these **store brands or private label** brands offer another way for retailers to increase customer loyalty and generate higher margins and profits
  + On the supply side, new competitors have emerged due to a number of factors, such as the following
    - Globalization: Although firms have embraced globalization as a means to open new markets and potential sources of revenue, it has also increased the number of competitors in existing markets, threatening current sources of revenue.
    - Low-priced competitors: Market penetration by generics, private labels, and low-priced “clones” imitating product leaders has increased on a worldwide-basis. Retailers have gained power and often dictate what happens within the store. Their chief marketing weapon is price, and they have introduced and pushed their own brands and demanded greater compensation from trade promotions to stock and display national brands
    - Brand extensions: We’ve noted that many companies have taken their existing brands and launched products with the same name into new categories. Many of these brands provide formidable opposition to market leaders.
    - Deregulation: Certain industries like telecommunications, financial services, health care, and transportation have become deregulated, leading to increased competition from outside traditionally defined product-market boundaries.
  + Most marketing observers also agree with the following basic principles of branding and **brand equity**
    - Differences in outcomes arise from the “added value” endowed to a product as a result of past marketing activity for the brand
    - This value can be created for a brand in many different ways.
    - Brand equity provides a common denominator for interpreting marketing strategies and assessing the value of a brand.
    - There are many different ways in which the value of a brand can be manifested or exploited to benefit the firm (in terms of greater proceeds or lower costs or both).
  + **Strategic brand management** involves the design and implementation of marketing programs and activities to build, measure, and manage brand equity. In this text, we define the strategic **brand management process** as having four main steps
    - Identifying and developing brand plans
      * The **brand positioning** model describes how to guide integrated marketing to maximize competitive advantages.
      * The **brand resonance model** describes how to create intense, activity loyalty relationships with customers
      * The **brand value chain** is a means to trace the value creation process for brands, to better understand the financial impact of brand marketing expenditures and investments
    - Designing and implementing brand marketing programs
      * 
    - Measuring and interpreting brand performance
      * A **brand equity measurement system** is a set of research procedures designed to provide timely, accurate, and actionable information for marketers so that they can make the best possible tactical decisions in the short run and the best strategic decisions in the long run.
      * As described in Chapter 8, implementing such a system involves three key steps— conducting **brand audits**, designing **brand tracking** studies, and establishing a brand **equity management system**.
        + A brand audit is a comprehensive examination of a brand to assess its health, uncover its sources of equity, and suggest ways to improve and leverage that equity.
        + Brand tracking studies collect information from consumers on a routine basis over time, typically through quantitative measures of brand performance on a number of key dimensions marketers can identify in the brand audit or other means.
        + A brand equity management system is a set of organizational processes designed to improve the understanding and use of the brand equity concept within a firm. Three major steps help implement a brand equity management system: creating brand equity charters, assembling brand equity reports, and defining brand equity responsibilities.
    - Growing and sustaining brand equity
      * The **brand portfolio** is the set of different brands that a particular firm offers for sale to buyers in a particular category. The **brand hierarchy** displays the number and nature of common and distinctive brand components across the firm’s set of brands.
* Chapter 2:
  + We formally define **customer-based brand equity** as the differential effect that brand knowledge has on consumer response to the marketing of that brand.
  + The **associative network memory model** views memory as a network of nodes and connecting links, in which nodes represent stored information or concepts, and links represent the strength of association between the nodes.
  + **Brand recognition** is consumers’ ability to confirm prior exposure to the brand when given the brand as a cue. In other words, when they go to the store, will they be able to recognize the brand as one to which they have already been exposed?
  + **Brand recall** is consumers’ ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as a cue. In other words, consumers’ recall of Kellogg’s Corn Flakes will depend on their ability to retrieve the brand when they think of the cereal category or of what they should eat for breakfast or a snack, whether at the store when making a purchase or at home when deciding what to eat.
  + **Brand attributes** are those descriptive features that characterize a product or service. **Brand benefits** are the personal value and meaning that consumers attach to the product or service attributes.
  + **Brand positioning** is at the heart of marketing strategy. It is the “act of designing the company’s offer and image so that it occupies a distinct and valued place in the target customer’s minds.
  + A **market** is the set of all actual and potential buyers who have sufficient interest in, income for, and access to a product. **Market segmentation** divides the market into distinct groups of homogeneous consumers who have similar needs and consumer behavior, and who thus require similar marketing mixes.
  + **Points-of-difference** (PODs) are formally defined as attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand
  + **Points-of-parity associations** (POPs), on the other hand, are not necessarily unique to the brand but may in fact be shared with other brands. There are three types: category, competitive, and correlational.
    - Category points-of-parity represent necessary—but not necessarily sufficient—conditions for brand choice. They exist minimally at the generic product level and are most likely at the expected product level. Thus, consumers might not consider a bank truly a “bank” unless it offered a range of checking and savings plans; provided safety deposit boxes, traveler’s checks, and other such services; and had convenient hours and automated teller machines. Category POPs may change over time because of technological advances, legal developments, and consumer trends, but these attributes and benefits are like “greens fees” to play the marketing game
    - Competitive points-of-parity are those associations designed to negate competitors’ pointsof-difference. In other words, if a brand can “break even” in those areas where its competitors are trying to find an advantage and can achieve its own advantages in some other areas, the brand should be in a strong—and perhaps unbeatable—competitive position.
    - Correlational points-of-parity are those potentially negative associations that arise from the existence of other, more positive associations for the brand. One challenge for marketers is that many of the attributes or benefits that make up their POPs or PODs are inversely related. In other words, in the minds of consumers, if your brand is good at one thing, it can’t be seen as also good on something else. For example, consumers might find it hard to believe a brand is “inexpensive” and at the same time “of the highest quality.” Figure 2-6 displays some other examples of negatively correlated attributes and benefits.
  + One common market opportunity that often arises is the need to deepen the meaning of the brand to permit further expansion—**laddering**. One common market challenge is how to respond to competitive actions that threaten an existing positioning—**reacting**.
  + For example, **means-end chains** have been devised as a way of understanding higher-level meanings of brand characteristics. A means-end chain takes the following structure: attributes (descriptive features that characterize a product) lead to benefits (the personal value and meaning attached to product attributes), which, in turn, lead to values (stable and enduring personal goals or motivations)
  + The **brand functions** term describes the nature of the product or service or the type of experiences or benefits the brand provides. The **descriptive modifier** further clarifies its nature. Finally, the **emotional modifier** provides another qualifier—how exactly does the brand provide benefits and in what ways?
* Chapter 3
  + We first present the **brand resonance model**, which describes how to create intense, active loyalty relationships with customers. **The brand value chain model** is a means by which marketers can trace the value creation process for their brands to better understand the financial impact of their marketing expenditures and investments.
  + Notice the ordering of the steps in this **branding ladder**, from identity to meaning to responses to relationships. That is, we cannot establish meaning unless we have created identity; responses cannot occur unless we have developed the right meaning; and we cannot forge a relationship unless we have elicited the proper responses
  + To provide some structure, let us think of establishing **six brand building blocks** with customers that we can assemble in a pyramid, with significant brand equity only resulting if brands reach the top of the pyramid.
    - **Brand salience** measures various aspects of the awareness of the brand and how easily and often the brand is evoked under various situations or circumstances.
      * As the Tropicana example suggests, to fully understand brand recall, we need to appreciate **product category structure**, or how product categories are organized in memory.
    - **Brand performance** describes how well the product or service meets customers’ more functional needs. How well does the brand rate on objective assessments of quality? To what extent does the brand satisfy utilitarian, aesthetic, and economic customer needs and wants in the product or service category?
      * 1. Primary ingredients and supplementary features.
      * 2. Product reliability, durability, and serviceability. Reliability measures the consistency of performance over time and from purchase to purchase. Durability is the expected economic life of the product, and serviceability, the ease of repairing the product if needed.
      * 3. Service effectiveness, efficiency, and empathy
      * 4. Style and design.
      * 5. Price
    - Brand meaning is what helps produce **brand responses**, or what customers think or feel about the brand.
    - **Brand judgments** are customers’ personal opinions about and evaluations of the brand, which consumers form by putting together all the different brand performance and imagery associations.
    - **Brand credibility** describes the extent to which customers see the brand as credible in terms of three dimensions: perceived expertise, trustworthiness, and likability.
    - **Brand feelings** are customers’ emotional responses and reactions to the brand. Brand feelings also relate to the social currency evoked by the brand.
    - **Brand resonance** describes the nature of this relationship and the extent to which customers feel that they are “in sync” with the brand.
    - We can gauge **behavioral loyalty** in terms of repeat purchases and the amount or share of category volume attributed to the brand, that is, the “share of category requirements.” In other words, how often do customers purchase a brand and how much do they purchase?
  + 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
* Chapter 4
  + In general, there are six criteria for brand elements
    - 1. Memorable 2. Meaningful 3. Likable 4. Transferable 5. Adaptable 6. Protectable
  + **URLs** (uniform resource locators) specify locations of pages on the Web and are also commonly referred to as domain names
  + **Logos** have a long history as a means to indicate origin, ownership, or association.
  + These non–word mark logos are also often called **symbols**
  + **Slogans** are short phrases that communicate descriptive or persuasive information about the brand. They often appear in advertising but can play an important role on packaging and in other aspects of the marketing program.
  + **Jingles** are musical messages written around the brand. Typically composed by professional songwriters, they often have enough catchy hooks and choruses to become almost permanently registered in the minds of listeners—sometimes whether they want them to or not!
  + **Packaging** is the activities of designing and producing containers or wrappers for a product. Like other brand elements, packages have a long history.
  + The entire set of brand elements makes up the **brand identity**, the contribution of all brand elements to awareness and image. The cohesiveness of the brand identity depends on the extent to which the brand elements are consistent
* Chapter 5
  + **Experiential marketing** promotes a product by not only communicating a product’s features and benefits but also connecting it with unique and interesting consumer experiences.
  + Marketing strategies must transcend the actual product or service to create stronger bonds with consumers and maximize brand resonance. This broader set of activities is sometimes called **relationship marketing** and is based on the premise that current customers are the key to long-term brand success
  + **Permission marketing**, the practice of marketing to consumers only after gaining their express permission, was another influential perspective on how companies can break through the clutter and build customer loyalty.
  + **Perceived quality** is customers’ perception of the overall quality or superiority of a product or service compared to alternatives and with respect to its intended purpose. Achieving a satisfactory level of perceived quality has become more difficult as continual product improvements over the years have led to heightened consumer expectations.
  + Perhaps in response to this oversight, one notable trend in marketing is the growing role of **aftermarketing**, that is, those marketing activities that occur after customer purchase.
  + Within any price tier, there is a range of acceptable prices, called **price bands**, that indicate the flexibility and breadth marketers can adopt in pricing their brands within a tier.
  + Consumer associations of perceived value are often an important factor in purchase decisions. Thus many marketers have adopted **value-based pricing strategies**—attempting to sell the right product at the right price—to better meet consumer wishes, as described in the next section.
  + The objective of **value pricing** is to uncover the right blend of product quality, product costs, and product prices that fully satisfies the needs and wants of consumers and the profit targets of the firm.
  + In part because of wide adoption of the Internet, firms are increasingly employing **yield management principles or dynamic pricing**, such as those adopted by airlines to vary their prices for different market segments according to their different demand and value perceptions.
  + **Everyday low pricing** (EDLP) has received increased attention as a means of determining price discounts and promotions over time.
  + **Marketing channels** are defined as “sets of interdependent organizations involved in the process of making a product or service available for use or consumption.
  + **Direct channels** mean selling through personal contacts from the company to prospective customers by mail, phone, electronic means, in-person visits, and so forth. **Indirect channels** sell through third-party intermediaries such as agents or broker representatives, wholesalers or distributors, and retailers or dealers
  + Though defined differently by different people, at its core **shopper marketing** emphasizes collaboration between manufacturers and retailers on in-store marketing like brand-building displays, sampling promotions, and other in-store activities designed to capitalize on a retailer’s capabilities and its customers.
  + By devoting marketing efforts to the end consumer, a manufacturer is said to employ a **pull strategy**, since consumers use their buying power and influence on retailers to “pull” the product through the channel. This approach is called a **push strategy**, because the manufacturer is attempting to reach the consumer by “pushing” the product through each step of the distribution chain.
  + **Branded variants** have been defined as branded items in a diverse set of durable and semidurable goods categories that are not directly comparable to other items carrying the same brand name.
* Chapter 6:
  + . For example, for a person to be persuaded by any form of communication (a TV advertisement, newspaper editorial, or blog posting), the following six steps must occur:
    - Exposure: A person must see or hear the communication
    - Attention: A person must notice the communication.
    - Comprehension: A person must understand the intended message or arguments of the communication
    - Yielding: A person must respond favorably to the intended message or arguments of the communication
    - Intentions: A person must plan to act in the desired manner of the communication.
    - Behavior: A person must actually act in the desired manner of the communication
  + **Advertising** is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.
  + In designing and evaluating an ad campaign, marketers should distinguish the **message strategy** or positioning of an ad (what the ad attempts to convey about the brand) from its **creative strategy** (the way the ad expresses the brand claims).
  + To evaluate the effectiveness of message and creative strategies, **copy testing** is often conducted, in which a sample of consumers is exposed to candidate ads and their reactions are gauged in some manner.
  + In contrast to advertising in traditional broadcast and print media, which typically communicates to consumers in a nonspecific and nondirective manner, **direct response** uses mail, telephone, Internet, and other contact tools to communicate with or solicit a response from specific customers and prospects.
  + Some direct marketers employ what they call **precision marketing**—combining data analytics with strategic messages and compelling colors and designs in their communications
  + **Place advertising**, also called out-of-home advertising, is a broadly defined category that captures advertising outside traditional media. Increasingly, ads and commercials are showing up in unusual spots, sometimes as parts of experiential marketing programs
  + **Sales promotions** are short-term incentives to encourage trial or usage of a product or service.37 Marketers can target sales promotions to either the trade or end consumers. Like advertising, sales promotions come in all forms
  + **Owned media** are those media channels the brand controls to some extent—Web sites, e-mails, social media, etc. **Earned media** are when consumers themselves communicate about the brand via social media, word-of-mouth, etc.
  + Formally, **event marketing** can be defined as public sponsorship of events or activities related to sports, art, entertainment, or social causes.
  + There are two basic approaches to measuring the effects of sponsorship activities: the **supply-side method** focuses on potential exposure to the brand by assessing the extent of media coverage, and the **demand-side method** focuses on reported exposure from consumers.
  + **Geotargeting occurs** when marketers take advantage of digital technology to send messages to consumers based on their location and the activities they are engaging in.
  + **Publicity** is nonpersonal communications such as press releases, media interviews, press conferences, feature articles, newsletters, photographs, films, and tapes. **Public relations** may also include annual reports, fund-raising and membership drives, lobbying, special event management, and public affairs.
* Chapter 7
  + Co-branding—also called brand bundling or brand alliances—occurs when two or more existing brands are combined into a joint product or are marketed together in some fashion
  + To describe the process more formally, here are three important factors in predicting the extent of leverage from linking the brand to another entity:
    - 1. Awareness and knowledge of the entity: If consumers have no awareness or knowledge of the secondary entity, then obviously there is nothing they can transfer from it. Ideally, consumers would be aware of the entity; hold some strong, favorable, and perhaps even unique associations about it; and have positive judgments and feelings about it.
    - 2. Meaningfulness of the knowledge of the entity: Given that the entity evokes some positive associations, judgments, or feelings, is this knowledge relevant and meaningful for the brand? The meaningfulness may vary depending on the brand and product context. Some associations, judgments, or feelings may seem relevant to and valuable for the brand, whereas others may seem to consumers to have little connection.
    - 3. Transferability of the knowledge of the entity: Assuming that some potentially useful and meaningful associations, judgments, or feelings exist regarding the entity and could possibly transfer to the brand, how strongly will this knowledge actually become linked to the brand?
  + A **commonality** leveraging strategy makes sense when consumers have associations to another entity that are congruent with desired brand associations
  + **Co-branding**—also called brand bundling or brand alliances—occurs when two or more existing brands are combined into a joint product or are marketed together in some fashion.
  + A special case of co-branding is **ingredient branding**, which creates brand equity for materials, components, or parts that are necessarily contained within other branded products
  + **Licensing** creates contractual arrangements whereby firms can use the names, logos, characters, and so forth of other brands to market their own brands for some fixed fee.
  + **Corporate trademark licensing** is the licensing of company names, logos, or brands for use on various, often unrelated products.
* Chapter 8
  + An **indirect approach** can assess potential sources of customer-based brand equity by identifying and tracking consumers’ brand knowledge—all the thoughts, feelings, images, perceptions, and beliefs linked to the brand. A **direct approach**, on the other hand, can assess the actual impact of brand knowledge on consumer response to different aspects of the marketing program
  + A **brand equity measurement system** is a set of research procedures designed to provide marketers with timely, accurate, and actionable information about brands so they can make the best possible tactical decisions in the short run and strategic decisions in the long run.
  + Virtually every marketing dollar spent today must be justified as both effective and efficient in terms of **return of marketing investment** (ROMI).1 This increased accountability has forced marketers to address tough challenges and develop new measurement approaches.
  + A **brand audit** is a comprehensive examination of a brand to discover its sources of brand equity.
  + A **marketing audit** is a “comprehensive, systematic, independent, and periodic examination of a company’s—or business unit’s— marketing environment, objectives, strategies, and activities with a view of determining problem areas and opportunities and recommending a plan of action to improve the company’s marketing performance.
  + The purpose of the **brand inventory** is to provide a current, comprehensive profile of how all the products and services sold by a company are marketed and branded.
  + Thus, the second step of the brand audit is to provide detailed information about what consumers actually think of the brand by means of the **brand exploratory**
  + **Brand tracking studies** collect information from consumers on a routine basis over time, usually through quantitative measures of brand performance on a number of key dimensions that marketers can identify in the brand audit or other means.
  + **A brand equity management** system is a set of organizational processes designed to improve the understanding and use of the brand equity concept within a firm. Three major steps help to implement a brand equity management system: creating brand charters, assembling brand equity reports, and defining brand equity responsibilities. The following subsections discuss each of these in turn.
  + The first step in establishing a brand equity management system is to formalize the company view of brand equity into a document, the **brand charter**, or brand bible as it is sometimes called, that provides relevant guidelines to marketing managers within the company as well as to key marketing partners outside the company such as marketing research suppliers or ad agency staff.
  + A number of firms have implemented **marketing dashboards** to provide comprehensive but actionable summaries of brand-related information.
    - As part of a brand development review, he suggests the following topics and activities:24 • Review brand-sensitive material: For example, review brand strength monitors or tracking studies, brand audits, and focus groups, as well as less formal personal observations or “gut feelings.” • Review the status of key brand initiatives: Because brand initiatives include strategic thrusts to either strengthen a weakness in the brand or exploit an opportunity to grow the brand in a new direction, customer perceptions may change and marketers therefore need to assess them. • Review brand-sensitive projects: For example, evaluate advertising campaigns, corporate communications, sales meeting agendas, and important human resources programs (recruitment, training, and retention that profoundly affect the organization’s ability to embrace and project brand values). • Review new product and distribution strategies with respect to core brand values: For example, evaluate licensing the brand to penetrate new markets, forming joint ventures to develop new products or brands, and expanding distribution to nontraditional platforms such as large-scale discount retailers. • Resolve brand positioning conflicts: Identify and resolve any inconsistencies in positioning across channels, business units, or markets.
* Chapter 9:
  + **Qualitative research techniques** often identify possible brand associations and sources of brand equity.
  + **Projective techniques** are diagnostic tools to uncover the true opinions and feelings of consumers when they are unwilling or otherwise unable to express themselves on these matters.
  + The pattern that emerges when we generalize these imprinting moments for the entire population is the **archetype**, a fundamental psychological association, shared by the members of the culture, with a given cultural object.
  + The interview consists of a series of steps, each with a specific purpose in mind:
    - 1. Storytelling: Exploring individual visual metaphors 2. Expand the Frame: Expanding the metaphoric meaning of images 3. Sensory Metaphor: Eliciting metaphors about the research topic from each sensory modality 4. Vignette: Using the mind’s eye to create a short story about the research topic 5. Digital Image: Integrating the images to create a visual summary of the research topic
  + . Whereas qualitative research typically elicits some type of verbal response from consumers, **quantitative research** typically employs various types of scale questions from which researchers can draw numerical representations and summaries.
  + **Unaided recall** on the basis of “all brands” provided as a cue is likely to identify only the very strongest brands. **Aided recall** uses various types of cues to help consumer recall. One possible sequence of aided recall might use progressively narrower cues—such as product class, product category, and product type labels—to provide insight into the organization of consumers’ brand knowledge structures.
  + **Multidimensional scaling** (MDS) is a procedure for determining the perceived relative images of a set of objects, such as products or brands. MDS transforms consumer judgments of similarity or preference into distances represented in perceptual space.
  + It defines a brand’s strength in terms of the strength, depth, and durability of the consumer-brand relational bond using the multifaceted concept of **brand relationship quality,** or BRQ.
  + The six main facets of brand relationship quality are as follows:
    - Interdependence: The degree to which the brand is ingrained in the consumer’s daily course of living, both behaviorally (in terms of frequency, scope, and strength of interactions) and cognitively (in terms of longing for and preoccupation with anticipated brand interactions). Interdependence is often revealed through the presence of routinized behavioral rituals surrounding brand purchase and use, and through separation anxiety experienced during periods of product deprivation. At its extremes, interdependence becomes dependency and addiction.
    - Self-concept connection: The degree to which the brand delivers on important identity concerns, tasks, or themes, thereby expressing a significant part of the self-concept, both past (including nostalgic references and brand memories) and present, and personal as well as social. Grounding of the self provides feelings of comfort, connectedness, control, and security. In its extreme form, self-connection reflects integration of concepts of brand and self.
    - Commitment: Dedication to continued brand association and betterment of the relationship, despite circumstances foreseen and unforeseen. Commitment includes professed faithfulness and loyalty to the other, often formalized through stated pledges and publicized intentions. Commitment is not defined solely by sunk costs and irretrievable investments that pose barriers to exit
    - Love/passion: Affinity toward and adoration of the brand, particularly with respect to other available alternatives. The intensity of the emotional bonds joining relationship partners may range from feelings of warmth, caring, and affection to those of true passion. Love includes the belief that the brand is irreplaceable and uniquely qualified as a relationship partner
    - Intimacy: A sense of deep familiarity with and understanding of both the essence of the brand as a partner in the relationship and the nature of the consumer-brand relationship itself. Intimacy is revealed in the presence of a strong consumer-brand relationship culture, the sharing of little-known personal details of the self, and an elaborate brand memory containing significant experiences or associations. Intimacy is a two-dimensional concept: the consumer develops intimate knowledge of the brand, and also feels a sense of intimacy exhibited on the part of the brand toward the individual as a consumer.
    - Partner quality: Perceived partner quality involves a summary judgment of the caliber of the role enactments performed by the brand in its partnership role. Partner quality includes three central components: (1) an empathic orientation toward the other (ability of the partner to make the other feel wanted, cared for, respected, noticed, and important; responsiveness to needs); (2) a character of reliability, dependability, and predictability in the brand; and (3) trust or faith in the belief that the brand will adhere to established relationship rules and be held accountable for its actions
* Chapter 10:
  + **Comparative methods** are research studies or experiments that examine consumer attitudes and behavior toward a brand to directly estimate specific benefits arising from having a high level of awareness and strong, favorable, and unique brand associations. There are two types of comparative methods.
    - **Brand-based comparative approaches** use experiments in which one group of consumers responds to an element of the marketing program or some marketing activity when it is attributed to the target brand, and another group responds to that same element or activity when it is attributed to a competitive or fictitiously named brand.
    - **Marketing-based comparative approaches** use experiments in which consumers respond to changes in elements of the marketing program or marketing activity for the target brand or competitive brands.
  + Although consumers may interpret marketing activity for a fictitiously named or unnamed version of the product or service in terms of their general product category knowledge, they may also have a particular brand, or **exemplar**, in mind. This exemplar may be the category leader or some other brand that consumers feel is representative of the category, like their most preferred brand.
  + **Conjoint analysis** is a survey-based multivariate technique that enables marketers to profile the consumer decision process with respect to products and brands.9 Specifically, by asking consumers to express preferences or choose among a number of carefully designed product profiles, researchers can determine the trade-offs consumers are making between various brand attributes, and thus the importance they are attaching to them.
  + The value consumers attach to each attribute level, as statistically derived by the conjoint formula, is called a **part worth**.
  + **Holistic methods** place an overall value on the brand in either abstract utility terms or concrete financial terms. Thus, holistic methods attempt to “net out” various considerations to determine the unique contribution of the brand.
  + The **residual approach** examines the value of the brand by subtracting consumers’ preferences for the brand––based on physical product attributes alone––from their overall brand preferences.
  + **The valuation approach** places a financial value on brand equity for accounting purposes, mergers and acquisitions, or other such reasons.
  + They define the **equalization price** as the price that equates the utility of a brand to the utilities that could be attributed to a brand in the category where no brand differentiation occurred. We can consider equalization price a proxy for brand equity.
  + The **attribute-perception biased component** of brand equity is the difference between subjectively perceived attribute values and objectively measured attribute values. Objectively measured attribute values come from independent testing services such as Consumer Reports or acknowledged experts in the field.
  + The **nonattribute preference component** of brand equity is the difference between subjectively perceived attribute values and overall preference. It reflects the consumer’s overall appraisal of a brand that goes beyond the utility of individual product attributes.
  + **Tangible assets** include property, plant, and equipment; current assets (inventories, marketable securities, and cash); and investments in stocks and bonds. We can estimate the value of tangible assets using accounting book values and reported estimates of replacement costs.
  + **Intangible assets**, on the other hand, are any factors of production or specialized resources that permit the company to earn cash flows in excess of the return on tangible assets. In other words, intangible assets augment the earning power of a firm’s physical assets. They are typically lumped under the heading of **goodwill** and include things such as patents, trademarks, and licensing agreements, as well as “softer” considerations such as the skill of the management and customer relations.
* Chapter 12
  + A **brand extension** occurs when a firm uses an established brand name to introduce a new product. The brand extension can also be **a sub-brand**. An existing brand that gives birth to a brand extension is the **parent brand**. If the parent brand is already associated with multiple products through brand extensions, then it may also be called a **family brand**.
    - Line extension: Marketers apply the parent brand to a new product that targets a new market segment within a product category the parent brand currently serves. A line extension often adds a different flavor or ingredient variety, a different form or size, or a different application for the brand (like Head & Shoulders Dry Scalp shampoo).
    - Category extension: Marketers apply the parent brand to enter a different product category from the one it currently serves (like Swiss Army watches).
  + For these inferences to result in favorable evaluations of an extension, four basic conditions must generally hold true:
    - 1. Consumers have some awareness of and positive associations about the parent brand in memory. Unless they have positive associations about the parent brand, consumers are unlikely to form favorable expectations of an extension.
    - 2. At least some of these positive associations will be evoked by the brand extension. A number of different factors will determine which parent brand associations are evoked, but in general, consumers are likely to infer associations similar in strength, favorability, and uniqueness to the parent brand when they see the brand extension as similar or close in fit to the parent.
    - 3. Negative associations are not transferred from the parent brand. Ideally, any negative associations that do exist for the parent brand will be left behind and not play a prominent role in consumers’ evaluation of the extension
    - 4. Negative associations are not created by the brand extension. Finally, any parent-brand attributes or benefits that consumers view positively—or at least neutrally—must not be seen as negative for the extension. Consumers must also not infer any new attribute or benefit associations that did not characterize the parent brand but which they see as a potential drawback to the extension.
  + Initially, whether we can create a positive image for an extension will depend on three consumer-related factors:
    - How salient parent brand associations are in the minds of consumers in the extension context; that is, what information comes to mind about the parent brand when consumers think of the proposed extension, and the strength of those associations.
    - How favorable any inferred associations are in the extension context; that is, whether this information suggests the type of product or service the brand extension would be, and whether consumers view these associations as good or bad in the extension context
    - How unique any inferred associations are in the extension category; that is, how these perceptions compare with those about competitors
  + The effects of an extension on consumer brand knowledge will depend on four factors:
    - 1. How compelling the evidence is about the corresponding attribute or benefit association in the extension context—that is, how attention-getting and unambiguous or easily interpretable the information is. Strong evidence is attention-getting and unambiguous. Weak evidence may be ignored or discounted
    - 2. How relevant or diagnostic the extension evidence is for the attribute or benefit for the parent brand, that is, how much consumers see evidence on product performance or imagery in one category as predictive of product performance or imagery for the brand in other categories. Evidence will affect parent brand evaluations only if consumers feel extension performance is indicative of the parent brand in some way
    - 3. How consistent the extension evidence is with the corresponding parent brand associations. Consistent extension evidence is less likely to change the evaluation of existing parent brand associations. Inconsistent extension evidence creates the potential for change, with the direction and extent of change depending on the relative strength and favorability of the evidence. Note, however, that consumers may discount or ignore highly inconsistent extension evidence if they don’t view it as relevant.37
    - 4. How strongly existing attribute or benefit associations are held in consumer memory for the parent brand, that is, how easy an association might be to change.
  + Successful brand extensions occur when the parent brand has favorable associations and consumers perceive a fit between the parent brand and the extension product.
  + There are many bases of fit: both product-related and non-product-related attributes and benefits may influence extension fit.
  + Depending on their knowledge of the product categories, consumers may perceive fit based on technical or manufacturing commonalities, or on surface considerations such as necessary or situational complementarity.
  + High-quality brands stretch farther than average-quality brands, although both types have boundaries
  + A brand that consumers see as prototypical for a product category can be difficult to extend outside the category.
  + Concrete attribute associations tend to be more difficult to extend than abstract benefit associations.
  + Consumers may transfer associations that are positive in the original product class but become negative in the extension context
  + . Consumers may infer negative associations about an extension, perhaps even based on other inferred positive associations.
  + It can be difficult to extend into a product class that consumers see as easy to make.
  + A successful extension can not only contribute to the parent brand image but also enable a brand to extend even farther.
  + An unsuccessful extension hurts the parent brand only when there is a strong basis of fit between the two.
  + An unsuccessful extension does not prevent a firm from backtracking and introducing a more similar extension.
  + Vertical extensions can be difficult and often require sub-branding strategies
  + The most effective advertising strategy for an extension is one that emphasizes information about the extension (rather than reminders about the parent brand).
  + Individual differences can affect how consumers make an extension decision and will moderate extension effects.
  + Cultural differences across markets can influence extension success.