**BUILDING AND MANAGING BRAND EQUITY**

**MAR 6335**

##### Module 2, Fall 2017

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#### COURSE OBJECTIVES

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This course is devoted to the management of brand equity, i.e., the value of the brand to the organization. Specific topics to be covered include defining and measuring brand equity, branding a service, launching a new brand, brand positioning, building and leveraging a brand, strategic brand management, and brand extension.

### COURSE MATERIALS

1. Business Cases (required coursepack is at Target Copy Center)

2. Selected Readings (available through Smathers Library website)

3. Lecture Notes (posted on website)

4. Optional (not required): K. Keller, *Building, Measuring, and Managing Brand Equity, 4/e,* 2013

**COURSE FORMAT/CLASS CONDUCT**

Learning in this course will be achieved through a mix of lectures, brand audits, individual and team assignments, and analysis and discussion of business case studies. You must actively participate in case study and related discussions in class, whether as individuals, designated speakers, or members of project teams. Thus, timely preparation of readings, case analyses and homework assignments is required. The issues discussed in the course typically require both qualitative and quantitative analyses (e.g., economic cost-benefit, financial and market research data analyses). To facilitate active attention and participation, **all laptops will be closed and cellphones stowed during lectures and discussions**. Students’ name cards must be displayed in the slots provided on the desktops.

**ASSIGNMENTS/STUDENT TASKS**

1. **Readings**

You are expected to complete all assigned readings by the scheduled dates.

1. **Case Analyses and Discussions**

 Several cases will be discussed in class during the course. The titles of these cases and class sessions when they will be discussed are indicated in the schedule. All cases require that each student be thoroughly prepared in order to maximize learning and her/his contributions to class discussion. You are expected to read and analyze assigned cases carefully and be prepared to discuss them on the assigned dates. To assist you in your preparation, “discussion questions” for each case are provided. In your preparation of the case, you should confine yourselves to the information provided in the case, as well as the time frame of the case. It is not necessary, or even desirable, to consult outside sources such as the World Wide Web. You collectively bring to this course, and to this program, an amazing wealth of experience. One of the great things about an MBA program is the synergies that are created when a course activity like this allows those experiences to inform the case discussion as well as enlighten each other.

1. **Individual Written Assignments**

 The two individual written assignments must be submitted before the corresponding class sessions. Please note the due dates in the schedule. Assignments must be submitted via the course website on e-learning (http://elearning.ufl.edu/). Print a copy of your answers to refer to in the class discussion. **Note that these assignments are to be your independent work.** You should not discuss the assignments with other members of your team. Failure to submit an assignment by the due date will result in a grade of zero for that assignment.

1. **In-Class Team Assignments**

Two in-class team assignments occur during the semester. These assignments will be described in more detail during the class sessions in which they are embedded. To receive credit for these team assignments, each student on the team must be present in class to participate.

1. **Brand Audit Project (to be submitted by teams)**

Students will work in brand management teams to conduct a brand audit of a leading brand. Each team must study a different brand. Brands must be submitted to the instructor for final approval. In the event that two or more teams submit the same brand, brands will be assigned to teams on a first-come, first-serve basis.

 The brand audit is an in-depth examination of the brand. The goal of the brand audit is to assess the sources of brand equity and suggest ways to improve and leverage that equity. The brand audit is comprised of the brand inventory (a comprehensive summary of the firm's marketing and branding program), the brand exploratory (an in-depth analysis of consumer perceptions of the brand), and the brand strategy. Typically, the information needed to complete the brand inventory can be found on the company website, in trade publications, in company annual reports, 10-K filings, and, occasionally, interviews with company executives. To construct the brand exploratory, students conduct their own primary data collection in the form of (a) web, and (b) qualitative research (see the last two pages of this syllabus for more detail). After developing a detailed description of how the consumer views the brand in the brand exploratory, the final task is to provide strategy recommendations concerning how the brand should be managed. How can brand equity be built and/or how can it be effectively leveraged into new product categories?

Rubrics that will be used to evaluate the specific Brand Audit submissions are discussed below in this syllabus, and posted on the course website under the Assignments tab for each Brand Audit assignment.

1. **Course Grading**

Two individual written assignments—10% each (20%)

Two In-class team assignments—5% each (10%)

Brand Inventory Report—15%

Brand Exploratory & Strategy Report—20%

In-Class Final Exam—20%

Contribution to class discussions—15%

###  7. Summary Schedule of Written Assignment Due Dates

 **Date Assignment**

 October 25 Brand Audit: Preliminary Report (team – ungraded)

 November 1 Individual Written Assignment 1

 November 8 Guest Presentation by Timothy O’Sullivan

 November 13 Brand Audit: Brand Inventory Report (team)

 November 27 Individual Written Assignment 2
 November 27 In-Class Team Assignment 1

 November 29 In-Class Team Assignment 2

 December 6 Brand Audit: Brand Exploratory/Strategy Report (team)

 December 13 Final Exam (in class)

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**Course Schedule**

**Monday, October 23**

Theme: What is a Brand?
Measuring Brand Equity

Read: Understanding brands, branding, and brand equity (<https://tinyurl.com/ybnodefb>)

Background reading: Note on Marketing Strategy (in coursepack)

 Note on Low-Tech Marketing Math (in coursepack)

**­­­­­­­­­­­­­­­­­­­­­Wednesday, October 25**

Theme: Brand Positioning

Read: Designing and implementing brand architecture strategies (<https://tinyurl.com/yb6a27cv>)

 A Better Way to Map Brand Strategy (<https://tinyurl.com/yajeuzlv>)

Analyze: Eileen Fisher case (in coursepack)

*Discussion Questions for the Eileen Fisher case* **[for class discussion, not written assignment]**

1. What are Eileen Fisher’s core brand associations and meanings? How are they embodied in its products, stores, employees, and marketing and advertising?
2. How healthy is the Eileen Fisher brand at the time of the case? How do you know? Assess Eileen Fisher’s brand equity and value, using consumer perceptual metrics, brand performance metrics, and brand financial metrics. Is brand equity increasing, decreasing, or holding steady over time?
3. How should Eileen Fisher reposition its brand? Should it target the emerging and/or nascent segments? What are the pros and cons of repositioning the brand to appeal to each segment?
4. Should Eileen Fisher launch a sub-brand to appeal to the emerging or nascent segments? Why or why not? Should the sub-brand include the Eileen Fisher name? Why or why not?

**Team Written Report Due: Brand Audit Preliminary Report (ungraded)**

 This is the first part of the Brand Audit team assignment in which each team will study a different brand. In this Preliminary Report you will (1) identify your brand and (2) describe a general strategy for your team’s work on the audit. Brands must be submitted to me for final approval, via this report. In the event that two or more teams submit the same brand, the brands will be assigned to teams on a first-come, first-serve basis. Be sure to satisfy yourselves that you can have access to enough information about the brand to complete the Brand Inventory portion of the Brand Audit. As you describe your team’s strategy, give some consideration to the sources of information you will use for the Brand Inventory, as well as some preliminary thoughts about the web research and qualitative techniques (e.g., extreme user analysis) you plan to use to complete the Brand Exploratory. Consider whether you can identify and access a sufficient number of current or prospective customers of the brand.

**Monday, October 30**

Theme: Research Techniques in Support of Brand Management I

Read: Guidelines for Conducting a Focus Group (<https://www4.uwm.edu/cuts/focus.htm>)

 Using laddering to understand and leverage a brands equity (<https://tinyurl.com/yc9zqt2f>)

 An Anthropologist Walks into a Bar (<https://tinyurl.com/y9c2xfgp>)

**Wednesday, November 1**

Theme: Research Techniques in Support of Brand Management II

**Individual Written Assignment 1 Due: Image-Identity Gap Measurement**

(Two-page max. summary due before class on course website)

To manage a brand effectively, you must be constantly in touch with what the consumer thinks about your brand vis-à-vis what you think of your brand. It helps to have some language to pull these constructs apart: Brand image is defined as the set of (actual) associations the consumer has with a brand; Brand identity is defined as the set of (desirable) associations the company would like to have of its brand.

For this *individual* assignment, you can use any local, national, or international brand. Perform an image-identity gap analysis by measuring brand associations from the two perspectives: company and consumer. Start with a survey (using paper and pencil questionnaires, Surveymonkey, Qualtrics, etc.) to collect quantitative data from at least 3 employees internally and 5-10 consumers externally.

Consider first simply asking the qualitative question: “What are the top five words that come to mind when you think of brand X?” Next, include quantitative measures by providing a list of brand personality traits to your subjects, and asking them “to what degree do the following traits describe brand X” (1 = not at all descriptive, 7 = very descriptive). (You may decide to use the scale in the Brand Personality Scale in this syllabus appendix.) Please also measure brand preference (“How much do you like brand X” 1 = not at all; 7 = very much) and brand usage (“Do you use this brand X” 1 = never; 7 = frequently) for both groups. These additional data points can be used to reveal deeper insights if you so choose (e.g., possible regressions).

In no more than two pages, visually describe your results (e.g., mental maps, graphs), report the results of the analyses you ran, and generate *at least one* management recommendation based on the results of your analysis.

**Monday, November 6**

Theme: Integrated Marketing Communication I

Read: Advertising Analytics 2.0 (<https://tinyurl.com/ycgm5fav>)

Unlocking the Power of Integrated Marketing Communications: How Integrated is Your IMC Program? (<https://tinyurl.com/y8zew5r7>)

 Branding in the Age of Social Media (<https://tinyurl.com/y874tbnt>)

Analyze: Pepsi Refresh case (in coursepack)

*Discussion Questions for Pepsi Refresh case* **[for class discussion, not written assignment**]

1. Should the Pepsi brand team continue to fund the Pepsi Refresh Project in 2011? Why or why not?
2. If the Pepsi brand team continues to fund the Pepsi Refresh Project in 2011, what changes would you make to the program to better achieve the brand’s objectives?
3. If the Pepsi brand team focused on the right metrics to measure success? What is the value of consumer engagement? How should they calculate the value of Facebook fans, Twitter followers, and the billions of impressions generated by the Pepsi refresh Project?
4. Do you agree with Pepsi’s decision to not advertise during the 2010 Super Bowl? Why? What did they gain and what did they sacrifice by moving marketing dollars from traditional advertising? Should they advertise the Pepsi Refresh Project on the 2011 Super Bowl?
5. Is Pepsi the right brand for a cause marketing program like the Pepsi Refresh Project? Why or why not?

**Wednesday, November 8**

Theme: Integrated Marketing Communication II

Guest Speaker: Timothy O’Sullivan, SVP, Shopper Marketing + Multicultural, Geometry Global

Analyze: Under Armour’s Willful Digital Moves case (in coursepack)

*Discussion Questions for Under Armour case* **[for class discussion, not written assignment**]

1. Should Under Armour continue targeting and growing the female market segment? Or should it target a broader population to gain more traction on Nike and get closer to the number-one spot?
2. Should Under Armour keep paying famous athletes to be part of its advertisement campaigns or should it use more everyday people?
3. Should the next campaign be run on multichannel platforms or should Under Armour solely focus on one channel, such as television or online advertisement?

**Monday, November 13**

Theme: Brand Inventory

In-Class Activity: Brand Inventory Presentations (by teams)

Teams (order to be selected randomly at the beginning of class) will present a succinct 10-minute summary of their Brand Inventory Report. The presentation must be supported by PowerPoint slides (15-slide maximum). Due to the time constraints, presentations will be strictly limited to 10 minutes, with a five-minute period following for Q&A and discussion. Not all team members need to be involved in the presentation, but all must be present, at the front of the room, and prepared to discuss and answer questions.

**Team Assignment Due**: Brand Inventory Report (PPT deck due before class on course website)

The report must be submitted in the form of a PowerPoint deck, with a **maximum of 15 slides.**  Using slide “notes” added to the slides is helpful to overcome any limitations of the “bullet” format of PowerPoint, but please **be sure any notes fit on a printed page and are not smaller than 12-point font**. An example of a past Brand Inventory submission is posted on the course website. This example should **not** be used as a “template” for your own reports, but rather is intended to convey the scope and depth of the analysis.

**Brand Inventory Recommended Structure**

**Brand Inventory** – this is a catalog of all brand elements, product attributes and marketing activities related to the brand. Prior to analyzing the marketing program, provide a brief history of the company/brand heritage to establish a context for the analysis (e.g., when was the company founded, when was the brand launched, how has it grown over the years, etc.).

1. What is the brand heritage?
2. How is the brand positioned versus the competition?
3. What is the brand’s market offering? (Use the four P’s structure)
	* 1. Product – What products use the brand name? Diagram the brand hierarchy. What are the key product attributes?
		2. Promotion – How is the brand communicated? What are the brand elements – symbols, logos, etc.? Advertising, personal selling, publicity, sales promotion? What are the objectives of the promotions?
		3. Place – How do the distribution channels add value?
		4. Price – How do the brand’s price points compare with the competition?
4. Performance – Market share, profitability, trends (brands and competitors).
5. Summarize the brand inventory with a statement of the current marketing strategy and objectives for the brand.
* There are numerous secondary information sources appropriate for the brand inventory. These include:
* Articles on the web, in business publications and in trade journals that describe the brand’s marketing strategies and/or performance.
* Company sources – annual reports, 10-K filings, and (optionally) interviews with company personnel.

**All sources (e.g., articles, websites, executive interviews) used in the Brand Inventory must be cited properly.**

**Wednesday, November 15**

Theme: Brand Extension

 Customer Lifetime Value

**Monday, November 20**

Theme: Group meetings

The purpose of these meetings is to help teams overcome hurdles and dilemmas which may arise in the brand audit project, especially as they relate to research design and analysis issues. The format of this session will be discussed in class.

**Wednesday, November 22**

No class (Thanksgiving)

**Monday, November 27**

Theme: Branding of Services

Read: Welcome to the Experience Economy (<https://tinyurl.com/y9hgnuqm>)

 Customer Service, the New Mercedes‐Benz Way (<https://tinyurl.com/y74jl6j3>)

 Customer‐Centered Brand Management (<https://tinyurl.com/yc6p7rzg>)

Analyze: Rosewood Hotels & Resorts case (in coursepack)

*Discussion Questions for Rosewood Hotels & Resorts case* **[for class discussion, not written assignment**]

1. Why is Rosewood considering a new brand strategy?
2. What are the pros and cons of moving from individual brands to a corporate brand? Do not limit your analysis to financial aspects.
3. Would you recommend proceeding with the corporate branding initiative?

**In-Class Team Assignment 1**: Customer Lifetime Value Analysis for Rosewood (TBD)

**Individual Written Assignment 2** (Due before class the course website)**:**

1. Considering Pine and Gilmore’s article, where would you place Rosewood Hotels & Resorts on the continuum ranging from commodity to experience? Justify your answer. (150-word maximum)
2. The data below show the results of a Starbucks segmentation study. Each column shows the values for a typical customer in each class (constant over the lifetime of the customer). The annual retention probability applies only after the first year. That is, no one defects until after a full year of patronizing Starbucks.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Silver**  | **Gold** | **Platinum**  |
| Visits/Month  | 3.9  | 4.3  | 7.2  |
| Revenue Per Visit  | $3.88  | $4.06  | $4.42  |
| Annual Retention Probability | 0.30  | 0.50  | 0.70  |

1. Assume that Starbucks’ gross margin is 50% and that its (one-time) customer acquisition cost is $50. Further assume that Starbucks uses a discount rate of 8%. What is the 5-year individual customer CLTV for each class of customer? Show your work.
2. Suppose Starbucks is considering the investment of $40 million in their 3500 company-owned North American stores to improve service quality. How many customers *per store* would have to be “converted” from *Gold* to *Platinum* for the investment to achieve breakeven? Show your work.

# Wednesday, November 29

Theme: Designing and Launching a New Brand

Analyze: Saxonville Sausage Company case (in coursepack)

*Discussion Questions for the Saxonville case* **[for class discussion, not written assignment]**

* + 1. What is the current situation at the Saxonville Sausage Company? How are its brands and the markets in which the company competes performing?
		2. Evaluate Saxonville’s research approach and the quality of the data it generated to support the positioning decision.
		3. Of the four different positioning concepts shown in Exhibit 8, which alternative would you recommend and why?

**In-Class Team Assignment 2:** Executing a Positioning Option for Saxonville (TBD)

# Monday, December 4

Theme: Brand Management on the Internet

Read: What Marketers Misunderstand about Online Reviews (<https://tinyurl.com/ybcgxqlp>)
Brands Are Not Dead But Traditional Branding Tools Are Dying (<https://tinyurl.com/yboy3jqr>)

Analyze: Building a Social Media Culture at Dell case (in coursepack)

*Discussion Questions for Building a Social Media Culture at Dell case* **[for class discussion, not a written assignment**]

1. Why has Dell been successful at building a social media program?

2. Can you build a top-down Dell corporate brand with a decentralized social media structure?

3. How do you explain the statistic that “social media-based sales leads were two to five times more likely to close sales than traditional leads”?

4. How would you use Dell’s social media experience to rebrand the company as Michael Dell wants to do?

# Wednesday, December 6

Theme: Brand Exploratory and Strategy

In-Class Activity: Brand Exploratory/Strategy Presentations (by teams)

Teams (to be selected randomly at the beginning of class) will present a succinct **12-minute** summary of the Brand Exploratory/Brand Strategy Report. The presentation must be supported by PowerPoint slides (**20-slide maximum**) and should emphasize (1) what has been learned about the brand and (2) what is recommended for the brand going forward. Due to the time constraints, presentations will be strictly limited to 12 minutes, with a three-minute period following for Q&A and discussion. Not all team members need to actively present, but all must be present, at the front of the room, and prepared to discuss and answer questions.

**Team Assignment Due**: Brand Exploratory/Strategy Report (due on course website)

Your report should cover all aspects of the brand described below and should be submitted to the course website in the form of a 12-point font, double-spaced Word document or PDF, with a **maximum of 3000 words and up to ten tables, charts, or visual exhibits** as needed. An example of a past Brand Exploratory/Strategy submission is posted on the course website. This example should not be used as a “template” for your own reports, but rather is intended to convey the scope and depth of the analysis.

# Brand Exploratory Recommended Structure

This activity is directed at understanding what consumers think and feel about the brand and its competitors. The principal dimensions are brand awareness, associations, perceived personality and quality, and loyalty. The answers will come from primary data collection (i.e., data that you collect “from scratch”). Following this, the findings from the brand inventory and brand exploratory are to be compared and contrasted, with resultant implications for recommended brand strategy going forward.

Questions To Consider:

1. What is the level of consumer brand awareness/recognition?
2. What are consumers’ associations with respect to the brand? Feelings about the brand? What are key differences from competing brands on important attributes? Is there a “brand personality”?
3. What is the perceived quality of the brand relative to competitors?
4. What is the degree of loyalty to the brand?
5. In conclusion, summarize the consumer’s view of the brand.

Required Research for Brand Exploratory:

Each team is required to conduct three primary data collection studies: **(a) a “C2C” web search, (b) a qualitative study, and (c) a quantitative survey**. Web research should be used to reveal what is being said about the brand by consumers “C2C” (consumer-to-consumer), product ratings sites such as ePinions.com, BrandTags.net, postings by bloggers, consumers, etc. Qualitative techniques such as focus groups and depth interviews are used to explore consumer associations to a brand and allow consumers to respond to the brand in their own words. Qualitative research yields information that can be interpreted and used to formulate a more insightful quantitative survey research instrument. Quantitative research in the form of a survey yields numerical data, generally responses to structured scales, and is typically designed to measure specific beliefs, attitudes, intentions and/or behaviors. Note: the University of Florida has an institutional account with Qualtrics.com that permits any current student to register (using a Gatorlink email address) and create surveys (you may also use services such as surveymonkey.com).

Your primary research is **not** expected to be methodologically perfect – especially concerning the sample of respondents. For example, you are not required to use large sample sizes. Do your best to recruit appropriate respondents. You need to collect a sample size of at least ten (10) for your qualitative research and a minimum of 50 respondents for the quantitative study (survey). It will be sufficient to compute means and frequencies and make intelligent inferences about the practical significance of any differences you may find. No statistical tests are required. Interpret your results as if they were based on a valid sample.

In your exploratory report, describe what methods you used to discover how consumers perceive the brand. Describe the basics of what you did, including sample sizes. Be sure to describe the C2C web search, the qualitative study, and survey. In presenting your results, be sure that it is clear which method led to which results. It should be easy for the reader to follow what you did and what you learned. In general, reports should begin with the web search results, followed by the qualitative research, and culminating with the survey results.

# Brand Strategy Recommended Structure

The content of your strategy report will vary depending upon the situation, but the following questions should be pursued:

1. Drawing together the results of your brand inventory and brand exploratory, discuss and explain important congruities and incongruities between (a) how the company views the brand and what it is doing to promote it and (b) how consumers perceive the brand. Do not repeat the complete findings, but be sure to **incorporate** the most important things reported in the earlier reports. The analysis should be integrative, pulling together everything you have learned about the brand, its strengths and weaknesses, its challenges and opportunities.
2. Is the marketing effort on behalf of the brand successful? (Are consumers getting the intended message? If not, where is the breakdown?)
3. What aspects of brand equity need attention?
4. Can brand equity be leveraged in new ways, namely, via extensions or re-positioning?

**Implications:** What should brand management do? What should be done to sustain, grow, and/or leverage the brand’s equity? This is where the “rubber meets the road” for an MBA!

**Wednesday, December 13**

# In-Class Final Exam!

# This will be a case analysis similar to the cases analyzed throughout the course. The exam will be open book, open notes, and a laptop will be required. No Internet access will be permitted.

APPENDIX: MEASURING “BRAND PERSONALITY”

(Jennifer Aaker 1997, *Journal of Marketing Research*)

Subject instructions for the brand personality scale: “To what degree do the following traits describe brand X (1 = not at all descriptive, 7 = very descriptive)?

|  |  |
| --- | --- |
| **Sincerity**down‐to‐earthfamily‐orientedsmall‐townhonestsincererealwholesomeoriginalcheerfulsentimentalfriendly**Excitement**daringtrendyexcitingspiritedcoolyoungimaginativeuniqueup to dateindependentcontemporary | **Sophistication**upper classglamorousgood lookingcharmingfemininesmooth**Ruggedness**outdoorsymasculinewesterntoughrugged**Competence**reliablehard workingsecureintelligenttechnicalcorporatesuccessfulleaderconfident |

After collecting your data, average the sub-dimension ratings for each of the five personality dimensions.