



*What is brand identity and how can knowing it increase your bottom line?*

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### **What is Brand Equity?**

Brand Equity is a hot topic in the minds of the marketing research community these days. The Advertising Research Foundation (ARF) has held at least two conferences on the topic in the past year and there is a body of data that is being analyzed, as you read these lines, in an effort to further explain Brand Equity quantitatively. This article deals with the qualitative aspect of brand Equity, the brand's Identity.

The definitions of Brand Equity illustrate the fact that many prominent speakers in the ARF conferences attempted to describe a brand's Equity and yet most of them seemed to be referring to a brand's Core Identity. Some of the definitions given to Brand Equity are:

"The value added inherent in a brand"

"The reason consumers pay more for a brand"

"The durability of a brand"

"The power of a brand to maintain share of market, ROI, and cash flow"

"The brand's franchise and the loyalty it commands"

"The set of brand assets and liabilities that add or subtract from the value provided by a product or service to a firm and/or the firm's customers"

Behavioral research claims that there are five logical levels that people use to organize the information they receive in general including information relative to a product or service. These five levels are: **Environment, Behaviors, Capabilities, Beliefs and Identity**. There is a unique organization of information that takes place at each one of these levels for each individual.

When some information at the Identity level is changed because of the intervention of Marketing Communications relative to the product, it changes the organization at all other levels below it since this is the highest level. The converse is not true e.g. Liquid Soap has a different Identity from Bar Soap (Identity is not necessarily related to physical form) as a result all other levels are different. When Arm & Hammer changed the Identity of Baking Soda to use it as a deodorizer all other levels changed also. But when a "fire-ant" insecticide was no longer sold at the supermarkets and was only sold in the lawn and garden stores it did not change its Identity, it only changed its Environment.

### **Brand Related Environment**

A brand, in a consumer's mind, is a living entity that operates in a given *Environment* i.e. it is manufactured, sold and used in specific environments. It has a contextual space that it inhabits and it evokes a set of Behaviors in that space.

A laundry detergent, for instance is sold at the supermarket and used at the laundry room. This, may seem like mundane information initially but the descriptions of these environments are critical. Supermarkets may conjure up images of long lines, coupon filing, children dragging to one person whereas for someone else it is an enjoyable experience! Similarly, one person may see laundry as time-off from other routines while someone else thinks of it as a pain!

### **Brand Related Behavior**

A brand elicits *purchase and usage Behaviors*. Purchase behaviors are primarily the relationships between the **brand and the manufacturer** and secondarily between the brand and the consumer. They are related to pricing strategies, promotions, distribution, packaging etc. Usage behaviors are related primarily to the interactions between the **brand and the consumer** i.e. how it is used, when it is used, by whom it is used etc.

## **Brand Capabilities**

We can think of the *Capabilities* of a brand in terms of its performance. The brand's capabilities are the *attributes* responsible for Customer Satisfaction. They are the taste of a soft drink, the comfort of a hotel room, the performance characteristics of a tire and in general the attributes consumers associate with a specific brand of a product or service. A brand's capabilities dictate the acceptance of line extensions and drive the benefits consumers derive from a brand.

## **Brand Beliefs and Attitudes**

Beliefs associated with a brand are the attitudes consumers hold relative to that brand. They are the reasons consumers become loyal to the brand and reflect the feelings consumers hold toward the brand. These beliefs usually show up as third or fourth level benefits in the questioning process.

For example when we ask: “What is it that you like about (X) laundry detergent?” “It leaves clothes smelling fresh”

Follow with the question: “Why is this important to you?” “Because it tells me that the clothes have just been washed”

Here we have: the attribute: fresh smelling; the benefit: a tell-tale sign; the belief: fresh smelling clothes are clean; the attitude: I like brand “X” (because it lets me know when the clothes are clean)

## **Brand Identity**

The qualitative part of a brand's Equity is its Identity. The core of the brand. The reason why consumers are willing to be loyal to that brand and become the advocates who will bring others to that brand's franchise. It is the one single descriptor which captures the totality of all of the elements mentioned above.

The identity of a brand is structured through careful orchestration by the brand's marketing team including the brand manager, the advertising agency, the package design team, the distribution channels and others and it resides in the consumers brain. It might be the boldness in Bold, the smoothness in your Parker pen, the promise of freshness in the Jolly Green Giant. It is the images, the sounds and the feelings associated with the brand.

## **How to Arrive at the Brand's Identity**

To arrive at a brand's identity the administration of carefully selected questions is critical. The specific questions will vary but some administrative issues remain the same.

1. Be careful to screen for verbal and expressive respondents. Start by recruiting the brand's more frequent users. Heavy users have more involvement with the product and are more vocal about its characteristics. We call these “Star Consumers.”
2. Establish rapport. Unless the respondent feels rapport with the facilitator the information flow will not be as clear and full of insights as it might have been.
3. Stay in rapport and pace the respondent so that they stay in a projective and emotional mode.
4. Do not ask “Why”. “Why” narrows the band of answers... “How”, “What” broaden the answers.
5. Take the respondent through three brands in the same category. This design not only provides differences among brands, it also allows the respondent to deal with the “brandscape” more effectively.
6. Stay alert for all the embellishments the respondent brings into the descriptions. Pay particular attention to the beliefs and probe the sources of their origin.
7. Capture key words the respondent uses e.g. are they visual? auditory? do they relate to feelings? non verbal clues and voice inflections are also important to consider.
8. Using a stimulus like a package or an ad or some other visual aid can start you off nicely but its best to hide the stimulus soon after the exercise has begun so that the respondent can use his/her imagination for richer information.
9. Allow 1.5 hours for the complete process.
10. This process can be accomplished through in depth interviews eliciting each of the levels until the information stabilizes and no new information is elicited. This may require 35 to 50 interviews.
11. If necessary, elicit the brand's Identity from competitive brand users to obtain information based on their perceptions towards your brand. Compare these perceptions with those of your heavy users to detect unique perceptions among competitive brand users which you may wish to change.

A few sample questions we have used very successfully to arrive at a brand's identity are:

- What is the brand related environment: *What is the environmental space in which the brand exists? Where is the brand purchased where it is used?*
- What are the brand related behaviors: *What are the behavioral functions the brand fulfills relative to other brands in the category? How is the brand used?*
- The brand's capabilities: What is the brand's ability to maintain and/or increase its share of market? How is the brand able to retain its share of market? What is the brand's capability to be extended?
- The values and beliefs. What is the emotional linkage of the brand to the consumer? What values does the brand satisfy for the consumer?
- The identity: What is the core identity of the brand? How can the identity be described?

Characterizing a Brand's Equity through this Qualitative process does not provide the Quantitative answers most marketers attach to brand equity. For instance, it does not tell you what the brand's awareness is, or the repeat usage patterns of your loyal customers, or who are the 20% of your customers who are responsible for 80% of your sales. These are all quantitative issues.

This process helps with your Marketing Communications programs in the following ways. It reveals the mindsets your consumers have about your brand. It provides rich, intuitive, strategic intelligence to maximize the efficiency of your marketing communications program and give your creative writers the hot buttons of your consumers. You can form marketing strategy, reposition brands, develop new names, line extensions and of course, advertising strategy. It is grounded on your customers so your strategy is formed from the outside in rather than from the inside out.