AN ANALYSIS REGARDING DESCRIPTIVE DIMENSIONS OF BRAND EQUITY

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Abstract:
*The competitive potential of any company is significantly influenced by the brands held in the company's portfolio. B*rands *are definitely valuable* marketing *assets. As the brand is a central element of any marketing strategy it is essential to be aware of the descriptive dimensions of its equity. This paper tries to outline these dimensions as follows: brand loyalty, brand awareness, brand perceived quality, brand personality, brand image, brand identity and brand associations, as analyzed in the specialized literature. Identifying and comparing different approaches regarding each brand equity dimension and revealing interdependencies between these dimensions, focusing on the importance of scientifically determining their role in generating a long-term increase in marketing efforts efficiency, are among the main objectives of this paper.*

Keywords: brand equity, core brand values

The concept of brand equity

The concept of brand equity can be described, at the simplest level, as the value of a brand, as a financial dimension. From this point of view thou, the concept is rather ambiguous as important authors refer to expressions like "the value of brand equity" [2]. The concept of brand equity goes beyond its financial significance.

Brand equity has been described by the Marketing Science Institute of GB as "the set of associations and behavior on the part of a brand's customers, channel members and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name" [15].

A popular approach of brand equity is that of David A. Aaker who sees the concept as "a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm/or to that firm's customers" [1,p.15]. These assets and liabilities on which brand equity is based differ from context to context, but in Aaker's view, they can be usefully grouped into five categories: brand loyalty, brand name awareness, perceived brand quality, brand associations, and other proprietary brand assets.

Another well-known approach is that of Kevin L. Keller from whose customer-based point of view brand equity is "the differential effect of brand knowledge on consumer response to the marketing of the brand" which involves customers' reactions to an element of the marketing mix for the brand in comparison with their reactions to the same marketing mix element attributed to a fictitiously named or unnamed version of the product or service [13,p.45]. According to Keller, brand knowledge is defined in terms of two components, brand awareness and brand image. Brand awareness is the consumers' ability to identify the brand under different conditions and consists of brand recognition and brand recall, while brand image is defined as perceptions about a brand as reflected by the brand associations held in consumer’s memory, associations related to attributes, benefits, and attitudes.

Beyond these complex views on brand equity, other authors regard the concept simpler. Farquhar for example, regards brand equity as the added value with which a given brand endows a product, a product being something that offers a functional benefit, while a brand is a name, symbol, design, or mark that enhances the value of a product beyond its functional purpose [7].

In recent years, the issue of how brands equity can be described and measured has grown more prominent in both academic and practical debates. The first moves toward identifying brand equity dimensions were not driven by marketing issues, but set in motion by corporate finance experts who needed a way of monetarily expressing brands when either the brands themselves or the whole company that owned them was up for purchase or sale. Especially in more recent years, consumer-based perspectives on brand equity have also featured more strongly, as it was hoped that an enhanced understanding of the determinants of brand equity from the customer’s viewpoint would yield key indicators for efficient brand management.

The concept of brand equity has been debated both in the accounting and marketing literatures, and has highlighted the importance of having a long-term focus within brand management. Brand equity, like the concepts of brand and added value has proliferated into multiple meanings.

Feldwick simplifies the variety of approaches, by providing a classification of the different meanings of brand equity as: the total value of a brand as a separable asset, a measure of the strength of consumers' attachment to a brand, and, respectively, a description of the associations and beliefs the consumer has about the brand [8].

The first of these is often called brand valuation or brand value, and is the meaning generally adopted by financial accountants, the concept of measuring the consumers' level of attachment to a brand can be called brand strength (synonymous with brand loyalty), while the third meaning could be called brand image and identity. When marketers use the term of “brand equity” they tend to mean brand description or brand strength, while brand strength and brand description are sometimes referred to as “consumer brand equity” to distinguish them from the asset valuation meaning. Brand description is distinct because it would not be expected to be quantified, whereas brand strength and brand value are considered quantifiable. Feldwick considers that using the term brand equity creates the illusion that an operational relationship exists between brand description, brand strength and brand value that does not operate in practice, due to the fact that that brand description and brand strength are within the field of marketers and brand value has been considered largely an accounting issue.

However, for brands to be managed strategically as long-term assets, the efforts of brand managers could be reviewed and assessed by the measurement of all descriptive dimensions of brand equity.

Reviewing the large literature regarding brand equity, some of the elements outlined above reveal themselves as brand strategies imperatives and mostly mentioned and accepted descriptive dimensions of brand equity: loyalty, awareness, perceived quality, personality, identity, image, and associations.

Brand loyalty

The American Marketing Association defines brand loyalty as "the situation in which a consumer generally buys the same manufacturer-originated product or service repeatedly over time rather than buying from multiple suppliers within the category" or "the degree to which a consumer consistently purchases the same brand within a product class". Trying to define the term, Aaker considers that brand loyalty reflects "how likely a customer will be to switch to another brand, especially when that brand makes a change in price, product features, communication, or distribution programs" [1,p.39].

Brand loyalty represents the core of a brand's equity. Daryl Travis considers that brand loyalty is "the ultimate objective and meaning of brand equity", adding that "brand loyalty is brand equity" [18,p.18].

Some authors see brand loyalty as a behavioral response and as a function of psychological processes [10]. Thus brand loyalty is a function of both attitudes and behavior (habit). Thus, the concept of brand loyalty represents a general concept which describes a consumer's overall buying behavior patterns within a product class. It is a descriptive variable that refers to individual differences in consumers' general buying behavior within a particular product class.

Brand loyalty can't be analyzed without considering its relationship to other descriptive dimensions of brand equity like awareness, perceived quality, or associations.

Firstly, all the other descriptive dimensions of brand equity can enhance brand loyalty, as perceived quality, associations and awareness provide reasons to buy and affect satisfaction. Loyalty could arise from a brand's perceived quality or associations, but could also occur independent of these dimensions (for example, a person can be loyal to a low perceived quality brand and dislike a brand with a high perceived quality due to subjective reasons). Yet, the nature of this relationship is unclear.

On the other hand, loyalty can induce a higher perceived quality (for example, a potential customer has a better evaluation of a brand if that brand is perceived as having a loyal customer base), stronger associations (the brand can be associated to elements characterizing its loyal customers), or increase awareness (loyal customers tend to provide brand exposure to new customers through "mouth to mouth" communication).

Concluding, brand loyalty is both an input and an output of brand equity and it is both influenced by and influences the other descriptive dimensions of brand equity. Nevertheless, brand loyalty is qualitatively different from other major dimensions of brand equity, being stronger related to the use experience. Brand loyalty is conditioned by prior purchase and use experience, while awareness, associations, or perceived quality may be present even in the case of a brand that hasn't been used yet.

Brand awareness

Brand awareness refers to the degree of prominence a brand has in the consumers' memory, being positioned on several levels: brand recognition (the consumer recognizes the brand after being put in contact verbally or visually), brand recall (the consumer recalls the brand along with other competing brands, after consciously extracting from memory the set of brands he or she knows in a given product category), brand leadership or top of mind (the first-named brand in a recall task), brand dominance (the only brand recalled), brand knowledge (the consumer knows the brand's symbols, values and attributes), and brand opinion (the consumer has an opinion about the brand, awareness in this case crossing the border between cognitive and affective) [4].

Brand awareness, even at the lowest level of recognition, can provide the brand with a competitive advantage through the familiarity level perceived by consumers. Most of them trust and associate a reasonable quality to brands which are familiar, even though they do not possess much information about them.

Moreover, brand recall radically affects consumers' choice as, for being selected, a brand must firstly be in the considered set – the list of brands spontaneously extracted from memory when the situation of buying specific products occurs.

Last, but not least, awareness is the base around which brand associations are being created. Without a high awareness level, specific brand associations can not be generated into consumers' minds.

Perceived quality

A brand's perceived quality is a result of a global assessment made by the consumers based on their perception about aspects and dimensions considered relevant for the quality of the products represented by the brand.

The main dimensions upon which the quality is perceived refer to [13]: performance (level of primary attributes, products' functionality), features (level of secondary attributes, complementary to those related to performance), conformance (specifications meeting and lack of defects), reliability (consistency of performance over time), durability (expected economic life of the product), serviceability (availability of maintenance service, spare parts etc.), style and design.

Consumers will associate brands with a certain level of quality, not necessarily based upon a detailed knowledge of technical, functional or other specifications, but mostly upon the inter-personal communication with other users of the brand, direct experience in using the brand or the company's efforts to communicate and promote the brand.

A brand's perceived quality may be analyzed from three perspectives: consumers perceive an absolute level of quality (for example, low, medium, or high), consumers perceive a relative level of quality (a certain competitive positioning of the brand considering quality – for example, the best, among the best, among the poorest, or the poorest), and consumers perceive the quality associated to the brand as being consistent or inconsistent [3].

A strong brand is regularly considered to have a high quality, to be among the best qualitatively speaking, and to have a invariable level of quality.

The quality level associated to a brand can be a decisive factor in differentiating and positioning a company's offer in the market. Creating a strong brand involves certain restrictions regarding this aspect in the sense that positioning must be done through a high and consistent quality level.

A high perceived quality attracts interest from wholesale and retail channels, creates premises for brand extensions to other product categories or industries, and provides the basis for a high price strategy, the price premium thus obtained being subject to reinvestment in future developments.

Brand personality

Most of the authors accept the approach that considers brand personality as a set of human characteristics linked to a brand. A long term relationship between brands and loyal costumers is based upon o clear and string brand personality. A real and affective closure to the customer can only be achieved when a brand evokes human features

The dimensions of brand personality are supposed to be correspondent to those identified in the case of human beings by psychologists, as Jennifer Aaker suggests [5]: sincerity (typified by traits such as wholesome, down-to earth, and honest), excitement, (typified by traits such as daring, imaginative, and exciting), competence (typified by traits such as intelligent, secure, and confident), sophistication (typified by traits such as glamorous, smooth, and charming) and ruggedness (typified traits such as strong and masculine). Moreover, the author developed a brand personality scale to measure the extent to which a given brand possesses any of these personality traits. However, research in this vein generally diagnoses the nature of a brand's personality – not its impact on brand performance.

Consumer researchers suggest that a strong, positive brand personality may reveal numerous benefits. A favorable brand personality is thought to increase consumer preference and usage, increase emotions in consumers, increase levels of trust and loyalty, encourage active processing on the part of the consumer, and provide a basis for product differentiation. Moreover, brand personalities, like human personalities, are thought to be comprised of traits that are relatively enduring [9].

Establishing and communicating brand personality is an essential element of any company's marketing strategy. Generally speaking, companies usually set up 3 to 5 personality dimensions and focus upon consistently communicating them both among their target market and the general public.

Brand identity

Specialists make a clear distinction between the concepts of brand identity and brand image. Image is basically a reception concept, depending on the way people decode the ensemble of signals coming from products through brands, while identity is an emission concept, implying conscious specification of the firm's direction and project and of the inner conception of the brand.

Companies desire to be unique is expressed through brand identity. Brand identity originates from the company, and through brand identity, a company seeks to convey its individuality and distinctiveness to all its relevant publics. A very important task here is to identify the dimensions upon which brand identity is based.

Kapferer sees six fundamental identity dimensions as follows: physique (the objective characteristics of the brand, its verbal and visual representation), personality (the human-specific characteristics of the brand), relationship (with customers, suppliers, employees, investors, etc.), culture (the brand has its own culture from which every product derives), reflection (external image that links the brand to its target market), and self-image (through the attitude towards certain brands consumer develop a certain type of inner relationship with themselves) [12].

A similar view on the subject has Chernatony who appreciates that brand identity is made up of the following components: vision, culture, positioning, personality, relationships, and presentations [6].

Brand vision embodies the core purpose for a brand's existence. It represents a set of values that, along with brand culture, provide direction and guidance. A brand's positioning seeks to emphasize the characteristics and attributes that make it unique. It seeks to convey to consumers the benefits that are being offered. Personality represents the emotional characteristics of the brand. It is influenced by positioning as well as the core values and culture of the top management. Vision and culture are also responsible for the evolution of relationships between employees, consumers and other stakeholders. Presentation styles are developed to present the brand identity. This should take into account consumers' needs and aspirations.

A strong identity is based upon two main factors: the geographical and historical roots of the company, and the marketing activities meant to consolidate identity. Through marketing activities, a distinctive identity is created for the brand relative to other competitors' brands identities.

Brand image

The core purpose of any identity marketing program is creating a strong image among existent and potential customers, image which is depicted through intensity, clearness and durability.

Brand image relates to the consumer's perception of the brand being define as a set of beliefs held about a particular brand [14] or as a set of associations, usually organized in some meaningful way [4]. Implicit in all the above definitions is that brand image is a consumer-constructed notion of the brand. Consumers form an image of the brand based on the associations that they have remembered with respect to that brand.

Brand image represents an entrance barrier to any market, as in their buying decisions process consumers include mainly brands with a strong image in their considered set.

A strong image can convey several advantages for any firm as follows [17]: facilitates personnel-customers interaction, minimizes defames towards the corporate name, positively affects the internal climate of the firm, facilitates hiring of valuable employees, attracts investors etc.

Considering all the above, it is logical for any firm to firstly establish and develop the main dimensions of brand identity and then communicate it among consumers so as to eventually generate a favorable brand image.

Brand associations

The conceptual background of brand associations is characterized by diversity. Many definitions and many interpretations can be found in the specialized literature.

According to David A. Aaker, brand associations are the category of a brand's assets and liabilities that include anything linked in memory to a brand [1]. Aaker considers that the associations dimension of brand equity usually involves image dimensions that are unique to a product class or to a brand [4].

Therefore, brand associations can be described through several sub-dimensions such as: its value (a certain price/quality ratio is associated to any brand, the brand being identified here with the product itself), its personality (certain human attributes can be associated to a brand, the brand being thus identified with a person), and its organizational dimension (certain characteristics of the owner company are associated to a brand, the brand being identified with the organization).

Brand associations are represented by psychological links, deposited in consumers' conscience, regarding brands, on one hand, and aspects referring to tangible or intangible dimensions (attributes, persons, use contexts, life styles etc.), on the other hand.

Another possible structure of brand associations can be seen as a combination of brand image (functional and symbolic perceptions), brand attitude (overall evaluation of a brand), and perceived quality (judgments of overall superiority) [16].

Brand image associations consist of functional and symbolic brand beliefs and are largely product category specific and measures should be customized for the unique characteristics of specific brand categories.

Brand attitude associations are consumers' overall evaluations of brands whether good or bad. Consumer attitudes toward brands capture another aspect of the meaning consumers attach to brands in memory which affects their purchase behavior.

Perceived quality associations are consumers' judgments about a product's overall excellence or superiority. The perceived quality of products and services is central to the theory that strong brands add value to consumers' purchase evaluations.

Another classification of possible types of brand associations can be found in Kevin Lane Keller's brand knowledge model. Thus, associations can be linked to attributes, benefits, or attitudes [13].

Attributes related associations can be material – ingredients and physical characteristics, and psychological - price, use context (when, when and in what situation the brand is consumed), user imagery (types of persons that consume the brand), feelings, and brand personality.

Benefits related associations can be functional (regarding primary functions of the product), symbolic (concerning social acceptance, prestige, self respect etc.) and user experience (feelings and sensations generated by consumer experiences).

Attitude related associations represent global evaluations of brands that take place in consumers' minds who take into consideration a relevant set of attributes and benefits related associations.

Brand associations are important both to marketers and to consumers. Marketers use brand associations to differentiate, position, and extend brands, to create positive attitudes and feelings toward brands, and to suggest attributes or benefits of purchasing or using a specific brand, while consumers use brand associations to help process, organize, and retrieve information in memory and to aid them in making purchase decisions [1]. If a brand succeeds in clearly positioning itself through one ore more associations, it will be harder for the competition to claim superiority regarding the aspects implied by those associations, which thus become entry barriers for competitors.

Conclusions

Several interdependencies can be identified when analyzing brand equity dimensions. Each of them can be considered both inputs and outputs of the others. Moreover, there are differences among authors regarding the primary or secondary status – a brand equity dimension to be considered primary in an author's perspective is sometimes treated as a sub-dimension of other brand equity dimensions by other authors.

Considering the different approaches and the variety of brand equity dimensions, we conclude that there is a need for a holistic approach of these aspects, approach that should take into consideration all elements, either directly or indirectly linked to the brand, the brand equity concept as a whole comprising the entire organization and its organizational culture.

The role and the position of brands in any company's marketing plans are essential, going beyond tactical or operational issues, and overtaking the entire marketing mix which thus becomes an instrument for generating a certain brand perception among target markets. The enterprise as a whole must have a brand orientation focusing its actions towards communicated brand values.

The descriptive dimensions of brand equity reflect each, at individual levels, certain sets of advantages for the company, thus generating a long-term increase in marketing efforts efficiency, as well as an increase in profitability. Any marketing strategy must be designed so as to gain more value for the brand. This goal can only be achieved by taking into consideration and cleverly managing the descriptive dimensions of brand equity as well as by drawing up an individual development plan for each of these dimensions.

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