

Building Customer-Based Brand Equity

Creating brand resonance requires carefully sequenced brand-building efforts.

By Kevin Lane Keller

BUILDING A STRONG BRAND with great equity provides a host of possible benefits to a firm, such as greater customer loyalty and less vulnerability to competitive marketing actions or marketing crises; larger margins; more favorable customer response to price increases and decreases; greater trade or intermediary cooperation and support; increased marketing communication effectiveness; and licensing and brand extension opportunities.

Companies are interested in building strong brands with great equity, but getting there isn't always easy. To build brand equity, companies must start with the basics. What makes a brand strong? How do you build a strong brand? To help answer these questions, I developed a model of brand building called the customer-based brand equity (CBBE) model, which maps out what brand equity is and how it should best be built, measured, and managed.

The CBBE model was designed to be comprehensive, cohesive, well-grounded, up to date, and actionable. The premise of this model is that the power of a brand lies in what customers have learned, felt, seen, and heard about the brand over time. The power of a brand is in what resides in the minds of customers. Marketers' continuing challenge in building a strong brand is to ensure customers have the right types of experiences with products and services and their accompanying marketing programs so the desired thoughts, feelings, images, perceptions, and attitudes become linked to the brand.

The Four Steps

Building a strong brand, according to the CBBE model, can be thought of as a series of steps, where each step is contingent on successfully achieving the previous step. The first step is to ensure identification of the brand with customers and an association of the brand in customers' minds with a specific product class or customer need. The second step is to firmly establish the brand meaning in the minds of customers (i.e., by strategically linking a host of tangible and intangible brand associations). The third step is to elicit the proper customer responses to this brand identity and brand meaning. The final step is to convert brand response to create an intense, active loyalty relationship between customers and the brand.

The following four steps represent fundamental questions that customers invariably ask about brands—either implicitly or explicitly: (1) Who are you? (*brand identity*) (2) What are you? (*brand meaning*) (3) What do I think or feel about you? (*brand responses*) (4) What kind of association and how much of a connection would I like to have with you? (*brand relationships*)

The steps in this "branding ladder" follow an order, from identity to meaning to responses to relationships. Meaning cannot be established without first creating identity; responses cannot occur unless companies develop the right brand meaning; and a relationship cannot be forged without getting the proper responses from customers.

EXECUTIVE briefing

A comprehensive new approach, the customer-based brand equity (CBBE) model, lays out a series of steps for building a strong brand: (1) establish the proper brand identity, (2) create the appropriate brand meaning, (3) elicit the right brand responses, and (4) forge appropriate brand relationships with customers. The CBBE model also depends on six brand-building blocks—salience, performance, imagery, judgments, feelings, and resonance—that help provide the foundation for successful brand development.

Six Brand-Building Blocks

Imagine the foundation of a strong brand as a logically constructed set of six “brand-building blocks” with customers: *salience, performance, imagery, judgments, feelings, and resonance*. Then assemble these building blocks in a brand pyramid. To create significant brand equity, it’s crucial to put the right brand-building blocks in place and then reach the pinnacle of the pyramid. This brand-building process is illustrated in Exhibits 1 and 2.

Brand Identity

Achieving the right brand identity requires creating brand salience with customers. Brand salience relates to aspects of brand awareness: How often and easily is the brand evoked under various situations or circumstances? To what extent is the brand easily recalled or recognized? What types of cues or reminders are necessary? How pervasive is this brand awareness? Brand awareness refers to the customers’ ability to recall and recognize the brand. Building brand awareness means ensuring that customers understand the product or service category where the brand competes and creating clear links to products or services sold under the brand name. At a broader level, it means making sure customers know which of their “needs” the brand is designed to satisfy. What basic functions does the brand provide to customers?

Criteria for brand identity. Two key dimensions distinguish brand awareness—depth and breadth. Depth of brand awareness refers to how easily customers can recall or recognize the brand. Breadth refers to the range of purchase and consumption situations where the brand comes to mind. A highly salient brand is one with both depth and breadth of brand awareness (i.e., customers make sufficient purchases and always think of the brand across a variety of settings).

The brand must not only be “top of mind” and have sufficient “mind share,” but it must also do so at the right time and place. For many brands, the key question is not whether or not customers can recall the brand, but rather where and when do they think of the brand, and how easily and often do they think of it? In particular, many brands and products are ignored or forgotten at possible usage situations. Increasing the salience of the brand in those settings can help drive consumption and increase sales volume.

Brand Meaning

To give meaning to a brand, it’s important to create a brand image and establish what the brand is characterized by and should stand for in customers’ minds. Although a myriad of different types of brand associations are possible, brand meaning broadly can be distinguished in terms of more functional, performance-related considerations vs. more abstract, imagery-

related considerations. These brand associations can be formed directly from a customer’s own experiences and contact with the brand through advertising or some other source of information (e.g., word of mouth).

Performance. The product is the heart of brand equity. It is the primary influence of what consumers experience, what they hear about, and what the firm tells customers about the brand. Designing and delivering a product that fully satisfies consumer needs and wants is a prerequisite for successful marketing, regardless of whether the product is a tangible good, service, or organization. To create brand loyalty and resonance, consumers’ experiences with the product must meet, if not surpass, their expectations.

Brand performance is the way the product or service attempts to meet customers’ more functional needs. It refers to the intrinsic properties of the brand, including inherent product or service characteristics. 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?

The performance attributes and benefits making up functionality will vary by category. However, five important types of attributes and benefits often underlie brand performance:

1. **Primary characteristics and supplementary features.** Customers have beliefs about the levels at which the primary characteristics of the product operate (e.g., low, medium, high, or very high). They also may have beliefs as to special, perhaps even patented, features or secondary elements of a product that complement these primary characteristics.
2. **Product reliability, durability, and serviceability.** Reliability refers to the consistency of performance over time and from purchase to purchase. Durability is the expected economic life of the product. Serviceability refers to the ease of servicing the product if it needs repair. Thus, perceptions of product performance are affected by factors such as the speed, accuracy, and care of product delivery and installation; the promptness, courtesy, and helpfulness of customer service and training; and the quality of repair service and the time involved.
3. **Service effectiveness, efficiency, and empathy.** Customers have performance-related associations related to service interactions they have with brands. Service effectiveness refers to how completely the brand satisfies customers’ service requirements. Service efficiency refers to how these services are delivered in terms of speed and responsiveness.

Service empathy occurs when service providers are seen as trusting, caring, and with customer's interests in mind.

4. **Style and design.** Consumers may have associations with the product that go beyond its functional aspects to more aesthetic considerations such as its size, shape, materials, and color involved. Performance also may depend on sensory aspects such as how a product looks, feels, and even how it sounds or smells.
5. **Price.** The pricing policy for the brand can create associations in consumers' minds with the relevant price tier or level for the brand in the category (e.g., low, medium, or high priced) as well as with its corresponding price volatility or variance (e.g., frequently or infrequently discounted).

Brand performance transcends just the "ingredients" that make up the product or service to encompass aspects of the brand that augment these ingredients. Any of these different performance dimensions can help differentiate the brand. Often the strongest brand positioning involves performance advantages, and only rarely can a brand overcome severe deficiencies here.

Imagery. Brand meaning also involves brand imagery, which deals with the extrinsic properties of the product or service, including the ways the brand attempts to meet customers' more abstract psychological or social needs. Four categories of brand imagery stand out:

1. **User profiles.** Imagery may cause customers to have a profile or mental image of users or idealized users. Associations of a typical or idealized brand user may be based on descriptive demographic factors (e.g., gender, age, race, or income) or more abstract psychographic factors (e.g., attitudes toward life, careers, possessions, social issues, or political institutions). In a B2B setting, user imagery might relate to the size or type of organization. If customers believe many people use a brand, they may then view the brand as "popular" or a "market leader."
2. **Purchase and usage situations.** Associations of a typical purchase situation may be based on type of channel (e.g., department store, specialty store, or Internet), specific store (e.g., Macy's, Foot Locker, Fogdog.com), ease of purchase, or associated rewards. Associations of a typical usage situation may depend on when or where the brand is used (e.g., time of day, inside, outside the home) and type of activity where the brand is used (e.g., formal, informal).
3. **Personality and values.** Brand personality is often related to more descriptive usage imagery, but involves more contextual information. Jennifer Aaker identifies five dimensions of brand personality: (1) sincerity (e.g., down to earth, honest, wholesome, cheerful); (2) excitement (e.g., daring, spirited, imaginative, up-to-date); (3) competence (e.g., reliable, intelligent, successful); (4) sophistication (e.g., upper

class, charming); and (5) ruggedness (e.g., outdoorsy, tough). (See Additional Reading, page 19.)

4. **History, heritage, and experiences.** Finally, brands may take on associations with their past and certain noteworthy events in the brand history. These types of associations may involve distinctly personal experiences or be related to past behaviors and experiences of others. Associations with history, heritage, and experiences involve more specific, concrete examples that transcend the generalizations of usage imagery.

EXHIBIT 1
Customer-based brand equity pyramid

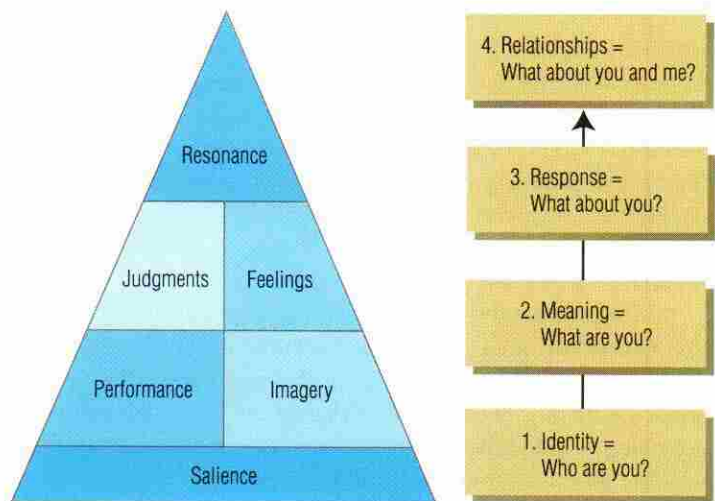
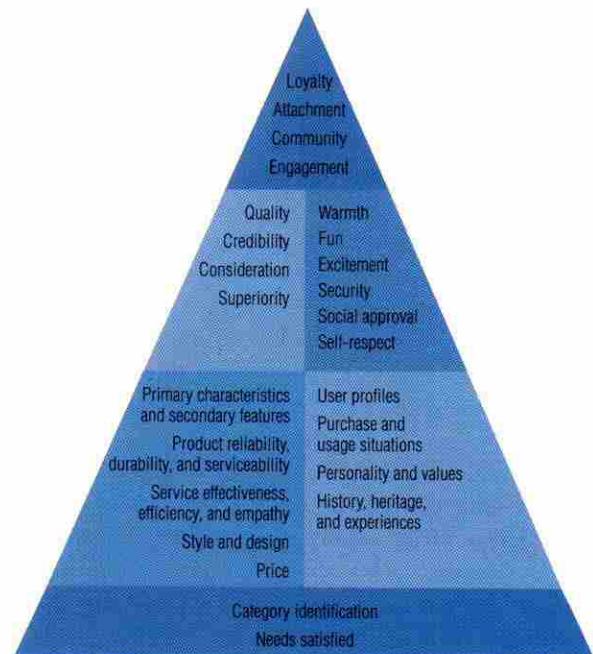


EXHIBIT 2
Sub-dimensions of brand-building blocks



Criteria for brand meaning. Regardless of the type involved, the brand associations making up the brand image and meaning can be profiled according to three key dimensions: (1) strength (how strongly the brand is identified with a brand association), (2) favorability (how important or valuable the brand association is to customers), and (3) uniqueness (how distinctively the brand is identified with the brand association).

Successful results on these dimensions produce the most positive brand responses, the underpinning of intense and active brand loyalty. To create brand equity, the brand must have strong, favorable, and unique brand associations—in that order. It doesn't matter how unique a brand association is if customers don't evaluate the association favorably, and it doesn't matter how desirable a brand association is unless customers actually recall it and link it to the brand. At the same time, not all associations are favorable, and not all favorable associations are unique.

Strong brands typically have firmly established strong, favorable, and unique brand associations with consumers, which are essential for building customer-based brand equity. Examples include Volvo, Michelin (safety), Intel (performance, compatibility), Marlboro (western imagery), Coke (Americana, refreshment), Disney (fun, magical, family entertainment), Nike (innovative products, peak athletic performance), and BMW (styling, driving performance).

Brand Responses

To implement the CBBE model, companies must pay attention to how customers respond to the brand, its marketing activity, and sources of information (i.e., what customers think or feel about the brand). These brand responses can be distinguished according to brand judgments and brand feelings (depending on whether they stem from the head or heart).

Judgments. Brand judgments focus on customers' personal opinions about the brand based on how they put together different performance and imagery associations. Customers may make all types of judgments with respect to a brand, but four types of summary judgments are particularly crucial to creating a strong brand (in ascending order of importance).

1. **Quality.** Customers may hold a host of attitudes toward brands, but the most important relate to the brand's perceived quality. Other quality-related attitudes pertain to perceptions of value and satisfaction.
2. **Credibility.** Brand credibility refers to the extent the brand as a whole is seen as credible in terms of three dimensions: expertise (e.g., competent, innovative, a market leader), trustworthiness (e.g., dependable, keeping customer interests in mind), and likeability (e.g., fun, interesting, worth spending time with).
3. **Consideration.** Favorable brand attitudes and credibility are important, but customers must also seriously consider purchasing or using the brand. Consideration depends in part on how personally relevant customers find the brand (i.e., whether customers view the brand as appropriate and meaningful to them).

4. **Superiority.** Finally, brand judgments depend on whether customers view the brand as unique and better than other brands. Do customers believe the brand offers advantages that other brands cannot? Superiority is critical for building intense and active relationships with customers and will depend on the number and nature of unique brand associations that make up the brand image.

Feelings. Customers' emotional reactions to the brand relate to the social currency the brand evokes. What feelings does the marketing program for the brand evoke? How does the brand affect customers' feelings about themselves and their relationship with others? These feelings can be mild, intense, positive, or negative in nature. Kahle and colleagues point out six important types of feelings related to brand building. The first three are more experiential and immediate, increasing in level of intensity; the latter three are more private and enduring, increasing in level of gravity.

1. **Warmth.** The brand makes consumers feel peaceful, sentimental, warmhearted, or affectionate.
2. **Fun.** The brand makes consumers feel upbeat, amused, lighthearted, joyous, playful, or cheerful.
3. **Excitement.** Consumers feel energized about the brand and believe they are experiencing something special. Brands that evoke excitement may result in consumers feeling a sense of elation or a sensation that the brand is cool or sexy.
4. **Security.** The brand produces a feeling of safety, comfort, and self-assurance without worry or concerns about the brand.
5. **Social approval.** Consumers have positive feelings about the reactions of others (i.e., when consumers feel others look favorably on their appearance or behavior) to the brand. Approval may occur when others directly acknowledge the consumer using the brand or when the product itself is attributed to consumers.
6. **Self-respect.** This occurs when the brand makes consumers feel better about themselves, creating a sense of pride, accomplishment, or fulfillment.

Criteria for brand responses. Although all types of customer responses are possible when driven from both the head and heart, ultimately what matters is how positive they are. Additionally, they must be accessible and come to mind when consumers think of the brand. Brand judgments and feelings can only favorably influence consumer behavior if consumers internalize or think of positive responses in any of their encounters with the brand.

Brand Relationships

The final step focuses on the relationship and level of personal identification the customer has with the brand. Brand resonance refers to the nature of the relationship customers have

with the brand and whether they feel in synch with the brand. It is characterized by the depth of the psychological bond customers have with the brand as well as how much activity this loyalty engenders. Brand resonance can be broken down into four categories:

1. **Behavioral loyalty.** Repeat purchases and the amount or share of category volume attributed to the brand are the main attributes of behavioral loyalty. How often do customers purchase a brand and how much do they purchase? For bottom-line profit results, the brand must generate sufficient purchase frequencies and volumes.
2. **Attitudinal attachment.** Some customers may buy out of necessity if the brand is the only product readily accessible or is the only one they can afford to buy. To create resonance, the brand must be perceived as something special in a broader context. For example, customers with a great deal of attitudinal attachment to a brand may state they “love” it and describe it as one of their favorite possessions or view it as a “little pleasure” they look forward to.
3. **Sense of community.** Identification with a brand community may help customers feel a kinship with other people associated with the brand. These connections may involve fellow brand users or customers or instead may be employees or representatives of the company.
4. **Active engagement.** Perhaps the strongest affirmation of brand loyalty is when customers are willing to invest time, energy, money, or other resources into the brand beyond those expended during purchase or consumption. For example, customers may choose to join a club centered on a brand or receive updates and exchange correspondence with other brand users or formal or informal representatives of the brand. They may visit brand-related Web sites or participate in chat rooms. In this case, customers themselves become brand evangelists and help to communicate about the brand and strengthen the brand ties of others. Strong attitudinal attachment and/or sense of community are typically necessary for active engagement with the brand to occur.

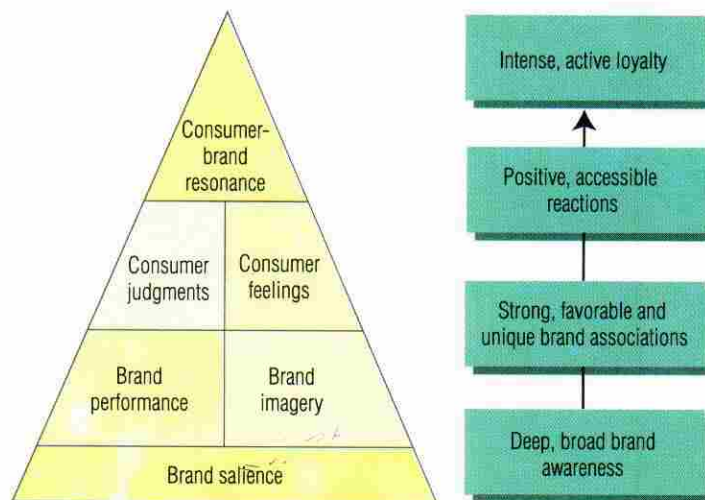
Criteria for brand relationships. Brand relationships involve two dimensions—intensity and activity. Intensity is the strength of the attitudinal attachment and sense of community. Activity refers to how frequently the consumer buys and uses the brand, as well as engages in other activities not related to purchase and consumption on a day-to-day basis. Examples of brands with high resonance include Harley-Davidson, Apple, and eBay.

Brand-Building Implications

With the CBBE model, the strongest brands excel in all six of the brand-building blocks. The most valuable building block, brand resonance, occurs when all the other brand-building blocks are completely in synch with customers’ needs, wants, and desires. (See Exhibit 3.) Simply put, brand resonance reflects a completely harmonious relationship between customers and

EXHIBIT 3

Customer-based brand equity pyramid



the brand. A brand with the right identity and meaning can result in a customer believing the brand is relevant to them. The strongest brands will be the ones to which those consumers become so attached that they, in effect, become evangelists and actively seek means to interact with the brand and share their experiences with others.

A carefully constructed and sequenced brand-building effort based on the CBBE model can help companies achieve brand resonance. Firms that are able to achieve resonance and affinity with their customers should reap a host of valuable benefits, such as greater price premiums and more efficient and effective marketing programs. Using the CBBE model, marketers can better assess how brand-building efforts are progressing and can create successful marketing research initiatives. ■

Additional Reading

Aaker Jennifer (1997), “Dimensions of Brand Personality,” *Journal of Marketing Research*, 34 (August), 347-357.

Kahle, Lynn, Basil Poulos, and Ajay Sukhdial (1998), “Changes in Social Values in the United States During the Past Decade,” *Journal of Advertising Research*, (February / March), 35-41.

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