



How to increase **brand equity** and **resonance** with today's consumer



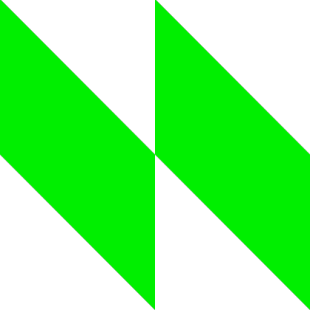


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How to increase brand equity and resonance with today's consumer

Today's consumers are choice rich and in control of how they engage with media and brands, but the consumer's spending is constrained as the pandemic took hold worldwide.

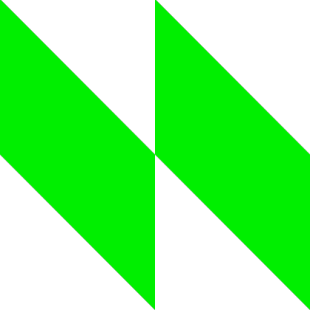
How will they choose their products in this cluttered and constantly evolving marketplace? Who will emerge from the battle of the brands winning the hearts and minds of consumers not just today but tomorrow too?

The science behind building a brand consumers love and buy is simple—give them what they want, and be real, relevant, and available in real-time.

In this whitepaper, we will explore the idea of brand equity and brand resonance, and the roles each plays in attracting today's modern consumers. We'll also discuss the challenges posed by today's rapidly evolving consumers and how to address them.

Finally, we'll explain how **NielsenIQ Winning Brands®** is empowering clients to win by measuring the indicators that truly matter to your consumers so they can react relevantly, faster.





Brand equity and brand resonance

Prof. Kevin Keller's influential Brand Equity formulation defines brand equity as
“...the differential effect that **brand knowledge** has on consumer response to the marketing of the brand.”

Keller's (1993) model focuses primarily upon the sources of brand equity (that he casts in terms of consumer knowledge) and the actions the firm takes in response to this knowledge (outcomes).

He proposed that brand knowledge consists of the level of brand awareness (both recognition and recall) and beliefs that buyers who are aware of the brand associate with it.

Not surprisingly, a tenet of the model is that positive brand equity accrues to brands that can generate strongly held, unique, and favorable associations.

Borrowing from his ground-breaking research and in conjunction with revolutionary theories provided by **Prof. Michael Solomon**, we have proposed the construct of brand resonance.

Brand Resonance refers to the reverberation of a brand's meanings within the contexts of the organization, the broader culture, and the consumer's life.

We define personal resonance as the goodness-of-fit between a brand's architecture of claimed meanings and the meanings the consumer seeks in his/her personal life.

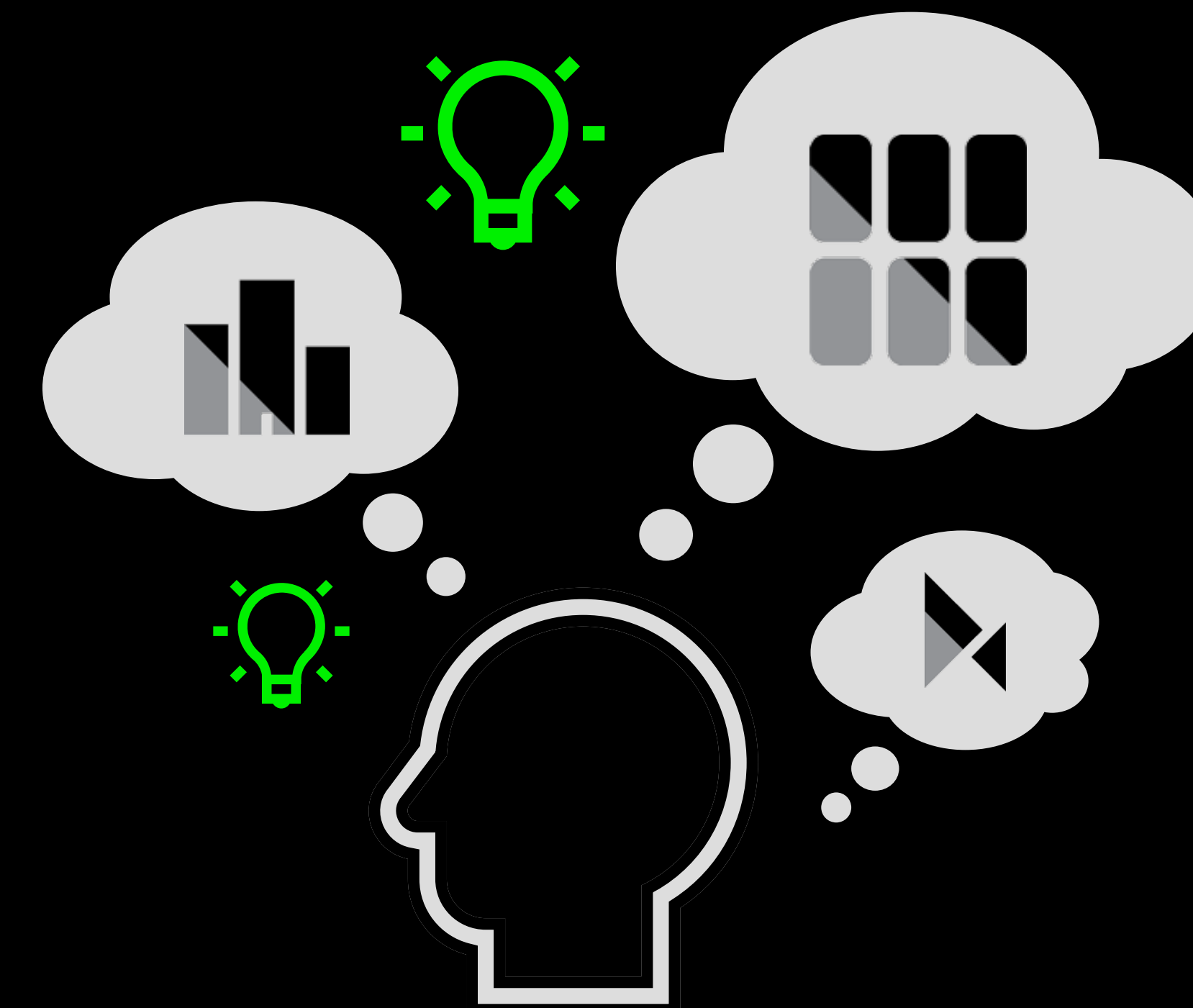
There is also an element of cultural resonance that we have factored into our methodology which reflects the degree to which claimed brand meanings reflect, reinforce, and shape meanings from the collective social space that links consumers to others in a shared language and interpretation of experience.

Challenges to increasing brand equity and resonance with consumers

Fragmentation

As a society, we no longer have a largely uniform view from dominant sources (such as network television) as we have access to a huge set of sources and there are likely to be other consumers as authority figures.

And these sources are accessible on a range of platforms as we move toward a multichannel communications environment.



Subjectivity

Today, the “truth” is more subjective (e.g., “beauty is in the eye of the beholder”) and the consumer’s unique perspectives make it problematic to lump together large groups of buyers (as we do with traditional market segmentation) and assume that they will experience brand meanings the same way.

Each of us boasts multiple identities (related to ethnic identification, occupational choices, belonging to a variety of “microcultures” built around shared preferences for food and beverages, music, designing styles, and many others).

Proactive consumption

Today, we actively use brands to define ourselves and others. This means that we don’t necessarily wait for the brand to tell us what it means. As co-creators, we play a role in modifying current brand meanings and suggesting new ones.

Thus, many brands owe their success to consumer usage and it’s cultural resonance that customers select to create and modify their social identity.

The post-pandemic consumer

The global pandemic caused serious disruptions in many aspects of our commercial lives. A NielsenIQ survey conducted in early 2021 highlights some of these important changes:

- The percentage of consumers who reported constrained spending doubled to **46%**

81% Say they will continue to restructure their spending habits

- Two in three of consumers said they changed how they shop
- Consumers are reexamining their brand choices. A notable proportion of respondents report they are making changes to their preferences, including switching brands and abandoning some brands

While it is too soon to tell which of these changes will endure as the world returns to normal, we can identify several possible outcomes:

- Further reductions in brand loyalty
- Low levels of trust for the claims brands make
- Brand revival for those that consumers believe provide significant value

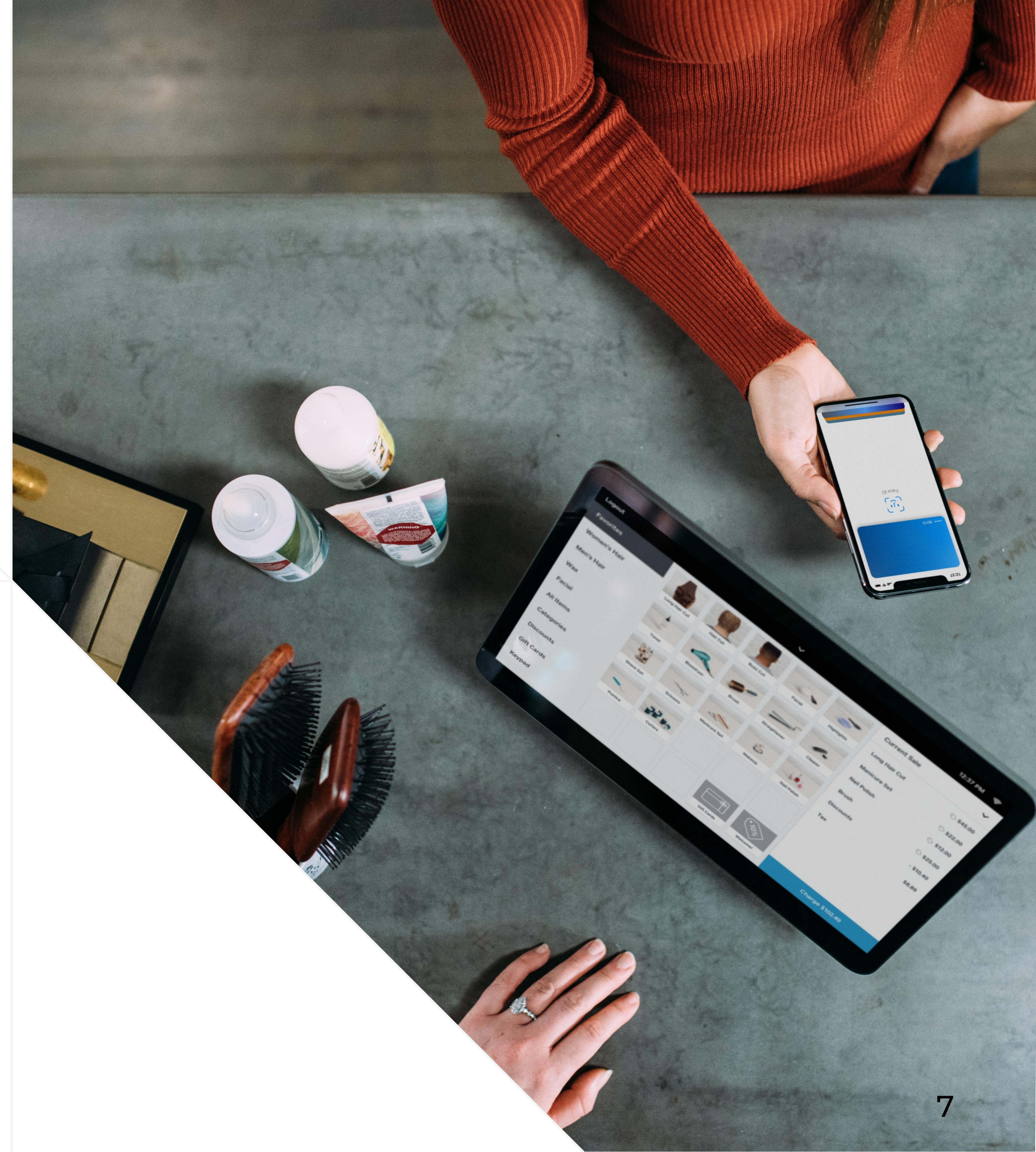
How NielsenIQ's Winning Brands® addresses consumer challenges

All of the components that make up branding boil down to one simple truth: strong brands are built upon strong meanings and brands die when their meanings lose significance in consumers' lives.

To respond to the challenges of today's evolving consumer, researchers must understand how, why, or when a brand's particular meanings come to matter in the marketplace and in consumers' minds.

After decades of brand equity research, only three evaluative meaning qualities—favorability, top-of-mind salience, and uniqueness—are repeatedly recognized as important precursors of brand strength in the marketplace. This is the foundation of NielsenIQ Winning Brands® model.

However, that alone is not enough in view of the challenges as described and the evolving consumer. As such, Winning Brands® has built upon that research to measure cultural and personal resonance.



Measuring brand resonance

NielsenIQ incorporated the facets of brand resonance in the Winning Brands® model to help brands develop a deeper psychological connection with their consumers.

Understanding **personal resonance** can establish the fit between a brand's positioning and the consumer's broader life context to become personally relevant, useful, and to evoke positive emotions for the brand.

Similarly, understanding consumer's **cultural resonance** can help shape the brand to reflect and reinforce its target consumer's cultural and social values as well as provide a sense of belonging and obligation to the brand thereby fostering stronger brand loyalty.

In order to validate the brand resonance theory, we developed a set of measures to quantify brand resonance by asking respondents to identify brands that they associate with on each of the statements in Figure 1, along with conventional brand positioning attributes related to functional and emotional benefits.

Four pilot studies were conducted among 2,259 respondents in the infant formula category in China, 875 respondents in consumer banking in Indonesia, 600 respondents in the shampoo category in Germany, and 301 respondents in the smartphone category in KSA.



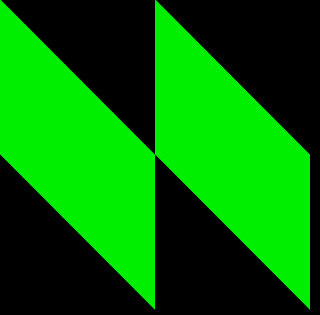


Figure 1. Brand resonance attributes

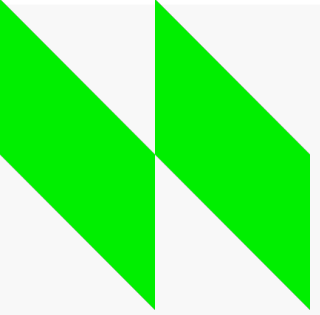
Association of brands on personal and cultural meaning resonance

Personal resonance

Personal resonance	I use this brand because it reflects how I feel about myself
Emotional vibrancy	This brand is more interesting than other brands
Interdependency	I would miss it if I didn't use this brand regularly
Intimacy	I look forward to this brand's activities/ads
Personal co-creation	This brand has been involved in a lot of my memories
Sustainability	This brand provides environmental and social benefits to me

Cultural resonance

Community	I feel like I have a lot in common with other people who use this brand
Cultural bedrock	This brand has qualities that are consistent with important values in my life
Meaning opposition	This brand allows me to express different dimensions of myself
Role resonance	People who use this brand tend to have similar attitudes and beliefs about a lot of things
Currency value	People who know what's new and "cool" in the world are more likely to use this brand
Category resonance	This brand is the most well-known brand in it's category
Cultural co-creation	A lot of people who use this brand tell their own stories about why they like it
Multivocality	This brand means different things to different people



The findings indicate that brand resonance has a stronger impact on brand equity versus the traditional brand positioning attributes related to functional and emotional benefits. This indicates that we are able to advise marketers on how to manage and leverage brand meanings to drive stronger brand equity.

Nonetheless, brand equity alone is only part of the picture. It is equally important to investigate the effectiveness of marketing execution in converting brand equity to sales thereby maximizing the full potential derived from brand equity. Hence, the marketing impact metric is added to the model.

When we added these components highlighted in green in Figure 2, we found it yielded a more exhaustive focus on brand resonance to create stronger bonds with consumers and manage the marketing mix effectively to grow brands and uncover the “why” behind brand performance.

The enhanced model exhibited provides additional clarity and precision to our understanding of brand and consumers.

The significant gains in predictive power when we incorporate brand resonance measures attest to the value of considering these kinds of linkages as clients deploy their brands around the world.

Additionally, the framework for this methodology is consistently being fine-tuned and updated to evolve over time and has seen significant enhancement in the last 18 months alone.

Figure 2. Deconstruct the components of brand health

Identify where your brand stands and fine-tune your marketing activities

Sources of equity

What people know

Brand saliency
Quality of brand awareness

Consideration
Brand used/consumed
Future consideration

Brand positioning

- **Brand resonance**
- Functional benefits
- Emotional benefits
- Brand personality

Outcomes of equity

What people are willing to do

Brand equity index

- Favorite brand
- Recommendation
- Willingness to go the extra mile / per price premium

Marketing activation

(converts or diverts equity)

Marketing impact index
Consumers' evaluation of the brand's marketing P's

- Product (packaging)
- Place
- Price
- Promotion
- People (customer service/word of mouth)

Stronger in-market performance

- Market share
- Sales / profits
- Consumer loyalty

Long-term brand building

Short-term activation

So what is Winning Brands® anyway?

Winning Brands® is NielsenIQ's Brand Health Measurement and Management solution that provides the relevant market insights to navigate your brand for sustainable growth. It encompasses a suite of modules that addresses all brand research needs from simple tracking to in-depth brand reviews.



Navigate your brand with Winning Brands®

Complete tool kit and roadmap to identify opportunities, differentiate your brand, and measure what matters to accelerate growth in a changing market landsaape

1

Discover your market

Uncover the “why” behind brand choices and target your most profitable consumers

4

Delight your consumers

Create coherent, memorable brand interactions, and experiences

2

Distinguish your brand

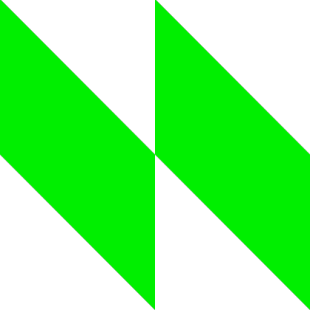
360° view to build a stand-out brand consumers love and use

3

Engage your target

Make your ad work harder, get consumers’ attention, appeal, and action





How does it work?

Winning Brands® uses a customizable, validated approach to connect insights from surveys, social media listening, search, and continuous market measurement of what consumers buy with consultative expertise and analytical prowess, to help brands build stronger share of heart, mind, and market.

That's why the Winning Brands® methodology monitors the essential measures of brand health (equity, share, stature, and positioning, distribution, price, and promotions) to help you resolve specific issues you're having obtaining market share in your segment.

This strong theoretical foundation provides validation to our model and offers a strong linkage to in-market performance led by experienced consultants, industry specialists, and brand experts.

Now let's take a look at our model in action by reviewing one of our client success stories.

Winning Brands® in action

A leading alcoholic brand in the Philippines came to NielsenIQ with hopes of helping their brand bounce back and retain leadership in their segment.

► The problem

The client's market leadership was being threatened by a continuous decline in market share. They needed to identify the reasons behind the decline and mitigate it with a more effective marketing plan.

► The solution

With Winning Brands® insight, the client was able to revise their restock schedule in line with consumption frequency to rectify out of stock and their under-leveraged position.

Furthermore, they were able to push a smaller SKU value segment to improve brand penetration and sales.

Additionally, they improved taste experience by leveraging mixer promotion supported by communication.

► Results

With the help of Winning Brands®, our client was able to:

- Widen the gap with competition.
- Facilitate the successful launch of a new mixer.
- Minimize out of stock situations guided by consumers' drinking habits.
- Attract a commendable client testimonial.

To learn more about Winning Brands® and how our solution can be customized to help your organization achieve its unique brand equity goals, [schedule a consultation today.](#)