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Keller's Brand Equity Model

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Building a Powerful Brand

Do you know what makes a brand strong? And if you had to make yours stronger, would you know how to do it?

Many factors influence the strength of a particular product or brand. If you understand these factors, you can think about how to launch a new product effectively, or work out how to turn a struggling brand into a successful one.

In this article, we'll look at Keller's Brand Equity model. This tool highlights four steps that you can **follow** to build and manage a brand that customers will support.

Overview

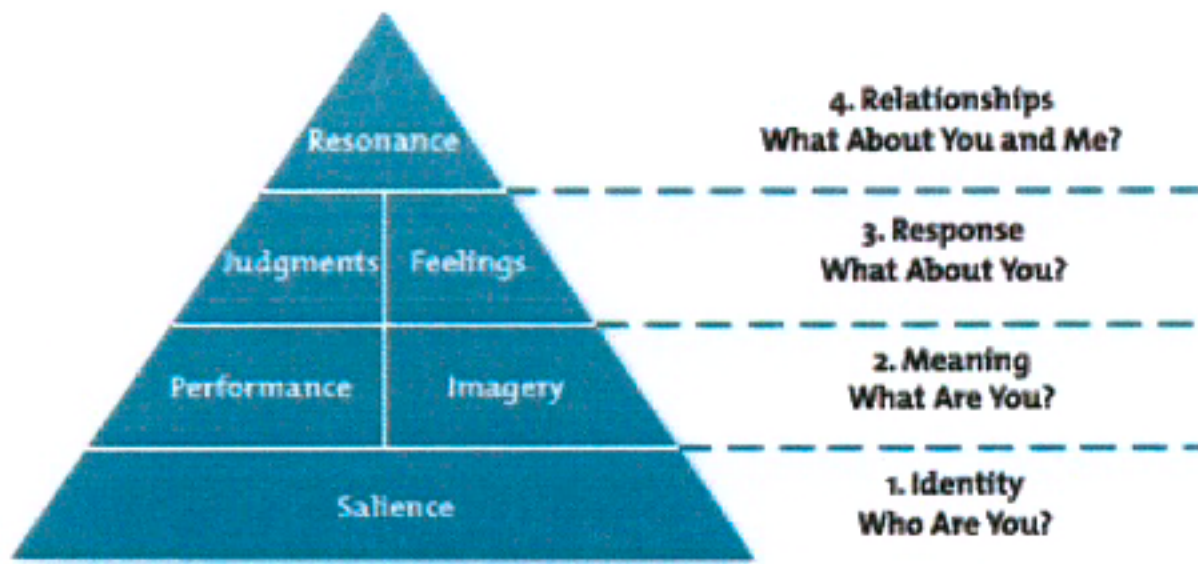
Keller's Brand Equity Model is also known as the Customer-Based Brand Equity (CBBE) Model. Kevin Lane Keller, a marketing professor at the Tuck School of Business at Dartmouth College, developed the model and published it in his widely used textbook, "**Strategic Brand Management**."

The concept behind the Brand Equity Model is simple: in order to build a strong brand, you must shape how customers think and feel about your **product**. You have to build the right type of experiences around your brand, so that customers have specific, positive thoughts, feelings, beliefs, opinions, and perceptions about it.

When you have strong brand equity, your customers will buy more from you, they'll recommend you to other people, they're more loyal, and you're less likely to lose them to competitors.

The model, seen in figure 1, illustrates the four steps that you need to follow to build strong brand equity.

Figure 1 – Keller's Brand Equity Model



From "Strategic Brand Management: Building, Measuring, and Managing Brand Equity" by Kevin Lane Keller. © Pearson Education Limited 2013.

The four steps of the pyramid represent four fundamental questions that your customers will ask – often subconsciously.

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The four steps contain six building blocks that must be in place for you to reach the top of the pyramid, and to develop a successful brand.

Applying the Model

Let's look at each step and building block in detail, and discuss how you can apply the framework and strengthen your brand.

Step 1: Brand Identity – Who Are You?

In this first step, your goal is to **create** "brand salience," or awareness – in other words, you need to make sure that your brand stands out, and that customers recognize it and are aware of it.

You're not just creating brand identity and awareness here; you're also trying to ensure that brand perceptions are "correct" at key stages of the buying process.

Application

To begin, you first need to know who your customers are. Research your market to gain a thorough understanding of how your customers see your brand, and explore whether there are different **market segments** 🡕 with different needs and different relationships with your brand.

Next, identify how your customers narrow down their choices and decide between your brand and your competitors' brands. What decision-making processes do your customers go through when they choose your product? How are they classifying your product or brand? And, when you follow their decision making process, how well does your brand stand out at key stages of this process?

You are able to sell your product because it satisfies a particular set of your customers' needs; this is your **unique selling proposition** 🡕, or USP. You should already be familiar with these needs, but it's important to communicate to your customers how your brand fulfills these. Do your clients understand these USPs when they're making their buying decisions?

By the end of this step, you should understand whether your clients perceive your brand as you want them to, or whether there are specific perceptual problems that you need to address – either by adjusting your product or service, or by adjusting the way that you communicate your message. Identify the actions that you need to take as a result.

Step 2: Brand Meaning – What Are You?

Your goal in step two is to identify and communicate what your brand means, and what it stands for. The two building blocks in this step are: "performance" and "imagery."

"Performance" defines how well your product meets your customers' needs. According to the model, performance consists of five categories: primary characteristics and features; product reliability, durability, and serviceability; service effectiveness, efficiency, and empathy; style and design; and price.

"Imagery" refers to how well your brand meets your customers' needs on a social and psychological level. Your brand can meet these needs directly, from a customer's own experiences with a product; or indirectly, with targeted marketing, or with word of mouth.

A good example of brand meaning is Patagonia®. Patagonia makes high-quality outdoor clothing and equipment, much of which is made from recycled materials.

Patagonia's brand performance demonstrates its reliability and durability; people know that their products are well designed and stylish, and that they won't let them down. Patagonia's brand imagery is enhanced by its commitment to several environmental programs and social causes; and its strong "reduce, reuse, recycle" values make customers feel good about

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Application

The experiences that your customers have with your brand come as a direct result of your product's performance. Your product must meet, and, ideally, exceed their expectations if you want to build loyalty. Use the **Critical to Quality Tree** and **Kano Model Analysis** models to identify your customers' needs, and then explore how you can translate these needs into a high-quality product.

Next, think carefully about the type of experience that you want your customers to have with your product. Take both performance and imagery into **account**, and create a "brand personality." Again, identify any **gaps** between where you are now and where you want to be, and look at how you can bridge these.

Step 3: Brand Response – What Do I Think, or Feel, About You?

Your customers' responses to your brand fall into two categories: "judgments" and "feelings." These are the two building blocks in this step.

Your customers constantly make judgments about your brand and these fall into four key categories:

- **Quality:** Customers judge a product or brand based on its actual and perceived quality.
- **Credibility:** Customers judge credibility using three dimensions – expertise (which includes innovation), trustworthiness, and likability.
- **Consideration:** Customers judge how relevant your product is to their unique needs.
- **Superiority:** Customers assess how superior your brand is, compared with your competitors' brands.

Customers also respond to your brand according to how it makes them feel. Your brand can evoke feelings directly, but they also respond emotionally to how a brand makes them feel about themselves. According to the model, there are six positive brand feelings: warmth, fun, excitement, security, social approval, and self-respect.

Application

First, examine the four categories of judgments listed above. Consider the following questions carefully in relation to these:

- What can you do to improve the actual and perceived quality of your product or brand?
- How can you enhance your brand's credibility?
- How well does your marketing strategy communicate your brand's relevancy to people's needs?
- How does your product or brand compare with those of your competitors?

Next, think carefully about the six brand feelings listed above. Which, if any, of these feelings does your current marketing strategy focus on? What can you do to enhance these feelings for your customers?

Identify actions that you need to take as a result of asking these questions.

Step 4: Brand Resonance – How Much of a Connection Would I Like to Have With You?

Brand "resonance" sits at the top of the brand equity pyramid because it's the most difficult – and the most desirable – level to reach. You have achieved brand resonance when your customers feel a deep, psychological bond with your brand.

Keller breaks resonance down into four categories:

- **Behavioral loyalty:** This includes regular, repeat purchases.

- **Sense of community:** Your customers feel a sense of community with people associated with the brand, including other consumers and company representatives.
- **Active engagement:** This is the strongest example of brand loyalty. Customers are actively engaged with your brand, even when they are not purchasing it or consuming it. This could include joining a club related to the brand; participating in online chats, marketing rallies, or events; following your brand on social media; or taking part in other, outside activities.

Application

Your goal in the last stage of the pyramid is to strengthen each resonance category.

For example, what can you do to encourage behavioral loyalty? Consider gifts with purchase, or customer loyalty programs.

Ask yourself what you can do to reward customers who are champions of your brand. What events could you plan and host to increase customer involvement with your brand or product? List the actions that you could take.

Example

Julie has recently been put in charge of a project to turn around an under-performing product. The product is a high quality, fair trade, organic tea, but it's never achieved the sales and customer loyalty that the organization expected. Julie decides to use the brand equity pyramid to think about the turnaround effort.

Step 1: Brand Identity

Julie's target customers are mid to high income, socially conscious women.

After careful analysis, she knows that she is marketing in the correct category, but she realizes that her marketing efforts aren't fully addressing customer needs. She decides to change the message from "healthy, delicious tea," to "delicious tea, with a conscience," which is more relevant and meaningful to her target market.

Step 2: Brand Meaning

Next, Julie examines the product's meaning, and looks at how the company communicates that meaning to its customers.

The performance of the tea is already moderately high; it's a single-source, fair trade tea of a higher quality than the competition's product. After assessing the organization's service effectiveness, Julie is disappointed to find that many of her representatives lack empathy with customers who complain. So, she puts everyone through a comprehensive customer service class to improve responses to customer complaints and feedback.

Last, Julie decides to post to the company's website personal stories from the fair trade farmers who grow and pick the tea. By doing this, she aims to educate customers on how beneficial this practice is for people around the world.

Step 3: Brand Response

After going over the four brand response judgments, Julie realizes that perceived quality might be an issue. The tea itself is high quality, but the pack size is smaller than the ones her competitors use. Julie doesn't want to lower the price, as this might affect how customers assess quality, so she decides to offer more tea in each box in order to surpass customer expectations.

She also decides to enhance the tea's credibility by becoming fair trade certified through an independent third-party organization.

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Step 4: Brand Resonance

Julie knows that her target customers care deeply about fair trade. She decides to promote the organization's efforts by participating in a number of fair trade events around the country.

She also sets up a social networking framework to involve customers in the organization's fair trade efforts, and she creates a forum on the company website where customers can discuss issues surrounding fair trade. She also commits to championing the efforts of other fair trade organizations.

Key Points

Keller's Brand Equity model is also known as the Customer-Based Brand Equity (CBBE) Model. Kevin Lane Keller developed the model and published it in his widely used textbook, "Strategic Brand Management."

Within a pyramid, the model highlights four key levels that you can work through to create a successful brand. These four levels are:

- 1. Brand identity.
- 2. Brand meaning.
- 3. Brand responses.
- 4. Brand relationships.

Within these four levels are six building blocks that further help with brand development. These six building blocks are salience, performance, imagery, judgments, feelings, and resonance.

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