BRAND EQUITY- THE RULER

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ABSTRACT

Globally, the brand equity is given more significance by corporate. The article highlights the importance of brand equity and analyses the reasons behind the importance of brand equity in firms.

Keywords - Brand, Brand equity, Management and Corporate

Brand equity refers to the marketing outcome that accrue to a product with its brand name compared with those that *would* accrue if the same product did not have the brand name. In other words, consumers' knowledge about a brand makes manufacturers/advertisers respond differently or adopt appropriately adept measures for the marketing of the brand. The study of brand equity is gaining importance globally as some researchers have concluded that brands are one of the most valuable assets of the company. Brand equity is one of the main factors which can increase the financial value of a brand to the brand owner. Elements that can be included in the valuation of brand equity also includes: changing market share, profit margins, consumer recognition of logos and other elements, brand associations made by consumers, consumers' perceptions of quality and other relevant brand values.

There are many ways to measure a brand. The levels are listed below ;

Firm Level

Firm level approaches measure the brand as a financial asset. In short, a calculation is made regarding how much the brand is worth as an intangible asset. For instance, if you were to take the value of the firm, as derived by its market capitalization - and then subtract tangible assets and "measurable" intangible assets- the residual would be the brand equity.

Product Level

The classic product level brand measurement example is to compare the price of a unbranded or private label product to an "equivalent" branded product. The difference in price, assuming all things equal, is due to the brand. More recently a revenue premium approach has been advocated.

Consumer Level

This approach seeks to map the mind of the consumer to find out what associations with the brand the consumer has. This approach seeks to measure the brand awareness and brand image. Brands with high levels of awareness and strong, favorable and unique associations are high equity brands.

A brand equity is the positive effect of the brand on the difference between the prices that the consumer accepts to pay when the brand known compared to the value of the benefit received.

There are two schools of thought regarding the existence of negative brand equity. One school of thought states brand equity cannot be negative, hypothesizing only positive brand equity is created by marketing activities such as advertising, PR, and sales promotion. A second perspective is that negative equity can exist, due to catastrophic events to the brand, such as a wide product recall or continued negative press attention. The term "negative brand equity" may be used to describe a product or service where a brand has a negligible effect on a product level when compared to a no-name or private label product. The brand-related negative intangible assets are called "brand liability", compared with "brand equity".

The brand management and product management divisions of a company actively seeks strong brand equity in the marketplace. One common method of gaining equity is through advertising campaigns that promote the brand. Messages that are delivered through advertising are created by the company, with the assistance of facilitating agencies unlike other factors which are beyond corporate control.

Publicity and consumer reviews of a brand are aspects of brand equity not managed by the company. Depending on the source, the effects of these factors may affect the brand perception positively or negatively. While companies actively pursue positive reviews and articles, they can be damaged by negative press or media coverages. Companies or products with the strongest equity tend to be those with the highest market share and profits.

Brand equity influences customer loyalty. The recent research findings clearly showed, according to the Pearson correlation conducted between the consumer perception of the product equity and the consumer loyalty, a positive significant relationship on an intermediate-high level. In other words, the higher the consumer evaluates the brand equity, the greater his loyalty becomes. Namely, as a product has higher perceived importance in the consumer's opinion, he searches for additional added value beyond his brand perception.

In addition, positive significant relationships were found between all the indices of the variable of brand equity and all the indices of the variable of customer loyalty. The level of relationships was intermediate high. The strongest positive relationship, relatively, is between real assets and repeat purchase, while the weakest relationship, relatively, was found between the non-real assets and recommendation to the friends.

Additional findings reinforce the importance in the creation of brand equity. It is also found that the brand equity contributes significantly to the prediction of the consumer loyalty.

To conclude, in light of the scientific literature and the research findings, that there is a positive relationship between brand equity and consumer loyalty. This relationship is stronger as the level of involvement is lower. In other words, the more the brand is familiar and established and perceived by the consumer as stronger, the more the consumer will develop loyalty to it and there is a greater chance of the repeat purchase of the product.

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