

Practical, Empirical Brand Equity Research Enables Better Strategic Decisions

Why Should Executive Management Care About Brand Equity?

Executive management depends on quantifiable metrics and measurable actions for making decisions about how to run their business more effectively. Manufacturing and finance lend themselves well to rigorous quantification. Unfortunately, marketing traditionally does not. In many business-to-business companies, marketing measurement is primarily carried out at the tactical level. This fails to provide strategic information and insight for making big-picture decisions on how to better manage the company and gain competitive advantage.

For most B-to-B companies, measuring brand equity is not perceived as a strategic imperative. In many cases, it isn't measured at all. B-to-B brand equity, however, is something that can be measured and given value. It represents the sum of knowledge, perception and experience a company has in a market. Many marketers take a shortcut and simply use publisher “awareness studies” or “branding studies” to gain superficial insights. For the most part, these free and low-cost studies are worth what you pay for them. Often, they are put on the shelf and ignored, which, given their validity, may not be a bad idea. But even when the studies are used to formulate action, management has to invest one, two years—maybe more—before another assessment is done to see how the company's actions impacted brand equity.

In today's fast-paced business world, waiting two years for answers on how to drive greater brand value and equity is not acceptable. Management needs a better way to understand B-to-B Brand Equity—a way that yields actionable, strategic insights faster.

Many executives are looking for answers now on the impact of strategic and tactical actions they are considering. Answers to questions like: What impact will a given strategic decision have on our brand? What impact will our tactical efforts have on the competition? If our competitors take a certain action or change positioning, how will our brand be affected? Answers to these questions and others like them need to be understood with a greater sense of urgency for marketing to offer strategic value. That value is available now.

Executives in B-to-B companies can take advantage of a B-to-B brand equity assessment tool that addresses these needs. It provides meaningful overall brand assessment information. It offers specific insight into the components that make up brand equity—attributes that can be acted upon. In addition, through the proven use of analytics and modeling, it provides real-time knowledge and insight into the impact of strategic actions on overall brand equity and its components, and the impact of actions on the brand equity of competitors. The assessment tool that answers these needs is the B-to-B Brand Equity Analyzer.

Taking Brand Assessment to the Next Level

In order to obtain a robust assessment of overall B-to-B brand equity, value measurements must be taken across all phases of the buying process. These phases may be grouped into three main categories:

- EXPOSURE—awareness, familiarity and purchasing
- AFFINITY—interest, satisfaction, recommendations
- PREFERENCE—favorite brands, loyalty, explanations (why did I/would I buy)

Simply put, brand equity is a combination of these three, and can be given a “score” or value for each competitor studied.

$$\text{Brand Equity} = \text{Exposure} + \text{Affinity} + \text{Preference}$$

This approach provides a far more meaningful and useful assessment than the simple awareness studies and traditional brand assessment studies used by most B-to-B marketers. To further elevate the brand equity measurement process to the level required by the executive suite, sophisticated analytics and modeling techniques can be used to allow simulations based on proposed actions. By using the Exposure, Affinity and Preference scores and understanding the attributes that make up these scores, executives can answer questions such as:

- Where do we stand, relative to our competitors, on attributes “X” and “Y”?
- What will be the overall impact on the preference for our brand if we focus on “X” and improve it by 10%?
- What about if we made a 5% improvement in “Y”?
- How will these changes affect our competition?
- What if our key competitor takes action that improves their standing in “X” or “Y”?

These scenarios can be explored virtually, yielding immediate, actionable knowledge to make better strategic decisions.

How Does B-to-B Brand Equity Analyzer Stack Up Against Conventional B-to-B Awareness and Branding Studies

The B-to-B Brand Equity Analyzer is a purpose-built tool for B-to-B marketers, jointly developed by Godfrey and [Decision Analyst](#), a leading global marketing research company headquartered in Arlington, Texas. The B-to-B Brand Equity Analyzer is a strategic tool for assessing the strength of a company’s brand relative to competitors in its market. Through the use of advanced analytics and modeling, it offers insight executives need to make better strategic decisions that will drive business success. The B-to-B Brand Equity Analyzer is the only business tool that fits this requirement.

Key Strategic Marketing Questions	Awareness Studies	Branding Studies	B-to-B BEA
To what extent are our customers aware of us vs. our competition?	✓	✓	✓
What is their level of affinity for our company?		✓	✓
To what extent do they prefer our competitors?	✓	✓	✓
How do certain actions impact the strength of our brand?			✓
How will certain actions impact the strength of our competition?			✓
Can I discern the impact of considered actions virtually and in real-time?			✓

For more information, contact LANCE BAIRD at 717-393-3831.

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Godfrey provides full-service, integrated business-to-business branding and marketing communications services. The agency offers research, brand management, advertising, public relations, digital marketing, search (SEO and SEM), media, direct marketing and analytics services.