

# Can marketing help a company building brand equity?

Shreyansh Kaushik<sup>1</sup>, Chitvan Gupta<sup>2</sup>, Bijay Agarwal<sup>3</sup>, Kushal Poddar<sup>4</sup>, Dr. Abhilasha Raj<sup>5</sup>

Student<sup>1234</sup>, Faculty Guide<sup>5</sup>

Amity Law School

## Abstract

As we all know that the companies are shifting their focus, they nowadays try to focus more of the consumers rather than the customers and the general perception or image of the brand is more important than ever. In the global market there is the rough estimation of about 74% of the customers are now focused on how the brands themselves are treating their customers, their employees, and the social and legal environment around them. It has become a general conception that if the company is treating their own people with care, then it is with most certainty the company can offer more.

But, to stay during development or to exist in the market a larger number of companies are now using an extensively complicated marketing strategies which altogether boost the overall image of the brand, and which can help in increasing profits while maintaining their customer loyalty towards their product.

## Research Question

1. What is marketing and how it is important?
2. What is the role of brand equity in marketing?
3. Why branding is an important aspect of marketing?
4. How to measure and build the brand equity?
5. What is brand health and the risks associated with it?

## Statement of Problem

For the analysis of how marketing can help in building brand equity and why it is an important aspect of marketing as well as how it is measured and all the risks and damages that are associated with it.

## Marketing

Marketing is a term which is related to make public aware about our product or services and which eventually persuades them to purchase the same. On the other hand, advertising refers to the most common type of marketing which also include research, product design, and other aspects which is related to the marketing. For this reason, it is important to have a good understanding of the importance of marketing to companies and his B2B marketing strategies adopted by companies. The purpose of marketing is to constantly survey and analyse consumers, conduct focus groups, send out surveys, study their online shopping habits<sup>1</sup>.

<sup>1</sup><https://www.investopedia.com/terms/m/marketing.asp#:~:text=Investopedia%20%2F%20Lara%20Antal-,What%20Is%20Marketing%3F,on%20behalf%20of%20a%20company>

## Importance of Marketing

1. **Effective consumer engagement:** A business needs to appeal to its customers, and this is where marketing has proven to be an effective tool. You can get engagement.
2. **Building and maintaining reputation:** A company's reputation is determined by how it grows and survives. This is where marketing comes into play to build a company's brand equity.
3. **Building relationships between customers and companies:** For your business to grow, you need to build long-term relationships with your customers. Marketing is based on demographics, psychographics, and consumer behaviour so you know what your customers want.
4. **Increase sales:** Marketing has many ways to promote your products and services, which will likely increase your sales. Satisfied customers will automatically promote our product on a very big scale.
5. **Stay relevant:** Marketing helps businesses stay relevant to their customers and their domains. Helps maintain good relationships.
6. **Make informed decisions:** A fundamental question that every business asks has to do with how and why they manufacture their products or provide their services. This highlights the importance of marketing to business and the fact that it connects business and society.

## Role of Brand Equity in Marketing

It is important for a company to be unique and different from the other companies and the most valuable asset for a company would be something that we can't see, or touch and it also doesn't appear on the balance sheet so, the perfect term would be the brand equity! Brand equity is what makes a company unique from another company and it is essential for the success of the company<sup>2</sup>.

When a company enjoys brand equity, it means that it has successfully discerned itself from its competition by offering excellent product quality, client service and rolled out a seductive marketing crusade.

1. **Gain Recognition:** The brand equity helps a company to gain recognition from the consumers by the way of effective marketing, it encourages its consumers to spend further on the brand rather than going to its challengers.
2. **Competitive Advantage:** Brand equity brings a competitive advantage thereby making it easier for marketing conditioning involved in launching a new product line, expanding in new topographies, and releasing new performances of the being products as there's formerly an established trust for the brand.
3. **Lower Marketing Costs:** Strong brand equity enjoys lower marketing costs as it's formerly a popular brand and doesn't need heavy investment in selling its products. Because brands are well known to consumers, no education or mindfulness is needed, reducing marketing costs and hassles.

<sup>2</sup><https://www.forbes.com/sites/theyec/2021/07/12/brand-equity-why-it-matters-and-how-to-build-it/?sh=6836b9ae10de>

## Branding an Important Aspect of Marketing

1. **Branded Keyword Monitoring:** A brand's value is not its name. Trademarks can also be associated with logos, slogans, fonts, slang, etc. Brands should track all keywords related to their brand. So, McDonald's wants to track not only their own name, but also "McD's," "I'm Lovin' It," etc.
2. **Industry/Competitor Trends Insights:** While you shouldn't copy your competitors directly, it's useful to evaluate what branding strategies work against them. Burger King, for example, has gained a lot of new and returning customers with the introduction of "Beyond Whopper." Instead of offering a "Beyond Big Mac," McDonald's should try to position its brand to capitalize on similar trends in other ways.
3. **Brand Reputation Tracking:** Regardless of the platform you use to file a complaint, it's important to let unsatisfied customers speak up. Even if brands don't respond directly, their criticism can give important direction to branding strategies. By monitoring social media and other customer-based platforms, you can learn how to provide better customer experiences and maintain a loyal customer base.
4. **Sentiment Analysis:** A list of branded keywords lets you see what people are saying about your brand across the web. Generally, these tools can categorize feedback as positive, negative, or mixed based on the tone of the commenter, and categorize overall sentiment by channel.

## How to measure Brand Equity

1. **Financial figures:** Executives always want to see a positive record to ensure their brand is profitable and viable. You should be able to extrapolate from data market share, profitability, sales, price, growth rate, customer retention cost, new customer acquisition cost, brand investment. You can use solid financial metrics to show how important your brand is to your business and free up more marketing budget to keep growing<sup>3</sup>.
2. **Strength index:** Strong brands are more likely to survive change and offer more brand equity, so measuring their strengths is important. Alongside surveys using open-ended questions, social media monitoring can help you understand your brand's popularity and popularity (or popularity).
3. **Consumer metrics:** Customers, not businesses, build brands, so it's important to track consumer buying behaviour and sentiment towards brands. Track and measure brand relevance, emotional connection, values and brand awareness through surveys and social media monitoring. A good text analysis software that can interpret open-ended text comments is especially helpful here in gathering sentiment and suggestions.
- 4.

## Steps to Build Brand Equity

### Step 1 - ID: create consciousness

Start with the base of your brand identity. Build basic awareness of your brand. Let customers recognize your brand and see it the way you intended.

<sup>3</sup> <https://www.pica9.com/blog/measure-brand-equity>



**Step 2 – Meaning:**

Communicate what your brand means and stands for. Understand what your brand means (“performance”) and what it means (“image”). Performance describes how well a product meets customer needs. Images relate to their social and psychological aspects. For example, a company that is committed to being environmentally responsible builds customer loyalty and attracts employees who empathize and uphold those values.

**Step 3 - Answer:**

Customers respond to brands through judgment and emotion. Judgments relate to things like quality, reliability, how relevant the product is to customer needs, and whether the brand is better than its competitors. Positive emotions include warmth, fun, excitement, security, social approval, and self-esteem.

**Step 4 - Relationships:**

Deepen ties with your customers. The most powerful and most difficult level to reach in the Brand Equity Pyramid is Resonance. This is related to building deeper customer relationships. Achieving this means your customers have built a deep psychological bond with your brand. They make repeat purchases and feel connected to brands and products. You may feel a sense of community with other consumers and businesspeople. You can also take advantage of being a brand ambassador by participating in online chats, attending events, and following the brand on social media such as Twitter and Facebook. This connection with brand equity is extremely valuable.

**Brand Health and the Risks Associated with it.**

Brand health is a general indicator of how effectively your brand is meeting its business goals. Brand health research seeks to reveal this information by tracking what consumers think of brands, especially when they are within the brand's sphere of influence<sup>4</sup>.

1. **Brand Loyalty:** You can measure customer loyalty for your brand by collecting feedback from existing customers about their interactions with your brand and their likelihood of buying from your brand again. This is one of the reasons many businesses use receipts, asking customers to complete a survey about their experience and their likelihood of coming back for a small fee.
2. **Brand Awareness:** Brand awareness measures whether customers can recognize your brand, even if it's superficial information. For example, consider the Starbucks example earlier in this article. Or if a consumer were asked to quickly identify his three coffee shops, what are the odds that Starbucks would appear on that list?
3. **Brand Recall:** These measures how well consumers remember a brand's message. One of her methods that advertisers use to explore brand recall is to have consumers view multiple ads and ask them to describe the one they remember. This allows you to differentiate the most effective parts of your branding strategy from similar brands. Brand Associations - When trying to capture real estate in the minds of consumers, it's important to identify who your 'brand neighbours' are. Imagine a specific market that associates Shake

<sup>4</sup> <https://www.questionpro.com/blog/brand-health/>

shack with McDonald's. They offer similar products, and McDonald's is very successful, but it's not an association that lends to Shake shack's fast-casual image.

4. **Brand Positioning:** Creating a unique product and message is key to making your brand stand out from the competition. Therefore, it is important to monitor your competitors and position your company in a way that allows you to differentiate yourself from other brands. For example, among the many fast-food chains that offer burgers and fries, his Chick-Fil-A is the only brand that offers waffle fries. By observing not only your own brand, but also that of your competitors, you can better understand your own strengths and weaknesses and increase your brand's market share.

Recognizing the risks associated with improving brand health is an important part of the brand journey. One of his ways of assessing these risks is by looking at them from the perspective of customers and employees. You need to be aware of your brand reputation. By using social media to manage your online presence, you can monitor customer feedback more directly to ensure that your customers are satisfied with your product. Alternatively, it is important to properly hire, train and develop employees. This allows your employees to share the same vision for your company as you. Recognizing these brand health risks and creating a plan to address them will add value to your business and help you retain more customers.

## Conclusion

Brand Equity is very important to any modern business. It helps in building positive perception of the company amongst the consumers, also it is far easier to be successful. Through this the customers will keep coming back again and again for more and sometimes they will recommend the brand to the other consumers as well. It helps in reducing the negative brand equity which is tough, and which promotes negative marketing. The companies have an unfavourable reputation which is very hard to maintain, and the members of the company work twice hard to maintain it and win the hearts of the consumers.