Branding Return on Investment: Erfolgsfaktoren und -auswirkungen des Markenmanagements

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The Entrepreneur Club

Solothurn

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- **Branding**

  z.B.

  - Authentizität

  - Markenpersönlichkeit

  - Markenimplementierung

  - Luxusmarken
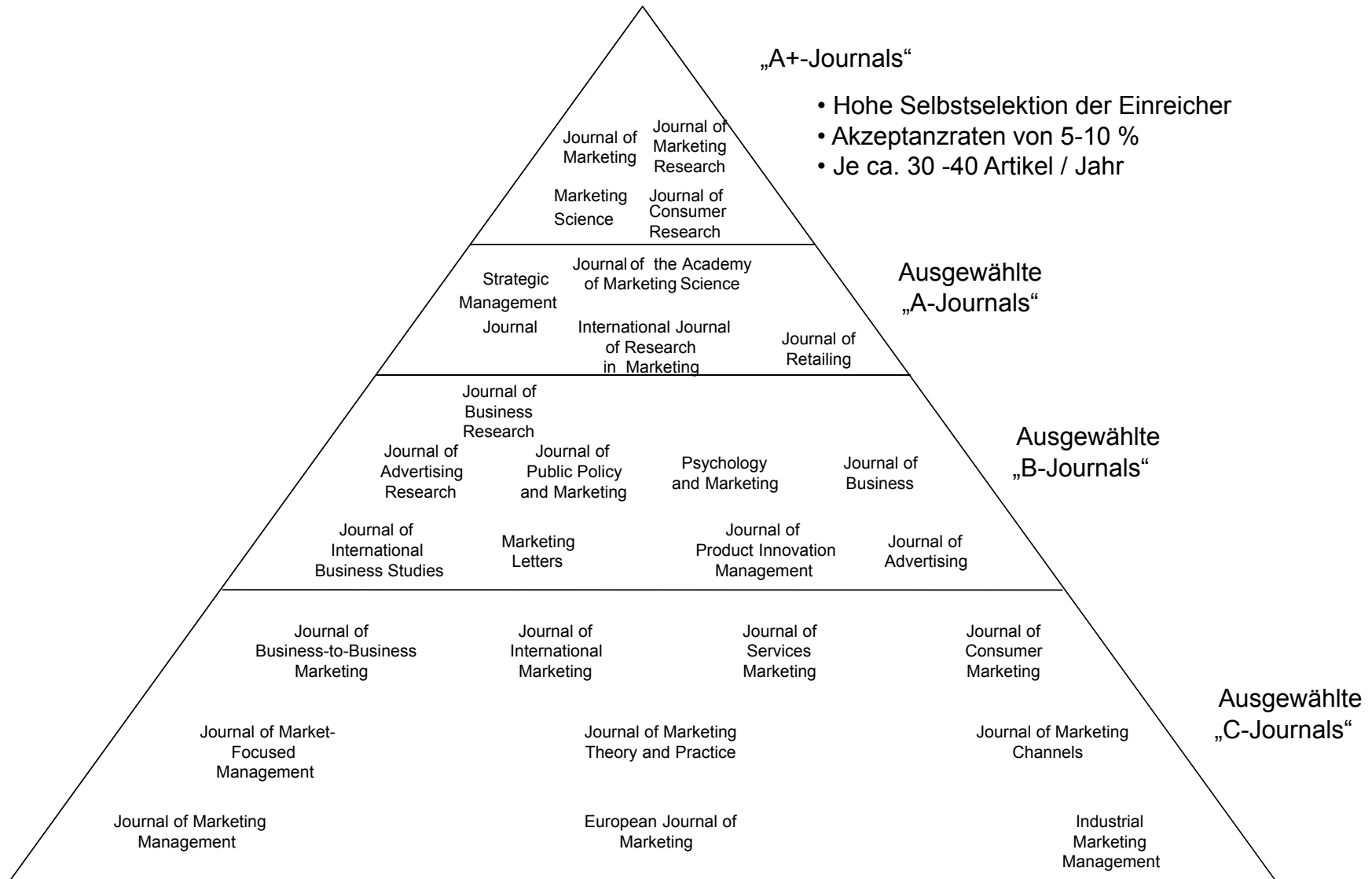
  - Branding ROI

- **Preismanagement**

  z.B.

  - Messung der Zahlungsbereitschaft von Konsumenten

  - Konzeption und Umsetzung von Preiserhöhungen

- **Marketingimplementierung**

  z.B.

  - Schnittstelle von Marketing und Vertrieb

  - Schnittstelle von Marketing und Finanzen/Controlling

  - Marketing ROI

  - Marketingorganisation

Pyramide der Marketingjournals:

„A+-Journals"
- Hohe Selbstselektion der Einreicher
- Akzeptanzraten von 5-10 %
- Je ca. 30 -40 Artikel / Jahr

Journal of Marketing
Journal of Marketing Research
Marketing Science
Journal of Consumer Research

Ausgewählte „A-Journals"

Strategic Management Journal
Journal of the Academy of Marketing Science
International Journal of Research in Marketing
Journal of Retailing

Ausgewählte „B-Journals"

Journal of Business Research
Journal of Advertising Research
Journal of Public Policy and Marketing
Psychology and Marketing
Journal of Business
Journal of International Business Studies
Marketing Letters
Journal of Product Innovation Management
Journal of Advertising

Ausgewählte „C-Journals"

Journal of Business-to-Business Marketing
Journal of International Marketing
Journal of Services Marketing
Journal of Consumer Marketing
Journal of Market-Focused Management
Journal of Marketing Theory and Practice
Journal of Marketing Channels
Journal of Marketing Management
European Journal of Marketing
Industrial Marketing Management

Branding is feeling the heat from …

Shareholders

- Do the company's branding activities contribute to shareholder value?
- What tools are used to guarantee optimal branding decisions?
- What is the value of the company's branding assets, e.g., its brands, reputation, networks?
- How are branding assets managed?

Customers

- Increased expectations towards brands (f.e. CSR, collaboration branding)
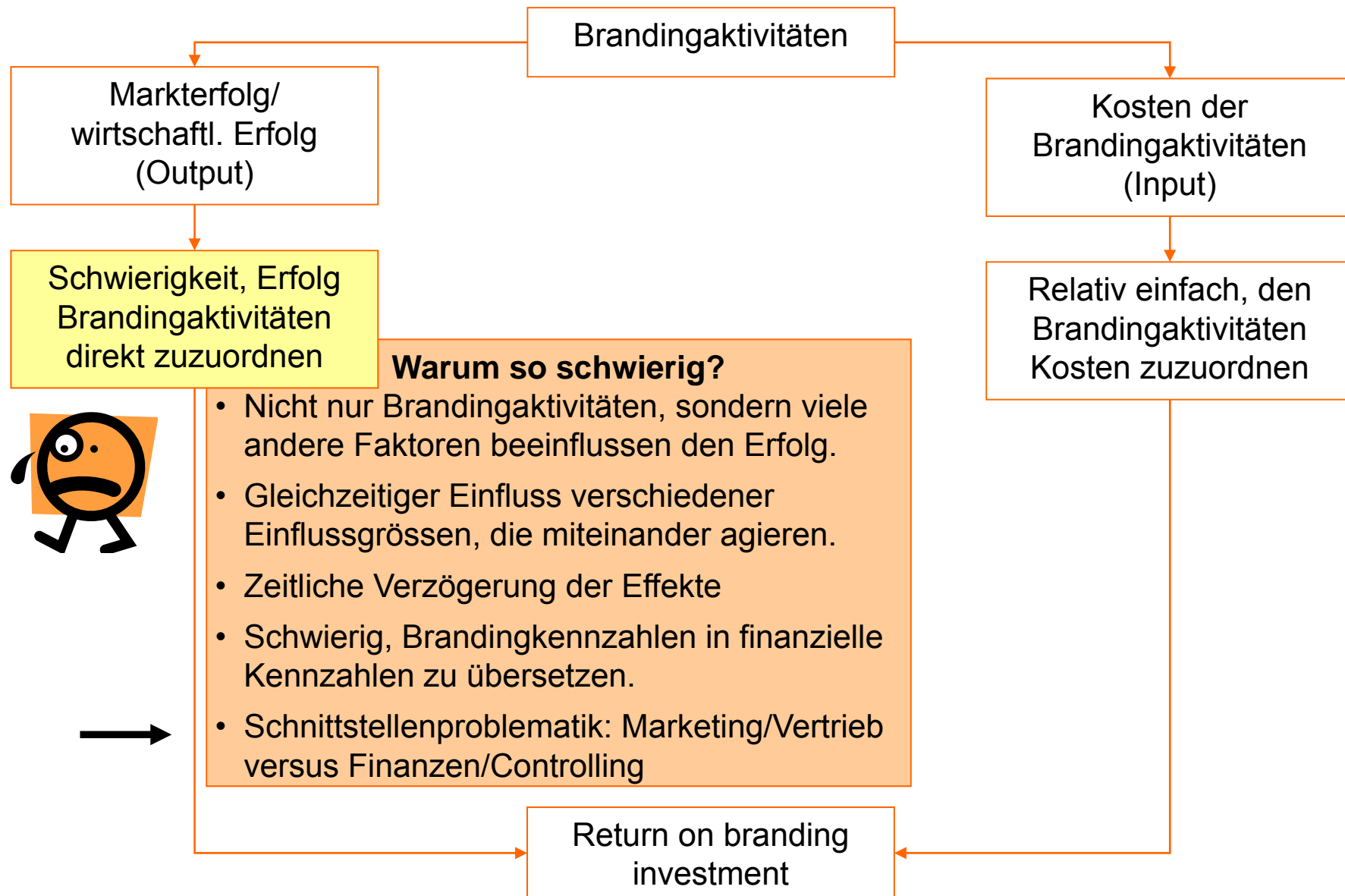- Pressure on margins / Increased price-orientation (B-C and B-B)
- Perceive trade brands as good value for money

Competitors

- Innovations / new product and service features are copied fast
- Aggressive pricing of (new, f.e. chinese) competitors leads to Price erosion
- Trade brands are much better marketing supported than before and hence, challenge established brands

Top-Management

- What is branding's impact on our bottom line?
- Branding competes for scarce resources with other functions
- Branding often an easy victim for cost cutting
- Other functions, e.g., finance are sceptical towards branding's contribution to shareholder value

Increasing Need for Managing Branding ROI

Brandingaktivitäten

Markterfolg/
wirtschaftl. Erfolg
(Output)

Kosten der
Brandingaktivitäten
(Input)

Schwierigkeit, Erfolg
Brandingaktivitäten
direkt zuzuordnen

Relativ einfach, den
Brandingaktivitäten
Kosten zuzuordnen

Warum so schwierig?

- Nicht nur Brandingaktivitäten, sondern viele andere Faktoren beeinflussen den Erfolg.
- Gleichzeitiger Einfluss verschiedener Einflussgrössen, die miteinander agieren.
- Zeitliche Verzögerung der Effekte
- Schwierig, Brandingkennzahlen in finanzielle Kennzahlen zu übersetzen.
- Schnittstellenproblematik: Marketing/Vertrieb versus Finanzen/Controlling

Return on branding investment

Managing Branding ROI: Three major fields of action

IMU Marketing

1

"Ex ante": Branding strategy
(Forecasting of Branding ROI →
choice of actions with highest future impact on
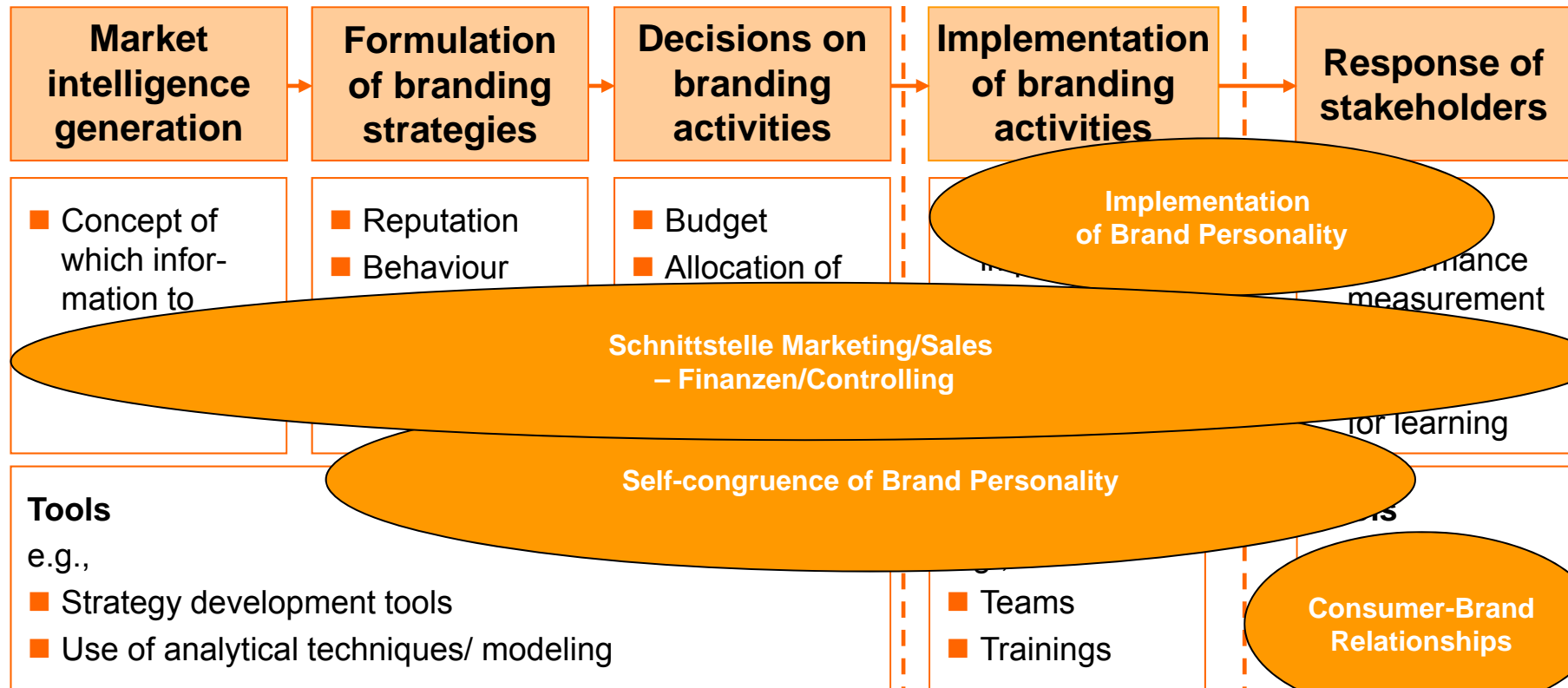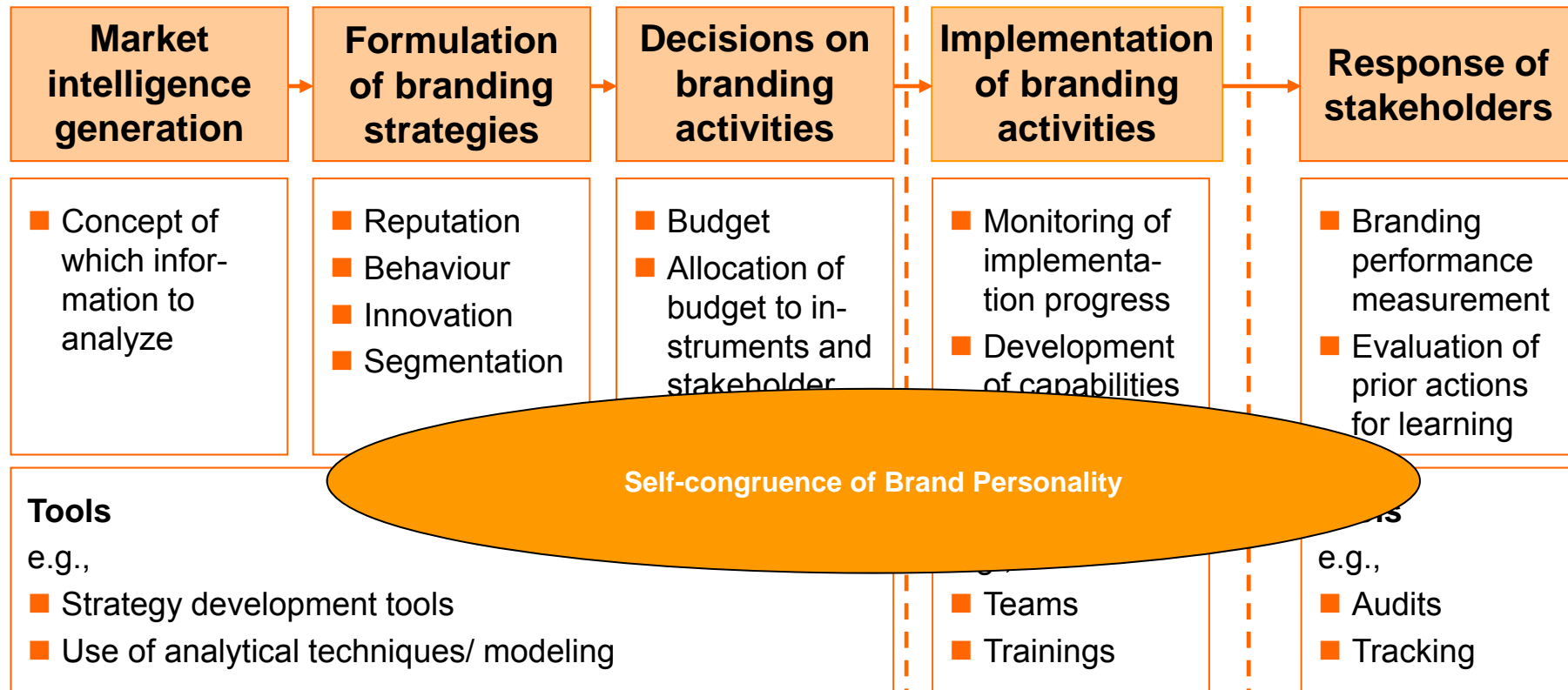branding ROI based on past performance data)

2

"In action": Branding implementation

3

"Ex post": Branding controlling
(Measurement of realized Branding ROI after actions)

Market intelligence generation	Formulation of branding strategies	Decisions on branding activities	Implementation of branding activities	Response of stakeholders
■ Concept of which infor-mation to analyze	■ Reputation ■ Behaviour ■ Innovation ■ Segmentation	■ Budget ■ Allocation of budget to in-struments and stakeholder segments	■ Monitoring of implementa-tion progress ■ Development of capabilities	■ Branding performance measurement ■ Evaluation of prior actions for learning

Tools
e.g.,
■ Strategy development tools
■ Use of analytical techniques/ modeling

Tools
e.g.,
■ Teams
■ Trainings

Tools
e.g.,
■ Audits
■ Tracking

Erkenntnisse aus vier aktuellen Forschungsprojekten

IMU Marketing

1

"Ex ante": Branding strategy
(Forecasting of Branding ROI ➔ choice of actions with highest future impact on branding ROI based on past performance data)

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- Behaviour

- Budget
- Allocation of

Implementation of Brand Personality

…mance measurement

Schnittstelle Marketing/Sales – Finanzen/Controlling

…for learning

Self-congruence of Brand Personality

Tools
e.g.,
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Consumer-Brand Relationships

Vier aktuelle Forschungsprojekte

1

"Ex ante": Branding strategy
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Self-congruence of Brand Personality

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The Fit between Brand Personality and Consumers' Self

The Importance of Actual Versus Ideal Self for Brand Performance

Lucia Malär: University of Bern, Switzerland
Bettina Nyffenegger: University of Bern, Switzerland
Harley Krohmer: University of Bern, Switzerland
Wayne Hoyer: McCombs, University of Texas, Austin

- **Issues of brands, branding and brand equity constitute recommended main research.**

- **Brand personality attributes human characteristic traits to the brand based on the perception of the brand by consumers** (Aaker, 1997; Fournier, 1998; Aaker, Benet-Martinez, & Garolera, 2001; Azoulay & Kapferer, 2003).

- **Contributes to the brand´s differentation from brands of competitors** (e.g., Aaker 1996)**, to brand equity** (e.g., Aaker, 1991; Biel, 1993) **and is able to enhance trust in the brand and brand loyalty** (Fournier, 1998).

- **Match between a consumer's personality and the brand's personality may have important performance implications: Self-congruence theory** (e.g., Sirgy, 1982).

- **Research Questions:**

  ⇨ Which are the performance implications of a fit between a brand's personality and consumer personality?

  ⇨ When is this fit important?
  Moderator variables of the relationship between fit and performance implications.

Dimensions of Brand Personality

```
                    ┌─────────────────┐
                    │      Brand      │
                    │   Personality   │
                    └─────────────────┘
```

Sincerity	Excitement	Competence	Sophistication	Ruggedness
Down-to-earth - down-to-earth - family oriented - small-town	**Daring** - daring - trendy - exciting	**Reliable** - reliable - hard working - secure	**Upper Class** - upper class - glamorous - good looking	**Outdoorsy** - outdoorsy - masculine - western
Honest - honest - sincere - real	**Spirited** - spirited - cool - young	**Intelligent** - intelligent - technical - corporate	**Charming** - charming - feminine - smooth	**Tough** - tough - rugged
Wholesome - wholesome - original	**Imaginative** - imaginative - unique	**Successful** - successful - leader - confident		
Cheerful - cheerful - sentimental - friendly	**Up-to-date** - up-to-date - independent - contemporary			

Do you believe that real beauty comes in many shapes and sizes?

Join the Campaign   campaignforrealbeauty.com
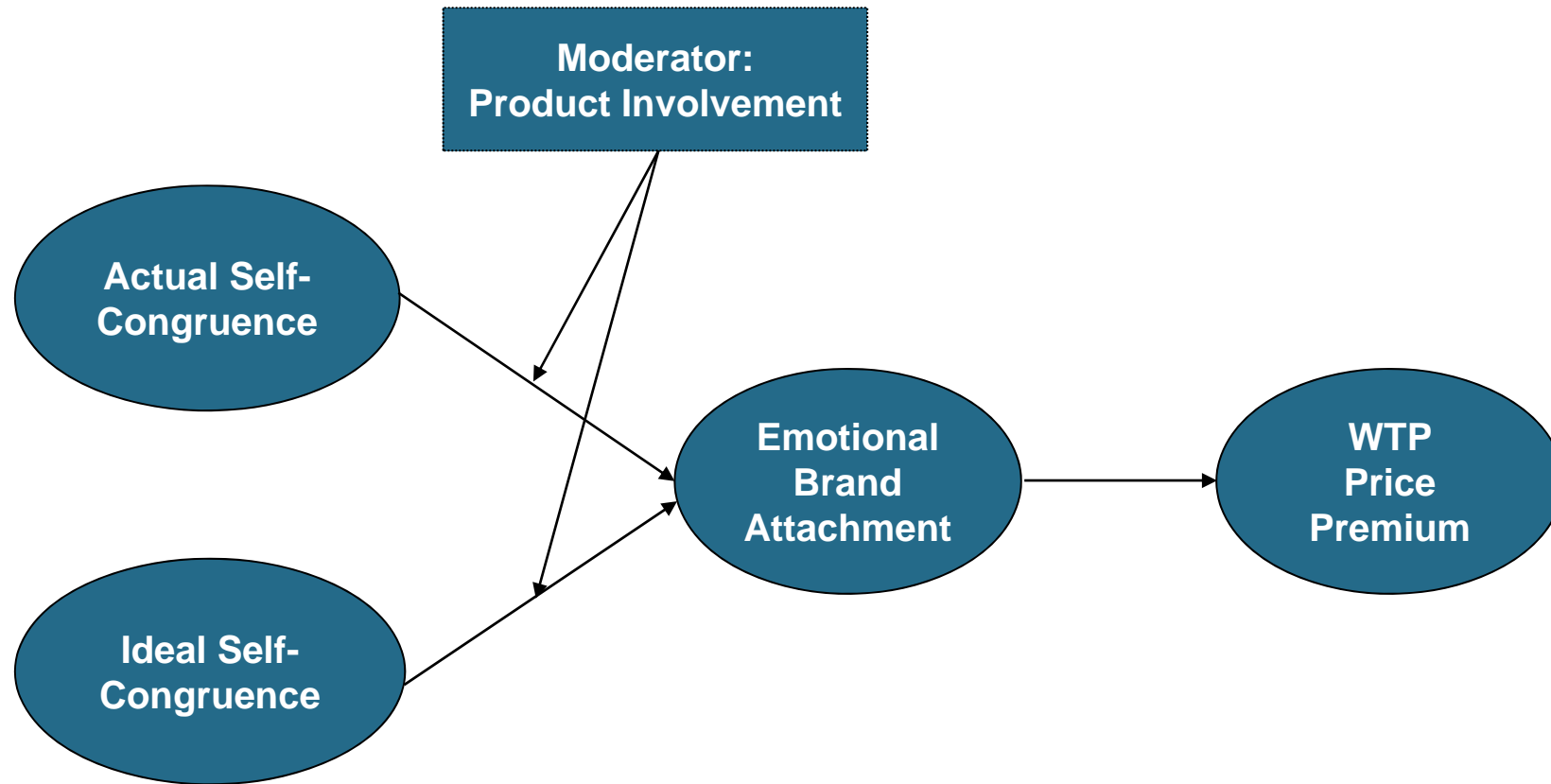
$\chi 2/df = 6.18$, RMSEA = .06, SRMR = .05, NFI = .98, NNFI = .97, and CFI = .98

Actual Self-Congruence

Ideal Self-Congruence

.56***

.02 n.s.

Emotional Brand Attachment ($r^2 = .33$)

.35***

WTP Price Premium ($r^2 = .25$)
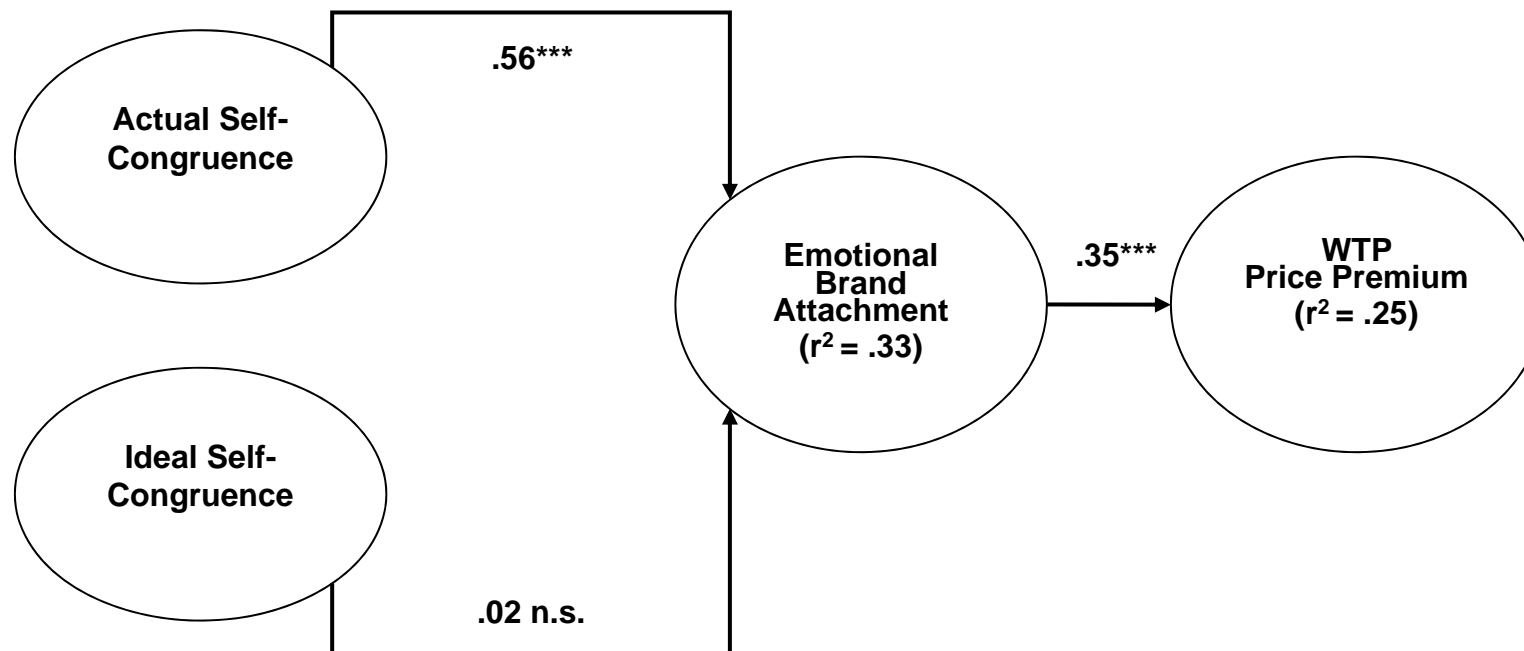
*$p \le .1$; **$p \le .05$; ***$p \le .01$

$\Delta\chi 2$(actual SC&ideal SC) = 35.5; Δd.f. = 1; $p \le .01$

Subgroup A: Low Product Involvement

Actual Self-Congruence

.28***

Emotional Brand Attachment (r^2 = .19)

.37**

WTP Price Premium (r^2 = .14)

Ideal Self-Congruence

.18**
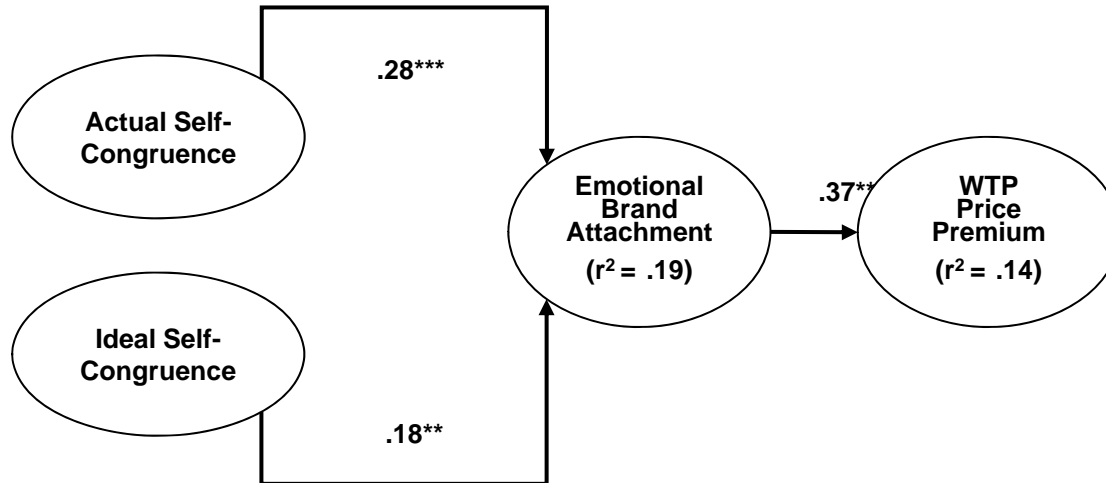
Subgroup B: High Product Involvement

Actual Self-Congruence

.62***

Emotional Brand Attachment (r^2 = .32)

.49**

WTP Price Premium (r^2 = .24)

Ideal Self-Congruence

-.07 n.s.

*$p \leq .1$; **$p \leq .05$; ***$p \leq .01$*

$\Delta\chi2$ (actual SC) = 3.8; Δd.f. = 1; $p \leq .1$
$\Delta\chi2$ (ideal SC) = 4.4; Δd.f. = 1; $p \leq .05$

Main Findings and Implications for Future Research
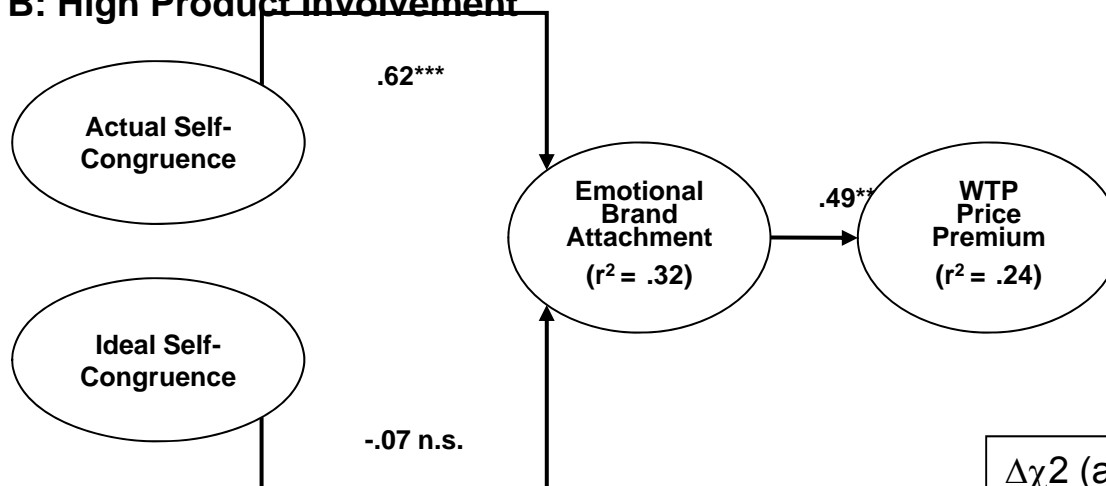
Main Findings

- Concept of self-congruence is a complex phenomenon.

- Self-congruence has important performance implications:
  Actual self-congruence is more important for consumers' emotional brand attachment than ideal self-congruence.

- Important role of consumers' product involvement as moderator of the self-congruence-performance relationship.

Future Research

- Consider the type of self-congruence (actual versus ideal self-congruence).

- Examine other performance dimensions such as brand awareness, brand trust, or brand loyalty.

- Consider other moderators: e.g., consumer's self-monitoring (Snyder 1974) or self-esteem (e.g., Long-Tolbert and Suri 2007).

- Fit between brand personality and the personality of its consumers
  = success factor in branding.

- **Support for the superiority of "authentic branding":** Position brand closer to real-life consumers' personalities.

  - Extensive market research: better understand the realities of the various consumer segments.

  - Early feedback from consumers concerning the intended brand personality.

- **Rethink brand personality positionings that aim at consumers' dreams** and ideals (especially if targeted customers show high product involvement).

- Consider **customer segmentation approaches** that are based on consumer characteristics such as product involvement.

1

2

3

"Ex ante": Branding strategy
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choice of actions with highest future impact on
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**"In action":
Branding
implementation**

**"Ex post": Branding
controlling**
(Measurement of
realized Branding
ROI after actions)

Market intelligence generation	**Formulation of branding strategies**	**Decisions on branding activities**	**Implementation of branding activities**	**Response of stakeholders**
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**Implementation
of Brand Personality**

Tools
e.g.,
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■ Use of analytical techniques/ modeling

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Turning an Intended Brand Personality into Action: A Dyadic Perspective

Lucia Malär: University of Bern, Switzerland
Bettina Nyffenegger: University of Bern, Switzerland
Harley Krohmer: University of Bern, Switzerland

- **Brand personality:**
  Key brand component with high relevance for the brand's competitive differentiation and for brand performance – contributing to brand equity, brand trust, and brand loyalty (e.g., Aaker 1991; Biel 1993; Fournier 1998).

- **"Two different faces of brand personality"** (Plummer 1984, p. 28):
  Discrepancy between intended brand personality (what the firm wants consumers to think and feel about the brand) and realized brand personality (what consumers actually do think and feel about the brand).

- The realized brand personality may not correspond to the personality as intended by the brand manager, which in turn may weaken its performance implications.

- **Research Questions:**

  ⇨ Combination of brand personality perspective of brand managers with that of consumers

  ⇨ Identification of success factors of brand personality implementation

Angularity of BP Profile ξ_1

$\gamma_{11} = .18^{***}$

Competitive Differentiation of Brand ξ_2

$\gamma_{12} = .31^{***}$

Credibility of Communication ξ_3

$\gamma_{13} = .42^{***}$

Fit Intended & Realized BP η_1 ($r^2 = .40$)

$\beta_{11} = .40^{***}$

Brand Loyalty η_2 ($r^2 = .16$)

$\beta_{21} = .14^{***}$

Market Share η_3 ($r^2 = .28$)

Competitive Intensity ξ_4

$\gamma_{14} = -.54^{***}$

*$p \leq .1$; **$p \leq .05$; ***$p \leq .01$

Radar chart with axes: Sincerity, Excitement, Competence, Sophistication, Ruggedness
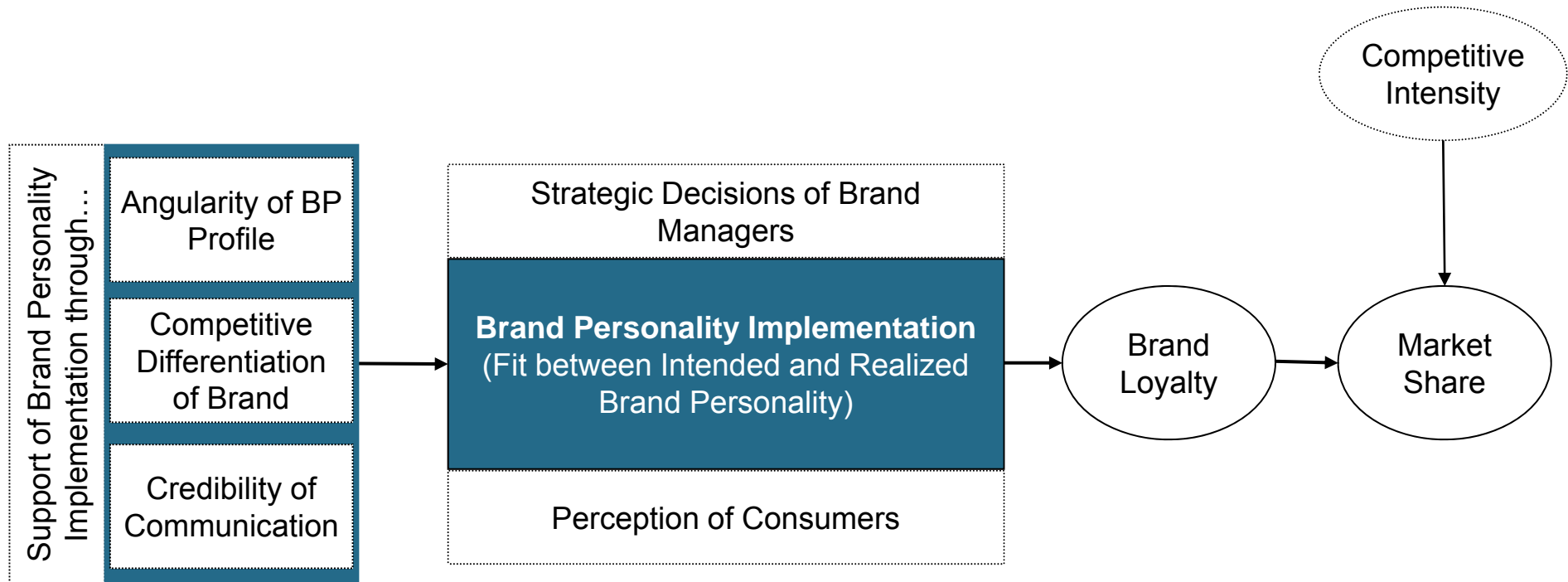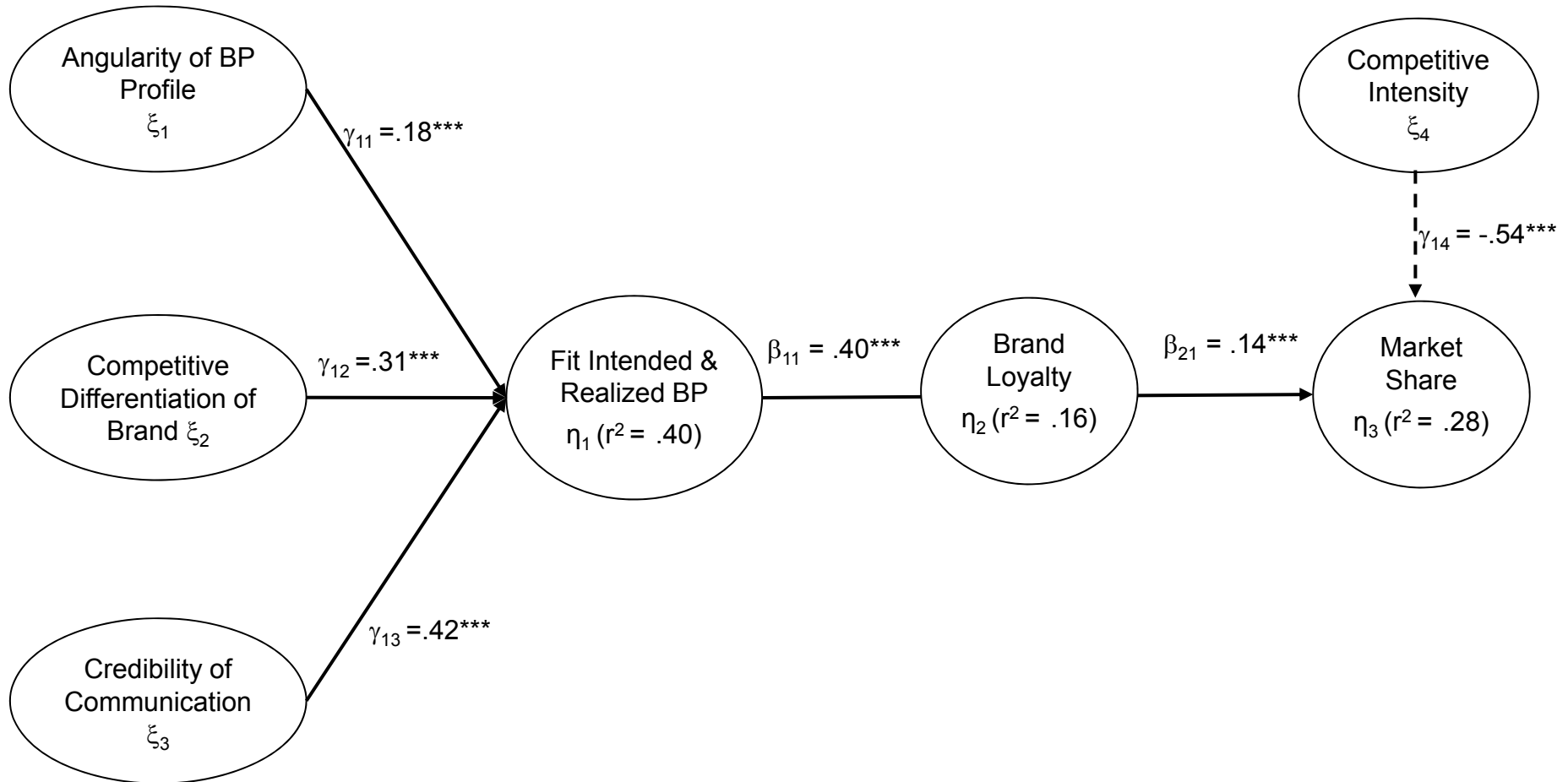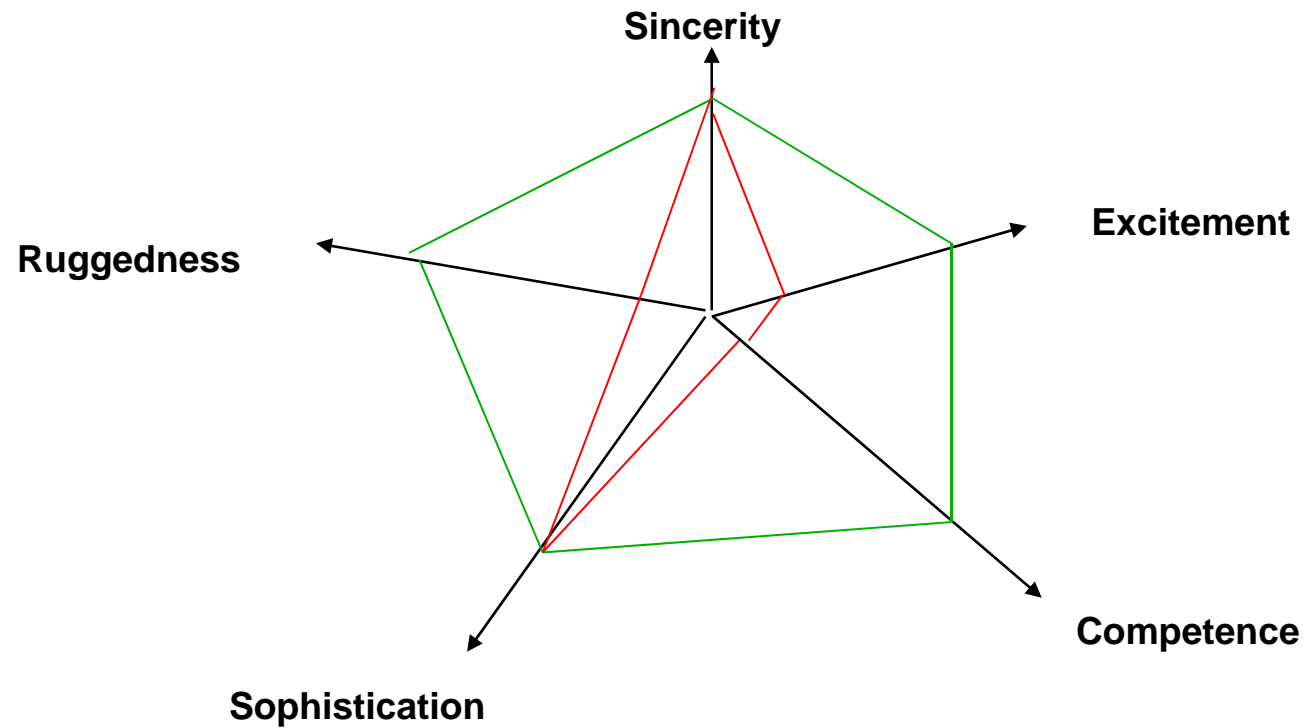
*$p \leq .1$; **$p \leq .05$; ***$p \leq .01$

$(\chi 2(112) = 1630.18, \text{RMSEA} = .066, \text{NFI} = .919, \text{NNFI} = .896 \text{ and CFI} = .924)$

Main Findings

- Brand personality is co-constructed by both consumers and brand managers

- Success factors of brand personality implementation:
    - Angularity of BP Profile
    - Competitive Differentiation
    - Credibility of Communication

- Congruence between intended brand personality (firm's perspective) and realized brand personality (customers' perspective) has positive performance implications (in terms of increased brand loyalty and brand market share).

Future Research

- Service-dominant logic (Vargo and Lusch 2004) in branding research.

- Additional variables in the context of brand personality implementation:
    - Coordination and integration of communication efforts (Reid, Luxton, and Mavondo 2005)
    - Agency support of branding activities (Beverland, Farrelly, and Woodhatch 2007)
    - Specific content of advertising
    - Advertising budget

- Other performance implications: e.g., brand equity

- Investing considerable management resources into brand personality implementation is beneficial.

- Focus on the factors that support the implementation of an intended brand personality:

  - Creation of a brand which 'stands out' from the crowd of competitive brands.

  - Brand communications should strive for credibility.

  - Focus in terms of the intended brand personality: less is more

Vier aktuelle Forschungsprojekte

IMU Marketing

1

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Tools

Consumer-Brand Relationships

Performance Implications of Emotional versus Cognitive Brand Relationship Quality

An Empirical Study of Frequent Flyers in the Airline Industry

Bettina Nyffenegger: University of Bern, Switzerland
Lucia Malär: University of Bern, Switzerland
Harley Krohmer: University of Bern, Switzerland

- **Key role of consumer-brand relationships for a brand's sustainable competitive advantage** (Srivastava, Fahey, and Christensen 2001)

- **Strength and depth of these relationships: Brand Relationship Quality (BRQ)** (e.g., Fournier 1998; Smit, Bronner, and Tolboom 2007)

- **BRQ includes a cognitive and an emotional component**

- **Explicit distinction is of high relevance:**

  - Research in psychology: affect and cognition have distinct influences on human behavior (Millar and Tesser 1986; Wilson and Dunn 1986).

  - Emotional and cognitive BRQ may have different consequences on consumer behavior and brand performance.

- Basis for conceptualization: Relationship marketing literature, where satisfaction and trust are often considered as the main dimensions of relationship quality (e.g., Crosby, Evans, and Cowles 1990).

- Satisfaction and trust both represent an overall evaluation (Selnes 1998):

  - **Trust:** Arises from accumulated knowledge that allows consumer to make confident predictions regarding the likelihood that brand will meet his obligations (Johnson and Grayson 2005)

  - **Satisfaction:** Overall evaluation of a brand based on all experiences with that brand over time (Garbarino and Johnson 1999).

⇨ *Cognitive BRQ, composed of the dimensions trust and satisfaction, is a summarized evaluative judgment based on cognitive beliefs and evaluations of the brand and its performance.*
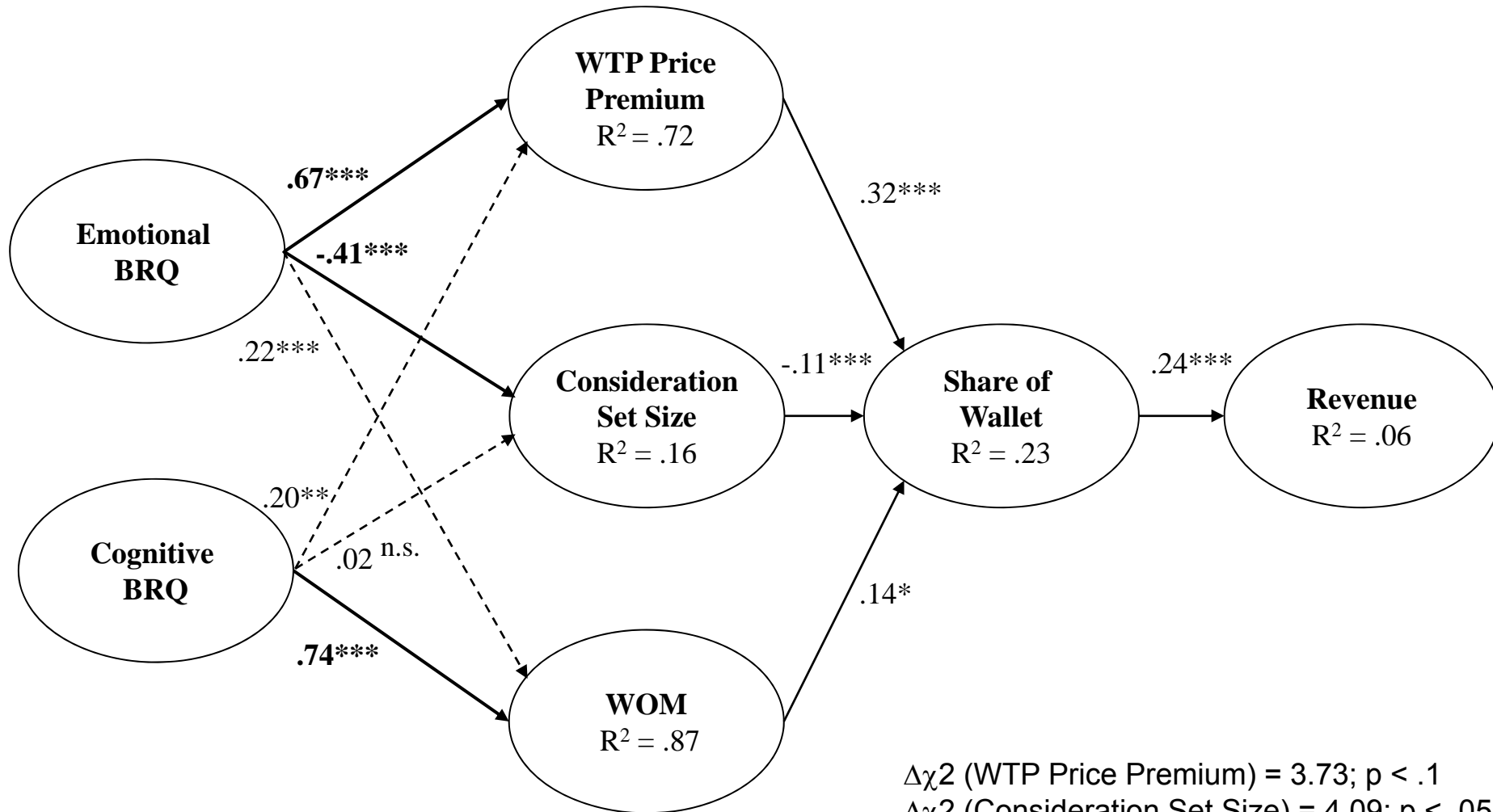
- Basis for conceptualization: theories of love in social psychology (e.g., Sternberg 1986).

- Love includes three components (Sternberg 1986) that may also characterize emotional consumer-brand relationships (Shimp and Madden 1988):

   - **Passion:** state of intense longing for the brand, feeling of incompleteness when separated from the brand (Fournier 1994).

   - **Intimacy:** feeling of closeness and connectedness to a brand (Shimp and Madden 1988).

   - **Commitment:** "internal forces that bind a partner to a relationship" (Fournier 1994, p. 131), desire to maintain the brand relationship over time (Sternberg 1986).

⇨ *Emotional BRQ, comprising the dimensions passion, intimacy, and commitment, is reflected in the emotional feelings towards the brand and the personal connection to the brand.*
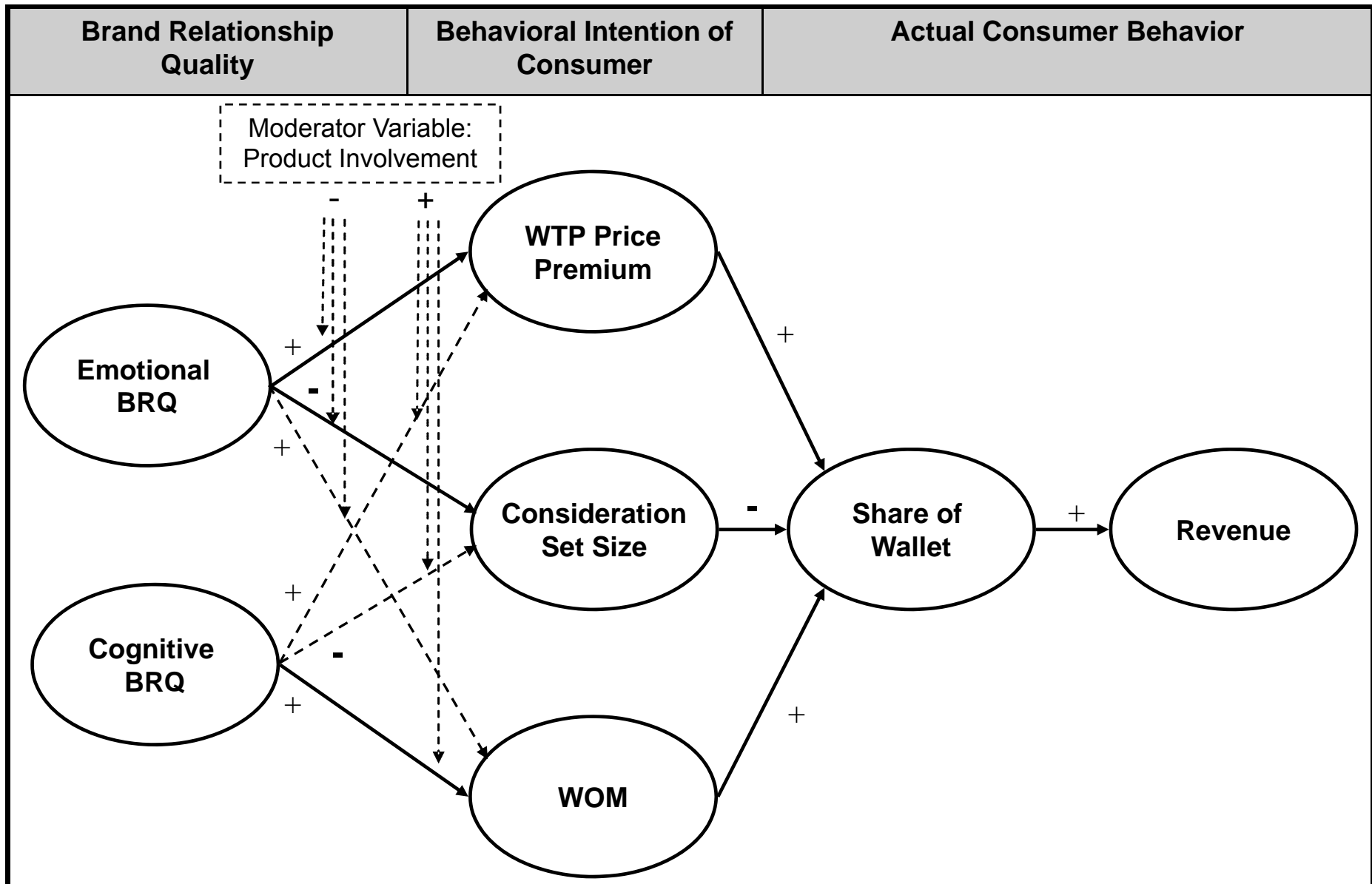
$\chi2(176) = 625.028$, RMSEA = .064, SRMR = 0.038, NFI = .940, NNFI = .947 and CFI = .956

Emotional BRQ

Cognitive BRQ

WTP Price Premium $R^2 = .72$

Consideration Set Size $R^2 = .16$

WOM $R^2 = .87$

Share of Wallet $R^2 = .23$

Revenue $R^2 = .06$

.67***
-.41***
.22***
.20**
.02 n.s.
.74***
.32***
-.11***
.14*
.24***

*$p \le .1$; **$p \le .05$; ***$p \le .01$

$\Delta\chi2$ (WTP Price Premium) = 3.73; p < .1
$\Delta\chi2$ (Consideration Set Size) = 4.09; p < .05
$\Delta\chi2$ (WOM) = 21.07; p < .01

	Moderator Variable Involvement		Hypothesized Effect	Chi-Square Difference
	Low	High		$\Delta df = 1$
Emotional BRQ → WTP Price Premium	.85***	.48***	-	4.48**
Emotional BRQ → Consideration Set Size	-.60***	-.13	-	8.54***
Emotional BRQ → WOM	.25***	.22***	-	.02
Cognitive BRQ → WTP Price Premium	.11	.32***	+	1.18
Cognitive BRQ → Consideration Set Size	.27*	-.30**	+	10.12***
Cognitive BRQ → WOM	.70***	.75***	+	.02

*$p \leq .1$; **$p \leq .05$; ***$p \leq .01$

Main Findings	Future Research

Main Findings

- BRQ is a two-dimensional construct, two components that influence behavior towards a brand in a different way.

- Moderating effect of product involvement on the relationship between cognitive / emotional BRQ and consumer behavior.

Future Research

- Consider the type of BRQ (cognitive versus emotional BRQ)

- Replicate findings within other product categories (e.g., hedonic vs. utilitarian products).

- Consider other moderators: e.g., consumer's need for emotion (Raman, Chattopadhyay, and Hoyer 1995) and need for cognition (Cacioppo and Petty 1982).

Managerial Implications

- Helps managers to focus on specific aspects of a consumer-brand relationship:

    - Emotional BRQ increases loyalty behavior of existing customers

    - Cognitive BRQ helps attract new customers via positive WOM of existing customers.

⇨ Retention of existing customers and attraction of new customers: crucial drivers for the sustainable future of a brand (e.g., Bruhn 2003) = Positively influence both emotional and cognitive BRQ of customers.

⇨ Emphasize and differentiate the emotional aspects of brands in order to build and maintain consumer-brand relationships; especially among low involved consumers.

1

2

3

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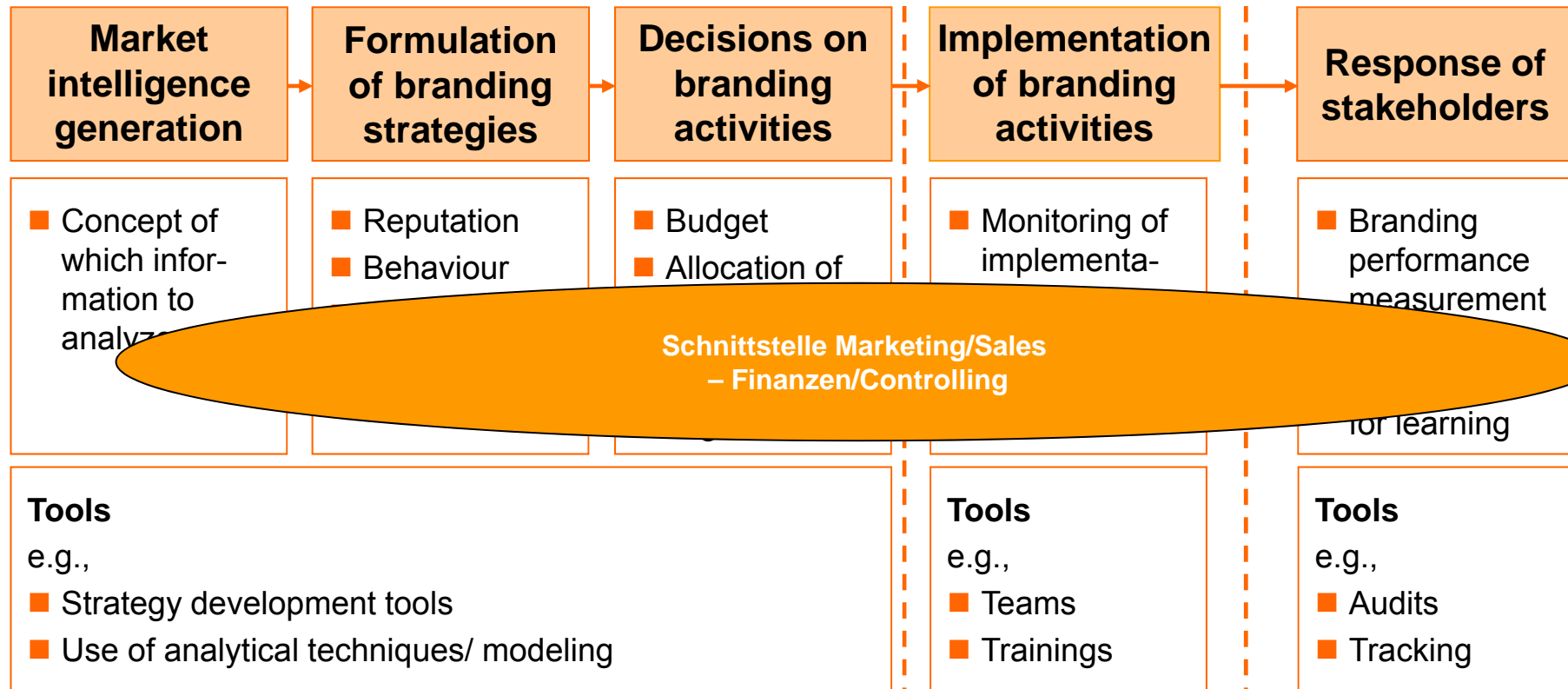branding ROI based on past performance data)
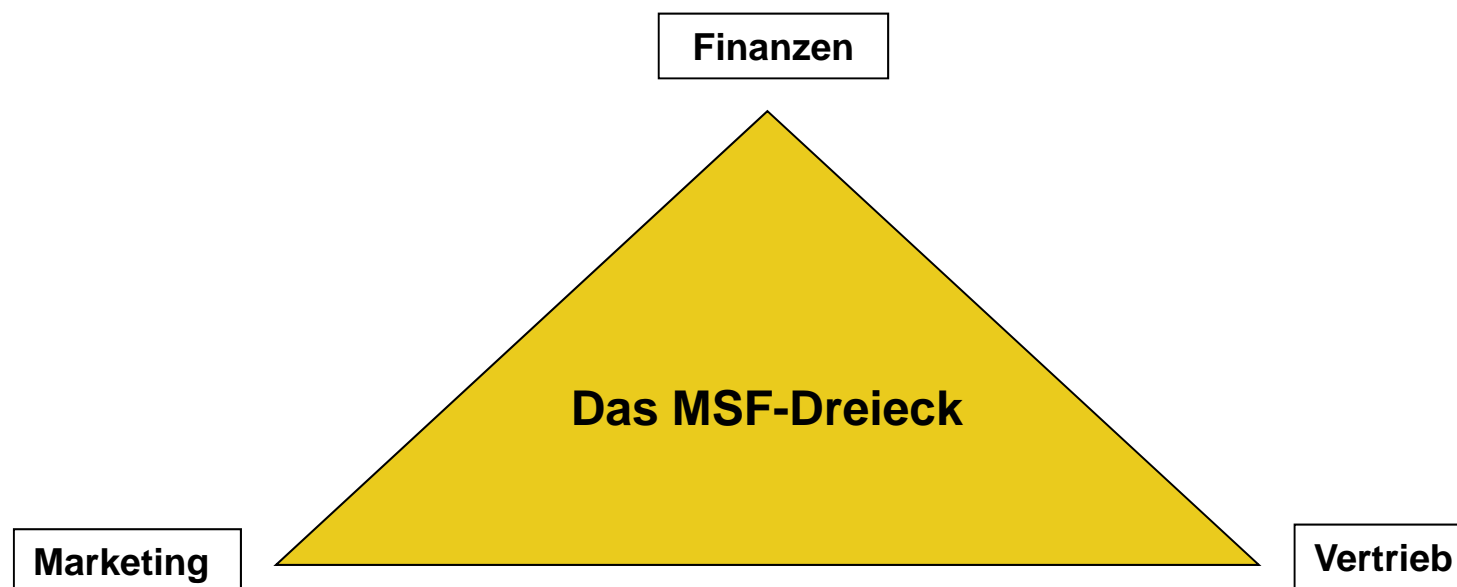
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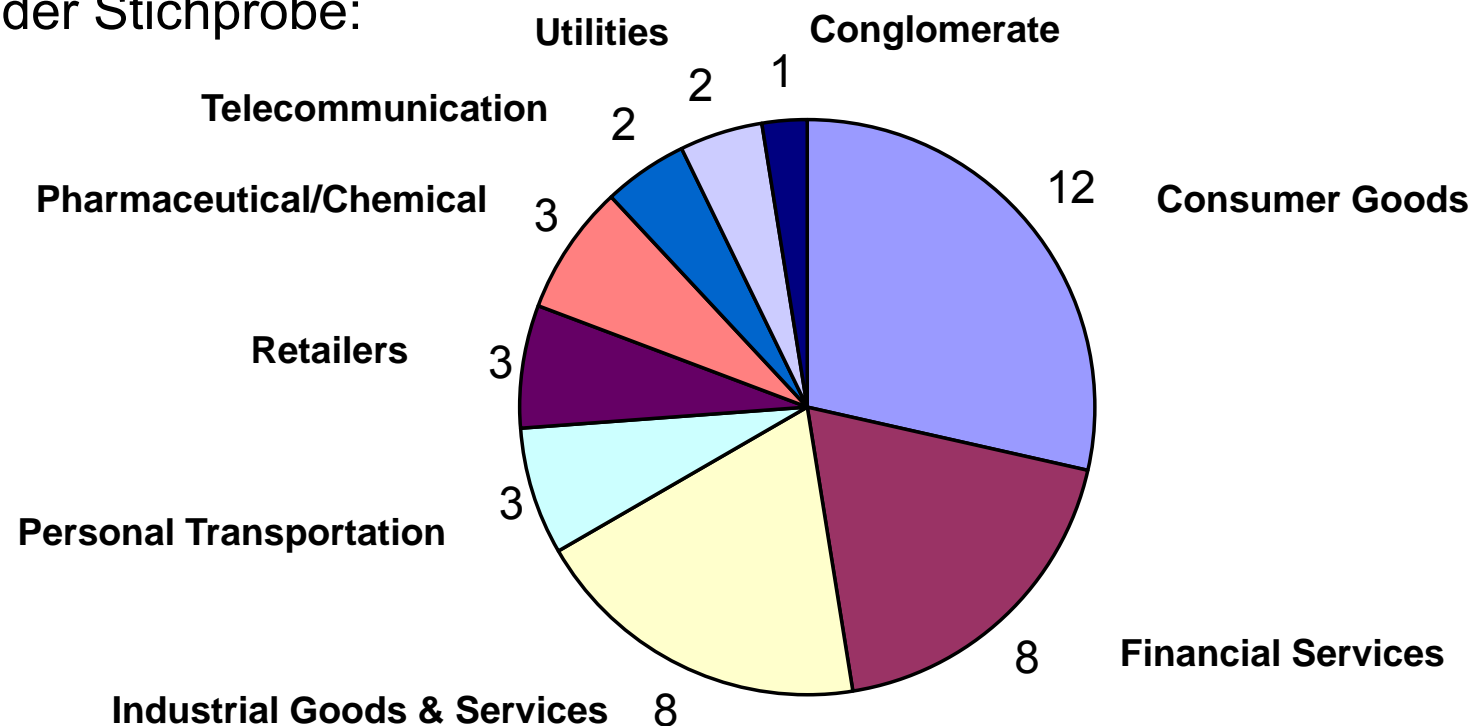
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- Monitoring of implementa-

- Branding performance measurement

Schnittstelle Marketing/Sales – Finanzen/Controlling

for learning

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Chancen und Risiken des Marketing ROI: Das MSF-Dreieck als Grundlage

Finanzen

Das MSF-Dreieck

Marketing

Vertrieb

- Qualitativer Forschungsansatz: Face-to-Face Interviews mit 78 Marketing, Sales und Finance Managern aus 42 Firmen

- 43 Marketing- und Vertriebsmanager, 33 Finance Manager und 2 CEOs

- In 30 der 42 Firmen konnte mehr als 1 Gesprächspartner gewonnen werden.
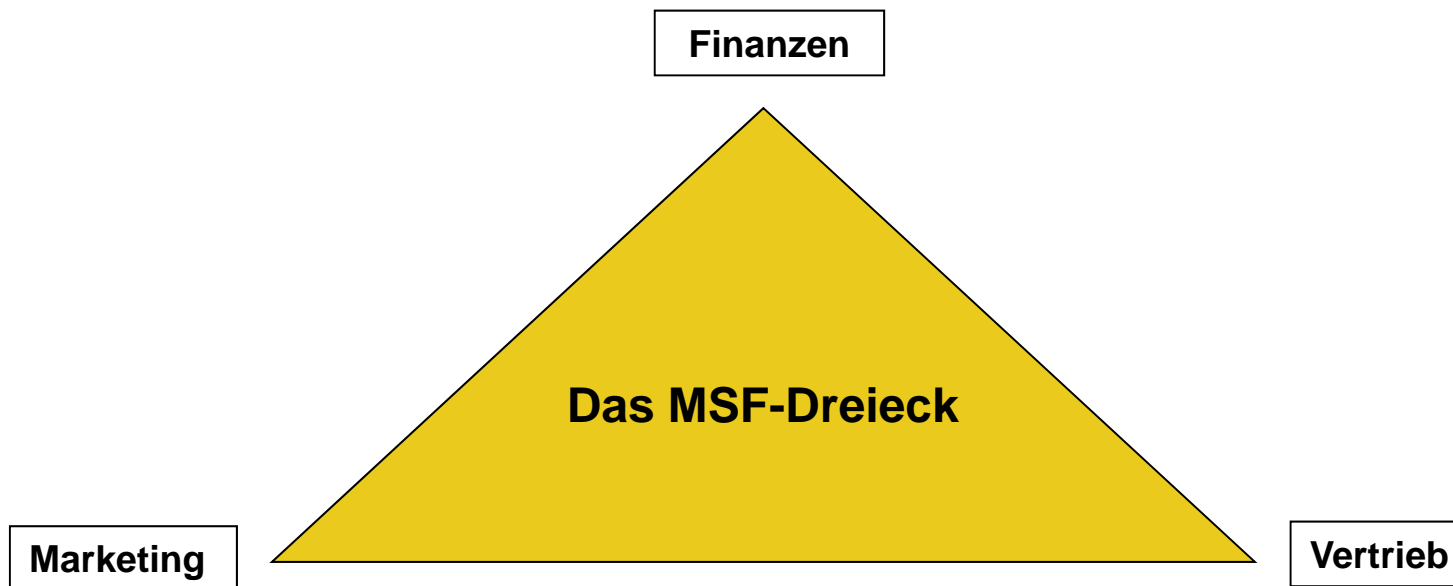
- Branchen in der Stichprobe:

Felder der Zusammenarbeit im Marketing-Sales-Finance Dreieck

Finanzen

Das MSF-Dreieck

Marketing

Vertrieb

Finance

Pläne & Budgets

Reports & Analysen

Kostenoptimierung

Kalkulationen & Investitionen

Rechnungswesen

Debitorenmanagement

Compliance- und Risikomanagement

Pricing

Marketing

Sales

Finanzen

Erreichen Sie „Pricing Excellence"!

Sorgen Sie für ein gutes gegenseitiges Verständnis!
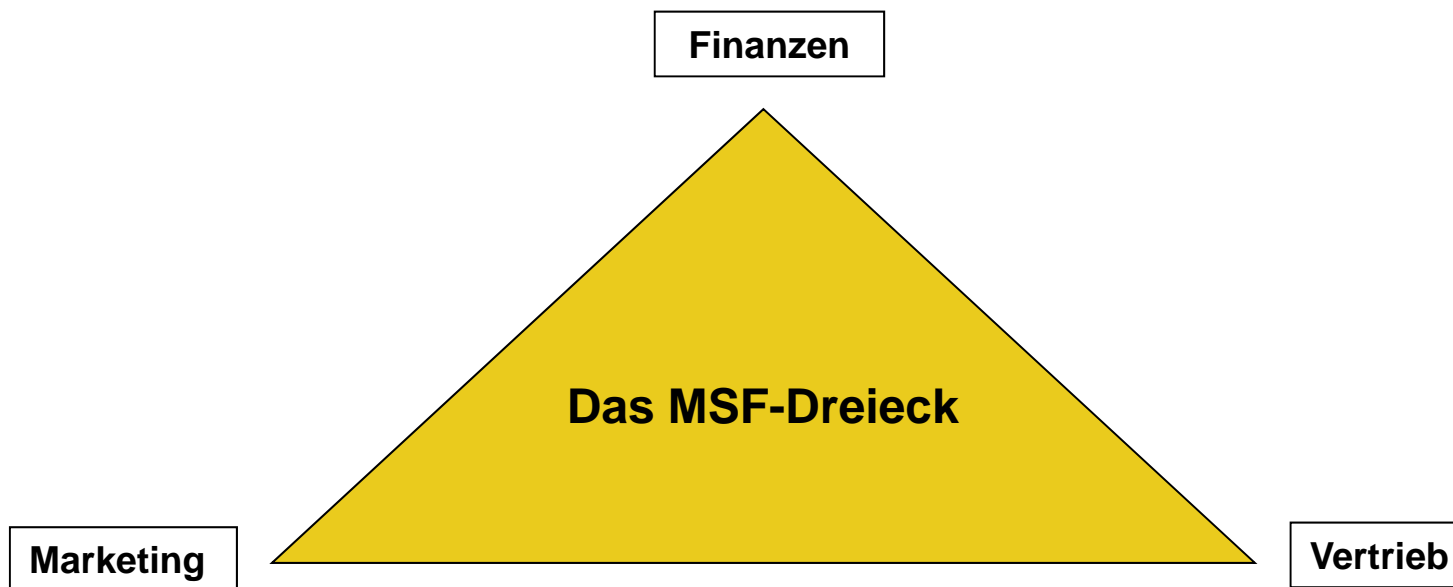
Zentrale Management- herausforderungen im MSF-Triangle

Stellen Sie eine Machtbalance im MSF-Triangle her!

Setzen Sie ein intelligentes Bonussystem ein!

Marketing

Vertrieb

Managen Sie Ihre Marketing Performance!

„Stärkere Finanzorientierung von Sales"

Finanzen

Das MSF-Dreieck

Marketing

Vertrieb

- Analytischer
- Margen und Preis orientierter

„Stärkere Finanzorientierung von Marketing"

ROI und „Payback" orientierter

Finanzen

Das MSF-Dreieck

Marketing

Vertrieb

„Stärkere Businessorientierung von Finance"

Finanzen

- Business Partner von Marketing
- Engere Kontrolle

Das MSF-Dreieck

- Business Partner von Sales
- Engere Kontrolle

Marketing

Vertrieb

Überblick zentraler Entwicklungen im MSF-Dreieck

Finance Akteure

- Business Partner von Marketing
- Engere Kontrolle

- Business Partner von Sales
- Engere Kontrolle

Veränderungen

Veränderungen

ROI & „Payback" orientierter

- Analytischer
- Margen und Preis orientierter

Stärkere Finanzorientierung von Marketing und Sales & Stärkere Businessorientierung von Finance

Marketing Akteure

Sales Akteure

Erkenntnisse aus vier aktuellen Forschungsprojekten

IMU Marketing

1

"Ex ante": Branding strategy
(Forecasting of Branding ROI →
choice of actions with highest future impact on
branding ROI based on past performance data)

2

**"In action":
Branding
implementation**

3

**"Ex post": Branding
controlling**
(Measurement of
realized Branding
ROI after actions)

Market intelligence generation	→	Formulation of branding strategies	→	Decisions on branding activities	→	Implementation of branding activities	→	Response of stakeholders

- Concept of which infor-mation to

- Reputation
- Behaviour

- Budget
- Allocation of

Implementation of Brand Personality

...mance
measurement

**Schnittstelle Marketing/Sales
– Finanzen/Controlling**

for learning

Self-congruence of Brand Personality

Tools
e.g.,
- Strategy development tools
- Use of analytical techniques/ modeling

- Teams
- Trainings

**Consumer-Brand
Relationships**