

CASE STUDY:**BRAND EQUITY**

Making the intangible tangible:
Tracing the path from Brand
Equity to consumer behavior



A Fortune 100 telecommunications provider was facing a major challenge: deliver and manage the right brand message consistently across multiple channels, a wide range of service offerings, and a diverse customer base. Ultimately, the strategic goal was to improve its 'share of wallet' amongst its customer base. Getting there would require careful and intelligent targeting of resources to those initiatives which proved to be most effective brand equity enhancers. The solution was to tie brand equity to consumer behavior through an innovative "conversion" model.

Summary

The Business Needs

- Develop an integrated brand positioning for the company across business and consumer markets
- Understand where and how a diverse set of customers assess brands
- Turn brand awareness/favorability into consideration, acquisition, loyalty, and referral to improve the company's 'share of wallet'

The Challenge

- Different competitive positions and brand perceptions in the consumer and enterprise markets
- Different competitive positions and branding in each of the service divisions — Local Telephone, Long Distance Telephone, Internet, and Wireless Phone
- Hangover effects in the enterprise market from consumer advertising
- Poor communications between divisional silos
- Brand equity position among stakeholders was unified, but messaged inconsistently

The Solution

- A 'customer conversion model' that linked brand equity metrics to measurable consumer behaviors
- A scorecard of metrics that provided insight and direction about how to influence brand perceptions and ultimately, performance
- Wave-based tracking to measure temporal movements in these metrics

Background

The company in question markets a diverse range of voice and data communications services, all under its corporate 'umbrella' name, to a wide variety of residential and business customers. In the increasingly complex and volatile competitive environment of the telecom sector, managing and developing its brand equity across such a broad platform of services, and amongst a wide variety of customers had become a major challenge for the company.

In particular, the company considered that the best way of navigating the complexities of the market was by quantifying the impact of its corporate initiatives upon its customers' behavior. It believed that if it understood how brand interactions shaped value perceptions and stimulated behavior, it could focus its attention on those interactions which had the biggest influence amongst its disparate customer base.

Ultimately, the goal was to turn brand awareness and brand favorability into customer consideration, acquisition, loyalty, and referral.

The Research Challenge

The primary research challenge was to develop metrics which could be used to build a bridge between the client's brand equity, and the choices its customers make in the market.

It would be important to identify the brand's key attributes: those which were most influential in driving the consumer's view of the brand. It would also be necessary to track these drivers of brand equity over time, if the link was to be established between corporate initiatives and the movement of these brand equity markers.

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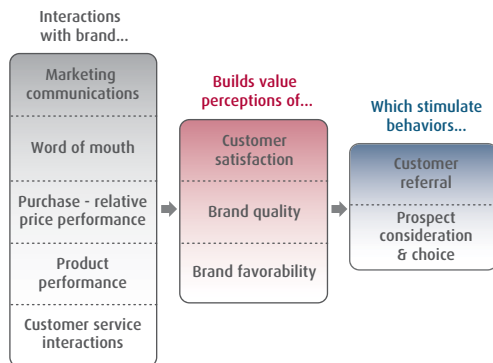


This involved:

- Quantifying and comparing the overall awareness, familiarity, favorability, and satisfaction with the company brand relative to its key competitors in each of its key businesses: local, long distance, wireless, and Internet.
- Measuring the company's position on "key" brand value dimensions at the national and segment level to identify gaps in its brand position relative to its competitors, and to uncover opportunities to influence key dimensions that stimulate acquisition, retention, and referral.

The Solution

During the benchmark wave of the project, a "Conversion Model" was developed, which formed the basis of the measurement model. The conversion model aims to map the process by which brand awareness and brand favorability translates into customer consideration, acquisition, loyalty, and referral. Advanis and the telco jointly developed a survey in order to measure the linkages among interactions with the company and behavior toward the brand. The diagram below illustrates the model structure.



From this survey, Advanis estimated a statistical model that prioritized 18 brand performance drivers (some unique to the consumer market, some unique to the business user, but most applicable to both types of customers). This helped the client identify the top 5-10 drivers which it should measure and monitor. The analysis focused on measuring the performance-importance gaps on the brand drivers of interest. This was used to develop ways to address the largest or most critical gaps through new marketing communications and other brand investments.

The study became a multiple wave research project that tracked the company's success on closing these gaps. The goal was to provide senior management with a 'dashboard' showing the movement of these performance indicators over time. This dashboard became a key element in their decision making process as they managed the brand messaging to customers and prospects in both the business and consumer marketplaces.

The Payoff

Well executed research has a handsome payoff. By focusing on those brand performance metrics which were known to influence consumer behavior, this project enabled the client to identify the critical 'gaps' between its performance and that of its competitors. The company and its executives were then able to target their efforts at initiatives designed to close these performance gaps, and thus make the most difference in the marketplace.

Clearly, not all these initiatives would be equally successful in closing the company's brand performance gaps. It used the tracking information which the project provided to evaluate the success of its brand-performance improving initiatives in both the consumer and enterprise markets. This feedback enabled the company to focus on those initiatives which had the most impact on the key brand drivers, which were, in turn, known drivers of key performance metrics like acquisition, referral, and share-of-wallet.