

# THE IMPORTANCE OF BRAND EQUITY IN THE ERA OF PLURIVALENT RELATIONS

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## **Abstract**

The interest that the brand has raised comes from the highly visible attempt of organisations to identify means to differentiate themselves in the new economic conditions imposed by the features of globalised markets. This paper presents a vast process of analysis, systematization and synthesis of the theoretical ground, aiming to emphasize the particularities of brand equity in the context of plurivalent relations. Operationally, they become strategic targets. In compliance with the decision-making stage (e.g. brand differentiation, emphasis on the brand benefits, creating brand loyalty, strengthening the brand image etc), communication techniques and tools can be used that allow tactical measures.

**Keywords:** brand equity, relational marketing, marketing communication, stakeholders' attachment, plurivalent relations

**JEL Classification:** M31

## **1. Introduction:**

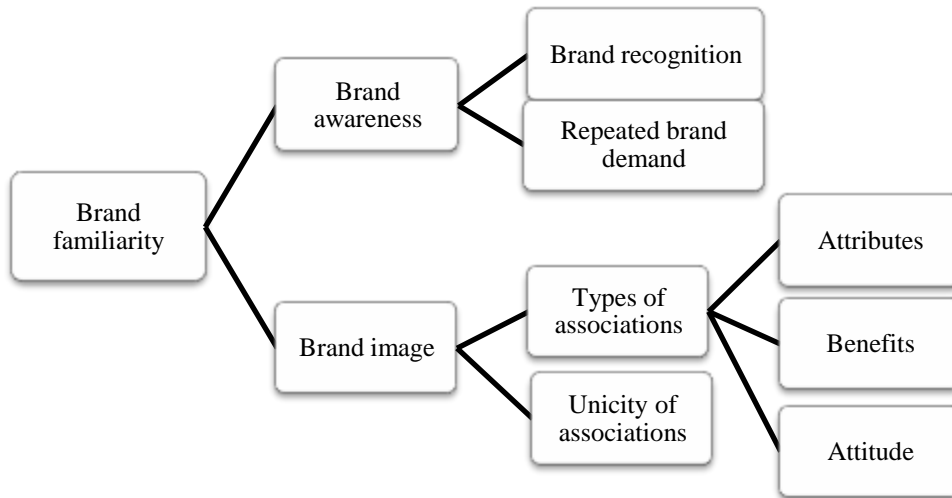
A global assessment of the concept of brand equity as debated upon in numerous studies entitles us to state that it is a highly complex phenomenon. This is justified by the attributes that define its position, as well as the benefits to the organisation, which are difficult to assess scrupulously.

With the emergence of more numerous formulations of the brand equity concept, the mission to sketch a unanimously accepted definition has become increasingly cumbersome. The person who introduced the term "brand equity" is David Aaker ( Mazur L. and Milles L., 2007, pp. 29-30), the main purpose being to redefine the brand not in the tactical, but in the strategic context. Thus, if until that moment, image was the main attribute that influenced the buying decision, the author indicates the need of four categories of factors that have to be at work for brand strengthening to be a sustainable endeavour:

- creating consumers' brand loyalty;
- raising awareness of the brand among potential customers;
- the perception of enhanced quality;
- brand association.

From the consumer's perspective, brand equity is seen as the entire knowledge they have about a brand and which allows for the clear differentiation from its competitors. The reference model is built by comparison with the following factors: brand awareness and its image. Brand awareness is the power with which it is represented in the mind of

the target market, the ideal being the highest position (top of mind), whereas image represents the rational or emotional perceptions of consumers attached to a brand (Boo S., Busser J., Baloglu S., 2009, p. 221).



*Fig. 1.: Brand equity from the customer’s perspective (Kevin L. K., 1993 in Shimp T., 2007, p. 34)*

## 2. Brand equity structure

From the perspective of management decisions to be adopted in order to build brand equity, a series of factors prove to be of essence. In order to maximize the contribution of this research, we have to present the results of valuable scientific studies. Their synthesis reveals the fundamental attributes that sketch the structure of brand equity in the perspective, which is significantly distinct, of several reference authors.

**Table 1.**

### Scientific approaches of brand equity strengthening

Source	Items of the brand equity structure
Advertising agency Young and Rubicam (Kotler Ph., Keller K. L., 2008, p. 409)	Differentiation, relevance, esteem, recognition;
Biel, 1997 (in Egan J., 2007, p. 81)	Benefits, personality, interactions, experience
Aaker D. (Mazur L. and Milles L., 2007, p. 30)	Loyalty, awareness, association, perceived quality
Millward Brown and WPP (Kotler Ph., Keller K. L., 2008, p.411)	Presence, relevance, performance, advantage, attachment
Interband Global Top 100 (Fill Ch. 2009, p. 378)	Potential intangible gains, brand role, brand solidity
Kevin K., L. (Shimp T., 2007, p. 34)	Awareness, image

The interest raised by the brand comes from the highly visible attempt of organisations to identify means to differentiate themselves in the new economic conditions imposed by the features of globalised markets. Following a vast process of analysis, systematization and synthesis of the theoretical ground, the particularities of brand equity can be extracted. Operationally, they become strategic targets. In compliance with the decision-making stage (e.g. brand differentiation, emphasis on the brand benefits, creating brand loyalty, strengthening the brand image etc), communication techniques and tools can be used that allow tactical measures.

### **3. Benefits of brand equity strengthening**

Brand equity is one of the most valuable intangible assets of an organisation. Successful companies have become aware that the resources necessary to strengthen brand equity are one of the safest and most efficient investments for the future. The holistic vision of business models includes all the intangible resources held by an organisation. The relations that the organisation develops both with the internal and with the external environment make the relational capital, and such relations developed around the brand represent brand equity. They are mutually dependent elements, each of them contributing to the development of the other.

From the organisation's perspective, the benefits envisaged as regards brand equity strengthening are formulated in two categories: relational marketing results and financial results (Fill Ch. 2009, p. 377).

#### *a. Relational marketing results*

Brand equity is a vast objective, which targets results by increasing the value perceived by each stakeholder (Shimp T., 2007, p. 33). The brand is the link between all the members of the relationship network. In this context, it is useful to emphasize the role held by brand equity in reaching relational marketing objectives. A special impact is reflected on invisible and intangible assets such as: trust, satisfaction, loyalty and attachment of all partners on the organisation. In terms of actions, they translate into (Clow K., Baack D., 2010, p. 60):

- higher prices;
- the creation of a larger general image;
- the exertion of power in the relations with suppliers (wholesalers and retailers);
- obtaining a bigger shelf selling space;
- the reduction of customer migration;
- the prevention of market share decrease.

One rule that governs the evolution of an organisation which aims to develop profitable relations in order to gain a special competitive edge is the ongoing observance of the brand promises.

#### *b. Financial results*

The financial results are the value of the brand on the market. Many times, the terms brand equity and brand value are used as synonyms. Brand value is the total financial value of a brand. Considering the importance of the concept of brand equity, it is worth noting that there is an important distinction between these two terms, the value brought by the brand being strictly related to the sales ratio.

Therefore, two essential elements are considered when assessing brand equity: the brand value from the financial standpoint and the attributes specific to relational marketing.

#### **4. Conclusions:**

The general framework of relational marketing imposes special attention given to brand equity. It has a special impact on how the organisation is perceived by all categories of stakeholders. Therefore, the creation and development of relations with partners and encouraging their loyalty towards the organisation are targets whose achievement is conditioned, to a considerable extent, by the existence of a remarkable commercial and corporate brand.

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