

D12 Brand management – Solutions

1

Individual solution.

2

Individual solution. Suggestion:

Nike: quality, speed, athleticism, top athletes, just do it

Helvetia: reliability, safety, dynamic, strength, durability, endurance

3

a

Criteria	Description
Brand awareness	The value is calculated according to the prominence of the brand.
Brand acceptance	The value is measured according to whether the brand is dismissed or accepted.
Brand preference	The value is measured according to whether the brand is most preferred among its competitors.
Brand loyalty	The value of the brand is measured according to whether the customer is willing to search for the product in another shop if he cannot find it immediately.

b Individual class result. Solution suggestion:

Criteria	Microsoft	Apple
Brand awareness	2	3
Brand acceptance	2	3
Brand preference	2	3
Brand loyalty	3	3
Total	9	12

According to the above result, the brand capital of Apple is greater than that of Microsoft.

4

a Under a monobrand strategy, the enterprise is not directly linked to the brand. As the enterprise in this example already has a good reputation and is already strongly represented in the market, the new product should benefit directly from the good reputation of the enterprise. In this way, an enterprise can directly leverage an existing trademark in the introduction of a new product, as would be the case with a single range brand, for example. Such an approach minimizes the cost of launching a new product, because the high cost of finding a name and building brand awareness and brand preference can be saved. Due to the strong market position of the enterprise in that example, it should prefer a range brand strategy over a monobrand strategy.

- b In the case of multilayer brand linkages, the enterprise name is linked with an individual brand name (e.g., Nestlé Beba or Nestlé Hirz).

Advantages

- Each product can benefit from the umbrella brand Nestlé, an enterprise that stands for innovation, internationality, and quality → Nestlé Hirz: the yogurt brand benefited from the good reputation of Nestlé as an enterprise.
- The introduction of new products is relatively easy → the Nestlé brand is already known; new products can benefit directly from the reputation of the Nestlé brand.
- Specific profiling option is still available → next to the umbrella brand Nestlé, the product brand Hirz stands for fruitiness, tradition and variety.

Disadvantages

- Poor financial results or image problems with individual brands could trigger transfer effects that might damage the entire company → a failure of Nestlé Hirz simultaneously affects the Nestlé brand.
- Basic positioning must be considered in the profiling of individual products → Hirz cannot introduce probiotic yogurt because Hirz promises no functional benefit. This would, however, not be a problem under the brand Nestlé (see Nestlé LC1).