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BRAND EQUITY

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Brand equity is the additional value which a company creates with a product having a well-known name, i.e. has a high level of popularity compared to "nameless" alternatives. It consists of three components: brand perception, the effect that this perception has on a company and the value of this effect. Apple can be an example. The results of a recent study show that almost 90 % of iOS users stay with iOS when buying a new device. According to Kevin Lane Keller's brand value pyramid, the development of a brand consists of four stages: brand identity, brand significance (meaning), reaction to the brand and relationship between brand and customer or brand resonance.

Brand identity answers the question "What are you?" and includes the most memorable elements of a brand, such as its name, logo and brand message. These basic elements create brand recognition and distinguish it from the competitors.

The brand meaning expresses the value proposition that brand makes to its customer.

The reaction to the brand answers the question "What do they think about you?" and shows the customer's reaction to the brand after the purchase. Some customers become brand ambassadors by sharing their positive experiences. These can usually be reviews about the quality, credibility and functionality of a product.

Brand resonance or public response is the strong relationship a customer builds up with your brand over the time. It occurs when the customer stays loyal to one brand, recommends it and does not consider buying from another brand. When some brand resonates with its customers, they want to share their positive experiences with as many people as possible. This "word of mouth" generates more sales than any other type of marketing.

Brand resonance is the answer to the question "How do we treat each other?" and a brand equity goal of every company.