



**ÇANKAYA UNIVERSITY  
GRADUATE SCHOOL OF SOCIAL SCIENCES  
BUSINESS ADMINISTRATION**

**MASTER THESIS**

**BUILDING STRONG BRAND (THEORY AND PRACTICE)  
A CASE STUDY**

**AHMED MOUSA MAHMOOD**

**August 2015**

**ÇANKAYA UNIVERSITY  
GRADUATE SCHOOL OF SOCIAL SCIENCES  
BUSINESS ADMINISTRATION**

**MASTER THESIS**

**BUILDING STRONG BRAND (THEORY AND PRACTICE)  
A CASE STUDY**

**AHMED MOUSA MAHMOOD**

**August 2015**

Title of the Thesis : **BUILDING STRONG BRAND (THEORY AND PRACTICE)**


**A CASE STUDY**

Submitted by: **AHMED MOUSA MAHMOOD**


Approval of the Graduate School of Social Sciences, Çankaya University

  
Prof. Dr. Mehmet YAZICI  
Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of Master of Science.

  
Prof. Dr. Mehmet Mete DOĞANAY  
Head of Department 4.

This is to certify that we have read this thesis and that in our opinion it is fully adequate, in scope and quality, as a thesis for the degree of Master of Science.

  
Prof. Dr. Mahir NAKIP  
Supervisor

Examination Date: 04 \ 08 \ 2015

Examining Committee Members:

Prof. Dr. Mahir NAKIP (Çankaya Univ.)



Prof. Dr. Cengiz YILMAZ (Middle East Technical Univ.)



Doç. Dr. Elif AKAGÜN ERGİN (Çankaya Univ.)



## STATEMENT OF NON PLAGIARISM

I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that as required by thesis rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

Name, Last Name: Ahmed Mousa Mahmood

Signature:



Date: 04-08-2015

**ABSTRACT**  
**BUILDING A STRONG BRAND (THEORY AND PRACTICE)**  
**A CASE STUDY**

**AHMED MOUSA MAHMOOD**

**Master Thesis**

Graduate School of Social Sciences  
M.A, Business Administration

Supervisor: Prof. Dr. Maher Nakip

August 2015, 101 Pages

The brand building concept is applied by companies and has been proved to be a successful way to keep them alive. Developing the consumer-brand relationship has become one of the most important aspects of modern marketing. This thesis attempts to clarify the modern trend of branding and building a strong brand effectively in order to achieve branding benefits.

First, the literature of branding is explained, followed by the branding applications of Apple. Finally, an empirical study is conducted in Çankaya university\ ANKARA and quantitative research method is used to investigate the correlation between brand building factors and non- financial branding benefits for Apple brand, and to assess brand hedonistic. The study has proved that there are positive and significant correlations between brand building factors which are acting as independent variables (collectively and individually), and the non-financial branding benefits. Additionally, it was clear that the most influential brand building factor that has the strongest impact on non-financial branding benefits is brand salience, which provides brand identification.

On the other hand, it has been found that the effect of emotional brand building factors is stronger than the rational effect on the CBBE, which showed that brand building for Apple has highly emotional rather than rational consideration from the point of view of the consumer.

**Keywords:** Brand, Brand building, brand equity, Brand life cycle, Branding benefits.

GCCRIIS

**ÖZET**  
**GÜÇLÜ BİR MARKA İNŞA ETMEK (TEORİ VE PRATİK)**

**DURUM İNCELEMESİ**

**AHMED MOUSA MAHMOOD**

**Yükseklisans Tezi**

**Sosyal Bilimler Enstitüsü**

**İşletme Bölümü**

**Tez Yöneticisi: Prof. Dr. Maher Nakip**

Ağustos 2015, 101 sayfa

Marka inşa etme konsepti, firmalar tarafından uygulanmış ve onları hayatta tutma konusunda başarılı bir yol olduğu kanıtlanmıştır. Tüketici-marka ilişkisini geliştirmek, çağdaş pazarlamanın önemli konularından birisi olmuştur. Bu tez, markalaşmanın yeni trendini ve markalaşmayı sağlamanın faydaları amacı ile güçlü etkin bir marka kurmayı açıklamayı hedefler.

İlk olarak markalaşmanın literatürü açıklandı, Apple'ın markalaşma programları takip edildi. Sonuçta deneysel bir çalışma yürütüldü. Son olarak, uygulama, Ankara Çankaya Üniversitesi öğrencileri üzerine yapılmıştır. Nicel araştırma yöntemleri kullanılarak Apple markasının marka oluşturma faktörleri ile finansal olmayan markalama yararları arasında korelasyon aranmış ve marka hazırlığı değerlendirilmiştir.

Bu çalışma bağımsız çeşitlilikte hareket eden (toplu ve bireysel) marka inşa etme faktörleri ve finansal olmayan markalaşma faydaları arasında pozitif ve belirgin korelasyonlar olduğunu kanıtladı. Ek olarak, açıkça en etkin marka inşa etme faktörü, finansal olmayan markalaşma faydası markayla özdeşleşme sağlayan markanın göze çarpması, Diğer yandan marka inşa eden Apple'ın müşteri gözünde rasyonelden daha çok duygusal sayıldığını gösteren. CBBE'de duygusal marka inşa faktörlerinin rasyonel etkilerden daha güçlü olduğu bulundu.

Anahtar kelimeler: Marka, Marka inşa etmek, marka eşitliği, marka hayat döngüsü, Markalaşmanın faydaları.

## **ACKNOWLEDGEMENTS**

I would like to express my sincere gratitude to Prof. Dr. Maher Nakip for his supervision, special guidance, suggestions, and encouragement through the development of this thesis.

It is a pleasure to express my special thanks to my wife for her valuable support.

## TABLE OF CONTENTS

<b>ABSTRACT</b> .....	iv
<b>ÖZET</b> .....	vi
<b>ACKNOWLEDGEMENTS</b> .....	vii
<b>TABLE OF CONTENTS</b> .....	viii
<b>LIST OF FIGURES</b> .....	x
<b>LIST OF TABLES</b> .....	xi
<b>CHAPTER I</b> .....	1
<b>THEORETICAL FRAMEWORK</b> .....	1
<b>1.1.</b> Introduction.....	1
<b>1.2.</b> Problem Statement .....	3
<b>1.3.</b> The Importance of the Study.....	4
<b>1.4.</b> The Objectives.....	4
<b>1.5.</b> Scope and Delimitation.....	5
<b>CHAPTER II</b> .....	6
<b>LITERATURES OF BRANDING AND BRAND BUILDING</b> .....	6
<b>2.1.</b> Brand and Branding.....	6
<b>2.1.1.</b> Brand Meaning.....	8
<b>2.1.2.</b> Brand Role and Functions.....	9
<b>2.1.3.</b> Branding Extension.....	12
<b>2.2.</b> Brand Building.....	13
<b>2.2.1.</b> Brand Building Theories.....	13
<b>2.2.2.</b> Why Brand Building .....	23
<b>2.3.</b> Brand Equity.....	24
<b>2.3.1.</b> Brand Equity Theory .....	26
<b>2.3.2.</b> The Drivers of Brand Equity .....	33
<b>2.4.</b> Brand Development, expansion and Market Position .....	38
<b>2.4.1.</b> Brand’s Life .....	38
<b>2.4.2.</b> Brand Growth Direction Matrix.....	40
<b>2.4.3.</b> Brand Asset Valuator .....	42
<b>CHAPTER III</b> .....	46
<b>APPLE STRATEGY FOR BUILDING STRONG BRAND</b> .....	46
<b>3.1.</b> Historical Background Of Apple, Inc.....	48

3.2.	Apple’s Brand Equity Drivers.....	50
3.3.	Perspectives For Apple.....	57
<b>CHAPTER III</b> .....		60
<b>APPLE’S BRAND BUILDING \EMPIRICAL STUDY</b> .....		60
4.1.	The Study Questions and Objectives.....	60
4.2.	The Study Model Variables and Hypotheses .....	61
4.3.	The Study Methodology.....	64
4.3.1.	Population and Sample.....	64
4.3.2.	Data Collection Methods and Sample Characteristics Analysis.....	65
4.3.3.	Statistical Treatment.....	67
4.3.4.	Examining the Assumptions.....	68
4.4.	Testing and Analysis.....	68
4.5.	Results and Conclusion.....	76
4.6.	Further Study Opportunities.....	77
<b>REFERENCES</b> .....		79
<b>APPENDICES</b> .....		85
<b>APPENDIX A – Apple Brand Building Questionnaire</b> .....		85

## LIST OF FIGURES

### FIGURES

<b>Figure 1</b>	Brand Dynamics Pyramid.....	14
<b>Figure 2</b>	Brand Resonance Model.....	16
<b>Figure 3</b>	Brand Hexagon.....	19
<b>Figure 4</b>	Brand Leadership Challenges.....	21
<b>Figure 5</b>	Aaker's five assets model of brand equity.....	28
<b>Figure 6</b>	Secondary Sources of Brand Knowledge. ....	37
<b>Figure 7</b>	The product lifecycle.....	39
<b>Figure 8</b>	Brand Growth Direction Matrix model .....	40
<b>Figure 9</b>	Four Branding Strategies model. ....	41
<b>Figure 10</b>	BAV, brand strength & brand stature.....	43
<b>Figure 11</b>	BAV brand lifecycle Power Grid.....	44
<b>Figure 12</b>	The Best 100 Global Brand. ....	47
<b>Figure 13</b>	The Products Impact On The Brand Stock Price.....	49
<b>Figure 14</b>	Apple's Logo Development.....	52
<b>Figure 15</b>	Apple brand association – Image Map. ....	55
<b>Figure 16</b>	BAV Mapping of the stages of Consumer Attraction for the Apple brand.....	58
<b>Figure 17</b>	The study model (Determinants of brand building).....	62

## LIST OF TABLES

### TABLES

<b>Table 1</b>	The Functions of brand for the consumer. ....	11
<b>Table 2</b>	Identity - Six Questions for the Organization to Answer in Order to Get to Know and Understand its Brands.....	18
<b>Table 3</b>	The Brand Equity Ten .....	29
<b>Table 4</b>	Brand equity Elements - Atilgan model. ....	32
<b>Table 5</b>	Apple brand value.....	48
<b>Table 6</b>	Study Sample Distribution According to Gender.....	65
<b>Table 7</b>	Study Sample Distribution According to Age in Years.....	66
<b>Table 8</b>	Study Sample Distribution According to Educational Level....	66
<b>Table 9</b>	Study Sample Distribution According to Apple Model.....	67
<b>Table 10</b>	Usage of Apple products.....	67
<b>Table 11</b>	Descriptive Statistics of the dependent and independent variables.....	69
<b>Table 12</b>	Correlation, Determination Coefficients. ....	69
<b>Table 13</b>	Testing the Whole Model.....	70
<b>Table 14</b>	Correlations among Independent and Dependent variable.....	71
<b>Table 15</b>	Correlation levels and Correlation degrees. ....	72
<b>Table 16</b>	The coefficients.....	74

## **CHAPTER I**

### **THEORETICAL FRAMEWORK**

#### **1.1. Introduction**

The rapidly changing world within the great influence of globalization and market economy orientation on international markets and changing customer trends globally has effected the economic and marketing environment in many ways and has made companies that were unable to build a brand effectively confront the risk of extinction. Therefore, companies should focus on dealing with their brand successfully by adopting customer-focused strategies and using relational marketing properly. Retaining customers and creating constant sustaining of customer relationships has become crucial due to the “customer-is-king” mentality controlling the market. Moreover, companies need also to define their differences from rivals, all of which has encouraged companies to develop personal connections with their customers. The scope of branding, especially brand building has been developed and grown over time. Moreover, its importance has increased in the business field because it has a significant role to play in creating a competitive advantage for companies by distinguishing their products from competitors’ products or services, and by developing company-customer relationships to ensure the survival and sustainability of companies in the marketplace. In this era, companies encounter huge challenges such as intense competition, consumer savvy, media transformation and an increase of brand numbers in the market in addition to other effects of globalization and market economy orientation.

Therefore, companies now give great consideration to brand building to make their businesses more effective by creating value for consumers and achieving brand loyalty to enhance brand equity. Companies and corporations such as Coca-Cola, Nike, Dell, Apple, General Electric and MacDonal’d’s have become leaders in their

respective categories in the market and have high brand equity due to their successes in building a strong brand effectively and efficiently.

The significance of branding has become a common view of marketing activities, as the world has changed comprehensively in the last few decades, thereby making the doing of business not the same as in the past. Companies need to adapt to changes in the marketing environment in order to survive and keep their positions in the market. These changes are especially deep in the technology sector.

There are many outstanding consumer high technology providers in the USA and around the world; however, one of them exceeds the competition: namely Apple, Inc. (Apple). It is difficult to find someone who will not know any information about the bitten Apple symbol. The question remains as to how this is possible. What happens when people see or hear this “magic word” and immediately know what stands behind this brand? The interesting brand-building experience of Apple will be researched in this thesis. The thesis follows marketing perspective to explain branding and brand building and it attempts to present how to build a strong brand effectively, both theoretically and practically.

The thesis consists of the following chapters:-

- The first chapter contains the theoretical framework; which presents the introduction, the problem statement, the objectives, the importance of the study and the scope and delimitation.
- The second chapter presents the literature review for brand building, which explains the general idea of the brand and presents its role and functions. As the text proceeds, further information about the brand building process and theories are presented to show the different ways to describe the brand building process. This is followed by a presentation and description of brand equity theories, after which brand equity drivers and the important role that they play when managing them correctly is presented. Finally, various models that can help to assess the brand development stage and clarify its current situation and position in the hearts and minds of the consumer are shown.

- The third chapter is about Apple's strategy for building a strong brand. It presents the applications of the knowledge about the brand, which is gained from the previous chapter by the Apple brand. First, a historical background and facts about the brand are given. Then a description of Apple's brand equity drivers is presented. Finally, perspectives for Apple's current position and its performance are discussed, the thesis will investigate the extent of the attraction that consumers have for the brand in its category (which reflect the extent of the Apple branding strategy success) by using a brand asset valuator model. The analysis will be carried out according to secondary data from the websites.
- The fourth chapter is the practical part of the thesis, which assesses customers' perception of the Apple brand and examines the correlation between brand building factors and non-financial branding benefits by using an empirical study conducted at Çankaya University in Ankara.

## 1.2. Problem Statement

Nowadays, the variety of choices makes consumers' buying decisions very difficult. The problem and the great challenge that companies face is how to create consumer relationships and experiences with the brand for gaining desirable financial and non-financial branding benefits from brand building in order to keep their positions in the market.

Careful study of brand and branding literatures has shown that the technology market represents an interesting market for investigating customer based brand equity model. A technology sector's products have unique characteristics that distinguish them from other products, such as innovation and experience that have crucial effects on branding strategy. This makes building a brand image in the minds of customers crucial for companies to compete effectively.

There are many articles and studies, which focus mainly on the financial aspects of the brand **Apple**, but this thesis attempts to discuss **Apple** as a strong brand from the point view of the customer and the implications on branding benefits for companies and consumers.

Several studies in the subject of brand building have encouraged the conducting of marketing research and studies in this vital topic, *“The marketing of high-technology products is challenging and the use of brands has been minimal until recently.”* (Zajas and Crowley, 1995).

*“An increasing number of these companies, however, are now undertaking brand building activities with the assumption they can create an asset that generates long-term profits.”* (Aaker and Jacobson, 2001).

Presenting a theoretical background and using the case of Apple in the thesis will help to understand the process of building a brand properly and to clarify how a brand such as Apple was able to come out of the different challenges unharmed.

### **1.3. The Importance of the Study**

The scope of the thesis is mainly related to branding, brand building and the potential benefits of its applications to the companies and consumers. Although there are many sources of brand building theory, applying the theory in the cases (as this thesis attempts to do) is important to acquire a collective supplement to the brand building theory and a collective contribution to the whole entity of branding in addition to providing a theoretical background for further studies.

### **1.4. The Objectives**

The work of thesis follows marketing perspective to explain branding and brand building, and it attempts to present how to build a brand effectively and how to create its position in the consumers’ minds and in the market theoretically and practically. The thesis aims to explain branding and brand concept, roles and functions, and by studying the application of Apple brand equity drivers and the consumer attraction for the Apple that may give a clear view about the importance of having a clear strategy to build brand knowledge structures in order to achieve high brand equity and developing consumer relationships.

The thesis attempts to describe brand-building process and by conducting an empirical study for Apple in Turkey it tries to find out the importance of this process for the companies.

### **1.5. Scope and Delimitation**

Brand and brand building literatures are broad and various theories are presented in this field. The theories, which are presented in this thesis are believed to provide a fair view on building a strong brand. It is impossible to use all possible theories in this thesis; therefore, this thesis attempts to combine branding theories and approaches into one entity in order to obtain a fair way to describe and analyze the Apple brand, which is used as a case study. For this reason, in this thesis some approaches are limited by focusing on case relevant approaches.

The marketer approach is used in writing this thesis; therefore, the brand financial analysis was limited to the minimum and since building a strong brand is focuses more on enhancing and maintaining relationships with customers through applying brand building properly by the firms, the effects of competition on this process are omitted.

## CHAPTER II

### LITERATURES REVIEW ON BRANDING

In this chapter, brand and branding will be discussed as they are important elements for developing the consumer-company relationship. At first, the concept of the brand and the scope of branding will be presented, after which the role of the brand and its functions for consumers and firms will be explained. Then various theories of brand building will be mentioned. Brand equity and its theory (functions and elements) will be presented by discussing the related literature and theories, after which brand equity drivers will be explained. Finally, the product/brand life cycle will be mentioned.

#### 2.1. Brand and Branding

Literatures and studies have shown various ideas and definitions related to the brand and branding concepts. Branding was once for cattle, a stamp of ownership. Later, brands were burned on wooden cases as a guarantee for the source and of quality. Farquhar (1989) explained, "*The brand concept evolved in the eighteenth century as the names and pictures of animals, places of origin, and famous people replaced many producers' names.*" (Farquhar, 1989). Brand was "*a mark burned on the hide of an animal to identify its owner, or on the person of a convicted criminal to warn the public of their character.*" (Black, 2012, p. 41). However, some shifts occurred in the field of brands according to the developments in the industry and changes in the market environment. "*In the nineteenth century, a related purpose of branding emerged. A brand was used to enhance a product's perceived value through such associations.*" (Farquhar, 1989). Brands then became a part of the product serving marketing activity. "*For a long time, the brand has been treated in an off-hand fashion as a part of the product*" (Urde, 1999). Branding is "*a major issue in product strategy.*" (Kotler, 2000, p. 404).

The author Kapferer, in his book *Strategic Brand Management*, stated that the function of a brand “*the brand is a sign – therefore external – whose function is to disclose the hidden qualities of the product which are inaccessible to contact.*” (Kapferer, 1997, p. 28).

At the time, when companies used the brand as a part of the product the strategy of creation, a brand image was used in order to reflect a good brand image to consumers to maintain a connection with them as a goal for the company’s communication strategy.

Branding is the art and science of defining and differentiating products and services to the public. It is the company with the intent and clarity at every customer contact point and it is the purpose that drives companies’ business. Brand plays a clear role to clarify the points of difference, which can differentiate the product from competitors’ products. The main consideration that specifies the concept of the brand is the perspective we follow to describe it. The great challenge with which the branding process is confronted is to achieve success in developing a set of deep meanings for the brand. Perhaps what can distinguish marketers in the branding field is their proficiency to create, enhance, maintain and protect the brand (Kotler, 1994, p. 444-445).

Currently, branding does not only provide a higher brand equity, it also develops a proper communication of companies’ messages, gives the consumers a desired experience and build a strong brand. That may achieved by considering a number of attributes such as, excellence in delivering the desired benefits, the ability to stay relevant, being positioned properly, communicating consistent brand messages, having a well-designed brand hierarchy, using multiple marketing activities, achieving a consumer-brand relationship and being supported by the company and monitoring the sources of brand equity.

Therefore, strong brands must be “***Distinctive:*** *they stand for something, they have a point of view. ***Relevant:*** what they stand for connects to what someone else considers to be important. ***Consistent:*** people come to believe in a relationship based on the consistency of behaviors they experience or observe.*” (David & Karl, 2002, p. 13).

### **2.1.1. Brand Meaning**

The American Marketing Association (AMA) defines “brand” as “*a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.*” (Kotler & Keller, 2006, p. 276). According to this definition, a brand can be created by selecting suitable attributes, such as a name, logo, symbol, etc., which can be differentiated and have consumers recognize the product/service from others.

A brand can also be defined simply as it gives the function of the identifiers. When marketers use a specific name, signal, symbol logo for new products, it can be considered that they are creating a brand (Keller, 2003, p. 3). A brand name is any word or device (color, design, shape or sound) or perhaps a combination of them may be used to differentiate a seller’s offerings of goods and/or services (Kerin et al., 2006, p. 299-301).

Brands are not only symbols, signs or names; they refer to perceptions and feelings that are attached in the consumers’ minds about a product in addition to the performance and the whole meaning of a product or service, which is the consumer’s view of the brand within it (Armstrong and Kotler, 2005, p. 241). A brand can be identified according to the perspective we have; therefore, for economists, and perhaps the manufacturers and suppliers of products, a name may be sufficient for them to define a brand from their point of view. From the marketing perspective, marketers consider brand as the specific elements that perform an important role for a company. For consultants, the focus on the output can provide an idea about the specific brand.

Brand is also defined as “*a mixture of tangible and intangible attributes symbolized in a trademark, which, if properly managed, creates influence and generates value.*” (Interbrand, 2007, p. 4). Thus, brand is anything that can differentiate products or services from other products or services that are presented by competitors in the marketplace by enduing dimensions that can be designed to fulfill consumers’ needs and wants and clarify the attributes of differences that can help to interpret the brand meaning to consumers and develop the consumer-firm relationship.

This definition will be the focus of this thesis since recently, brand explains the collections of perceptions that consumers carry in their minds towards the brand and the firm. A brand now represents much more than the past; it is not merely a name, a logo, a corporate identity or a signal. It refers to the guarantees of the quality of the company's products and it evokes an emotion and instills a belonging. Moreover, it is a company's promise, pledge, commitment, and represents what it stands for. Today, a brand is the one way to make people feel something about a company's business by building a relationship with consumers. It should say something, share stories, such as on **YouTube**, or it may share information like **Google**, or in the market place, such as on **eBay**. Furthermore, it shares relationships on social media sites, such as **Facebook**. All of these brands say "use me," "trust me" and "engage with me." Brand is a powerful business tool and it is a singular driving focus of organizations nowadays.

### **2.1.2. Brand Role and Functions**

In the last decade, many shifts occurred regarding the role that brands can perform. In the past, the function of a brand was to announce the owner's property; however, now companies strive to benefit from the functions of the brand, both for firms and consumers.

The brand plays an important role in performance of a company, in general, and from the marketer perspective the main benefits of the brand are:

- 1- Providing legal protection to product attributes,
- 2- Identifying the product, and
- 3- Achieving brand loyalty.

These functions will be explained in detail. The legal protection function that a brand can perform can help a company to guarantee that unique product attributes and features cannot be copied by others (competitors) in order to benefit from them without legal rights. Therefore, brands provide protection to a product and to the production line also, in addition to any other aspect of the company.

Keller and Kotler (2006) presented intellectual property rights and their types. As *“the brand name can be protected through registered trademarks; the manufacturing process can be protected through patents; and packaging can be protected through copyrights and proprietary designs.”* (Kotler and Keller, 2006, p. 276). Companies can take advantage of this function by increasing investment opportunities safely in branding and supporting their advertising campaigns.

The second function is identity. A brand plays a significant role to identify a company’s products or services and enables consumers to distinguish the company’s products amongst the products of others within the same category, due to their experiences with the brand. That means that the company has achieved brand image, which is considered (in addition to the company reputation) the crucial element for brand building.

Loyalty is the third and most important function of the brand to companies. When a brand denotes the symbol of quality to consumers, the company will ensure repeated consumer purchasing of the product. Brand loyalty ensures, as Black says, *“the tendency for consumers to prefer familiar names.”* (Black, 2012, p. 41). Thus, the company’s brand equity will improve.

The brand functions to consumers are explained by Kapferer (1997), who summarized them according to their benefits to the consumer in eight functions (Table 1).

The author stated that these functions could be classified to three groups:

- 1- Recognition;
- 2- Reduction of perceived risk; and
- 3- Pleasure side of the brand

**Table 1:** The Functions of brand for the consumer

Function	Consumer benefit
Identification	To be clearly seen, to quickly identify the sought-after products, to structure the shelf perception.
Practicality	To allow savings of time and energy through identical repurchasing and loyalty.
Guarantee	To be sure of finding the same quality no matter where or when you buy the product or service.
Optimisation	To be sure of buying the best product in its category, the best performer for a practical purpose.
Badge	To have confirmation of your self-image or the image that you present to others.
Continuity	Satisfaction created by a relationship of familiarity and intimacy with the brand that you have been consuming for years.
Hedonistic	Enchantment linked to the attractiveness of the brand, to its logo, to its communication and its experiential rewards.
Ethical	Satisfaction linked to the responsible behaviour of the brand in its relationship with society (ecology, employment, citizenship, advertising which doesn't shock).

Source: Adapted from Kapferer 1997

According to the author, the main role of identification and practicality is “*to function as a recognized symbol in order to facilitate choice and to gain value.*” (Kapferer, 1997, p. 29). In short, they focus on the essence of the brand. Guarantee, optimization and badge are concerned with reducing perceived risk. They have an effect on and play a significant role in the consumer buying decision. When consumers make purchases and find the same expected quality and value each time, they are assured of making the right decision and feel satisfied that they have bought the best within the product category. Continuity, hedonistic and ethical functions are the “*more pleasurable side.*” (Kapferer, 1997, p. 29). When consumers are continually satisfied with the brand and the brand inspires them, we can say that the goal of the marketer is achieved.

Recently, as consumers feel a strong connection with the brands they prefer, they expect more responsibility and ethical behavior in exchange for making the purchase; therefore, nowadays the focus on the ethical function has increased dramatically.

To truly achieve these functions, companies need to expend extraordinary effort, as it will not be achieved without some effort.

### **2.1.3. Branding Extensions**

Branding can help in attracting new customers, keeping loyal customers, obtaining more sales, creating engaged employees and increasing business value. On the other hand branding protect the consumer rights and makes the consumer feel more safe, and also makes products choice easier for them as the brand become familiar. Therefore, establishing and building a strong brand has become one of the main goals which every company seeks to achieve because it facilitates doing business and makes it more profitable in addition to making consumers satisfied with the quality of the firm's products. When the brand is familiar to the consumer, it will reduce the need to test and think deeply to make a buying decision. Additionally, it reduces risk and the question about what the brand stands for can be exceeded. For example, if we look at one of the most successful brands, such as Apple, and because it has an effective and efficient branding, it can be "*endowing products and services with the power of a brand.*" (Kotler and Keller, 2006, p. 278). Moreover, educating the consumers about the brand is laid on the marketers by establishing mental structures that help consumers organize their knowledge about products and services in a way that clarifies their decision making process" (Kotler and Keller, 2006, p. 278).

The consumer needs to be convinced and feel the significant value of the product, which differs from other products; therefore, brand building is the key to establishing a brand and achieving this kind of feeling.

## **2.2. Brand Building**

A brand should be built on many elements such as confidence, passion, action, security and culture. Brands differ in the extent of power and value they provide to the consumer. Brand building is considered to be a complicated entity; however, it can reach the consumer's mind and make a change.

It can be developed step by step within an evolutionary process. In the marketplace, there are many brands about which customers do not know or hear about. Furthermore, there are other brands which are very familiar to the buyers.

Consumers are aware of them and they can easily recall and recognize them amongst many other brands, thereby implying that the consumer has high level of brand awareness.

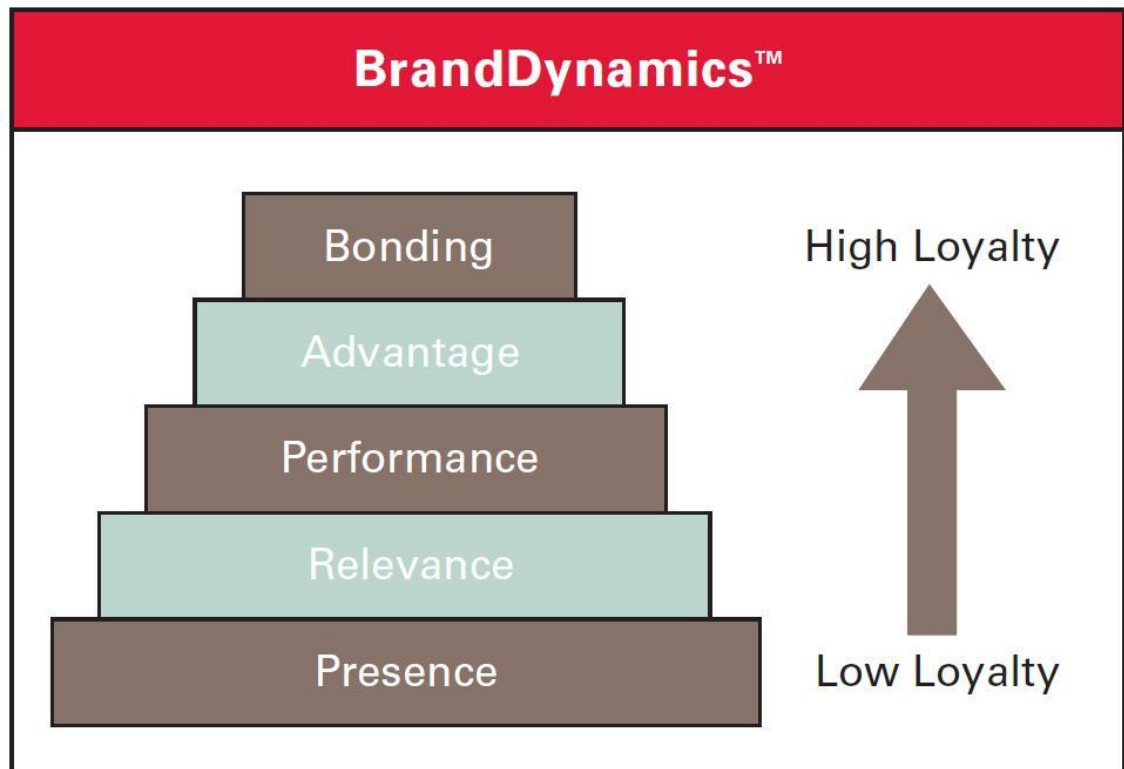
Additionally, there are brands with high levels of acceptability, thereby leading to consumers desiring to buy them. Finally, there are brands that have reached the level of high brand loyalty (De Chernatony, 1993).

These differences clarify the effort needed to create a strong brand. Many shifts have occurred after providing full satisfaction and realizing that brand as a concept is bigger than being an identifier. The brand building model can be classified into four main theories. Each focuses on various aspects of the brand, with some of them being concerned with brand building as a process based on a set of steps, such as the brand resonance model and the BrandZ model. There are models, which consider brand building as an interconnected model, such as the brand leadership model and the brand orientation model.

### **2.2.1. Brand Building Theories**

The first theory is BrandZ, which focuses on brand building as a process that can be accomplished according to a set of steps. Millward Brown, a consultant and specialist in marketing research, developed a model for brand strength and explained the idea of the model in the Brand Dynamics Pyramid (Figure 1).

The main idea is based on distributing consumers within pyramidal levels. In cases of concentration, the consumers at the lower level means it is necessary to enhance marketing activities and programs to increase the number of consumers and attempt to transfer them to the upper level.



**Figure 1:** Brand Dynamics Pyramid

Source: Adapted from BrandZ 2009

Kotler and Keller (2006) describe it as “*brand building follows a sequential series of steps, each contingent upon successfully accomplishing the preceding one.*” (Kotler and Keller, 2006, p. 283). The lower level of the pyramid is the presence level, which reflects brand identity. The brand is presented in the marketplace and the consumer notices it and enquires, (“*Do I know about it?*”). At this level, the consumer-company relationship is weak also in addition to the expenditure being limited as the consumer is discovering the new brand. When moving up the pyramid to the relevance level the consumer becomes aware of the brand, in addition, starts thinking about what it can provide to him (“*Does it offer me something?*”). The next level within the pyramid is the preference level, in this stage after the consumer

experiences the brand, he thinks deeply of what it can perform in order to fulfill his needs and wants (“*Can it deliver?*”).

At the advantage level, the consumer can specify exactly what the brand performs and what value it offers and whether it is better than other brands after trying it and benefitting from it (“*Does it offer something better than the others?*”). Finally, at the bounding level, the relationship and connection with consumers is achieved and the consumer becomes loyal to the brand.

Another theory argued by Kotler and Keller (2006) takes the same previously mentioned principle, which explains that brand building should follow a sequential building process, which is brand resonance. The authors determine this theory as a pyramid with two correlative sides: an emotional side and a mental or rational side within blocks. Brand building can be achieved accordingly (Figure 2).

The branding pyramid according to the authors is divided into four stages: *salience*, *performance and imagery*, *judgment and feeling*, and *resonance*. The branding objectives at each stage are shown on the right side, and the pyramid matches the stages with the brand development stages on the left side.

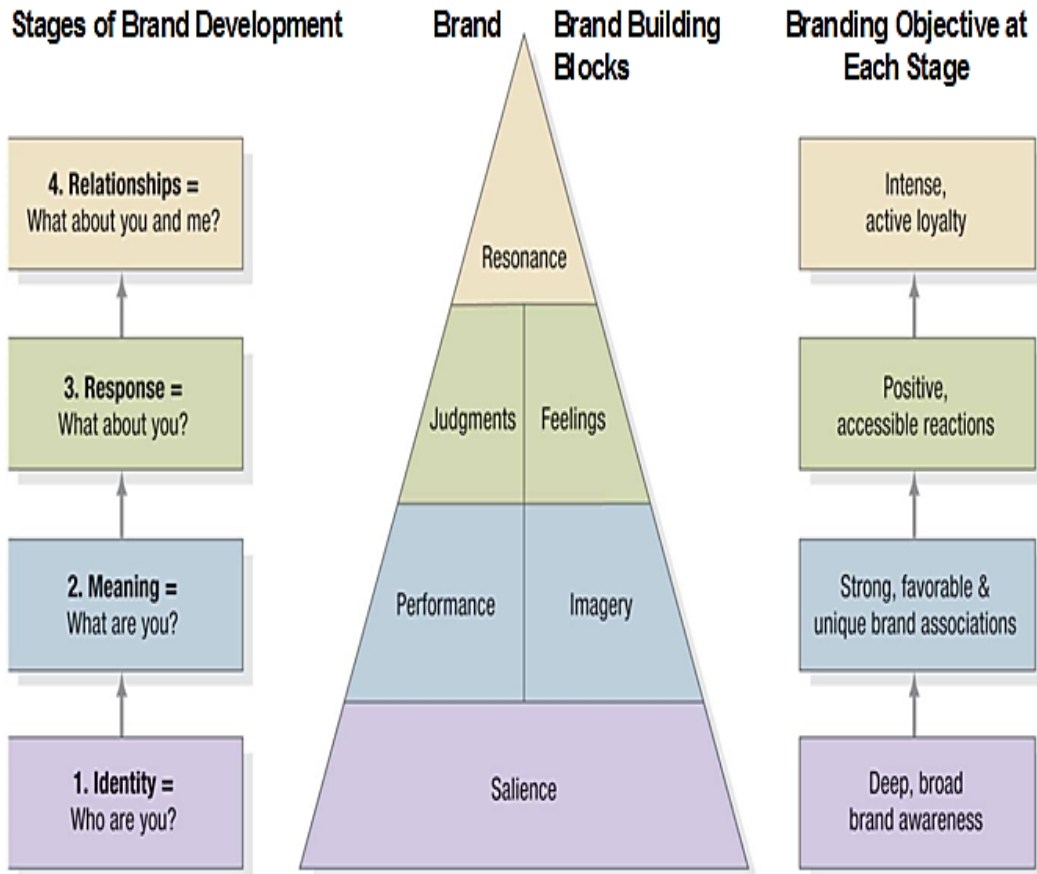
*First level:* Salience refers to broad awareness of the brand.

*Second level:* Performance and Imagery refers to the brand as a differentiator.

*Third level:* Judgment and Feeling refers to the emotional and intellectual influence.

*Fourth level:* Resonance refers to bond – i.e., the strong relationships between the brand and consumers.

Kotler and Keller (2006) stated that in order to build a strong brand, it is necessary for one to be “*reaching the top or pinnacle of the brand pyramid, which occurs only if the right building blocks are put into place.*” (Kotler and Keller, 2006, p. 285).



**Figure 2:** Brand Resonance Model.

Source: Kotler 2006:285

This model emphasizes consumers and what can occur with them in order to reach a resonance level as it is the goal of brand-building process from the marketing perspective.

The first block, brand salience, represents the first step and expresses the extent to which the brand is important to the consumer and to which degree the consumer is interested in the brand and knows about it, in addition to whether he feels relevant to it. The consumer can think about this and remember it when making a purchasing decision. This step is important because it ensures the correct brand identity for the purpose of creating brand identification with customers and desirable associations in their minds. Therefore, salience has two sub-dimensions: category identification and needs satisfaction.

The second step consists of two blocks: brand performance and brand imagery, meaning there are two things that must occur when implementing the brand and delivering the message to the consumer about the brand imagery.

Brand performance is concerned with the functional aspects of the product, which can satisfy consumers' needs, while through brand imagery, the psychological aspects of the consumer are considered and it clarifies to which extent that brand is accessed or tries to fulfill these aspects of the consumers. It shows how strong (*the ability to attract consumers to the brand*), how favorable (*Does it fit the needs and wants of consumers?*) and how unique (*Does it deliver value better than other brands?*) the brand associations are. The authors expressed that the purpose of this step is to “*establish the brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations.*” (Kotler and Keller, 2006, p. 286). The role of advertising is important in this step in order to create a brand image.

The next step also consists of two blocks: brand judgment and brand feelings. The first explains the consumer's ability to judge the brand and how it performs, what it delivers to him, what the purpose of using the brand is, and how the consumer thinks about the brand image. In short, it presents the consumer's responses (perceptions and opinions) toward the brand and his evaluation to its quality. These provisions stem from what is entrenched in the mind of the consumer from the previous step of the pyramid (brand performance and brand imagery). Brand feelings express the development of the consumer's emotional and accessible reactions, which affect the consumer's behavior towards the brand and the degree of acceptance that it has. In addition to the type of human attributes that the consumer can express and attach to the brand, such as excitement, fun, self-respect, etc., all of which are considered to be positive reactions. The final step is brand resonance, which means that the consumer at this level has a deep connection with the brand.

That means also the consumer-company relationship is strong, so the consumer can easily and clearly express his feelings about the brand, meaning as a result of the positive psychological and emotional connections and relationships with the brand, the consumer can be considered to be loyal to the brand.

Interconnected structure is another method to build the brand. The model, presented by Urde – *the brand orientation model* – is explained thus: “*Brand orientation is an approach in which the process of the organization revolves around the criterion development and protection of the brand identity in ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands.*” (Urde, 1999). This model suggests using the brand with a mindset that looks at it as specific strategic resources. “*Using the brand as the starting point is an expression of a mindset. This way of relating to brands employed by a company involves placing a specific resource at the heart of the strategic process. Activity is focused upon creating, developing, and protecting brands as strategic resources in order to achieve competitive advantages*” (Urde, 1999). As the brand identity should be related to the consumer, the company also should understand the inner value (internal brand identity) and what the brand is. This is the question which should be answered in order to gain a deep understanding of the brand (Table. 2).

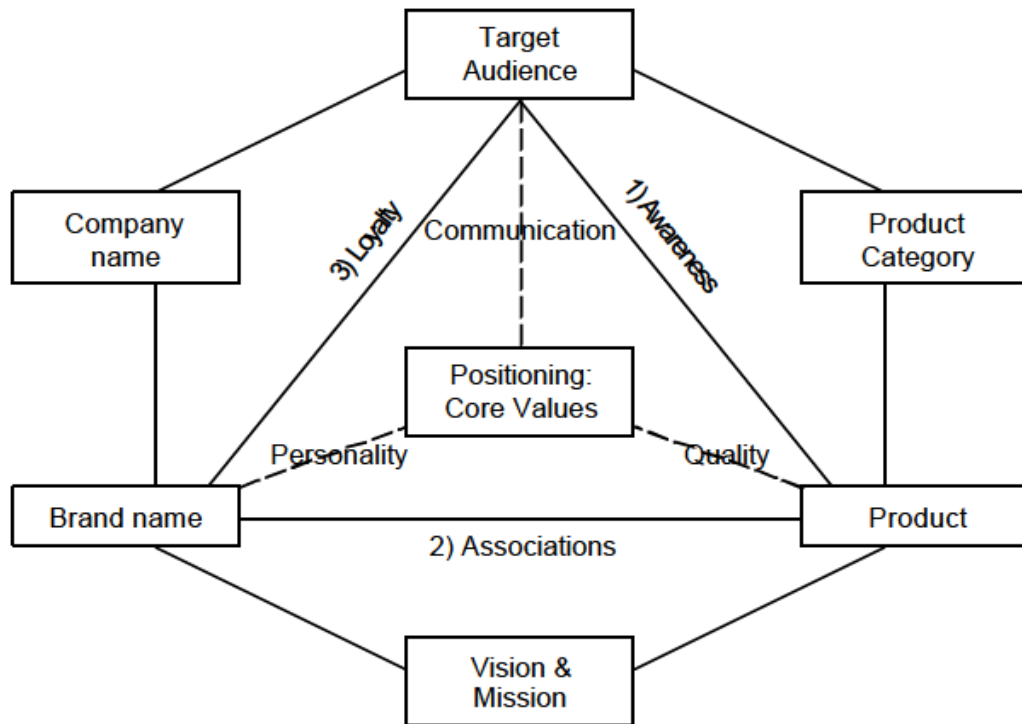
**Table 2:** Identity - Six questions to answer in order to get to know and understand its brands

		<b>The self</b>		
		<b>The true self</b>	<b>The ideal self</b>	<b>The normative self</b>
<b><u>The bases of the self</u></b>				
<b>The private self</b>	How I conceive of myself	How I would like to be	How I believe I ought to be	
<b>The social self</b>	How I believe others conceive of me	How I believe others would like me to be	How I believe others feel I ought to be	

Source: Adapted from Urde 1999

In this model, the brand is considered to be a strategic part; therefore, from this point of view, the brand’s strategic platform should be determined first. Then, the consumer responses will be a driver for brand development: “*the strategic point for a process of brand building is to first create a clear understanding of the internal brand identity. The brand then becomes a strategic platform that provides the framework for the customer’s wants and needs.*” (Urde, 1999).

The author mentions the priority in his model, namely “the wants and needs of customers are not ignored, but they are not allowed unilaterally to steer the development of the brand and determine its identity.” (Urde, 1999). The brand hexagon shows a theoretical illustration of the model (Figure 3).



**Figure 3:** Brand Hexagon

Source: Urde 1999

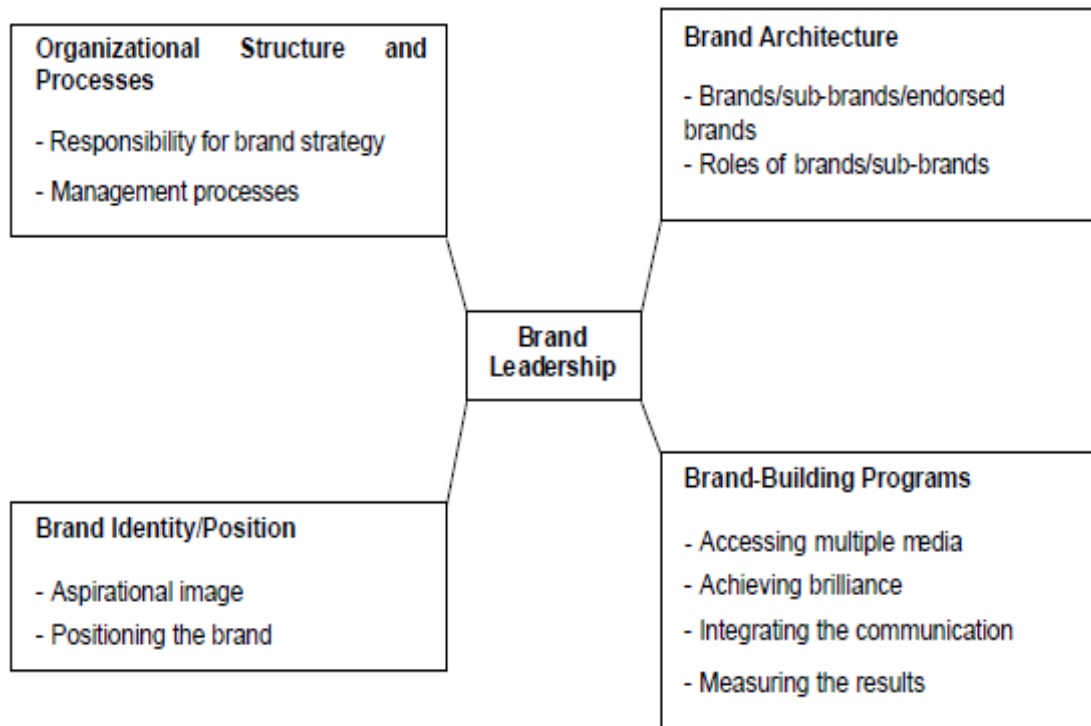
The model clarifies the essential role of interconnection and integration of the factors. In the heart of the model positioning the core values can be noticed which is the main process to create meaning for the brand. On the left side of the model, the company name and brand name can be seen, these present the emotional functions. Product category and the product lie on the right side and present the rational view. We see here the “brand experienced in its entirety” (Urde, 1999). The target audience in the upper part explains how the brand is interpreted by the target consumer. The lower part of the model represents the company’s intentions (vision and mission) as its supposed strategy toward the brand. Later, the author adds that there are two parts (internal and external) for the process of brand building.

The internal process describes the organization/brand relationship which aims to keep a brand alive. The external process aims to create added value for the consumer and develop the consumer/brand relationship (Urde, 2003).

The last model of brand building theory is the brand leadership model “*which emphasizes strategy as well as tactics.*” (Aaker and Joachimsthaler, 2000, p. 7).

It differs from traditional theories of branding by focusing on the strategic and visionary perspective, and presents a suggested way by Aaker and Joachimsthaler (2000) to build a strong brand. They emphasize considering brand building as a crucial function that can lead to success in doing business. The process of brand management according to this model determines various characteristics with brand manager having to “*be the higher in the organization with a longer-term job horizon*” (Aaker and Joachimsthaler, 2000, p. 350). The model stresses the significant role of brand managers and considers creating value and sustaining brand identity as the strategy drivers. “*The brand manager in the brand leadership paradigm is strategic and visionary rather than tactical and reactive. He or she takes control of the brand strategically, setting forth what it should stand for in the eyes of the customer and others relevant parties and communicating that identity consistently, efficiently and effectively*” (Aaker and Joachimsthaler, 2000, p. 350). The model’s essential concept refers to the necessity of being the brand strategy influenced by business strategy and reflects the same vision and company culture.

Aaker and Joachimsthaler (2000) argue that some challenges confront the model (Figure 4).



**Figure 4:** Brand Leadership Challenges

Source: Aaker 2000: 350

- 1- **Organizational challenge:** Establishing organizational structures and effective processes lead to achieving the company’s goal of creating a strong brand. In addition, the availability of an efficient brand manager can manage the brand across products and markets, and provide a brand-nurturing culture and establish an information system that facilitates information exchange and sharing initiatives and experiences. Aaker and Joachimsthaler (2000) claim that it is not acceptable for brands to be “*at the mercy of ad hoc decisions made by those with no long-term vested interest in the brand.*” (Aaker and Joachimsthaler, 2000, p. 350). McWilliams and Dumas (1997) support that brand team members should understand the process of brand building and suggest metaphors which may be considered to be intelligent tools that help in transmitting the company’s values (McWilliams and Dumas, 1997).

Doyle, in his article *Shareholder-Value-Based Brand Strategies*, says that brand management should be a part of the whole company’s management process and must not be seen as a specific marketing activity (Doyle, 2001).

- 2- **The brand architecture challenge:** This includes brand and sub-brand identities. When they have a proper identification and illustration of the clear relationship between them and show the main role which they perform and are managed and implemented properly, the offerings to the customer will be clarified and leveraging of brand assets becomes possible. The function of this challenge is necessary and important to make decisions related to the brand extension if the company needs to create a new product or endorse a brand or sub-brand. Aaker and Joachimsthaler (2000) state that “*the relative role of each brand in the portfolio should be determined*” (Aaker and Joachimsthaler, 2000, p. 350). Later, Aaker (2004) renamed brand architecture and used instead the term *brand portfolio strategy* and mentioned that “*the brand portfolio strategy specifies the structure of the brand portfolio and the scope, roles, and interrelationships of the portfolio brands.*” (Aaker, 2004, p. 13).
- 3- **The brand identity and position challenge:** To specify brand identity for every brand and to position the brand correctly in order to create clarity. Brand identity is “*a vision of how that brand should be perceived by its target audience*” (Aaker and Joachimsthaler, 2000, p. 351). Brand identity is the key and the inspirational element in programs of brand building. It should not be confusing in order to ensure building the brand properly. Brand positioning is significant because it helps in determining the priorities by preparing the objectives of communication programs. Speak (1998) mention in his article *Brand Stewardship* that this challenge must have a long term focus on integrating the process of brand building with the fabric of an organization (Speak, 1998).
- 4- **The brand building programs challenge:** To establish effective communication activities and to create brand building programs (accessing multiple media, achieving brilliance, integrating communication and measuring results) in order to develop and enhance brand identity.

These activities and programs are very useful and assist in the identity implementation. Moreover, they help in the process of brand definition.

In short, brand building programs must be focused on changing consumers' perceptions and creating positive attitudes in order to achieve loyalty within accessing multiple media, which plays an important role in being remembered by the consumers.

### **2.2.2. Why Brand Building?**

The previous section expounds on different approaches of brand building; however, they all seek to achieve the main goal which is leading a brand to become remarkable and a leader of the market by reaching a point where it is recognizable within its category and where it has the overall power to compete effectively and successfully.

Brands can make companies more attractive to potential customers and help companies to stand out from competitors by telling people four things about the business: who they are (the visual identity), which includes brand elements; what they do (by explaining the benefits of the products and services and how they can add value or improve the lives of customers). Those two elements can play a role to attract customers to the business initially; how they do it (the manner by which the value within their business is communicated); and why they do it (sharing the purpose that lies at the heart of the business). These two elements help to build long term relationship with customers. Therefore, if companies are serious about building their businesses, they should be serious about building their brand.

Building a brand is not easy and the process requires extraordinary efforts. Many considerations have to be taken in the account relating to different aspects and it requires supervision and constant observation of the marketplace in addition to following the situation over time to create the desired loyalty. However, it is necessary to know what differences need to be created in the mind of consumers that brand building wants to achieve. The next section focuses on this scope.

### 2.3. Brand Equity

At the end of the 1980s, the brand equity concept emerged and was widely accepted. However, it was not defined comprehensively or practically. It implied that the brand was a financial asset. Brand equity was defined initially as “*the ‘added value’ with which a given brand endows a product.*” (Farquhar, 1989). Depending on the perspective, brand can add value to:

- *The company*; by appearing as the incremental cash flow (increasing market share) when associating the product with the brand;
- *Trade*; when brand leverage over various products in the marketplace provides protection against private labels;
- *The consumers*; by increasing the attitudes (associations) and strength for a product using the brand (branded product) in the consumer memory (Farquhar, 1989).

Knowles (2008) mentioned that there are three approaches or perspectives that brand equity can be defined:

First, the financial concept, which is “*the incremental cash flow that accrues to the company as a result of owning a brand*”.

Second, the accounting concept, or as accountants realize assets in terms of “*trademark and associated goodwill*” (Knowles, 2008).

Third, the marketing perspective, which is similar to Kotler’s definition, which is “*the added value endowed on products and services*” (Kotler and Keller, 2006, p. 280) and takes the consumer perception of the brand rather than understanding brand equity only in terms of money.

The literature mentions different definitions of brand equity, but generally its meaning can be examined from two perspectives: the financial perspective and the customer-based perspective. The financial meaning is concerned with the brand value to the company; and the customer-based meaning is concerned with brand value to consumers (Kim et al., 2003). Financial value-based techniques of brand equity are clarified by Simon and Sullivan (1993) as they define them as “*the*

*incremental cash flows which accrue to branded products over and above the cash flows which would result from the sale of unbranded products”* (Simon and Sullivan, 1993).

The base according to their point of view is the financial market value of the company. They see that the brand equity of the company is extracted from other companies’ tangible and intangible asset value, which results in speculation based on the future cash flow of the company.

Doyle (2001) says that brand equity is the reflection of brand possibility to create value through increasing growth and improving premium prices (Doyle, 2001). A brand’s financial value stems from brand strength that works as a driver for cash flow.

In order to study and measure brand equity, three perspectives can be used. The first is the company (managerial) level approach, which is concerned with the brand from a financial asset perspective and gives the meaning of brand equity as the brand value. The second method is the product level by making a comparison between the non-branded product price and the branded product price. The final method through a marketing perspective is carried out by measuring consumer attachment to the brand (brand strength) and brand associations in the minds of consumers (brand image). Keller concluded that there are two motivations to study brand equity: those that are financially-based, in terms of asset valuation and the other being strategy-based motivation in terms of enhancing marketing productivity (Keller, 1993).

Customer-based brand equity and its measurement from the marketing perspective will be used in this thesis because it provides good insight for brand building. The following section will discuss the elements of brand equity and their functions accordingly.

### 2.3.1. Brand Equity Theory

The customer-based brand equity approach focuses on the “customer mind-set.” The most prominent theoretical views of the CBBE literature will be discussed since they provide good insights into the brand building process from the individual consumer perspective. There are various models and researches which are conclude the reliable brand equity dimensions. They will be explained briefly.

Kevin Lane Keller introduces the concept of customer-based brand equity as a process which can lead to building a strong brand. He defines CBBE as “*the differential effect that brand knowledge has on consumer response to the marketing of that brand.*” (Keller, 1993).

The definition clarifies that the power of the brand lies in the minds of consumers through their experiences with the brand over time: “*the power of the brand lies in what customers have learned, felt, seen and heard about the brand as a result of their experiences over time*” (Keller, 2003, p. 59). As the “*thoughts, feelings, images, beliefs, attitudes, experiences, that exist in the minds of consumers.*” (Keller, 1993). Keller, in his model, explains that brand knowledge is the key for creating brand equity and he visualizes brand awareness and brand image as the sources of brand knowledge. Three significant ideas are mentioned in his definition: (Keller, 1993).

- 1) The differential effect. If consumer responses, reactions, behaviors or perceptions to the marketing programs of the brand are compared with identical marketing aspects of generic unbranded versions of the product, the difference should be clear.
- 2) Brand knowledge. A difference reaction results from the knowledge that consumers have about the brand, which consists of the attributes, feelings, thoughts, awareness and beliefs that are associated with the brand in the consumer’s mind. Brands need to create strong, favorable and unique associations in order to achieve an effective brand image that reflects positively on brand knowledge.
- 3) The consumer’s response to the brand’s marketing activity or advertising. The reflections of the consumer’s differential response that can make up brand equity is shown as positive perceptions, behaviors and preferences and if there is no clear

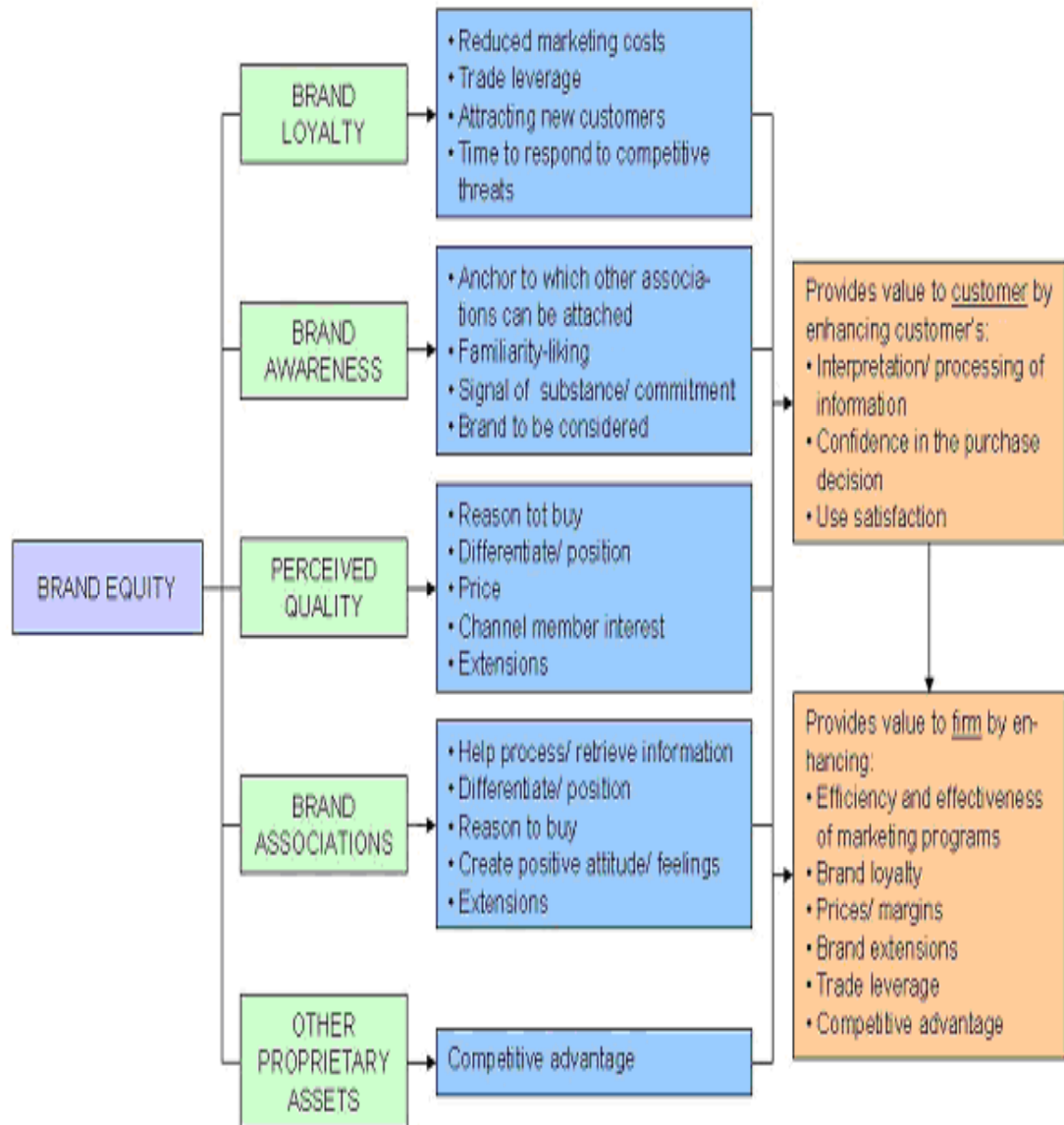
difference from competitors' brands, then competition occurs according to product price.

It is important for managers to understand and know how designed marketing activities and programs affect consumer learning and subsequently how they recall brand related information for future brand strategy development.

The customer-based brand equity according to the Keller model occurs if the consumer becomes familiar with the brand and holds strong, favorable and unique associations in his memory toward it. The key issue from the point of view of Keller is to create CBBE and brand knowledge which consists of 1) brand awareness, which is achieved when the consumer is able to recall and recognize easily; and 2) brand image, when the consumer holds clear perceptions and strong associations (such as attributes, benefits and attitudes) about the brand.

From the point of view of Lassar et al., (1995), brand equity can be configured through five dimensions: value, performance, social image, trustworthiness and commitment (Lassar et al., 1995).

The second model which provides valuable insight into the body of CBBE is suggested by Aaker (1991), (Figure 5). It considers the brand with intangible asset dimensions (*brand loyalty, perceived quality, brand association and other proprietary brand assets*) as a basis for brand equity (Aaker, 1991, p. 269-270). According to Aaker, for asset dimensions of brand equity, we can notice that he concentrates on brand-added value, which can be provided by brand equity and can be added for both consumers and the company (Aaker, 1992).



**Figure 5:** Five Assets Model of Brand Equity

Source: Adapted from, Aaker 1991

Aaker (1996) presented brand equity measures – The Brand Equity Ten – for his model (Table 3). That measure brand equity for the organization across products and markets, which consists of ten measures to evaluate brand equity.

He classified and defined brand equity measures or components basically into five dimensions (components) that were further divided into sub-dimensions of CBBE: “the first four categories represent customer perception of the brand along the four dimensions of brand equity – loyalty, perceived quality, associations, and awareness.

The fifth includes two sets of market behavior measures that represent information obtained from market-based information rather than directly from customers” (Aaker, 1996). These dimensions based on customer perception of the brand.

**Table 3:** Brand Equity Ten

Aaker’s Brand Equity Ten measures			
<b>Loyalty</b>	Price Premium	Satisfaction/ Loyalty	
<b>Perceived Quality</b>	Perceived Quality	leadership	
<b>Association/ Differentiation</b>	Perceived Value	Brand Personality	Organization and Differentiation
<b>Awareness</b>	Brand Awareness		
<b>Market Behavior</b>	Market Share	Price and Distribution indices	

Source: Adapted from, Aaker 1996

Aaker and Joachimsthaler have stated that “*Brand loyalty is at the heart of the brand’s value. The concept is to strengthen the size and intensity of each loyalty segment.*” (Aaker and Joachimsthaler, 2000, p. 17). They also said “*It is the core dimension of brand equity*” (Aaker, 1996). It presents the consumer’s favorability of the brand and his attitudes toward it as a result of purchasing the brand consistently for a long time. It also refers to the extent to which consumers are loyal to the brand.

**Loyalty measures include:**

**Price premium:** This expresses the desire of the consumer to pay for the product at a price which is higher than or different from other comparable product prices in the same category. It is “*the amount a customer will pay for the brand in comparison with another brand (or set of comparison brands) offering similar benefits.*” (Aaker, 1996). It must be measured with consideration to clearly specified competitors.

*Satisfaction/loyalty*: This indicates the range of existing consumers' satisfaction, whose use of the brand (product or services) over a certain time frame, such as a previous year, and had been experiencing the brand for a long time and whether they were satisfied or not after the last time they tried the product or services (Aaker, 1996).

***Perceived Quality measures consist of:***

*Perceived Quality*: This is the comparison between the brand's perceived quality and the perceived quality of the alternatives. "*Perceived quality has been shown to be associated with price premiums, price elasticities, brand usage, and remarkably stock returns.*" (Aaker, 1996). Perceived quality has a great influence on brand profitability and brand association. It refers to the extent to which brand is considered to deliver good quality products and/or services.

*Leadership/popularity*: This has three dimensions: syndrome, such that "*the logic is that if enough customers are buying into the brand concept to make it the sales leader, it must have merit*" (Aaker, 1996); the leadership, which can tap into innovation (is the brand procession of technological development); and finally, the leadership taps, that is "*the dynamics of customer acceptance, reflecting the fact that people want to be on the bandwagon and are uneasy going against the flow*" (Aaker, 1996).

An association is anything that can play a role in connecting the consumer with the brand and which differentiates the brand from competitors' "*user imagery, product attributes, organizational associations, brand personality, and symbols.*" (Aaker and Joachimsthaler, 2000, p.17).

***Association/differentiation measures***: it has three perspectives on the brand:

- *Perceived value* – the perspective of brand as a product (value proposition). This measure indicates the extent to which the brand succeeds in creating this value and whether this value that the brand provides is good for the money and the achieved reasons to have consumers buy the brand more so in comparison with competing brands (Aaker, 1996).

*Brand personality* – the perspective of brand as a person. The personality of the brand can strengthen the basis of the brand-customer relationship and differentiation in addition to providing being a link for the brand’s self-expressive and emotional benefits. When the brand can be assessed as a human being, the consumer can associate some attributes and human characteristics to the brand (Aaker, 1996).

*Organizational association* – the perspective of brand as an organization. The brand as an entity which consists of the people, corporate values and the organization’s programs that stand behind the brand. This perspective is important as it shows that the brand is presenting something more than the product and/or service (Aaker, 1996).

***Awareness measures:***

- *Brand awareness* – This is an important component of brand equity which can affect the consumer’s attitudes and perceptions toward the brand. It forms the brand’s salience in the minds of consumers. Awareness levels include recall, recognition, brand dominance, brand knowledge and brand opinion (Aaker, 1996). It refers to the extent to which the brand is known by the public.

***Market behavior measures:***

- *Market share* – This refers to brand performance as measured by market share which reflects the brand’s standing with consumers, the advantages the brand has in their minds and the company’s market positioning (leader, challenger, nicher or follower) (Aaker, 1996).

- *Price and distribution indices*, which is “*the relative market price at which the brand is being sold*” (Aaker, 1996), and the distribution coverage which is logical measure to market share (the stores carrying a brand or the people who can access to it).

The last model which is concerned with global brands is the Atilgan model (Table 4). “*The brand equity for global brands can be measured under four basic dimensions: perceived quality, brand loyalty, brand associations, and brand trust.*” (Atilgan et al., 2009). The model adds an important dimension (trust) which seems to be suitable

when talking about brand in the last decade, when the media sometimes did not focus clearly on brand performance or when it seemed to be hidden in the media.

**Table 4:** Brand equity Elements - Atilgan model

Perceived quality	<ul style="list-style-type: none"> <li>- Dimensions of Product quality (product features and product performance)</li> <li>- Dimensions of service quality (responsiveness, reliability, and tangibles)</li> </ul>
Brand loyalty	<ul style="list-style-type: none"> <li>-Consumer Behavioral loyalty (repeated purchases, how much and how often)</li> <li>- Consumer attitudinal loyalty (attitude towards the brand in comparison with other brands which are offering similar benefits).</li> </ul>
Brand associations	- Any linked association in the consumer memory toward the brand (brand attributes, name, benefits and attitudes).
Brand trust	- Brand Consistency and Credibility.

Source: Adapted from (Atilgan 2009)

From the point view of the authors, trust must be considered since *“there are strong references made, implicitly and explicitly, to the existence and importance of trust not only in the brand equity literature but also in global branding and global consumption studies”* (Atilgan et al., 2009), especially when the brands and large companies are facing financial crises. In this case, they need to audit their decisions about how to conduct their business. This can drive consumers to think deeply about trustworthiness and expertise when delivering what has been promised by the firms.

### 2.3.2. The Drivers of Brand Equity (Building Brand Equity)

Brand marketing programs are essential tools to create a brand by creating suitable brand knowledge structures to link an association with the brand so as to have strength, favorability and uniqueness in the consumer's mind and to fulfill the need and wants of the consumer. Brand marketing programs are key for building brand equity, and they play a role in enhancing brand awareness and creating effective brand associations. Kotler and Keller (2006) said that when marketers intend to create brand equity, they have to build "*the right brand knowledge structures with the right consumers*" (Kotler and Keller, 2006, p. 258), and this process initially needs drivers in order to make it possible to be applied. The authors classify brand equity drivers into three main group:

- 1- Brand elements
- 2- Marketing activities
- 3- Indirect associations

For These groups and in order to be successful, special techniques are required.

#### **Brand Elements**

The first group, brand elements, as Kotler mentions, refers to "*those trademarkable devices that identify and differentiate the brand.*" (Kotler and Keller, 2006, p. 286). Brand elements play a number of brand building roles and each one of them give a positive contribution to the brand equity.

Brand elements play a crucial role in creating a brand identity, and the multiple elements when used collectively can play a significant role to the development of strong brand faster than using them individually. It commonly includes brand names, logos, fonts, colors, symbols, characters, slogans and packaging or any other attributes that can differentiate and recognize products or services from others. Selecting proper brand elements requires commitment to six criteria: (Keller, 2003, p. 175).

**Memorability** – The extent to which brand elements can be easily recalled and recognized by consumers. The aim of achieving a high level of brand awareness is essential to build brand equity. Therefore, selecting inherent memorable brand elements may be helpful for brand recognition and helpful in the facilitation of reminding the consumer when making a buying decision.

**Meaningfulness** – Do the brand elements have creditability in the corresponding category? The chosen brand elements which provide inherent meaning can expand the creation of brand associations. Basically, brand elements can take on various meanings, which may vary in terms of persuasiveness and descriptive meaning content.

**Likability** – Do the brand elements have aesthetic attractiveness? Sometimes the recommended associations delivered by a brand element may not concern the product. Therefore, brand elements must be selected to deliver inherent fun and interest and perhaps other inherent elements, such as richness in visuals, which can make elements likeable.

**Transferability** – Is there an ability to use brand elements to introduce new products within the existing category or in a different category and across various markets? This criterion pertains to transferring brand elements across products and markets.

**Adaptability** – Are brand elements formed to be adaptable and updatable over the course of time? The change of consumer needs and wants over time necessitates selecting brand elements which must consider adapting and updating over time in order to fulfill these needs and wants so as to stay relevant.

**Protectability** – Are brand elements are legally protected? The final general criterion is concerned with the consideration of the protection of brand elements, legally and competitively as well as locally and internationally.

Selecting suitable elements is significant and it plays a role for building and leveraging brand equity. Each of the brand elements has an important and clear effect related to building brand equity. Therefore, selecting brand elements, in addition to integrating them, is important. Marketers have to take into consideration the design

and setting of brand elements carefully in terms of their respective strengths and weaknesses in order to create collective support between various brand elements and brand marketing programs (Keller, 2003, p. 175).

### **Marketing Activities**

The second group comprises marketing activities, which Kotler describes as the “*product and service and all accompanying marketing activities and supporting marketing programs*” (Kotler and Keller, 2006, p. 285). The author point of view about these drivers is comprehensive or (holistic) to clarify the general ideas behind marketing activities rather than explaining them individually.

The ability of these activities to influence brand equity is considered as a whole to evaluate effectiveness of these options. The sustainability of consumer-brand connection over time is important.

The contacts and touch points such as telephone or online experience, word of mouth, interactions with consumers or even perhaps personal use and observations, show that marketing strategy and tactics become more difficult than they were in the past.

The literature and studies about interconnection and interdependence of different factors have confirmed that there are three important themes used for designing marketing programs for building the brand; these include:

1 - **Personalization**. According to Kotler and Keller (2006): “*Personalizing marketing is about making sure the brand and its marketing are as relevant to as many customers as possible.*” (Kotler and Keller, 2006, p. 288). Different ways are used by the marketer to treat customers individually, including:

- One-to-one marketing, which is explained as “*being willing and able to change your behavior toward an individual customer based on what the customer tells you and what else you know about that customer*” (Peppers and Rogers, 1999). This requires specific investments in the information collection process about individual customers.

- Experiential marketing, which is defined as “*a live event or experience that gives the target audience the opportunity to see a product and experience it for themselves.*” (Carrie et al., 2008). This refers to engaging as many senses as possible (such senses as feeling, thinking, action and relating) and using them as a marketing strategic basis.

- Permission marketing, which is defined as marketing to consumers when obtaining permission to do so: “*marketers can develop stronger consumer relationships by respecting consumers’ wishes and sending messages only when they express willingness to become more involved in a brand.*” (Godin, 1999, p. 42-51).

2- **Integration**, which Kotler and Keller (2006) expressed the concept as “*Marketing programs should be put together so that the whole is greater than the sum of the parts.*” (Kotler and Keller, 2006, p. 289). They further clarify that it is “*about mixing and matching marketing activities to maximize their individual and collective effects.*” (Kotler and Keller, 2006, p. 289). Consequences' Effectiveness and efficiency can evaluate the integrated marketing actions. Brand identity and brand image are the main important marketing concepts in integrated marketing.

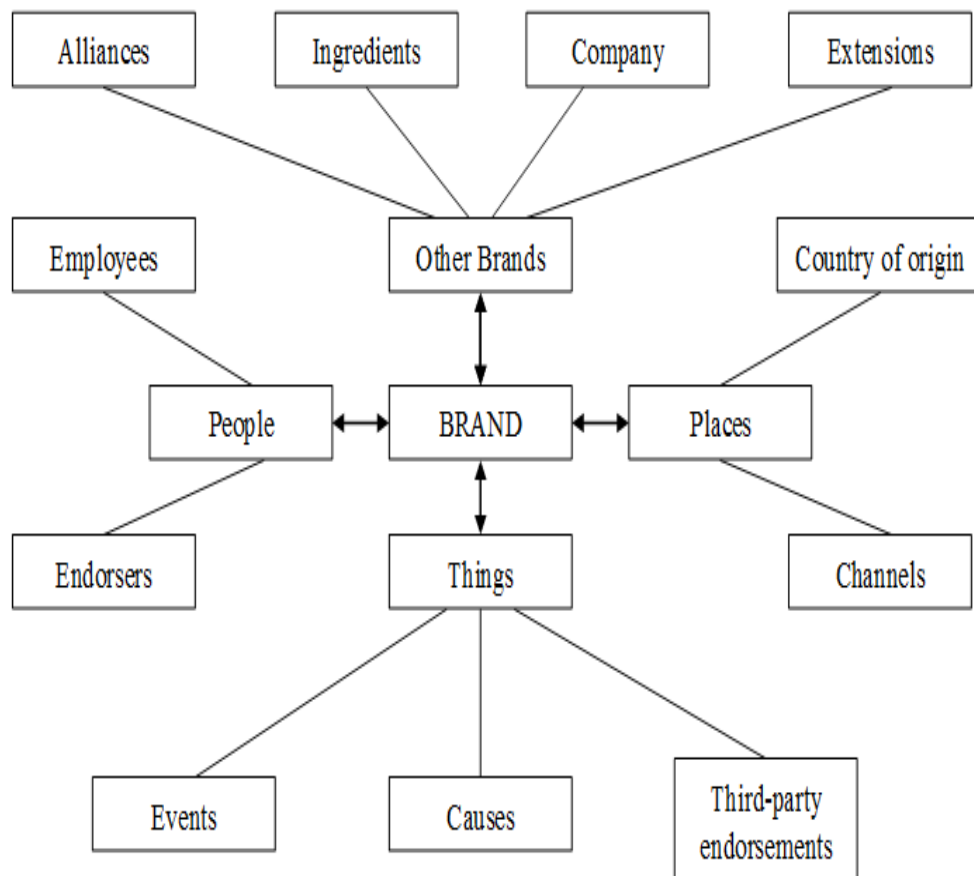
3- **Internalization**, also called internal branding, is defined as the “*activities and processes that help to inform and inspire employees.*” (Kotler and Keller, 2006, p. 289). This concept is especially important for the service sector and retail companies as brand management should follow up employees’ need for updating information about the promise of brand delivery and having a full understanding of it. According to Dunn and Davis( 2003) “*Adopt internal perspective to be sure employees and marketing partners appreciate and understand basic branding notions and how they can help – or hurt – brand equity*” (Dunn and Davis, 2003).

### **Indirect Associations (Secondary Associations)**

This theme pertains to creating “*brand equity by linking the brand to other information in memory that conveys meaning to consumers.*” Kotler and Keller, 2006, p. 290). Keller mentions that secondary associations express the associations of those related to the brand which are created by linking the entities provided with the structures of the existing knowledge in the consumer’s mind.

The working principle drives consumers to associate the brand with the entity in such way that it affects brand knowledge. This indirect way can leverage secondary brand knowledge. Aspects such as company, country, co-branding, celebrity endorsement and sponsorship could be used. For example, the entity may be a country, and some consumers may believe that good quality cars can be realized when a brand is linked with Japan. Leveraging secondary brand knowledge can take the form of creating new brand associations with another entity or by influencing current brand associations by influencing current brand associations.

Brand associations maybe linked to the brand by means of the four different entities presented in (Figure 6).



**Figure 6:** Secondary Sources of Brand Knowledge

Source: Adapted from Kotler, 2006, p. 290

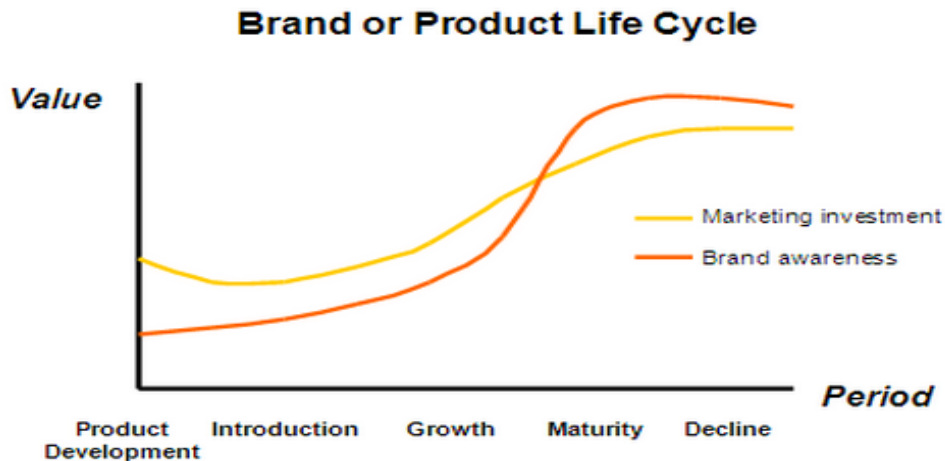
All of the three drivers of brand equity are significant and play noticeable roles to enhance brand equity. However, the marketer should choose them carefully to achieve maximum benefits. Achieving optimal results and accumulating good profits from the proper selection of brand equity drivers can make the brand stronger and help it to achieve the desired market position, lead it to the sustainability of brand growth and increase the opportunities for brand expansion. However, the question remains as to how this can be measured and how the current brand state can be evaluated. Further questions to be asked include what positioning the brand has in the market. The following section discusses these questions.

## **2.4. Brand Development and Market Position**

Brands may encounter some changes with the time. The previous section discussed techniques that can help firms to follow some strategies that in order to achieve their objectives and goals. In this section, brand life cycle, brand expansion strategies and its position in the market as the consumers can be measured from their point of view. In order to sum up the results of brand building some models concerning current stage of the brand and the position the brand has in a comparison with other companies will be presented to acquire a fair understanding about how brands evolve.

### **2.4.1. A Brand's Life Development (Product or brand life cycle and strategy)**

Model that will be presented as the first one is Product Life Cycle. All products that are an object of exchange stay on a market for some time which is difficult to estimate. This time is divided into few phases, which together make up product life cycle. Kotler discussed in his model of brand life cycle that it can be used “*to analyze a product category, a product form, a product, or a brand*” (Kotler and Keller, 2006, p. 318). The bell-shaped pattern of the brand is presented in (Figure 7), to take a fair view about how a brand is born, how it is launched in the market, how it lives and dies. The product/brand life cycle consists of five basic stages: (Pandya, 2009, p.1-2).



**Figure 7:** Brand Life Cycle

Source: Pandya 2009 :P.1

**Product development stage** – This is the stage of product design. Research and market surveys need to be conducted by the company to test the ability of the product to fulfill customers’ desires.

- **Introduction stage** – This stage is very important but also expensive and possibly takes a long time (from brand idea to brand realization). In this stage, the product is launched and sales grow slowly. Marketers’ use of informative advertising and profits are at a minimum level. The consumer’s reaction and assessment of brand utility is crucial for the following stages.

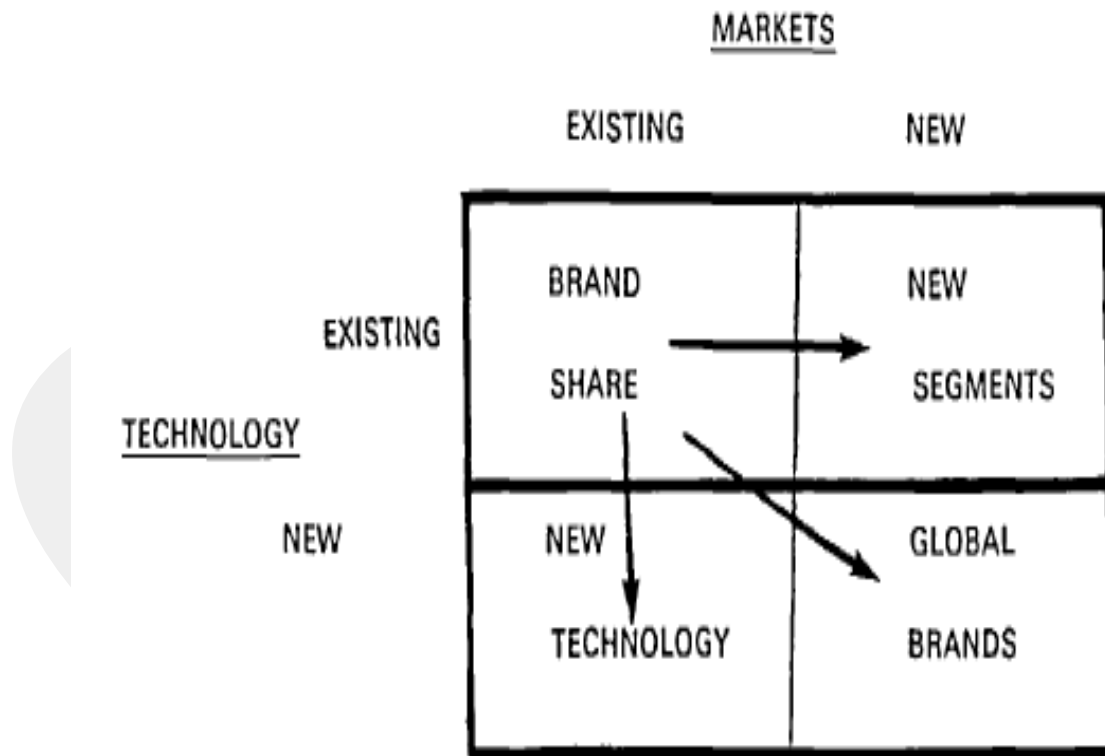
- **Growth stage** – In this stage, the brand achieves a fast increase in turnover, the number of costumers increases, sales start to grow rapidly, persuasive advertising is used, revenues increase and spending decreases while promotional spending is reduced and profits start accumulating. Brand improvement is necessary to prolong this stage in order to gain as much profit as possible from it.

- **Maturity stage** – In this stage, competition increases. The sales scale reaches the peak point, after which a negative growth occurs and thereby making profits decrease; as a result, promotional prices are used. A modification strategy of the product and market is needed in order to increase the number of customers and sold items. Therefore, increasing marketing activities should be emphasized.

- **Decline stage** – During this stage, the brand loses its appeal and then dies or its life cycle ends. As a result, sales rapidly decline and profit decreases sharply. This may occur due to changes in the marketing environment in addition to technological switches and intensive competition or the transformation of consumer tastes. As a result, the brand is withdrawn.

#### 2.4.2. Brand Growth Direction Matrix

This model is focusing on brand situation and expansion. Dolye applied the product life cycle model on brands and mentioned that *“there is no reason why a brand cannot adapt to new technologies and move from mature into new growth markets”* (Doyle, 1992). Furthermore, they presented a matrix which shows the main opportunities for growth (Figure 8).



**Figure 8:** Brand Growth Direction Matrix

Source: Adapted from Doyle 1992

According to Doyle brand share is the initial strategic focus. Plenty of companies that were successful in this area changed their strategy by incorporating new technologies. However there were also companies that decided to move into new market segments. There is no distinction what should be done first. The last growth direction is shifting to global brands. According to Doyle, this is rather the way of presenting brand's life.

Pandya (2009) presented a model related to brand expansion (Figure 9). The author distinguished four branding strategies which can be chosen by firms which are thinking about brand expansion (Pandya, 2009, p. 3).

		Product Categories	
		Existing	New
Brand Categories	Existing	<p><i>Line Extension</i></p> <p>Adding new formulas to existing product categories or repackaging them and using the brand reputation already established for promotion</p>	<p><i>Brand Extension</i></p> <p>Extending the existing brand to new product categories, such as extending a brand-name for instant noodles to other types of noodles</p>
	New	<p><i>Multi-brands</i></p> <p>Relaunching existing products under new names to take up more shelf space and attract new customers</p>	<p><i>New Brands</i></p> <p>Introducing new product categories where the existing brand is not suitable for the new line</p>

**Figure 9:** Four Branding Strategies.

Source: Pandya 2009: P. 3

This model, focuses rather on market and technology for developing strategy of the brand, concentrates on product and brand categories. The first strategy proposed is Line Extension. The main idea of it is enhancing existing product categories with new formulas, repackaging them, and using already established brand reputation for promotion. Brand Extension involves extension of the existing brand with the new

product categories. The strategy of Multi-branding attracts new customers by relaunching existing products under new names. The last strategy is applied when the existing brand is no longer suitable for the introduction of the new product category. It is however important to mention, that expansion of the brand could be done simultaneously in different directions.

Whatever the perspective of describing brand life cycle or expansion of the brand used, there will be disagreements between experts, since every theory considers different relevant factors.

#### **2.4.3. Brand Asset Valuator (Assessing the Brand's Market Position)**

This model was developed by Young And Rubicam(Y&R) and it focuses on the consumer's perception of the brand or how the company is perceived by the customers and then assign brand market position to these data. *"the four pillars that make up the foundation of Young & Rubicam brand asset valuator model, for example, can be directly related to aspects of the CBBE model (in parentheses): (1) Differentiation (Superiority), (2) Relevance (Consideration, (3) Esteem (Credibility), and Knowledge (Resonance)"* (Keller, 2001).

Aaker (2003) mentioned that *"By Young & Rubicam agency-brand asset valuator study, a global survey of brand equity conducted every few years that covers more than 35 country, 13,000 brands, 450 global brands and 50 measures organized along four key dimensions - Differentiation, Relevance, Esteem, Knowledge as one Y&R expert put it."* (Aaker, 2003).

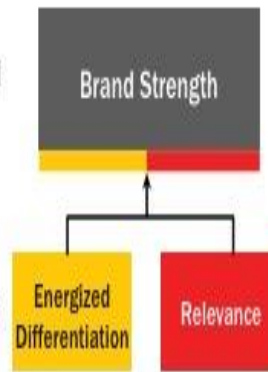
The comparative measures of the brand equity according to the BAV model identified four pillars assessing four distinctive components those are; Energized Differentiation, Relevance, Esteem; and Knowledge. (Figures 10) and (Figure 11) show the pillars contribution to business performance and different brand development stages.

# The BAV Brand Lifecycle PowerGrid

## Brand Strength vs. Brand Stature

**Energized Differentiation** and **Relevance** form Brand Strength—a brand's ability to exist as a viable entry, defend itself from competition and the source for margin and earnings.

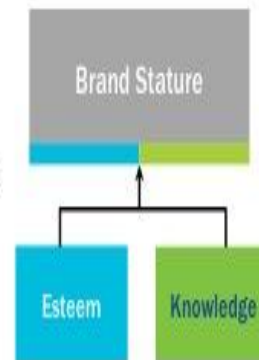
Brand Strength is a leading indicator as brands develop this aspect first. When brands start to fade, Brand Strength is lost first.



Brand Strength Represents Future Growth Value

**Esteem** and **Knowledge** form Brand Stature, which captures a brand's familiarity and the extent a brand has succeeded in building Knowledge and Respect.

These are lagging indicators, since brands tend to develop these after Energized Differentiation and Relevance start to fade.



Brand Stature Represents Current Operating Value



**Figure 10:** BAV, brand strength & brand stature

Source: <http://bavconsulting.com/insights/reports/>

# BAV's Brand Lifecycle PowerGrid



**Figure 11:** BAV brand lifecycle Power Grid.

Source: (<http://bavconsulting.com/insights/reports/>)

Energized differentiation explains a brand's unique meaning and its momentum. It measures brand differentiation level in comparison with other brands and composes of five brand attributes: innovation and dynamism, uniqueness, pricing power and offering.

Relevance explains how a brand fits into the lives of people (belief in the need for the product; emotional connection). It is related to market penetration and shows the appropriateness of a brand to consumers and breadth of the appeal.

Esteem is an evaluation for brand reliability, perceived quality and respect. It measures the prerequisite for building brand loyalty.

Knowledge reflects the consumer experience with the brand and measure the level of familiarity with it.

The first two pillars (first category) called Brand Strength, which represent a brand's future growth. The latter two (second category) called Brand Stature, which represent the recent performance of the brand. These two categories together make up the brand life cycle power grid.

According to figure 11, if only energized differentiation scoring high that indicate strong new brands with the development potential. Scoring high in all pillars indicate the leadership of the brand, and scoring very high on both of Knowledge and Esteem and lower scores for the other two indicate declining brands.

## CHAPTER III

### APPLE STRATEGY FOR BUILDING STRONG BRAND

The top brand of in world, Apple, which is commonly referred to as a cult brand is the brand which is taken as a case study. Its tech corporation has repeatedly been named as one of the most remarkable and admired companies. *“It is leading amongst several highly competitive companies, including the computer industry with its Macintosh computer, the consumer electronics industry with the iPod, the smart phone market with the Apple iPhone, and presently, the tablet market with the Apple iPad”* (<http://www.slideshare.net/tim3flies/apples-brand-personality>). Interbrand’s latest rankings for 2014 show Apple as number one among the best 100 global brands (Figure 12). For the second year, Apple obtained this position in the interbrand ranking, earning \$118.9 billion and an increase in the value of the brand by 21% (Table 5).

Interbrand considers three main aspects which play an important role for the brand’s value when specifying the top 100 best valuable brands annually; the financial performance of the brand (product or service), the ability of the brand to influence consumer choice and the brand strength that allows providing premium price for the company’s products or services.

Looking at the brand equity drivers and analyzing Apple positioning on the market will help to understand the phenomenon of this brand. In this chapter, the historical background of Apple Inc. will be mentioned, after which Apple’s brand equity drivers will be explained in detail. This will be followed by a discussion of perspectives for Apple.

# Best Global Brands 2014



bestglobalbrands.com

Figure 12: The best 100 global brands 2014

Source: (<http://crearts.it/interbrand-best-global-brands-2014/>)

**Table 5:** Apple brand value

**Interbrand's 2014 Best Global Brands**

2014 RANK	2013 RANK	BRAND	SECTOR	2014 BRAND VALUE (USD \$billion)	% CHANGE IN BRAND VALUE
1	1	Apple	Technology	118.863	21%
2	2	Google	Technology	107.439	15%
3	3	Coca-Cola	Beverages	81.563	3%
4	4	IBM	Business Services	72.244	-8%
5	5	Microsoft	Technology	61.154	3%
6	6	GE	Diversified	45.480	-3%
7	8	Samsung	Technology	45.462	15%
8	10	Toyota	Automotive	42.392	20%
9	7	McDonald's	Restaurants	42.254	1%
			Automotive	34.338	8%

Source: (<http://interbrand.com/en/newsroom/15/interbrands-15th-annual-best-global-brands-report>)

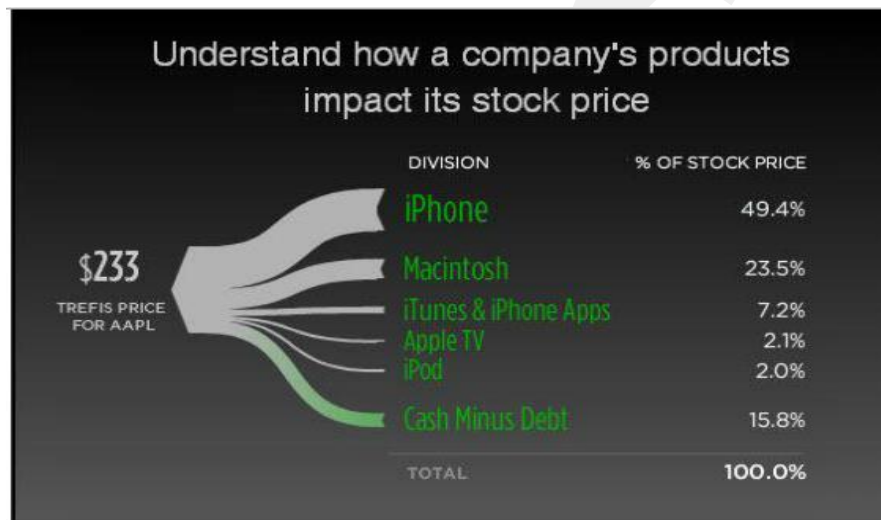
### **3.1. Historical Background of Apple, Inc.**

For 38 years, Apple, Inc. is still known for its way of thinking differently and innovatively. Apple has proved that it is the company which is able to anticipate the future and can succeed in positioning itself as a trend-setter company.

Apple Computer, Inc. is a global corporation that creates consumer electronics, personal computers, software and commercial servers. Additionally, it is known as a media content distributor. Apple's main products lines are the Macintosh computer line, the iPad tablet PC, the iPhone, and iPod portable media players. Steve Wozniak and Steve Jobs were the founders of Apple Inc., who established the company on the 1st April 1976 in California.

They struggled to keep the company afloat in its early days. Apple's first product was the Apple I released in 1976 and the Apple II released in 1977 which succeeded commercially. 1980 was the year that Apple went public. Later, Apple produced the

PC. However, in 2001, Apple, by releasing the successful iPod music player and later in 2003 iTunes Music Store, positioned itself as the consumer electronics and media sales industries leader and drove the company later to drop the computer from its name in 2007. Currently, the company is known for its iOS range of smart phones, media players, iPhones and tablet computer products, the iPod Touch followed by the iPad. In 2012, and by market capitalization, Apple was recorded as the largest global overtly traded corporation ([http://www.youtube.com/watch?v=7CPWrK\\_nnjk](http://www.youtube.com/watch?v=7CPWrK_nnjk)). Each product has an impact on the company's stock price (Figure 13).



**Figure 13:** The Products Impact on the Brand Stock Price

Source: [www.prezi.com](http://www.prezi.com)

The point which is remarkable and interesting is how Apple has succeeded in sustaining and maintaining its equity around. The answer may be its innovation, the revolutionary products of Apple, its stable culture and the quick adaptation to the wants and needs of consumers in such a way, which is not easy to imitate. These are the reasons that are considered to have made Apple the best brand and which have helped the company to become a global brand.

The market of technologies has been growing rapidly. It is a dream for every large corporation to have an edge over rivals; however, there is a difference between having dreams and making them come true. In order to make them real, we must look at a company's outstanding operations, and if we think about the leader of the

electronics category, we always think of Apple. The company, which started in 1976 with just one version of the computer, now has different products. However, what makes this company stay alive, develop its products and sell products for 38 years and still keeps consumers excited about their outlet, the answer is building its brand effectively. Apple, from the beginning, has had a clear idea about how to put the name and the logo of the company into the minds and hearts of millions of consumers. The only way this could be achieved was by successful brand building. By analyzing the brand building process of the Apple Corporation, great insights into doing business can be gained. When we go to any of its outlets, customers can buy not only devices but also an experience of innovation. The question remains as to how to achieve this experience that encourages and drives customers to try and purchase repeatedly and how to keep customers always satisfied with the brand every time they purchase Apple's products. One may ask whether effective brand building is the key to success in today's changing market. Studying the brand equity drivers, analyzing brand equity and assessing brand market positioning will help to understand the phenomenon of the "bitten Apple."

### **3.2. Apple's Brand Equity Drivers**

Establishing an effective brand is not easy and it is not something that can be done by accident. Deep thought into designing the attributes is essential and crucial to ensure that future growth and expansion can be forecast. The attributes of Apple which help the brand to be the world's best brand in the eyes of its customers are:

(<http://www.slideshare.net/aakashrawlani/apple-brand-audit>)

1. Stylishness;
2. "Coolness";
3. Uniqueness;
4. A reliable operating system;
5. Innovation;
6. Intuitiveness;

7. A retina display; and

8. Multi-tasking.

In this section, the drivers that help Apple to achieve the position it has in the consumer mind will be presented. These consist of three groups: brand elements, marketing activities and indirect associations.

### **Apple's Brand Elements**

Brand elements are the first group of brand equity drivers. Apple considers a number of elements and each of them very often performs and functions by using various elements for the same function. Therefore, the influence they have on customer increases. Each of the brand elements adds a positive effect to brand equity.

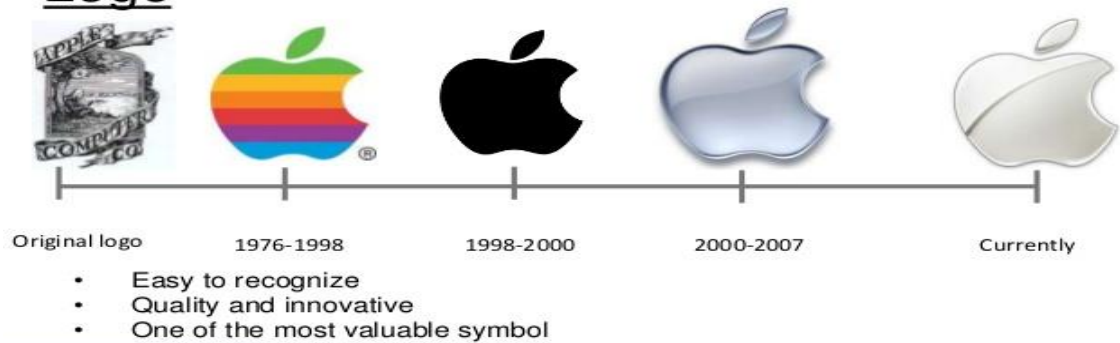
#### **Logo**

The logo is the tangible expression of the brand and the face of the logo is the personality of the brand. Apple's famous logo is the apple with a bite taken out of it. It has changed from the original logo to the monochrome apple over time (Figure 14), and the change was due to the fact that the brand needed to change with the times and stay modern. However, Apple's logo has a very effective influence on customers once they see the Apple icon on a product. For them, that product is associated with deep brand perceptions, such as quality and innovation. Customers are able to recognize it easily and they immediately perceive that this product is the best of its type because it carries the logo of the most famous and most valuable technology corporation globally (<http://www.slideshare.net/purithem/apple-brand-audit-final>). Therefore, the logo of Apple is considered to be the main element of the brand, and has a great emotional effect on customers.

With regard to consistency of Apple through the years, more Apple product appeared in the market, but customers still have the same idea about Apple products but with different colors and different accents.

## BRAND ELEMENTS

### Logo



**Figure 14:** Apple Logo Development

Source: [www.slideshare.net/purithem/apple-brand-audit-final](http://www.slideshare.net/purithem/apple-brand-audit-final)

### **Packaging:**

Apple always packages its products in very simple boxes designed carefully to make a strong connection with the consumer. Externally, their design is very normal, easy and usually features only a picture of the product. It is opening the box for the first time that makes the package special. Apple depends on their professional experts and specialized teams in the design department to create special designs that induce an emotional response in consumers when they open the box of an Apple product.

This becomes a memorable experience for the consumers and has a great influence on their purchasing behavior and drives them to try and repeat purchasing the product (<http://www.slideshare.net/aakashrawlani/apple-brand-audit>).

### **Slogans**

Apple leverages its variety of slogans in the promotional campaigns of its products. Therefore, for each product line promotion, they design different slogans in a creative fashion to explain product usage, its importance, its advantages and its creativity. Most of their slogans usually focus on the products innovation.

For instance, the iPod Classic slogan was *“10,000 songs in your pocket.”* They use for their App store the slogan *“Your iPhone gets better with every new app.”* and they use for their iPad the slogan *“Thinner, Lighter, Faster, Face time, Smart Covers. 10 hour battery”*. Different slogans also clarify why Apple’s products are better than its rivals’ products (as well as for previous Apple products). In 2008, Apple used in its advertising for the iPhone 3G the slogan *“The first phone to beat the iPhone”*. Now, Apple uses for the Apple 5 the slogan *“The biggest thing to happen to iPhone since iPhone”*

(<http://www.slideshare.net/aakashrawlani/apple-brand-audit>).

### **Apple’s Marketing Activities**

Apple has innovative and efficient marketing strategies that focus on restricting software updates in order to compel customers to buy new models. Moreover, it also uses advertising that shows product attributes (<http://www.slideshare.net/purithem/apple-brand-audit-final>). In spite of the company’s advertisements, they did well in communicating successfully and effectively with their customers. The advertisements of Apple are very simple and show how customers’ lifestyles can change when they use the brand. Simplicity is the key to modern marketing and Apple uses it effectively in their advertising. It is according to searches carried out by CBE so as to help to affect consumers by simplifying the process of their decision making by delivering to potential consumers exactly what consumers need to know that makes Apple more likely to make high sales

(<http://www.forbes.com/sites/jaysondemers/2014/07/08/heres-the-simple-secret-to-apples-marketing-success/>).

Apple followed this approach in their advertising of Mac versus PC advertisements: two persons just standing and talking, the goal of each advertisement was to make one specific point, one way in which Macs are better than PCs without a long list of product features or its price, or even providing information on how to buy a Mac

(<http://www.forbes.com/sites/jaysondemers/2014/07/08/heres-the-simple-secret-to-apples-marketing-success/>).

Apple also plans its marketing strategies and promotional campaigns innovatively and efficiently. In their advertisements, they always endeavor to communicate with

customers effectively by designing simple, innovative and clear ads, which clearly refer to the advantages and features of a product and explain how the lifestyle of customers will change when they use the brand. For instance, Apple, in their advertisements for iPods, shows how people are enjoying and dancing to the music of their iPods, thereby creating enthusiasm and a strong image in the minds of customers.

Apple used elements of marketing effectively. Experiential marketing is one of these elements that Apple uses as a means of brand personalization. Apple is well known to deliver not only electronics products but also great experiences and feelings attached strongly to the consumer's purchasing behavior process.

Apple clearly knows how to use experiential marketing when building a brand by engaging as many senses as possible (including feelings, thoughts, actions and relationships). Sense marketing is used by Apple to attract consumers' attention and to motivate the future actions. Apple uses feel marketing to create an effective relationship with consumers and to create personal relevance with its experience. Think marketing is carried out by adding long-lasting interest to the brand and permanent emotions so as to learn more about it. Apple is a brand which has the ability to make customers think differently and to stand out (<http://blog.kissmetrics.com/7-strategies-apple-marketing/>).

Apple's act of marketing is responsible for sustaining brand loyalty and commitment to the future. Relate marketing is used to strengthen the meaning of the brand in a wider social and cultural context (<http://www.saleschase.com/blog/2012/03/13/the-best-of-apples-marketing-strategies/>). Apple also uses one-to-one marketing and permission marketing, and depends on its websites and social media in order to garner feedback and suggestions from Apple's fans. Therefore, it develops customer relationships (<http://blog.kissmetrics.com/7-strategies-apple-marketing/>).

Integration of the brand plays an important role through brand identity, and marketers try to improve and maintain the brand image throughout the years.

The Apple brand identity is often associated with the way that a product looks, with its style, color, name, functions and symbol or logo. It is also associated with the way

customers feel about the product. These factors form the characteristics of the Apple brand identity, which makes it clearly identifiable by customers. The Apple brand identity is applied to its group of products, such as *iPhone*, *iPod* and *iPad*, which makes for a very distinct brand identity. The Apple brand identity also stands for innovative, high-quality technological products that are well made and superior to their competitors' products (<http://www.technologystudent.com/prdeds1/brand1.html>). Brand image is one of the most crucial elements for Apple and the strong, favorable and unique associations that Apple has created over time gives Apple a remarkable image which endues the brand with a high brand identity (Figure 15).



**Figure 15:** Apple Brand Associations – Image Map

Source: <http://www.slideshare.net/aakashrawlani/apple-brand-audit>

The last activity that influences the brand equity of Apple is internal branding. The corporation realizes the importance of internal brand management and its role for gaining the competitive advantage. Apple's employees and marketers understand branding notions and appreciate how they can help to maintain brand equity or hurt it if they do not deal wisely with the company's marketing strategy. Apple has an attitude towards the corporation hierarchy, so for the employees, they are advised to dress casually, to feel free in their actions, which helps to reduce stress and create a comfortable working environment. For them, there are no limitations on their actions

related only to their job duties. In fact, they can take a role in creating processes and ideas that everyone may agree is necessary before implementation (Koay & Hernández, 2006). Apple has generally had very closed communication in recent years. Most of their advanced products are guarded in the same fashion with information systems being based on a “need to know” basis. Management keeps new features about products secret from workers. The closed communication at Apple is clearly understood by their employees, who are satisfied and agree that Apple’s success is initially based on producing high-tech innovative products in such a market that has intensive competition(<https://storify.com/erikhammel/apple-and-internal-communication-1>).

### **Apple’s Secondary Associations**

Leveraging secondary brand knowledge by strong secondary brand associations is one of the marketing strategies that help to gain brand equity by using multiple aspects or transferring brand entities (such as company, country, co-branding, celebrity endorsement and sponsorship). Apple leverages most of these aspects. Along with company, country of origin may also be a factor that is relevant for brand association. In fact, many brands are based on emotional characteristics in order to gain the attention of consumers. The country of origin is usually responsible for providing warranties for their quality and for gaining the respect of their customers. The Apple brand is identified as a famous American brand, thereby giving the Apple brand’s country of origin a positive association with the land of advanced technology. Apple also carries out co-branding, such as in a number of 2004 advertisements with Nike, in which a person wearing Nike products uses an iPod while listening to music and enjoying walking.

For celebrity endorsement, Apple had leveraged that factor well when the iPad was already on the market. American celebrity Oprah Winfrey went on her talk show program and stated that the Apple iPad is her “most favorite thing ever.” Apple, in fact, had no need for Oprah’s support for the product; nevertheless, her support provided positive publicity for the brand

([http://www.pcmag.com/slideshow\\_viewer/0,3253,1=260174&a=260174&po=10,00.asp](http://www.pcmag.com/slideshow_viewer/0,3253,1=260174&a=260174&po=10,00.asp)).

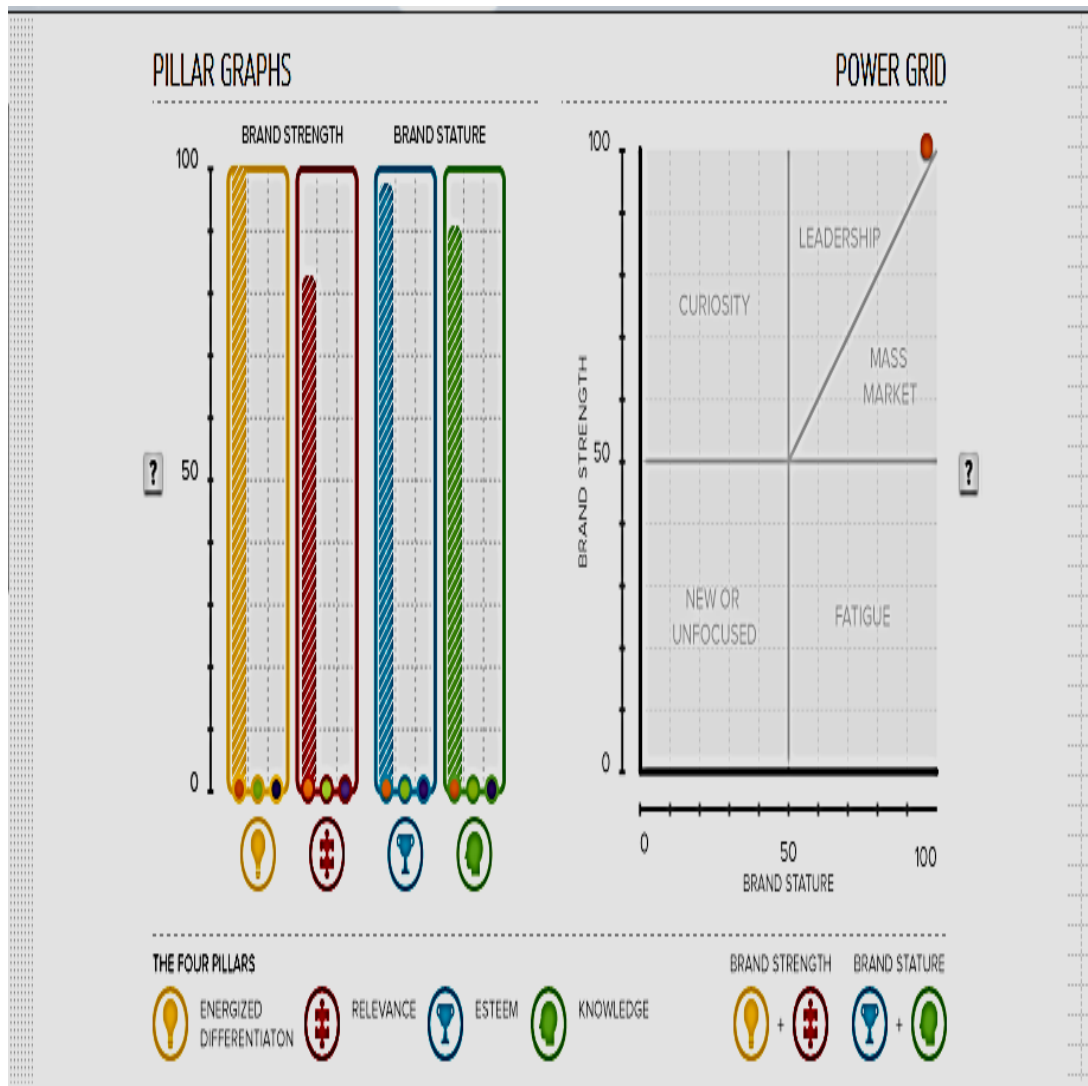
As an example of sponsorship, Apple had become the official sponsor for the *American Idol* show. Apple brands are also integrated into the program and Apple's iPod has become the official digital music player for the show while the iPhone has become the show's official handset ([http://www.huffingtonpost.com/2008/02/18/apple-inks-sponsorship-de\\_n\\_87226.html](http://www.huffingtonpost.com/2008/02/18/apple-inks-sponsorship-de_n_87226.html)). These associations play an important role in decreasing the cost of brand introduction. Moreover, they facilitate brand positioning and may be a manner of brand building for brand extension when the brand succeeds in drawing some brand elements and brand knowledge from the brand which has already been developed. This creates positive perceptions in the consumer's mind (<http://managementstudyguide.com/secondary-brand-association-build-brand-equity.htm>). Therefore, leveraging secondary brand associations is significant for creating the brand.

### **3.3. Perspectives for Apple**

In this section, the current situation of the Apple brand and whether or not it is comparatively strong will be discussed in order to understand brand building success in addition to discovering the stage of development that Apple has in the market. The model which can present this situation of the brand is the Brand Asset Valuator, which will be used here in order to determine at which level the individual pillars for Apple are, and the relationships between the four pillars of the model (namely energized differentiation, relevance, esteem, knowledge). These can clarify and assess the stage and health that Apple has nowadays.

The Young & Rubicam agency with their BAV consultant – brand asset valuator study – have conducted a global survey of brand equity which is carried out every few years by selecting more than 40,000 brands and measuring them in their updated and validated BAV database. This survey has covered more than 500,000 consumers in more than 40 countries. The BAV consultant is currently presented through its website for the situation of the Apple brand around the world (<http://bavconsulting.com/apps/>).

The evaluation of Apple's brand equity (as shown in Figure 17) shows the level for the first two pillars that indicates the brand strength (energized differentiation and relevance). For the level of the last two pillars that indicate brand stature (Esteem and Knowledge).



**Figure 16:** BAV Mapping of the Stages of Consumer Attraction for the Apple Brand

Source: <http://bavconsulting.com/apps/>

From the figure, we can see that Apple has very high differentiation (100%), which reflects the superiority of the brand in its category, and it has high relevance (over 80%), which means that the brand has excellent consideration, thereby giving the brand a higher rating in the uniqueness dimension and a wider social relevance.

The brand scored very high in esteem (near to 100%), which reflects the high level of credibility, and finally in knowledge the brand, it achieved a very high rating (90%), which means that the brand has successfully positioned itself in the hearts and minds of consumers. All of the pillars scored high and that mean the brand is a leader in his category.

The brand has achieved resonance and the consumer is highly engaged with the brand. The figure clearly presents Apple as a strong brand. It is the super fluidity between the unique products of Apple that continues to build strong fortification and brand loyalty among their consumers due to the fact that Apple sells the promise of reliability and quality in addition to inspiring consumer confidence. If the past is a good indicator of the future, we can expect that Apple will propel their new technologies into leadership positions within their respective categories.

GCCRIIS

## CHAPTER III

### APPLE'S BRAND BUILDING – AN EMPIRICAL STUDY

#### 4.1. The Study Questions and Objectives

Based on the thesis problem and according to the branding literature, this study aims to answer the research questions, and the suggested questions are:

1. What are the factors that contribute to brand building?
2. What is the relationship between brand-building factors and the non-financial branding benefits for the Apple brand in Turkey?

The objective of this study is to examine Apple's brand-building factors (from the consumer's perspective) and their relationship with non-financial branding benefits empirically based on the CBBE pyramid for the Apple brand experience in Ankara in order to:

1. Measure the emotional and rational consumer's perception of Apple's brand;
2. Examine the relationship between brand-building factors (collectively) and non-financial branding benefits;
3. Examine the relationship between brand-building factors (individually) and non-financial branding benefits; and
4. Determine the most influential factor (among the brand-building factors) on the non-financial branding benefits for building Apple brand equity.

## 4.2. The Study Model Variables and Hypotheses

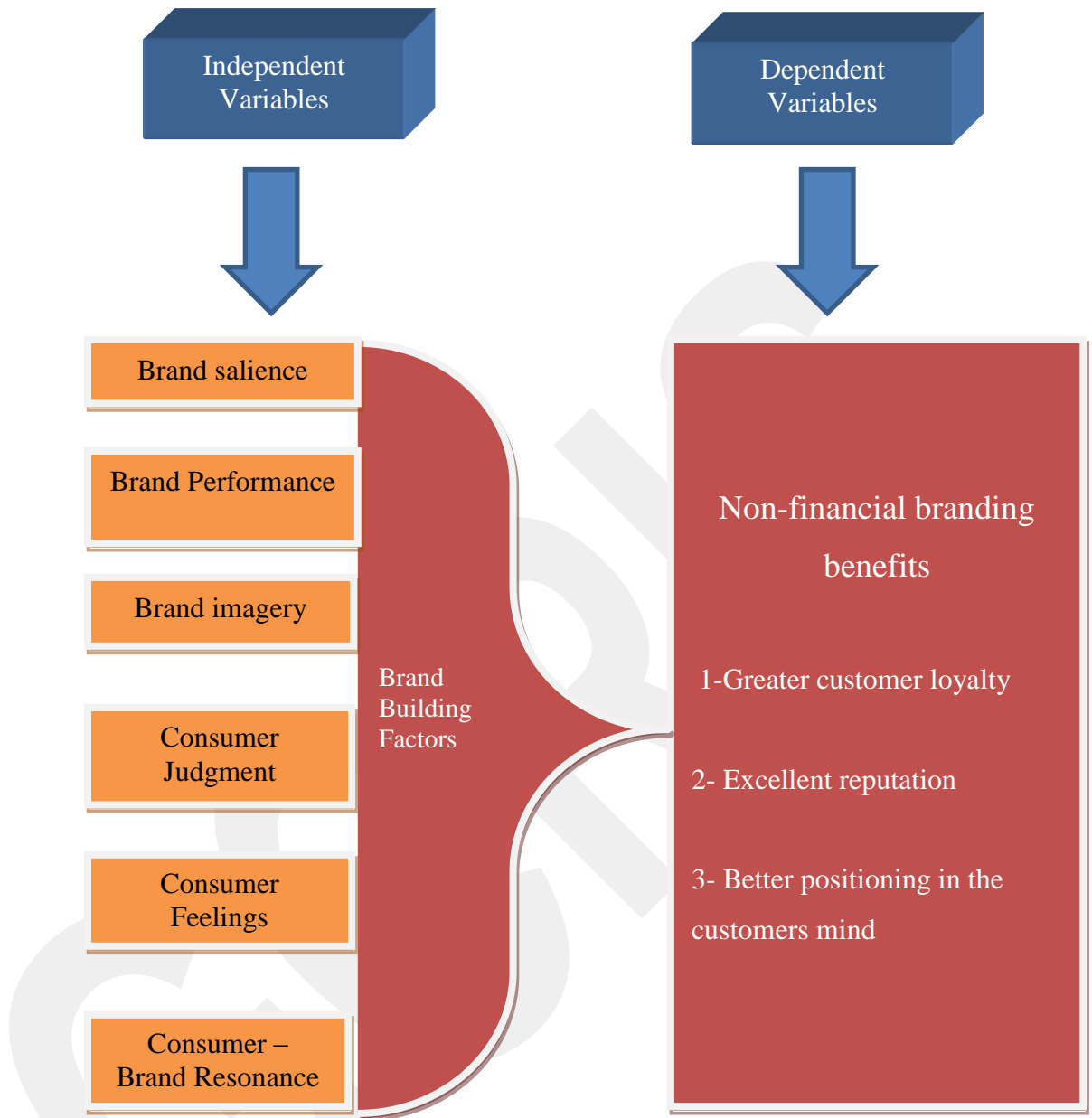
The Keller CBBE (brand resonance model) reflects a customer focus on the functional, emotional and self-expressive benefits of brands (**Brand Salience, Brand Performance and Imagery, Consumer Judgment and Feeling, Consumer-Brand Resonance**). This model will be used in this study to examine the relationship between its brand building factors and its branding benefits from a non-financial point of view.

Several examples of branding literature have shown that branding benefits are crucial strategic tools and play an important role in achieving a sustainable competitive advantage. This literature indicates that the benefits are expressed in financial and non-financial terms. As we follow the consumer perspective in this thesis, the study will consider only the non-financial benefits, which are crucial to reap the financial benefits. According to Keller, “*Strong brands create meaningful images in the minds of customers*” (Keller, 1993), and other authors mention that meaningful images are created “*with brand image and reputation enhancing differentiation and having a positive influence on buying behavior*” (Gordon et al., 1993; McEnally and de Chernatony, 1999). “*Building strong brand with significant equity is seen as providing a host of possible benefits to a firm, such as greater customer loyalty.*” (Keller, 2001).

According to these literatures, we can classify non-financial benefits as:

- 1- Greater customer loyalty;
- 2- Excellent reputation; and
- 3- Better positioning (image) in the customers mind.

Based on the Keller CBBE, the literature on branding benefits and the study objectives a study model (Figure 17) is used that is to be tested empirically.



**Figure 17:** The Study Model

The focus of the study is brand building and its benefits, and the measures are described below, the definitions of which are mentioned in the theoretical part.

The independent variables (brand building factors):-

- **Brand Salience:** three statements (statements 1, 2, 3) were used to assess the extent to which the brand has a clear identity.

- **Brand Performance and Imagery:** three statements were used for performance (statements 4, 5, 7) and three for imagery (statements 8, 9, 18) to assess to which extent that the brand provided meaning.

- **Consumer Judgment and Feeling:** four statements (statements 6, 11, 12, 13) were used for judgment and two (statements 14, 15) for feeling in order to assess the extent to which the brand has good consumer responses.

- **Consumer-Brand Resonance:** three statements (statements 17, 19) were used to assess to which extent the consumer is engaged with the brand.

The dependent variables (non-financial branding benefits):

1- Greater customer loyalty: – Statement 20

2- Excellent reputation: – Statement 16

3- Better positioning (image) in the customer's mind – Statement 10

## **The Study Hypotheses**

### **Major Hypothesis**

*H1:* There is a significant correlation between brand building factors (Brand salience, Brand performance, Brand imagery, Consumer judgment, Consumer feelings and Consumer-brand resonance) collectively and non-financial branding benefits (Greater customer loyalty, excellent reputation, better positioning in the customer's mind).

## **Supplementary Hypotheses**

*H2:* There is a significant correlation between brand salience and non-financial branding benefits.

*H3:* There is a significant correlation between Brand performance and non-financial branding benefits.

*H4:* There is a significant correlation between Brand imagery and non-financial branding benefits.

*H5:* There is a significant correlation between consumer judgment and non-financial branding benefits.

*H6:* There is a significant correlation between consumer feelings and non-financial branding benefits.

*H7:* There is a significant correlation between consumer-brand resonance and non-financial branding benefits.

## **4.3. The Study Methodology**

### **4.3.1. Population and Sample**

The population of the study was identified as students of Çankaya University in Ankara, with the study sample being homogeneous and identified as graduate and undergraduate students of Çankaya University. Since the sample was homogeneous in terms of age and education. The sample area is chosen for the reason that Çankaya University is one of the largest private universities in Ankara and the students are good users of the mobile phone, PC, iPod and iPad for their communications and work as students. The other reason is the limitations such as time and cost.

#### 4.3.2. Data Collection Methods and Sample Characteristics Analysis

The primary data were collected through a highly structured closed-ended questionnaire based on the 5-point Likert rating scale. The objectives were to examine the correlation between brand-building factors and non-financial branding benefits in order to determine the most influential factors on non-financial branding benefits and also to measure emotional and rational consumers' perceptions of Apple's brand building. Sample is selected in a non-probabilistic manner (judgment sampling), a specific sample size were selected, the questions were fixed-response alternative questions and the students who are using Apple products were chosen and asked to fill in the questionnaire by rating on a 5-point Likert scale (1 being 'highly disagree' and 5 being 'highly agree'). In order to decide the sample size, the common formula  $N = Z^2 (p q) / E^2$  was used (Nakip, 2013, p. 305).

Where N = sample, Z = the standard error reliability level, P = the percentage of Apple users, q = the percentage of non-users, and E = the expected sampling error.

500 students were accepted as a sample size.

The analysis of the sample characteristics was conducted by calculating the frequencies and percentages, means and standard deviations of the demographic statements as follows:

##### Gender

Table (6) shows that the number of females counted to (133) which was (26.6) of the total sample population of (500). Males numbered (367) in the total study sample and were (73.4) of the total population. The number of males exceeded the number of females.

**Table 6:** Study Sample Distribution According to Gender

Variable	Frequency	Percent %
Male	367	73.4
Female	133	26.6
<b>Total</b>	<b>500</b>	<b>100.0</b>

## Age

Table (7) shows that the mean age of the participants (students) is (25.37) years with a standard deviation (4.17720).

**Table 7:** Study Sample Distribution According to Age in Years.

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Age	500	18.00	32.00	25.37	4.17720

## Educational Level

Table (8) shows that (100) participants were students from undergraduate stage at a rate of (20.0) of the total sample population of (500), and (400) participants from the total study sample were student from graduate stage at a rate of (80.0).

**Table 8:** Study Sample Distribution According to Educational Level.

variable	Frequency	Percent %
undergraduate	100	20.0
graduate	400	80.0
<b>Total</b>	<b>500</b>	<b>100.0</b>

## Model of Apple Products

Table (9) shows that, (155) participants have I phone model at a rate of (31.0) of the total sample population of (500), while (68) from the total study sample have Ipad model at a rate of (13.6) of the sample study. The table shows also that (96) participants from the total study sample have Ipod model at a rate of (19.2) of the study sample population, while (181) participants from the total study have Pc model at a rate of (36.2) of the sample study.

**Table 9:** Study Sample Distribution According to Apple Model

Variable/Model	Frequency	Percent %
Iphone	155	31.0
Ipad	68	13.6
Ipod	96	19.2
Pc	181	36.2
<b>Total</b>	<b>500</b>	<b>100.0</b>

### Usage of Apple products

Table (10) shows that the number of participants who are using Apple brand products for less than one year counted to (59) at a rate of (11.8) of the total sample population of (500). Participants who are using Apple brand products between 1-3 years were counted to (222) at a rate of (44.4) of the total sample population, and participants who are using Apple brand products for more than 4 years were counted at ( ) at a rate of ( ) of the total study sample.

**Table 10:** Usage of Apple products

Variable	Frequency	Percent %
Less than One Year	59	11.8
Between 1-3 Years	222	44.4
More than 4 Years	219	43.8
Total	500	100.0

### 4.3.3. Statistical Treatment

The quantitative research method is used in this study where subjective aspects, such as emotions and other characteristics, can be regarded as measurable data through statistical treatment.

The data analysis strategy used quantitative statistical methods that are able to achieve the study objectives. These were used to analyze the data and to test the study hypotheses with the following parametric tests:

1- Descriptive analysis (Mean and Standard Deviation), and

2- Correlation and regression analysis.

Descriptive analysis statistics is use to determine the emotional and rational consumers' perception of Apple's brand.

Correlation and Regression analysis is used to examine correlations between independent variables of the model (**brand salience, brand performance, brand imagery, brand judgment, brand feelings, consumer-brand resonance**) and the dependent variables (**greater customer loyalty, excellent reputation, better positioning (image) in the customers mind**) which presents non-financial branding benefits. In addition to assessing the most influential factors for the brand building on the non-financial branding benefits.

#### **4.3.4. Examining the Assumptions**

Using regression as a parametric statistical test requires the independent error assumption, which should be met. It was tested by the Durbin-Watson statistic and the value of the test is 1.847. Because the value is less than 2, it means that there is no autocorrelation among the observations of each variable.

#### **4.4. Testing and Analysis**

The purpose of this section is to provide a descriptive analysis of the variables in order to achieve objective 1 of this study, which is measuring emotional and rational consumers' perception of Apple's brand building, and then examining the stated hypotheses through correlation and regression analysis in order to achieve objective 2 and 3, which include investigating the correlation between the independent variables and dependent variables collectively and individually. Finally, the most influential factors of brand-building on the non-financial branding benefits to achieve objective 4 of this study were determined.

The table below presents the results of the descriptive analysis for the dependent and independent variables.

**Table 11:** Descriptive Statistics of the dependent and independent variables

	Mean	Std. Deviation	N
Benefit	4.7288	.31106	499
Saliency	4.8190	.24897	499
Performance	4.5625	.47593	499
Imagery	4.6667	.41287	499
Judgment	4.5666	.29031	499
Feeling	4.8236	.36537	499
Resonance	4.7004	.40070	499

The results show that the brand is doing well in the emotional consideration, whereas the rational consideration is shown to be weaker. This indicates that there are hedonistic consumers' perspectives of the brand, and this hedonistic buying behavior is high, thereby giving richness to the brand experience with the customers. This achieves objective 1 of this study. To test the stated hypotheses, correlation and regression analyses will be used to examine the relationships between the independent variables and the dependent variables.

**Table 12:** Correlation, Determination Coefficients

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.809 <sup>a</sup>	.654	.650	.18397	.654	155.294	6	492	.000	1.847

a. Predictors: (Constant), Resonance, Performance, Feeling, Imagery, Judgment, Saliency

b. Dependent Variable: Benefit

*H1*: There is a significant correlation between brand building factors (Brand salience, Brand performance, Brand imagery, Consumer judgment, Consumer feelings and consumer-brand resonance) collectively and non-financial branding benefits (greater customer loyalty, excellent reputation, better positioning in the customers mind).

Table 12 shows that:

1- The total correlation between brand building factors collectively and non-financial branding benefits ( $R$ ) is 0.809 (81%) thereby indicating a relatively very strong and significant level at 0.000. Thus, the Major Hypothesis (*H1*) is supported, and Objective 2 of this study is achieved.

2- The determination ( $R^2$ ) coefficient is 0.654 (65.4%) indicates that the brand building factors explain 65% of the change in non-financial branding benefits. The remainder of 35% is explained by factors not existing in the model.

**Table 13:** Testing the Whole Model

( ANOVA<sup>a</sup> )

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	31.534	6	5.256	155.29	.000 <sup>b</sup>
Residual	16.651	492	.034		
Total	48.185	498			

a. Dependent Variable: Benefit

b. Predictors: (Constant), Resonance, Performance, Feeling, Imagery, Judgment, Salience

It can be seen from Table 13 that the F value equals 155.294 and is valid at a 0.000 significant level. Therefore, it can be said that the regression model is holistically significant and there is a significant causality relationship between the dependent variables and the independent variables in general, thereby indicating that the variables are important, valuable and effective.

The table below shows the correlation among independent and dependent variables.

**Table 14:** Correlations between Independent and Dependent variable

		Benefit	Salience	Performance	Imagery	Judgment	Feeling	Resonance
Pearson Correlation	Benefit	1.000	.673	.234	.495	.588	.500	.622
	Salience	.673	1.000	.121	.495	.341	.789	.509
	Performance	.234	.121	1.000	-.044	-.008	.044	.004
	Imagery	.495	.495	-.044	1.000	.706	.499	.589
	Judgment	.588	.341	-.008	.706	1.000	.312	.657
	Feeling	.500	.789	.044	.499	.312	1.000	.454
	Resonance	.622	.509	.004	.589	.657	.454	1.000
Sig. (1-tailed)	Benefit	.	.000	.000	.000	.000	.000	.000
	Salience	.000	.	.003	.000	.000	.000	.000
	Performance	.000	.003	.	.162	.431	.162	.461
	Imagery	.000	.000	.162	.	.000	.000	.000
	Judgment	.000	.000	.431	.000	.	.000	.000
	Feeling	.000	.000	.162	.000	.000	.	.000
	Resonance	.000	.000	.461	.000	.000	.000	.
N	Benefit	499	499	499	499	499	499	499
	Salience	499	499	499	499	499	499	499
	Performance	499	499	499	499	499	499	499
	Imagery	499	499	499	499	499	499	499
	<b>Judgment</b>	499	499	499	499	499	499	499
	<b>Feeling</b>	499	499	499	499	499	499	499
	<b>Resonance</b>	499	499	499	499	499	499	499

The correlation degrees are evaluated based on the degrees of correlation coefficients in the table below: (Nakip, 2013, p. 427).

**Table 15:** Correlation levels and Correlation degrees

Correlation levels (%)	Correlation degrees
0	No relation
01- 10	very week
11-20	relatively very week
21-30	week
31-40	Relatively week
41- 50	very little week
51- 60	Very little strong
61-70	relatively strong
71-80	strong
81-90	relatively very strong
91-100	very strong

Source: Nakip, p. 427

According to Table 14, the Supplementary Hypotheses (*H2-H7*) will be tested one by one as follows:

*H2*: There is a significant correlation between brand salience and non-financial branding benefits.

- There is a positive, significant and relatively strong correlation between non-financial branding benefits and brand salience of 0.673.

*H3*: There is a significant correlation between brand performance and non-financial branding benefits.

-There is a positive and significant but weak correlation between non-financial benefits and brand performance of 0.234.

*H4:* There is a significant correlation between brand imagery and non-financial branding benefits.

- There is a positive, significant and very weak but small correlation between non-financial branding benefits and brand imagery of 0.495.

*H5:* There is a significant correlation between consumer judgment and non-financial branding benefits.

-There is a positive, significant and relatively strong but slight correlation between non-financial branding benefits and judgment of 0.588.

*H6:* There is a significant correlation between consumer feelings and non-financial branding benefits.

- There is a positive, significant and very little weak correlation between non-financial branding benefits and feelings of 0.500.

*H7:* There is a significant correlation between consumer-brand resonance and non-financial branding benefits.

- There is a positive, significant and relatively strong correlation between non-financial branding benefits and resonance of 0.622.

The results indicate that the supplementary hypotheses (*H2-H7*) are supported, and Objective 3 of this study is achieved.

The table below shows the coefficients of regression analysis

**Table 16: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	<b>- .885</b>	<b>.198</b>		<b>- 4.474</b>	<b>.000</b>	<b>-1.273</b>	<b>-.496</b>
	Saliency	<b>.690</b>	<b>.057</b>	<b>.552</b>	<b>12.110</b>	<b>.000</b>	<b>.578</b>	<b>.802</b>
	Performance	<b>.110</b>	<b>.018</b>	<b>.169</b>	<b>6.256</b>	<b>.000</b>	<b>.076</b>	<b>.145</b>
	Imagery	<b>-.077</b>	<b>.031</b>	<b>-.102</b>	<b>-2.446</b>	<b>.015</b>	<b>-.139</b>	<b>-.015</b>
	Judgment	<b>.398</b>	<b>.045</b>	<b>.371</b>	<b>8.818</b>	<b>.000</b>	<b>.309</b>	<b>.487</b>
	Feeling	<b>-.085</b>	<b>.038</b>	<b>-.100</b>	<b>-2.253</b>	<b>.025</b>	<b>-.159</b>	<b>-.011</b>
	Resonance	<b>.157</b>	<b>.030</b>	<b>.202</b>	<b>5.221</b>	<b>.000</b>	<b>.098</b>	<b>.216</b>

a. Dependent Variable: Benefits

The regression analysis equation for the model:–

$$Y_j = a + \beta X_1 + \beta X_2 + \beta X_3 \dots + \beta_k X_k$$

$$Y = (-0.885) + 0.690X_1 + 0.110X_2 - 0.077X_3 + 0.398X_4 - 0.085X_5 + 0.157X_6$$

$Y_j$  = dependent variable,  $X_j$  = independent variables,  $a$  = constant,  $\beta$  = regression coefficient.

Table 16 shows that:

1- If we accept that brand building factors have no effect on the non-financial branding benefits and all their coefficients are zero, it means that the non-financial branding benefits will be  $-0.885$ . This means that without any brand building factors, the value of the non-financial benefits will be negative. This proves the importance of brand building factors.

2- If the salience factor increases one unit, the non-financial branding benefits will increase by  $+0.690$  due to the relation being positive and the  $t$  value ( $12.110$ ) being the greatest among the other factors, which indicates salience being the strongest factor which impact the non-financial branding benefits. This result achieves objective 4 of the study, that is, determining the most influential factor of brand-building factors on the non-financial branding benefits for building Apple brand equity.

3- If the performance factor increases by one unit, the non-financial branding benefits will increase by  $+0.110$ .

4- If the imagery factor increases by one unit, the non-financial branding benefits will decrease by  $-0.077$ .

5- If the judgment factor increases by one unit, the non-financial branding benefits will increase by  $+0.398$ .

6- If the feelings factor increases by one unit, the non-financial branding benefits will decrease by  $-0.085$ .

7- If the resonance factor increases by one unit, the non-financial branding benefits will increase by +0.157.

The negative signs do not mean that these variables are not important. However, when all variables are taken together, the results show that the four predictors are among the most important independent variables (salience, performance, judgment, resonance), which is supported by the regression analysis findings shown previously, also the constant value B represents that without any brand building factors, the value of the non-financial benefits will be negative.

Moreover, the ANOVAs table indicates that the F value is 155.294, which reveals a significant relationship between the independent variables and the non-financial branding benefits in general. All of that may indicate that these variables play a supportive role alongside the significant four variables when the independent variables are taken together.

#### **4.5. Results and Conclusion**

The descriptive findings indicate that consumer perceptions of the brand are emotional rather than rational. The descriptive findings indicate that consumer perceptions of the brand are emotional rather than rational.

The Regression analysis findings indicate that there is a significant and positive correlation between the brand-building factors collectively and non-financial branding benefits. The analysis shows that the most influential of the brand building factors on non-financial branding benefits is brand salience, which has the strongest impact on non-financial branding benefits. This means that the identification of the brand with consumers and the associations of the brand in the consumer's mind are crucial for building the brand and gaining branding benefits

The result of the correlation analysis indicates that there is a significant and positive correlation between individual brand-building factors and non-financial branding benefits.

These findings indicate that brand building factors play a crucial role in building intensive relationships with the consumers and enhancing the brand equity for the

Apple experience in Ankara. The rewards that Apple receives are non-financial branding benefits which ultimately help the brand to reap financial benefits. In general, these findings provide empirical support for further branding studies showing that proper brand building would achieve non-financial branding benefits.

Branding literatures and this study have revealed that branding is a strategic issue and building brands is a difficult task which companies are struggling to do properly. However, it gives many benefits

Brand building requires a comprehensive approach which should consist of the factors that were examined in the empirical study. Careful assessment and a planned brand building process are essential for success, and a customer's knowledge is required to achieve this success.

The advantages of having a strong brand are enormous and it cannot be ignored, the fact that a brand is a secondary element of doing business influences many operations that can make a difference between brands and the role of brands like identification, increased reputation and loyalty are few from many benefits, which can help in achieving the significant difference. And high recognisability can creates differences in the consumer minds. These differences are forming brand equity, and to achieve that, companies should focus on brand building process and having drivers that contribute in identifying the brand, forming brand meaning, establishing positive response and creating consumer –brand relationship.

#### **4.6. Further Study Opportunities**

This study has achieved its objectives and may have contributed to the brand building literature review through its attempts to acquire a collective supplement to the brand building theory and collective contribution to comprise the whole entity of branding. Moreover, there are some studies that can be addressed in future research endeavors.

1- The findings of the study cannot be generalized and are limited to the Apple brand building experience in Ankara, Turkey. A good field of research and study is to

conduct studies in the field of branding in other categories inside and outside Turkey, especially comparative branding researches.

2- This study has been conducted based on consumers' perspectives in Ankara. A considerable field of study and research is to conduct research in order to understand other factors that can affect brand building and branding benefits (financial and non-financial) from the perspective of managers in the technology category as well as other categories.

3- It is clear that there is a positive correlation between brand building factors and non-financial branding benefits. A good area of research and study is to conduct empirical studies concerning the consequences of brand building for other brands in the technology sector or in other industries or services inside and outside Turkey.

4- Nonetheless, brand building implementations in the marketing field need a clear strategy and good tactics; therefore, it should be greatly considered by the top strategic levels of management in a company. A good area of study is to discover the factors that have an impact on branding strategies implementations as well as examining whether the relationship between brand building factors and non-financial branding benefits is direct or indirect. In other words, are there any mediating or moderating factors or variables that may have an impact on the relationships between brand building factors and non-financial branding benefits?

According to the author (of this thesis), the most important suggestion would be an application of this study to adult consumers and then to compare it with an application to youth consumers. In this way, it may be possible to determine whether there are differences between the attitudes of youth and adults.

## REFERENCES

- Aaker, D. A. (1992). The value of brand equity. *Journal of business strategy*, 13(4), 27-32.
- Aaker, D. A. and Joachimsthaler, E. (2000). *Brand Leadership*. London: Free Press.
- Aaker, D. A. (2004). *Brand Portfolio Strategy. Creating Relevance, Differentiation, Energy, Leverage and Clarity*. New York: Free Press.
- Aaker, D. A. (1996). Measuring Brand Equity Across Products and Markets. *California Management Review*, 38(3), 102-120.
- Aaker, D. A. (2003). The power of brand differentiator. *MIT Sloan Management Review*, 45(1), 83-92.
- Aaker, D. A. (1991). *Managing Brand Equity. Capitalizing on the Value of a Brand Name*. Free Press: New York.
- Aaker, D. A., and Jacobson, R. (2001). The value relevance of brand attitude in high-technology markets. *Journal of marketing research*, 38(4), 485-493.
- Armstrong, G. and Kotler, P. (2005). *Marketing: An introduction*. Prentice Hall: New Jersey.
- Atilgan, E., Akinci, S., Aksoy, S. and Kaynak, E. (2009). Customer-based brand equity for global brands: A multinational approach. *Journal of Euro marketing*, 18(2), 115-132..
- Black, J., Hashimzade, N. and Myles, G. (Eds.). (2012). *A dictionary of economics*. Oxford University Press.

- Heitzler, C. D., Asbury, L. D. and Kusner, S. L. (2008). Bringing “play” to life: the use of experiential marketing in the VERB™ campaign. *American journal of preventive medicine*, 34(6), S188-S193.
- McNally, D. and Speak, K. D. (2002). Be your own brand. Berrett-Koehler Publishers.
- De Chernatony, L. (1993). Categorizing brands: evolutionary processes underpinned by two key dimensions. *Journal of Marketing Management*, 9(2), 173-188.
- Doyle, P. (2001). Shareholder-value-based brand strategies. *The Journal of Brand Management*, 9(1), 20-30.
- Doyle, P. (1992). Building Successful Brands: the Strategic Options. *Journal of Product & Brand Management*, 1(4), 5-20.
- Dunn, M. and Davis, S. (2003). Building Brands from the Inside. *Marketing Management*, 12(3), 32-37.
- Farquhar, P. H. (1989). Managing Brand Equity. *Marketing Research*, 1(3), 24-33.
- Godin, S. (1999). Permission marketing: Turning strangers into friends and friends into customers. Simon and Schuster.
- Gordon, G. L., Calantone, R. J., Di Benedetto, C. A., Gordon, G. L., Calantone, R. J., and di Benedetto, C. A. (1993). Brand equity in the business-to-business sector: An exploratory study. *Journal of Product & Brand Management*, 2(3), 4-16.
- Kapferer, J. N. (1997). *Strategic Brand Management*. Great Britain, Kogan Page.
- Keller, K. L. (2003). *Strategic brand management: building, measuring, and managing brand equity*. Upper Saddle River, Prentice Hall.
- Keller, K. L. (1993). Conceptualizing, Measuring and Managing Customer-Based Brand Equity. *The Journal of Marketing*, 57(1), 1-23.

- Keller, K. L. (2001). Building Customer Based Brand Equity: A Blueprint for Creating Strong Brands. MSI Report, 01-107.
- Crane, F. G., Kerin, R. A., Hartley, S. W., Berkowitz, E. N. and Rudelius, W. (2006). *Marketing*. McGraw-Hill/Irwin, New York.
- Kim, H. B., Gon Kim, W., & An, J. A. (2003). The effect of consumer-based brand equity on firms' financial performance. *Journal of consumer marketing*, 20(4), 335-351.
- Knowles, J. (2008). Varying Perspectives on Brand Equity-You say tomayto and I say tomahto. *Marketing Management*, 17(4), 20-26.
- Kotler, P. (2000). *Marketing management: The millennium edition* (pp. 87-103). Upper Saddle River, NJ: Prentice-Hall.
- Kotler, P. (1994). *Marketing management: analysis planning implementation and control*. Prentice Hall: Englewood Cliffs.
- Kotler, P. and Keller, K. L. (2006), "*Marketing Management*", Pearson Prentice Hall, 13th edition.
- Koay, L. and Eriksson, I. H. (2006). A Pragmatic Approach to Sustaining Cult Brand—case of Apple. Master's Thesis, Department of International Marketing MIMA International Marketing Malardalen International Master Academy.
- Lassar, W., Mittal, B. and Sharma, A. (1995). Measuring customer-based brand equity. *Journal of consumer marketing*, 12(4), 11-19.
- McWilliam, G. and Dumas, A. (1997). Using metaphors in new brand design. *Journal of Marketing Management*, 13(4), 265-284.
- McEnally, M. and De Chernatony, L. (1999). The evolving nature of branding: Consumer and managerial considerations. *Academy of Marketing Science Review*, 2(1), 1-16.

- Nakip, M. (2013). *Pazarlemada Araştırma Teknikleri ve SPSS Uygulamaları*. Ankara: Seçkin Yayıncılık.
- Peppers, D., Rogers, M. and Dorf, B. (1999). Is your company ready for one-to-one marketing. *Harvard Business Review*, 77(1), 151-160.
- Simon, C. J. and Sullivan, M. W. (1993). The measurement and determinants of brand equity: a financial approach. *Marketing science*, 12(1), 28-52.
- Speak, K. D. (1998). Brand stewardship. *Design Management Journal* (Former Series), 9(1), 32-37.
- Urde, M. (1999). Brand orientation: A mindset for building brands into strategic resources. *Journal of marketing management*, 15(1-3), 117-133.
- Urde, M. (2003). Core value-based corporate brand building. *European Journal of Marketing*, 37(7/8), 1017-1040.
- Zajas, J. and Crowley, E. (1995). Commentary: brand emergence in the marketing of computers and high technology products. *Journal of Product & Brand Management*, 4(1), 56-63.
- Apple brand audit, retrieved from <http://www.slideshare.net/aakashrawlani/apple-brand-audit>, on 15 November 2014.
- Apple brand audit final, retrieved from <http://www.slideshare.net/purithem/apple-brand-audit-final>, on 20 November 2014.
- Apple and internal communication, retrieved from <https://storify.com/erikhammel/apple-and-internal-communication-1>, on 27 October 2014.

- Apple inks sponsorship deal with “American Idol”, retrieved from [http://www.huffingtonpost.com/2008/02/18/apple-inks-sponsorship-de\\_n\\_87226.html](http://www.huffingtonpost.com/2008/02/18/apple-inks-sponsorship-de_n_87226.html), on 28 October 2014.
- Apple brand personality, retrieved from <http://www.slideshare.net/tim3flies/apples-brand-personality>, on 29 October 2014.
- BVA consulting, retrieved from <http://bavconsulting.com/insights/reports/>, on 01 November 2014.
- BAV consulting, retrieved from <http://bavconsulting.com/apps/>, on 29 October 2014
- Brand Identity- An introduction, retrieved from <http://www.technologystudent.com/prdtes1/brand1.html>, on 21 October 2014.
- Interbrand’s 15 thannual Best Global Brands Report, retrieved from <http://interbrand.com/en/newsroom/15/interbrands-15th-annual-best-global-brands-report>, on 15 October 2014.
- Interbrand (2007), “*Building a Powerful and Enduring Brand: The Past, Present, and Future of the ENERGY STAR® Brand*”, New York, retrieved from [http://www.energystar.gov/ia/partners/downloads/ENERGY\\_STARBndManf508.pdf](http://www.energystar.gov/ia/partners/downloads/ENERGY_STARBndManf508.pdf), on 01 October 2014
- Pandya, N.( 2009), Brand Life Cycle, retrieved from [http://www.docstoc.com/docs/14655473/Brand-Life-Cycle\\_p.3](http://www.docstoc.com/docs/14655473/Brand-Life-Cycle_p.3), on 10 October 2014.
- Strategies of Apple marketing, retrieved from <http://blog.kissmetrics.com/7-strategies-apple-marketing/>, on 25 October 2014.
- Secondary brand association to build brand equity, retrieved from <http://managementstudyguide.com/secondary-brand-association-build-brand-equity.htm>, on 28 October 2014.

Here's The Simple Secret to Apple Marketing Success, retrieved from

<http://www.forbes.com/sites/jaysondemers/2014/07/08/heres-the-simple-secret-to-apples-marketing-success/>, on 22 November 2014.

The history of Apple and Steve Jobs, retrieved from

[http://www.youtube.com/watch?v=7CPWrK\\_nnjik](http://www.youtube.com/watch?v=7CPWrK_nnjik), on 15 October 2014.

The best of Apple marketing strategy, retrieved from from

<http://www.saleschase.com/blog/2012/03/13/the-best-of-apples-marketing-strategies/>, on 26 October 2014.

Top 10 Celebrity Tech Endorsements, retrieved from

[http://www.pcmag.com/slideshow\\_viewer/0,3253,l=260174&a=260174&po=10,00.asp](http://www.pcmag.com/slideshow_viewer/0,3253,l=260174&a=260174&po=10,00.asp), on 28 October 2014.

## APPENDICES

### APPENDIX A – Apple Brand Building Questionnaire

Apple ürünleri kullanıcıları için Anket / Apple marka oluşumunun ölçümü

NOT: En az bir Apple ürünü kullananlar tarafından doldurulur

- 1- Yaş :-  
2- Cinsiyet :-  Kadın  Erkek  
3- Eğitim :-  Lisans Öğrencisi  Mezun Öğrenci  
4- Hangi Apple marka ürünleri kullanıyorsunuz I phone  I pad  I pod  pc   
5- Bu markayı ne kadar süredir kullanıyorsunuz?  
 Bir yıldan az  1 ila 3 yıl arasında  4 yıldan fazla

**Her sıraya aşağıdaki soruları her birine ne kadar katılıp katılmadığınızı belirtecek şekilde işaretleyiniz.**

No	Sorular	Tamamen katılıyorum	Katılıyorum	Ne katılıyorum ne katılmıyorum	Katılmıyorum	Kesinlikle katılmıyorum
		(5)	(4)	(3)	(2)	(1)
1	Ne zaman Yenilik kelimesini duysam, Apple akla gelen ilk marka ismidir.					
2	Her zaman Apple ürünlerini almayı düşünürüm.					
3	Apple markasının farkındayım, diğer elektronik ürünler arasında ürünlerini fark edebilirim ve kolayca ünlü Apple logosunu hatırlayabilirim.					
4	Apple çok iyi kalite ürünler üretmekte, yaratıcı seçenekler, kullanım kolaylığı ve eğlence sunmaktadır, aynı zamanda güzel tasarımları vardır.					
5	Apple ürün fiyatlarından memnunum.					

No	Sorular	Tamamen katlıyorum	Katlıyorum	Ne katlıyorum ne katılmıyorum	Katılmıyorum	Kesinlikle katılmıyorum
		( 5 )	( 4 )	( 3 )	( 2 )	( 1 )
6	Apple ihtiyaçlarımı ve isteklerimi karşılıyor.					
7	Apple ürünlerinin güvenilir, dayanıklı ve kullanışlı olduğunu düşünüyorum.					
8	Apple markasına hayranım ve saygı duyuyorum çünkü ekstra kapsamlılık ve oldukça farklılaşmış bir şekilde teknoloji sunmaktadır.					
9	Apple'ın çok renkli logosunun markayı daha yakın hale getirmiş ve özel bir kişilik kazandırmış olduğunu düşünüyorum.					
10	Apple başarılı, devrimci, dürüst ve üst sınıf bir markadır.					
11	Apple Ürünlerine güvenilmektedir ve iyi kaliteye sahiptirler.					
12	Apple sahipleri/ üreticileri yenilikçi kişilerdir ve yüksek değerli ürünler sağlayabilirler.					
13	Apple markasının bana kişisel olarak uygun olduğunu ve istediğimi çok yakın bir doğruluk ile bana verebileceğini hissediyorum.					
14	Apple'a sahip olmak ve kullanmak bana eğlence, heyecan, gurur, güvenlik duyguları sağlıyor.					
15	Apple farklı ve renkli bir markadır ve kullanırken kendimi emniyette hissediyorum.					

No	Sorular	Tamamen katılıyorum	Katılıyorum	Ne katılıyorum ne katılmıyorum	Katılmıyorum	Kesinlikle katılmıyorum
		(5)	(4)	(3)	(2)	(1)
16	Apple üst düzey ve kendine saygılı bir markadır.					
17	Apple markasını seviyorum ve bu benim için özel bir marka.					
18	Apple, bir çok farklı alanda kullanabildiğim bir marka.					
19	Arkadaşlarımla Apple markasını konuşmayı seviyorum ve her zaman Apple web sitesini ziyaret ederim ve haberleri takip ederim.					
20	Apple markasına sadığım ve tek tercih ettiğim markadır.					

Questionnaire \Measuring Apple Brand Building

- 1- Age :-  
 2- Gender :-  Female  Male  
 3- Education :-  Undergraduate student  Graduated student  
 4- Which Mobile brand do you use?  I phone  I pad  I pod  pc  
 5- How long are you using this brand?  
 Less than one year  Between 1-3 years  More than 4 years

**Please tick a box on each line to indicate how much you agree or disagree with each of the following questions**

No.	Questions	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
		( 5 )	( 4 )	( 3 )	( 2 )	( 1 )
1	When I hear the word Innovation, Apple is the first brand name that comes in mind.					
2	I always think to buy Apple products.					
3	I am aware of Apple, I can recognize Apple products amongst other electronics products and I can easily remember its famous Apple logo.					
4	Apple delivering very good quality products, offering creative options, ease of use and fun , it also has beautiful designs.					
5	I am satisfied with Apple's products prices.					
6	Apple satisfy my needs and wants.					
7	I think Apple products are reliable, durable and serviceable.					
8	I admire and respect Apple's brand because it delivers extra sophistication and technology in a very distinctive manner.					
9	I think that Apple's multi-colored logo makes the brand friendly and endues a special personality					
10	Apple is a successful, revolutionary, honest and upper class brand.					

No.	Questions	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
		( 5 )	( 4 )	( 3 )	( 2 )	( 1 )
11	Apple Products are trusted and have good quality					
12	Apple owners/makers are innovative people and can provide high value products.					
13	I feel that Apple brand has a personal relevant to me and has been able to give me what I want with very close accuracy.					
14	Possessing and using Apple products gives me the feelings of fun, excitement, pride, security.					
15	Apple has diverse and colorful brand and I feel comfortable when I use it.					
16	Apple is superior and self-respect brand					
17	I love Apple brand and it is a special brand to me.					
18	Apple is the brand that i can use in alot of different situation					
19	I like to talk to my friends about Apple products andI always visit the website of Apple and follow its news.					
20	I am loyal to Apple brand and it is the only one that I prefer.					