Johnson
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SC Johnson College of Business

UNDERSTANDING & QUANTIFYING BRAND EQUITY

Presented by Lindsey Aliksanyan

"BRAND BUILDING IS MORE IMPORTANT IN A DIGITAL WORLD THAN IT IS IN THE OLD ECONOMY.

MOST MARKETERS HAVE LEARNED COMPLETELY THE WRONG LESSON.

THEY'VE SEEN THE EFFICIENCY OF SHORT-TERM ACTIVATION AND THEY PUT ALL THEIR MONEY IN THERE."

- LES BINET
DDB & CO-AUTHOR,
THE LONG AND SHORT OF IT


People don’t
care about
Apple...


People don’t care about Nike...

People don’t care about Tesla…

Want to know the truth? People don’t care about brands...

...and this is the MOST important lesson of all.

Most won't buy more than...

1 x iPhone
a year

2-3 x Nike
trainers a year

1 x new car every
five years


... instead of trying to
get the same people
to buy you more...


LG SMART TV
... you realise you need to get more people to buy you just once

And this inturn will spark a powerful shift in your strategy...

From:
Getting people to love your brand

To:
Getting remembered when people are ready to buy

The best strategies embrace this...

They don't hold back
They are bold
They aim for fame
They get you top of mind


Believe in something. Even if it means sacrificing everything.
It’s why Nike starts bold conversations


It’s why Apple empowers creativity


It’s why Tesla sends cars into space

THE TRUTH ABOUT BRANDS: PEOPLE DON'T CARE (AS MUCH AS YOU THINK)

- People don't care about brands

  People have limited capacity to buy from any brand, regardless of how much they may 'love' it.

- People have limited purchasing capacity

  Most people will only buy 1 iPhone per year, 2-3 Nike trainers per year, and 1 new car every 5 years.

- Focus on getting remembered

  Instead of trying to get the same people to buy more, you need to get more people to buy from you just once.

- Embrace bold strategies

  The best strategies aim for fame, get you top of mind, and spark bold conversations - like Nike, Apple, and Tesla.

- Your job is to get remembered

  When people are ready to buy, you want your brand to be the one they think of first.

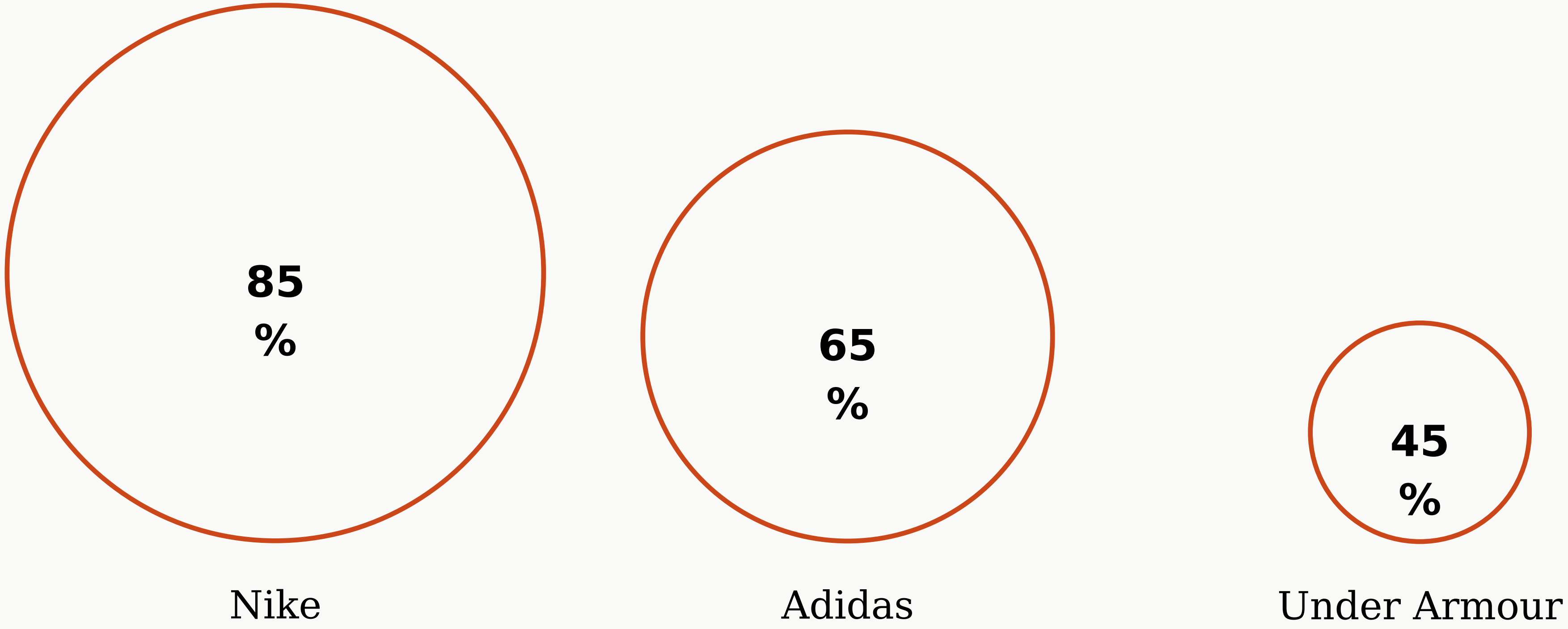
LINDSEY ALIKSANYAN

I’ve spent my career helping brands understand their place in the market, measure their impact, and grow with purpose.

My work sits at the intersection of strategy, data, and culture, combining brand equity measurement, competitive intelligence, and business insights to guide companies in making informed decisions.

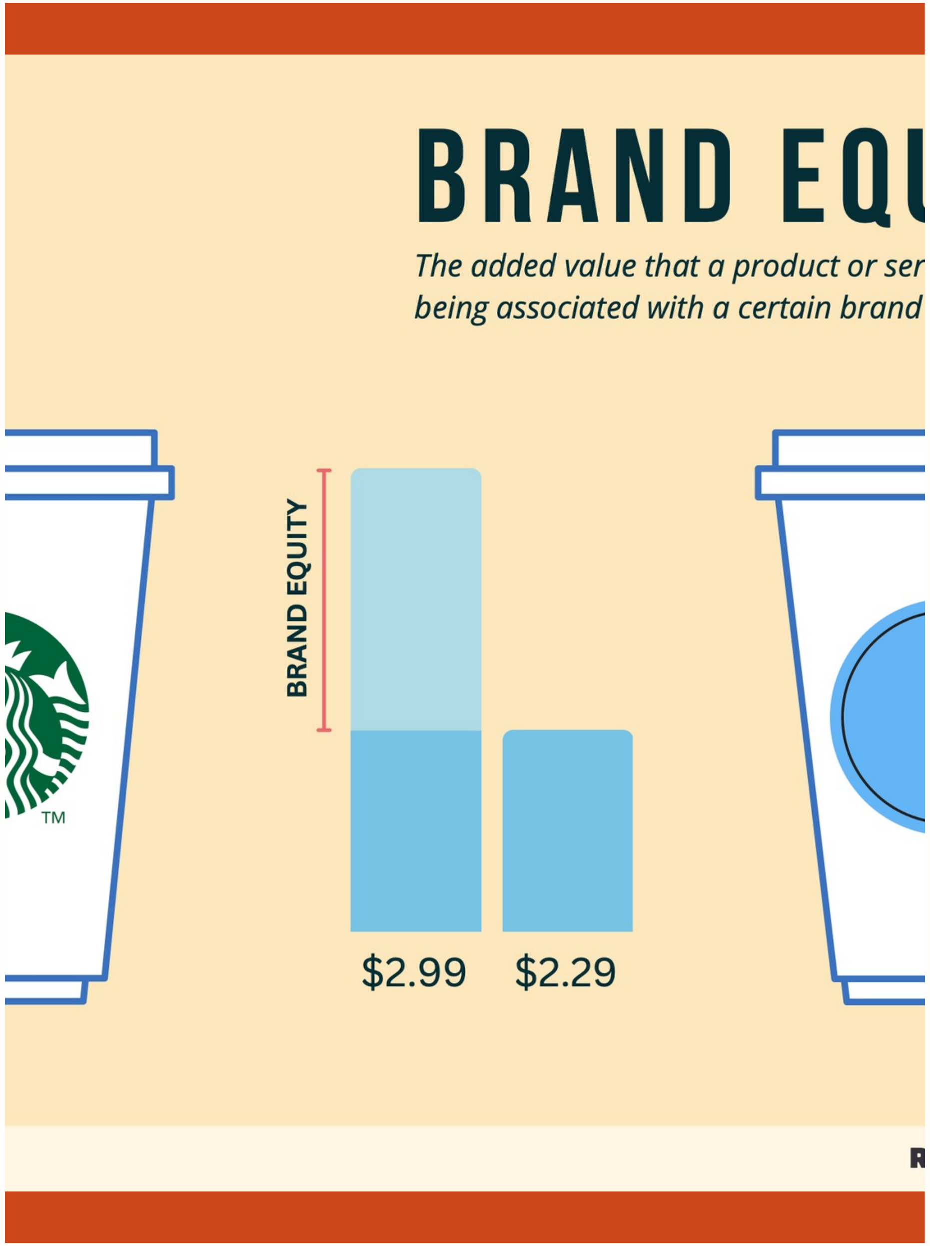
BRAND EQUITY COMPARISON

Percent of consumers who perceive each brand as having strong equity



UNDERSTANDING & QUANTIFYING BRAND EQUITY

Brand equity refers to the intangible value that a brand holds in the minds of consumers. It determines how customers perceive a brand beyond its products and services, allowing companies to charge premium prices, maintain customer loyalty, and enhance market share resilience.



THE FOUR PILLARS OF BRAND EQUITY

Brand Awareness

How well is the brand recognized by consumers? Measured by brand mentions, media exposure, and search volume.

Brand Esteem

Is the brand perceived as high-quality and respected? Measured by sentiment analysis, customer reviews, and trust scores.

Brand Association

What emotions and values do consumers associate with the brand? Measured by brand differentiation, resonance, and brand confusion.

Brand Loyalty

How committed are customers to the brand? Measured by retention rate, engagement levels, and advocacy.

Brand Esteem = Trust, reliability, and quality. **Brand Association** = Emotional and cultural connection to the brand.

MEASURING AND EXTRACTING BRAND AWARENESS

Social Listening Analysis

Use tools like Meltwater, Sprinklr, or Brandwatch to collect total brand mentions (tagged & untagged) on social media and news sources. Filter by time period, region, and platforms to segment the data. Measure share of voice (SOV) against competitors.

Search Trend Analysis

Use Google Trends, SEMrush, or Ahrefs to measure search volume trends. Compare branded keyword growth over 12-24 months to understand the brand's online discoverability.

PR & Media Coverage

Leverage Factiva or Nexis Uni to pull historical press mentions. Categorize articles by tone (positive, neutral, negative) to gauge media sentiment surrounding the brand.

MEASURING BRAND ESTEEM

Customer Sentiment Analysis

Aggregate customer reviews from Trustpilot, Google Reviews, and other sources, then classify the sentiment as positive, neutral, or negative. Assign weighted sentiment scores based on the credibility of the review source.

Net Promoter Score (NPS) Tracking

Use survey tools like Qualtrics or SurveyMonkey to compute the Net Promoter Score, which is the percentage of promoters (9-10 rating) minus the percentage of detractors (0-6 rating).

Normalize the results to a 0-100 scale, with top brands like Nike scoring around +72 and Adidas around +55.

Media Sentiment Analysis

Analyze brand-related media sentiment over a 12-month period using tools like Brandwatch or Meltwater. This provides insights into how the brand is being portrayed in the broader media landscape.

MEASURING AND EXTRACTING BRAND ASSOCIATIO

Consumer Perception Surveys

Use Ipsos, Qualtrics, or Nielsen Panels to assess consumer perception alignment with brand values. Design questions to measure emotional connection, values, and differentiation.

Social Media Clustering & Thematic Analysis

Use AI-driven sentiment tools (Brandwatch, custom developed tools, Semantria, Meltwater) to categorize consumer discussions on social media. Identify recurring themes related to sustainability, activism, and quality.

Brand Conflation Analysis

Use focus groups or competitor sentiment mapping to measure brand confusion versus competitors. For example, determine if consumers mistake Nike's mission for Adidas.

MEASURING AND EXTRACTING BRAND LOYALTY

Customer Retention Analysis

Use Shopify, Salesforce, or HubSpot CRM to measure repeat purchase rates. Segment customers by purchase frequency and order value.

Brand Advocacy Measurement

Measure referral rates from customer loyalty programs. Use NPS survey results to track word-of-mouth recommendations.

Engagement & Community Growth

Use Hootsuite, Sprinklr, or Instagram Insights to analyze engagement rates. Track UGC (user-generated content) and hashtag campaigns.

CALCULATING NIKE'S BRAND EQUITY SCORE

Component	Raw Score (0-100)	Weight (%)	Weighted Score
Awareness	90	30%	27
Esteem	85	30%	25.5
Association	80	20%	16
Loyalty	88	20%	17.6
Total Score	85.3	100%	85.3

The brand equity score is calculated based on the weighted impact of these four key components.*Meltwater, Trustpilot, Qualtrics, Shopify

BRAND EQUITY SCORING FRAMEWORK

1. Formula

$BrandEquityScore = (Awareness \times W1) + (Esteem \times W2) + (Association \times W3) + (Loyalty \times W4)$

2. Breakdown of Data Collection & Weighting

Awareness (30%) = Total brand mentions, SOV, search trend growth Esteem (30%) = NPS scores, review sentiment, brand trust ratings Association (20%) = Emotional & cultural relevance via surveys, thematic analysis Loyalty (20%) = Retention rate, brand advocacy, engagement metrics

1. Normalization

Each score is adjusted to a 0-100 scale using min-max normalization: $NormalizedScore = (X - Xmin) / (Xmax - Xmin) \times 100$

2. Example Calculation

If Nike has the highest NPS (95) and the lowest brand scores in the dataset are 65, then: (95 - 65) / (100 - 65) × 100 = 85.7

1. Key Takeaway

This framework ensures accurate cross-brand comparison and consistency in measurement.

INDUSTRY-SPECIFIC BRAND EQUITY WEIGHTING

Why Weightings Differ by Industry

Brand equity is not universal—the importance of Awareness, Esteem, Association, and Loyalty varies by industry. For example, luxury brands rely more on Esteem, consumer electronics brands need high Brand Association, and retail brands depend on Awareness and Loyalty.

Step 1: Identifying Industry-Specific Consumer Behavior

Analyze consumer decision-making patterns, competitive market dynamics, and purchase frequency & retention rates to understand what drives success in a specific industry.

Step 2: Adjusting Weightings Based on Industry Priorities

Assign weightings to each Brand Equity pillar based on the industry's unique consumer behavior patterns, e.g., 40% Esteem for Luxury Fashion, 35% Awareness for Retail & E-commerce.

Step 3: Normalizing Data for Accurate Comparison

Use min-max normalization to ensure fair scoring across companies within an industry, making the Brand Equity Score actionable and reflective of competitive benchmarks.

BRAND EQUITY WEIGHTINGS BY INDUSTRY

Industry	Awareness	Esteem	Association	Loyalty	Why These Weightings?
Luxury Fashion	20%	40%	30%	10%	Esteem is critical for premium pricing & trust.
Consumer Electronics	30%	30%	20%	20%	Association & Loyalty drive repeat purchases.
Retail & Ecommerce	35%	25%	20%	20%	Awareness fuels demand, Loyalty keeps customers coming back.
Financial Services	25%	35%	15%	25%	Trust (Esteem) & Loyalty drive customer retention.
Automotive	30%	35%	25%	10%	Esteem & Association influence high-consideration purchases.

*Based on the provided context on how brand equity weightings vary by industry.

UNDERSTAND BRAND EQUITY DRIVERS ACROSS INDUSTRIES

Luxury Brands

Rely more on Esteem (perceived quality & exclusivity) than Awareness.

Consumer Electronics

Need high Brand Association (innovation, design) to compete.

Retail & Ecommerce

Depend on Awareness and Loyalty for frequent purchases.

Analyze Consumer Behavior

Understand decision-making patterns (trust, emotional connection, convenience).

Evaluate Competitive Dynamics

Consider the importance of Brand Awareness in fast-moving vs. legacy industries.

Assess Purchase Frequency & Retention

Weigh the impact of Loyalty for frequent purchases vs. infrequent purchases.

BRAND EQUITY SCORING COMPONENTS

Component	Awareness	Esteem	Association	Loyalty
Weight (%)	30%	30%	20%	20%
How It’s Measured	Share of Voice (SOV or SOS)), Search Trends, Media Coverage	Net Promoter Score (NPS), Sentiment Analysis, Consumer Trust Ratings	Consumer Surveys, Social Media Thematic Analysis, Brand Differentiation Index	Repeat Purchase Rates, Customer Retention, Brand Advocacy & Referrals (internal data)
Why It Matters	Determines how easily consumers recognize the brand when making purchase decisions.	Reflects consumer confidence in brand quality & reliability, impacting pricing power.	Captures emotional & cultural connection, influencing long-term brand relevance.	Converts brand recognition into sustained revenue through repeat customers & organic marketing.

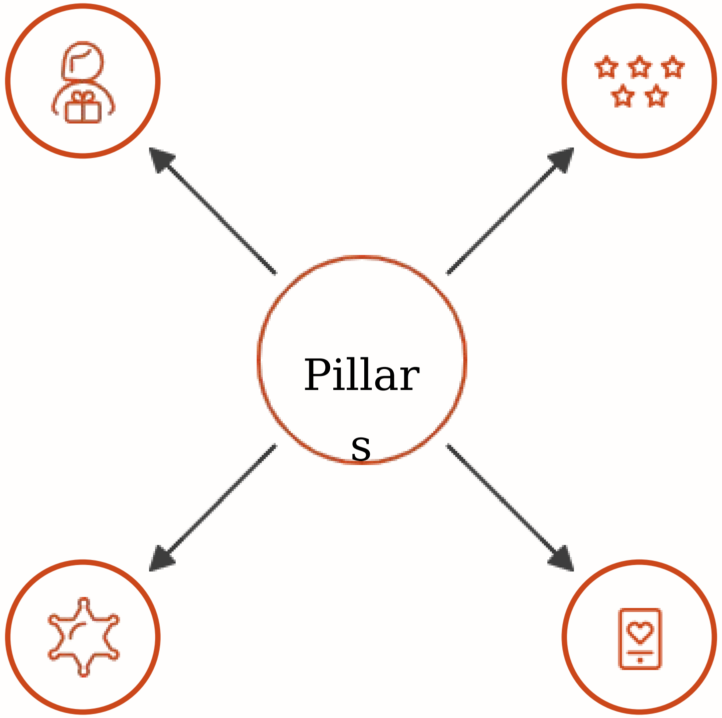
The brand equity score is calculated based on the weighted impact of these four key components.

*Based on the provided context on Brand Equity Scoring.

BRAND EQUITY SCORING COMPONENTS

Component	Awareness	Esteem	Association	Loyalty
Weight (%)	30%	30%	20%	20%
How It’s Measured	Share of Voice (SOV), Search Trends, Media Coverage	Net Promoter Score (NPS), Sentiment Analysis, Consumer Trust Ratings	Consumer Surveys, Social Media Thematic Analysis, Brand Differentiation Index	Repeat Purchase Rates, Customer Retention, Brand Advocacy & Referrals
Why This Weight for Nike?	Nike is one of the most recognizable brands globally, but sustained awareness is critical to defending its market share from Adidas & Under Armour.	Consumers trust Nike’s quality, but past controversies (e.g., labor practices, athlete sponsorship issues) mean Esteem needs continuous reinforcement.	Nike is deeply associated with performance, empowerment, and culture, but faces competition from Adidas in fashion/lifestyle segments.	Nike+ and SNKRS loyalty programs drive high retention, but loyalty needs reinforcement in new digital commerce spaces.
Hypothetical Nike Example	Nike dominates SOV (47%) but faces strong digital ad competition from Adidas (36%).	Nike’s NPS = 72, higher than Adidas (55) but with occasional negative sentiment spikes.	Nike = "Performance & Innovation" (85% consumer alignment), Adidas = "Streetwear & Culture" (82% alignment).	Nike’s repeat purchase rate = 60% among Nike+ members, higher than Adidas Confirmed users (45%).

THE FOUR PILLARS OF BRAND EQUITY



Awareness

How well is the brand recognized?

Esteem

Is the brand perceived as high-quality and respected?

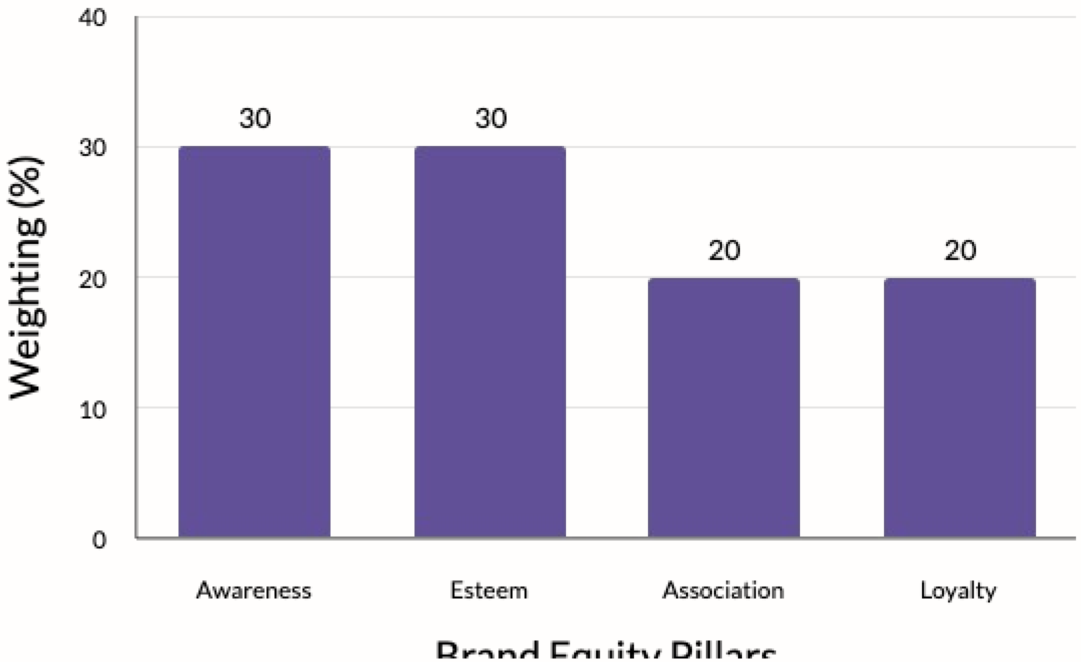
Loyalty

How committed are customers to repeat purchases?

Association

What emotions and values do consumers link to the brand?

BRAND EQUITY SCORING FRAMEWORK - APPAREL INDUSTRY



- W1, W2, W3, W4 = Weightings assigned based on industry benchmarks.
- Each pillar is scored on a 0-100 scale, with weightings varying by industry.

The brand equity scoring framework assigns different weightings to the four key brand equity pillars in the apparel industry.

*Slide 5: The Brand Equity Scoring Framework

MEASURING BRAND AWARENESS - SHARE OF VOICE (SOV) ANALYSIS

Brand	Total Mentions	SOV (%)
Nike	2.5M	50%
Adidas	1.8M	36%
Under Armour	700K	14%

*Meltwater, Brandwatch, Sprinklr

BRAND HEALTH ASSESSMENT: ANALYZING CONSUMER INSIGHTS

Share of Voice (SOV) Analysis

Analyze brand mentions across social media platforms to compute the share of voice (SOV) against key competitors. Use data sources like Meltwater, Brandwatch, and Sprinklr to track total brand mentions and calculate the relative SOV percentage.

Search Trend Analysis

Examine the growth of branded keyword searches over a 12-24 month period using tools like Google Trends, SEMrush, and Ahrefs. This provides insights into the evolving consumer interest and search behaviors.

PR & Media Coverage

Categorize media articles into positive, neutral, or negative sentiment, and assign weighted scores to analyze the overall media perception and narrative surrounding the brand. Leverage data sources like Factiva, Nexis Uni, and Bloomberg.

MEASURING BRAND ASSOCIATION

1 **Consumer Perception Surveys**

Develop surveys to measure emotional connection and brand differentiation using data sources like Ipsos, Qualtrics, and Nielsen Panels.

2 **Social Media Thematic Analysis**

Identify recurring themes in consumer discussions (e.g., performance, sustainability) using AI-driven NLP tools like MonkeyLearn and Sprinklr.

3 **Brand Conflation Analysis**

Conduct focus groups to determine if consumers confuse Nike with competitors.

CALCULATING THE BRAND EQUITY SCORE - COMPREHENSIVE FRAMEW

Calculating the Brand Equity Score

The formula for calculating the Brand Equity Score is:

Brand Equity Score = (Awareness × W1) + (Esteem × W2) + (Association × W3) + (Loyalty × W4), where W1, W2, W3, and W4 are weightings assigned based on industry benchmarks. Each component is normalized to a 0-100 scale for cross-industry comparability.

Example Weighting System (Apparel Industry)

For the apparel industry, the example weighting system is:

Brand Awareness (30%), Brand Esteem (30%), Brand Association (20%), and Brand Loyalty (20%).

Normalizing

The data collected from multiple sources (social media, consumer surveys, financial reports) is adjusted using a min-max normalization technique to scale values from 0 to 100. The formula for normalization is:

Normalized Score = ((X - Xmin) / (Xmax - Xmin)) × 100, where X is the brand's raw score, and Xmin and Xmax represent industry-wide minimum and maximum values.

NIKE STRATEGIC TAKEAWAYS

Mission-Driven Marketing Wins

Consumers support brands aligned with their values.

Sustainable Differentiation Matters

Quality and ethics must be inseparable.

Brand Advocacy Fuels Growth

Loyal customers become unpaid brand ambassadors.

Nike's model showcases how purpose fuels loyalty and premium pricing.

THE FUTURE OF BRAND EQUITY MEASUREMENT

AI-Driven Sentiment Analysis

Leveraging natural language processing to provide real-time, granular insights into brand perception across various channels and touchpoints.

Predictive Analytics for Trust Forecasting

Applying machine learning models to anticipate shifts in brand trust and reputation, enabling proactive brand management.

Emphasis on Authenticity and Social Impact

Increased focus on measuring a brand's ability to authentically connect with consumers and drive positive social and environmental change.

As consumer expectations evolve, the future of brand equity measurement will rely on innovative technologies and a deeper understanding of the multifaceted drivers of brand value.

FINAL TAKEAWAYS

Brand Equity is measurable and actionable.

The four pillars of brand equity - awareness, esteem, association, and loyalty - can be quantified through a variety of data sources and analytical techniques.

Strategic brand management strengthens long-term brand resilience.

Proactively measuring and optimizing brand equity helps companies navigate market changes, maintain relevance, and preserve their competitive edge.

Nike's model showcases how purpose fuels loyalty and premium pricing.

By aligning its brand with strong environmental and social values, Patagonia has cultivated deep customer devotion and the ability to charge higher prices.

Building a robust, purpose-driven brand equity is key to long-term business success. Companies must continuously measure and evolve their brand strategies to stay ahead of shifting consumer demands and market dynamics.

NEXT STEPS & Q&A

This slide invites the audience to engage in an interactive brand equity assessment session and poses thought-provoking questions about how their brand can apply Patagonia's model to drive sustainable growth and customer loyalty.