

Sources of Brand Value

By Colin Bates

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Strong brands are valuable because they change consumer behavior, they create a bond of loyalty and in doing so they secure a future stream of profits. That is essentially it.

Understanding how this happens gives you insights into how to manage your brand to maximize its value, and the value of your business.

Let's start at the beginning. Brands first emerged as a guarantee of authenticity: proof that the product came from a trusted manufacturer. This source of value dates back over 100 years, when brands were literally just that, a branding-iron stamped on the side of a barrel of beer or a crate of fruit. Because of the value of these 'marks' they are now protected in law.

Implications for you: is your brand name, logo and other elements of 'visual identity' properly protected in law?

Consumer confidence in these 'trade marks' built a second level of brand value: the reassurance of consistency and 'replicability'. Knowing that the experience will be consistent allows us as consumers to look forward to the experience, to feel confident and secure in our purchase. A small example: in Hong Kong (where we are based) you'll find tourists from all over the world, and very often you'll find them in McDonalds. They've come all the way round the world to experience a new culture. But when they are hot, tired and perhaps a little disoriented they turn to McDonalds, because they are absolutely sure that they will get an experience they know and can rely on.

Implications for you: are you building value into your brand (and company) by delivering consistency in every aspect of your product or service experience?

Finally, and most powerfully, strong brands are able to tap into our imagination and sense of fantasy to transform the consumption experience. This is the highest and most valuable level at which strong brands operate. When a weekend athlete pulls on his Nike trainers he's also pulling on a set of values: let's get out there and "Just do it". Or when an executive pulls out his Apple Mac he's taking a stand: I "think different". But not all brands make a social statement. What about expensive underwear?! I'm sure there are some people in your office right now, wearing something fancy underneath. Why? Simply because it makes them feel good about themselves, more desirable perhaps (even though we can assume no one else will ever know they're on!) That's the power of a strong brand - delivering benefits beyond the functional and transforming the consumption experience.

Implications for you: is your brand tapping into this final most powerful form of brand value: is it delivering benefits beyond the functional and transforming the consumption experience?

Review these sources of brand value and act on the implications. You'll be building enduring business value by building your brand.

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