

# **Linking Branding to Financial Results (The Value Relevance of Branding)**

**Donald R. Lehmann**

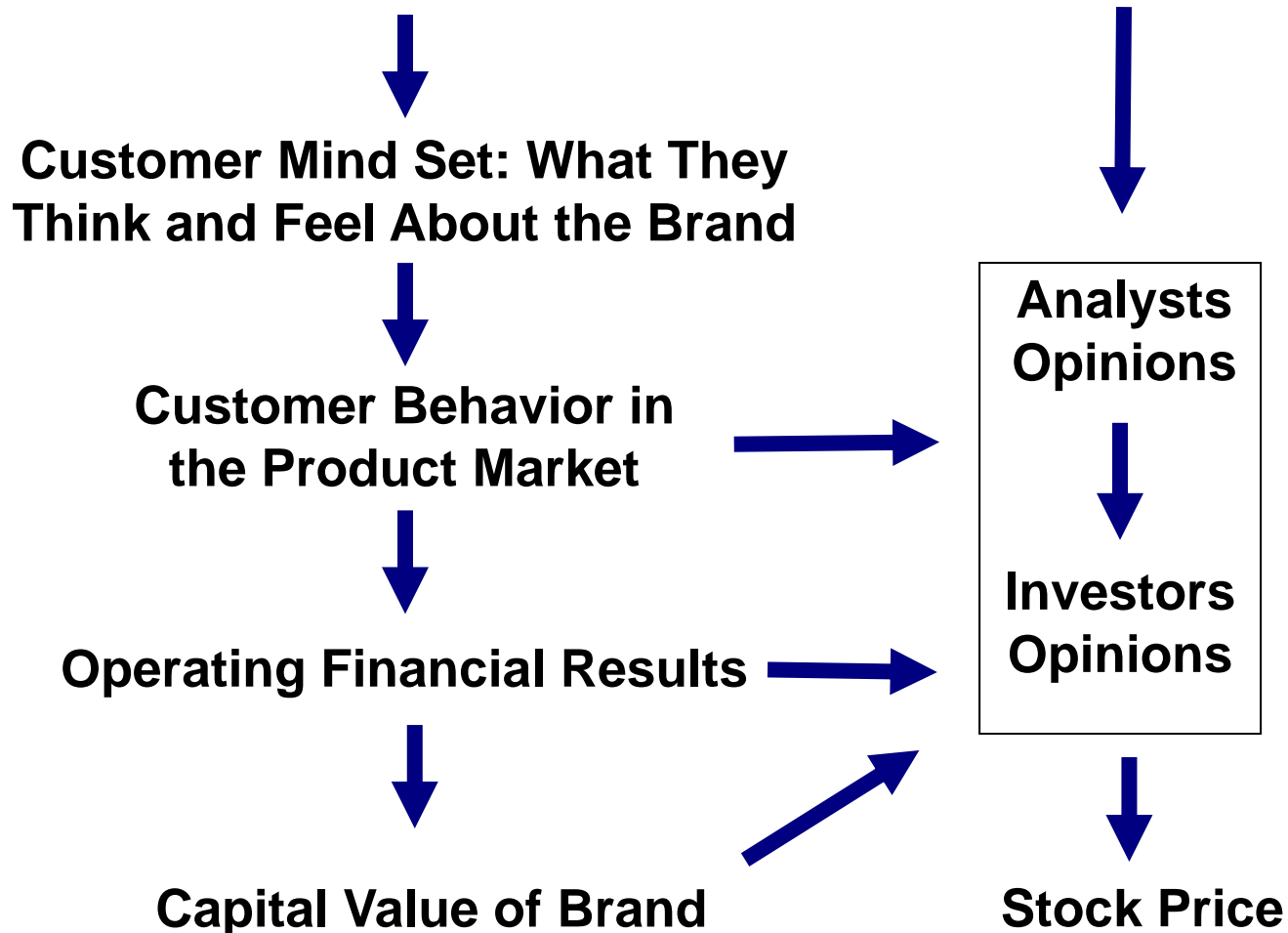
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# Conceptual Brand Investment Model

**Actions: Company, Partners, Competitors**



# Customer Mind Set

- **Awareness**
  - (Generally Necessary for Choice)
  - Knowledge
- **Associations**
  - Attributes, Images, Customers (e.g. Commercial Brand Equity Measures)
- **Attitude**
  - Willing to Consider
  - General Affect/Liking/Willingness to Pay (WTP Positive or Negative)
  - Willingness to Spend Time/Delay Consumption to Get
- **Attachment**
  - Intention to Buy
  - Resistance to Competition, Bad News
  - Loyalty
- **Activity**
  - WOM
  - Display

# Customer Level Behavior

- **CLV**
  - Acquisition
  - Retention
  - Margin
- **Purchase**
  - Brand
  - Share
  - Amount

# Aggregate Market Level Behavior

- **Price Paid**
- **Responsiveness to**
  - Marketing: Own, Competition
  - Surprises: Product, Spokesperson Failure
- **Revenue Premium**
- **Required Investment to Maintain**
- **Decay Rate under No Investment**

# Market Level: Collaborators

- **Channels**

- Coverage/Stocking
- Support
- Profit Contribution

- **Suppliers**

- Service Speed
- Service Level

- **Partners/Alliances**

# Financial Performance Level

- **Operating**
  - Profit
  - Discounted Cash Flow (DCF)
  - ROI
- **Financial Market**
  - P/E Ratio
  - Tobin's Q
  - Stock Price
  - Intangible Brand Value

# Important “Facts”

- **There Are Logical (Causal) Links among the Various Components**
- **In Survey Data, Responses Have a Major Person Effect Which Inflates Correlations**
- **A Complete System View Is Complex**
- **A Few (or Even One) Measure Can Capture Much of the Impact of All the Measures**
- **Mind Set Metrics are More Useful When Taken in a “Real” Setting (e.g., Including Competition)**
- **Consistency in Measurement is Critical**
- **Tracking Over Time is Necessary; Changes Matter**