THE MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

Ternopil Ivan Puluj National Technical University

The department of management

in manufacturing sphere

Handbook for practical classes and self-training on discipline

**BRAND MANAGEMENT**

for the 4th year students

of the specialty 6.030601«Management»



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Handbook for practical classes and self-training on discipline “Brand management” have been discussed and approved at the meeting of the methodical committee of the faculty of Management and Business in Manufacturing Sphere of the Ternopil Ivan Pul'uj National Technical University on \_\_\_\_\_\_\_\_\_\_\_\_, 2018, minutes № \_\_\_.

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***Introduction***

Brand Management is a course designed for students interested in management science and especially in the world of brands. It does not require any specific knowledge since it starts from basic level and it keeps a very practical point of view, focusing in the main theoretical concepts and framework, but having a "real life" approach. This course will focus on the basic building blocks of growing and managing a brand, as well as advanced and special topics of brand management that will provide a well-rounded look at issues in integrating the brand into overall marketing and company activities.

Moreover, advanced and special topics of brand management such as measuring brand performance and brand value will be covered. Throughout the course special attention will be given on how to integrate the brand into overall marketing and company activities. The overall objective of this course is to provide a comprehensive overview of the theoretical foundations and best managerial practices of strategic brand management.

**Main tasks:**

- to understand role of brands in current context, where competition is fierce and tangible aspects can be easily copied;

- to be involved with the main concepts concerning brand management;

- to learn to identify essential values of a brand, it is strong points and weaknesses, and understand the difference between what a company sells and what the consumer buys;

- to practice with all the concepts through a final assignment that has a very practical approach: build a brand concept and the strategy around it;

- to understand the different agents that play a role in the process of brand management: client, agency, designer, brand manager;

- to understand the structure and contents of a brand guideline document;

- to understand the role of marketing communications;

- to understand planning and evaluating the performance of the brand;

- to understand branding issues for your organization and development of an action plan to address them.

**As a result student must** **be able:**

* to know how to generate ideas for brand strategy including the contents of the brand positioning statement illustrated with examples from a number of leading brands;
* to acquire knowledge about notions and key-concepts related to branding;
* to know the role of the brands and the benefits of branding for the consumer and the manufacturer;
* to know the characteristics of the different types of brands and brand strategies;
* to know the measurement of brand equity, meaning and performance;
* to acquire skills in managing brands over the time and introducing and naming new products;
* to know how to formulating and implementing brand strategies.

***Lecture 1 FUNDAMENTALS OF BRAND MANAGEMENT***

*1. The importance of branding for businesses.*

*2. The development and essence of brand management.*

*3. The value and benefits of the brand.*

***Questions for review***

1. Which fundamentals will allow you to build different strategic steps involved in creating a brand or refreshing an existing one?
2. The principles of successful branding.

3. Which functions of brand management do you know?

4. Which benefits of branding for the consumer do you know?

5. Strategic framework for brand management.

6. Which benefits of branding for the producer do you know?

7. What is brand?

8. Which difference between brand and product?

9. What is branding?

10. What meansCs of branding?

11. Which purpose of brand management do you know?

12. What is brand management?

13. Why do brands matter?

***Lecture 2 TRADEMARKS AND TRADE TOKEN (SYMBOL)***

1. *Comparing the terms of “brand”, “trademark” and “trade token (trade symbol)”.*

*2. The concept of trademark.*

*3. The trademark process and rights conferred by trademarks.*

*4. The essence and protection of trade token (symbol).*

*5. Procedure of registration the trade token (symbol).*



***Questions for review***

1. Describe the chain creating of brand product or service
2. What is trade mark?
3. What is trade token?

 4. Which features of trademarks do you know?

5. Trade marks are not registrable if they …..?

6. The company use the symbol ™ for…

7. How many types of trade symbols do you know?

8. Trade mark protection usually arises from…

9. Which types of rights in a mark do you know?

10. Trademarks can give for you company…

11. The essential goal of a trademark is…

12. The sequence of creating of product or service with using the innovation include…?

13. Describe the procedure of registration the trade token (symbol)

14. Validity of the certificate of trade symbol is…?

***Lecture 3 METHODS OF CREATING A STRONG BRAND***

1. *Brand manifestations.*

*2. The rules for creating and principles of successful branding.*

*3. Cycle of creation a brand.*

*4. Managing the brand.*



***Questions for review***

1. How many functions of brand do you know?
2. What means Distinguishing function of brand?
3. What means Informative function of brand?

 4. What means Advertising function of brand?

5. What means Protective function of brand?

6. What means Warranty function of brand?

7. What means Psychological function of brand?

8. Describe the rules for creating and principles of successful

9. Explain the principles of successful branding

10. Describe the Cycle of creation a brand

11. Budgeting for a brand

12. Managing the brand

13. Winning brand strategies starts with…

14. Which function of brand implies that a well known trade token creates in consumer belief that this product is the best in quality and thus draws attention to it?.

***Lecture 4 BRAND EQUITY***

*1. Brand value and power.*

*2. The concept of brand equity.*

*3. Building and managing of brand equity.*

*4. Managing the brand.*



***Questions for review***

1. What means Brand value and power?
2. Describe the concept of brand equity
3. What is brand equity?

 4. What means tangibles of brand equity?

5. What means intangibles of brand equity?

6. Explain the five major determinants of brand equity

7. The rules for creating a successful brand

8. Describe and explain the Brand equity model

9. Explain the main stages of brand management process

10. Building brand equity

11. Explain: “Brand Equity = Brand assets - Brand Liabilities”.

***Lecture 5 BRAND AWARENESS AND CREATING OF BRAND LOYALTY***

*1. Creating the name and visualization of brand.*

*2. Brand awareness.*

*3. Levels of brand recognition.*

*4. The brand pyramid.*



***Questions for review***

1. For a successful market promotion the brand name should…
2. What is brand awareness?
3. How many levels of brand recognition do you know?

 4. Explain the levels of brand recognition

5. What means brand loyalty?

6. What is the brand pyramid?

7. Describe and explain the stages of brand pyramid

8. Can you change your brand values just for one customer?

9. How many channels of brand awareness do you know?

10. How many stages of brand pyramid include?

11. Which stage of brand pyramid provides that customers formed a strong emotional attachment to the brand?

12. Which stage of brand pyramid provides that customers beginning to associate the brand with their emotions and with their sense of self?

***Lecture 6 SUSTAINABILITY AND CHALLENGES OF BRAND***

*1. The concept of sustainability brand.*

*2. Sustainability brand name selection.*

*3. Brand challenges.*

*4. Strategic Brand Management Process (SMP).*



***Questions for review***

1. What is sustainability brand?
2. How many elements of concept of sustainability branding do you know?
3. Describe the criteria (areas)of sustainability brands
4. How many options for development of sustainability brand do you know?
5. Who created the concept “8 C’s” of sustainability branding?

6. Describe the basic elements of a successful brand

7. Describe and explain the “8 C’s” of sustainability branding

8. The good brand name should consider three areas….

9. Brand challenges

10. What means strategic brand management process (SMP)?

11. Describe and explain the stages of strategic brand management process (SMP).

***Lecture 7 BRAND VALUATION***

*1. The concept of brand valuation.*

*2. Valuation methodologies.*

*3. The approaches of brand valuation.*



***Questions for review***

1. How many requirements have process of valuing brand?

 2. What are the common purposes of uses of brand valuation?

3. Describe the approaches of brand valuation

4. Describe and explain the methods of brand valuation.

1. Сalculate brand value using a Capital Market Oriented Brand Valuation Model

|  |  |
| --- | --- |
| Long Term Investments | 57000 |
| Property Plant and Equipment | 60000 |
| Goodwill | 12000 |
| Intangible Assets | 15000 |
| Other Assets | 7500 |
| No. of shares  | 2000 |
| CMP | 5.51 |

1. Сalculate brand value using a Capital Market Oriented Brand Valuation Model

|  |  |
| --- | --- |
| Long Term Investments  | 550000 |
| Property Plant and Equipment | 750000 |
| Inventory | 850000 |
| Brand name | 120000 |
| Cash And Cash Equivalents | 800000 |
| Goodwill | 50000 |
| Other Intangible Assets | 35000 |
| No. of shares  | 15000 |
| Price | 5.6 |

Сalculate brand value using a Capital Market Oriented Brand Valuation Model

|  |  |
| --- | --- |
| Current Assets | 5000000 |
| Patents  | 560000 |
| Copyrights  | 450000 |
|

|  |
| --- |
| Long-term debt |

 | 250000 |
|

|  |
| --- |
| Owners' equity |

 | 850000 |
| Fixed Assets  | 650000 |
| Trademarks  | 250000 |
| Property  | 1250000 |
| No. of shares  | 56000 |
| Price | 56.5 |

1. No. of shares 85560, Share Price –$ 20.5.

Company assets are estimated:

vehicles and aircrafts is 780500.00, furniture fittings and electronic devices is 56500.00, industrial patents is 89500.00, licenses is 548000.00, trademarks and similar right is 350000.00, land and buildings is 6560000.00, plant, machinery and equipment is 360000.00. Сalculate a brand value.

 The number of shares 75450, Share Price –$25.

Company assets are estimated: trademarks and similar right is 15500.00, plant, machinery and equipment is 255000.00, brand name is 56000.00, licenses is 274500.00, land and buildings is 582000.00, vehicles and aircrafts is 145001.00, furniture fittings and electronic devices is 199000.00. Сalculate a brand value.

Ordinary shares of the company are estimated at  $95000, preference shares of the company are estimated at  $56000

Company assets are estimated: Long Term Investments – $550000, Property Plant and Equipment – $ 850000, Brand name – $ 45000, Inventory – $ 120000, Cash And Cash Equivalents –$ 1750000, Goodwill – $ 800000, Other Intangible Assets – $ 35000.

Сalculate a brand value.

1. Ordinary shares of the company are estimated at  $85000, preference shares of the company are estimated at  $116000

Company assets are estimated: Brand name – $ 65000, Cash And Cash Equivalents –$ 125000, Long Term Investments – $1150000, Property Plant and Equipment – $ 850000, Inventory – $ 120000, Copyrights – $ 855050, Furniture Fittings – $ 36500, Goodwill – $ 550000, Other Intangible Assets – $ 7000. Сalculate a brand value.

Market Cap is 5650500.00. Assets of company:

licenses is 571000.00, plant, machinery and equipment is 392000.00,brand name – 154500.00, land and buildings is 825000.00, trademarks and similar right is 324000.00, industrial patents is 750000.00, furniture fittings is 33000.00, electronic devices is 48000.00, vehicles is 45900.00. Сalculate a brand value.

Market Cap is750560.00. Assets of company:

vehicles is 180500.00, aircrafts is 265000.00, furniture fittings is 46500.00, trademarks and similar right is 357000.00, land is 57000.00, patents is 85000.00, buildings is 66000.00, licenses is 58000.00, machinery and equipment is 360000.00. Сalculate a brand value.

1. *Сalculate brand value using a Book Market Valuation and average 5 years value.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2007 | 2008 | 2009 | 2010 | 2011 |
| Total No. of Shares | 56000,00 | 56500,00 | 56500,00 | 57000,00 | 57500,00 |
| Share Price | 12.5 | 12.0 | 13.5 | 13.0 | 12.5 |
| Book Value | 720000,00 | 750000,00 | 780000,00 | 770000,00 | 715000,00 |

*Сalculate brand value using a Book Market Valuation and average 5 years value.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2007 | 2008 | 2009 | 2010 | 2011 |
| No. of ordinary shares  | 35000,00 | 30000,00 | 32000,00 | 33000,00 | 35000,00 |
| No. of preference shares  | 25000,00 | 25500,00 | 26000,00 | 28000,00 | 27500,00 |
| ordinary shares price  | 5.6 | 6.0 | 6.0 | 5.8 | 6.2 |
| preference shares price | 15.2 | 15.0 | 16.5 | 16.0 | 16.2 |
| Book Value | 560000,00 | 580000,00 | 600500,00 | 580500,00 | 590000,00 |

*Сalculate brand value using a Book Market Valuation and average 5 years value.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2007 | 2008 | 2009 | 2010 | 2011 |
| No. of ordinary shares  | 8000 | 8200 | 8500 | 8200 | 8350 |
| No. of preference shares  | 5600 | 5500 | 5900 | 6000 | 6580 |
| ordinary shares price  | 5.6 | 5.7 | 6.0 | 6.2 | 6.2 |
| preference shares price | 20.3 | 21.0 | 20.5 | 20.9 | 21.0 |
| Book Value | 155000,00 | 160000,00 | 165000,00 | 200000,00 | 195000,00 |

1. *Calculate cost of brand in 2013, and Brand Value ($bil), in 2012**using the data in the table below****:***

| **Brand** | **Brand Value ($bil)** | **1-Yr Value Change (%)** | **Brand Revenue ($bil)** | **Brand Cost** | **Brand Value ($bil), 2012** |
| --- | --- | --- | --- | --- | --- |
| [Disney](http://www.forbes.com/companies/walt-disney/) | 17.5 | 5 | 32.6 |  |  |
| [Toyota](http://www.forbes.com/companies/toyota-motor/) | 17.0 | 7 | 56.6 |  |  |
| [Oracle](http://www.forbes.com/companies/oracle/) | 16.5 | 0 | 57.2 |  |  |
| [AT&T](http://www.forbes.com/companies/att/) | 15.0 | -3 | 89.6 |  |  |
| [Wal-Mart](http://www.forbes.com/companies/wal-mart-stores/) | 14.3 | 5 | 86.4 |  |  |
| [Mercedes-Benz](http://www.forbes.com/companies/mercedes-benz/) | 13.5 | -4 | 56.5 |  |  |
| [Cisco](http://www.forbes.com/companies/cisco-systems/) | 13.1 | 0 | 32.2 |  |  |
| Budweise[r](http://www.forbes.com/companies/budweiser/) | 11.6 | -6 | 121.3 |  |  |
| [Honda](http://www.forbes.com/companies/honda-motor/) | 11.0 | 12 | 89.2 |  |  |

*Calculate* ***Brand Value*** *in 2013, and Brand Value ($bil), in 2012**using the data in the table below****:***

| **Brand** | **Brand Cost ($bil)** | **Brand Revenue ($bil)** | **1-Yr Value Change (%)** | **Brand Value ($bil), 2013** | **Brand Value ($bil), 2012** |
| --- | --- | --- | --- | --- | --- |
| [Disney](http://www.forbes.com/companies/walt-disney/) | 37.5 | 32.6 | 5 |  |  |
| [Toyota](http://www.forbes.com/companies/toyota-motor/) | 37.0 | 56.6 | 7 |  |  |
| [Oracle](http://www.forbes.com/companies/oracle/) | 36.5 | 57.2 | 0 |  |  |
| [AT&T](http://www.forbes.com/companies/att/) | 45.0 | 89.6 | -3 |  |  |
| [Wal-Mart](http://www.forbes.com/companies/wal-mart-stores/) | 44.3 | 86.4 | 5 |  |  |
| [Mercedes-Benz](http://www.forbes.com/companies/mercedes-benz/) | 33.5 | 56.5 | -4 |  |  |
| [Cisco](http://www.forbes.com/companies/cisco-systems/) | 33.1 | 32.2 | 0 |  |  |
| Budweise[r](http://www.forbes.com/companies/budweiser/) | 41.6 | 121.3 | -6 |  |  |
| [Honda](http://www.forbes.com/companies/honda-motor/) | 41.0 | 89.2 | 12 |  |  |

*Calculate* ***Bra Brand Revenue****, and Brand Value ($bil), in 2012**using the data in the table below****:***

| **Brand** | **Brand Value ($bil)** | **Brand Cost** | **1-Yr Value Change (%)** | **Brand Revenue ($bil)** | **Brand Value ($bil), 2012** |
| --- | --- | --- | --- | --- | --- |
| [Disney](http://www.forbes.com/companies/walt-disney/) | 37.5 | 32.6 | 11 |  |  |
| [Toyota](http://www.forbes.com/companies/toyota-motor/) | 37.0 | 56.6 | 2 |  |  |
| [Oracle](http://www.forbes.com/companies/oracle/) | 36.5 | 57.2 | -3 |  |  |
| [AT&T](http://www.forbes.com/companies/att/) | 35.0 | 89.6 | 4 |  |  |
| [Wal-Mart](http://www.forbes.com/companies/wal-mart-stores/) | 34.3 | 86.4 | -6 |  |  |
| [Mercedes-Benz](http://www.forbes.com/companies/mercedes-benz/) | 33.5 | 56.5 | 5 |  |  |
| [Cisco](http://www.forbes.com/companies/cisco-systems/) | 33.1 | 32.2 | 1 |  |  |
| Budweise[r](http://www.forbes.com/companies/budweiser/) | 31.6 | 121.3 | 6 |  |  |
| [Honda](http://www.forbes.com/companies/honda-motor/) | 31.0 | 89.2 | 8 |  |  |

***Individual work***

The goal of individual work is the ability to analyze and assess famous brand. When performing an individual work, the student must independently find the necessary scientific information; to analyze real facts related to the activities of different enterprises; be able to express their own thoughts, to argue suggestions and to properly submit them.

Practical part of individual work should be performed according to the recommended plan on the example of the investigated enterprises.

Individual work is done in the form of an abstract. The total amount of individual work 10-15 pages.

***Plan of individual work***

1. Give the characteristics of the investigated enterprise.

2. Analyze the brand being investigated using the following questions:

1) Description of product, services, business.

2) Geography of the distribution of the product.

3) Characteristics of the main competitors.

4) The price segment of the product / service.

5) The target audience of the product (demography, consumption situation, other information).

6) What are the most significant attributes, benefits, product values?

7) What is the essence of the brand?

8) What is the emotional component of the brand?

9) Why is this brand superior to competitors?

10) What components of a brand should be supported or enhanced?

***Tasks for individual work***

1. **Apple**

**TOYOTA**

**Pepsi**

**Facebook**

1. **Google**

**SAMSUNG**

**LOUIS VUITTON**

**Disney**

1. **IBM**

**Mercedes-Benz**

**Nescafé**

**MTV**

1. **McDonald’s**

**HONDA**

**CISCO**

**ZARA**

1. **Coca-Cola**

**HYUNDAI**

**DANONE**

**Prada**

1. **AT&T**

**Gillette**

**Nike**

**BMW**

1. **Microsoft**

**Tiffany&Co.**

**John Deere**

**Harley-Davidson**

1. **Marlboro**

**Canon**

**Johnson & Johnson**

**YAHOO**

1. **Visa**

**Panasonic**

**DELL**

**Jack Daniel's**

1. **China Mobile**

**XEROX**

**MasterCard**

**Ford**

1. **Pampers**

**Porsche**

**Cartier**

**Budweiser**

1. **Starbucks**

**Shell**

**L'Oréal**

**Pepsi**

**List of recommended literature**

**Main**

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11. K. L. Ailawadi, D. R. Lehmann, S. A. Neslin, Revenue premium as an outcome measure of brand equity // Marketing. – 2003. - 67(October). – p. 1-17.

12. A. Azoulay, J.-N. KapfererDo brand personality scales really measure brand personality? // Brand Management. – 2003. – 11(2). – p. 143-155.

13. T. Duncan IMC: Using Advertising & Promotion to Build Brands. – McGraw-Hill, New York. – 2002. – 344 p.

 **Internet resources**

1. <https://www.b2binternational.com/research/services/branding-research/>

2. <https://www.managementstudyguide.com/brand-management.htm>

3. <http://www.slideshare.net/yacikay/chp1-10190907>

4. <http://www.inc.com/guides/2010/08/how-to-manage-your-companys-brand.html>

5. <http://www.revenew.com/blog/the-importance-of-brand-management>

6. <https://en.wikipedia.org/wiki/Brand_management>