

GLOBAL MARKET RESEARCH

radius

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# radius report

THIS MONTH'S TOPIC:

**Understanding Your  
Brand's Equity**

Leveraging Equity Research to  
Guide Your Marketing Efforts

## Understanding Your Brand's Equity

Leveraging Equity Research to Guide Your Marketing Efforts

**As marketers you craft brands to clearly communicate its values and to differentiate your products and services from those of your competitors.** As your plans are set in

motion, however, it's vital that you have a clear perspective on how your brand is perceived in the minds of the target audience. What does the intended audience think it stands for? What equity position does your brand hold?

It's reasonable to suggest that equity is the most critical factor in determining brand success. It is a combination of people's experience with and perception of your brand. These in turn impact quality perceptions and benefit associations.

- The ability to retain customers is based on their experience with your brand, and typically "high" equity brands exhibit stronger levels of satisfaction and loyalty.
- The ability to attract new customers is largely perception-based, as they do not have actual experience to draw on. Hence, they must go by what they hear, see, and believe about your brand. For them, perception is reality.

Having a clear perspective of how your brand's equity stands relative to the competition is critical to making impactful and relevant marketing decisions.

As you evaluate your equity position, it's important to remain mindful that there are two ways the market receives information about your brand.

1. Messages controlled by marketing, such as advertising and PR efforts.
2. Uncontrolled messages such as "word of mouth", press stories, and the ever growing, social network medium.

Managing and leveraging your brand's equity means understanding how consumers are engaging with and communicating about your brand. It requires constant attention to, and effort at, maintaining the right perceptions in the minds of your target audience. This starts by first determining what influences your equity position and then appropriately allocating resources towards strengthening those perceptions.

By breaking down what defines your brand equity we can more easily determine a reliable way to measure it and to track it over time.

Radius uses an approach we refer to as EquityDeveloper™ to help our clients accomplish this goal. EquityDeveloper™ achieves the following goals:

- Determines the relative impact of functional versus subjective elements on driving brand equity.
- Establishes a hierarchy of specific attributes, within each of these categories, based on how they influence perceptions of your brand.
- Develops a single equity score that characterizes the stature of your brand relative to that of your competition.
- Identifies areas of brand strength and opportunities for boosting your equity status.
- Builds a mechanism for monitoring the performance of your brand over time relative to your competition.

EquityDeveloper™ helps you manage your equity through your marketing and communication efforts. It allows you to appropriately allocate resources to enhance your brand position in the marketplace. The output is a roadmap that illustrates what influencers you can focus on to stake out a clear and meaningful space in your category.

→ **Want to learn more?**

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