QSA

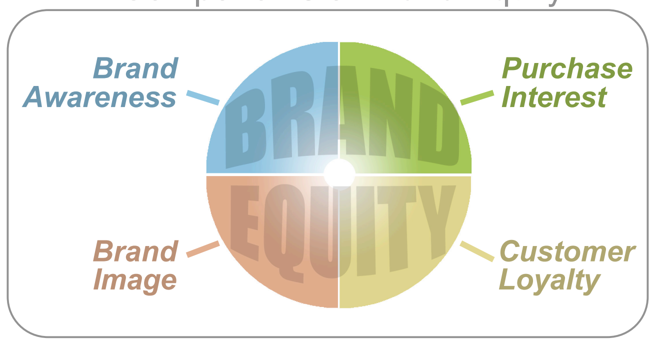
Integrated Research Solutions

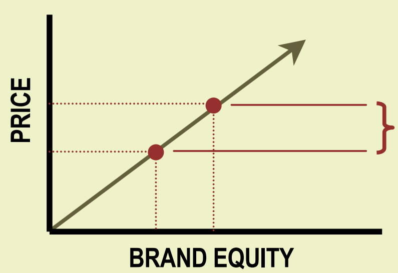
Brand Equity Research

Brand equity is one of the most important levers of profitability, due to its unique ability to contribute directly to the bottom line without adding features or lowering price (both of which cost organizations money). Brand equity is an umbrella concept that captures the overall *asset value* of a brand. Strong brand equity enables organizations to:

- *Command premium prices*
- *Capture and maintain market share*
- *Sustain longer product lifespans*
- *Support new product line extensions*
- *Attract investors*
- *Ward off competition*

4 Components of Brand Equity





Brand Equity and Your Bottom Line

One of the most tangible benefits of strong brand equity is the ability to command a premium price without adding costly features. All other things being equal, organizations with greater brand equity are able to charge more for the same product or service than firms with less brand equity. This *brand equity price differential* contributes to larger margins and profits.

Conjoint Analysis is a powerful technique that can quantify brand equity.

Conjoint Analysis is a robust analytical procedure that measures brand equity by asking respondents to make a series of choices involving product features, price points and brands. A well-designed conjoint survey closely mimics the choices buyers encounter in the real world. These “forced choices” reveal the preference respondents have for one brand over others when product features and price are held constant.

Conjoint is able to isolate the premium consumers are willing to pay for a particular brand versus competing brands. Sophisticated statistical procedures are used to derive “dollar-calibrated utility scores” that represent consumer preference for each product when price and features are held constant, and the price premium respondents are willing to pay for a particular brand.

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