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Brand Loyalty

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Brand Awareness and Customer Loyalty

Author: Maciej Koniewski

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Brand awareness is the lowest level of brand recall. This is where the brand recall continuum begins, extending from simple brand recognition to having complex cognitive structures constructed on the basis of detailed information concerning the brand.

The set of associations and facts about a brand is the direct result of a company's marketing activity, but also of other factors beyond the company's direct control, e.g. recommendations by other product users. The process of building brand image among customers or consumers should be methodically performed and monitored by the company's marketing department.

Brand awareness is a dominant factor in purchasing choices

Brand awareness has a stronger impact on the subsequent purchasing choices, if the product once tried out fulfilled the consumer's expectations.

Employing brand awareness as a shopping guide is a strategy applied by consumers in order to save time and effort which, when dealing with an unknown brand, they would devote to comparing the products in relation to other attributes, such as quality, packaging and price. Brand awareness may be therefore interpreted as cognitive simplification. Purchasing choices are made by reference to such simplification, especially when the product is cheap and easily disposable (food, hygienic and everyday-use products).

Relying on brand awareness is a frequent tactical decision made when buying a product for the first time. When making subsequent purchases the consumer focuses on the product's practical attributes, such as quality, functionality, taste or fragrance. Brand awareness has a stronger impact on the subsequent purchasing choices, if the product once tried out fulfilled the consumer's expectations.

The attributes of the same product are more significant in the subsequent purchasing decisions, especially when the products from which the consumer can choose differ significantly from each other in relation to criteria to which the he/she attaches great importance. This is why it is vital to understand which product properties matter to the consumer. This requires additional research.

Good brand recall has a number of desirable effects:

- The recall of one brand blocks off the other brands from the range of alternatives in which the consumer makes his/her selection,
- Within a set of familiar brands consumers pick the ones better known to them, especially if they cannot see any special differences between the competing offerings,
- Good brand recall forms the basis for a clear and attractive brand image,
- Brand recall coupled with high customer satisfaction levels translates into customer loyalty.

How to measure brand awareness?

In order to measure brand awareness we ask the respondent to name all the brands which he/she associates with a given product category. Then we ask him/her to pick from a list the brands he/she recognises. As a result we obtain three brand recall indicators:

- **Spontaneous brand recall** – the brands named by the consumer himself/herself. These are the ones from among which the consumer chooses when buying the product of a given category. Spontaneous brand recall thus defines the consumer's selection range.
- **Top-of-mind recall** ("the most remembered and recalled brand") – the brand first named by the consumer himself/herself. This brand is attributed the highest value – when choosing which product to buy the consumer will probably pick a product of this brand. The strength of the consumer's emotional link with the brand is better reflected by the brand named first than by spontaneous recall.
- **Aided recall** – recognition of a given brand among others. The spontaneous recall means that the consumer remembers the brand, whereas the aided recall shows that the consumer is only able to recognise it ("has heard about it/has seen it"). Aided recall indicates a weak link to the brand on the part of the consumer.

The strength of the consumer's emotional link with the brand is better reflected by the brand named first than by spontaneous recall.

Brand awareness is a measure of the effectiveness of a company's marketing activity. However, one has to be aware of the limitations of such a measure, because consumers also perceive a brand through the prism of factors beyond the company's direct control, e.g. recommendations by other consumers.

Brand awareness is a starting point for customer satisfaction and loyalty studies

Customer satisfaction is measured as satisfaction both with various attributes of the same product and with the customer's experience with the company.

High brand recognition translates into customer loyalty. Customer loyalty is stronger if the customers' positive associations with the brand and the knowledge they had about a product before their first contact with it have been confirmed and strengthened with the first purchase.

High brand satisfaction and its presence in the consumer's range of spontaneous recall translate into his/her loyalty – he/she is more willing to buy other products of the same brand.

PMR Brand Image

To investigate the sources of brand image creation, PMR Research analyses all characteristics of the brand (packaging, name, advertising concepts and product prototypes) through consumer opinion research, interviews with experts and Internet word of mouth. We identify those components of the brand's image that have the greatest power to affect consumer choices and recommend the most effective directions for shaping the brand image.



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Contact PMR

PMR Research

tel.: /48/ 12 618 90 80
e-mail: info@pmr-r.com,
www.research-pmr.com

Marketing

tel.: /48/ 12 618 90 20
e-mail: marketing@pmrcorporate.com
www.pmrporate.com