Building Strong Brands through Sponsorship

Presented by Professor Kevin Lane Keller, Tuck School of Business
Dartmouth College

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IEG 24th Annual Sponsorship Conference
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Tuck School of Business
Dartmouth College

Agenda

- Building Strong Brands – 3 Key Models
  - Brand positioning model
  - Brand resonance model
  - Brand value chain model
  - Q & A

- Role of Sponsorship in Branding
  - Basic concepts
  - American Express – 2006 U.S. Open tennis
  - Q & A

MARKETING PLANNING PROCESS

Complex, Varied Marketing Activity

- Detailed, Rich Marketing Models

- Comprehensive, Robust Marketing Measures

The Concept of Customer-Based Brand Equity

- Customer-based brand equity
  - Differential effect
  - Consumer brand knowledge
  - Consumer response to brand marketing
  - Command larger brand loyalty and be less vulnerable to competitive marketing actions.
  - Command larger margins and have more inelastic responses to price increases and elastic responses to price decreases.
  - Receive greater trade cooperation & support.
  - Increase marketing communication effectiveness.
  - Yield licensing opportunities.
  - Support brand extensions.

Sources of Brand Equity

- Brand knowledge is not the facts about the brand
  - It is all the thoughts, feelings, perceptions, images, experiences, and so on that become linked to the brand in the minds of consumers
  - All of these types of information can be thought of in terms of a set of associations to the brand in consumer memory

Brand Equity Models

- Creating sources of brand equity to build strong brands requires careful planning, implementation, and measurement.
- To help guide these efforts, three models of increasing scope are presented:
  1) Brand Positioning Model
     - Describes how to establish competitive advantages;
  2) Brand Resonance Model
     - Describes how to create intense, activity loyalty relationships
  3) Brand Value Chain Model
     - Describes how to trace the value creation process to better understand the financial impact of marketing expenditures and investments.
1. Brand Positioning Model


### Superior Competitive Positioning

- **Identify competitive frames of reference**
  - Well-defined target market
  - Clearly understood nature of competition
- **Develop unique brand points-of-difference**
  - Desirable (to consumer)
  - Deliverable (by the brand)
  - Differentiated (from competition)
- **Establish shared brand points-of-parity**
  - Negate competitor points-of-difference
  - Demonstrate category credentials
- **Example: Miller Lite**

### Miller Lite Update

- Miller Lite had experienced flagging sales, falling behind both Bud Lite and Coors Lite
- Management decides to create a powerful new position...
  - Reaffirm core duality and functional benefit of *less filling & great tasting*
  - Reinforce strong user imagery and emotional appeal as to *uncompromising character*
  - By addressing inherent product trade-offs and linking performance & emotional equities...
  - Sales rise 10% during 2004-2005

### Principles Reinforced By Launch of Miller Lite

- Both points-of-parity and points-of-difference are needed to be well-positioned
- Points-of-parity and points-of-difference are often negatively correlated
- Points-of-parity are NOT points-of-equality – there is a zone or range of indifference or tolerance
- Points-of-parity may even need to be the focus of marketing communications as the points-of-difference may be a “given”
- Linked performance and emotional points-of-difference can tap into both the “head” and the “heart”

2. Brand Resonance Model


### Create Brand Resonance with Customers

- Challenge is to ensure customers have the right types of experiences to create the right brand knowledge
- Building a strong brand involves a series of steps as part of a “branding ladder”
- A strong brand is also characterized by a logically constructed set of brand “building blocks.”
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Brand Resonance Pyramid

1. **Identity**: Who are you?
   - **Stage 1**
   - **Performance**
   - **Imagery**
   - **Salience**
   - **Points-of-Difference**
   - **Deep Brand Awareness**

2. **Meaning**: What are you?
   - **Stage 2**
   - **Performance**
   - **Imagery**
   - **Salience**
   - **Points-of-Difference**
   - **Deep Brand Awareness**

3. **Response**: What about you?
   - **Stage 3**
   - **Performance**
   - **Imagery**
   - **Salience**
   - **Points-of-Difference**
   - **Deep Brand Awareness**

4. **Relationships**: What about you & me?
   - **Stage 4**
   - **Performance**
   - **Imagery**
   - **Salience**
   - **Points-of-Difference**
   - **Deep Brand Awareness**

Brand Resonance Pyramid Terminology

- **Salience**: Depth and breadth of brand awareness
  - Recognition and recall at purchase and consumption
- **Performance**: What the brand does to meet customers’ more functional needs
  - Brand performance refers to the intrinsic properties of the brand in terms of inherent product benefits.
- **Imagery**: How people think about a brand abstractly rather than what they think the brand actually physically does.
  - Brand imagery is thus more extrinsic properties of the brand.
- **Four important intangible dimensions are**:
  - Type of user
  - Brand personality
  - History & heritage
  - Experiences

Dimensions of Brand Feelings

Brand feelings can be divided into two broad categories:
- **Experiential** – immediate, short-lived during purchase/consumption
- **Enduring** – private, possibly part of day-to-day life

Brands should have one, or ideally both, types of feelings

- **Experiential Feelings**
  - Warm
  - Fun
  - Exciting

- **Enduring Feelings**
  - Sense of Security (Inner-directed)
  - Social Approval (Outer-directed)
  - Self-Respect (Actualization)

Sub-Dimensions of Brand Resonance Pyramid
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Snapple Mental Map

Snapple Core Brand Values

NATURAL
All-natural, healthy & high quality

VARIETY
Exotic ingredients & diverse products

INNOVATION
New flavors & products

PACKAGING
Functionally & aesthetically appealing

DOWN-TO-EARTH
Accessible & relevant

QUIRKY
Offbeat & fun

Snapple Brand Resonance Pyramid

3. Brand Value Chain Model


Brand Value Chain

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Integrating Brand Marketing

- Must adopt 360° view of consumer-brand interactions
  - Every brand contact matters
- “Mixing and matching” brand marketing
  - Different marketing activities can accomplish different things
    - Achieve commonality (reinforcement)
    - Achieve complementarity (uniqueness)
- Maximize collective contribution
  - 1+1=?

Drivers of Brand Equity

- Brand elements
  - Brand name, logo, symbol, character, slogan ....
- Marketing program & activities
  - Product, services, communications, channels ....
- Secondary associations
  - Company, other brands, places, people ....

Leveraging Secondary Brand Associations

Borrowing appropriate equity from ...

- Other strong brands
- Well-known people
- Desirable places & events
- Etc.

by understanding ...

- When equity should reinforce
- When equity should augment
- How equity can transfer
Sponsorship Objectives

- To identify with a particular target market or lifestyle
- To increase awareness of the company or product name
- To create or reinforce consumer perceptions of key brand image associations
- To enhance corporate image dimensions
- To create experiences and evoke feelings
- To express commitment to the community or on social issues
- To entertain key clients or reward key employees
- To permit merchandising or promotional opportunities

Understanding the Event Leveraging Process

Knowledge about the event
- If consumers have no familiarity or experience with the event, then obviously there is nothing that can be transferred.

Transferability of the event knowledge
- To what extent is this knowledge deemed relevant and meaningful for the target brand?
- To what extent will this knowledge actually become linked to the target brand?

Understanding the Event Leveraging Process

In other words, the basic questions with transferring knowledge from an event are:
- What do consumers know or experience about the event?
- Does any of this knowledge affect what they think or feel about the target brand when it becomes linked or associated in some fashion with the event?

CBBE Brand Resonance Model as a Guide to Equity Transfer

BRAND

EVENT

Transfer of equity

Case Study: American Express – 2006 U.S. Open

American Express U.S. Open Sponsorship Objectives

- Continue to assert Amex as THE brand that brings an event, program, sponsorship, experience, etc. to life at each relevant touchpoint possible
- Generate brand awareness & buzz by positioning Amex as modern, up-to-date & integral to the passion of Tennis
- Grow relevancy & desire for the Amex brand through engagement opportunities that evolve perceptions of Amex away from simply being a method of payment to that of an “experience enhancer”
- Support and promote the value of membership to Prospects & reward current Cardmembers with valuable benefits
- Add greater breadth of impact for Amex by creating scaleable opportunities to engage Cardmembers outside the confines of the traditional Tournament venue
Amex Strategy
- Consumer activation began in June and ran throughout the Tournament
- Across all facets of their consumption of the US Open
- Long term partner of the US Open - 13th year of sponsorship, Amex views the partnership as not simply a means to activate a tennis event, but rather as a holistic platform to enable consumers with deeper access into their passion for Tennis

Amex Game Plan
- Multi-tiered levels of exclusive ticket access to the event
- Create breakthrough as the premier sponsor on-site and maintain top level of awareness
  - organically weaving Amex into the fabric of the event
  - providing an enhanced on-site experience for both Cardmembers and general public fans alike
  - strengthening partnership with the USTA
- Cement "ownership" of the broader, untapped tennis fan audience outside of Tournament attendees through the proprietary US Open Live platform
- Extend reach through creation of unique content for incorporation within actual Tournament broadcast

Access Platform
- Amex Cardmembers had exclusive ability to purchase tickets prior to general public in June
- In support of its premium Card products, unique experiential opportunities were created:
  - Women's Finals Preview:
    - Special package for Gold, Platinum & Centurion Cardmembers to meet & greet with Monica Seles and host Mary Joe Fernandez
  - Platinum By Invitation Only Luxury Suites:
    - Platinum & Centurion Cardmembers could enjoy all the action of the US Open from a luxury suite with lavish in-suite amenities, featuring special meet & greet opportunity with Monica Seles during Finals weekend

Talent Integration
- Leveraged ongoing partnerships with top pros to help deliver key messages prior to US Open:
  - Andy Roddick:
    - Dedicated interview on the CBS Early Show (National) on Thursday 8/24 to promote the innovative "Andy vs. Pong" spot, along with US Open viewing events
  - Venus Williams:
    - Dedicated interview on WNBC Today in NY (Local) on Monday 8/28 supporting the US Open Live viewing events, American Express ACES grassroots program and "Courtside with a Champion" Cardmember experience

On-Site Activation
- Established premium level of relevant on-site services & benefits:
  - For both Cardmembers and general fan base
  - Organically weaving the brand into the fabric of event at all key points of interaction
  - From the moment attendees set foot off the train in Flushing Meadows to the moment they departed
- Sample activities
  - American Express Pedicab Program
    - All attendees had the opportunity to enjoy a complimentary pedicab ride between the tournament site and train station
  - US Open Guest Information hosted by American Express
    - Free reciprocal access to the information center at Flushing Meadows
  - American Express Live Mural Experience
    - Renowned sports artist David Amsler captured and created a visual journey of 12 past US Open Champions and the first ever living tournament drawboard at the US Open
  - American Express Radio Live Remote Show conducted daily from 10AM – 10:30AM

On-Site Cardmember Activation
- American Express Radio Live at the Open!
  - Amex Cardmembers received a complimentary radio to listen to live play-by-play and commentary, along with continual match updates
  - American Express Radio Live Remote Show conducted daily from 10AM – 10:30AM
- Courtside with a Champion
  - Amex Cardmembers registered each day for the chance to come back the following night session and experience the US Open like a true VIP
  - Opportunity to experience some of the matches with a past US Open Champion
- Gift-with-Purchase Program
  - For every $75 charged on their Amex Card at on-site US Open merchandise vendors, concessions stands and restaurants, Cardmembers could redeem their receipts to receive a commemorative 2006 US Open pin featuring either Andy Roddick or Venus Williams
- Metrocard Giveaway
  - Amex Cardmembers had the opportunity to receive a complimentary Metrocard at the end of each session good for a free ride home
In-Market Activation

- Brought game to life for non-attending fans through American Express Presents US Open Live at Rockefeller Center (RC) & American Express Presents US Open Live at Madison Square Park (MSP)
- Created a tennis-oasis in the heart of Manhattan at iconic locations where the general public enjoyed live match coverage free-of-charge from 11AM – 11PM
  - Shown on a 25’ wide videoboard complete with stadium seating, concessions, US Open merchandise, guest information, interactive tennis activities and teaching pros
- Developed special event programming featuring Chris Evert
  - Provided a Tournament recap and Q & A session at MSP and a live preview of the Women’s Finals at RC

American Express ACES Program

- For every ace served in Arthur Ashe Stadium, Amex donated $100 to the USTA Tennis & Education Foundation
- Goal to promote healthy, active lifestyles by providing disadvantaged, at-risk children with opportunity to learn to play tennis and improve their academic skills
- Part of the broader “Summer of ACES” initiative and global American Express ACES program
- $187,900 raised by American Express Summer of ACES Program, bringing total global donation raised since 2004 to over $925,000 US in support of grassroots tennis development around the world

Broadcast Integration

- Integrated on-site & in-market content into national broadcast across all fourteen days of Tournament
- Daily exposure within broadcast for various on-site experiential activities
- Daily support for the American Express ACES program
- Presenting ownership of nightly pre-match show on USA Network (Primetime at the Open)
- New “Insider Access” segments provided exclusive player interviews before matches

Experiential Creative

- AMEX PONG CHALLENGE
- USE THE CARD, TAKE HOME A MEMORY.
- COURTSIDE WITH A CHAMPION
- AMEX CHALLENGE EVERYTHING™
- NEED TO KNOW®
- MEMBERSHIP
- CHANGES EVERYTHING™

Advertising Creative

- AMEX PONG CHALLENGE
- USE THE CARD, TAKE HOME A MEMORY.
- COURTSIDE WITH A CHAMPION
- AMEX CHALLENGE EVERYTHING™
- NEED TO KNOW®
- MEMBERSHIP
- CHANGES EVERYTHING™

Activation Scope

- National/International
- Local Market
- Early On-Sale
- Logo Display
- Lifestyle Placement
- TV & Radio
- Outdoor
- Print
- On-Site
- On-Roland
- On-website
- Social Media
- Digital
- Event Apps
- Paid Media
- Outdoor

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**Sponsorship Highlights**

- Directly linked Amex in a highly visible & relevant fashion with access to THE place to be in NYC in late summer
  - Amex has consistently received the highest level of sponsor total awareness from on-site attendees, despite it being a Tier 2 level sponsor
  - US Open Live platform actively engaged hundreds of thousands of consumers for an average of 2 hours each, within a fully branded & interactive environment, in a relevant fashion around their passion (not including media impressions)
  - Improved existing Cardmember loyalty, whereby attendees both on-site & at viewing events indicated they were more likely to use Amex products and services in the future than DMA level
  - Leveraged proprietary content from on-site & in-market activation to create dedicated features/vignettes across all 14 days of Tournament broadcast, on both networks expanding reach of programming to a national audience
  - Generated millions of PR impressions for Amex around US Open activation, with over 14 unique media outlets citing Cardmember-specific benefits

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<th>American Express Brand Resonance Pyramid: U.S Open Sponsorship Impact</th>
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**Conclusions**

- Models of brand planning can guide brand-building activities
- Events and other entities are brands in their own right and can have similar equity dimensions
- Understanding how events build brand equity requires a comprehensive, cohesive model of brand equity

**Questions?**

**Thank You!**