


The complete guide to brand measurement



How to transform your brand tracking and decision-making capabilities with next-gen data, analytics, and insights

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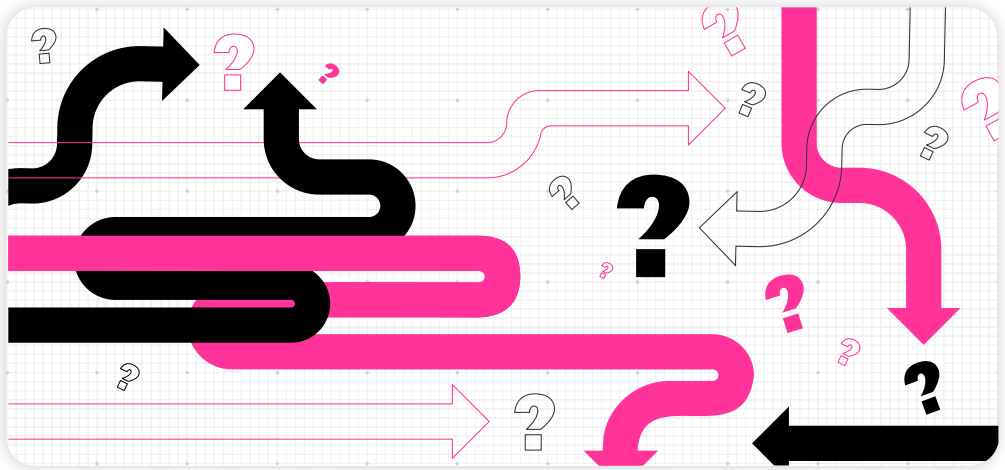
It all began with McElroy

In 1931, P&G executive Neil McElroy wrote an internal memorandum that launched “brand management” as a formal management responsibility. Because “**you manage what you measure,**” brand management inevitably led to brand measurement and its close cousin, “brand tracking.” Today, almost a century after McElroy’s memo, hundreds of millions of dollars are spent every year on measuring brands.

However, there’s little consensus on how brand measurement should work. There seems to be as many ways to measure brands as there are brand experts. This has produced a multitude of brand metrics that are tracked today, including:

- Awareness
 - Desire
 - Salience
 - Loyalty
 - Consideration
 - Intent
 - Stature
 - Trust
 - Preference
 - Advocacy
 - Relevance
 - Usage
- (e.g., NPS)

In this guide, we help you determine which metrics truly matter and give you a blueprint for brand measurement that will transform your brand tracking and decision-making capabilities. It all starts with asking the right question.



The right question

Many brand professionals ask themselves an incomplete question: **“How should brand measurement work?”**

The better, more complete question to ask is: “How should brand measurement work to connect brand decisions to business outcomes?”

We measure things to help us make decisions that improve our business, then evaluate those decisions and take corrective actions. The same is true for measuring brands: how we measure them should help us make better decisions about how to optimize their contribution to business outcomes such as **revenue, profitability, sustainability, and shareholder value.**

How we measure brands should help us optimize their contribution to corporate growth, profitability, and sustainability.

Three litmus tests

A brand measurement system that connects brand decisions to business outcomes must pass three litmus tests:

1.

Brand equity metrics are validated as leading indicators of business outcomes.

2.

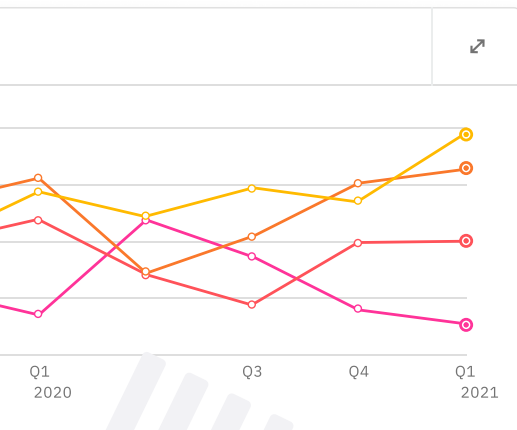
Brand strategy metrics have a quantifiable connection to brand equity.

3.

Brand ROI metrics quantify the value growth — expected and actual — from an increase in brand equity and the investment required to achieve it.

-25%

Value Change



For many companies these tests call for adding some new metrics, but for all companies they open the door to de-prioritizing or repurposing many more metrics that aren't necessary.

The net effect is to streamline, standardize, and lower the cost of brand measurement while increasing its power to drive faster, better brand tracking and decision making.

Let's delve deeper into each litmus test.

\$118.3M

Estimate Brand Value

Brand equity metrics

Most brand experts start with the question, “**How should we define brand equity and measure it?**” The problem is, there are as many definitions of brand equity as there are brand experts.

For example, here’s a sample from a much **longer list**:

- **The added value endowed by the brand to the product** (Farquhar, 1989)
- **The differential effect of brand knowledge on consumer response to the marketing of the brand** (Keller, 1993)
- **Favorable impressions, attitudinal dispositions, and behavioral predilections** (Rangaswamy et al., 1993)
- **The utility that the consumer associates to the use and consumption of the brand** (Vazquez et al., 2002)

- **The set of characteristics that make a brand unique in the marketplace**
(Clow and Baack, 2005)
- **Memory structures that have a lasting influence on consumer behavior**
(Les Binet, 2023)

All of these definitions result in too many brand equity metrics to count and just as many unresolved arguments over what brand metrics really matter. The solution lies in answering a different question:

“What should we measure, and how, to make brand equity a reliable leading indicator of business outcomes?”

The answer is found in these four guidelines:

Measure what matters

BERA’s quarterly, monthly, and weekly research on 4,000 brands over a nine-year period (and counting) confirms what other researchers have found. You get a measure of brand equity that is the strongest, most reliable leading indicator of business outcomes when you measure it as a composite of four metrics: familiarity, regard, meaning, and uniqueness. Here’s what each of these means:



Consumers form relationships with a brand based on these four metrics, and these relationships evoke powerful emotions toward a brand such as love, infatuation, commitment, and respect, or hate, boredom, indifference, and contempt.

The emerging field of neuroeconomics tells us that such emotions **account for more than 90% of consumer decision-making**. They have an enormous impact on purchase, consumption, usage, pricing power, repeat purchase, referral, acquisition costs, employee loyalty, and consumer permission to offer new products and enter new categories.

This is why “brand equity” has “financial equity” — because it contributes to revenue and value growth. And this is why familiarity, regard, meaning, and uniqueness are the metrics that matter — because they are the key ingredients of brand equity that give it financial equity.

This is why “brand equity” has “financial equity” — because it contributes to revenue and value growth.

Measure relative to all brands

People **don't** just ask, “Should we go to McDonald's, Wendy's, or Burger King for dinner tonight?” Just as often, they ask, “Should we go out to McDonald's, order takeout from a local restaurant through DoorDash, buy a Blue Apron meal kit, or take a Swanson's Dinner out of the freezer?” In that moment, the perceptions of these brands compared to each other influences the choice of what to do for dinner tonight, and that choice affects their financial performance.


This means you have to measure McDonald's relative to all these brands and not just other burger brands. Moreover, you have to measure McDonald's against brands like Amazon, Apple, Nike, and Peloton. This is because consumers' perceptions of these brands — for example, Amazon's customer service, Apple's store design, Nike's social activism, and Peloton's health halo — affect their perceptions of the McDonald's brand.

The point of this example is that every brand competes with every other for consumers' time, attention, affection, and money. **Winning brands are in tune with consumer culture and in many cases, they influence it.** For example, Nike led the way in making social impact a cultural value for all brands, not just clothing brands. Apple did the same for “human-centric design.”

Categories also constantly change (entrants in, incumbents out), **converge** (like content and distribution in media) and **compete** (such as spirits versus beer, wine, and hard seltzers). Category-centric brand measurement misses these dynamics.

Category-centric measurement also has an inherent bias toward the biggest brands in a category. Consumers often conflate the size of a brand with other attributes like differentiation when they only compare it to other brands in the same category.

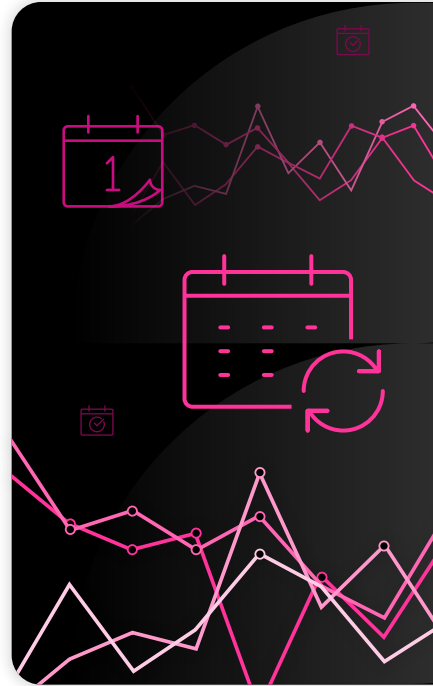
This is why you must measure your brand in a “category agnostic” way, relative to all brands that a country's consumer culture comprises, and which influence perceptions of your brand regardless of category.



It's also why BERA, when collecting data on brand perceptions, presents each consumer with a unique list of 12 brands, each from a different category.

Measure with weekly, monthly, and quarterly cadence

This is essential because things happen every day that affect brand equity relative to other brands overnight. These can be competitor moves, socio-political movements, or environmental shocks. They can also be specific to your company, from introducing new products or packaging to pricing, advertising, purchase options, or service levels. All these things affect a brand's equity and the financial difference it makes. That's why **you need continuous measurement to see the strong link between brand equity and its financial contribution.**



Continuous measurement also gives you a truer picture of how your brand equity is trending. Any other measurement cadence is prone to false signals about changes in brand equity and can send brand strategies down the wrong path.

More important, though, longitudinal data is essential to quantify the lag effect between brand equity growth and its impact on business outcomes. You can't do this with simple correlation analysis based on cross-sectional data for a bunch of brands within a single time period. You need high-frequency time series data on financial and equity metrics for thousands of brands.

Measure with census-matching data

This is so you can precisely and accurately measure your brand equity by customers versus non-customers, loyals versus switchers, winbacks versus prospects, lapsed versus rejecters, and “unawares” — all by gender, ethnicity, income, age, marital status, family size, orientation, and location, including country, state, metro, and postal code.

Measuring a brand for only a narrow audience can miss important signals. For example, measuring it with only current customers misses potential opportunities with non-customers who might be high-potential prospects. It can also miss those who have a role in the customer's buying decision even though they are not the buyer. Misses like these seriously damage brand metrics as leading indicators of business performance.

Measure what matters, relative to all brands, on a weekly, monthly, and quarterly cadence, with census-matching data.

You also want to find audiences that offer the highest return on investment in brand equity and avoid segments of your target market with low ROI potential.

Using data, such as from surveys, that don't match census will *weaken* the predictive power of your brand equity metrics and your ability to use them for aiming your investments at the most promising audiences.

None of this is to say that the target audience for a brand is the total population. **Every brand begins with a well-defined target audience.** From there, it can stretch into new audiences depending on the strengths and weaknesses of its brand equity. This is yet another reason for measuring your brand's equity with census-based data.

You have to measure what matters, relative to all brands, on a weekly, monthly, and quarterly cadence, with census-matching data to get the right brand equity metrics. Taking short-cuts — for example, with category-centric research, episodic reporting, weighted data, and cross-sectional analysis — doesn't work and can be **more** costly because of the effort it requires to get business value out of the wrong brand equity metrics.

Brand strategy metrics

Most CMOs and their CEOs would agree that brand equity is a valuable asset because it contributes to business growth and value. If so, growing brand equity with a high ROI should be the governing objective of brand strategy.

This calls for brand strategy metrics that connect to brand equity. Otherwise, you leave brand managers with their gut to guess at the likely impact of a brand strategy on brand equity, and then to guess again at the actual impact of that strategy in the real world.

A big part of the problem is the wide range of definitions for brand strategy. Here are just three examples:



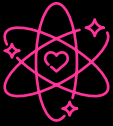
“A long-term plan to achieve a series of long-term goals that result in the identification and preference of your brand by customers.”

Source: bynder.com/en/glossary/branding-strategy



“A framework that determines how businesses present themselves to customers and stand out among competition.”

Source: coursera.org/articles/brand-strategy



“What you stand for [and] a promise you make to consumers.”

Source: marketingmo.com/strategic-planning/brand-strategy

Each definition sends us down a very different path in terms of what we need to get brand strategy metrics right. And unfortunately, none of them are explicitly guided by the governing objective to grow brand equity with a high ROI.

Positioning and activation metrics

Marketers know that a brand's positioning in the minds of consumers is the foundation of its ability to compete in the marketplace. The most successful brands automatically and immediately convey the distinct benefits they offer, to whom they offer them, and why they matter. Doing so enables these brands to capture market share, gain pricing power, and earn recurring, sustainable revenue growth. This demands metrics that explicitly capture the extent to which consumers in a target audience understand the positioning. Do they see:

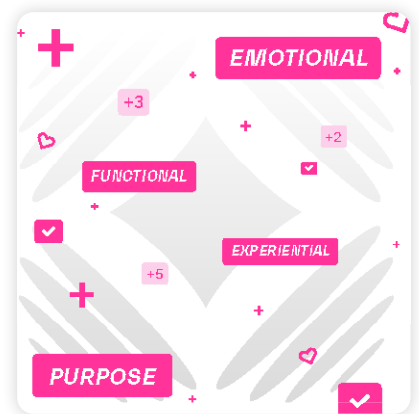
- A brand's unique **purpose** beyond profit?
- The **emotional** resonance and connection of a brand to their real or hoped for identities?
- The **functional** benefits your brand provides
- The **experience** they'll have with it?

Most companies capture some form of data on these questions that are colorful and interesting, but they're not particularly useful on their own. They have to connect to the range of investments your company makes to bring brand positioning to life and live it every day in every way. These are factors that are often discussed as brand activation levers. **They touch every aspect of a firm across five buckets:**

- **Product:** features, quality, packaging, appearance
- **Price:** list, discounts, special offers, allowances, bundling, financing, leasing options
- **Promotion:** advertising, in-store displays, performance marketing activities
- **Place:** store locations, in-store placement, channel partners, market coverage, internet, mobile
- **People:** leaders, sales reps, service staff, ambassadors, influencers

These five brand levers have an enormous impact on brand equity, both directly and indirectly through their impact on brand positioning. You can generate the information, analysis, and insights you need when you have data on them to determine which investments fortify your brand equity and to optimize those investments accordingly. Most importantly, you can share that data in your company to make it clear that brand equity is everyone's job.

Positioning and activation together drive brand equity. That makes them the twin pillars of brand strategy. You need the ability to measure them, predict their impact on brand equity with your target audience, and monitor their in-market performance to optimize your brand strategy. This requires a brand management system to have two essential capabilities: **positioning and activation drivers analysis and contribution analysis.**



Positioning and activation drivers analysis

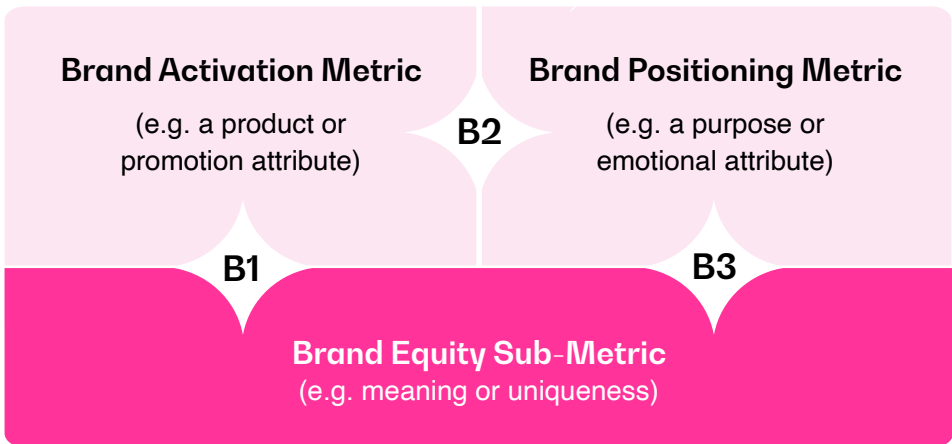
This is the ability to isolate which positioning and activation variables matter most to brand equity for your target audience. That will vary a lot by brand depending on its strengths, weaknesses, country, and category, but here's an example for a childcare brand whose target audience is women with one- to three-year-olds:

Brand Strategy	Purpose Positioning	Emotional Positioning	Activation Levers	Brand Equity
Build		<ul style="list-style-type: none"> • Excitement (smooth, cool, daring) 	<ul style="list-style-type: none"> • Price (willingness to pay a premium) • Promotion (meaningful communications) 	<ul style="list-style-type: none"> • Meaning • Familiarity
Maintain	<ul style="list-style-type: none"> • Social Impact (social commitment, humanitarian) • Consistent Focus (stands out, innovates with purpose) 	<ul style="list-style-type: none"> • Sincerity (down to earth, secure) • Competence (real, up to date) 	<ul style="list-style-type: none"> • Product (suits my needs) • Placement (availability) 	<ul style="list-style-type: none"> • Uniqueness • Regard
Lower Priority	<ul style="list-style-type: none"> • Universal Connection (personal, inclusive) 	<ul style="list-style-type: none"> • Sophistication (glamorous, upper class) 	<ul style="list-style-type: none"> • People (staff, spokespeople, users) 	
Not a Priority	<ul style="list-style-type: none"> • Protagonism (point of view) 	<ul style="list-style-type: none"> • Ruggedness (masculine, outdoorsy, tough) 		

Note: Positioning Strategy should include Functional and Experiential. These are not shown here for simplicity's sake.

This table is the output of an automated drivers analysis of **more than 80 positioning and activation metrics**. It shows that the optimal strategy to build brand equity with its target audience is to increase the brand's familiarity and meaning while maintaining the brand's already-high regard and uniqueness. It also shows exactly how to do that through positioning and activation — where to prioritize and invest and where to save on time, attention, and money.

This strategy is not the product of qualitative guesswork or expert opinion. It's an objective, data-driven result of **structural equations modeling (SEM)**. This is a model-fitting technique used in big data analysis that combines many multivariate techniques, such as factor analysis from psychology, path analysis from epidemiology, regression modeling from statistics, and simultaneous equations from econometrics. It enables you to quantify the direct and indirect effects of brand strategy variables on brand equity. **Here's a simplified visual of what this means:**



B1 =
direct effect of brand activation
metric on brand equity metric

B2 =
direct effect of brand activation
metric on brand positioning metric

B3 =
direct effect of brand positioning
metric on brand equity metric

B2*B3 =
indirect effect of brand activation
metric on brand equity metric

B1 + (B2*B3) =
total effect of brand activation
metric on brand equity metric

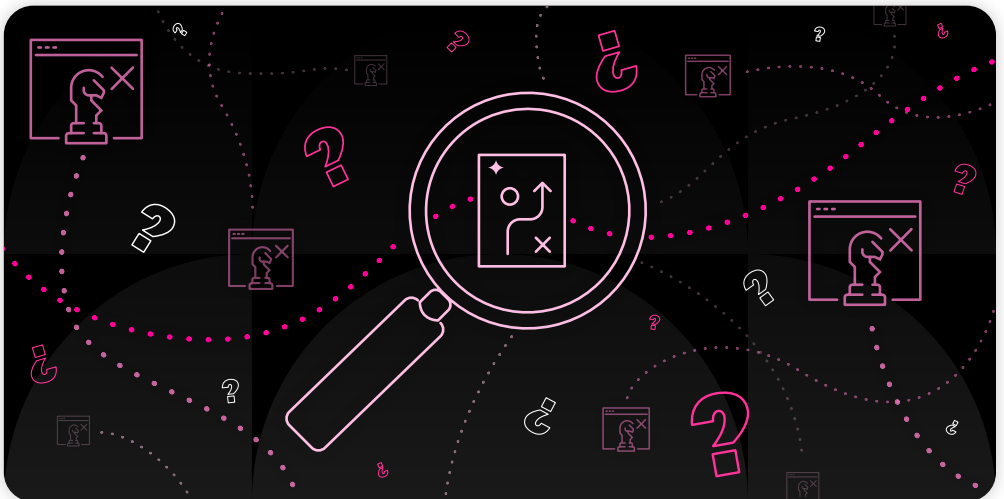
SEM replaces guesswork with data-driven guidance and inspiration for developing a great brand strategy.

Effects like those depicted above can work at multiple levels (attribute, factor, composite) and in different directions of causality. There are hundreds, if not thousands, of interactions between the dozens of positioning and activation variables that drive brand equity in the real world. They all have to be accounted for to produce a holistic understanding and accurate quantification of the link between brand equity and everything a company is doing that affects it.

Sadly, the typical data and statistical modeling approaches used in brand measurement utterly fail to capture the rich, complex interdependencies between brand positioning, activation, and equity in a world where every brand competes with all other brands for the consumer's heart, mind, and wallet.

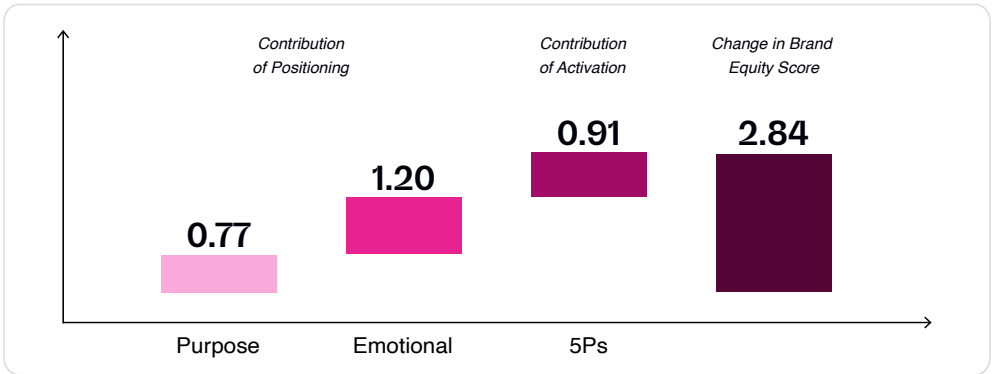
This is where SEM comes in. It's the most effective technique for isolating and quantifying the true impact of variables on a higher-order variable, such as brand equity, when those variables both predict and depend on each other.

It replaces guesswork with data-driven guidance and inspiration for developing a great brand strategy.



Positioning and activation contribution analysis

The second capability is also powered by SEM. This is the ability to explain movements in brand equity based on changes in a brand’s positioning and activation metrics. **Here’s what that looks like for the childcare brand highlighted above:**



				Purpose
Universal Connection	Consistent Focus	Social Impact	Protagonism	Total
+0.19	+0.23	+0.43	-0.08	+0.77

					Emotional
Competence	Sincerity	Excitement	Sophistication	Ruggedness	Total
+0.34	+0.37	+0.32	+0.03	+0.15	+1.20

					5Ps
Placement	Price	Promotion	Product	People	Total
+0.40	-0.12	+0.07	+0.50	+0.06	+0.91

Total = +2.84

The numbers quantify the individual contribution of each positioning and activation metric to the change in brand equity over the last 12 months. It gives brand managers rich, invaluable insights into why their brand equity has moved up or down. **For example, the results above tell the brand managers that:**

70%

of the movement in brand equity is **due to positioning** versus **30%** from activation.

40%

of the brand's positioning gains **came from its purpose** and **60%** from its emotional performance.

Product performance contributes to

>1/2

of the brand's activation performance.

Even more important, though, **this second capability enables this brand's managers to compare their strategy's real-world results** (in the image just above) **to its original intent** (as described in the table farther above). For instance, the strategy called for building more Excitement while maintaining its perceived Competence and Sincerity. But more work was needed when the strategy also called for building the brand's Price and Promotion attributes.

All this eliminates the guesswork typically involved in understanding **“how well is my brand strategy working?”** and **“how can I improve it?”** This helps brand managers optimize their own efforts and their agencies' work as well as to rally all their relevant stakeholders, including the performance marketers, product developers, sponsorship leaders, heads of brand partnering, CFO, and anyone else who has an impact on brand equity or benefits from it.



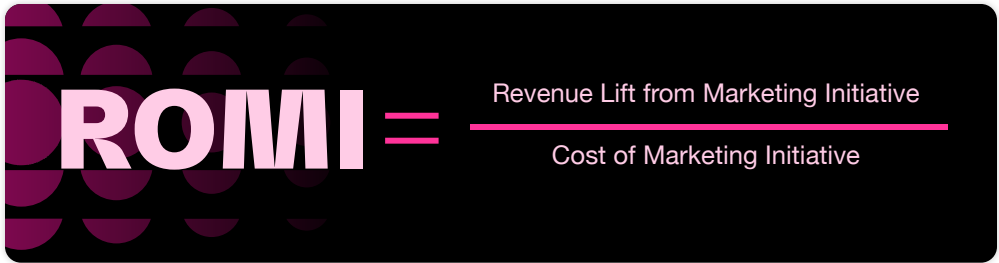
Brand ROI metrics

Even if most business leaders agree that it makes sense to invest in building brand equity, they struggle to calculate a brand ROI that would pass a skeptical CFO's sniff test.

That can be exasperating for everyone: CFOs get tired of the leaps of faith required to approve investments in brand building, **CMOs get fed up** with having to prove such investments are worthwhile, and **CEOs get frustrated** with not knowing how a dollar of investment in brand building compares to investing it in other areas.

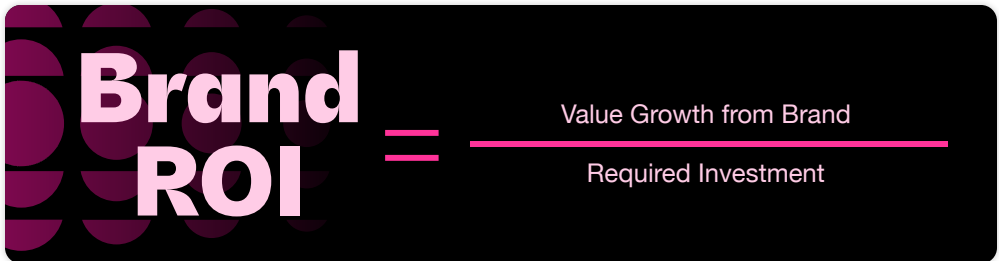
Part of the problem is using brand equity metrics that don't pass muster. We already addressed that above. But the other part of the problem is **return on marketing investment (ROMI)**.

ROMI is the most popular measure of return used in the marketing world. It calls for attributing revenue lift to a marketing initiative and comparing that to the initiative's cost. This is the formula in its simplest form:

A graphic with a black background and a pattern of purple circles on the left. The text 'ROMI' is written in large, bold, white letters. To its right is an equals sign, followed by a horizontal line. Above the line is the text 'Revenue Lift from Marketing Initiative' and below the line is 'Cost of Marketing Initiative'.
$$\text{ROMI} = \frac{\text{Revenue Lift from Marketing Initiative}}{\text{Cost of Marketing Initiative}}$$

While this seems like a sensible way to calculate return, it fails as a measure of brand ROI because it completely misses the value impact of brand building. This leads to chronic misallocation of resources from errors of both commission (overinvestment in things that work against brand equity) and omission (underinvestment in things that work for it).

To get brand ROI right, we have to account for the expected or actual value growth from an increase in brand equity (brand growth) and the investment required to achieve it. The formula looks like this:

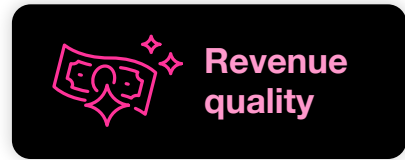
A graphic with a black background and a pattern of purple circles on the left. The text 'Brand ROI' is written in large, bold, white letters. To its right is an equals sign, followed by a horizontal line. Above the line is the text 'Value Growth from Brand' and below the line is 'Required Investment'.
$$\text{Brand ROI} = \frac{\text{Value Growth from Brand}}{\text{Required Investment}}$$

but the formula only works as well as the data in the two inputs.



Value growth from brand growth

This starts with understanding the drivers of value and how brand growth affects them. There are two drivers of value from a financial perspective:



Here, **quality refers to profitability** (profit margins and return on capital) **and sustainability or stability** (the opposite of risk and uncertainty). The more profitable and sustainable a dollar of revenue, the higher its quality and the more value it has.

Brand equity plays a central role in both revenue and volume. For example, it affects **revenue volume** through its impact on:



Customer product and service choices during purchase and usage occasions.



Repeat purchase.



Ability to win distribution.



Customer permission to offer new products or services and enter new categories or lines of business.

And it affects **revenue quality** through its impact on:



Customer willingness to pay and brand pricing power.



Customer acquisition and retention costs.



Required ad and trade spend.



Customer loyalty and lifetime value.



Ability to fend off competitors' pricing and promotional attacks.

Brand equity also affects revenue volume and quality through its impact on employee acquisition and retention costs, as well as staff loyalty, productivity, and motivation.

All this means that long-term value and current revenue go up when brand equity goes up and declines when brand equity falters. *But by how much?*

BERA maintains a database comprising hundreds of “mono brand” companies with a brand that represents at least three quarters of their revenue (for example, Southwest, Apple, and McDonald’s). The database contains a multi-year time series for each of a full range of quarterly financial metrics for each brand. This includes revenue growth, margins, return on capital, marketing spend, stock market valuations, and total shareholder return. We also collect our own independently-sourced brand equity metrics for each of the mono brands, as per the four guidelines explained above.

*Worth revenue growth of **\$40M** rather than **\$30M** every year, and **\$85M** of value growth instead of **\$70M** year in and year out.*

BERA uses this combination of **multi-year, high-frequency data** to quantify the response of value and revenues to changes in brand equity for each mono brand.

This shows, for example, that if a typical brand whose revenues grow three percent annually increases its brand equity by four percent, its top line growth rate will increase by a third, from three percent per year to four, and its rate of value growth will increase by one-and-a-half percent annually. For a billion dollar brand, that’s worth revenue growth of **\$40M** rather than **\$30M** every year, and **\$85M** of value growth instead of **\$70M** year in and year out.

Of course, no two brands are alike. The financial impact of brand building depends on each brand's current development stage (growth, revitalization, maintenance), category, and even country. Here's a table showing the effect for three brands:

	Avg. Across All Brands	Niche Wine Brand	Beloved Fast-Food Brand	Leading Airline Brand
Additional annual revenue growth from increasing brand equity by 4% p.a.	1.0%	0.9%	1.7%	1.3%
Additional annual revenue growth from increasing brand equity by 4%	1.5%	1.4%	2.7%	2.0%

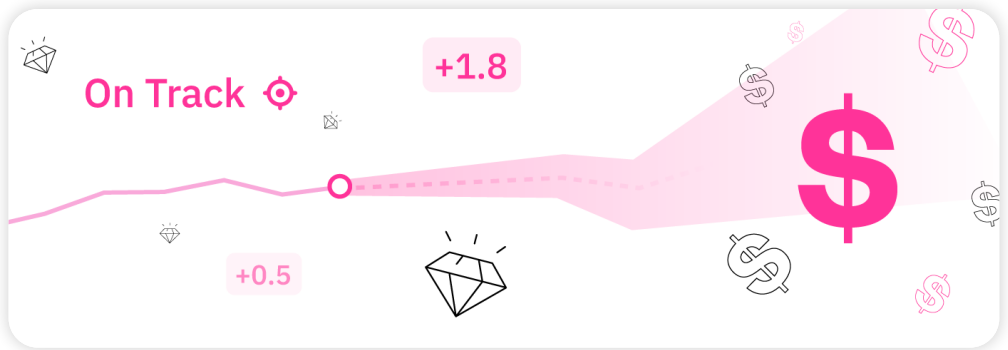
Note the financial impact for the fast food and airline brands relative to the average for 2,000 of the most important brands across 200 categories in the U.S.: it's *higher* because these two brands compete in enormous categories with intense price competition. Even a small improvement in brand equity turbocharges three engines of value growth for them: new customer acquisition, repeat purchase, and pricing power. That's worth a lot in high volume, highly competitive categories.

Note also that **value growth is uniformly higher than revenue growth**. This is because successful brand building boosts the quality of the entire revenue base while also increasing its future growth potential. That's the multiplier effect of brand building at work.

All this proves a long-held assertion which is near and dear to CMOs: **brand growth really does drive business outcomes that would not otherwise materialize**. It also *disproves* the received wisdom that brand building is only for the long term. The increase of brand equity has a material impact on *today's* revenue, some of which can be felt immediately.

This disproves the received wisdom that brand building is only for the long term.





Required investment

If value and revenue growth is the benefit of building brand equity, the cost is the investment required to achieve it. You have to know how much investment is required to increase brand equity so you can compare that to the value growth from building it and get an accurate forecast of brand ROI.

This brings us back to the mono brand database that BERA uses to isolate the impact of brand growth on value growth. That database also includes investment metrics, and based on that we can reliably extrapolate how much the brand can grow in response to investment across 200 categories depending on a brand’s current strengths and weaknesses. This tells us how much investment (per dollar of revenue) is required to increase brand equity by a given amount.

Here are the results for the three brands we highlighted above:

	Avg. Across All Brands	Niche Wine Brand	Beloved Fast-Food Brand	Leading Airline Brand
Additional annual revenue growth from increasing brand equity by 4% p.a.	1.0%	0.9%	1.7%	1.3%
Additional annual revenue growth from increasing brand equity by 4%	1.5%	1.4%	2.7%	2.0%
Annual investment required (as percent of current revenue)	0.8%	0.5%	0.7%	0.5%

Again, every brand is different because the investment required to grow brand equity depends on a brand's category (size, price intensity, degree of commoditization), penetration (high, medium, low), and stage of development (growth, revitalization, maintenance). But here are a few rules of thumb:



Brands with high meaning and differentiation get more return from their investment because they are already starting from a strong position. This is why the wine brand beats the average.



Brands with high penetration in huge categories enjoy some scale advantage and can afford to invest a lower percentage of their revenues on brand building. This is why the fast food and airline brands beat the average.



Brands in the top decile of all brands require more investment per dollar of revenue because there's less room for improvement at the top and they are competing with the best of the best. This is why the fast food brand — a 95th percentile brand — requires more investment per revenue dollar than the airline brand, which sits in the 70th percentile.

These rules can offset or compound. For example, brands in the top decile tend to have high meaning, differentiation, and penetration. The first two rules offset the third for them. This is why the fast food chain beats the average, despite being in the 95th percentile.

Value vs investment

The ability to quantify the expected value growth from an increase in brand equity and the required investment to achieve that increase gives you what you need to apply the brand ROI formula. Returning to our three brand examples, here are the results:

	Avg. Across All Brands	Niche Wine Brand	Beloved Fast-Food Brand	Leading Airline Brand
Additional annual revenue growth from increasing brand equity by 4% p.a.	1.0%	.9%	1.7%	1.3%
Additional annual revenue growth from increasing brand equity by 4%	1.5%	1.4%	2.7%	2.0%
Annual investment required (as percent of current revenue)	0.8%	0.5%	0.7%	0.5%
Annual value return on investment (\$ of value growth per \$ of investment)	5.2x	7.8x	8.7x	4.8x
Annual revenue return on investment (\$ of revenue growth per \$ of investment)	1.3x	1.8x	2.4x	2.6x

Note that brand ROI (value return) is uniformly higher than ROMI (revenue return) — *four times higher for the average brand!* This quantifies just how much ROMI underestimates the return on marketing investments if those investments support brand equity growth. Again, this is because ROMI misses the multiplier effect of brand building, whereas brand ROI explicitly accounts for it.

What you can't see in the table is just as important: ROMI dangerously overstates the return on marketing investments — such as media campaigns, promotional programs, sponsorship, and performance marketing — if they boost short-term results at the expense of brand equity. The value of boosting revenue is more than outweighed by the hit to revenue quality. Such brand-dilutive marketing has a negative value return.

Putting it all together

So, there you have it: a three-part guide to brand measurement. All together it looks like this:

Complete Guide to Brand Measurement



At this point you might be asking, “This is a lot to take in. How do we put this into practice?” The answer, of course, depends on your starting point.

What’s your starting point?

We created the table below to help marketers, brand leaders, and CEOs take stock of their organizations’ current brand measurement capabilities. The questions in the table will help you locate where your company stands today and, based on that, determine how best to use this guide.

Brand Measurement Maturity Model	Stage A	Stage B	Stage C	Stage D	Stage E
1. Do you measure your brands today?	No	Yes	Yes	Yes	Yes
2. Are your brand equity metrics proven as leading indicators of business outcomes?		No	Yes	Yes	Yes
3. Do your positioning and activation metrics have a quantified connection to brand equity?			No	Yes	Yes
4. Do you have metrics that quantify the value growth from an increase in brand equity <i>and</i> the investment required to achieve it?				No	Yes

→ Stage A

Companies at this stage have the lowest level of brand measurement maturity. They know that brand is important, and that good brand health makes their business stronger; yet, they make little or no investment in brand measurement. Instead, they rely on gut instincts to manage their brands or on simple rules of thumb such as “if we create great products, our brand will take care of itself,” or “all that matters is awareness.”

This is actually a great place to start as it provides a clean sheet opportunity to leapfrog the brand management capabilities of competitors with far less friction than having to challenge and change a status quo.

Stages B, C, and D

→ The odds are that one of these is your starting point; most likely **Stage B**. **At this stage, the entire leadership team agrees that a brand has a tangible, attributable value to the business.** They invest in conducting brand research and consumer surveys to be data driven, and they believe their brand equity metrics are reliable leading indicators of business outcomes. But believing is not the same thing as quantifying.

It's worth having a disinterested party validate the linkage between your brand metrics and business outcomes. It's a great way to build your own business case for implementing brand measurement.

→ **Stage C** is less common, but you have a huge advantage if it's your starting point. **Companies at this stage have the right brand equity metrics.** Their next step is to ensure they can measure both positioning and activation of their brands, and to quantify the connection to their brand equity metrics. This alone will boost your brand tracking and decision-making, as we see further below.

→ Companies in **Stage D** **have both solid brand equity and strategy metrics.** They are one small step away from brand measurement nirvana. The only thing missing is the ability to link brand equity growth to the investment required to achieve it.

The **bigger** challenge for companies at this stage is getting alignment on the idea that the governing objective of brand building is to grow brand equity with a high ROI. Marketers have become used to brand metrics with little quantifiable connection to revenue or value. It can take a sizable mental shift for them to put brand building at the same level of financial rigor as other business decisions their CEOs have to make.

Stage E

Stage E is the highest level of brand measurement maturity.

Unfortunately, fewer than five percent of all brand owners are at this stage. But the good news is that brand owners at this stage are able to transform the pace and quality of their brand decision-making capabilities.

As we said at the very outset, we don't measure brands just so we can track them. We measure them to help us make better decisions about how to optimize their contribution to revenue, profitability, sustainability, and value.

But what are those decisions? **Here are the top 10:**

Top 10 Brand Building Decisions

Goals and Strategy

- ◆ What's our brand's connection to business outcomes?
- ◆ What financial mission should we have for our brand — revenue? value? ROI? financial KPIs?
- ◆ What growth goals for our brand?
- ◆ What target audience(s)?
- ◆ What positioning priorities — purpose, emotional, functional, experiential?
- ◆ What activation priorities — product, promotion, place, price, people?

Execution

- ◆ What marketing mix?
- ◆ What ad content?
- ◆ What sponsor/partnerships?

Tracking

- ◆ How's our brand strategy working? Should we course-correct?

There's a lot of qualitative guessing when it comes to these decisions at most companies. **That's no longer the case for Stage E brand owners.** They don't use brand measurement to replace their expertise, intuition, and artistry. They use it to guide their expertise, inform their intuition, and inspire their artistry with brand data, analytics, and insights that matter to business outcomes. That's how they increase both the pace and quality of their brand decisions.

Back to McElroy

When P&G's McElroy wrote his memo in 1931, he surely never imagined the pitched battles over how to measure brands. He also certainly *never* dreamed of the industrial complex that brand tracking has become or the academy awards of annual brand valuation rankings.

He also couldn't have expected that brand decisions would become so disconnected from business decisions. That began when the concept of brand equity arrived on the scene in the late 1980s. This put brands in the same camp as factories, product lines, and trade secrets: **valuable corporate assets that need to be managed.**

But McElroy didn't separate managing a brand from running a business. To him, brand is a business, and that remains true at P&G today. The head of the Pampers brand is responsible for stewarding the Pampers business. Decisions to fortify the Pampers brand should strengthen the Pampers business, and vice-versa. We have lost that in the way we measure brands because it's become so disconnected from informing brand decisions based on expected, measurable business impact.

But now we have the data, analytics, and insights to reunite brand and business as two sides of the same coin. **McElroy would be proud and excited by the brand measurement that's possible today** and the opportunities it creates for better brand management.

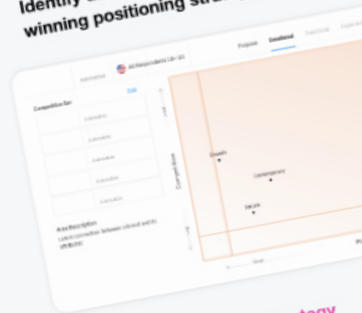
BERA.ai

Our Brand Intelligence Software is powered by the world's largest syndicated brand equity data stream that automates the real-time collection, analysis, and measurement of **130+** consumer-based metrics, across **4,000+** brands in **200+** sectors globally.

With BERA, brands can discover which metrics determine their brand's equity, see which audiences offer the best brand growth opportunities, and how to activate the right brand positioning strategy to make smarter brand decisions, grow financial outcomes, and drive Brand to Business™ impact.

REQUEST A BRAND ASSESSMENT

Identify the drives that will grow brand loyalty
winning positioning strategy.



Data driven positioning strategy

Understand the stated emotional and behavioral attributes that make up the core of each brand. BERA tracks 80+ positioning metrics across Purpose, Emotional, Functional and Experiential.



Understand Brand Equity L

BERA tracks consumer perceptions across product or service meet consumer needs. Promotion (how relevant and meaningful product or service available when and how brand contribute to positive perceptions) how investments perform on each lever