A company’s brand equity is of great importance in the increasingly competitive market today. Having strong brand equity means keeping the valuable customers, influencing the spreading of positive word-of-mouth as well as ensuring the company’s good reputation and thereby its market position. Today, too many companies neglect or down-prioritize the brand equity of the company, which means loosing a great opportunity to build their competitive advantage.

Even though the work with a company’s brand equity is neglected in many cases, a large audience is appealed by its opportunities. Because of this, assessing and working with a company’s brand equity has increased in popularity among companies in competitive industries lately.

In the Master Thesis “Enhancing Brand Equity – Increasing the Brand Awareness and Strengthening the Brand Image at a Private Equity Firm” the authors Malin Christiansson & Carolin Sundvik present a theoretical framework that can be used to assess a company’s brand equity. This Thesis was written at the Faculty of Engineering, LTH at Lund University as a final project of the authors’ Master of Science in Industrial Engineering & Management.

Assessing the Brand Equity

Assessing a company’s brand equity is a challenging task, which requires thorough knowledge about the company, time to conduct the assessment study as well as knowledge and understanding of brand equity theory. In the previous mentioned Master Thesis the theoretical framework resulted in a tool combining all necessary components for the brand equity at a private equity firm. The authors believe that the tool that was developed for this Thesis can be used in other industries, where communication and relations are especially important, as well.

The tool, visualized in Figure 1 below, consists of three fundamental pillars: Brand Equity, Business Relations and Business Communication. Together with the fourth major component, the Communication Channels that permeate all three pillars, these four components represent the most important factors to consider when building or strengthening the brand equity for a company operating in these kinds of industries.

![Figure 1 - The tool](image-url)
To assess the company’s brand equity these four components need to be thoroughly studied, either through qualitative and/or quantitative studies.

**Brand Equity**

The brand equity of a company consists of three major components: brand loyalty, brand awareness and other brand assets. Brand loyalty is when a consumer chooses a product over another product with the same attributes based on the brand. This component is most easily assessed through internal qualitative interviews regarding the employees’ perception of the customers’ brand loyalty, by qualitative interviews with the customers that have and have not got high brand loyalty or through a quantitative survey among the current and former customers. Brand awareness is measured by the customers’ knowledge and identification of the brand. The easiest way to assess the brand awareness among potential customer is definitely by a quantitative survey or many short interviews, although in a sensitive industry this might have a negative impact on the company’s reputation or brand. The final component is the brand’s assets: other characteristics important to brand equity that are not embraced by the other components, such as tangible assets like having a certain logo or trademark. The brand assets in the tool were chosen specifically for the private equity industry and have to be assessed for the company’s specific industry. These assets can have a great impact on the company’s brand equity depending on if they successfully enhance them or not.

**Business Relations**

The business relations are utterly important for a company’s work with brand equity. A business relation is built successfully in three steps that make out the components in the tool: attraction, trust and commitment. To assess these components at the company it is crucial to conduct extensive qualitative interviews with the employees at the company regarding how they work with external relations. If possible, external qualitative interviews with customers can be conducted to validate the results from the internal interviews.

**Business Communication**

In business communication the most important components are clarity/consistency, good relations, time and adaption. The four major components of business communication explain how a successful communication between a company and its target audiences should be performed. Clarity/consistency means that a company communicates a clear, well-prepared message and that the communication from a company is consistent no matter whom at a company the customer talks to. The good relations component refers to the fact that the better relation the company has with the receiver the easier it is to communicate. The time aspect is most important in fast-moving industries, such as the private equity industry that was studied in the Master Thesis mentioned earlier. In an industry where information changes on almost a daily basis it is extremely important to deliver messages on time. The last component, adaption, refers to a company adapting the content of the messages to the different receivers. This is especially important in relation-based industries, where the receivers’ opinions and perceptions of a company are highly valued. All of these components are easiest assessed through qualitative interviews with both company employees and current customers. To strengthen the results of the study a survey can be sent out to the customers to get quantitative opinions regarding how the company works with these components.
Communication Channels

The fourth and final major component of a company’s brand equity is the communication channels. The channels that a company uses are important to analyze since they permeate all the three foundational pillars. Without communication channels neither of the other components can function. When assessing the way the company uses the different channels it is important to consider the time sending a message takes, the results it generates and whether or not it is the best approach to build or strengthen the brand equity. The way a company works with communication channels can be assessed by internal studies and interviews. The results on the other hand can either be measured by qualitative interviews or by measurement tools depending on the channels being used.

Evaluating the Brand Equity

When all the data from the assessment studies has been gathered, it has to be evaluated to find areas for improvement. As visualized by the arrows in the tool in Figure 1 there are many links between all the different components. By assessing the results from the collected data with critical eyes and a great knowledge of brand equity theory the areas for improvement can be found.

It is important to be very critical of all the data that is collected and to analyze its reliability and validity. A way of increasing these factors is to use triangulation, using more than two methods to check the results. Except qualitative studies, quantitative studies and theoretical studies it is also possible to conduct best practice studies. Best practice studies means looking at companies that have performed exceptionally well in a certain area or topic. This is a great way to help find potential areas for improvement and then by cross-checking if they suit the empirical assessment study the areas can either be confirmed or discarded.

Prioritizing Actions

When the areas for improvements have been established there is great chance that there are more than one and therefore they have to be prioritized. It is also possible to define more concrete “recommendations” within these areas for improvements, such as actual actions, processes or changes to implement. Nevertheless, the recommendations also have to be prioritized since the company most probably cannot carry all of them out. This prioritization will lay the foundation for an action plan defining which areas for improvement or which recommendations the company should take action on first.

The two most important things to consider when prioritizing these kinds of actions are effort and impact. A good idea is to assess the actions on whether they have a high or low effort and impact and place them in a “Do/Maybe/Don't”-matrix, visualized in Figure 2.

Taking Action

When the action plan has been established it is time for the company to take action and realize the work with its brand equity. The most important thing to consider is to make sure that all employees at the company understand
and will take part in the action. It is also important to make a carefully considered plan for the action and prepare for possible scenarios that can emerge in the process. Brand equity work needs to be made to 100% otherwise it might end up hurting the brand instead of helping it.