

Brand equity key to building community with consumers

Brand equity is no longer something only for established companies in the international arena but is now a prerequisite for any business looking to compete in an increasingly competitive marketplace.

 By Yael Geffen 5 Dec 2022



Source: www.unsplash.com

A fundamental shift

Although the building of brand equity still takes time and cannot be achieved overnight, multiple disruptions in recent years have precipitated fundamental shifts in this realm and a quality product or service is no longer enough and the sooner companies begin to meet expectations, the sooner they can make their mark.

Consumers now expect much more from the brands they support and, over and above quality and price, businesses also need to communicate their core values and beliefs in order to retain their customers – and attract the best talent.

A recent global survey by Accenture Strategy found that 62% of nearly 30,000 consumers want companies to take a stand on current and relevant issues like sustainability and fair employment practices and 66% cite transparency and delivering on promises as the top attractors.

In another survey by Glassdoor, 77% of respondents said they would consider a company's culture and values before applying for a job and, although millennials are more likely to prioritise work culture over salary (65%), a surprising number of participants aged 45 and older (52%) felt the same.

Stepping up the game

A growing number of people say that, when given a choice, they would apply for a position at a company that takes employee wellbeing as seriously as it does profit and contributes more than just a portion of medical aid payments.

Companies which don't step up are likely to pay a high price as more than half (53%) of consumers who are

disappointed by a brand's actions regarding social issues will take the time to complain, often on social media which can be damning, and 17% will walk away and not return.

Positive brand equity is also a strong buffer against crises and economic downturns and this additional layer of resilience always give a company the edge over competitors.

In the year following the global financial crisis of 2008, the top 100 brands barely flinched with a steady year-on-year growth of 8% for the entire period and, a decade later they remained largely immune to the economic havoc caused by Covid-19, with their values increasing by 5% between 2020 and 2021.



TRENDS

5 highly underrated industry trends for B2B content you shouldn't overlook in 2023

Kate Wolters 5 Dec 2022

Although business is no longer solely focused on profit, the bottom line is still fundamental to achieving success and longevity and this is where the value of positive brand equity is easily determined.

Companies with established brand equity can charge more for their products and services and, because they don't incur higher production or marketing expense than their competitors, the difference in price goes straight to their margins.

Plus, that same equity can also be transferred to line extensions which gives new products an immediate competitive edge and it can also boost a listed company's stock price.

Nuanced growth strategies

Although every business is unique and there is no one-size-fits-all strategy for building strong brand equity there are core factors that need to be considered and implemented.

In broad terms, establishing and growing a business that will stand the test of time is based on a keen understanding of your customer's needs, offering products or services that continually satisfy their changing demands and nuanced growth strategies that can adapt to the ever-changing marketplace.

It's essential to remain relevant and current and even the biggest brands can no longer afford to rest on their laurels and assume that will be enough. Adaptability is key and you need to be flexible and accept the fact that there will be numerous changes to your original plan along the way.

Forty years ago, Geffen's father, Lew, opened the first branch of Lew Geffen Estates and, over the course of 20 years, his innovative passion, unconventional marketing campaigns and the introduction of franchising to the industry saw the brand become a household name with branches throughout Johannesburg.

However no business can keep doing exactly the same thing and assume that their clients won't be tempted by newer and more interesting products and services and Lew realised that the time had come to make a bold move.

Our very solid national infrastructure built up over two decades backed up by a talented team enabled us to forge the affiliation with Sotheby's International Realty which elevated the brand to a new level we couldn't have achieved on our own.

An international legacy brand of almost 300 years carries weight and authenticity that no amount of market can create in mere decades and, overnight, our client base grew and the customer demographic elevated did our international reach.

This year marks the 20th anniversary of our affiliation with Sotheby's and, with more than 40 branches countrywide, we have been able to weather a number of storms, including the 2008 crash and a pandemic

Although legacy brands have always been highly regarded we have now entered the 'era of legacy brands

Consumers have become far more discerning and demanding, and have higher expectations than ever before and they no longer regard luxury as a 'state of wealth' but rather a 'state of mind'.

Therefore, brands which represent an enduring value that transcends cost and transform expectations rather than merely exceed them are currently thriving, in spite of the increasing economic challenges.

Brands no longer belong solely to the company that invested in establishing, shaping and monetising it – they are now community property so not only do shareholders have a stake, so too do the employees who work brings the brand to life and the customer's whose support sustains it.

And, as Richard Branson so aptly said. 'The brands that will thrive in the coming years are the ones that have a purpose beyond profit.'

ABOUT YAEL GEFFEN

Yael Geffen is the CEO of Sotheby's International Realty South Africa and a member of the board. Geffen has a BA in Communications and Economics and a Master's Degree in Integrated Marketing and Communications Strategy.
View my profile and articles...

For more, visit: <https://www.bizcommunity.com>