MillwardBrown

The Meaningfully Different Framework

– a breakthrough in holistic brand equity measurement

by Jorge Alagon and Josh Samuel

Introduction – What we set out to achieve

Millward Brown launched BrandDynamics™ in 1996 and it soon became the industry leading measure of brand equity.[1] Since then the world has changed dramatically and science has taught us far more about how the human brain works and how people make decisions. Consequently, the rules of marketing have changed and we've continued to learn and to develop and improve our frameworks to measure and understand brand value.

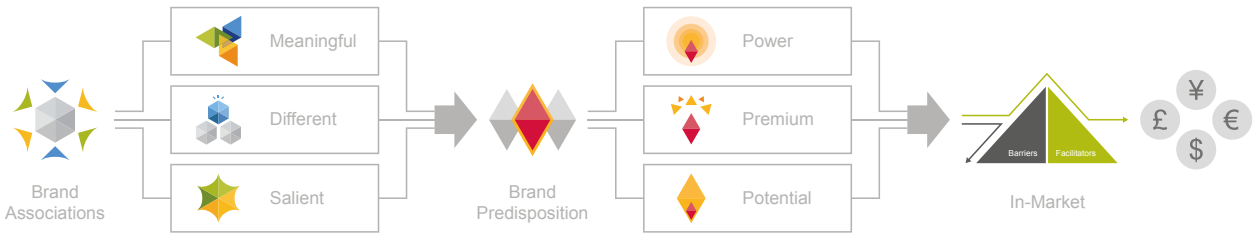
In 2011 we set-out to develop a new equity measurement system, building on all of the knowledge acquired through over 20 years of brand equity measurement and integrating the latest learning and knowledge from within and outside the industry.

We set five simple objectives:

1. Our equity metrics must relate directly to clear financial outcomes.
2. We must cover all financial outcomes that brands deliver from consumers.
3. We must measure the drivers of consumer decision-making highlighted as important by neuroscience.
4. The measurement system must be parsimonious, practical to apply, and engaging for respondents.
5. The system must provide actionable insight to help marketers grow equity and brand value in the future.

This paper details the journey we took from definition of concepts, to initial exploration, to testing of hypotheses, to refinement and final validation of our new measurement system: the Meaningfully Different Framework. *(See Figure 1)* It is a breakthrough system that can quantify brand equity far more accurately and holistically than ever before and thus offers unprecedented potential to help marketers grow their brand value. The Meaningfully Different Framework will fuel BrandDynamics from 2013.

Figure 1: **The Meaningfully Different Framework**



> The Meaningfully Different Framework will become the common denominator of all we do. It is the culmination of an immense amount of incorporative learning about what really works.
>
> - Eileen Campbell, CEO Millward Brown

The need for precise definitions

When designing a brand equity metric, the most important (and far too often neglected) task is providing a clear, precise definition of what, specifically, we are trying to measure. The term brand equity is bandied about very freely in the marketing and market research communities, often without precision. Every marketer and researcher 'knows' what brand equity is until asked to define it. Unclear definitions result in the adoption and use of poorly defined and constructed measures of brand equity.

Brand equity is usually thought of as some sort of aggregation of positive sentiment towards a brand and often described as 'attitudinal loyalty'. While sensible, these definitions are vague and can lead to flawed equity measurement systems based on a combination of arbitrary perceptual measures which bear little or no relation to in-market outcomes for the brand. At best they simply reflect the size of the brand in the market but fall prey to the *double-jeopardy effect* –lower market share brands have both fewer buyers in a time period and lower brand loyalty.[2] This is not good enough. Instead we need to start from a precise definition of what we are trying to measure and then construct a measurement system that delivers on this.

A brand is simply an imprint (a set of associations) in the mind of a person.

Let's start from a simple definition of brand: a ***brand*** is the set of associations –ideas, memories and feelings– in the mind of an individual. Meanwhile, ***equity*** in a business context is the value of the net assets of a commercial entity: the amount an owner would receive if the business were sold. Generally, valuing corporate entities means quantifying current income and overlaying indicators of likely future income.

There are two levers of current income: volume sold and price charged. Thus, there are two ways that the brand can contribute to current income; the first is by predisposing consumers to ***buy more***, increasing volume share, the second is by predisposing consumers to ***pay more for it***, increasing margin.

So, ***brand equity*** is a commercial asset, the value of which is determined by the ability of the brand associations to predispose people to **choose the brand** over others or **pay more for it**, both **now** and in the **future**.

Brand equity is the ability of brand associations to predispose people to choose it over others or pay more for it, both now and in the future.

Therefore, holistic brand equity measurement systems must have measures of each of these three areas:

1. Consumers' predisposition to **choose** the brand more often, delivering **income** through extra **volume**.
2. Consumers' predisposition to **pay more** for the brand, delivering **income** through charging **higher prices**.
3. Consumers' predisposition to **stick to** the brand **or try it in future**, indicating lower risk and likely **future growth**.

> Brand equity is a reservoir of cash flow earned but not yet released to the income statement.
>
> – Tim Ambler, Senior Research Fellow in Marketing at London Business School

The characteristics of valuable brands

Analysis of the Millward Brown BrandDynamics database reveals that the most successful brands tend to share the following qualities:

1. Consumers feel an ***affinity*** for them
2. Consumers think they perform well to ***meet their needs***
3. They are seen as ***unique***
4. They are ***dynamic*** – *set category trends*
5. They are ***top of mind*** to consumers

Factor analysis reveals that the variation in these five measures is explained by three dimensions:

1. **Meaningful:** A dimension dominated by *affinity* and meets needs, so indicates the extent to which brands build an emotional connection and are seen to deliver against functional needs.
2. **Different:** A dimension dominated by *unique* and *dynamism (setting trends)*, so indicates the extent to which brands set themselves apart from the category, by offering something others don't –intangible or tangible– and by leading the way.
3. **Salient:** A dimension dominated by *top of mind* awareness, so indicates how quickly and easily the brands come to mind.

These three qualities, in varying combinations, are present in brands that sell the most, command the highest price premium and generate the most value share growth the following year. *(See Table 1)*

Table 1: **Indices to average of volume share, price index and value share % growth by high, mid and bottom scores of Meaningful, Different and Salient factors.**

Factor tertiles of Meaningful, Difference and Salience	Volume share (Index to average)	Price Index (Index to average)	Value share growth (Index to average)
High	244	105	241
Medium	100	100	100
Low	70	93	38

Source: Analysis of 350 CPG and non-CPG brands in our BrandDynamics database with actual market share and price index for two subsequent years. Brand size effect removed and brands grouped by tertiles according to factor scores for Meaningful, Different and Salient.

If these three brand qualities are to form the basis of our equity measurement, then we needed to be sure that they are the drivers of the success, rather than an outcome of their success. This meant considering whether and how being Meaningful, Different and Salient could influence shopping decisions.

Understanding the consumer brain

Brands may simply be an imprint in someone's mind, and therein lays the complexity to understand, measure and diagnose the strength of a brand. To do so, we must enter the mystery of the human mind, for it is there, among axons, dendrites and neurotransmitters that your brand lives and acquires its financial value.

> "Brands are fiendishly complicated, elusive, slippery, half-real/half-virtual things. When CEOs try to think about brands, their brains hurt."
>
> – Jeremy Bullmore, WPP Advisory Board

Meaningful

As noted earlier, we consider a brand to be Meaningful if consumers declare an emotional affinity for it and believe that it meets their needs. Scientific research on how consumers make decisions supports the notion that these would both play a key role. As Antonio Damasio explained in his *somatic marker hypothesis*[3], it is now widely accepted that emotions play a very strong role in decisions. The brain is able to conjure up the emotional response that a certain experience (e.g. buying or using a brand) would have on us and this acts as an important input to the decision. The reported **emotional affinity** that we measure in our research reflects how the brain interprets the emotional response triggered by the brand in a decision.

Furthermore, as Erik Du Plessis explained in his book *'The Branded Mind'*, our memory will also conjure up some functional associations with the brand (what it does, how well it performs, etc.), which we will be able to interpret as good or bad, thus providing an overall assessment of how well the brand **meets our needs**. So, our measure of whether consumers believe a brand meets their needs will reflect how these functional associations feed decisions.

Functional and emotional associations about a brand are intertwined in our neurons. They trigger and feedback to each other in the presence of a brand stimulus. No surprise then that these two decision making inputs are also intrinsically linked and come together in factor analysis to determine one dimension of the consumer brand decision – which we refer to as how Meaningful the brand is.

The old decision-making model of economics assumed human decisions are purely rational and always thoroughly thought through is disproven and the new paradigm of bounded rationality is prevalent. As suggested by Kahneman and Tversky in their *prospect theory*[4], people make decisions using certain *heuristics*, short-cuts that require minimal processing power to make decisions quickly. In fact, heuristics tend to rely on processes that can happen in the brain almost automatically, so-called *system 1* thinking, rather than lots of reflective thought, or *system 2* processing.

One crucial heuristic is the *affect* heuristic[5], where the intuitive emotional response is used as a short-cut to help the decision. Damasio's account of the role of emotion in decision-making is a widely accepted explanation for how *affect* influences these decisions. What we measure with survey measures of emotional affinity and meet needs, is not *affect* itself, but the combination of *affect* and any reflective thought that follows.

The use of overall assessments of emotional affinity and how well needs are met is very efficient to measure consistently across different brands, categories and countries. However, if the objective of the research is to further diagnose equity and determine how best to improve it in future, then we must also look to cover as many emotional responses and functional associations as possible.[6] *(See also 'Detailed diagnosis – brand associations and the role of emotion' section)*

Salient

Further to the *affect* heuristic, psychologists have identified another very common decision making heuristic based on mental *availability / familiarity*.[7] In 1973, Tversky and Kahneman studied this phenomenon and postulated that human decisions are influenced by an unconscious assumption that if we can think of something then it must be important[8]. This gives more salient brands a strong advantage. Considering this advantage with the situation that sometimes brands can only be chosen if the consumer thinks of them first (e.g. which search engine to use? Which airline to type into the search engine to find flights? Etc.), provides insight into how brand *Salience* can influence consumer decisions.

This advantage tallies with the commonly accepted marketing idea that building brand awareness is important. But salience here is beyond just basic brand name awareness and more about the mental *availability* when shopping (how quickly and easily the brand comes to mind) and it is important that measures of salience are designed to get at that specifically. *(See also 'Identifying the best metrics - Salient' section)*.

Different

Like Salience, Differentiation too is an area that the marketing community has long believed is important to the success of a brand. However, Difference is often ignored in brand equity measurement because it is considered to be nothing more than a special case of being Meaningful[9]. The argument is that Differentiation is delivering a brand benefit that others don't deliver and being Meaningful is delivering a brand benefit better than others. In effect both of these leave you with an advantage over others, and thus being Different is just a special case of being Meaningful.

However, experiments in behavioral psychology have shown that grouped alternatives competing against each other all become less attractive, while if one option can stand apart from the rest it becomes more attractive[10]. These experiments tend to focus on considered human decisions, between options that the respondents may not have chosen between before. So, for brands this is more likely to come into play when a consumer's normal habits are interrupted and either they can't make an intuitive and quick decision or they choose to consider the decision more thoroughly.

This work has concluded that in these circumstances, brands that compete for slender advantages on the same key dimensions will all become less attractive, while if one brand can stand out with a **clear point of Difference**, even if it's not on a particularly Meaningful feature, it will be viewed more favorably. So, even a peripheral point of Difference can win sales for a brand, particularly when it comes to a considered purchase, such as switching from a habitual brand.

Of course, if the point of difference is important rather than peripheral, then it becomes even more powerful. In fact, if a brand is Different because it is the only one to offer one of the most important features to a given consumer, then it is likely that the brand will be the most Meaningful to that consumer. It is probably cases like that which has led people to erroneously conclude that being Different is just a special case of being Meaningful and doesn't need to be measured explicitly. However, consider a case where a brand uniquely delivers against one fleeting or temporary need, but is weak across all other needs. It would not be very Meaningful overall, but when that one need arises, it would be the first choice and would command a price premium, because there is no viable alternative.

In this example, the fact that the brand offers just one important point of difference is driving volume choice and the price it can charge. If we rely on just overall assessments of how Meaningful the brand is, we would miss this. So, we also need to understand how different its offer is compared with others, if we are to capture its full equity.[11]

So, this suggests two particular roles for Difference in generating a positive financial outcome:

1. Winning share during considered purchases simply by standing out (likely to generate **future growth** through switching)
2. Delivering against one specific need that others fail on (securing share and **boosting price premium** for specific occasions)

This matches with what the BrandDynamics database suggests as the role for Difference.[12] While it is found to relate to current volume it is even more important in predicting the price brands can charge and their future growth. This may also explain why so many equity models, which focus only on explaining brand choice and not the price consumers will pay or future growth, tend to ignore the role of Difference.

Testing hypotheses – the global pilot

The analysis of historical data and a review of academic understanding of consumer decision making, suggested the hypothesis that Meaning, Difference and Salience are important influences on consumer purchase behavior.

To test this hypothesis thoroughly, we setup a study across five countries (U.S., UK, France, India and Mexico), covering 12 categories, over 400 brands and more than 8,000 consumers. We believe it to be the first to link together the following three elements on such a scale:

1. **Implicit measures** of the fast, automatic, emotional, instinctive and subconscious thought process and heuristics, such as intuitive emotion – system 1.
2. **Survey-based measures** of brand associations and equity – a combination of systems 1 and 2.
3. **Actual purchase data** recorded through SMS diary and shopper panel – behavior.

It is only by holding all three of these pieces of information for the same individual respondent that we have been able to understand how intuitive brand responses *(or system 1 thinking)* influence reflective thought about the brands *(system 2)* and how these ultimately combine to explain purchase behavior.

In the next few pages, we will show how this pilot allowed us to achieve the following:

1. Identify the best measures and analytic techniques to quantify how Meaningful, Different and Salient brands are.
2. Test and refine our hypotheses about the role of Meaning, Difference and Salience in determining purchase behavior.
3. Quantify the importance of each of the three in influencing purchase decisions.
4. Create equity metrics that predict the key business outcomes discussed earlier: the volume people will buy, the price they'll pay and the likelihood the brand will grow.
5. Understand how to overlay further measures of in-market activation influences (such as findability or affordability) to give a complete picture of the source of brand revenue.
6. Measure and diagnose detailed brand associations that can be used to increase brand equity in future marketing campaigns.

Identifying the best metrics - target variables

The first measure we identified was a survey-based brand volume share for each respondent. This volume share surrogate is called **CL**[13] and is derived from a combination of claimed past purchase, next purchase intention and attitudes to shopping. Millward Brown has been using CL and its subsequent enhancements, successfully since its creation in 1996. It provides us with a consistent currency to test the ability of our equity measures to predict purchase volumes across all categories, fast-moving consumer goods (FMCG) and non-FMCGs.

We further verified CL's validity by contrasting it with actual purchase volumes for the same respondent, as measured through shopper panels and SMS diaries. For FMCG categories correlation was strong and similar to that of another common metric, 'last 10 purchases'. For services, retail and long-term categories, no respondent level validation was possible, but correlation of brand level CL and actual market share is similar to that of FMCGs, supporting its valid use in those categories too.

We also identified a survey-based respondent level metric of the likely price index they would pay for a brand. We call it **price-worth** and build it from a combination of the price consumers think brands cost and whether or not they see the brand as worth that price. We found a significant correlation with actual brand price index and also with actual price paid by the respondent.

Identifying the best metrics - Meaningful and Different

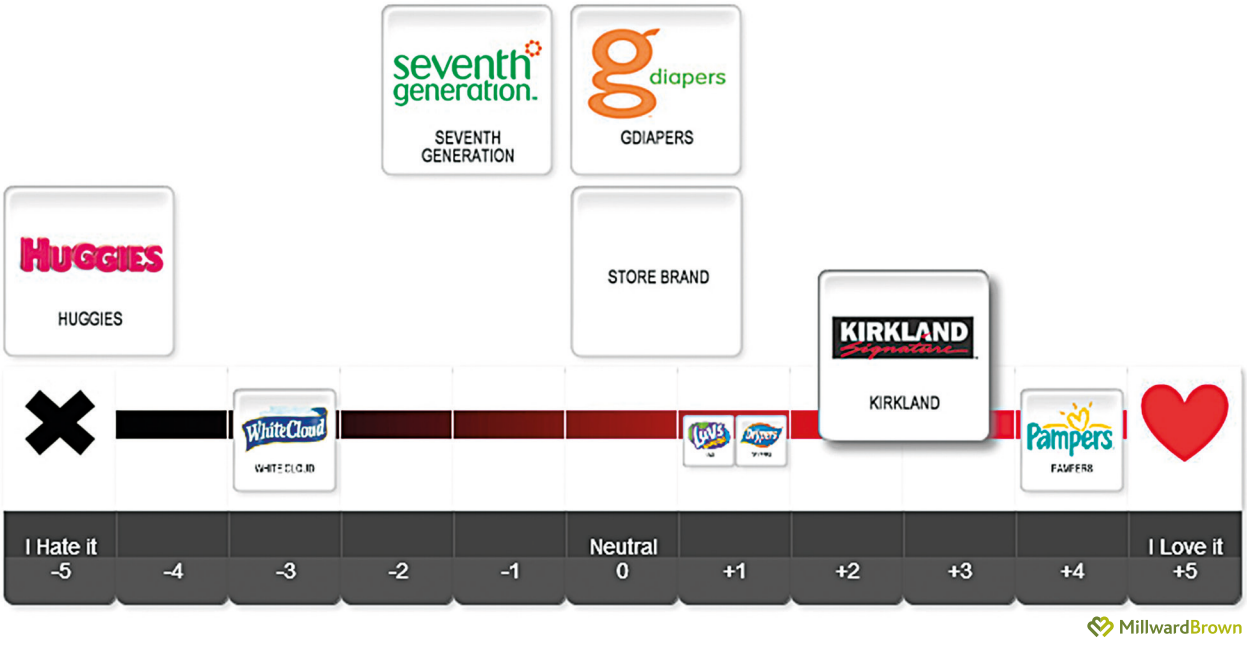
As suggested previously, to measure how Meaningful and Different brands are we need survey metrics of affinity, meets needs, uniqueness and dynamism. In decision-making what will matter is how a consumer orders the different alternatives (brands) on these dimensions and how large they perceive the gap between brands to be.

We created and tested **associative scale and rank** questions, which present respondents with the full competitive context and an engaging interface. *(See Figure 2)* These enhanced questions produced a 23% better prediction of the survey-based volume share (CL) than traditional free association questions. Furthermore, the associative scale and rank questions gave an ability to predict the price consumers would pay for brands that the traditional free association questions did not deliver.

Figure 2: **Example of associative scale and rank question for *Affinity* in diapers**

How do you feel about each brand?

Please drag each of the brands to the bottom of the screen and place them on the scale to indicate how you feel about them. You can place the brands anywhere on the scale, depending on how strongly you feel; you can place more than one brand in each box or leave a box empty.



We also found that predicting purchase behaviors based on the scale score alone was not as good as the predictions we could make by combining the scale score with the rank order. This reflects the fact that a brand that scored a +2 on the love-hate scale above has very different implications if that's the highest score you give, than if you love several brands even more. Conversely, ranking alone does not provide the predictive power of the combination of rank and score, because being ranked first but only one point ahead of competitors is not as important as being ranked first with a big gap to competitors. Unless we ask consumers both to rank the brands against each other and to score them, we will miss a piece of the puzzle that helps predict behavior.

The relationship between the scale and rank questions and purchase volume is non-linear: the top ranks and top of the scale are far more important to determining the volumes people will buy than the middle ranks and scores. In other words, people buy far more of the brand they rank first, than the brand that they rank second, but they buy a similarly small amount of the brands they rank fifth and sixth. As such, there is a need to transform the respondent level answers to account for this exponential relationship to purchase volume. However, when it came to predicting the relative price that people would pay for brands, the relationships were actually linear.

These questions were developed to take advantage of the interactive interfaces now available on web-connected devices (PCs, tablets and smart phones) and respondent feedback confirmed that these questions do help improve respondent engagement on those platforms. Further pilot work has confirmed that we can also efficiently collect both a scale score and relative rank in a Pencil and Paper Interviewing (PAPI) environment.

Identifying the best metrics - Salient

When measuring Salience we are trying to understand how likely consumers are to think of a brand when making a purchase decision. In the past this has been measured with simple unaided awareness questions, where consumers are asked for all the brands of a given category that come to mind. This gives some indication of how readily different brand names come to mind, particularly if analysed to account for order of mention, but as pointed out widely in research academia recently[14], using the category name as the prompt fails to simulate the thoughts or ideas that consumers really consider in the purchase window.

So, we have invented a new approach to measuring Salience called **needs based salience**. *(See Table 2)* We start with the consumer's category needs, which better reflect the things they are likely to think about in the purchase window. We then use these to frame our spontaneous brand awareness question. This gives a much more accurate prediction of how likely a brand is to come to mind in the purchase window. Our findings reveal that the *needs based salience* question is 30% better than traditional unaided awareness to predict survey-based market share.

Table 2: **Example of Salience questions wording for soft drinks**

Traditional unaided awareness question:	New needs based salience questions:
What brands of soft drink have you ever seen or heard of?	When you choose a soft drink, what are the 3 main things you want from it? When you think of INSERT RESPONDENT'S ANSWER FROM PREVIOUS QUESTION, what's the first brand of soft drink that comes to mind? (ASKED THREE TIMES)
Record all mentions. Usually analyzed as first mention (Top of Mind) and unaided awareness (all mentions).	Record first mention for each need. Analyze as share of mentions.

The role of being Meaningful, Different and Salient in purchase behavior

The first critical finding is that the five measures discussed earlier (affinity, meets needs, uniqueness, dynamism and needs based salience) are indeed the most explanatory of brand choice and of the relative price consumers were willing to pay for brands. There was no significant incremental gain by adding in any other measure of brand perception. As expected, a factor analysis once again showed that beneath these five key survey metrics are just three underlying brand qualities in the minds of consumers that drive consumer decisions:

1. **Meaningful:** dominated by the measures of *affinity* and *meets needs*.
2. **Different:** dominated by the measures of *uniqueness* and *dynamism*.
3. **Salient:** dominated by the *needs based salience* metric.

Headline measures that map to financial outcomes – Power and Premium

We use regression analysis to understand the relative contribution of Meaningful, Different and Salient factors to our survey-based measures of volume share (CL) and of likely price index (price-worth). This analysis produces two measures of brand equity built purely out of people's perceptions, related directly to key business outcomes:

1. **Power:** A prediction of the **volume share** a brand can command based on consumer **predisposition to choose** the brand over others.
2. **Premium:** A prediction of the **price index** a brand can support based on consumer **predisposition to pay more** for that brand than for others in the category.

The relative contribution of Meaningful, Different and Salient factors is not the same for explaining volume compared with justifying a price premium. In general, for a brand to drive volume, the most important thing is to be Meaningful, then to be Salient, with being Different as less important. When it comes to justifying a price premium, being Meaningful to consumers is also the most important thing, next is being Different, while Salience matters less. *(See Table 3)* But the relative importance of each element does vary from category to category.

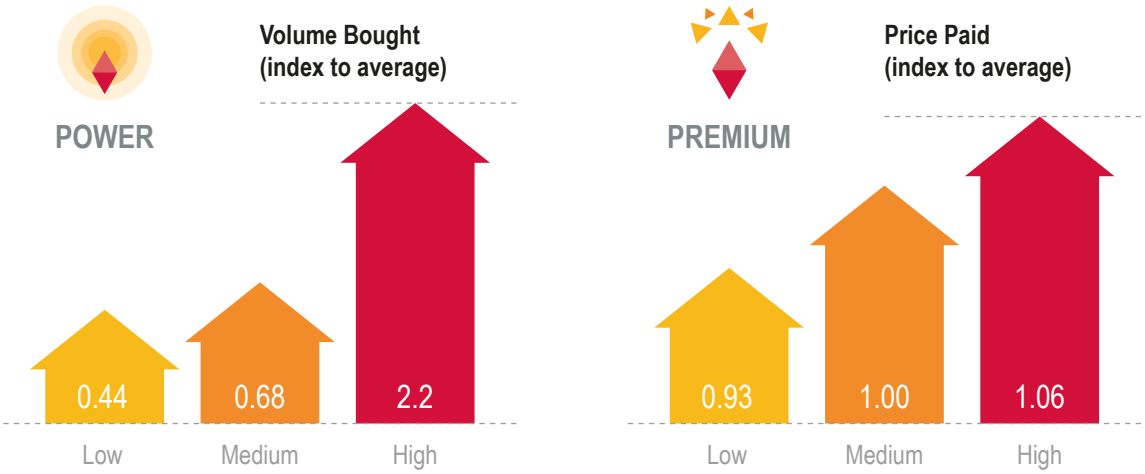
Table 3: **Average relative contribution of Meaningful, Different and Salient to Power and Premium.**

	Power	Premium
Meaningful	46%	46%
Different	19%	45%
Salient	35%	9%

Source: Global Equity Pilot, Millward Brown.

Results from our pilot work show that the higher the Power a respondent has for a brand the more volume they buy and the higher their Premium the more they pay for it. This validation comes from comparing respondent Power and Premium results to actual purchase data from shopper panels for the same individual consumers. *(See Figure 3)*

Figure 3: **Brands with high Power capture more volume share and brands with high Premium can charge more.**

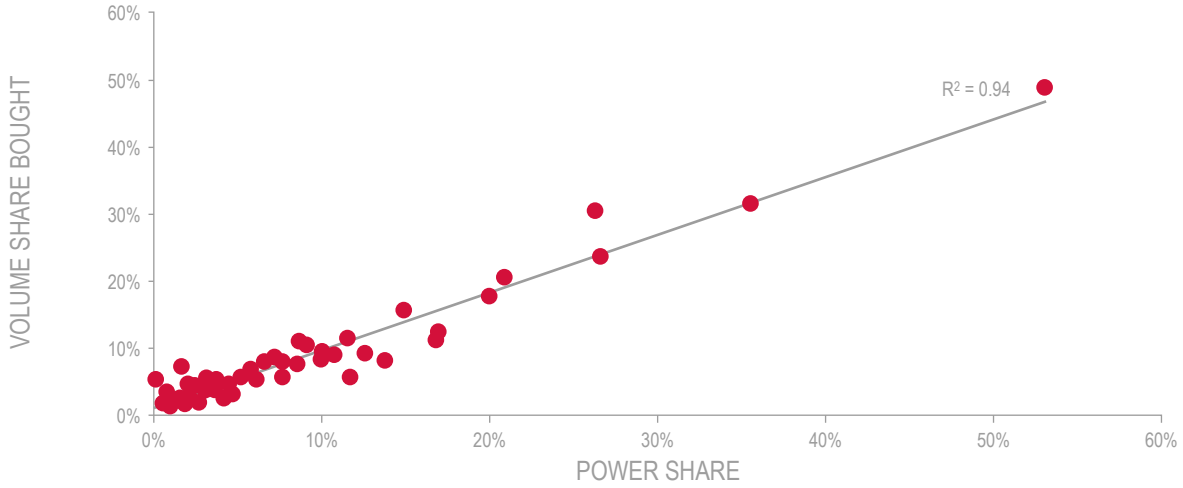


Source: Shopcom panel data merged with equity survey responses. Based on comparing Power and Premium scores to shopping habits of 1600 consumers. Analysis includes 65 brands in 4 categories. Low = bottom 25%, Medium = middle 50%, High = top 25%

The validation of Premium is all the more remarkable when you consider that consumers do not set the price for their purchases; it is the brand owners and retailers that do that, and yet consumers end up paying a price that on average reflects how Meaningful, Different and Salient the brand is to them.

In addition to a simplified three group analysis, we can look at the relationship between Power and volume purchase share on a scatter plot, with consumers clustered into far smaller groups on the basis of Power. This detailed analysis gives a sense of how strong this underlying relationship between Power and volume share really is. *(See Figure 4)*

Figure 4: **The underlying relationship between Power and volume share is very strong.**



Source: Shopcom panel data merged with equity survey responses. Based on comparing Power scores to shopping habits of 1600 consumers. Analysis includes 65 brands in 4 categories. Consumer responses grouped into 50 classes by Power.

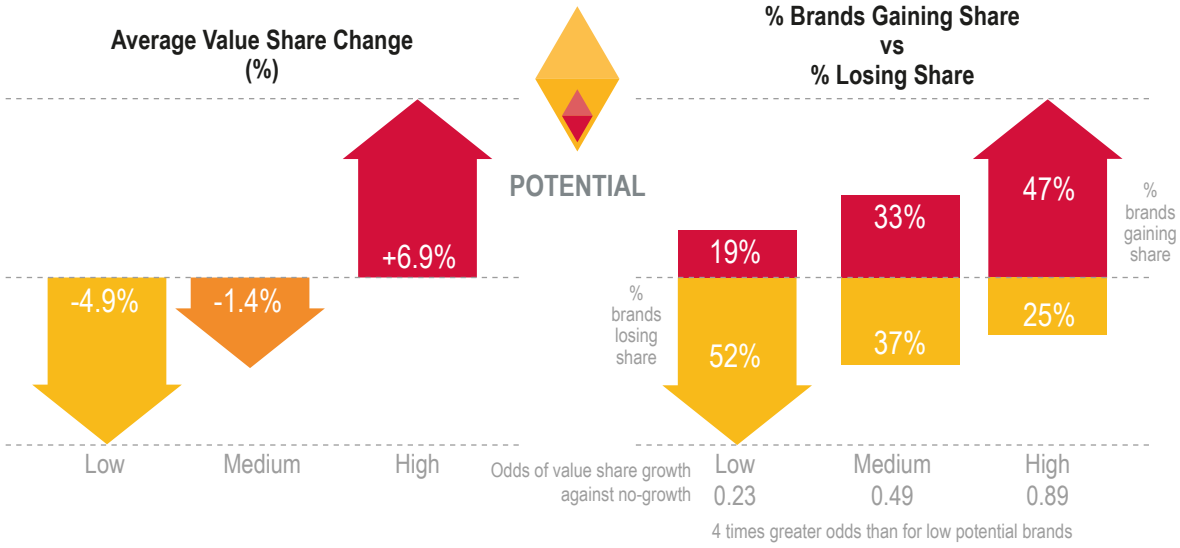
Headline measures that map to financial outcomes – Potential

Most equity systems fail to identify whether the brand can still grow within the confines of its current positioning or whether it requires a wholesale repositioning. The Meaningfully Different Framework is unique as it includes a measure of **Potential**, which indicates the likelihood of future Value share growth based purely on current perceptions. *(See Figure 5)*

The principle employed is to compare the actual brand results of Meaningful, Different and Salient to their expected levels given how widely consumers have been exposed to the brand (its brand size). If the results are larger than expected, then the brand generates predisposition efficiently, which suggests that it should be able to generate growth by continuing to *amplify* its current positioning. If the reverse is true, then the brand needs to consider re-positioning or look for alternative routes to growth (e.g. improved activation).

Potential is the probability that the brand will grow value share in the next 12 months based purely on current perceptions.

Figure 5: **Potential predicts value share growth in the following 12 months based purely on current perceptions.**



Source: Millward Brown's validation dataset, including 350 brands from diverse categories (CPGs and non CPGs). Lose/Gain 0.2 points of market share. Low = bottom 25%, Medium = middle 50%, High = top 25%

The ability of the Potential metric to predict future value share shifts is an important extra validation of the entire construct. If a brand equity measurement system cannot predict the future and only describes the current state, then it is difficult to be sure that it is really explaining the role of brand associations in driving purchase decisions rather than just reflecting the effect of past purchases on brand associations.

In fact, one of many pieces of evidence that led us to understand the importance of Meaning, Difference and Salience was our previous metric of Voltage, a key element of the previous BrandDynamics framework. Voltage is a predictive measure developed empirically by looking at which in-survey measures best predicted value share shifts and was also built from measures of Meaning, Difference and Salience before we were using those terms.

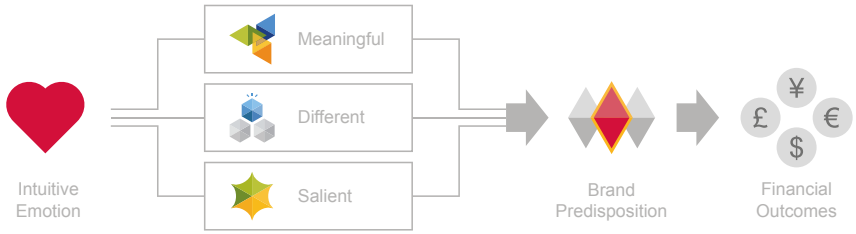
Detailed diagnosis – brand associations and the role of emotion

Marketers also need to understand the long-term levers that will build brand equity, and thus brand value and base sales. The building blocks of our core equity measures are consistent so that they give the same equity currency from one study to the next; however the diagnostic framework is very flexible so that it can account for the associations that matter to a given set of consumers in a given category. The framework includes some generalized image associations and themes that we've discovered to be important across a wide range of categories, but also allows the inclusion of image statements that apply to specific categories, brands or types of consumers.

We can use this framework to build a statistical model to understand how brand associations link together and relate to Power and Premium through Meaningful, Different and Salient factors. This model can feed a what-if simulator to test the impact of changes on a brand image endorsement and its effect on equity and therefore on the volume share of the brand (via Power), or price point the brand can support (via Premium).

Furthermore, to have a full understanding of the drivers of consumer predisposition, a modern diagnosis of brand equity must integrate the latest techniques to measure the fast, instinctive, subconscious and emotional *system 1* thinking. *(See 'Understanding the consumer brain' section)* We are able to include proprietary implicit brand measures in BrandDynamics to diagnose brand equity and therefore show the role of raw emotional responses and intuitive brand associations in driving equity.[15] *(See Figure 6)*

Figure 6: **The role of emotion in generating consumer predisposition and thus creating brand equity**



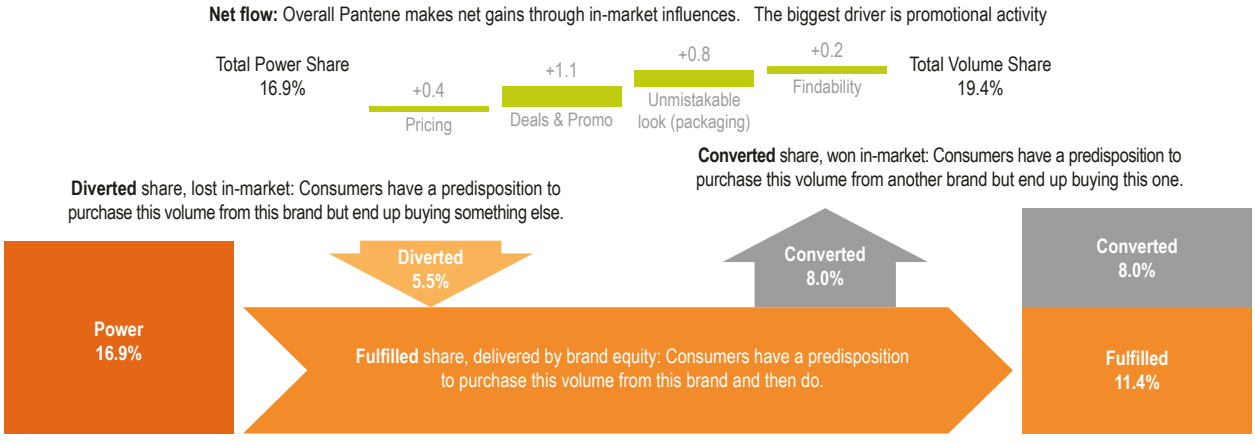
The intuitive (or automatic) emotional response to a brand occurs before the consumer has any conscious thoughts about it, so it can colour all the drivers of predisposition.

Completing the picture with in-market barriers and facilitators

While we have clearly demonstrated a strong underlying relationship between equity as measured by Power and Premium and the amount consumers will buy of a product and what they will pay for it, it would of course be naïve to think that equity is the only influence on purchase behavior. Measures of equity tell us people's predisposition to choose a certain brand or pay a given price for it, but what the consumers ultimately do, can change completely because of influences encountered during the shopping process.

Because we generate our brand equity measures for each individual respondent, we can combine these with measures of the influences they encountered during the shopping process to fully explain the actual purchase behavior. The example in Figure 7 shows this in practice with data collected in our pilot. Here we are able to break-down the Volume share of *Pantene Pro V* shampoo into volume that was delivered by equity (Power) and volume that was won or lost at the point of purchase. We can also diagnose how this share was won and lost and to / from whom.

Figure 7: **From Power to volume share – flow and in-market facilitators.**



Summary: Although they make net gains, Pantene does lose out in-market to some key competitors: They lose out to Suave on pricing and promotions. They also lose a significant proportion to Fructis, because of packaging. In total they lose approximately $15m share to Fructis through packaging.

Source: Global Equity Pilot, Millward Brown.

In this case the in-market influences encountered were measured using survey questions where respondents were asked to recall recent purchase experiences and tell us which activation influences affected their choices. While this approach gives a reasonable indication of key losses and gains through in-market levers, we can get a far more precise read using mobile interviewing to question people about the in-market influences immediately after purchase. However, this approach does not give a clean read on brand equity. Purchasing and using a product are very powerful brand experiences, which skew brand attitudes immediately afterwards. The ideal approach is to use traditional survey measures of equity (i.e. completed whenever respondent chooses) and then recruit the same respondents to a mobile study to measure the in-market influences.

Meaningfully Different brands, when properly amplified, create financial value growth.

Summary and conclusions

The Meaningfully Different framework measures the financial outcomes that brands can deliver through consumer relationships and the Framework visual *(see Figure 1)* illustrates how. Starting from the right hand side, we first identify the determinants of financial value that the branded product is currently delivering:

1. Current volume share the branded product delivers
2. The price index paid for that branded product
3. The likelihood of future value share growth

Next we quantify how much of each of those financial factors is being generated by in-market activation influences (which we consider to be independent of current equity) vs. how much is delivered by the consumer predisposition towards the brand (which we define as brand equity):

1. The role of brand equity in driving volume share is quantified by Power
2. The role of brand equity in justifying the price premium is quantified through Premium
3. The role of brand equity in ensuring future growth is quantified through Potential

In validating each of the metrics listed above, we have shown that we have a holistic and valid system of equity measurement. While most existing equity models focus only on the role of the brand in driving volume share, the Meaningfully Different framework is superior in its inclusion of all aspects of brand value.

We have found that the role of brand in determining all three of volume share, price index and future growth can be determined by measures of how Meaningful, Different and Salient the brand is to consumers. Depending on which outcome we are looking to predict our measures of Meaningful, Difference and Salience must be treated and combined differently. In particular, we have noted the vital importance of Difference for predicting future growth (Potential) and the price index the brand can command (Premium), which highlights a serious deficiency in most equity models that ignore this key dimension.

Furthermore, we have seen that when using a measure of Salience that measures the mental availability of brands with reference to category needs and not just category name, it becomes a very important predictor of volume share. Again, this highlights a core deficiency in most existing equity models, which either overlook salience completely or measure it badly.

At the start, we also set out requirements that the equity model needed to be capable of delivering actionable diagnosis and integrate the latest thinking from the worlds of neuroscience and psychology. Through our ground-breaking pilot work, integrating survey-research with implicit measurement and direct measures of shopping behavior, we have been able to develop a model that not only accounts for the intuitive thought process and decision drivers, but can be directly diagnosed by implicit measures of these drivers.

Finally, the core metrics required for this model are generated from engaging questions in less than five minutes. As a result, it can easily be imported into a wide range of studies from equity deep-dives, to trackers, to cross-media studies and even advertising pre-testing. This provides a currency of brand equity that can be used across research platforms and studies, and always links to clear financial outcomes of volume share, price index and future growth.

Appendix

[1] Since 1995, Millward Brown has interviewed 5.5+ million people in 80+ countries about their perceptions of brands in 240 categories and has built a database with 170,000+ brand evaluations from 15,000+ studies using BrandDynamics. It is also the research engine behind WPP'sBrandZ study and its financial ranking published by Millward Brown Optimor.

[2] Ehrenberg, A, Goodhardt, G, & Barwise, T. (1990) 'Double jeopardy revisited', Journal Of Marketing, 54, 3, p. 82.

[3] Damasio, A. R. (2006) 'Descartes' error: emotion, reason and the human brain', London, Vintage.

[4] Kahneman, D, & Tversky, A., (2011) 'Prospect Theory: An Analysis of Decision under Risk', Managerial Decision Making pp. 143-171 n.p.
Kahneman, D. (2003) 'A perspective on judgment and choice: mapping bounded rationality', The American Psychologist, 58, 9, pp. 697-720.

[5] *Affect heuristic:* a mental shortcut that hastily judges objects or people by an immediate feeling of "goodness" or "badness".

[6] Spence, A, & Townsend, E., (2008) 'Spontaneous evaluations: Similarities and differences between the affect heuristic and implicit attitudes', Cognition & Emotion, 22, 1, pp. 83-93.

[7] *Availability* heuristic: the ease with which a given instance or scenario comes to mind; salient memories bias reflective thinking.

[8] Tversky, A., & Kahneman, D., (1973) 'Availability: A heuristic for judging frequency and probability', Cognitive psychology, 5,2, pp. 207-232.

[9] Hofmeyr, P. B. J., & Parton, G., (2006) 'Brand Value Creation, Communications and Equity'.

[10] Brenner, L, & Rottenstreich, Y. (1999) 'Comparison, grouping, and preference', Psychological Science (Wiley-Blackwell), 10, 3, p. 225.

[11] This argument is developed further using the example of a consumer relationship with Red Bull (which uniquely delivers against a specific need) compared to Pepsi (living in Coca-Cola's shadow) in Samuel, J. (2013). 'The Power of Being Meaningful, Different, and Salient', Millward Brown.

[12] Fearn, H.(2010) 'Growing a Strong Brand: Defining Your Meaningful Point of Difference' , Millward Brown.
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[13] CL= Consumer loyalty. Dyson, P, Farr, A, & Hollis, N., (1996) 'Understanding, Measuring and Using Brand Equity', Journal Of Advertising Research, 36, 6, pp. 9-21.

[14] Romaniuk, J, & Sharp, B. (2004) 'Conceptualizing and measuring brand salience', Marketing Theory, 4, 4, pp. 327-342.

[15] See this paper for more information on 'Implicit measurement ', Millward Brown.