

Tracking Brand ROI

Brand ROI or Return on Investment is a measure of how much a company is able to profit from the use of a brand when marketing its products or services.

A brand can be a name, design, term, or symbol that is a label of ownership. A brand can become a very important asset for a company and it can likewise drive success in financial and competitive markets. In advertising themes, a brand is a very valuable element. Usually, a marketing department seeks to align customer expectations behind a brand name. Marketers attempt to assign certain qualities and characteristics to a brand so that customers will be able to distinguish their product or service apart from the others. Brands can be so powerful that they can attract sales even without much promotional effort from a company. It is for this reason that many marketers have endeavored to specialize in brand management, the art of brand creation and maintenance.

When a brand becomes very popular to its target market segment, it achieves brand recognition. When brand recognition reaches the point of critical positive mass, a brand achieves brand franchise. The ultimate goal in brand management is to place a particular brand on top of its product or service category. A brand name may also be classified as a type of trademark, especially if it identifies and determines the brand owner as the commercial source of some products and services. When this is the case, the brand owner may apply for proprietary protection by registering its trademark.

According to a survey compiled by Interbrand Corp. and published through Business Week, the top five global brand names are Coca-Cola, Microsoft, International Business Machines (IBM), General Electric (GE), and Intel. The values of these brands were calculated by determining the percentage of the company's revenues that can be directly credited to the brand. When this was done, they projected sales revenues for five years and deducted the value of intangibles, like patents from this figure. Other less in-depth methods of determining the value of a brand are the use of name-brand price advantage and higher company valuation. Through the first method, brand recognition can be measured through the differences in the prices of branded products and generic products. This is based on the fact that branding increases the perceived value of products and services. The second method which is higher company valuation is based on how investors value well-performing brands.

Brand valuation is a crucial factor in brand management. Brand valuation involves calculation of potential earnings from a brand throughout its expected life down to its present day value. A brand value tracker may be designed to monitor the effects of any advertising or marketing strategy on brand value. Competitor activity, sales figures, market trends, and other key performance indicators (KPIs) may be integrated into a brand value tracker. Having all these data together in one page allows easy analysis and comparison. Moreover, this setup makes it easier for managers to build the relationship between some factors and brand ROI.

About the Author

If you are interested in [brand ROI](#), check this web-site to learn more about branding scorecard.

Source: www.isnare.com

Source: <http://articles.exospy.com>