

## Managing Product Brand Equity “The Case of Vodafone Albania Company”

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**Abstract:** A brand is the total perception customers have of a provider. It can be considered as personal customer experience, brand positioning /communication, reputation & corporate image. Nowadays brand attempt to maintain leadership positioning by adding values to corporate image, trying to influence consumer mind and driving customer preferences, as such build brand equity. The objective of this paper work is to evaluate brand equity of an old company operating in the market while critical discussing on brand strategy used, to achieve brand equity. The evaluation approach, used in this paper work, involves global brands strategies and is presented with Vodafone as Global Company, aiming to reflect the influence of the global brand guidance in Vodafone Albania Company, in order to achieve local brand equity. Brand equity measurement evaluation is considered through key performance indicator (KPIs') elements: awareness, emotion, performance, differentiation and value translated in great rates on financial report. Concluding, as telecoms industry context changes Vodafone should move forward considering customer experience as an important element in brand strategy, to maintain customer satisfaction. As the world becomes mobile oriented, Vodafone must satisfied its customers by being a supermobile leading company.

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### I. Introduction

Vodafone is one of the biggest telecommunication companies in the world. It started on 1985, in London and remained for fifteen years the largest European telecommunication company, www.vodafone.co.uk Measured from revenues is the largest company in the world while has gain the second position by subscribers. It operates in over 30 countries and has partner networks in over 40 countries. It has build brand equity through years by following a global brand strategy and has managed to create & maintain leadership positioning. Vodafone Albania was first launched in Albania in 2001 and operated in the market under supervision of Vodafone Greece & Vodafone Italy, reporting to Vodafone Global, as such following Global Brand Strategy. Vodafone Albania was first launched under “How are you” campaign while according to group decision changed in: “Make the most of now” and in the up to date brand strategy “power to you”.

#### Brand total perception

Keller, Aperia & Georgson (2008) refers brand as a unique identification element that business uses to differentiate product and services in the market. Single elements can create a product brand such as sign, symbol, name, design or combination of those in order to be identified & recognized. As such product brands help customer to make a purchase decision faster, while recognising products from competitors.



The above elements are used to identify Vodafone brand:

Referring to the above, clearly thinking of brand elements is becomes very important in order to build customers' respond & loyalty. Big businesses need to build brand strategies and manage company brands. In our days branding have become a key element of business success. As an intangible financial asset, brand perception drives customer to purchase as such generate incomes, builds brand equity. Although some researchers such as Raggio & Leone (2007), Jones (2005) & Salinas (2009b) do find differences from brand equity & brand value considering one outcome of the other, still brand strategy helps in creating corporate value.

Furthermore Kohli & Leuthesser 2001 mentioned the high importance of maintaining a strong and constant brand identity in order to differentiate in the market. A brand strategy could be very powerful approach, because all resources can be focused on building the “One” brand, as such creating a consistent brand strategy & corporate value.

Vodafone demonstrates consistency and a well brand strategy worldwide, by representing its brand consistently across all markets and across all customer touchpoints, from retail store communication, to web pages and product packages, [www.vodafone.al](http://www.vodafone.al) , [www.vodafone.uk](http://www.vodafone.uk) etc.

## **II. Problem Statement**

While acquisitions & merges nowadays have become widespread, orienting companies under one culture background, Budhwar et al (2009), or further producing world-class technology products Usunier & Cestre (2007), more difficulties will a global brand company face. The difficulty lies in finding ways to better represent one single brand while considering different culture backgrounds, experience, education, competition and other factors in many countries.

From another view global brands might be highly considered in different cultures. Reflecting Vodafone Company in Albania, brand gains value because of its international background, as such it's well perceived. There is an opposite part of the above of course; in some countries international worldwide companies might not be well perceived, because of different culture perception, or brand image can be influenced because of other countries of operation experience. In Vodafone case, although in Albania the company operates very well, people analysis other countries experiences such as Greece, England, and Italy, where Vodafone operates, and build an overall opinion or change behaviour towards it. This could be a case when an international brand might create advantages or disadvantages toward country of operation brand equity.

Obviously among other barriers very important is culture, either to adapt it or to be adapted. Many authors have been studying on culture differences and how it changes perception such as Hofstede (1983), Canvari et al (2010), Dan J. (2008). Vodafone England (the headquarter of Vodafone) cooperates with operational companies (other countries when Vodafone operates), in order to push its country of origin background and smoothly adapt that culture to other countries but also accepting amendments that do not damages brand perception as a whole.

Baker & Currie (1993), also has mentioned the concept of country-of-origin and refers to it very importantly: as the fifth element of marketing mix. Nevertheless many companies' work under one brand worldwide that operates extremely well because of good branding strategies. A correct application of brand strategy could influence brand perception as such consumer behaviour Zeugner-Roth, Diamantopoulos & Montesinos, (2008).

Vodafone has built strong Branded Guidelines, which describe Vodafone Identity while pictures a positive and consistent way. Vodafone ambition is to become a truly iconic brand, while considering its brand as one of the best known and most valuable brands in the world. This fact has been supported also by "2011 BrandFinance Global 500" which ranks Vodafone in the 5-th place as the "Most Valuable Brand" in the world for the 2011. Refer to Appendix 1 to see the list Vodafone Albania ranked itself as leader in telecommunication market in Albania, based on an internal research made, (published through its official online pages [www.vodafone.al](http://www.vodafone.al) , <http://www.facebook.com/VodafoneAL> .

### **One Brand Strategy**

**One brand:** Vodafone refers it as a Monobrand strategy.

This consolidated approach might avoid having to spread effort and resource across building and supporting a number of brands and sub-brands.

#### **Benefits of the Monobrand Approach:**

- ✓ One brand is about making brand easy to be recognized, easy to understand and easy to interact with.
- ✓ Monobrand strengthens the impact of visibility and recognition worldwide
- ✓ Greater effectiveness through strategically focusing efforts on building the equity of the brand
- ✓ Build brand awareness and preference in new and existing markets
- ✓ Easier for customers to identify and navigate products and services in a consistent way.
- ✓ Efficient use of human resources, timing and budgets, focusing all marketing on one brand strategy rather than creating and supporting multiple sub-brands.

The below comparison of brand structures clarifies some differences of a monobrand approach.

### **Global Monobrand**

The below are all successful global brands that follow the monobrand approach. One brand and one common identity for everything monobrand do.



### **Sub-branded businesses**

Virgin is a model that operates through a collection of Virgin branded businesses. This model works because of the diversity of segments Virgin chooses to operate within.



### **Brand portfolio**

Intercontinental Hotels Group (IHG) is a business which has a portfolio of standalone brands to build and support. This approach is used when trying to appeal specifically to different audience segments or have different price positioning.



While Sub-branded businesses & Brand portfolio approaches are appropriate for some companies, Vodafone follows a strict monobrand strategy to direct all brand equity towards one brand: 'Vodafone'. Obviously Vodafone Albania manages its brand equity through strictly "One" brand global strategy, but in meantime builds brand value & brand equity locally while adapting Vodafone's monobrand global strategy.

### **Brand Guidelines – One brand identity**

To create brand consistency & brand identity worldwide, global brands apply brand guidelines based on which every operation country should follow, while merging culture identity in order to achieve brand equity.

Vodafone applies the following steps worldwide:

- 1) **Design Principals** – Vodafone visual identity has 5 core design principals for every kind of communication.
  - Include positive emotion
  - Use red confidently
  - Be familiar, be trusted
  - Do more by doing less
  - Use simple, clever idea

Vodafone Albania does not apply all five elements to every single design, though, but has the freedom to decide which aspects will be the best fit for the purpose. These principals are good, by applying these principles well, Vodafone creates timeless designs. And that matters because while other brands are shouting louder and becoming visually noisier, Vodafone stands out by confidently expressing core essence.

- 2) **Identity elements**

- Logo
- End line
- Brand device
- Colours
- Typefaces / letters/ characters
- Illustration
- Photographic

These elements help people to recognize Vodafone. Thinking on these elements Vodafone clients will recognize Vodafone stores/ ads etc., wherever they are, even outside Albania.

- 3) **Brand voice:** People recognise Vodafone by the way this company speaks and writes. Applying a brand voice consistently means clear and engaging communication.
- 4) **Naming:** Single master brand – Vodafone (**Voice & Data Phone**)
- 5) **Legal Lines:** Vodafone is always careful in including terms & conditions, when needed for transparency.

- 6) **Packaging:** Vodafone uses packaging to create a moment of delight at the start of each customer's user experience. Packaging makes a huge difference to how customers respond to things they buy. This introduction to the user experience might be joyful. Whenever possible, try to bring life to the inside of the pack.
- 7) **Web assets:** Vodafone applies a different politic for online. Online, need to foster brand trust. Because sites are globally available and accessible to everyone, need to adapt some of other approaches. Need to be globally consistent, but also locally relevant. That means that while some things are fixed, Vodafone adapts other aspects to suit particular marketsManaging the Group and Operating Company domain names carefully, keeps company's portfolio manageable, consolidated and cost-effective, and also protects company brand.
- 8) **On line advertising:** A clear and novel online presence is important to help drive brand awareness and engage new and existing audiences.  
For a Monogram strategy online presence should be clearly recognisable, and also should have the impact to cut through other elements on a webpage.
- 9) **Internal environment:** Vodafone creates an inspiring atmosphere in its internal environment, for visitors and employees.  
Inside Vodafone Albania buildings, are plenty of opportunities for people to engage with Vodafone brand.
- 10) **Retail:** Retail environment is the space where customers and potential customers, physically meet and interact with company's brand. It's where brand promise should fully come to life.
- 11) **Co-branding:** In some cases Vodafone uses co-brand, especially with sponsorships.  
The importance when featuring with other companies logos is the need to make sure that customers understand the relationship between the two companies and the partner brand.  
The right partnerships help companies to fulfil business goals and enhance or brand's reputation. The wrong associations don't.
- 12) **Sponsorships:** Vodafone associates its brand to other big brand & big events, especially to sport & culture.  
Big events enhance brand name and offers a huge audience with potential customers. Vodafone corporate under big sponsorship events to enhance its opco's brand equity.
- 13) **Vodafone Foundation:** Vodafone has created an Institution called Vodafone Foundation and each opco is advised to do so in relevance to corporate responsibility strategy.

### **Brand Equity & Measurement**

Several researches have studied on brand equity and have result in two points of view for defining brand equity, accounting & management perspective. Simon and Sullivan (1993) defines accounting perspective as “..the incremental cash flows which accrue to branded products over unbranded products..”. The same view has been also supported by, Kerin and Sethuraman (1998), Shocker, Srivastava and Ruekert (1994), Srinivasan Park, Chang Ch, Ryun D. (2005), etc.

**Keegan, Moriarty, & Duncan, (1995) refers the two views:**

**Accounting Perspective:** as the opportunity of a price increasing, that customer is willing to pay, for analogue branded product vs unbranded.

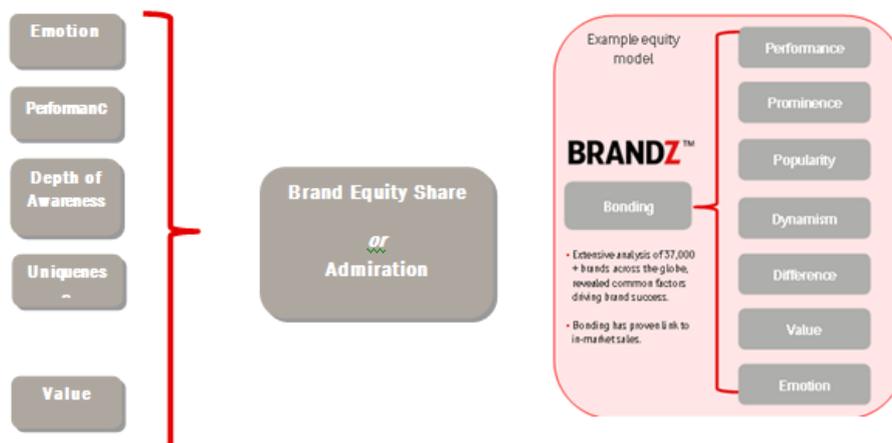
**Management Perspective:** as a value added to brands because of relationship between customer & company. Barwise (1993), also explains managerial view of brand equity as added value by unmeasured characteristics. Nevertheless in order to maintain leadership it's imperative to measure brand equity with researches & financial yearly reports.

### **III. Research**

As previously mentioned brand is an intangible asset. The mental connections people have around the brand – both direct experiences and indirect encounters people have had past and present. Research needs to capture all the attitudes that exist towards the brand in people's heads.

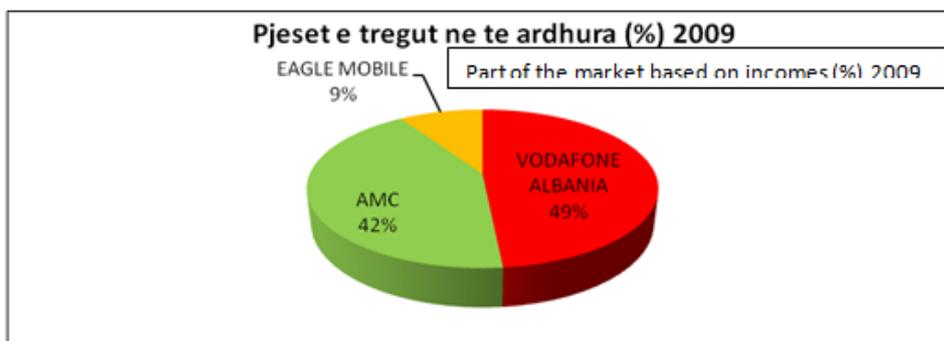


The ideal brand equity KPI, should be derived from multiple dimensions, as such many companies including Vodafone measures brand equity with the below potential components:



### Financial Reporting

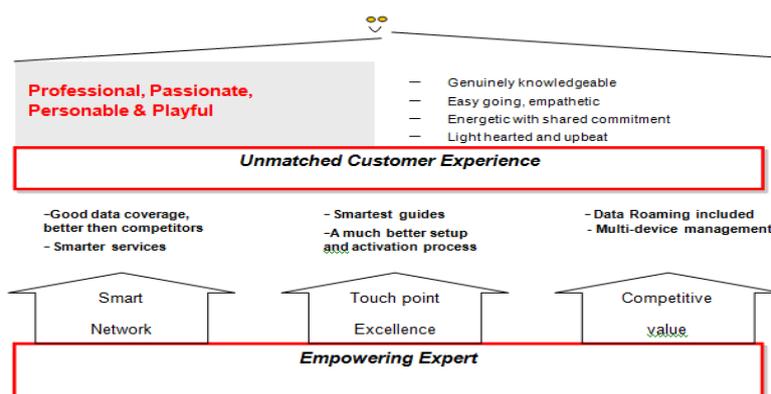
Financial reporting shows customer behaviour & preferences toward the brand. According to the annual activity report of AKEP in Albania, (Electronic & Mailing Communication Authority) for 2009, Vodafone shows high incomes as per the table below. This clearly identifies, in financial terms, customers preferences toward Vodafone brand in Albania.



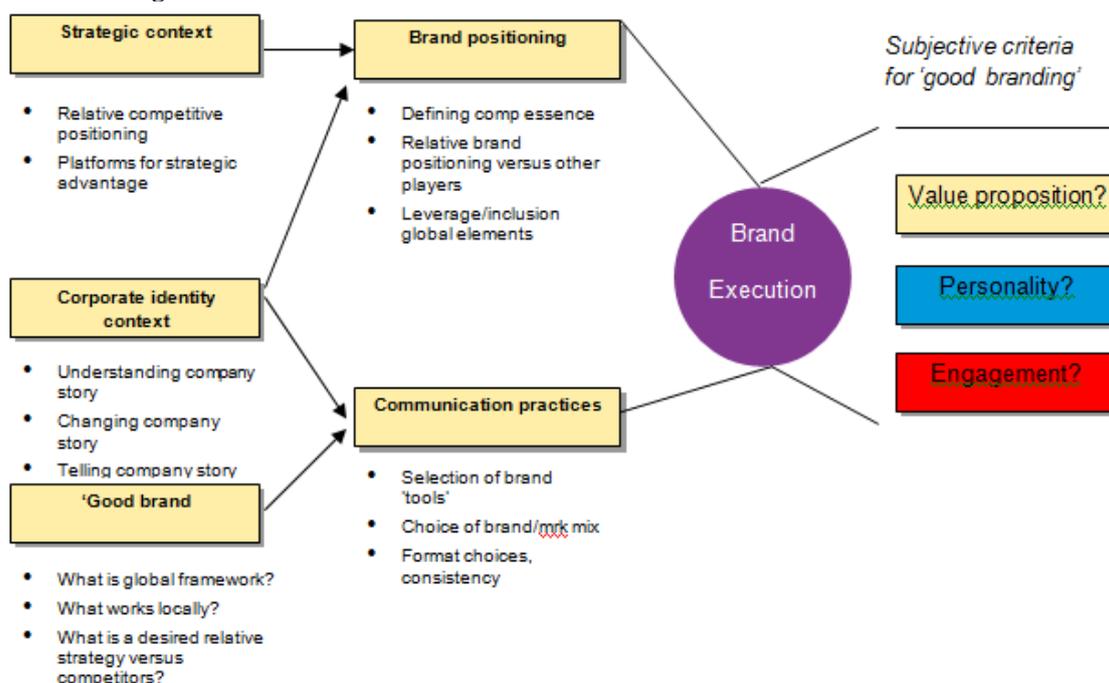
### Vodafone Master brand Plan

The all world is entering in a digital & technology world, as such telecommunication is driven to new technologies updates. Vodafone global strategy is moving from voice to data. As people get used to smartphones and data-based services, sales need to change into a more service-focused, experience-based environment, in order to take the industry lead.

Considering the above mentioned strategy Vodafone Albania got advantage of being the first launching 3G technology in the market that enables many services, while adapting global strategy locally. Getting advantages of the technology and the overall strategy, Vodafone brand strategy will focus on customer experience.



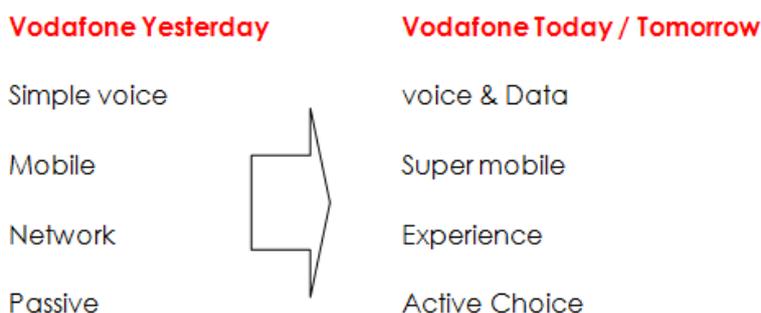
**Holistic Branding**



**IV. Recommendations**

Kurzweil mentioned that computers will no longer exist in the near future, while Modis (2002) & Hubner (2005) criticise on this view by supporting the fact that technology innovation is now declining.

Although many views are subject of discussion, in understanding how technology will become in the future, the fact remain that everything is going toward it. As such telecommunication should develop a new brand story because of technology orientation, through trying more things, with confidence and a positive outlook. Life has changed immeasurably since telecommunication first started....



..but desire and expertise has not as such:  
As the world gets more mobile and more connected the possibilities become endless. The world is going **super**

**Mobile.**

**Vodafone Mantra**

With Vodafone, customers feel: anything's possible  
That's why can credibly say:

power to you

## V. Conclusions

A worldwide brand strategy relies on the brand having an extremely broad level of appeal as it needs to be relevant to many different types of audience across all segments. Market has become competitive and it is very difficult to stand out through core product, so having a consistent identity can engage people while setting global guidance can maintain awareness, good performance, positioning, incredible emotions that differentiate in the market, as such build brand equity. Markets mature and competition increases, corporate success depends more and more on the health of its brands, so brands with strong equity...

.....are more likely to grow

.....can justify a price premium

.....contribute to higher share prices

To maintain customer satisfaction & brand equity is needed to see forward in the upcoming technology and adapt brand strategy in accordance, make it supermobile.

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Appendix 1



The BrandFinance® Global 500

Rank		Logo File	Name	Country	Brand Value (USD \$ Millions)		Brand Rating		Market Cap (USD \$ Millions)	
2011	2010				2011	2010	2011	2010	2011	2010
1	2		Google		44,294	36,191	AAA+	AAA+	143,016	157,970
2	5		Microsoft		42,805	33,605	AAA+	AAA+	165,724	199,989
3	1		Walmart		36,220	41,365	AA	AA	154,324	190,803
4	4		IBM		36,157	33,706	AA+	AA	189,717	180,027
5	7		Vodafone		30,674	28,995	AAA+	AAA	192,455	178,603
6	12		Bank of America		30,619	26,047	AAA-	AAA+	120,195	111,754
7	6		GE		30,504	31,909	AA+	AA+	475,066	528,712
8	20		Apple		29,543	19,829	AAA	AAA-	244,381	156,416
9	15		WELLS FARGO		28,944	21,916	AA+	AA	136,069	131,225
10	11		AT&T		28,884	26,585	AA+	AA+	235,987	229,792
11	8		HSBC		27,632	28,472	AAA	AAA+	171,163	193,793
12	14		Verizon		27,293	23,029	AA	AA	381,093	196,292