

Czech University of Life Sciences Prague

Faculty of Economics and Management

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BACHELOR THESIS

Summary

Economic Evaluation of Premium Branding Strategies

Ekonomické Hodnocení Strategii Prémiových Značek

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1. Introduction

The clothing market is one of the most controversial. No-one controls prices, and the manufacturers can charge any amount they want. A luxury brand t-shirt may cost up to 80 times more than the manufacturing price.

The desire for such product is created by branding. Branding implements emotional communication in order to get profits. Brands artificially create the need for the latest trends.

The idea behind this thesis is to make clear what the brand is, what it consists of, and how are the brand profits connected with its marketing activities.

2. Keywords

Brand, Premium, Market Analysis, Evaluation, Case Study.

3. Objectives of thesis

The objective of this thesis is to find out the main constituents of premium branding strategies and evaluate the dependency between implementing of marketing strategies and brand income.

Theoretical part objective is to acquire knowledge about the brand creation process.

The idea behind analytical part is to break down the constituents of two premium brands in order to acknowledge similarities between their branding strategies. As well the dependency between marketing activities and income will be tested.

4. Methodology

The purpose of the research is exploratory, descriptive, and explanatory. Deductive and inductive approaches are used.

Branding strategies research is represented by qualitative data while brand performance deals with numbers.

Branding strategies of different brands will be analyzed during this study. So the multiple case study is the most appropriate research strategy.

The multiple case study has an increased possibility of delivering a good case study in comparing to a single case study.

As well it is possible to establish whether the findings from one case occur in another case.

In order to answer the research questions in the best way possible, the fashion industry is used as a sample.

The data collected for the literature review and the case studies is acquired through the books and articles.

5. Main findings

There are lots of similarities between premium brands, no matter if their brand images are different.

Premium brand target market are the mature people, who already achieved something in their lives.

The most influential brands are built by innovators with their own, unique vision. Such brands positioned like a lifestyle or even cult.

Premium brand does not advertise its products, but the image.

People tend to discuss something they like, so a word of mouth is crucial in successful branding.

In order to maintain high-performance level, brands must keep up the communication with its target audience through different media channels. Premium brands are well-recognizable, with the high level of brand awareness, low price elasticity, and high price premium.

Precisely-chosen brand-related marketing activities are immediately influencing the brand income.

6. Conclusion

Branding is a complex and highly sophisticated process. Despite many pieces of research have been done and framework of branding already exists, it might be hard to predict how the customers will perceive it.

Premium brands, even if they might be entirely different from each other, have much more in common, than might be thought. People tend to listen to each other, so if the brand deliver its message clear and this message seems to be unique and interesting, no doubt the brand will find its niche.

In this thesis branding was regarded not only in the way it interacts with customers, but also in the way it earns money.

It was proven, that the branding marketing activities has a strong dependency on the brand income.

However branding is a type of business, it is not suitable for everyone.

Even if marketers can predict which style will be popular new season, the person who stands behind the brand must be very creative.

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