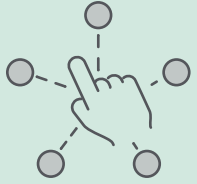# GUIDE TO BRAND HEALTH MEASUREMENT

Learn how to use brand health insights to engage customers, optimize products, and grow market share.

44%

of consumers are open to trying new brands

(n=363-510)

65%

of B2B buyers say their preferred vendor's content had a significant impact on their buying decision

(Demand Gen)

43%

of customers spend more money on brands to which they feel loyal

(Fundera)

INTRODUCTION

YOUR COMPANY'S BRAND HAS A POWERFUL IMPACT ON ITS SUCCESS.

Strong brands command higher prices, boast reduced customer acquisition costs, and enjoy lower customer churn. But conditions in today's market mean that brands have to work harder to maintain their brand strength.

Supply chain shortages and market inflation have tested buyers' patience and loyalties. In fact, we found that nearly half were willing to switch brands or products. The result? Brand health measurement has never been more critical.

Building and maintaining a powerful brand requires time, investment, and, above all, data. That's why more than four out of five companies have done brand health measurement research in the past year. Brand insights is also the fastest growing market research focus, with companies planning to increase their investment in brand research by **18% next year**.

By identifying strengths and weaknesses, this research empowers businesses to seize opportunities, get ahead of risks, and outshine their competitors. In this guide, we'll walk you through the core components of brand health measurement and include insight from a survey of more than 300 business leaders on how they measure brand health. You will learn:

- How poor brand health can harm your company

- How brand measurement can be incorporated to support business goals

- How to develop a holistic framework for measuring brand health

- When to measure your brand's health

- Which metrics to measure for an in-depth view of brand health

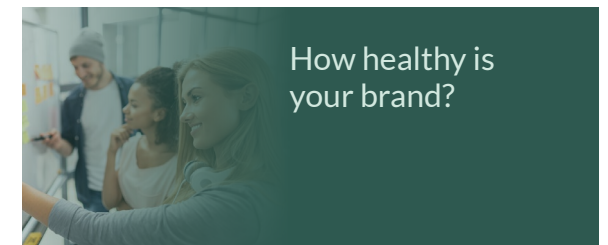How healthy is your brand?

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THE IMPACT OF BRAND HEALTH MEASUREMENT

Brand health measurement has widespread impact: incorrectly evaluating it will put your business at risk, but implementing it creates new opportunities.

BRAND HEALTH INSIGHTS TOUCH YOUR ENTIRE BUSINESS

Your brand is present in every aspect of your business from visuals and messaging to offerings and services. Even brands with overall positive sentiment and loyalty need to track their health. Maintaining a healthy brand, after all, is much easier than rebuilding a damaged one. To protect your brand, you need to manage the factors that can impact it. And doing so means successfully measuring brand health data.

Brand measurement data evaluates the health of a brand, allowing companies to address declining metrics, gauge the strength of their brand, and uncover opportunities to enhance and leverage their brand value. While measuring brand health is complicated, the rewards are worth it with companies that perform brand research securing a 10x ROI. Without brand health data, companies are blind to how their brand is affecting their business, letting the risk of potential damage go unchecked.
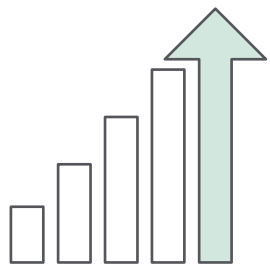
10X
The average ROI of brand measurement research
(n=338)

WHAT'S AT RISK?

Failing to apply brand health data to your business has widespread consequences, including:

- New products that don't align with key customer needs and preferences

- Marketing messaging that alienates customers or feels disconnected from their expectations

- Prospects lost to competitors whose brands are perceived as more valuable

INCORPORATING BRAND HEALTH DATA

When leveraged effectively, brand health measurement insights support a variety of business goals.

- **Acquiring and Retaining Customers**

  Brand health measurement research increases customer retention by identifying opportunities for closing service gaps and revealing brand perception through the eyes of customers. Brand research also supports marketing-based goals such as corporate branding and messaging, allowing brands to deploy more effective marketing campaigns that engage potential customers and align the business' value proposition with customer needs.

- **Increasing Market Share**

  Brand health measurement can expand market reach by identifying and leveraging competitive advantages, developing stronger branding and messaging, tracking customer satisfaction, and measuring the success of existing products. When expanding to new markets, brand health research uncovers untapped market opportunities and maps the relative brand strength of competitors so companies can expand successfully.

- **Developing New Offerings**

  Brand health measurement can inform product development by identifying why customers value existing offerings, defining key product preferences and perceptions, and mapping drivers of future purchase intent. Launching a new product or service also requires significant investments. Developing the product or offering itself is the first phase, but you likely need to refine positioning and messaging and track the market's reaction before and after the launch, to ensure a successful launch.

95%
of business leaders say measuring brand health has helped them improve customer satisfaction
(n=112-179)

92%
say it helps them identify and leverage their competitive advantage and grow their market share
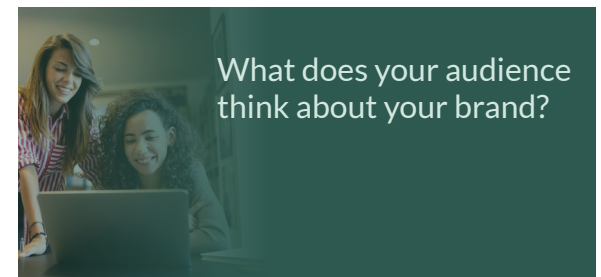*(n=104-136)*

93%
say it helps them develop and track the success of products
(n=96-149)

What does your audience think about your brand?

DEVELOP A COMPREHENSIVE BRAND HEALTH FRAMEWORK

Developing an effective brand requires a comprehensive measurement framework that evaluates, tracks, and enhances its performance.

THE THREE TYPES OF BRAND MEASUREMENT

Brand health is constantly in flux, impacted by both internal and external factors that can boost or damage perception. To keep your brand healthy, you need to develop a framework that identifies what you need to measure, why it's important, and when you need to measure it.

There are three categories of brand measurement that all companies should conduct: the current state of brand health, how brand health changes over time, and future brand development. Each provides a critical piece of brand health insight on its own, but, when applied together at the right time, they provide a complete picture of total brand health.

86%
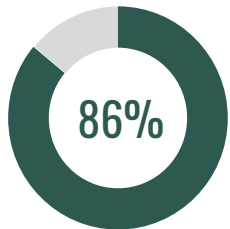
of businesses evaluated
the **current state
of brand health**

77%
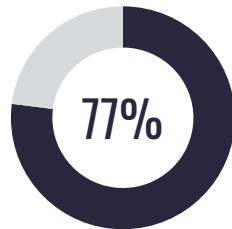
of businesses conduct
brand health tracking

66%
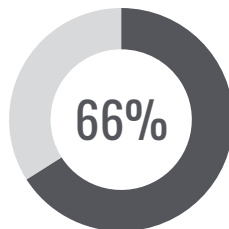
of businesses conduct
brand development

(n=338)

1. CURRENT STATE OF BRAND HEALTH

The current state of brand health evaluates high-level brand penetration metrics at a single point in time. It analyzes feedback from current and prospective customers to measure brand equity, aided and unaided awareness, brand perceptions, future purchase intent, and customer satisfaction with products and services.

Why Measure

This type of measurement provides an in-depth evaluation of current brand health, identifying what elements of the brand resonate with customers, what parts are turning customers away, and any missing or incomplete elements damaging brand reputation.

When to Measure

Most (63%) brands have a set process for measuring the current state of brand health throughout the year to gain an updated baseline of brand health and assess if they need to adjust their strategies. The other 37% measure it on an as-needed basis. Companies with fast-changing markets should evaluate the current state of their brand health more frequently to ensure there haven't been any drastic changes in brand perception. Brands should conduct this research before any major initiatives (launching a new product, entering a new market, etc.,) to ensure current brand perceptions won't affect the success of the new initiative. Companies should also run tests on the current state of brand health whenever there are significant market changes — either through external factors like economic changes or by the entry of new technology or competitors.

2. ONGOING BRAND HEALTH TRACKING

Ongoing brand health tracking measures the health and changes in perception of a brand over time. Insights from this type of research typically include metrics such as awareness, perceptions, drivers of brand health, and Net Promoter Score® (NPS) which allow you to compare your brand against competitors.

Why Measure

Ongoing brand tracking keeps a pulse on brand health to immediately spot and respond to any changes. Companies can track the brand strength of a product line or business unit, their company brand, or both. It also allows companies to evaluate how any events, both internal and external, may have affected their brand's evaluation, benchmark their brand against competitors, and identify industry trends.

When to Measure

Conduct ongoing brand health tracking on a regular cadence to identify declining performance as it happens and act quickly to adjust. Brand tracking can also measure the success of campaigns and initiatives to prove ROI to justify additional brand investments. Most companies (82%) conduct brand tracking studies twice a year to capture changes in the market. However, in select cases with rapidly growing companies, new market entrants, or companies undergoing a merger or acquisition, research could be run quarterly.

3. FUTURE BRAND DEVELOPMENT

Brand development creates new branding elements — such as developing new value propositions and messaging — in response to certain events or to align with shifting customer needs and preferences. These can include rebranding efforts or developing new brand identities for new companies or product lines.

Why Measure

Over time, most companies will need to update their brand positioning to reflect shifts in the market, changes to the company's mission, or product and service updates. Future brand development allows companies to identify what brand elements need to change, collect reactions to new brand concepts, and spot core brand elements that are vital to preserve for brand loyalists.

When to Measure

Companies should set clear guidelines that indicate when to initiate future brand development work. Some common indicators include opportunities for expansion (such as completing a merger or acquisition, introducing a new product, or exploring a new market); threats to your existing market share (such as a new competitor or a decline in revenue); and changes in customer demographics or an extended decline in brand perception.

IDENTIFY AND MEASURE KEY BRAND METRICS

Understand and measure six key metrics for a holistic assessment of brand health.

KEY BRAND HEALTH METRICS

There are six core metrics that provide insight into brand health, identify underperforming or declining brand attributes, and uncover opportunities to enhance brand positioning These metrics mirror the marketing funnel and collectively work together to identify customers' satisfaction, loyalty, and feelings of the brand, and prospective customers' awareness of and need for the product.

Frequently, companies focus on an individual element of brand health, like perception or awareness. But failure to view all six key brand health metrics collectively means that companies receive only a partial view of total brand health.

Awareness

Awareness is the extent to which customers are familiar with the distinctive qualities of a brand. Brand awareness is measured by two factors:

- **Brand recall (unaided awareness):** Measures whether your brand is top-of-mind for customers without prompting or stimuli.

- **Brand recognition (aided awareness):** Measures customers' ability to recognize your brand with a stimulus present, such as a list of brands in your product category.

How to Measure

Surveys: Deploy regular surveys measuring brand awareness to collect a vast array of brand awareness data. Brand awareness surveys directly measure brand recall and recognition to reveal a true measure of your brand's popularity.

Historical data: Online sales channels, forums, and reviews can be useful for collecting customer comments on your brand.

Perception

Brand perception measures how current and potential customers perceive an organization and how its evaluation compares to other brands in the market. Brand perception also helps identify gaps in an organization's offerings and determines how customers perceive the quality of the offerings and their expectations for use.

How to Measure

Focus groups: Qualitative data gathers deeper insights about your brand, allowing for open-ended questions about customers' impressions of your brand.

Surveys: Use quantitative data to gather high-level customer and non-customer feedback across different groups and benchmark brand perceptions against your competitors.

Sentiment tracking: A sentiment analysis collects feedback across various channels to interpret if customers view your brand positivity or negatively. If you don't have access to a sentiment analysis tool, you can search hashtags associated with your brand across platforms to identify how customers are talking about your brand.

Prior Usage

Prior usage data gives brands a look at customers who have previously purchased their products. Measuring prior usage provides insight into who their customers are, how often they purchase and use their product, and what other products they use from competitors. Prior usage data can also provide insight into customers who display brand loyalty, allowing companies to determine which factors best nurture high-value customers.

How to Measure

Customer lifetime value analysis: Use historical sales data to measure customer activity and what activities make customers attribute high value to the brand.

Surveys: Quantitative data provides insight into how and when customers use products and services.

Interviews and focus groups: Qualitative methods can collect direct feedback on how customers interact with the brand and product and identify new or evolving use cases.

Preference

Brand preference evaluates customers' attachment to or preference for specific brands. High brand preference drives repeat sales and increases customer loyalty.

How to Measure

Online purchasing behavior: CRM data and other platforms that collect online purchasing behavior can be helpful in determining how many customers return to your organization. For additional feedback, consider collecting customer comments from online sales channels, such as Amazon.

Surveys: Question customers on their experiences with your brand for a full view of how likely they are to stay with your brand long-term.

Future Purchase Consideration

Future purchase intent measures how likely customers are to make a brand purchase in the near future. While someone may engage with a brand by visiting its website or following its content on social media, it may not mean the customer intends to make a purchase. They may perceive the quality as subpar, feel misled or uninformed by the messaging, or otherwise do not believe the offering will meet their expectations.

How to Measure

Platform analytics and social listening: Online research gleaned from customer feedback forums and social listening can provide insight into how customers feel the product will deliver and how confident prospective customers feel about purchasing the product. It can also help identify specific messaging or campaigns that may inspire greater confidence in the brand or offerings that could promote more purchases.

Surveys: Survey previous customers to understand why they made the purchase, what brought them to your product, and if they intend to purchase from you again. Survey potential customers to understand what would inspire them to purchase from you, and question customers who decided not to purchase your product to understand what factors dissuaded them.

Net Promoter Score (NPS)®

NPS measures customers' willingness to recommend your brand and products to others. A high NPS signals high levels of loyalty, driving up the brand's value and improving public perception. Organizations benefit financially from a high NPS by being able to charge premium prices and often seeing long-term success. By cultivating loyal, lifelong customers, organizations reap the benefits of increased sales and of new customers finding your brand through word of mouth.

How to Measure

Surveys: Survey current and previous customers to understand their experiences with the brand, why they do or do not recommend your brand, and what practices the brand should maintain or improve to drive satisfaction.

VOC program: Employing a voice of customer (VOC) program can help organizations consistently gauge the loyalty and satisfaction of their customer relationships.

Learn how to track your brand health with the **Brand Tracking 101 Toolkit.**

KEY TAKEAWAYS

A weak brand can undermine strategies, cost you customers, and harm your bottom line. Ongoing brand health measurement is a valuable tool for marketers to prove ROI and protect their bottom lines by ensuring their brands continue to generate the best possible outcomes. A strong brand is not only valuable, it's vital. As you begin to develop your brand health measurement strategy, remember:

1. **Protect Your Company with Brand Health Measurement Data**

By providing accurate, consistent, actionable data, brand health measurement gives you the information you need to make informed decisions and develop strategies to withstand disruptions and capitalize on shifting customer loyalty.

2. **Apply Brand Health Metrics for Business-wide Success**

Brand health insights support a variety of business goals including gaining and retaining customers, increasing market share, and informing new product development. The result is an ROI of 10 times the cost of the investment.

3. **Understanding What to Measure, When, and Why**

The three types of brand health measurement assess the current state of brand health, provide ongoing brand tracking, and support the development of an evolving brand. Each provides a critical piece of brand health insight on its own, but, when applied together at the right time, they provide a complete picture of total brand health.

4. **Include a Brand Lens for Strategic Initiatives**

Branding is often neglected when planning a new strategy and ends up becoming a roadblock. Before you begin, analyze and enhance your brand elements to ensure they are positioned to support your new endeavor.

5. **Measure the Six Key Brand Metrics for a Holistic Evaluation**

There are six key metrics which follow customers through every stage of the buyer's journey, allowing you to evaluate brand awareness, brand loyalty, and everything in-between — ensuring that your brand is highly evaluated at each stage.

6. **Identify the Right Methodology to Gather the Data You Need**

Each brand metric has a variety of data sources that combine to provide an accurate assessment of brand health. Make sure you understand how the different methodologies inform brand health and ensure you select the right approach to capture valid, reliable insights.

Measure, monitor, and improve brand performance with **brand health measurement data.**

ABOUT HANOVER RESEARCH

We leverage a deep understanding of your business challenges to provide critical intelligence that helps you uncover new opportunities, minimize risk, and accelerate growth.
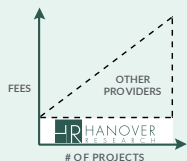
OUR BENEFITS

EXPERT
200+ analysts with advanced multiple methodology research expertise

FLEXIBLE
Ongoing custom research agenda adapts with organizations' needs

DEDICATED
Exclusive account and research teams ensure strategic partnership

EFFICIENT
Annual, fixed-fee model shares costs and benefits

OUR CORPORATE SOLUTIONS

MARKET ANALYSIS

Drive growth and outperform competitors through targeted exploration and analysis of hard-to-quantify markets.

- Market Entry Strategy
- Market Penetration Strategy
- Trend Analysis
- Market Share Identification
- Market Segmentation
- Merger and Acquisition Opportunity Analysis
- Competitive Analysis

PRODUCT LIFECYCLE

Optimize each stage of a product's lifecycle from ideation, development, launch, and marketing.

- Product Lifecycle Management
- Product Development
- Product Portfolio Review
- Package Design
- Pricing Strategy
- Product Message Testing
- Channel Strategy
- Customer Needs Assessment

CUSTOMER EXPERIENCE

Understand the complex customer journey to pinpoint problem areas and uncover opportunities for high-impact improvement.

- Voice of the Customer
- Consumer Decision-Making Process
- Customer Segmentation
- Customer Needs Assessment
- Buyer Persona
- Customer Satisfaction
- Customer Journey
- Lead Scoring
- Pathway to Purchase

BRAND STRATEGY

Identify and measure the most important metrics for assessing brand and cultivating effective messaging.

- Brand Equity
- Brand Awareness
- Brand Perception
- Brand Tracking
- Brand Development and Positioning
- Content Marketing

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