

CONNECTIONS

Linking People and Ideas

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Thoughts on Branding

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A brand is a name, term, sign, symbol or design, or a combination of these that identifies the maker or seller of a product or service. Professional marketers distinguish themselves in their ability to create, maintain, protect and enhance brands of their products and services. Consumers view a brand as an important part of a product, and branding can add value to that product. For example most consumers would perceive a bottle of fine fragrance by Yves St Laurent as a high quality expensive item, but the same perfume in an unmarked bottle may well be perceived as having lower quality. Fragrances are sold not only by their scent but also by House and seductive imagery. Consumers are more discriminating, often searching for information to justify their purchase. This results in brands needing to deliver substantive quality differences. Consumers are also more informed, as guidance is readily available on the Web to assist with the selection process. This fact is based on research conducted by marketing experts to clarify the confusion of a cluttered marketplace.

Companies often underestimate their customers and overestimate the power of marketing. Something of real value has to be at the core of a marketing programme. The product, needs to have outstanding advantages from the consumer's perspective. If the product is nothing special in the eyes and mind of the consumer, then marketing programmes will fail in the long term. Consumers constantly seek lasting value, and brands need

to over deliver and exceed the customer's expectations in order to survive in a highly competitive environment. This is supported by the brand identity that forms part of the overall brand equity, which in turn is driven by its positioning and personality. A strong brand identity implies the delivery of the powerful benefit sought by all consumers – peace of mind. A relationship of trust develops and needs to be maintained by matching expectations with the product or service. Brands create differentiation that assists in reducing the number of decisions consumers have to make, and indicates that there are certain brands that they rely on until trust is lost.

Brand identity consists of two major components, namely attributes and personality. The brand attributes refer to the manner in which the brand is positioned in the mind of the consumer. This is based on perceptions of the brand relative to its competitors. The brand personality forms an external image and consumers acquire brands because of the way in which these fit into their respective lifestyles. This in turn is based on the brand character (integrity and trustworthiness), the soul (brand values, emotional core of brand) and brand culture (system of values that surrounds a brand). Attributes and personality produce the brand essence. This is a clear message that registers with the consumer reflecting their thinking in selecting a particular brand i.e. Nike (sport). The recognition of a brand in a competitive environment is based on personality and attributes, but what it means in the life of a consumer is due to position. Positioning directs the brand to a place where it can exercise the most power in the category in which it not only competes, but also influences the lives of current and future customers.

CONNECTIONS

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Thoughts on Branding

Brand identity exists in the minds of consumers, and it is influenced by changes in the environment, consumer behaviour and the brand itself. Intensifying brand identity, the perceived value of a brand increases and creates flexibility to ensure survival and the ability to cope with ever changing market forces.

Branding has become so powerful that most goods and services are branded in some way or another, from salt, meat, fruit and vegetables, to automotive parts. Branding assists buyers in numerous ways by making products and relevant benefits easily identifiable. Brands also tell the customer something about the product's quality and the assurance that it will be consistent with repeat purchases. They become the foundation upon which an entire story can be constructed informing the consumer of the product's benefits and unique qualities. The seller's brand name and trademark provide legal protection for unique product features that would otherwise remain unprotected and risk being copied by competitors.

The brand is therefore your customer's belief in what you stand for as a company. It is what allows you to charge a little more or merit a larger market share than your competitors, resulting in increased cash flow and brand equity. It is so much more than just marketing and advertising because it encompasses everyone's perception of it, and what it arouses in them every time its logo is seen or heard. Understanding the brand is one of the most crucial and misunderstood business principles. The brand is affected by the full list of disciplines that comprise a business, namely extensions, acquisitions, distribution, product development, customer service, quality control

etc. A number of global CEO casualties attest to the fact that they failed to maintain their primary focus on the brand, with sad results. This is due partly to arrogance, especially in the case of brands whose custodians have forgotten that their brand is only as big as the consumer permits. The safeguarding of the brand is therefore the CEO's responsibility. He or she must also ensure that the people in charge of the various aspects of managing the brand understand and value the brand and its position in the marketplace. Accountability for the brand also rests with all employees, and it is essential that a culture be created where all feel a sense of ownership and responsibility. This ensures that many of the issues which may have been overlooked because staff feel that their job profile does not include brand responsibility are dealt with. Everyone should share a sense of caring and concern for the brand that in turn benefits the company as a whole. Nurturing brand equity is a long-term value and should form the core of senior management responsibility. Anything done to erode the brand will destroy its value. This occurs when a company's style is managing cash rather than long-term value.

Brands also need to be central to all major corporate decisions. Many Chief Executives make their decisions based on political motivation rather than brand savvy, particularly in the area of mergers and acquisitions. Possible reasons why many mergers often deliver a low ROI is that the financials generally fail to reflect any branding strategy. This however depends greatly on the manner in which the brands of the company are constituted. Sometimes, the revenue of the combined company will be greater if the more powerful brand consumes the weaker brand. At other times, if both companies are in the same

CONNECTIONS

Linking People and Ideas

Number 12 December 2006

Thoughts on Branding

line of business, revenue will be greater if both brands retain their identities.

This is determined by just how many consumers can absorb any one brand and the shelf space permitted in retail outlets. Unfortunately, many acquisition companies conduct themselves like conquerors and behave accordingly with unbridled aggression. Excessive diplomacy on the other hand is often practised at great cost and can even undermine a merger. A Corporation pays a high price to acquire existing brands and succeeds in destroying their value if it battles with the various brand messages in its portfolio. Decisions should be made to please consumers and not with political agendas that often jeopardize the future of the company. Ultimately, the consumer decides on which brands are the most meaningful and deserve to survive. Company leaders need to remain focused on the core brand business as consumers follow a brand and inevitably their resultant perception determines the survival of that brand. The CEO's brand focus must filter through to all areas of the company from internal operational staff to external players including attorneys and advertising agencies. If the brand comes first, everyone acquires a wider outlook and sense of responsibility. The cumulative benefit of this is a powerful advantage in the marketplace.

When brands are performing well, companies are inclined to lose sight of the fact that complacency could jeopardize a strong brand presence in the market. This is the very time that they need to work harder and be better than competitors to retain market share and brand equity by virtue of what the brand represents. The consumer expectation level rises as new heights become the norm which is a good thing,

as it pushes companies to achieve greater levels of service delivery and expertise. Some analysts see brands as the major enduring asset of a company that outlives an organisation's products. The underpinning force behind the powerful brand is a set of loyal consumers. Undoubtedly the basic asset within brand equity is customer equity. It is therefore imperative that marketers plan to extend loyal customer lifetime value.

As the marketplace evolves from passive to active consumer roles, new global brand buzzwords are created by consumers that influence, support and uphold the meanings of their pet brands. This recent phenomenon is known in marketing circles as the "brand hijack" or the "culting" of brands. Concern is felt in the business press over the new consumer power and the effect it is having on brand loyalty. The rapid growth and use of the Internet with resultant product offerings and information, has transferred the balance of power from the corporation to the consumer. Unfortunately one of the unpleasant side effects of this new power is resultant fickleness and promiscuity and a constant search for bigger and better, instantly.

In a recent article, economist James Surowiecki argued that consumers no longer needed brands. "The aristocracy of the brand is dead," he wrote. "Long live the meritocracy of product".¹ It appears that manufacturers have lost control to consumers and the demise of "brand bullies" has begun. But this may not be completely true. The aristocracy of the brand may be dead but it has been replaced by a democracy that values the brand more than ever before. Consumers will continue to hijack the brand strategies they do not like resulting in the birth of a new brand bully, the consumer?

CONNECTIONS

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Number 12 December 2006

Thoughts on Branding

This is not such a new development after all as examples exist of brands that have been overwhelmed by consumers i.e.: Doc Martens shoes from punks to suburban wannabes, Harley Davidson rallies dominated by accountants. Nike whose loyal following are designing their own shoes (online nikeid.com) and getting the swoosh tattooed on their ankles. The classic Burberry plaid resurfaced and made its appearance everywhere with the new association of the genteel English lifestyle, far removed from the origins on World War 1. This was energized by a hugely successful and well time marketing campaign featuring British aristocrats firmly consolidating perceptions and desirability internationally. ² Ultimately, brands belong to the market and not to companies. This is seen in the lesson learnt by Coke with the introduction of new Coke, which was rapidly pushed aside by consumer displeasure.

Many companies also err and do their brands a great disservice, by changing an advertising campaign that currently works well to something new, because they think the public may be tired of it or may be bored with it. On the contrary, people are often confused when a well known brand changes direction, as they look forward to the commercial in the campaign programme, much like the addiction to soap operas. To quote "if it ain't broke, don't fix it". Great brands do not arrive as a result of a few brilliant commercials. They only become great as a direct result of ensuring every contact made by the consumer with the company, from the toll free call person to the purchase and trial of the product with the sales person, is seamlessly enjoyable. This is achieved solely by everyone from the design team through to the dispatch staff becoming experts on the care and nurture of the brand.

This can only happen if the Chief Executive manages to convince everyone in the company that the brand is the most important component of their respective jobs.

A business paying attention to the quality of a brand is a business that appreciates the importance of pleasing its employees, stockholders, customers present and future, board of directors, regulators and potential merger partners – succinctly put, it is the audience that makes decisions about a company's fate. As celebrated author David D'Allessandro has noted "In a world of commerce that often seems to invite egomania and navel gazing, a brand based business looks outward and is often a jump ahead of the less brand-based competition because of it. Far from wasting its money and talent on airy concerns, it is on the contrary, determinedly fixed on the most significant of all bread- and butter issues; do people respect our company enough to buy from us?" ³

A business alert to the needs of its brand is a business in a position to succeed.

References

1. See Potter, Andrew. The Brand is Dead. Long Live The Brand. *Sawbona Magazine*, February 2006, p 104.
2. Ibid.
3. See D'Allessandro, David and Owens, Michele. *Brand Warfare*, McGraw –Hill, 2001, p 176.

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