

# It's a Brand, Brand, Brand World!

Nature of Product Branding

What It Can Do for You

Are You Loyal?

Confessions of a Brand



**SAMPLE PAGE**



# So What?

Here's a question for you: What are you wearing? Or to be more precise, what *brands* are you wearing? Expensive brands or bargain ones? Popular ones or not? Just one brand or many? Chances are that you've got at least one or two brands on, unless you're one of the rare souls who still makes your own clothes. It seems like society is drowning in brands nowadays. Brands are everywhere on our

So why do we have so many brands? Is there a need to create names and logos for their products? How do they come up with some of those crazy brands, and what makes a brand successful in this brand, brand, brand world? Read on, and you'll find out!

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## What makes a product brand g-r-r-r-r-e-a-t?

### What is a product brand?

A **product brand** is a name, term, symbol, or design (or combination of them) that identifies a product and distinguishes it from competitors' products. For example, one popular brand of cereal is Kellogg's Frosted Flakes cereal. Kellogg's is the **trade name**, the name that identifies

*Kellogg's*

the company, and Frosted Flakes is the **brand name**, the part of the brand that can be spoken, such as a word, a phrase, a letter, a number, or any combination of these.



Some marketers develop additional forms of identification known as brand marks and trade characters.

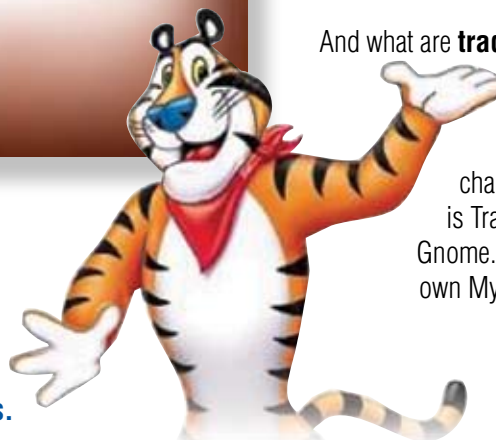
A **brand mark** is a distinctive symbol, design, sound, or "group of letters which is seen or heard but cannot be spoken. The Nike "swoosh" is a brand mark.



It is instantly recognizable, even without the Nike name. Another example of a brand mark is THX's audio logo, called "Deep Note." It's the synthesized crescendo sound that you hear before every movie recorded with the THX sound recording system.

And what are **trade characters**? They are brand marks that have been made to seem lifelike.

Tony the Tiger is one example of a trade character. Another example is Travelocity's Roaming Gnome. He even has his own MySpace page!



### Objectives:

- 1 Describe the characteristics of effective product brands.
- 2 Explain the branding process.



## Why brand?

The primary reasons that brands are used are for identification and differentiation. For example, we can tell by the brand that a particular pair of shoes is Adidas versus Reebok. The brand identifies the product and separates—differentiates—it from similar products. And when consumers see a brand that they have used in the past and liked, they are more likely to purchase that brand again, instead of spending time and effort examining other products. Even if a consumer hasn't purchased a particular brand before, s/he is more apt to select it rather than a competitor's if that brand name is clever and attention getting.

Brands also lead consumers to develop certain expectations of products. Consumers often expect a brand to provide predictable, consistent quality and performance. They believe any new products sold under the same brand will have the same quality. The brand, therefore, adds value to these products. For example, customers expect new products sold under the Apple name to be of the same quality as existing Apple brand products. Consumers may even associate a brand with a certain price level and standard of performance. Consider two very different automobile brands: Porsche and Kia. Which brand do you associate with a high price and high performance?

Not only do brands provide certain advantages for customers, but they also provide benefits for businesses. When consumers get into the habit of buying certain brands, they automatically buy them again. This reduces the amount of time and promotion needed to make future sales, and it results in brand loyalty.

Brands usually pass through successive stages of **brand loyalty**, which is customers' allegiance to a particular brand. First comes **brand recognition**, when consumers become aware of a brand and know a bit about it. Next is **brand preference**, when consumers prefer to purchase a certain brand based on their positive experience with the brand. However, if that brand is not available, the consumer will purchase another brand. And when consumers insist on "their" brand and will not accept a substitute, the brand has reached **brand insistence**. Only that particular brand will satisfy a customer for a given purpose. Most brands never make it to this stage of brand loyalty. Coca-Cola is one example of a brand that has made it to the brand insistence stage, though. There are many Coke consumers who simply will not drink any other brands of cola. And when brands make it to the brand insistence stage, they also have a tendency to develop a competitive advantage in the marketplace. If consumers associate a particular benefit with a particular brand (or vice versa), then the brand can develop an edge over its competitors.

## Summary

A product brand identifies a product and sets it apart from competitors' products. There are many different types of brands, including manufacturer's brands, private brands, family brands and individual brands. Regardless of the type of brand, good brand names possess certain qualities, and they create advantages for consumers and businesses.

## The Gray Zone

Imagine a well-known, successful airline that began to experience a series of airplane malfunctions and minor mishaps. The airline continued to attract passengers, but stories about its technical problems crept into newspapers and newscasts. Then, one of its airplanes crashed while flying over the Rockies. All 115 people aboard were killed. It was the worst domestic airplane disaster (aside from the 9-11 hijackings) to happen in recent history.

Following the crash, people became afraid to fly this airline, and the company's profits plummeted. The airline became tarnished due to negative publicity and no longer attracted the number of passengers it once did.

To solve the problem, the airline decided to change its brand name. The airline's old brand name was associated with the bad feelings from the crash. By changing its brand, the company was able to make a fresh start, without the baggage of the crash. Did the airline act in an ethical manner when it adopted a new brand name, or was it trying to hide its mistakes?

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1. Explain the differences among product brands, trade names, brand names, brand marks, and trade characters.
2. What are four types of brands?
3. Why is it important that a brand name be adaptable?
4. How should a brand name be appropriate for packaging and advertising?
5. What are the two main reasons why brands are used?
6. Describe the three stages of brand loyalty.

**Brand positioning.** Brand position really means the way that consumers see the brand as compared to competitive brands. The marketer's goal in positioning a brand is to try to establish the "point of difference"—the factor that separates the brand from its competitors. What makes this brand special? What are its benefits? Marketers must ask these questions to create the right image for their brand—the image that will make their brand successful.

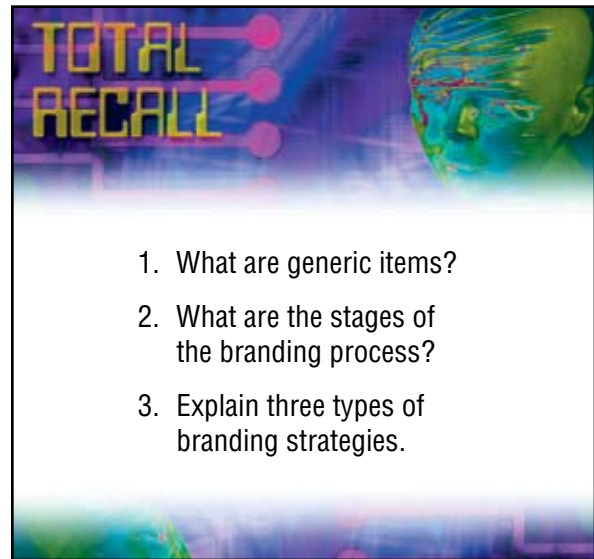
**Brand extension.** Some companies use brand extensions, in which an existing brand name is used for a new or improved product line. Starbucks, for example, extended its successful coffee brand to ice cream and candy. Cheerios cereal is another brand that has successfully extended its brand to include similar products.

**Brand licensing.** Brand licensing allows one company to use another's brand name, logo, or character for a fee. Fashion designers, such as Donna Karan and Tommy Hilfiger, may license the use of their names to jewelry and perfume manufacturers. Although licensees produce and sell these products, they become, in effect, extensions of the core brand.

**Co-branding.** Increasingly, companies are joining forces, or co-branding, to increase recognition, customer loyalty, and sales for both brands. Pizza Hut and Taco Bell have developed co-branding arrangements, as have KFC and Long John Silver's. Co-branding benefits both companies: it broadens both companies' target markets and increases their profits.

## Summary

Branding is not an easy process. It involves much research and decision-making. While some companies may move through the stages of branding quickly, other companies are more deliberate in their branding process. Even after a brand is established, there are still many more decisions that must be made, all part of a company's branding strategies.



**Make It Pay!**

Look around your school building. What brands do you see? Make a list of all the brands you find in one day—on clothing, furniture, office supplies, etc. Which do you think are the most successful? What qualities do those brands have that make them successful?

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## MBAResearch

1375 King Avenue, P.O. Box 12279, Columbus, Ohio 43212-0279 Ph: (614) 486-6708 Fax: (614) 486-1819

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