Product Development and Brand Management

Chapter 3

Managing Brands

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3.1.Introduction to Brands

3.1.Introduction to Brand

- **The word "brand", when used as a noun, can refer to a company name, a product name, or a unique identifier such as a logo or trademark.**
- **One of the most valuable intangible assets of a firm is its brands, and it is incumbent on marketing to properly manage their value.**
- **Building a strong brand** is both an **art** and a **science**.
- **It requires**
  - **Careful planning,**
  - **Deep long-term commitment,** and
  - **Creatively designed and executed marketing.**

- **A strong brand commands intense consumer loyalty**—at its heart is a great product or service.
- Perhaps the most **distinctive skill of professional marketers** is their ability to
  - **Create,**
  - **Maintain,**
  - **Enhance, and**
  - **Protect brands.**
- *Established brands such as **Mercedes**, **Sony**, and **Nike** have commanded a price premium and elicited deep customer loyalty through the years.*
- *Newer brands such as **POM Wonderful, SanDisk**, and **Zappos** have captured the imagination of consumers and the interest of the financial community alike.*

3.1.Introduction to Brand……..contd.

- A brand is backed by an **intangible agreement between a consumer** and **the company** selling the products or services under the brand name.
  - A consumer who **prefers** a particular brand basically agrees to **select that brand over others based primarily on the brand's reputation.**
  - **He or she may stray** from the brand occasionally because of **price, accessibility, or other determinants,** but some degree of loyalty will exist until a different brand is acceptance and then preferred by the buyer.

- **Until that time, however, he will reward the brand owner with dollars, almost assuring future cash flows to the company.**

- **The buyer may even pay a higher price for**, or seek out, the goods or services because of his commitment, or passive agreement, to buy the brand.
- In return for his brand loyalty, **the company essentially assures the product he purchases** will confer benefits associated with, and expected from, the brand.

3.1.Introduction to Brand.....contd.

- **Those numerous benefits may be both explicit and subtle.**
- **For example,**
  - **The buyer of a Mercedes-Benz automobile may expect extremely high quality, durability, and performance.**
  - **But he will also likely expect to receive emotional benefits related to public perception of his wealth or social status.**
- **If Mercedes licenses its nameplate to a manufacturer of cheap economy cars or supplies an automobile that begins deteriorating after only a few years, the buyer will probably assume that the agreement has been breached.**

3.1.Introduction to Brand……contd.

- **The expectations, and therefore the value, of the brand, Mercedes-Benz, will be reduced in the mind of that buyer and possibly others who become aware of the breach.**

3.2. What is a Brand?

3.2. What is a Brand?

- **A brand is name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competition.(AMA)**
- **A brand** is a **complex symbol**; it is the intangible sum of a product attributes its **name, packaging, price, its history, reputation, and the way it is advertised.**
- **A brand is also defined by consumers' impression of the people who use it, as well as their own experience.(David Ogilvy, 1955)**

- **What is a Brand?**
  - **It is a set of product perceptions by the consumer.**
  - **It is a personality developed over time.**
  - **It signifies a relationship with the customer.**
  - **It is the company's most valuable asset.**
  - **It's also the main differentiator, the best defense against price competition, and the key to customer loyalty.**
  - **Competitors can't steal your brand.**
  - **It's a promise. But it must be backed up by performance.**

3.2. What is a Brand? ……contd.

- **There are a number of interpretations of the term brand (De Chernatony 2003).**
- **They are summarized as follows:**
  - **A brand is simply a logo**
    - **e.g. McDonald's Golden Arches.**
  - **A brand is a legal instrument, existing in a similar way to a patent or copyright.**
  - **A brand is a company**
    - **e.g. Coca-Cola.**
  - **A brand is a risk reducer. The brand reassures you when in unfamiliar territory.**
  - **A brand is positioning. It is situated in relation to other brands in the mind of the consumer as better, worse, quicker, slower, *etc.***

3.2. What is a Brand? ……contd.

- **A brand is a cluster of values**
  - **e.g. Google is reliable, ethical, invaluable, innovative and so on.**
- **A brand is a vision.**
  - **Here managers aspire to see a brand with a cluster of values.**
  - **In this context vision is similar to goal or mission.**
- **A brand is added value, where the consumer sees value in a brand over and above its competition**
  - **e.g. Audi over Volkswagen, and Volkswagen over Skoda - despite similarities.**

3.2. What is a Brand? .....contd.

- **A brand is a relationship**
  - **where the consumer reflects upon him or herself through the experience of consuming a product or service.**
- **A brand is an identity that includes all sorts of components; depending on the brand**
  - **e.g. Body Shop International encapsulates ethics, environmentalism and political beliefs.**
- **A brand is an image where the consumer perceives a brand as representing a particular reality**
  - **e.g. Stella Artois *Reassuring Expensive.***

What should be Branded?

The following Can Be Branded

1. **Physical Goods**
2. **Services**
3. **Retailers and Distributors**
4. **Online Products and Services**
5. **People and Organizations**
6. **Sports, Art and Entertainment**
7. **Geographic Locations**
8. **Ideas**

3.3.What is Branding?

3.3.What is Branding?

- **Branding is assembling of various marketing mix into a whole so as to give you an identity.**
  - **It is capturing your customers mind with your brand name.**
  - **It gives an image of an experienced, huge and reliable business.**
  - It **capturing the niche market for your product** and about **creating a confidence** in the current and prospective customers' minds **that you are the unique solution to their problem**.
  - It **forms customer perceptions** about the product.
  - It should **raise customer expectations** about the product.

3.3.What is Branding……contd.

- **Branding is**
  - **A process**
  - **A tool to position**
  - **A differentiation strategy**

3.3.What is Branding .....contd.

- **Branding is the process**
  - **by which a marketer tries to build long term relationship with the customers by learning their needs and wants so that the offering (brand) could satisfy their mutual aspirations.**

3.3.What is Branding ……contd.

- **Branding can be viewed as a tool to position**
  - A product with a **consistent image of quality** and **value** may ensure the development of a **recurring preference by the consumer.**
  - Commonly consumer's choice is influenced by many factors of which is a **brand name.**
  - Although there may be equally satisfying products, the **consumer when satisfied with some brand does not want to switch to another brand.**
  - Once a **customer has liked to a particular brand**, he tends to stay with it, unless there is a step **rise in the price** or **a visible better quality product** which timely the consumer to switch the brand.

3.3.What is Branding ……contd.

- **Branding can be used as a differentiation strategy**
  - **If the product cannot be easily distinguished** in **terms of tangible features**, which are perceived as a commodity (e.g. **cement**, **fertilizer**, **salt**, **potato chips** etc.)
  - In all such situations **marketers use branding as a differentiation strategy and try to develop and deliver customized products** and auxiliary services with tailor–made communications to match with the customer's self–image.
- **Branding *as strategy*** *to differentiate products and companies, and to build economic value for both the consumer and the brand owner. Pickton & Broderick (2001)*

3.3.What is Branding .....contd.

- The **aim of branding** is to
  - Convey **brand message vividly**,
  - Create **customer loyalty**,
  - Persuade the **buyer for the product**, and
  - Establish an **emotional connectivity** with the customers.

Brand Management

Brand Management

- **Brand management begins with having a thorough knowledge of the term “brand”.**
  - **It includes developing a promise, making that promise and maintaining it.**
  - **It means defining the brand, positioning the brand, and delivering the brand.**
- **Brand management is nothing but an art of creating and sustaining the brand.**
  - Branding **makes customers committed** to your business.
  - A strong **brand differentiates your products** from the competitors.
  - It gives a **quality image to your business.**

Brand Management…….contd.

- **Brand management includes managing the tangible and intangible characteristics of brand.**
  - **In case of physical product brands, the tangibles include the product itself, price, packaging, etc.**
  - **In case of service brands, the tangibles include the customers' experience.**
  - **The intangibles include emotional connections with the product / service.**

Brand Management…….contd.

- Perhaps the most **distinctive skill of professional marketers** is their ability to
  - **Create,**
  - **Maintain,**
  - **Enhance, and**
  - **Protect brands.**

Brand Management…….contd.

- **Strong brands** reduce customers' perceived **monetary, social** and **safety risks** in buying product.
  - The customers can ***better imagine the intangible goods with the help of brand name.***
  - Strong brand organizations ***have a high market share.***
  - The brand should be given good ***support so that it can sustain itself in long run.***
  - It is essential to manage all brands and build brand equity over a period of time.

Brand Management…….contd.

- **Here comes importance and usefulness of brand management.**
  - **Brand management helps in building a corporate image.**
  - **A brand manager has to oversee overall brand performance.**
  - **A successful brand can only be created if the brand management system is competent.**

Stakeholders of Branding?

Stakeholders of Branding

- **Branding** is the **business process of managing your trademark portfolio** so as
  - **to maximize the value of the experiences** associated with it,
  - **to the benefit of your key stakeholders**, especially current and prospective:
    - **Employees**
    - **Stock/share holders**
    - **Customers**
    - **Suppliers**
    - **Intermediaries**
    - **Opinion leaders**
    - **Local communities**
    - **Purchasers and licensees**

Stakeholders of Branding ……..contd.

- **Employees**
- **The more employees value your brands and understand what to do to build them,**
  - **the more your customers, suppliers, local communities and opinion leaders will value them.**
- **The more attractive your brands are to potential employees,**
  - **the more they are likely to want to work for you.**

Stakeholders of Branding ……..contd.

- **Customers**
  - **The more your customers value your brand, the more**
    - **They will buy your products and recommend them to other people.**
    - **They will also pay a premium for them and make the lives of your employees easier.**
  - **This, in turn, will enhance the value of your brands to prospective purchasers and licensees.**
    - **Research has shown that strong brands are more resistant to crises of reputation**

Stakeholders of Branding ……..contd.

- **Stock/share holders**
- **Strong brands**
  - **Multiply the asset value of your company** (90% of the asset value of some major corporations lies in their intellectual property), and
  - **Assure them that your company has a profitable future.**
  - Allow you to afford **to give competitive dividends** to your current stock/share holders.
- **Opinion leaders**
  - The **media, politicians** and **non-government** organizations are more respectful of strong brands

Stakeholders of Branding ……..contd.

- **Suppliers**
  - **Suppliers** like to be associated with strong brands as this **benefits their own reputation** in the eyes of other **current or potential customers.**
  - You are therefore likely **to get better service at a lower total acquisition cost.**
- **Intermediaries**
  - **Retailers, distributors** and **wholesalers** value strong brands as they **improve their own profit margins.**
  - They are likely to give you more **“air time”** and **shelf space,** thus enhancing further the value of your brands in the eyes of your current and prospective customers.

Stakeholders of Branding ……..contd.

- **Local communities**
  - **Supportive local authorities** can make your life easier in many ways, and offer you better deals, if you have prestigious brands.
  - Your local communities **provide you with your work force** and **can be highly disruptive** if they perceive you as damaging their environment
- **Purchasers and licensees**
  - **The question prospective purchasers** and licensees ask is ***"how much more profit can I get for my products and services sold under this brand than under any brand I might build?"***
  - **Strong brands can be spectacularly valuable.**

3.4.Types /Categories of Brands

A. Manufacturer Brand

B. Private/Dealer Brand

3.4.Types /Categories of Brands

A-Manufacturer Brand:

- **Owned by the producer** or service provider.
- **Held by large corporations** that sell multiple products or services affiliated with the brand.
- It is **initiated** and **owned** by producers
- Such as **Ford, Coca Cola, Toyota**
  - **85% food items**, **All autos**, **75% major appliances**,
  - Requires the producer to be involved in **distribution, promotion**, and **to some extent, pricing.**
  - **Brand loyalty** is encouraged by **quality**, **promotion** and **guarantees**.
  - **Producer tries to stimulate demand**, encouraging middlemen to make the product available (**PULL**)

3.4.Types /Categories of Brands.....contd.

- **Advantages of Manufacturer's Brands to retailers or wholesalers**
  - Can enhance retailer's image
  - Can carry lower inventory
  - Manufacture gets the blame for problems
- **Disadvantages (risks) of Manufacturer Brands retailers or wholesalers**
  - Lower margins

3.4.Types /Categories of Brands…….contd.

B. Private/ Dealer Brand

- **Created and owned by a reseller of a product, Called private labeling or reseller branding.**
- **Manufacturers not identified in the product.**
- **Helps retailers develop more efficient promotion, generate higher margins** and **increase store image.**
- **Work with retailers to design fashions.**
- **Use the brand name of a wholesaler or retailer.**
- **Middleman, Distributor or Store Brand**

- **Example: Die-Hard Batteries,**
  - **50% of Shoes, 33% Tire Market, 13% Food, 25% appliances.**

3.4.Types /Categories of Brands…….contd.

- **Advantages of Private Brands to Retailers or Wholesalers**
  - Higher gross margin,
  - Manufacturer can not discontinue,
  - Ties consumer to dealer,
  - Ties salespeople to dealer,
  - Dealer controls marketing mix,
- **Disadvantages of Private Brands to Retailers or Wholesalers**
  - Higher marketing costs,
  - Must buy in large quantities,
  - Dealer gets the blame for problems,
  - Risk of lower perceived quality,

3.4.Types /Categories of Brands.....contd.

- **Mixed Brand**
  - **Manufacturers or service providers may sell their offerings under their own brands, a dealer brand, or as a combination of the two types,**
  - **Mixed brand arrangement, parts of the goods are sold under the manufacturer's brand and another portion is sold under the dealer brand.**

3.8. Brand Elements

- Elements of a Brand
- Brand Element Choice Criteria

3.8. Brand Elements

- **Brand elements are devices, which can be trademarked, that identify & differentiate the brand.**
- **Most strong brands employ multiple brand elements.**
- **Nike**
  - **Has the distinctive “Swoosh” logo,**
  - **The empowering “Just do it” slogan, and**
  - **The “Nike” name from the Greek winged goddess of victory.**
- **Marketers should choose brand elements to build as much brand equity as possible.**

3.8. Brand Elements……contd.

3.8.1.Elements of a Brand

- **A brand logo consists of five distinct elements:**

1.Brand Name:

- (Castrol in Castrol Logo)

2.Geometric Shape:

- This includes non – copy visuals like Maruti, whirlpool, Star TV, Maggi and Nestle have.

3.Color:

- This is a necessary condition as the brand name also is in the colour and the latter is a necessary condition for a brand logo.

4.Slogan:

- Brand slogan in the brand logo is a rare observation. One such example is Britannia: Eat Healthy, think Better.

5.Font:

- All copy matter including the brand name has a specific font, e.g: Coca –Cola is always written in a particular manner.

Brand Element Choice Criteria

- Marketer's offensive strategy & brand building
  - Memorability
  - Meaningfulness
  - Likability
- Defensive role for leveraging & maintaining brand equity
  - Transferability
  - Adaptability
  - Protect ability

Brand Element Choice Criteria .....contd.

- **Memorability**
- **How easily do consumers recall and recognize the brand element**, and when—at both purchase and consumption?
- Brand elements should **inherently be memorable and attention-getting,** and therefore facilitate recall or recognition.
- **For example,**
  - *A brand of propane gas cylinders named Blue Rhino featuring a powder-blue animal mascot with a distinctive yellow flame is likely to stick in the minds of consumers.*
  - *Short names such as Tide, Crest, and Puffs are memorable brand elements*

Brand Element Choice Criteria .....contd.

- **Meaningfulness:**
  - **Is the brand element credible?**
  - **Does it suggest the corresponding category and a** product ingredient or the type of person who might use the brand?
- Brand elements may take on all kinds of meaning, with either descriptive or persuasive content.
- **Two particularly important criteria**
  - **General information** about the nature of the product category- this determine **brand awareness and salience**
  - **Specific information** about particular attributes and benefits of the brand- this determine **brand image and positioning.**
- Consider the inherent meaning in names such as Die Hard auto batteries, Mop & Glo floor wax, and Lean Cuisine low-calorie frozen entrees.

Brand Element Choice Criteria .....contd.

- **Likability:**
  - **How aesthetically appealing is the brand element?**
  - **Do customers find the brand element aesthetically appealing?**
  - Descriptive and persuasive elements reduce the burden on marketing communications to build awareness.
- ***A recent trend is for playful names*** that also offer a readily available URL, like
  - Flickr photo sharing,
  - Wakoopa social networking, and
  - Motorola's ROKR and
  - RAZR cell phones.

Brand Element Choice Criteria .....contd.

- **Transferability**:
  - **Can the brand element introduce new products in the same or different categories?**
  - **How useful is the brand element for line or category extensions?**
  - **Does it add to brand equity across geographic boundaries and market segments?**
- Although Amazon.com initially an online book seller, it was smart enough not to call itself “Books ‘R’Us.”
- The Amazon is famous as the world’s biggest river, and the name suggests the wide variety of goods that could be shipped, an important descriptor of the diverse range of products the company now sells.

Brand Element Choice Criteria .....contd.

- **Adaptability:**
- **How adaptable and updatable is the brand element?**
- The more **adaptable and flexible** the brand element, the easier it is to update it to changes in consumer values and opinions.
- **For example,**
  - Logos and characters can be given a new looking or a new design to make them appear more modern and relevant.
  - ***The face of Betty Crocker*** has received more than seven makeovers in 87 years, and she doesn't look a day over 35!

Brand Element Choice Criteria .....contd.

- **Protect ability:**
  - **How legally protectable is the brand element?**
  - **How competitively protectable?**
- Marketers should:
  - Choose brand elements that can be legally protected internationally.
  - Formally register chosen brand elements with the appropriate legal bodies.
  - Vigorously defend trademarks from unauthorized competitive infringement.
- Names that become synonymous with product categories—
  - such as Kleenex, Kitty Litter, Jell-O, Scotch Tape, Xerox, and Fiberglass—**should retain their trademark rights and not become generic.**

3.5.Brand Names

- Why to create a new brand name
- Characteristics of good brand names
- Types of brand name

3.5.Brand Names

- **Brand Names**
  - **Have you ever thought of why your parents gave you a name?**

    Or
  - If you and your **brother never had a name.**
  - **How difficult it would have been for the teacher to call you when you don't have any name.**
- **Same is the case with the products.**
  - **If you go to the market to purchase soap how would you let the shopkeeper know that you need Pears or Lux had their parent companies not named them, as both are soaps?**

3.5.Brand Names……contd.

- **A Brand Name**
  - **summarizes various relevant and irrelevant aspects as well as copy, audio and visual aspects of a product, which a human being can sense.**
- **It provides an identity beyond doubt.**
- **And identity differentiates.**
- Since branding is a concept that exists to create identifiable differentiation, **the brand name becomes a key marketing tool.**

3.5.1.Why to Create a New Brand Name

- The **brand name** puts a face on every company.
  - Names like **McDonald's, Amazon.com, GM, Apple, Intel,** and a host of others.
- They've also given consumers **a point of reference** when thinking about a company**.**
  - Companies often **spend millions of dollars** coming up with their names.
  - They **hire experts, conduct research**, and **test the market** before making a decision.
- In this way, **by understanding the basic ideas behind name generation,** you might be able to avoid these excessive costs -and bring your company greater prosperity.

3.5.2-Characteristics of Good Brand Names?

- Firms usually don’t have a lot of time to inform customers about their name.
- So **skillful firms create names** that are easy to **learn** and **remember.**

- What makes a brand name easy to learn and remember?

1. **It is sufficiently different to attract attention**.
   - Would your firm’s name attract your attention if you saw it the first time?
2. **The name evokes interest**.
   - Rhymes and humor are some ways to gain interest, but there are others as well. Think about your target audience and what would interest them.

3.5.2-Characteristics of Good Brand Names?

1. **The name elicits a picture or image.**
   - ***Names that do this are "dual coded," in the sense that people remember them most because the name is stored in pictures and words.***
2. **The name is meaningful.**
   - **This is hard to do when you use a nonsense word for a name. It can be overcome with lots of advertising, but names that are inherently more meaningful to customers are more readily stored in memory. More important, the name should have associations that are meaningful to customers in that they convey the benefits that customers want.**
3. **The name has some emotion.**
   - **Emotional associations are easier to learn and remember.**
4. **The name is simple.**
   - **Simple names are easier to learn and remember than complicated names.**

3.5.2-Characteristics of Good Brand Names?

- **Any brand name is a source of value to the company.**
- **It carries symbolic meaning at times, for the customer and anyone it interacts with.**
- **A Bennetton T-Shirt without the brand name/ brand slogan printed on it would be a mere commodity.**
- **Or we can say a brand name is :**
  - **The basic core indicator of the brand**
  - **The basis for awareness**
  - **The basis for communication effects**
  - **The basis for sales measurement**

3.5.3.Types of Brand Name

- Brand names can be grouped into three types of names:

1. **Descriptive brand name**:
   - A descriptive brand name such as ***Handy Plast*** is simple and direct.
2. **Suggestive brand name:**
   - Suggestive brand names like ***Denim*** often communicated some appropriate message about the product in a subtle manner.
3. **Freestanding brand name:**
   - A freestanding brand name like ***Kodak*** conveys less or no information immediately to the consumer.

3.6.Benefits of Branding

- To Buyer/ Consumers
- To Seller/ Manufacturer

- **To Buyer/ For consumers**
  - Help buyers **identify the product** that they like/dislike.
  - **Identify marketer**
  - Helps **reduce the time needed** for purchase.
  - Helps buyers **evaluate quality of products** especially if unable to judge a products characteristics.
  - Helps **reduce buyers perceived risk of purchase**.
  - Buyer may derive a **psychological reward from owning the brand**, IE Rolex or Mercedes.

- **Identification of source of product**
- **Assignment of responsibility to product maker**
- **Risk reducer**
- **Search cost reducer**
- **Promise, bond, or pact with maker of product**
- **Symbolic device**
- **Signal of quality**

- **To Seller/ Manufacturer**
  - **Differentiate product offering from competitors**
  - **Helps segment market by creating tailored images**
  - Brand identifies the company's products making repeat purchases easier for customers.
  - **Reduce price comparisons**
  - **Brand helps firm introduce a new product** that carries the name of one or more of its existing products...half as much as using a new brand, lower co. designs, advertising and promotional costs. EXAMPLE, Gummy Savers
  - **Easier cooperation with intermediaries** with well known brands

- **Facilitates promotional efforts.**
- **Helps foster brand loyalty** helping to stabilize market share.
- **Firms *may* be able to charge a premium for the brand.**
- **Means of identification to simplify handling or tracing**
- **Means of legally protecting unique features**
- **Signal of quality level to satisfied customers**
- **Means of endowing products with unique associations**
- **Source of competitive advantage**
- **Source of financial returns**

3.7.Benefits of a Strong Brand

TABLE 9.4 The World's 10 Most Valuable Brands in 2009

Rank	Brand	2009 Brand Value (Billions)
1	Coca-Cola	$68.7
2	IBM	$60.2
3	Microsoft	$56.6
4	GE	$47.8
5	Nokia	$34.9
6	McDonald's	$32.3
7	Google	$32.0
8	Toyota	$31.3
9	Intel	$30.6
10	Disney	$28.4

Source: Interbrand. Used with permission.

- **A strong brand commands intense consumer loyalty**—at its heart is a great product or service.
- *Established brands such as **Mercedes**, **Sony**, and **Nike** have commanded a price premium and elicited deep customer loyalty through the years.*
- *Newer brands such as **POM Wonderful, SanDisk**, and **Zappos** have captured the imagination of consumers and the interest of the financial community alike.*

3.7.The Benefits of a Strong Brand

- **Influences the buying decision** and **shapes the ownership experience.**
- **Creates trust** and **an emotional attachment** to your product or company.
  - ***This attachment then causes your market to make decisions based, at least in part, upon emotion—not necessarily just for logical or intellectual reasons.***
- **Command a premium price** and **maximize the number of units that can be sold at that premium**.
- **Branding builds name recognition for your company or product.**

- **Branding helps make purchasing decisions easier.**
  - In this way, branding delivers a very important benefit. In a commodity market where features and benefits are virtually indistinguishable, a strong brand will help your customers trust you and create a set of expectations about your products without even knowing the specifics of product features.
- **Branding will help you "fence off" your customers from the competition and protect your market share while building mind share.**
  - Once you have mind share, your customers will automatically think of you first when they think of your product category.

- **A brand is something that nobody can take away from you.**
  - Competitors may be able to copy your products, your patents will someday expire, trade secrets will leak to the competition, your proprietary manufacturing plant will eventually become obsolete, but your brand will live on and continue to be uniquely yours. In fact, a strong brand name may be your most valuable asset. Brands help people connect with one another.
- **Have you ever witnessed the obvious bond between people using the same brand of product?**
  - If a person wearing a Benetton T-shirt finds another person wearing a Benetton product, she will have instant rapport with her and immediately begin talking about their experiences with the brand. How is it that we can feel such a connection with complete strangers? The answer lies in the psychological connection people have with a particular brand.

- **A strong brand can make actual product features virtually insignificant.**
  - A solid branding strategy communicates a strong, consistent message about the value of your company. A strong brand helps you sell value and the intangibles that surround your products.
- **A strong brand signals that you want to build customer loyalty, not just sell product.**
  - A strong branding campaign will also signal that you are serious about marketing and that you intend to be around for a while. A brand impresses your firm's identity upon potential customers, not necessarily to capture an immediate sale but rather to build a lasting impression of you and your products.
- **A brand will help you articulate your company's values and explain why you are competing in your market.**

3.9.Historical Development

3.9. Historical Development

- **Brands have been used since ancient times.**
- For example,
  - **To mark livestock**, singular designs were burned into animals' skin to identify the owner.
  - **Egyptian brick makers** used brands to identify their own bricks, and brands were later utilized to identify craftsmen's wares.
  - **A potter,** would mark his pots by putting his thumbprint or some other personal tag on the wet clay at the bottom of a vase or pot.
  - **Silver smiths** would brand their pieces with marks or initials.
- **The value of craftsmen's wares** soon became **associated with their brands,**
  - **as consumers quickly learned to associate varying degrees of quality with the marked goods.**

- At least one source traces the **roots of present branding techniques** to **16th C** whiskey distillers, **who burned their names into the tops of their whiskey barrels.**
- It is only since the mid of **19th C** that has **branding evolved into an advanced marketing tool.**
- The **industrial revolution & new communications systems** made it easier for companies **to advertise brands over larger regions.**
- Most importantly, **improved modes of transporting goods emerged.**
- Manufacturers transported merchandise by ship prior to the late **19th C**.

- As a result, **large scale commercial branding was generally limited to regions** served by particular ports and companies near to those shipping points.
- The **development of the railroad system** during the **late 19th C** , in **USA** and **other industrialized** world, gradually diminished the transportation constraint.
- **As manufacturers gained access to national markets,** numerous **brand names were born** that would achieve **legendary U.S.** and **global status.**

- **Procter & Gamble, Kraft, Heinz, Coca-Cola, Kodak,** and **Sears** were a few of the initial brands that become **common household names** by the **mid-20th C**.
- At least four important evolutionary changes occurred to direct those brands, and the entire branding concept for that matter, **into the forefront of modern advertising strategy:**
  - The internal combustion engine made possible the distribution of products into more remote areas;
  - Branding became a tool used to distinguish nearly homogenous goods, such as eggs or bananas;
  - Legal systems were devised to recognize and protect brand names; and
  - Branding strategies were extended to encompass services, such as car repair.

- An exemplary illustration of the evolution of branding is **Guinness,** an **English beer**.
- Started in **1750 by Arthur Guinness (1725-1803),** the beer gained only local favor in a small region of the **UK** before the **20th C**.
- **Improved shipping and distribution technologies**
  - Allowed guinness to become one of the most recognized and successful brands in the world by the 1980s, with distribution and manufacturing operations throughout the globe.

- A more popular early example of branding in the United States is Coca-Cola, which dates back to the 1880s.
- As a result of the technological factors discussed above, Coke achieved unsurpassed brand recognition through its name and the (legally protected) shape of its soft drink bottle.

3.10. Product vs. Brand

Product	Brand
A product is something that is made in a factory.	A brand is something that is bought by a customer
A product can be copied by a competitor.	A brand is unique
A product can be quickly outdated.	A successful brand is timeless.

end