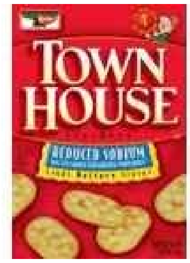
BRANDING

What is Branding?

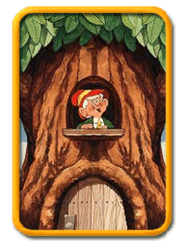
Identifying products and distinguish them from competitor's products.



Names

Keebler is a **TRADE NAME** – the name that identifies a company or organization; *Town House Classic Crackers* is a **BRAND NAME** – the part of a brand that can be spoken, such as a word, phrase, letter, number, or any combination thereof.

In some cases, the trade name and brand name are the same, such as with *Hershey* – Hershey is the name of the company and the name associated with many of the company's products.

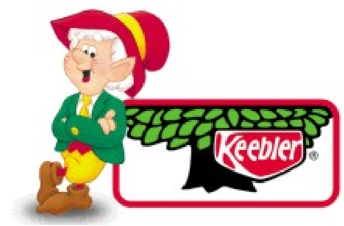


Symbols/Designs/Brand Marks

The hollow tree is the symbol for Keebler – it cannot be spoken but identifies the brand.

Trade Characters

The *Keebler Elves* personify the Keebler brand.



What is Branding?

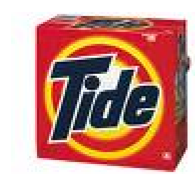
Branding is an ongoing decision-making process about the use of brands.

Brands begin with the business's decision about whether a brand will be used. This process continues throughout the existence of the brand. Each business will follow its own particular sequence of steps based on the organization, its needs, and objectives.

Characteristics of a Good Brand Name

1. The name should describe the product's benefits and use(s). The name should convey what the product does for the consumer or how it works.

   EXAMPLE: The name Jiffy Lube gives consumers the impression that their motor oil will be changed quickly, which benefits them by saving time.

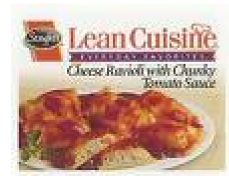


2. The name should be easy to read, pronounce, and remember and should make the product easy to recognize. Effective names are often brief

   EXAMPLES: Joy, Raid, Tide

3. The name should create images which are appealing and desirable to consumers. It should make people want to buy the product.

   EXAMPLE: Lean Cuisine is an appealing brand name to consumers who are seeking a low-calorie, high-quality meal.



4. The name should be distinctive and should set the product apart from other products by not being too common or too similar to those used by competitors. It should be appropriate and even clever, if possible.

   EXAMPLE: "A Touch of Butter"

5. The name should be adaptable to multinational marketing. The name needs to be easy to pronounce in all countries where the product will be marketed.

   EXAMPLE: Kodak and Exxon are easy to pronounce by people who speak other languages.

6. The name should be adaptable to the passage of time. A successful brand name should not be associated with a specific period of time.

   EXAMPLES: Arrow Shirts and A-1 Sauce are brand names created before 1900, yet their names are not dated; rather, they are neutral and have with stood the test of time.

7. The name should be legally available for use. The firm needs to make sure the brand name is not the property of another company. It is illegal to use another company's brand name. Companies need to avoid choosing names that are identical or confusingly similar to the names of other products.

8. The name should be appropriate for packaging and advertising. Often there are space limitations in media and on product labels, so the brand name should not be too long. Since brief names allow better spacing on a billboard, can or box, they are more graphically pleasing and therefore more noticeable.

Some brand names are exceptions.

EXAMPLE: Hyundai

- Difficult to read and to pronounce
- Doesn't describe the product's benefits
- Doesn't create a particular image.
- It is distinctive and has proved to be very effective in raising consumer awareness, thereby increasing sales.

Why Brand?

Without brands, consumers couldn't tell one product from another, and advertising would be nearly impossible.

Role of Branding

Brands offer instant recognition and identification. They promise consistent, reliable standards of quality, taste, size, or psychological satisfaction. Brands must be built on differences in images, meanings and associations. Manufacturers must differentiate their products and deliver value competitively.

Advantages of Branding

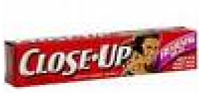
For the consumer branding reduces shopping time. For the advertiser branding builds *brand equity.* It represents the totality of what consumers, distributors, dealers, and competitors feel and think about the brand over an extended period of time. Branding offers customer loyalty, price inelasticity, and long-term profits to the marketer.

Deciding Whether or Not to Brand

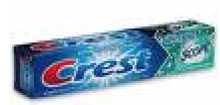
Since branding is an expensive process, companies must make sure that their investment will be worth the effort. This involves researching, developing, and marketing. **New brands can cost $20 to $50 million**.

Use of Brands

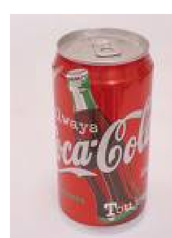
Brands offer instant recognition and identification. Familiar, memorable brand names encourage purchases. People are more apt to purchase brands whose names are clever and attention-getting, or which are brief and easy to remember. Brands are assets to the companies that own them.



EXAMPLE: We know by the brand name on the label that the tube of toothpaste we've picked up is "Close Up" rather than "Crest."



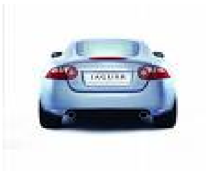
Brands promise consistent, reliable standards of quality, taste, size, or psychological satisfaction. Consumers believe any new products sold under the same brand will have the same quality. The brand adds value to these products. Consumers associate brands with a certain price level, performance, or sense of comfort .



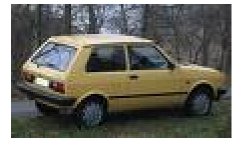
EXAMPLE: Consumers expect one can of Coke to be basically the same as all the others on the shelf.

Brands make buying easier for consumers. Consumers usually buy brands with which they are familiar. This saves them a lot of time and effort because they don't have to examine every available product.

Brands must be built on differences in images, meanings, and associations. When consumers feel good about brands, they buy them.



EXAMPLE: Compare your feelings about a Jaguar with your feelings about a Yugo



Brands benefit the business. Successful brands help create and reinforce a positive company image.

EXAMPLE: Think about how closely we associate IBM personal computers with a strong, positive, company image. This has strengthened IBM's position in the marketplace.

Stages of Brand Loyalty

1. **Brand Recognition** -- occurs when a new brand is introduced and becomes recognized by consumers. People are made aware of the brand through promotional media and the distribution of coupons or free samples.

2. **Brand Preference** -- Occurs after the brand has been purchased, and consumers are satisfied with it. During this stage, consumers prefer to purchase a brand based on their positive experience with that brand. If the brand is not available, the consumer will purchase another brand.

3. **Brand Insistence** -- During this stage, consumers insist upon using "their" brand and will not accept a substitute. Most brands do not make it to this stage.

Businesses Benefit from Brand Loyalty

This is evidence by repeat sales and pre-sold items. When consumers get into the habit of buying certain brands, they automatically buy them again, thereby reducing the amount of time needed to make a sale. The obvious goal of all marketers is to build a high degree of loyalty for their brands.

Problems with Brands

- The number of brands can be confusing and overwhelming.
- There are too many similar brands on the market.
- Brands may be priced higher than unbranded products.
- Brands can be harmful to a company.
- An unsuccessful brand can harm a company's image and/or sales.
- Consumers may associate a failing brand with other brands owned by the same company.
- May view the company in a negative way.

- May lose confidence in the company.
- May resist buying any of the company's brands in the future.
- Brand name may be different from the trade name.

EXAMPLE: Buick is a brand name owned by a company whose trade name is General Motors.

- Brands are expensive to develop, package, and promote. These costs are passed on to the consumer in higher retail prices.
- Some people believe that branding contributes to materialism in society. Materialism is an attitude that places a lot of importance on the things people own. Consumers' efforts to purchase brands that will enhance their status is, therefore, said to contribute to materialism.

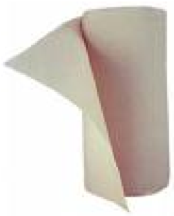
Deciding What Category Of Brands To Use

Some of the questions the business might ask include:

- Can the product be easily identified by a brand?
- Branding doesn't work well for products that are too much like other products
- Are their funds to promote the brand?
- Will the brand be profitable?
- Does the firm have the necessary personnel?

When the answers to these questions are negative, the business may choose to sell the product without a brand. **Generic items are unbranded products** that are plainly packaged.

EXAMPLES: paper towels & bulk foods

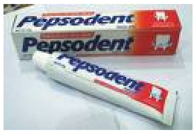


Types of Brands

1. Individual Brands

Individual brands assign a unique name to each product a manufacturer produces. Companies designate distinct target markets for each product and develop a separate image for each brand. They are very costly.

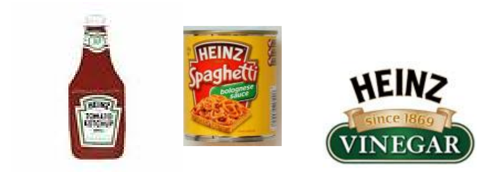
Example: Unilever markets its toothpastes individually as Aim, Pepsodent, and Close-Up.



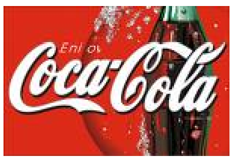
2. **Family Brands**

Family brands market various products under the same umbrella name. It is cost effective, but a bad product line can hurt the whole family.

Example: Heinz promotes its ketchup in hopes that consumers will buy its other products.



3.	**National (or Manufacturer's) Brands**



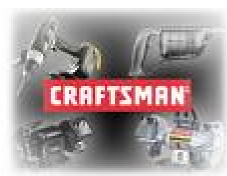
Product brands are marketed in several regions of the country. They are expensive for manufacturers to market.

Example: Coca-Cola

4.	**Private Labels**

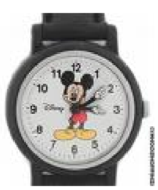
Private Labels are personalized brands applied by distributors or dealers to products supplied by manufactures. They are typically sold at lower prices in large retail chain stores, such as Sears, K-Mart, Wal-Mart.

Example: Kenmore, Craftsman, Western Family



5.	**Licensed Brands**

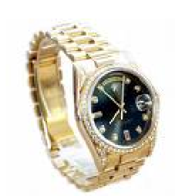
Licensed brands are brand names that other companies can buy the right to use.



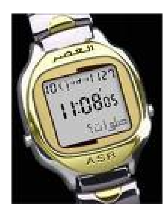
Example: Coca-Cola clothing, Porsche sunglasses, Mickey Mouse watches.

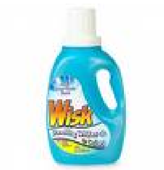
Brand Strategies & Positioning

Brand strategies are the actions a business take with a brand in order to accomplish its goals. Effective use of brand strategies helps to make brands more successful. Brand owners must evaluate their brand strategies in order to determine whether the strategies are correct, require adjustment, or need to be changed altogether. The marketer then sets out to create the image appropriate to the brand's position.

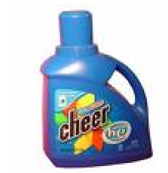


Brand positioning is defined as the way consumers see the brand as compared to competitive brands. It is often based on the product's quality, with the highest degree of excellence in its category (e.g., Rolex watch), or moderate quality (e.g., Timex watch). A marketer's goal in considering brand positioning is to try to establish the POINT OF DIFFERENCE --- the factor that separates the brand form its competition.





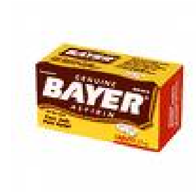
Example: Lever Brothers positions Wisk as a tough-stain remover, and Proctor & Gamble positioned Cheer as a detergent that cleans in hot or cold water.



Brand Repositioning

Brand repositioning is the re-evaluating the brand's characteristics, quality, and benefits, and making necessary changes in order to change the way in which consumers see the brand. As a brand matures, the business needs to update it. It is often necessary to make physical changes to modernize a brand. By updating the brand, the business can make the brand more appealing to the consumer and increase brand sales.

EXAMPLE: Aspirin from pain reliever to heart attack prevention.



Packaging

Packaging can determine the outcome of retail shelf competition.
Package should be exciting, appealing, and functional.

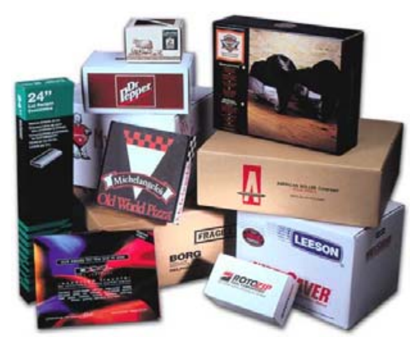
Considerations in package design include:

- Identification
- Unique combination of trade name, trademark, or trade character, reinforced by package design, quickly identifies the product's brand and differentiates it from competitors.
- Packages must offer high visibility and legibility.
- Package quality largely determines consumer's perception of the product's quality.

Containment, Protection, and Convenience

- Basic purpose of packaging is to hold and protect the product and make it easy to use.
- Packages must adhere to legal protection requirements.
- Packages should be easy to stack and display (for retailers) and easy to carry, open, and store (for consumers).

Consumer Appeal



- Results from size, color, material, and shape of packaging; environmental awareness.
- Economy.
- Cost of identification, protection, convenience, and consumer appeal add to basic production costs.