

# **Building the Brand**

# Learning Objectives

- Explain the importance of building a successful brand.
- Describe the relevance of brand equity for marketers.
- Compare some common strategies for developing brands.
- Summarize the impact of packaging on brand building.
- Summarize the impact of social media on brand management.
- Discuss the major branding challenges facing global marketers.
- Explain the role of branding in nonprofit organizations.

# Executive Perspective

T.J. Thompson

*Brand Manager*

*Valley View Agri-Systems*



Photo provided by T.J. Thompson

- His success: He strives to be true to his values. It has allowed him to earn respect and build relationships.
- His advice: Focus on people.
- Marketing: Marketing is everything. Marketing methods inform those decisions daily.
- His brand: He is different. He strives to be authentic. Some of his brand elements are his desire to be an outstanding husband, father, son, family member, and friend; and his desire to connect with and serve people.

# Branding 1

A brand identifies and differentiates a firm's products.

- Brand loyalty contributes to a firm's long-term success and profitability.
- Brand recognition—consumers often grow attached to certain brand logos and symbols.
  - Firms like Nike and McDonald's employ brand marks —the swoosh or golden arches.

# Brand Recognition

Gap learned how attached consumers can become to a brand mark when it tried to replace its logo (on the left) with a modified version (on the right) to represent the company's modern edge.



© Jean Francois Frey/Newscom

# Branding 2

## Developing Your Personal Brand

- Brand image signifies what the brand presently stands for in the minds of others.

## Components of a Successful Brand

- Deliver a product that provides value.
- Create a consistent brand image.
- Create consistent brand messaging.
- Capture feedback.

# Building a Brand Image



Chick Fil-A has had numerous billboards and commercials featuring cows, but each drives home the same message encouraging customers to "Eat More Chikin".

# Brand Equity 1

Brand equity increases likelihood of consumers purchasing the firm's brand over a competing brand.

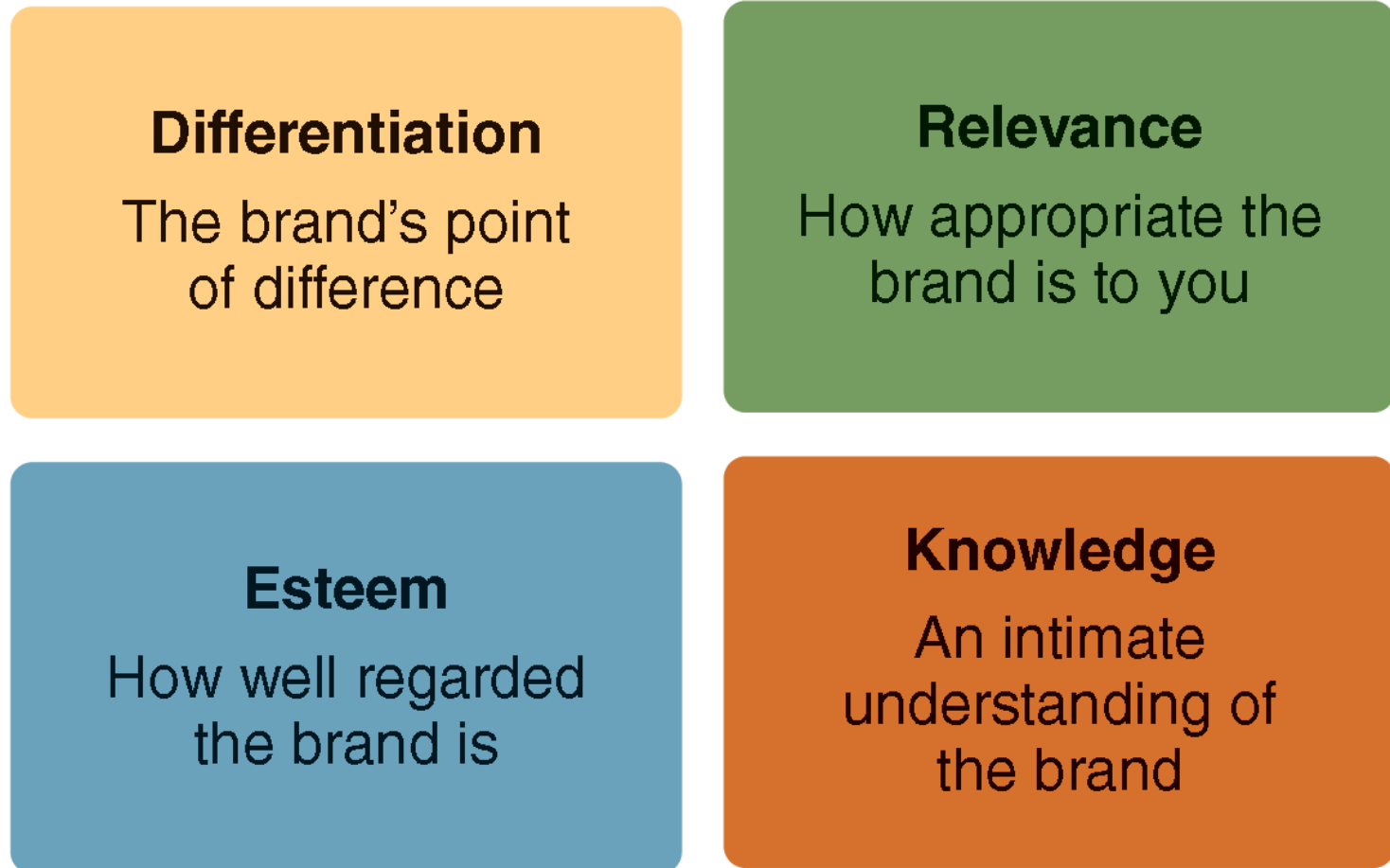
- Based on four dimensions: differentiation, relevance, esteem, and knowledge.

## Benefits

- Increases firm's ability to succeed in a difficult competitive environment.
- Facilitates a brand's expansion into new markets.
- Contributes to positive perceptions of product quality.



# Figure 14.1 The Four Dimensions of the BrandAsset Valuator



Source: Y&R, "Y&R BrandAsset Valuator," n.d., <http://young-rubicam.de/tools-wissen/tools/brandasset-valuator/?lang=en>.

[Jump to Appendix 1 long image description](#)

# Brand Equity Provides Benefits

IBM has been ranked near the top of a list of firms with the highest brand equity and sees many benefits as a result, including the ability to succeed in a competitive industry like technology.



Barone Firenze/Shutterstock

# Brand Equity 2

## Measuring Brand Equity

- Qualitative methods
  - Free association
  - Projective techniques
- Quantitative methods
  - Brand recognition
  - Brand recall
  - Customer lifetime value (CLV)

*CLV = Average value of a sale times number of repeat transactions times average retention time in months or years for a typical customer*



# Measuring Brand Equity

Companies like Taco Bell can measure their brand equity using free association or projective techniques. Consider for a moment what comes to your mind when you hear the name *Taco Bell*.



© Stan Rohrer/Alamy

# Brand Strategies 1

## Brand Extension

- Profit from recognition and acceptance a brand already has within a different product category.
  - Meet customer expectations.
  - Avoid cannibalization.

## Brand Revitalization

- Rebranding to rebuild trust with customers.
  - BP after the Deepwater Horizon oil spill; Toyota's “Moving Forward” campaign after recall.

# Brand Extension



Christopher Kerrigan/McGraw-Hill Education

Dove used a brand extension strategy to leverage its reputation for quality into new product categories, including hair care, lotion, deodorant, and others.



Krys Bailey/Alamy Stock Photo

# Brand Strategies 2

## Co-Branding

- Leverage the equity of another firm's brand to increase own brand equity.

## Private-Label Brands (store brands)

- Lower-cost alternatives to manufacturer brands.
  - Walgreens' aspirin costs up to 50 percent less than Bayer.
  - Simple packaging signals value.
- Targets Millennials.

# Co-Branding Strategies



©Vince Talotta/Toronto Star/Getty Images

A co-branding strategy, such as that pursued by Tim Hortons and Cold Stone Creamery, aims to leverage the strengths of two complementary brands to generate new revenue and profit sources for both companies.



# Table 14.1 Examples of Private-Label-Branded Grocery Products

## ■ Gourmet / Premium

- Sam's Choice (Walmart)
- Marketside (Walmart)
- Gold Emblem (CVS)
- Archer Farms (Target)



## ■ Environmentally Conscious

- Bright Green (Safeway)
- Earth Essentials (CVS)
- Greenwise (Publix)



## ■ Organic / Healthy Eating

- O Organics (Safeway)
- Eating Right (Safeway)
- Simple Truth (Kroger)
- Simply Balanced (Target)
- Central Market (H-E-B)



## ■ Pet

- 'Ol Roy (Walmart)
- Pet Pride (Kroger)
- Pet Central (CVS)



## ■ Exclusive/Licensed

- Urbini (Walmart)
- Better Homes & Gardens (Walmart)
- Persil (Walmart/Henkel)
- Circa (Walgreens/Eva Mendes)
- Nuance (CVS/Salma Hayek)
- C9 (Target/Champion)



## ■ Value

- P\$ST (Kroger)
- Shoppers Value (SUPERVALU)



Source: <https://markettrack.com>.

[Jump to Appendix 2 long image description](#)

# Packaging

## Packaging

- Promoting brand image
  - Customer contact that firms can directly control.
- Reinforcing brand image
  - Growing number of *green motivated* consumers.
  - Engaging and persuasive marketing tool.



© Elise Amendola/AP Images

The simple elegance of Tiffany's packaging is reminiscent of the luxury of the brand's physical store and reminds consumers of their in-store experience.

# The Role of Social Media in Branding 1

## Customer Engagement through Social Media

- Consumers seeking discounts.
- Posts that showcase new products and services.
- Posts that teach something.
- Branding through customer service.
  - Social media facilitate the speed and efficiency with which firms can respond to customer service issues.
  - Social media also raise expectations customers have for how quickly problems are resolved.

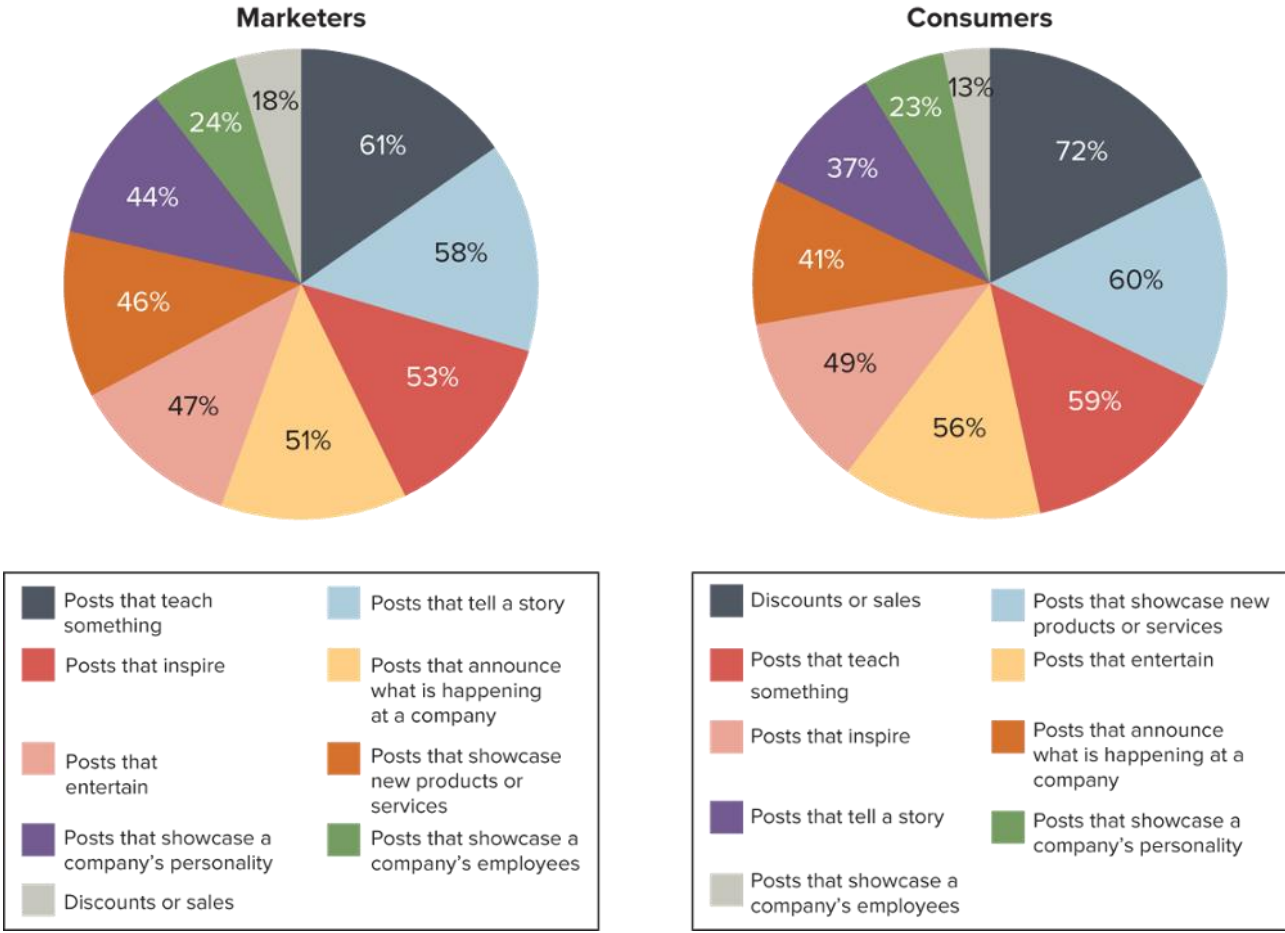
# Customer Engagement

Jell-O engaged consumers with its brand by installing a billboard that analyzes the number of happy and sad emoticons used on Twitter at any given time.



© Andrew Burton/Getty Images News/Getty Images

# Figure 14.2 Primary Reasons Consumers Connect with Brands via Social Media

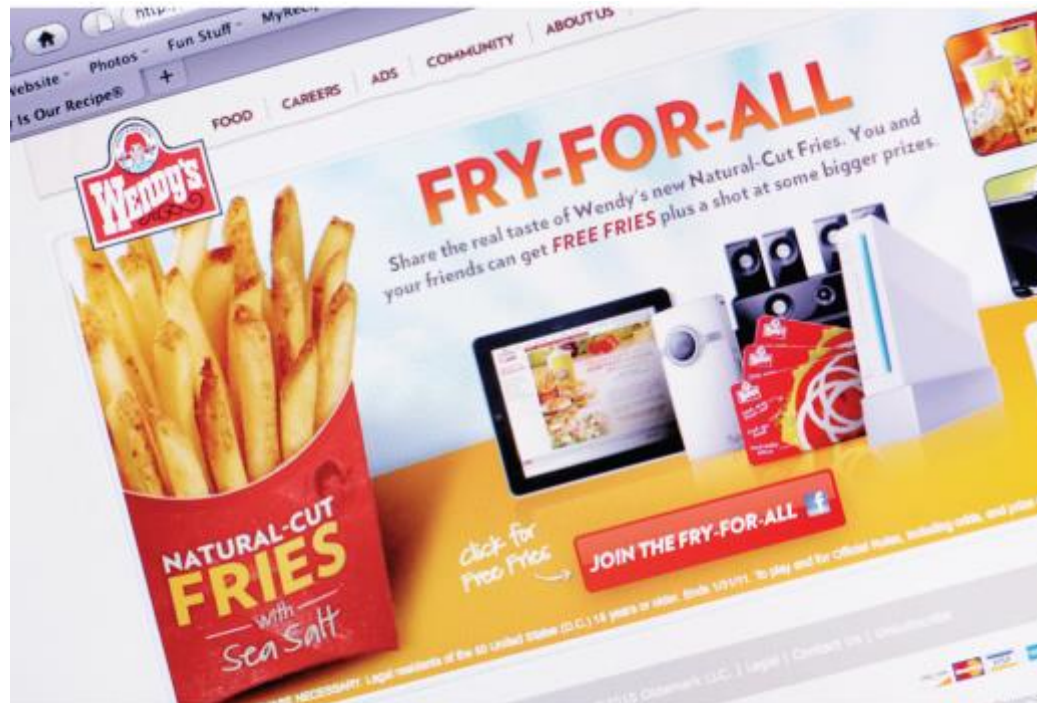


Source: Eric Siu, "The Changing Position of Social Media in 2019: What Does It Mean for Marketers?," *Impact*, September 3, 2018, <https://www.impactbnd.com/blog/changing-position-of-social-media-in-2018-marketers>.

[Jump to Appendix 3 long image description](#)

# Social Media and Customer Savings

Companies like Macy's, Old Navy, and Wendy's offer discounts to consumers on Facebook and other social media sites. While customers benefit from the bargains, the companies benefit from the online endorsement they receive when customers redeem the discount.



© Newsies Media/Alamy Stock Photo

# Using Social Media to Inform



© Elise Amendola/AP Images

Videos posted to social media sites demonstrating the ease with which Kryptonite bike locks could be opened with a pen prompted Kryptonite to redesign its product.

# The Role of Social Media in Branding 2

## Social Media Branding Goals

- Allows firm to develop deeper relationships with customers.
- Generates positive word-of-mouth communication across social networks.
- Oreo has developed a robust online following and interacts regularly with followers through a variety of social media platforms.



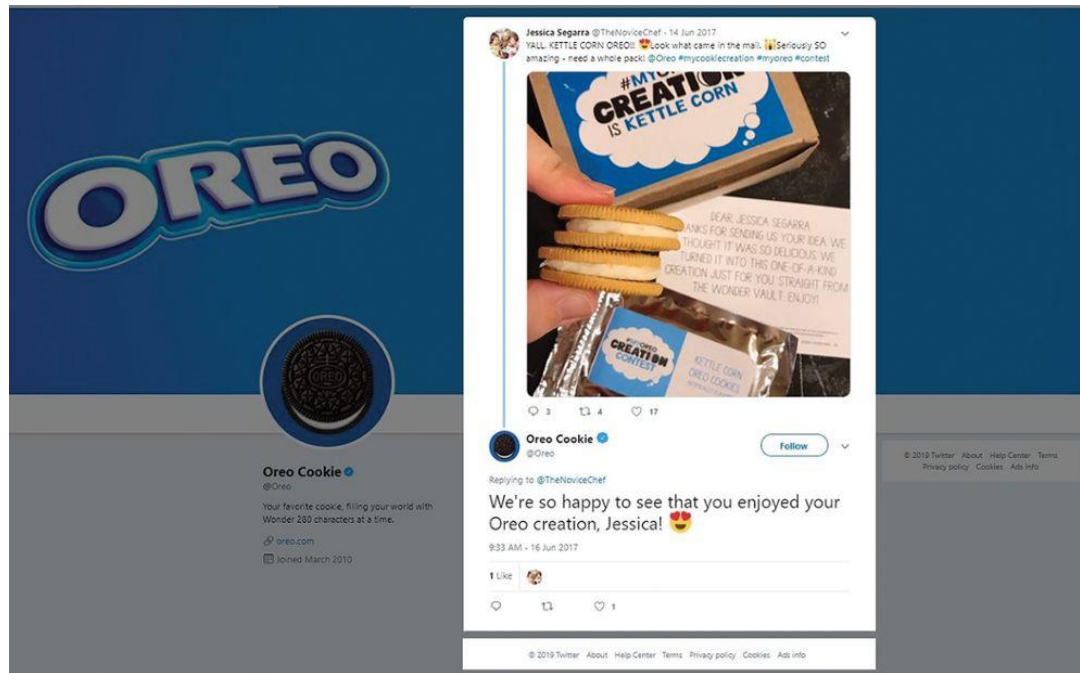
# The Role of Social Media in Branding 3

## Monitoring a Social Brand

- To recognize potential threats to brand equity quickly and develop solutions.
- Common tools:
  - Google alerts.
  - Social mention.
  - UTM parameters.
  - Hootsuite Impact.

# Monitoring Social Media Activity

Social Mention, which monitors multiple social media sites, is one of various tools firms can use to measure social media activity that affects their product, brand, or industry.



The Oreo's team responds to a fan on Twitter. Oreo is consistently producing relevant content on its social media platforms.

# Global Branding 1

Importance of global brands.

## The Global Strength of U.S. Brands

- Enhanced marketing value of U.S. brands.
- All U.S. companies benefit from U.S. tech companies.
  - Apple, Facebook, Google.
- Middle-class consumers in developing countries desire American-sounding brand names.
  - China, India, Brazil, Russia.



# Table 14.2 The Top 10 Most Valuable Global Brands

1. Apple	6. Samsung
2. Google	7. Toyota
3. Amazon	8. Mercedes-Benz
4. Microsoft	9. Facebook
5. Coca-Cola	10. McDonald's

Source: Interbrand, "Best Global Brands 2018 Rankings," <https://www.interbrand.com/best-brands/best-global-brands/2018/ranking/>.

# Global Branding 2

## Adapting Brands to the Global Market

- Finding balance between being global and being local.
- Many companies adopting a more unified branding approach.
- Appeal to local culture through packaging.
  - Mayo sold as 2-pound bags in Chile.
- Common U.S. mistake is grouping nations.

# Luxury Brands Succeed Globally

Gucci, Chanel, and other luxury brands typically succeed in countries like Japan in which customers accept, and sometimes prefer, foreign brands that project a particular self-image.



© Wei yao/Imaginechina/AP Images

# Today's Professional

Justin Shaw

*Marketing Manager*

*FedEx Services*



Photo provided by Justin Shaw

- His job: Responsibilities across three lines of marketing priorities: marketing alliances, marketing relationship with major credit card providers, and customer journey management.
- Landing the job: Started in a Marketing Scholars program, where he rotated through five departments within marketing.
- His success: His willingness to continuously learn and his ability to cultivate and nurture relationships with coworkers.
- His advice: Never stop learning and never have regrets.
- His brand: Loyalty, passion, and driven determination.

# Branding for Nonprofit Organizations 1

## Nonprofits

- Complex missions that are hard to achieve, difficult to measure directly, and require a number of partners.
- Complexity of goals and audience makes branding more critical. Must be:
  - Unique.
  - Pleasing to eye and ear.
  - Easy to remember.
  - Reflective of organization's work.



# Brand Marks Give Nonprofits Recognition



© Evaristo Sa/AFP/Getty Images

The World Wildlife Fund has worked hard to ensure that its panda brand mark reflects the work the organization does in conservation, climate change, and species protection.

# Branding for Nonprofit Organizations 2

## Nonprofit Brand Equity

- Use the value stakeholders associate with the organization to raise funds and support its needs.

## Measuring Nonprofit Brand Equity

- Do not have resources to enhance brand image through expensive ad campaigns or sponsorships—use social media as low-cost alternative.

# Table 14.3 The Most Valuable Nonprofit Brands

Category	Most Valuable Nonprofit Brand
Youth interest	Reading Is Fundamental (RIF)
Animal welfare	Best Friends Animal Society
Health	St. Jude Children's Research Hospital
Social service	Ronald McDonald House Charities
Disability	Autism Society of America
International aid	Food for the Poor
Environmental	National Wildlife Federation

Source: Harris Interactive, "2018 Harris Poll Non-Profit EquiTrend," April 25, 2018, <https://theharrispoll.com/the-harris-poll-announces-this-years-brands-of-the-year-in-the-2018-equitrend-study/>.