

LO 14-1

BRANDING

Explain the importance of building a successful brand.

brand

The name, term, symbol, design, or any combination of these that identifies and differentiates a firm's products.

brand loyalty

A consumer's steadfast allegiance to a brand, as evidenced by repeated purchases.

brand recognition

The degree to which customers can identify the brand under a variety of circumstances.

brand marks

The elements of a brand, not expressed in words, that a consumer instantly recognizes, such as a symbol, color, or design.

brand image

The unique set of associations target customers or stakeholders make with a brand.

For former, current, and potential customers, a brand represents everything that a good, service, or idea means to them. Think about brands, such as Apple, Disney, and Ford, and consider what they mean to you. The differentiating characteristics of the brands that matter to you might be tangible and related to the product (such as the towing capacity of a Ford F-150 truck). Or they might be emotional and focused on a special memory (such as your memories of Disney World). Specifically, a **brand** is the name, term, symbol, design, or any combination of these that identifies and differentiates a firm's products.

A successful brand adds value to organizations in numerous ways, including through brand loyalty and brand recognition:

- **Brand loyalty** is a consumer's steadfast allegiance to a brand, evidenced by repeated purchases. Brand loyalty typically develops because of a customer's satisfaction with an organization's products.¹ Brand-loyal customers typically exhibit less sensitivity to price. They therefore are an important contributor to a firm's long-term success and profitability. For example, Coca-Cola enjoys millions of brand-loyal customers who actively seek Coca-Cola products and will purchase them even if they are priced higher than the Pepsi products on sale down the aisle. Such brand loyalty adds to Coca-Cola's pricing power and its ability to maintain higher profits.
- **Brand recognition** is the degree to which customers can identify the brand under a variety of circumstances. Firms like Nike and McDonald's employ **brand marks**, which are the elements of a brand, not expressed in words, that a consumer instantly recognizes, such as a symbol, color, or design. The Nike swoosh and McDonald's golden arches are brand marks that have become powerful marketing tools for those companies.

The importance of brand recognition can perhaps best be seen when a company changes or updates its symbol or logo. Consumers often grow attached to certain brand logos or symbols and changes can cause a backlash. For example, Gap was forced to abandon a new logo only a week after it was launched, due to thousands of complaints online and throughout social media from unhappy consumers.²

Brand loyalty and brand recognition lead to more revenue for for-profit firms and more donations and support for nonprofit organizations.



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*

Developing Your Personal Brand

The benefits of branding also can apply to individuals, not just organizations. Regardless of what you do after graduation, you will engage in branding. The most important brand you will ever manage is *your* personal brand. Responsibility for building and managing the brand image that bears your name is a 24-hours-a-day, 7-days-a-week, 365-days-a-year job.

Brand image is the unique set of associations that target customers or stakeholders make with a brand. It signifies what the brand presently stands for in the minds of others. For example, Mountain Dew marketers built a brand image of a youthful, fun product that represents energy and excitement. Today, Mountain Dew products are associated with extreme sports, video gaming, and other

youth activities. As you develop in your career, you should identify and monitor your brand image. Ask yourself questions such as:

- What do managers and coworkers think when they hear my name?
- What associations do they make with my brand?
- Do they consider me a hard worker, a team leader, and a thoughtful employee, or do they think of me as smart, but lazy and difficult to work with?

Throughout this book, you have had the opportunity to read the personal brand statements of executives across a variety of industries. For example, small business owner Erin Brewer, who provided the career tips in Chapter 3, described her personal brand this way:

I strive to enjoy the moment, make decisions that leave me without regret, treat others with courtesy and respect, learn something every day, and be comfortable in my own skin. I love asking and trying to answer tough questions! I'm getting more and more comfortable not knowing all the answers.

Also, I believe people—me included—can change if they choose. I have a running list of things to improve within myself. I proudly own my own history with all the failures, successes, decisions, friends and experiences that have shaped me. In short, I'm trying to be the best me I can be.

Establishing a brand image in the minds of peers, colleagues, or customers begins with understanding the components of a successful brand.

Components of a Successful Brand

Whether you are building the brand for your firm's product or your personal brand, the process involves the following four essential components:

1. **Deliver a product that provides value.** The product should attract a positive reaction from consumers, whether that's achieved through packaging, delivery, or the value it offers to users. If a consumer does not perceive value in using a particular product, he or she will not remain a customer for very long. A strong brand provides continued value and quality to customers over time. Southwest Airlines has accomplished this by consistently offering low fares and refusing to charge baggage fees, even as other airlines are doing so.
2. **Create a consistent brand image.** All of the firm's marketing decisions, promotions, and employees should reinforce the brand by providing a consistent experience in the minds of consumers. Mountain Dew's efforts to be seen as a youthful, energetic, and extreme brand would be compromised if it began promoting its image by sponsoring senior golf tournaments and advertising in business trade magazines.

For your personal brand, creating a consistent brand image is equally important. How you dress for work, how you treat others at your office, and the quality of the work you produce combine to create a narrative that becomes your brand. An inconsistent brand image, such as doing a great job on a presentation but then showing up 10 minutes late to the office or dressing unprofessionally, will

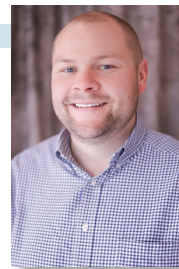


Photo provided by T.J. Thompson

Executive Perspective...
because everyone is a marketer

T.J. Thompson
Brand Manager
Valley View Agri-Systems

What is the most important component of building your personal brand?

I think for me it is creating a consistent brand image by always striving to connect deeply with people. Compassion is sometimes a rare gem in the workplace. I believe true compassion requires vulnerability, and vulnerability can sometimes lead to disappointment and pain. But when we're willing to put ourselves out there consistently in an effort to connect with people on a deeper level, more often than not, the benefits outweigh the risks.



Chick-fil-A has had numerous billboards and commercials featuring cows, but each drives home the same message encouraging customers to “Eat More Chikin.” Paul Brennan/Shutterstock

reduce the likelihood that your organization views you as someone on the fast track toward advancement and promotion.

3. **Create consistent brand messaging.** As with brand image, brand messaging should be consistent and concise. It should be easy to remember and remind consumers about the product attributes they care about most. Marketers commonly make the mistake of trying to share all of the individual good things about their organization’s product. Multiple different messages can potentially confuse customers as to why they should purchase a specific brand. Auto insurance company GEICO has succeeded in providing one consistent brand message through a variety of ad concepts: a promise to save consumers money on their car insurance.
4. **Capture feedback.** Since the real power of a brand exists in the minds of consumers, marketers must always capture and analyze customer feedback.

Companies with strong brands are typically great

listeners and use a variety of marketing research to better understand the thoughts, feelings, and concerns of their customers. For example, Chick-fil-A offers random customers the opportunity to receive a free chicken sandwich if they go online and fill out a survey about their experience with the restaurant within 48 hours of their visit. The survey captures feedback on the quality of the food, the portion size of the order, the cleanliness of the restaurant, and the friendliness of the employees, all of which affect the company’s brand image. Chick-fil-A then uses these data, which are tied to a specific restaurant and time of day, to identify potential problems and improve every part of the dining experience. Capturing and responding to feedback contributed to Chick-fil-A being recognized as a top restaurant brand in customer satisfaction by research firm J.D. Power.³ Firms can also use social media tools to gather data about their brand. Later in the chapter we’ll discuss the social media tools firms can use.

You will receive feedback on the success of your personal brand from various stakeholders in your life, including your friends, family, classmates, managers, coworkers, and professors. Consistently monitoring your personal brand will allow you to see what changes need to be made. For example, if your firm continues to pass you over for a promotion, you should ask what it is about your brand that might be keeping you from a higher position. Is it the way you approach your job? Or perhaps how you dress (think of this as personal packaging) might be sending the wrong message? In the same way that a firm analyzes both the positive and negative feedback it receives for a product, so should you reflect on the feedback you are getting throughout your academic and professional career.

Understanding the components of a successful brand is important for a firm both internally and externally. Internally, a strong brand drives cohesion and helps an organization build the capacity and skills to implement its mission. Externally, a strong brand results in trust among the firm’s many constituents, be they customers, donors to a nonprofit organization, suppliers, or communities. If a firm successfully executes on these four components and develops a successful brand, it can begin to benefit from the *brand equity* it creates. We’ll discuss brand equity and the benefits it provides in the next section.