

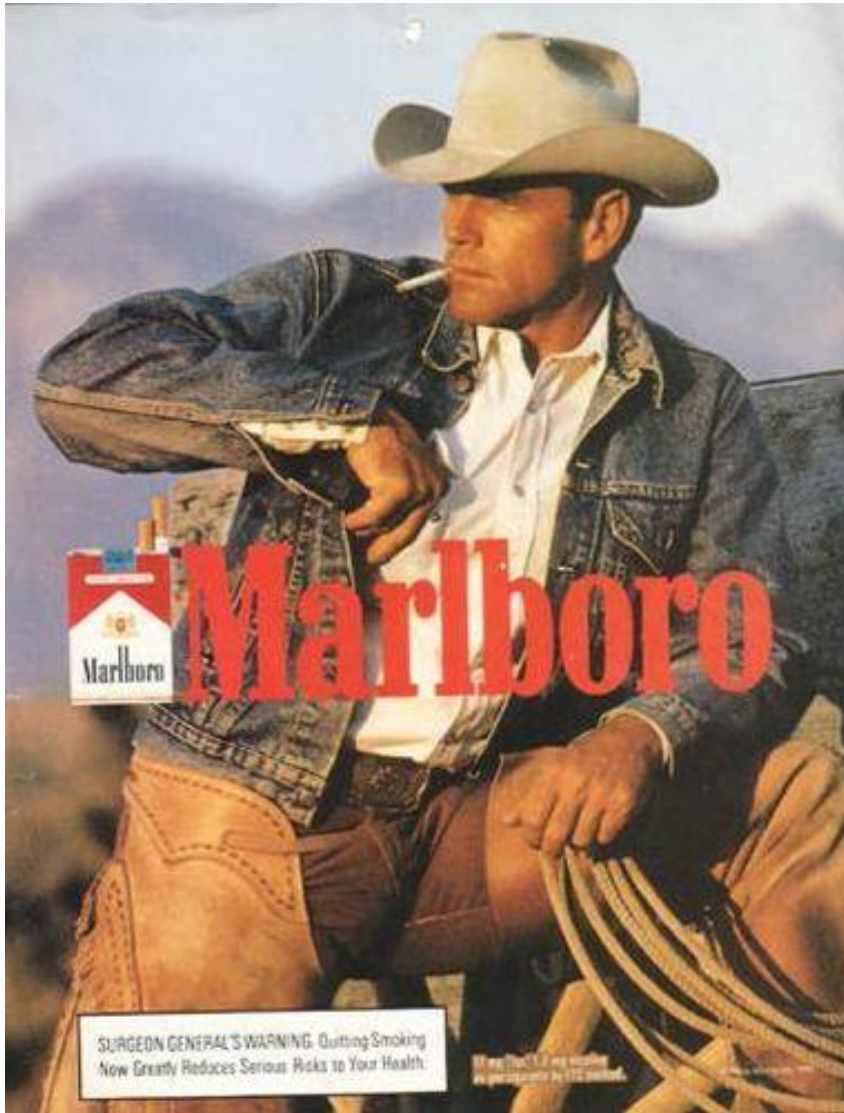
MARKETING COMMUNICATION AND BRANDING

1. Brand importance for marketing
2. Brand terminology
3. Brand positioning
4. Brand equity
5. Brand management



1. BRAND IMPORTANCE FOR MARKETING

- **Defining Brand as Undefinable?**
- **Brand is a promise to deliver specific benefits associated with products or services to customers.**
- **Brand = Product + added value.**
- Brand name, title, character, artistic expression, or a combination of the previous elements. Its purpose is to distinguish the goods or services of one seller or group of sellers from competing sellers.
- The brand is not just a logo, visual style, a particular product, but also services related to products, the company and its image, brand communication ⇒ Marlboro brand with a typical cowboy.



BRAND IMPORTANCE FOR MARKETING


- **A brand differs considerably from a product or service as it exists in a consumer's mind. Consider the following:**
 - A product is something produced in a factory, while a brand is created through marketing communications and experience.
 - A product can be duplicated by a competitor, while a brand is unique.
 - A product can become outdated, while a successful brand is often timeless.
 - A product is a generic term, while a brand has personality, characteristics, and associations.



BRAND IMPORTANCE FOR MARKETING

- **Brand** = landmark in the selection, the file of sensations in the customer's mind \Rightarrow manufacturer owns the product \Rightarrow brand is owned by the customer (this is what is in his or her mind).
- **Brands subject to Pareto 80/20 rule, when only 20 % of brands are successful in the market because of these following reasons:**
 - Brands are not sufficiently differentiated.
 - High marketing managers fluctuation \Rightarrow inconsistent brand communication concepts.
 - Use of the already existing successful brands concepts \Rightarrow it may not work with other brands.
 - Brands need high support of effective and thorough communication to the public realized by internal staff \Rightarrow no money, time and energy for it.

BRAND IMPORTANCE FOR MARKETING

- A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Furthermore, its success result from being able to sustain those added values in the face of competition.
 - For consumers, the brand is important because it reduces the perception of risk during the purchasing decision process:
 - **Risk of functionality** - the product does not operate properly as expected.
 - **Physical risk** - a product endangers the health of the user.
 - **Financial risk** - the product is not worth the paid price.
 - **Social risk** - the product may cause a mockery in public.
 - **Psychological risk** - the product affects the mental state of user.
 - **Risk of time** – the failure of the product requires further efforts to seek a new product.
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ASPECTS OF THE BRAND

- Name (General Motors, Google, Land Rover, Jaguar, Ford, IBM, ...)

- Logo



- Colour (about 95 % of brands use 2 or more colours)



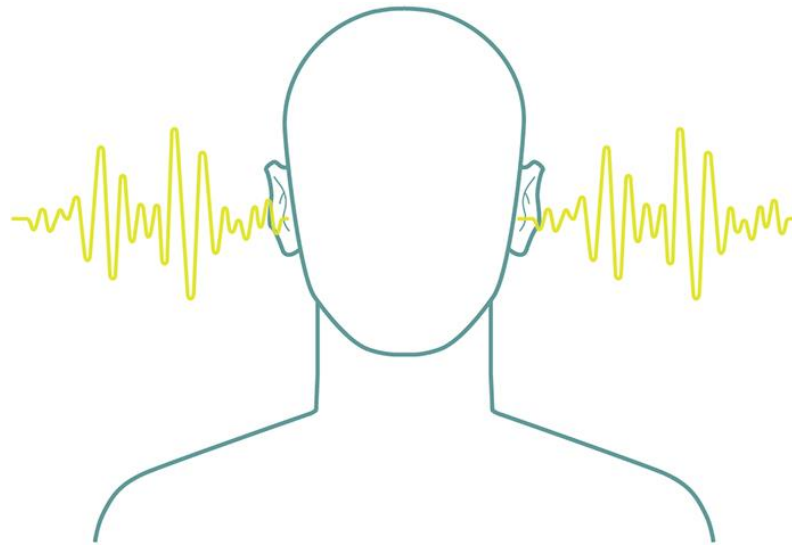
- Slogan (Nike = Just, Škoda = Simply ...)
- Price policy (discounts = trap of fragile market share!)
- Brand identity – (documents, type of letters, dress code, ...)

- Music, mascot



SONIC BRANDING

- Sonic branding refers to the use of a special sound so as to advertise and identify products that are associated with a particular manufacturer.
- This type of branding strategy involves using sound so as to reinforce brand identity. Popular examples of sonic branding include McDonald's, Nokia and Windows.
- Sonic brand Mastercard



2. BRAND TERMINOLOGY

- Ambassador of a brand x a brandlover



- A store brand (economical, standard, premium)

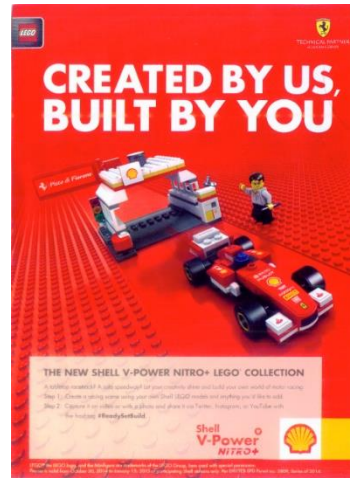


albert



BRAND TERMINOLOGY

Co-branding



Dual branding



Ingredient branding



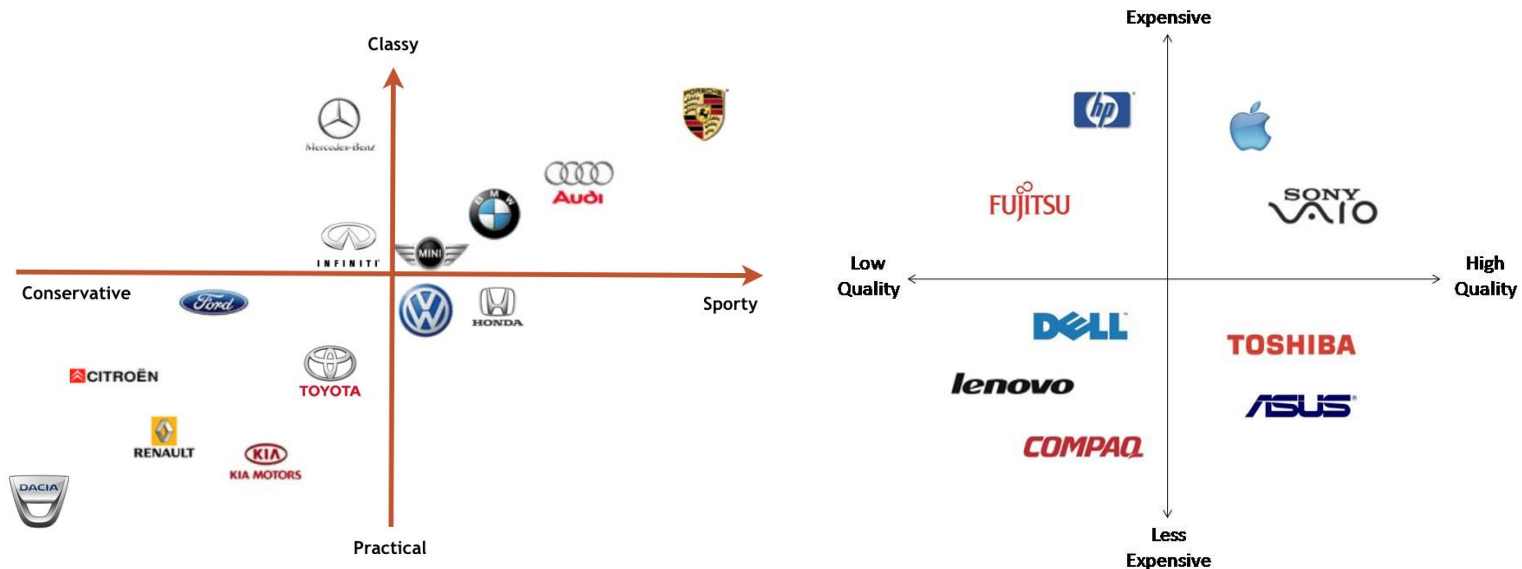
3. BRAND POSITIONING

- Positioning relates to how the consumer thinks about and rates a product or service against the competition.
- Positioning requires highlighting target-relevant benefits for the product's features.
- Benefits must be tied to uses that will enhance the target's lifestyle or image. **The position of a brand is sometimes confused with brand image – a brand's position in the mind of the consumer is created via promotions and brand image is created based on experience.**
- **Repositioning** – there is a need to change the way brand is viewed in the mind of the target. It should work to define a new or special niche in a consumer's mind.



BRAND POSITIONING

- One way of presenting where a brand sits in the „mental space“ is to compare it with other brands using a **perceptual map**. It is important to interpret the map carefully, with an understanding what associations make up each dimension.



REQUIREMENTS FOR THE BRAND

- **Requirements for the brand - name should:**
 - be short, suitable graphic design,
 - should link to a visual image, it helps the memorability,
 - should encourage the development of a nickname (for example, for Bud Budweiser Beer, ...).
 - be easy to remember,
 - be easily identifiable,
 - be original, timeless,
 - be connected with positive associations,
 - be registered and legally protected.
 - be applicable internationally.



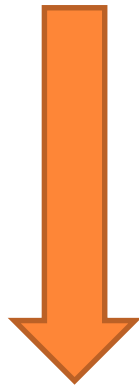
BASIC BRAND FUNCTIONS

- **Brand performs three basic functions:**

- identification,
- protective,
- communication.

- **5 degrees of brand popularity:**

- brand refusal,
- no brand recognition,
- brand recognition,
- brand preference,
- **brand loyalty!**



MARKETING ADVANTAGES OF STRONG BRANDS

Improved perceptions of product performance	Greater trade cooperation and support
Greater loyalty	Increased marketing communication effectiveness
Less vulnerability to competitive marketing actions	Possible licensing opportunities
Less vulnerability to marketing crises	Additional brand extension opportunities
Larger margins	Improved employee recruiting and retention
More inelastic consumer response to price increases	Greater financial market returns
More elastic consumer response to price decreases	

SYSTEM APPROACH TO BRAND

- Brand as the concept of total product \Rightarrow brand as a product of the specific nature \Rightarrow **concept of total brand.**

Emotional added value

D. Brand image – umbrella term for prestige, power, "personality" of brand

C. Extended level of brand– „something extra“ - the specific guarantees, assurances of safety, reliability,

B. Perceivable brand - basic attributes of the brand - name and logo, lettering style, shape, colour, jingle ...

A. Brand core –
function that the brand has to perform, e. g. identification.

BRAND IMAGE

- **The brand image** = is natural issue or element, which can achieve short-term results X **The brand value** = strategic issue, the value of the property, which is part of the competitive advantage and supports long-term profitability of the company.
- Good brand image may be an impulse for the first purchase, to acquire personal experience with the product.
- Created brand image must be in accordance with the real value of the product \Rightarrow mismatch \Rightarrow preference of another brand.
- **The brand image is composed of three dimensions:**
 - **Trust** - quality products, safe, functional, ...
 - **Emotional feeling** - brand popularity due to social or environmental policy of the company.
 - **Intentions of behaviour** - attachment to brands, which are produced by a company with a very positive image, where the customer would like to work.

4. BRAND EQUITY

- **BRAND EQUITY** is the part of the brand management. It means how customers perceive the brand and how their knowledge affects their relationship and behaviour towards the brand.
 - **Components of consumer brand equity:** performance/perceived quality, awareness, brand loyalty, imagery/feelings and other assets.
 - **In marketing terms, brand development relates to the following concepts:**
 - Potential customers must know the brand.
 - It is necessary to create brand loyalty.
 - Consumers must identify with the brand.
 - Consumers must accept the values that brand represents.
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BRAND EQUITY MODELS

- Although marketers agree about basic branding principles, a number of models of brand equity offer some differing perspectives. There will be highlighted three models:

- BRANDASSET VALUATOR**

- Kantar BrandZ™**

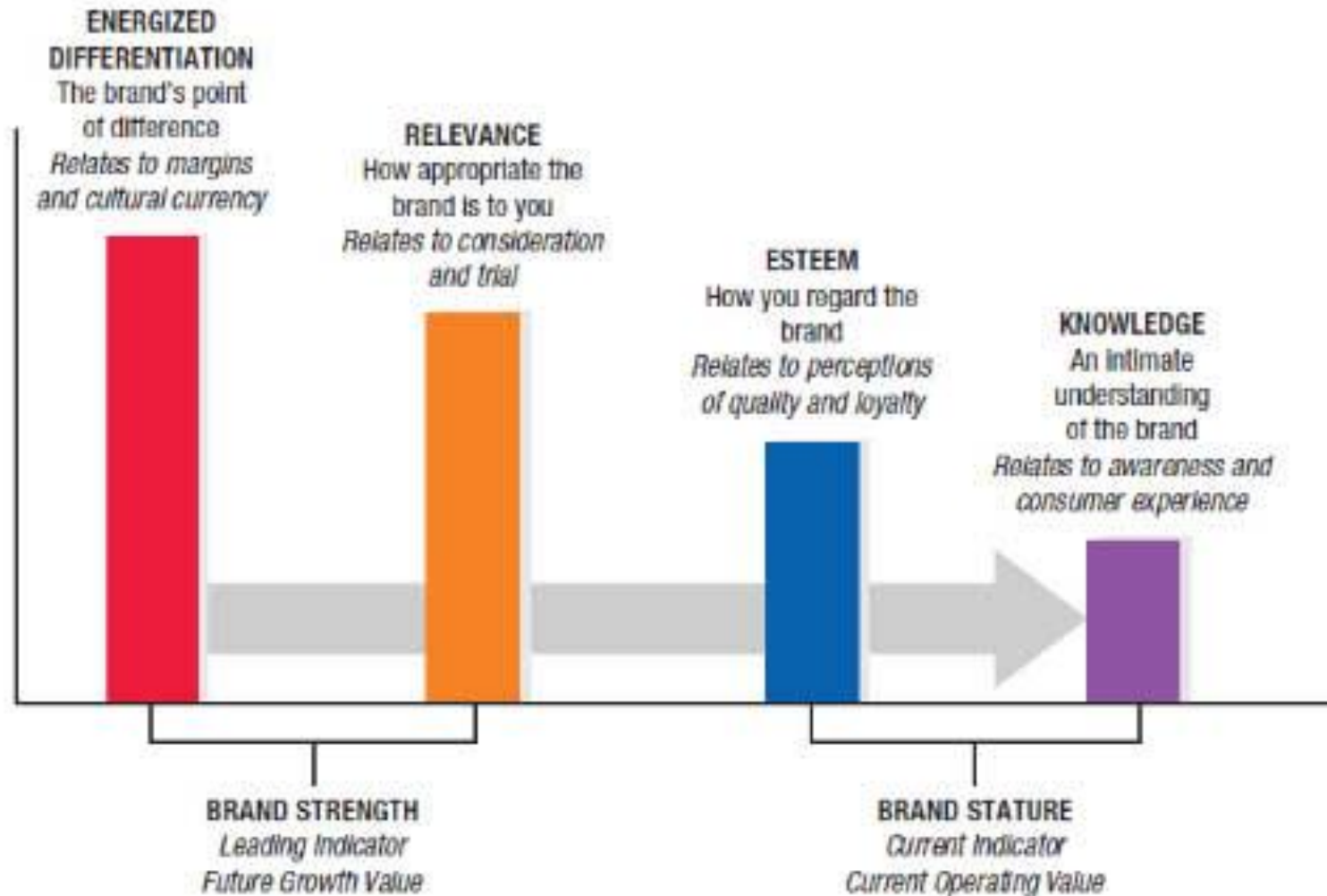
- BRAND RESONANCE MODEL**



BRANDASSET® VALUATOR BAV

- Advertising agency Young and Rubicam developed a model of brand equity called the BrandAsset Valuator (BAV). Based on research with more than 800 000 consumers in 51 countries, BAV compares the brand equity of thousands of brands across hundreds of different categories. **There are four key components – or pillars – of brand equity according to BAV:**
- Energized differentiation measures the degree to which a brand is seen as different from others as well as its pricing power.
- Relevance measures the appropriateness and breadth of a brand's appeal.
- Esteem measures perceptions of quality and loyalty, or how well the brand is regarded and respected.
- Knowledge measures how aware and familiar consumers are with the brand and the depth of their experience.

BRANDASSET® VALUATOR




Kantar BrandZ™ Top 10 Most Valuable Global Brands 2022¹

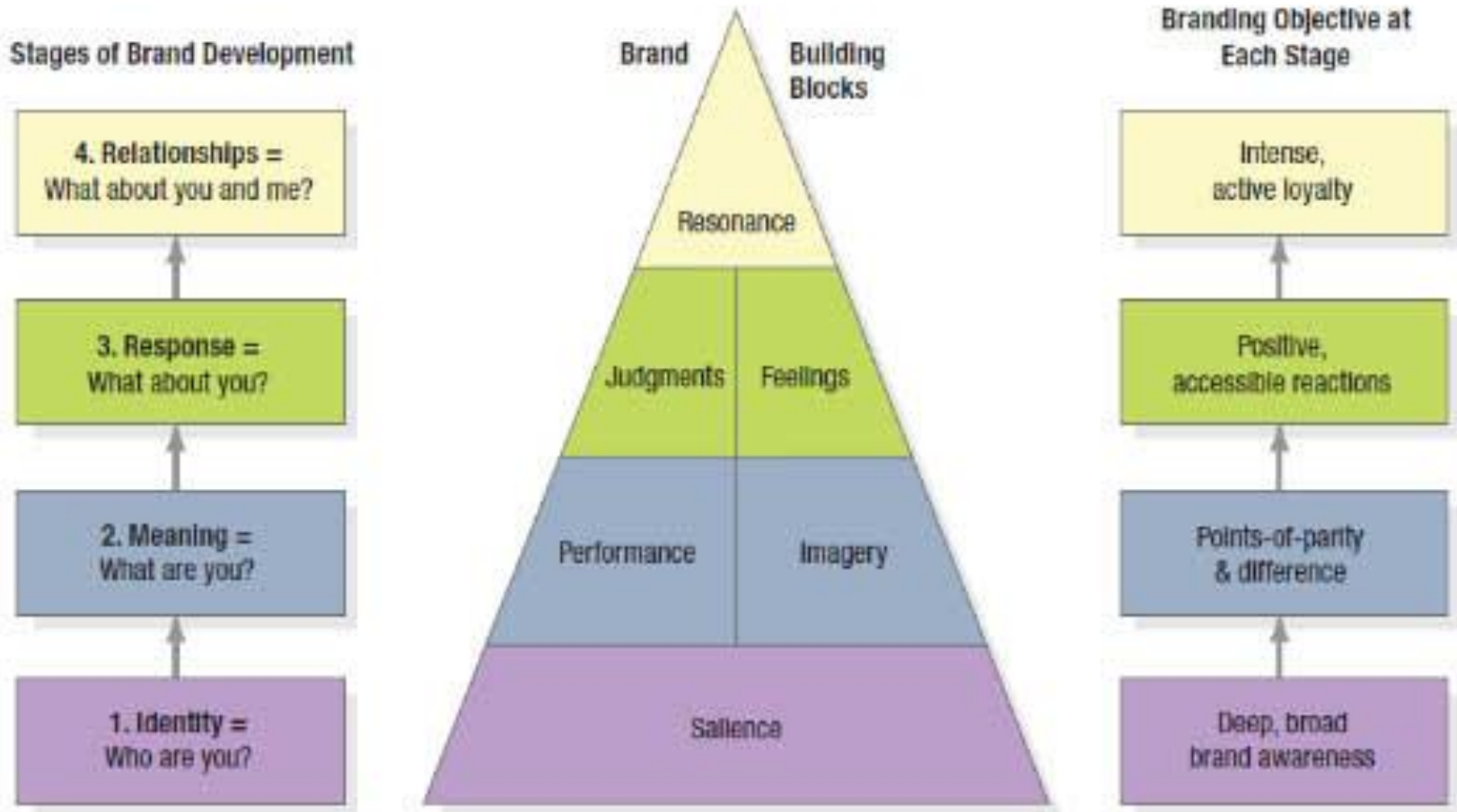
Rank 2022	Rank change	Brand	Market of Origin	Brand Value 2022 (\$M)	Brand Value 2021 (\$M)	% Brand Value Change 2022 vs 2021
1	1↑	Apple	US	947,062	611,997	55%
2	1↓	Google	US	819,573	457,998	79%
3	2↓	Amazon	US	705,646	683,852	3%
4	0	Microsoft	US	611,460	410,271	49%
5	0	Tencent	China	214,023	240,931	-11%
6	3↑	McDonald's	US	196,526	154,921	27%
7	1↑	Visa	US	191,032	191,285	0%
8	2↓	Facebook	US	186,421	226,744	-18%
9	2↓	Alibaba	China	169,966	196,912	-14%
10	11 ↑	Louis Vuitton	France	124,273	75,730	64%



BRAND RESONANCE MODEL

- **It views brand building as an ascending series of steps, from bottom to top:** a) ensuring customer identify the brand and associate it with a specific product class or need, b) firmly establishing the brand meaning in customers' minds by strategically linking a host of tangible and intangible brand associations, c) eliciting the proper customer responses in terms of brand-related judgment and feelings and d) converting customers' brand responses to intense, active loyalty.
 - According to this model, enacting the four steps means establishing a **pyramid of six brand building blocks**. The model emphasizes the duality of brands – the rational route to brand building is on the left side of the pyramid, and the emotional route is on the right side (see next picture).
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BRAND RESONANCE MODEL



Source: Koler and Keller, Marketing management, 2016, p. 330

BRAND RESONANCE MODEL – BRAND BUILDING BLOCKS

- **Brand salience** is how often and how easily customers think of the brand under various purchase or consumption situations.
- **Brand performance** is how well the product or service meets customers' functional needs.
- **Brand imagery** describes the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customers' psychological or social needs.
- **Brand judgments** focus on customers' own personal opinions and evaluations.
- **Brand feelings** are customers' emotional responses and reactions with respect to the brand.
- **Brand resonance** describes the relationship customers have with the brand and the extent to which they feel they are in „sync“ with.

5. BRAND MANAGEMENT

- The process of brand management represents 4 interlinked steps: defining the target group and brand objectives, brand creation, management of brand positioning, evaluation of the brand success.
- 1. Defining the target group and brand objectives
 - It is necessary to analyze the market, identify segments and target groups of customers, define the brand objectives and the intended market position.
- 2. Brand creation (existing, innovation or completely new brand)
 - It must be based on an analysis of customer, company, competitors and changes (cultural context, history and trends).
 - Analysis related to brand creation should solve the brand strengths and weaknesses associated with: image, customer relations, reputation, marketing strategies, communication strategies, creative concepts, distribution channels, functions, brand idea.

BRAND MANAGEMENT

- **Alternative branding strategies** – assuming a firm decides to brand its products or services, it must choose which brand names to use. Three general strategies are popular.
 - **Individual or separate family brand names (JAR, ARIEL, ...)**
 - Companies often use different brand names for different quality lines within the same product class. A major advantage of separate family brand names is that if a product fails or appears to be of low quality, the company has not tied its reputation to it.
 - **Corporate umbrella or company brand name (HEINZ, GE, SONY, ...)**
 - Many firms use their corporate brand as an umbrella brand across their entire range of products. Development costs are lower with umbrella names because there is no need to research a name or spend heavily on advertising to create recognition.
 - **Sub-brand name (KELLOGG'S RICE KRISPIES, ŠKODA FABIA, ...)**
 - It is the combination of two or more of the corporate brand, family brand, or individual product brand names.

BRAND MANAGEMENT

- **The reasons for rebranding may be different:**
 - Simple innovation (particularly innovation of logo - Shell, Škoda, ...).
 - A new area of interest (new business - a completely new brand).
 - Acquisitions and mergers (mobile operators).
 - Portfolio optimization (restrictions of too diversified portfolio of brands - depending on the product category).
 - Changing the positioning (important is the rate of change in brand perception - an attempted repositioning of Coca-Cola in 1985 - a change to the New Coke).
 - The revival of forgotten brands (Botas, Kofola ...).



BRAND MANAGEMENT

REBRANDING – LOGO CHANGE



1976



1976 - 1998



1998 - 2000



2001 - 2007



2007 - 2012



1908 - 1932



1932 - 1939



1939 - 1950



1996 - 2015



2015 - NOW



1997-1998 (Pre-launch)



September-October 1998



September 1998-May 1999



May 1999-May 2010



May 2010-September 2013



September 2013-present



1898



1905



1906



1940



1950



1962



1973



1991



1998



2003



Current Logo

BRAND MANAGEMENT

REBRANDING – LOGO CHANGE



Laurin & Klement



ŠKODA



ŠKODA



BRAND MANAGEMENT

3. Management of brand positioning

- If the brand is created, the next phase is comes building and its market position managing. There is necessary to know the answer to the questions of existence brand targets in relation to the target group and its differentiation from the competition. The customer meets the brand in different stages of his or her life. **It affects his or her relationship to the brand - it is:**
 - First experience with the brand, e. g. as a child.
 - The first use of the brand.
 - The first purchase of the brand.
 - Changing the brand preferences.
 - Loss of needs to use the brand.



BRAND MANAGEMENT

4. Evaluation of the brand success (feedback)

- Over time, it is necessary to determine how the brand is perceived by customers on the market ⇒ analysis of all layers of „total brand“.

