



**SILESIA
UNIVERSITY**

SCHOOL OF BUSINESS
ADMINISTRATION IN KARVINA

MARKETING COMMUNICATION AND BRAND VALUE

Ing. Kateřina Matušínková, Ph.D.
MARKETING COMMUNICATION 2/NAMK2

OUTLINE OF THE LECTURE

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



1. BRAND IMPORTANCE FOR MARKETING

- **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 - A product can become outdated, while a successful brand is often timeless.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 ⇒ manufacturer owns the product ⇒ 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 ⇒ inconsistent brand communication concepts.
 - Use of the already existing successful brands concepts ⇒ it may not work with other brands.
 - Brands need high support of effective and thorough communication to the public realized by internal staff ⇒ no money, time and energy for it.

BRAND IMPORTANCE FOR MARKETING

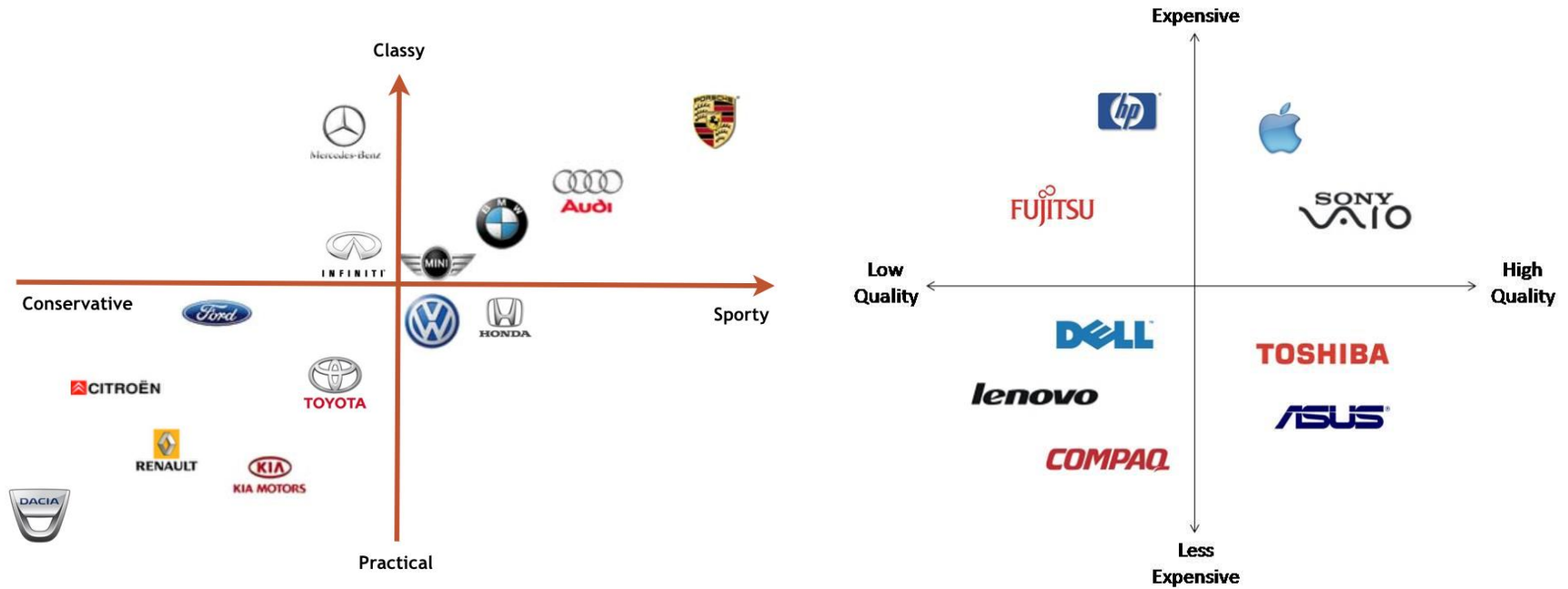
- **A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Furthermore, its success result from being able to sustain those added values in the face of competition.**
- 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.

2. 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 ⇒ mismatch ⇒ 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.

3. 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.
- **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.



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:

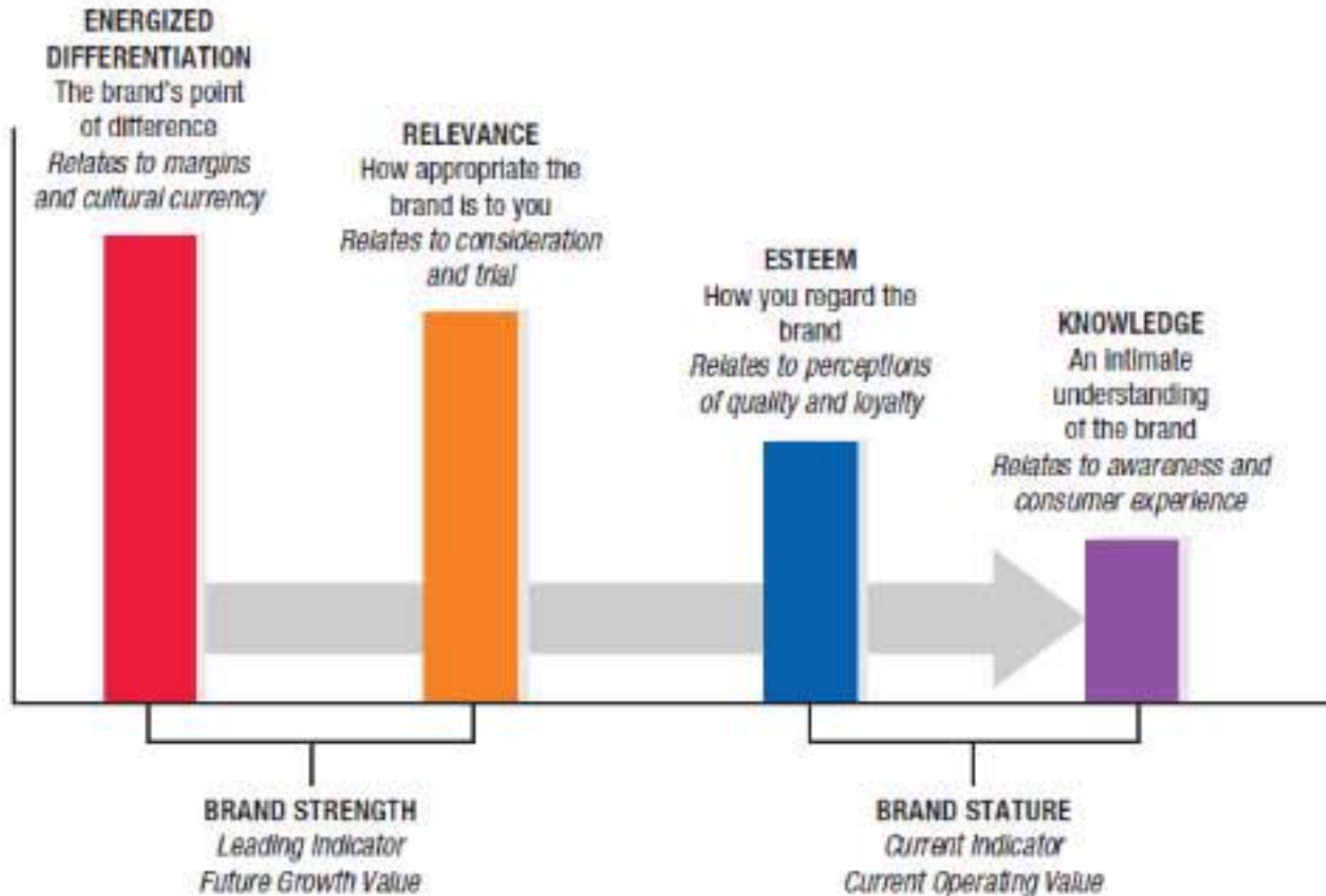
- **BRANDASSET VALUATOR**
- **BRANDZ**
- **BRAND RESONANCE MODEL**



BRANDASSET® VALUATOR BAV

- Advertising agency Young and Rubicam developer 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



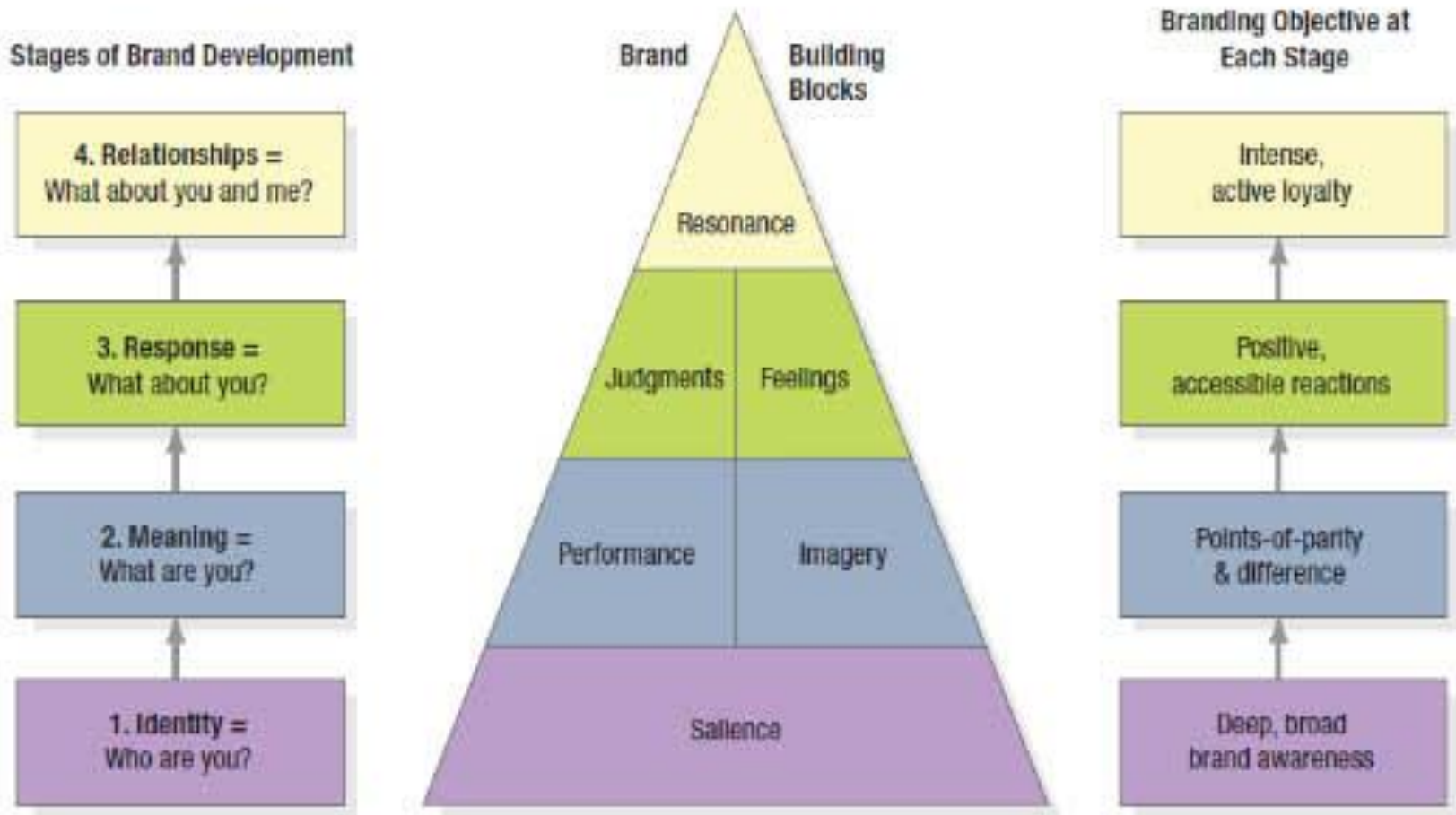
BRANDZ

- Marketing research consultants Millward Brown and WPP have developed the Brandz model of brand strength, at the heart of which is the Brand Dynamics™ model, a system of brand equity measurements, based on Millward Brown's Meaningfully Different Framework, that reveals a brand's current equity and opportunities for growth.
- BrandDynamics employs a set of simple scores that summarize a brand's equity and are relatable directly to real world financial and business outcomes.
- **BrandDynamic maintain that 3 different types of brand associations are crucial for building customer predisposition to buy a brand – meaningful, different and salient brand associations. The success of a brand along those 3 dimensions, in turn, is reflected in 3 important outcome measures:** power – a prediction of the brand's volume share, premium – a brand's ability to command a price premium relative to the category average, potential – the probability that a brand will grow value share.

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).

BRAND RESONANCE MODEL



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.

4. BRAND MANAGEMENT

- **The process of brand management represents five interlinked steps:**
- **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 REBRANDING – LOGO CHANGE



1976



1976 - 1998



1998 - 2000



2001 - 2007



2007 - 2012



1909



1930



1948



1955



1961



1971



1995



today



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

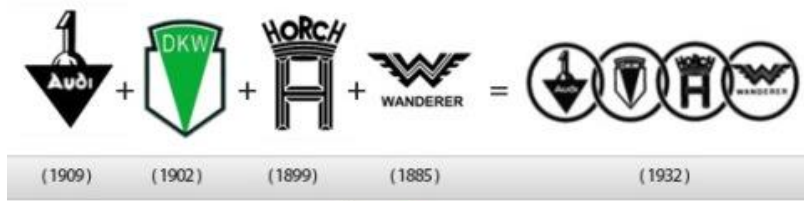
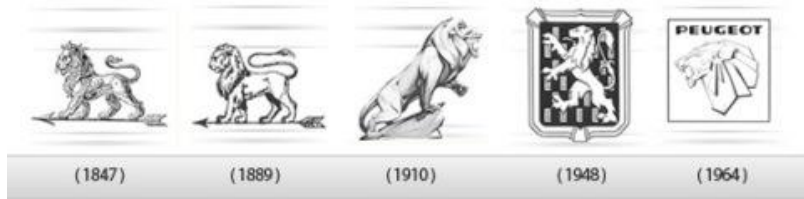


2003



Current Logo

BRAND MANAGEMENT REBRANDING – LOGO CHANGE



1926-1990



1999-2011



od roku 2011



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“.



5. BRAND TERMINOLOGY

- **Brand ambassador**
- **Private brand**
- **Co-branding**
- **Ingredient-branding**
- **Vitality of brand**
- **Brand calibre**
- **Brands of special purpose**

*What is a
BRAND?*

