6 Branding and Brand Communications

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Brands

Brands have been used as an effective method of marking craftsmen's output from at least the Middle Ages. Brands are defined by the American Marketing Association (AMA) (1960) in their widely used definition as:

> "…a name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors."

Following the AMA definition, a brand consists of various elements, which could include combinations of names, signs, terms, symbols, URLs, and even employees (DuBois et al., 2014). In more recent times, developing technology and increasingly competitive markets have ensured that brands have evolved from basic marks of quality, to conduits of values, ideas, and sophisticated personalities (Aaker, 1997) allowing marketers new ways to connect with their customers, and stand out from the competition. It should be noted that products and brands are not necessarily the same thing. While products can refer to anything that may satisfy needs or wants, and can include things such as laptops, banking services, or charitable assistance; a brand is the addition to the product of elements that make it stand out from competition, or differentiate it. For example, an Apple or Dell logo conjure up very different perceptions of the laptop product, its typical users, and the tasks it can be used for. Likewise, although one type of car manufacturer (e.g., Volvo) is functionally very similar to another (e.g., Ford), the brand, or logo adorning it. influences the perceptions consumers subsequently hold (often Volvo is strongly associated with safety).

Consequently, branding affects consumers' perceptions of a product or service and allows them to associate products with certain attributes (e.g., trust, reliability, safety and fun).

Fill (2013) suggests successful brands incorporate three elements: promises, positioning and performance. Brands can therefore be seen as promises, underpinning their perceived positioning by stakeholders and resulting expectations. Where these promises and expectations converge, brand performances are the result. Figure 6.1 below illustrates this process.

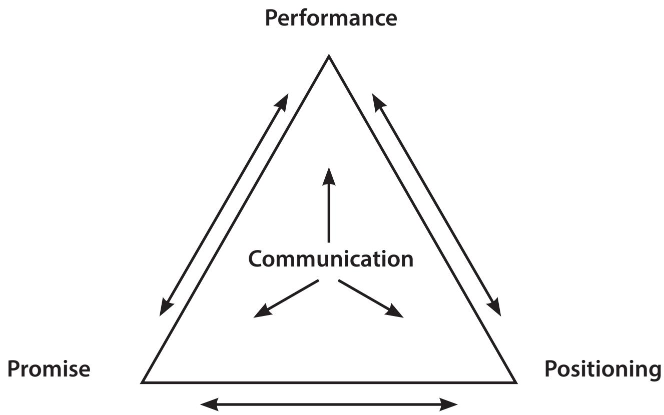

Figure 6.1: 3 Brand Ps

As Figure 6.1 shows, communication is critical as it is shaped and driven by the interaction of the three brand Ps. Communication variously conveys the brand promise, and accurately positions the brand, whilst encouraging its successful performance.

Brands can be manufacturer, or own-label brands. *Manufacturer brands* are developed and controlled by the producer of the product or provider of the service, whereas *own-label brands* (also called distributer/retailer brands) are developed and controlled by distributors. For example, Coca-Cola is a manufacturer brand, where the manufacturer retains responsibility and control over marketing. Large supermarkets may wish to enhance their retail revenue by developing an own-label cola drink, or in other words, an own-label brand. While generally these brands are priced as a cheaper alternative for consumers, they can be positioned as high quality, luxuries, or indeed healthier alternatives (such as Marks & Spencer's *Count on Us* range). To combat the rise of own-label brands, so called *fighter brands* are emerging. Fighter brands are additional manufacturer brands developed specifically to compete with own-label or competing brands, often in the form of a lower price alternative to the primary manufacturer brand, but also as a defensive competitive strategy. In the airline industry for example, to combat increasing competition from low-cost airlines such as Ryanair, British Airways ultimately unsuccessfully, launched its own low-cost airline under the 'Go' brand. Traditionally branding has focused on external stakeholders (Aurand et al., 2005), but growing evidence suggests brands have significant internal influence, and affect employees of their host organisation (Schlager et al., 2011). There are also *licensed brands* (i.e., a brand produced by a company under authorisation from the owner for a fee) and *pure play* brands (i.e., a brand which can offer manufacturer and own-label brands).

Table 6.1: Benefits attributable to brands

Benefit	Description	Example
Brand extensions	Strong core brand allows for subsequent brand extensions to retain positive associations towards the core offering.	Coca-Cola (core brand) and Diet Coke, Cherry Coke, Coke Lemon as brand extensions.
Trust	Products or services functionally on an equal footing, with high economic cost to the consumer, render trust important to the purchase decision. Trust is particularly important in online transactions (Grabner-Kraeuter 2002).	Coca-Cola's Dasani bottled water betrayed consumer trust when questions were raised about its source.
Quality guarantee	Aids consumer purchase decisions by indicating the level of quality the consumer should expect.	BMW cars are generally expected by consumers to be better quality than Ford, or Vauxhall, however this assertion is often solely based upon the brand.
Consumer perceptions	Successful brands can yield a positive influence on consumer perceptions through the perceptions the consumer gains from the brand.	Sports Direct owns several previously independent brand names such as Slazenger, Dunlop and Donnay. Despite changes in ownership, the brands continue to generate strong sales.
Barrier to competition	Although newly entering brands may be functionally superior to established brands, a strong brand with positive perceptions render it difficult for new brands to compete.	Virgin's attempts to take on Coca-Cola and Pepsi and launch its own Virgin Cola product failed due to the prevailing strength of the established brands.
Higher profits	Market-leading brands can command a higher price than weaker ones. Furthermore, they often benefit from established supply and sales networks, thus accruing economies of scale.	Kellogg's can command a price premium, due to the perceived added-value it offers consumers.
Increased company value	Strong brands can become valuable assets, and can add significantly to the value of a company.	Apple and Google's brands add significant financial value to such companies.