

# Week 1

## Reading 1: Names, brands, branding: beyond the signs, symbols, products and services

- This paper aims to stimulate discussion of what branding actually is, does and maybe should do. Although the term “brand” is used in a multitude of areas previously unimagined – its meaning in academia does not generally go beyond the brand management of products or for-profit consumer services. This paper aims to take this thinking of “brand” beyond conventional manners.
- Although branding is expanding, a good deal of the language is still product-bound. There has been an increase of technical terms that have saturated the market – with meanings that are often neither discrete nor clear. This could be seen as either widespread confusion in the field or exciting development and innovation.

## Reading 2: Marketing Myopia

- This paper concentrates on the fact that businesses must sustain growth by defining their business correctly and how carefully customer needs are met. The famous example from this piece is that the railway business would have sustained growth if they were themselves being in the transportation business rather than the railway business.
  - o The failure of the railway came about not because the need for passenger and freight transportation declined, but because their needs were not met by the railroads. They let others take their customers away because they only saw themselves as a railroad business, not a transportation business. They were railroad oriented instead of transportation oriented, they were product oriented instead of customer oriented.
  - o Companies who are customer focused keep a constant watch on opportunities to apply technical know-how to the creation of customer-satisfying uses
- Levitt comes to the conclusion that there is no such thing as a growth area – as most areas were at one time praised to be “high growth.” Rather, there are areas which are organised and operated to create and capitalise on growth opportunities – industries should not assume that their area is one of high growth. The history of every dead and dying “growth” industry follows this same cycle:
  1. The belief that growth is assured by an expanding and more affluent population,
    - o This line of thinking stops businesses from having to innovate their offerings, as the offering is assumed to already have an expanding market, then businesses won’t think of new ways in which to expand
  2. The belief that there is no competitive substitute for the industry’s major product,
    - o May improve on efficiency on attaining product or manufacturing, but not improving on the generic product or its marketing
  3. Too much faith in mass production and economies of scale,
  4. Preoccupation with a product that lends itself to carefully controlled scientific experimentation, improvement, and manufacturing cost reduction.

## Reading 3: The Cocktail Creationist

Synopsis:

- Grey Goose vodka was born from the realisation from CEO that Americans wanted to pay more for their liquor, but needed a substantial tale behind the product's history to justify the inflated price
  - o Manufactured in France instead of Russia – “if you're asking people to pay more, at least give them a difference”
  - o Twice the price of Absolut

## Week 2

- Branding is universal and pervasive across product categories.
- Tangible and intangible
- Through branding organisations:
  - o Create perceived differences
  - o Develop loyal customer base
  - o Create value that can lead to profit

## Lesson 2: Customer Based Brand Equity

### Customer based brand equity

- Is the **differential effect** of brand knowledge on consumer response to marketing of the brand compared to a fictitious or unnamed version –
- Customer-based brand equity (CBBE) is a way of assessing the value of a brand in customers' minds and can increase profitability in large and small-scale businesses by filling in gaps in customers' knowledge and by offering assurances
- If customers are willing to pay more for a product from a particular company than for a generic product, that company has brand equity
- While competitors can emulate financial and physical assets, intangible assets such as brand equity represents a more sustainable competitive advantage
- Brand equity is a key marketing asset which has a positive effect on:
  - o Market share
  - o Consumer perceptions of product quality – may perceive certain countries, materials, etc to produce better quality products
  - o Shareholder value -
  - o Consumer evaluations of product extensions
  - o Customer retention (this increases profits as it is more cost-effective to retain existing customers than acquiring new ones)
    - Consumer price insensitivity and;
    - Resilience to product-harm crisis
- To create brand equity three factors must exist:
  - o The **differential effect** – the difference between a branded and unbranded product
  - o Dependant on customer **brand knowledge**
    - Associative network memory model: Views memory as a network of nodes and connecting links - Brand associations are informational *nodes*, *linked* to the brand node in memory
    -
  - o Customer responds to brand marketing

### Sources of brand awareness:

- Brand awareness: The strength of the nodes we retain in memory – can be evaluated on factors such as brand recognition and brand recall
  - o Brand recognition: Recognising brand when it is in front of you

- Brand recall: Recognising a brand unaided

### Brand Image

- Keller's three points:
- Strength of brand associations: **More deeply** a person thinks about product information and relates it to existing brand knowledge, stronger is the result brand associations
- Favourability of brand associations: Is higher when a brand possesses **relevant** attributes add benefits that satisfy consumer needs and wants
- Uniqueness of brand associations: Unique selling proposition of the product which provides brands with sustainable competitive advantage

### Building CBBE

- Brand knowledge structures depend on:
  - The initial choices for the brand elements (e.g. logos, colours, name, slogan etc.)
  - The supporting marketing program and the manner by which the brand is integrated into it
  - Other associations indirectly transferred to the brand by linking it to see other entities (e.g. German car manufacturers linked to Germany)
  - Deliberately or accidentally
- Benefits of positive CBBE
  - Greater brand loyalty, usage, affinity
  - Command larger price premium
  - Receive greater trade cooperation and support
  - Increase marketing communication effectiveness
  - Licensing opportunities
  - Support brand extensions
  - Graduate jobs
- Disadvantages
  - Difficult to change old perceptions
  - Positioning shifts
  - Inaccurate or unwelcome associations
  - Ignorant prejudice
  - Fraud

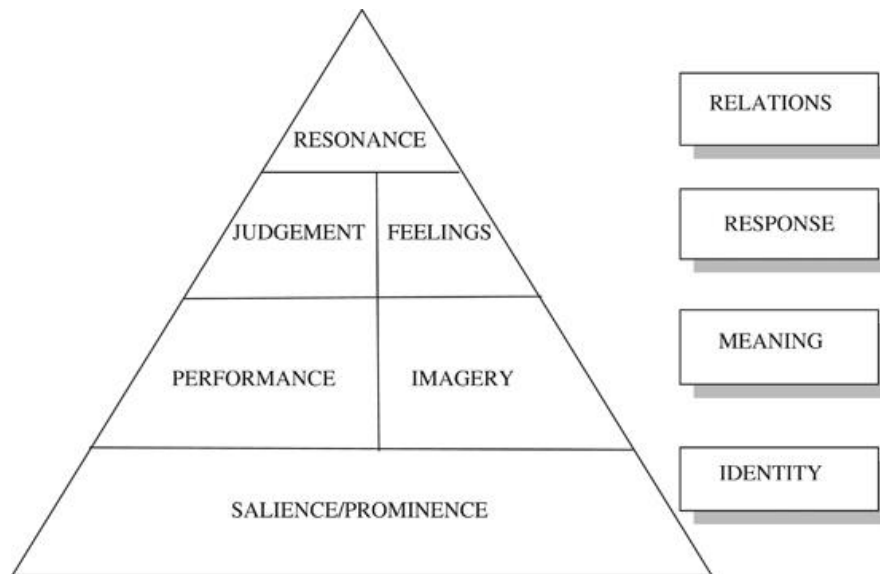
### Strategic Brand Managements

- Managing brand has three major elements: to build, measure and manage brand equity

The strategic brand management process has four steps:

- Identify and establish brand positioning and values
  - Understanding core values of the brand and how these may need to change over time
  - How to differentiate the offering
  - How do you want customers to perceive the brand
- Plan and implement brand marketing programs
  - Creatively convey what perceptions you want consumers to have
- Measure and interpret brand performance
  - Can measure through sales, market share performance, consumer surveys
- Grow and sustain brand equity

### The CBBE Pyramid – Building CBBE



A strong brand is characterised by a logically constructed set of brand “building blocks” (The Pyramid) which identifies areas of strength and weakness, and provides guidance to marketing activities

- **Salience (Identity)**

- Who are you? How are you so different? Why are you so important?
- Salience related to aspects of brand awareness:
  - Depth of brand awareness
    - Ease of recognition and recall
    - Strength, clarity of category membership
  - Breadth of brand awareness
    - The range of purchase and consumption situations where the brand comes to mind
    - Purchase consideration, consumption consideration (just because aware doesn't mean will consume)
- Ensuring that customers are aware of which of their needs is being satisfied
- Increasing the salience at possible usage situations can help drive consumption and increase sales volume

- **Performance/Imagery (Meaning)**

- Is it going to do what it says it is going to do?
- Intrinsic properties of the brand, including inherent product or service characteristics
- The brand association making up the brand image and meaning can be profiled according to **strength, favourability, and uniqueness** (in that order)
  - Successful results on these dimension produce the most positive brand responses, the underpinning of intense and active brand loyalty
- Performance dimensions:
  - Primary characteristic and extra features
  - Reliability, durability serviceability
  - Service characteristics (effectiveness, efficiency, empathy),
  - Style, design,
  - Price
- Imagery dimensions:
  - User profiles (Demographic and psychographic characteristics, actual or inspirational, group perceptions)
    - May cause customers to have a profile or mental image of idealised or typical users