

# BRANDS

## BRANDING

### Tuning in



1. What are some brands with a well-known logo?
2. What are the most recognized logos worldwide from your point of view?
3. What are some premium brands? What qualities do they have? What sets these brands apart from the competition?
4. What are some brands from your country with high brand awareness? What type of products are they? What are the slogans of these products?
5. Do you buy generic brands? Why or why not?

### Word study

1. How many expressions with "brand" do you know? Match the terms in the box with their definitions.

- |                   |                 |
|-------------------|-----------------|
| ● brand awareness | ● brand loyalty |
| ● brand equity    | ● brand name    |
| ● brand extension | ● branding      |
| ● brand identity  | ● derived brand |
| ● brand image     | ● off-brand     |

1. What a brand is called.
2. How much people are aware of a brand.
3. What a company wants people to think about a brand.
4. What people actually think about a brand.
5. When a product doesn't fit the company's brand.
6. The value (either monetary or not) that a brand adds to a product or service.
7. When people like a brand and buy it again and again.
8. When a product or service is associated with a brand.
9. When an existing brand is used to support a new range of products.
10. When a component of a product becomes a brand in its own right (e.g. Intel in PCs).

2. Rearrange the letters to make words and phrases that are connected with branding.

Model: nbard yitnedit - brand identity

drabn waaressen  
bardn tyeiqu  
nardb texionsen  
arbnd tyntidei

fof-rbdna  
cirneeg orpctud  
bardn ylatlyo

3. Complete each sentence with the correct word or word –combination from the box.

brand identity  
intangible assets  
premium brand  
brand valuation  
brand image

unbranded  
own-brand  
brand name  
brand loyalty

1. Google, Apple, Coca Cola : each of these is a famous\_\_\_\_\_.
2. Products like Chanel and Christian Dior have a \_\_\_\_\_ which is more glamorous than that of many less well-known competitors.
3. In the beginning of the XXI century most supermarkets began to sell \_\_\_\_\_ products.
4. A new product must create a \_\_\_\_\_ to be easily recognized and associated with specific qualities.
5. Deciding a financial value for a brand name is called\_\_\_\_\_.
6. Consumers usually are not ready to pay more for products that are\_\_\_\_\_.
7. A brand name is valuable not only for the main products that are represented by the name, but also for the range of\_\_\_\_\_ that accompany that name.
8. A key concern for markets is to establish\_\_\_\_\_ among their customers so that they do not buy similar products made by their competitors.
9. Consumers are often prepared to pay a high price for a\_\_\_\_\_ which they believe represents high quality.

## Reading

### Pre-reading task.

1. What is a brand?
2. What is brand awareness?
3. What are the advantages of branding?
4. What do you know about the history of branding?

## Branding



Originally, branding was the placing on animals (usually by burning) of an identifying mark. In a business context, branding refers to imposing on goods and services a distinctive identity. Philip Kotler, author of *Marketing Management*, a standard textbook on marketing, defines a brand as: 'A name, term, symbol or design (or a combination of them) which is intended to signify the goods or services of one seller or group of sellers and to differentiate them from those of the competitors.'

A brand represents the holistic sum of all information about a product or group of products. This symbolic construct typically consists of a name, identifying mark, logo, visual images or symbols, or mental concepts which distinguish the product or service. A brand often carries connotations of a product's 'promise', the product or service's point of difference among its competitors which makes it special and unique. Marketers attempt through a brand to give a product a 'personality' or an 'image'. Thus, they hope to 'brand', or burn, the image into the consumer's mind; that is, associate the image with the product's quality. Because of this, a brand can form an important element of an advertising theme: it serves as a quick way to show and tell consumers what a supplier has offered to the market.

A brand's image is conveyed in a variety of ways, including advertising, packaging and the attitudes of employees. Branding bestows a number of benefits on goods and services.

It reassures consumers about the quality of the product. This allows the producer to charge a premium over and above the value of the basic benefits provided by the underlying product. Consumers buy Coca-Cola not just because they like the taste, but because when it comes to colas, the Coca-Cola brand name is a well-known 'guarantee' of quality.

The ability of powerful brands to grab a bigger share of consumers' wallets than lesser-known competing products can give them great value. When Philip Morris bought the Kraft food company in 1988 it paid four times the value of Kraft's tangible assets. Most of the 75% spent on intangible assets represented the value of Kraft's powerful brands. When Nestle bought Rowntree it paid more than five times the book value of Rowntree's assets. Most of that extra (almost £2 billion) was the cost of Rowntree's well-known names, such as Polo, Kit Kat and After Eight.

The confidence that consumers gain from a well-known brand is particularly useful when they do not have enough information to make wise choices about goods and services. Thus western travelers seek out global brand names when buying drinks and cigarettes, for example, in far-flung corners of the earth where they have no knowledge of the local produce.

Another area where this applies is on the Internet, where online shoppers are uncomfortable with the multitude of choices presented to them. In order to feel they are getting reliable quality and value, they often revert to familiar brands.

Brands have considerable staying power. Of the top 50 packaged goods brands in the UK, for instance, fewer than ten have been created in the past 20 years. New products can be launched under the same brand while old ones are gradually withdrawn from the market.

Changing the elements of a successful brand can be dangerous. When British Airways changed its tail-fin design in 1997, it was part of a gentle shift in the company's branding. But the switch from variations of the Union Jack, with its nationalist overtones, to splashes of ethnic and abstract colors that were meant to convey a feeling of warmth, speed and (above all) of being part of a global community, backfired. Customers saw the new tail-fins as symbolic of a simultaneous deterioration in the airline's service. By the end of the decade, the airline admitted the change was a mistake and pledged to revert to variations of the UK's national flag.

When a branded product becomes number one in its market category, it is called a brand leader. There are considerable advantages to being a brand leader. An American study found that brand leaders on average achieve dramatically higher returns on investment than secondary brands.

When companies have a valuable brand they often attempt to stretch it by attaching it to other products and services. A classic example is the Mars chocolate confectionery brand, which has been successfully transferred to an ice-cream product with a similar shape and flavor.

### Post-reading task.

1. Answer the following questions.

1. What does a brand represent?
2. What is behind a brand?
3. What is the first benefit that branding bestows on goods and services?
4. How does the confidence that consumers gain from a well-known brand help companies increase sales?
5. What is the second benefit that branding bestows on goods and services?
6. What benefits do companies gain from creating brand leaders and enjoying brand recognition?

2. Develop the idea using the following phrases from the text.

1. Branding refers to imposing on goods and services a distinctive identity.
2. Brands differentiate products from those of the competitors.
3. Brand “burns” the image into the consumer’s mind.
4. Brands associate the image with the product’s quality.
5. Powerful brands grab a bigger share of consumers’ wallets.
6. Powerful brands help to launch new products under the same brand.
7. Changing the elements of a successful brand can be dangerous.

3. Read the text and fill in the words into the gaps.

- |             |                 |
|-------------|-----------------|
| • different | • money         |
| • fruits    | • detailed      |
| • products  | • garage        |
| • head      | • idea          |
| • famous    | • black rainbow |
| • name      | • companies     |

The company Apple was founded in 1973 by Steve Jobs, Steve Wozniak and Ron Wayne. They started their company in a small 1 \_\_\_\_\_ with a capital of \$1300. Nowadays, they earn about 170 billion dollar (\$170.000.000.000) in a year (2012). Apple was one of the first 2 \_\_\_\_\_ that developed PCs. They also played an important role in the invention of the computer mouse. Before this invention, people had to type everything that the computer should do for them with their keyboard. Today, Apple is 3 \_\_\_\_\_ for its iPod, iPhone and iPad. The brand name Steve Jobs was the one who had the 4 \_\_\_\_\_ to call the company “apple”. The story is that, at this time, Steve was on a diet that only allowed him to eat 5 \_\_\_\_\_. He thought that “apple” sounds friendly and lively. His partner Steve Wozniak (Ron Wayne had left the company very early) did not like the name “apple”. Steve Jobs gave Steve Wozniak the chance to think of a new name until 5 o’clock. They didn’t find a new 6 \_\_\_\_\_, so today the company is still called “apple”.

The logo

The first apple logo was very 7 \_\_\_\_\_ from the logo today. It showed Isaac Newton (the man who sat under an apple tree and, when an apple suddenly fell on his 8 \_\_\_\_\_, discovered gravity). Steve Jobs and Steve Wozniak found this logo too \_\_\_\_\_ and too complicated, so they wanted another one. The next design was the apple we still see today. The first apple was in the colors of the 9 \_\_\_\_\_. Today, it is usually in one color, for example in 10 \_\_\_\_\_. Critique Apple was criticized

because their workers had to work very long and very hard and did not get much 11 \_\_\_\_\_ for their work. In 2006, 35% of the people still had to work longer than allowed. In 2012, Apple started changing this so that in 2013, it was 5%. In 2006, Apple was also criticized because the materials they used to produce their 12 \_\_\_\_\_ were not environmentally friendly. They started working on this problem and became “a greener apple”, as Steve Jobs called it.

(Information from <http://de.wikipedia.org/wiki/Apple>)

4. Look at the adjectives below and imagine a company or product you associate with each one. Then compare your results with your partner. Did you write down any of the same companies/ products?

- |               |                        |
|---------------|------------------------|
| · reliable    | · luxurious            |
| · trustworthy | · unusual              |
| · easy to use | · good value for money |
| · innovative  | · user friendly        |

5. Decide if the statements are True or False.

#### Advantages of Strong Brands:

- |                                                       |                                                    |
|-------------------------------------------------------|----------------------------------------------------|
| ● Improved perceptions of product performance         | ● Larger margins                                   |
| ● Greater loyalty                                     | ● Greater trade cooperation                        |
| ● More vulnerability to competitive marketing actions | ● Decreased marketing communications effectiveness |
| ● Less vulnerability to crises                        |                                                    |

6. Read the text and speak about different types of brands.

#### Types of Brands.

Many kinds of things can become brands. Different types of brands include individual products, product ranges, services, organizations, individual persons, groups, events, geographic places, private label brands, media, and e-brands.

##### Individual Brands

The most common type of brand is a tangible, individual product, such as a car or drink. This can be very specific, such as the Kleenex brand of tissues, or it can encompass a wide range of products. Product brands can also be associated with a range of offerings, such as the Mercedes S-class cars or all varieties of Colgate toothpaste.

##### Service Brands

A service brand develops as companies move from manufacturing products to delivering complete solutions and intangible services. Service brands are characterized by the need to maintain a consistently high level of service delivery. This category includes the following:

- Classic service brands (such as airlines, hotels, car rentals, and banks)
- Pure service providers (such as member associations)
- Professional service brands (such as advisers of all kinds—accountancy, management consultancy)
- Agents (such as travel agents and estate agents)
- Retail brands (such as supermarkets, fashion stores, and restaurants)

### Organization Brands

Organization brands are companies and other entities that deliver products and services. Mercedes and the U.S. Senate each possess strong organization brands, and each has associated qualities that make up their brand. Organizations can also be linked closely with the brand of an individual. For example, the U.S. Democratic party is closely linked with Bill and Hillary Clinton and Barack Obama.

### Personal Brands

A person can be considered a brand. It can be composed of one individual, as in the cases of Oprah Winfrey or Mick Jagger. Or it may be composed of a few individuals, where the branding is associated with different personalities. With the advent of the Internet and social media, the phenomenon of personal branding offers tools and techniques for virtually anyone to create a brand around themselves.

### Group Brands

Group branding happens when there is a small group of branded entities that have overlapping, interconnected brand equity. For example, the OWN group brand of the Oprah Winfrey Network and the brand of its known members (Oprah and her team) are strongly connected. Similarly, the Rolling Stones represents a group brand that is strongly associated with the personal brands of its members (most enduringly, Mick Jagger, Keith Richards, Ronnie Wood, and Charlie Watts).

### Event Brands

Events can become brands when they strive to deliver a consistent experience that attracts consumer loyalty. Examples include conferences the TED series; sporting events like the Olympics or NASCAR; and touring Broadway musicals like Wicked. The strength of these brands depends on the experience of people attending the event. Event sponsorship is now a thriving big business.

### Geographic Place Brands

Many places or areas of the world seek to brand themselves to build awareness of the essential qualities they offer. Branded places can range from countries and states to cities, streets, and even buildings. Those who govern or represent these geographies work hard to develop the brand. Geographic branding is used frequently to attract commerce and economic investment, tourism, new residents, and so on.

### Private-Label Brands

Private-label brands, also called own brands, or store brands, exist among retailers that possess a particularly strong identity (such as Save-A-Lot). Private labels may denote superior, “select” quality, or lower cost for a quality product.

### Media Brands

Media brands include newspapers, magazines, and television channels such as CNN.

### E-Brands

E-brands exist only in the virtual world. Many e-brands, such as Amazon.com, have a central focus on providing an online front end for delivering physical products or services. Others provide information and intangible services to benefit consumers. Typically a common denominator among e-brands is the focus on delivering a valued service or experience in the virtual environment.