

Managing Brand Identity, Image, and Positioning

The American Marketing Association defines a **brand** 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.**” A brand is thus a product or service whose dimensions differentiate it in some way from other products or services designed to satisfy the same need. These differences may be functional, rational, or tangible—related to product performance of the brand. They may also be more symbolic, emotional, or intangible—related to what the brand represents or means in a more abstract sense.

Branding has been around for centuries as a means to distinguish the goods of one producer from those of another. Brands today play a number of important roles that improve consumers’ lives and enhance the financial value of firms.

The Role of Brands

Brands identify the maker of a product and allow consumers to assign responsibility for its performance to that maker or distributor. Brands perform a number of functions for both consumers and firms.

Brands' Role For Consumers: A brand is a promise between the firm and the consumer. It is a means to set consumers' expectations and reduce their risk. In return for customer loyalty, the firm promises to reliably deliver a predictably positive experience and set of desirable benefits with its products and services. A brand may even be "predictably unpredictable" if that is what consumers expect, but the key is that it fulfills or exceeds customer expectations in satisfying their needs and wants.

Brands' Role For Firms: Brands also perform valuable functions for firms. First, they simplify product handling by helping organize inventory and accounting records. A brand also offers the firm legal protection for unique features or aspects of the product. The brand name can be protected through registered trademarks, manufacturing processes can be protected through patents, and packaging can be protected through copyrights and proprietary designs. These intellectual property rights ensure that the firm can safely invest in the brand and reap the benefits of a valuable asset.

Branding is the process of endowing products and services with the power of a brand. It's all about creating differences between products. Marketers need to teach consumers “who” the product is—by giving it a name and other brand elements to identify it—as well as what the product does and why consumers should care. Branding creates mental structures that help consumers organize their knowledge about products and services in a way that clarifies their decision making and, in the process, provides value to the firm.

Brand equity is the added value endowed to products and services with consumers. It may be reflected in the way consumers think, feel, and act with respect to the brand, as well as in the prices, market share, and profitability it commands.

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Customer-based brand equity is the differential effect that brand knowledge has on consumer response to the marketing of that brand. A brand has positive customer-based brand equity when consumers react more favorably to a product and the way it is marketed when the brand is identified than when it is not (say, when the product is attributed to a fictitious name or is unnamed).

Brand elements

Sometimes called brand identities, are those trademarkable devices that serve to identify and differentiate the brand. The main ones are brand names, URLs, logos, symbols, characters, spokespeople, slogans, jingles, packages, and signage. The customer-based brand equity model suggests that marketers should choose brand elements to enhance brand awareness; facilitate the formation of strong, favorable, and unique brand associations; or elicit positive brand judgments and feelings.

Criteria for choosing brand elements

In general, there are six criteria for brand elements:

1. Memorable
2. Meaningful
3. Likable
4. Transferable
5. Adaptable
6. Protectable

1. Memorable

Easily recognized
Easily recalled

2. Meaningful

Descriptive
Persuasive

3. Likable

Fun and interesting
Rich visual and verbal imagery
Aesthetically pleasing

4. Transferable

Within and across product categories
Across geographic boundaries and cultures

5. Adaptable

Flexible
Updatable

6. Protectable

Legally
Competitively

Memorability

A necessary condition for building brand equity is achieving a high level of brand awareness. Brand elements that promote that goal are inherently memorable and attention-getting and therefore facilitate recall or recognition in purchase or consumption settings. For example, a brand of propane gas cylinders named Blue Rhino featuring a powder-blue animal mascot with a distinctive yellow flame is likely to stick in the minds of consumers.

Meaningfulness

Brand elements may take on all kinds of meaning, with either descriptive or persuasive content. Two particularly important criteria are how well the brand element conveys the following:

- General information about the function of the product or service: Does the brand element have descriptive meaning and suggest something about the product category, the needs satisfied or benefits supplied? How likely is it that a consumer could correctly identify the product category for the brand based on any one brand element? Does the brand element seem credible in the product category?
- Specific information about particular attributes and benefits of the brand: Does the brand element have persuasive meaning and suggest something about the particular kind of product, or its key points-of-difference attributes or benefits?

Likability

Independent of its memorability and meaningfulness, do customers find the brand element aesthetically appealing? Is it likable visually, verbally, and in other ways? Brand elements can be rich in imagery and inherently fun and interesting, even if not always directly related to the product. A memorable, meaningful, and likable set of brand elements offers many advantages because consumers often do not examine much information in making product decisions.

Transferability

Transferability measures the extent to which the brand element adds to the brand equity for new products or in new markets for the brand.

First, how useful is the brand element for line or category extensions?

Second, to what extent does the brand element add to brand equity across geographic boundaries and market segments?

Adaptability

The fifth consideration for brand elements is their adaptability over time. Because of changes in consumer values and opinions, or simply because of a need to remain contemporary, most brand elements must be updated. The more adaptable and flexible the brand element, the easier it is to update it. For example, logos and characters can be given a new look or a new design to make them appear more modern and relevant.

Protectability

The sixth and final general consideration is the extent to which the brand element is protectable— both in a legal and a competitive sense. Marketers should (1) choose brand elements that can be legally protected internationally, (2) formally register them with the appropriate legal bodies, and (3) vigorously defend trademarks from unauthorized competitive infringement.

Options And Tactics For Brand Elements

Consider the advantages of “Apple” as the name of a personal computer. Apple was a simple but well-known word that was distinctive in the product category—which helped develop brand awareness. The meaning of the name also gave the company a “friendly shine” and warm brand personality. It could also be reinforced visually with a logo that would transfer easily across geographic and cultural bound arise.

Brand Names

The brand name is a fundamentally important choice because it often captures the central theme or key associations of a product in a very compact and economical fashion. Brand names can be an extremely effective shorthand means of communication. Whereas an advertisement lasts half a minute and a sales call could run to hours, customers can notice the brand name and register its meaning or activate it in memory in just a few seconds.

URLs

URLs (uniform resource locators) specify locations of pages on the Web and are also commonly referred to as domain names. Anyone wishing to own a specific URL must register and pay for the name. As companies clamored for space on the Web, the number of registered URLs increased dramatically.

Logos and Symbols

Although the brand name typically is the central element of the brand, visual elements also play a critical role in building brand equity and especially brand awareness. Logos have a long history as a means to indicate origin, ownership, or association. For example, families and countries have used logos for centuries to visually represent their names (think of the Hapsburg eagle of the Austro-Hungarian Empire).

Logos range from corporate names or trademarks (word marks with text only) written in a distinctive form, to entirely abstract designs that may be completely unrelated to the word mark, corporate name, or corporate activities. Examples of brands with strong word marks and no accompanying logo separate from the name include Coca-Cola, Dunhill, and Kit Kat. Examples of abstract logos include the Mercedes star, Rolex crown, CBS eye, Nike swoosh, and Olympic rings. These non-word mark logos are also often called symbols.

Characters

Characters represent a special type of brand symbol—one that takes on human or real-life characteristics. Brand characters typically are introduced through advertising and can play a central role in ad campaigns and package designs. Some are animated characters like the Pillsbury Doughboy, Peter Pan peanut butter.

Slogans

Slogans are short phrases that communicate descriptive or persuasive information about the brand. They often appear in advertising but can play an important role on packaging and in other aspects of the marketing program. When Snickers advertised, “Hungry? Grab a Snickers,” the slogan also appeared on the candy bar wrapper itself.

Jingles

Jingles are musical messages written around the brand. Typically composed by professional songwriters, they often have enough catchy hooks and choruses to become almost permanently registered in the minds of listeners—sometimes whether they want them to or not! During the first half of the twentieth century, when broadcast advertising was confined primarily to radio, jingles were important branding devices.

Packaging

Packaging is the activities of designing and producing containers or wrappers for a product.

The entire set of brand elements makes up the brand identity, the contribution of all brand elements to awareness and image. The cohesiveness of the brand identity depends on the extent to which the brand elements are consistent. Ideally, marketers choose each element to support the others, and all can be easily incorporated into other aspects of the brand and the marketing program.

Brand Image

Creating brand awareness by increasing the familiarity of the brand through repeated exposure (for brand recognition) and forging strong associations with the appropriate product category or other relevant purchase or consumption cues (for brand recall) is an important first step in building brand equity. Once a sufficient level of brand awareness is created, marketers can put more emphasis on crafting a brand image.

Creating a positive brand image takes marketing programs that link strong, favorable, and unique associations to the brand in memory. Brand associations may be either brand attributes or benefits. Brand attributes are those descriptive features that characterize a product or service. Brand benefits are the personal value and meaning that consumers attach to the product or service attributes.

Factors that affect Brand Image

Strength of Brand Associations: The more deeply a person thinks about product information and relates it to existing brand knowledge, the stronger the resulting brand associations will be. Two factors that strengthen association to any piece of information are its personal relevance and the consistency with which it is presented over time.

Favorability of Brand Associations: Marketers create favorable brand associations by convincing consumers that the brand possesses relevant attributes and benefits that satisfy their needs and wants, such that they form positive overall brand judgments. Consumers will not hold all brand associations to be equally important, nor will they view them all favorably or value them all equally across different purchase or consumption situations.

Uniqueness of Brand Associations: The essence of brand positioning is that the brand has a sustainable competitive advantage or “unique selling proposition” that gives consumers a compelling reason why they should buy it. Marketers can make this unique difference explicit through direct comparisons with competitors, or they may highlight it implicitly. They may base it on performance-related or non-performance-related attributes or benefits.

Understanding Positioning and Value Propositions

Positioning is the act of designing a company's offering and image to occupy a distinctive place in the minds of the target market. The goal is to locate the brand in the minds of consumers to maximize the potential benefit to the firm. A good brand positioning helps guide marketing strategy by clarifying the brand's essence, identifying the goals it helps the consumer achieve, and showing how it does so in a unique way. Everyone in the organization should understand the brand positioning and use it as context for making decisions.

One result of positioning is the successful creation of a customer-focused value proposition, a cogent reason why the target market should buy a product or service.

TABLE 10.1 Examples of Value Propositions		
Company and Product	Target Customers	Value Proposition
Hertz (car rental)	Busy professionals	Fast, convenient way to rent the right type of a car at an airport
Volvo (station wagon)	Safety-conscious upscale families	The safest, most durable wagon in which your family can ride
Domino's (pizza)	Convenience-minded pizza lovers	A delicious hot pizza, delivered promptly to your door

Positioning requires that marketers define and communicate similarities and differences between their brand and its competitors. Specifically, deciding on a positioning requires:

- (1) choosing a frame of reference by identifying the target market and relevant competition,
- (2) identifying the optimal points-of-parity and points-of-difference brand associations given that frame of reference, and
- (3) creating a brand mantra summarizing the positioning and essence of the brand.

Choosing a Competitive Frame of Reference

The competitive frame of reference defines which other brands a brand competes with and which should thus be the focus of competitive analysis. Decisions about the competitive frame of reference are closely linked to target market decisions. Deciding to target a certain type of consumer can define the nature of competition because certain firms have decided to target that segment in the past (or plan to do so in the future) or because consumers in that segment may already look to certain products or brands in their purchase decisions.

Identifying Potential Points-of-Difference and Points-of-Parity

Once marketers have fixed the competitive frame of reference for positioning by defining the customer target market and the nature of the competition, they can define the appropriate points-of-difference and points-of-parity associations.

Points-of-Difference

Points-of-difference (PODs) are attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand. Associations that make up points-of-difference can be based on virtually any type of attribute or benefit. Louis Vuitton may seek a point-of-difference as having the most stylish handbags, Energizer as having the longest-lasting battery, and Fidelity Investments as offering the best financial advice and planning.

Strong brands often have multiple points-of-difference. Some examples are Apple (design, ease-of-use, and irreverent attitude), Nike (performance, innovative technology, and winning), and Southwest Airlines (value, reliability, and fun personality).

Creating strong, favorable, and unique associations is a real challenge, but an essential one for competitive brand positioning.

Points-of-Parity

Points-of-parity (POPs), on the other hand, are attribute or benefit associations that are not necessarily unique to the brand but may in fact be shared with other brands. These types of associations come in three basic forms: category, correlational, and competitive.

Category points-of-parity are attributes or benefits that consumers view as essential to a legitimate and credible offering within a certain product or service category. In other words, they represent necessary—but not sufficient—conditions for brand choice. Consumers might not consider a travel agency truly a travel agency unless it is able to make air and hotel reservations, provide advice about leisure packages, and offer various ticket payment and delivery options. Category points-of-parity may change over time due to technological advances, legal developments, or consumer trends, but to use a golfing analogy, they are the “greens fees” necessary to play the marketing game.

Competitive points-of-parity are associations designed to overcome perceived weaknesses of the brand in light of competitors’ points-of-difference. One good way to uncover key competitive points-of-parity is to role-play competitors’ positioning and infer their intended points-of-difference. Competitor’s PODs will, in turn, suggest the brand’s POPs.

Points-of-Parity Versus Points-of-Difference

For an offering to achieve a point-of-parity on a particular attribute or benefit, a sufficient number of consumers must believe the brand is “good enough” on that dimension. There is a zone or range of tolerance or acceptance with points-of-parity. The brand does not literally need to be seen as equal to competitors, but consumers must feel it does well enough on that particular attribute or benefit. If they do, they may be willing to base their evaluations and decisions on other factors more favorable to the brand. A light beer presumably would never taste as good as a full-strength beer, but it would need to taste close enough to be able to effectively compete.

Often, the key to positioning is not so much achieving a point-of-difference as achieving points-of-parity!

Multiple Frames of Reference

It is not uncommon for a brand to identify more than one actual or potential competitive frame of reference, if competition widens or the firm plans to expand into new categories.

For example, Starbucks could define very distinct sets of competitors, suggesting different possible POPs and PODs as a result:

1. Quick-serve restaurants and convenience shops (McDonald's and Dunkin' Donuts)—Intended PODs might be quality, image, experience, and variety; intended POPs might be convenience and value.
2. Home and office consumption (Folgers, NESCAFÉ instant, and Green Mountain Coffee K-Cups)—Intended PODs might be quality, image, experience, variety, and freshness; intended POPs might be convenience and value.
3. Local cafés—Intended PODs might be convenience and service quality; intended POPs might be product quality, variety, price, and community.

Note that some potential POPs and PODs for Starbucks are shared across competitors; others are unique to a particular competitor.

Straddle Positioning

Occasionally, a company will be able to straddle two frames of reference with one set of points-of-difference and points-of-parity. In these cases, the points-of-difference for one category become points-of-parity for the other and vice versa. Subway restaurants are positioned as offering healthy, good tasting sandwiches. This positioning allows the brand to create a POP on taste and a POD on health with respect to quick-serve restaurants such as McDonald's and Burger King and, at the same time, a POP on health and a POD on taste with respect to health food restaurants and cafés.

Straddle positions allow brands to expand their market coverage and potential customer base.

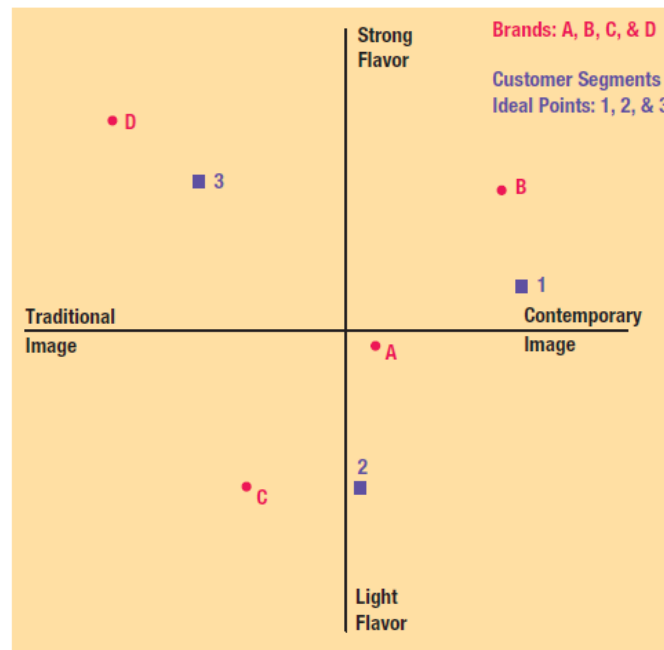
Choosing Specific POPs and PODs

To build a strong brand and avoid the commodity trap, marketers must start with the belief that you can differentiate anything. Michael Porter urged companies to build a sustainable competitive advantage. Competitive advantage is a company's ability to perform in one or more ways that competitors cannot or will not match.

Marketers typically focus on brand benefits in choosing the points-of-parity and points-of-difference that make up their brand positioning. Brand attributes generally play more of a supporting role by providing “reasons to believe” or “proof points” as to why a brand can credibly claim it offers certain benefits. Marketers of Dove soap, for example, will talk about how its attribute of one-quarter cleansing cream uniquely creates the benefit of softer skin. Singapore Airlines can boast about its superior customer service because of its better trained flight attendants and strong service culture.

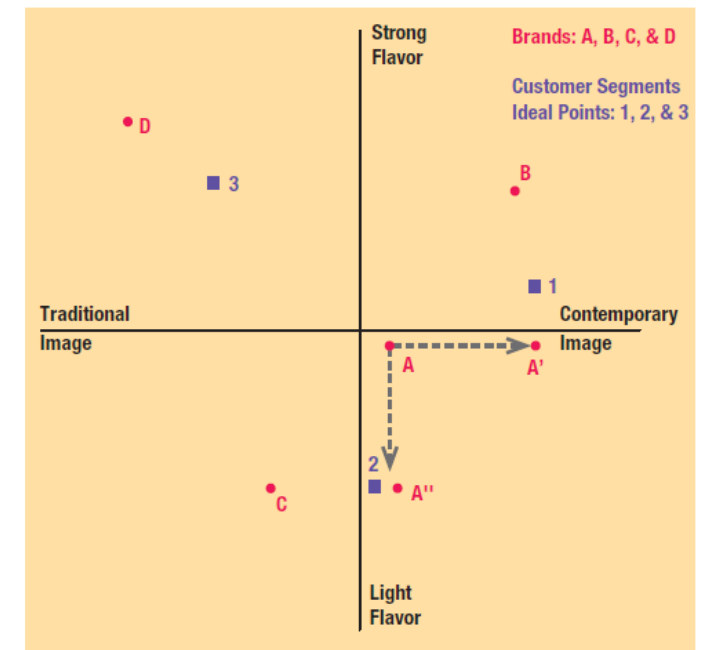
Perceptual Maps

For choosing specific benefits as POPs and PODs to position a brand, perceptual maps may be useful. Perceptual maps are visual representations of consumer perceptions and preferences. They provide quantitative pictures of market situations and the way consumers view different products, services, and brands along various dimensions. By overlaying consumer preferences with brand perceptions, marketers can reveal “holes” or “openings” that suggest unmet consumer needs and marketing opportunities.



| Fig. 10.1a |

(a) Hypothetical Beverage Perceptual Map: Current Perceptions



| Fig. 10.1b |

(b) Hypothetical Beverage Perceptual Map: Possible Repositioning for Brand A

Veblen's **theory of conspicuous consumption**, outlined in his 1899 book "The Theory of the Leisure Class," posits that individuals use their wealth and possessions to publicly display their status and social standing. **It's a concept where the primary motivation for purchasing goods and services is not need or utility, but rather the desire to impress others and signal their economic success.**

Luxury Products

Design is often an important aspect of luxury products, though these products also face some unique issues. They are perhaps one of the purest examples of the role of branding because the brand and its image are often key competitive advantages that create enormous value and wealth. Marketers for luxury brands such as Prada, Gucci, Cartier, and Louis Vuitton manage lucrative franchises that have endured for decades in what some believe is now a \$270 billion industry.

Characterizing Luxury Brands

Significantly higher priced than typical items in their categories, luxury brands for years were about social status and who a customer was—or perhaps wanted to be. Times have changed, and especially in the aftermath of a crippling recession, luxury for many has become more about style and substance, combining personal pleasure and self-expression. A luxury shopper must feel he or she is getting something truly special. Thus the common denominators of luxury brands are quality and uniqueness. A winning formula for many is craftsmanship, heritage, authenticity, and history, often critical to justifying a sometimes extravagant price. Hermès, the French luxury leather-goods maker, sells its classic designs for hundreds or even thousands of dollars, “not because they are in fashion,” as one writer put it, “but [because] they never go out of fashion.”

Marketing Luxury Brands

Luxury marketers have learned that luxury is not viewed the same way around the world. In post-communist Russia for a time, as in China, the bigger and gaudier the logo, the better. But in the end, luxury brand marketers have to remember they are often selling a dream, anchored in product quality, status, and prestige.

Just like marketers in less expensive categories, those guiding the fortunes of luxury brands operate in a constantly evolving marketing environment. Globalization, new technologies, financial crises, shifting consumer cultures, and other forces require them to be skillful and adept at their brand stewardship to succeed.

One trend for luxury brands is to wrap personal experiences around the products. Top-end fashion retailers are offering such experiences alongside their wares, expecting that customers who have visited a workshop or met the designer will feel closer to the brand. Gucci is inviting its biggest spenders to fashion shows, equestrian events, and the Cannes Film Festival.

Porsche Sport Driving Schools and Experience Centers in Germany, the United States, and other parts of the world allow Porsche drivers to “train their driving skills and enjoy the all-out pleasure of driving, on-road, off-road, or on snow and ice.” The recently opened state-of-the-art facility in Southern California features 45-degree off-road inclines and a simulated ice hill.

TABLE 13.1

Guidelines for Marketing Luxury Brands

1. Maintaining a premium image for luxury brands is crucial; controlling that image is thus a priority.
2. Luxury branding typically includes the creation of many intangible brand associations and an aspirational image.
3. All aspects of the marketing program for luxury brands must be aligned to ensure high-quality products and services and pleasurable purchase and consumption experiences.
4. Besides brand names, other brand elements—logos, symbols, packaging, signage—can be important drivers of brand equity for luxury products.
5. Secondary associations from linked personalities, events, countries, and other entities can boost luxury-brand equity as well.
6. Luxury brands must carefully control distribution via a selective channel strategy.
7. Luxury brands must employ a premium pricing strategy, with strong quality cues and few discounts and markdowns.
8. Brand architecture for luxury brands must be managed carefully.
9. Competition for luxury brands must be defined broadly because it often comes from other categories.
10. Luxury brands must legally protect all trademarks and aggressively combat counterfeits.



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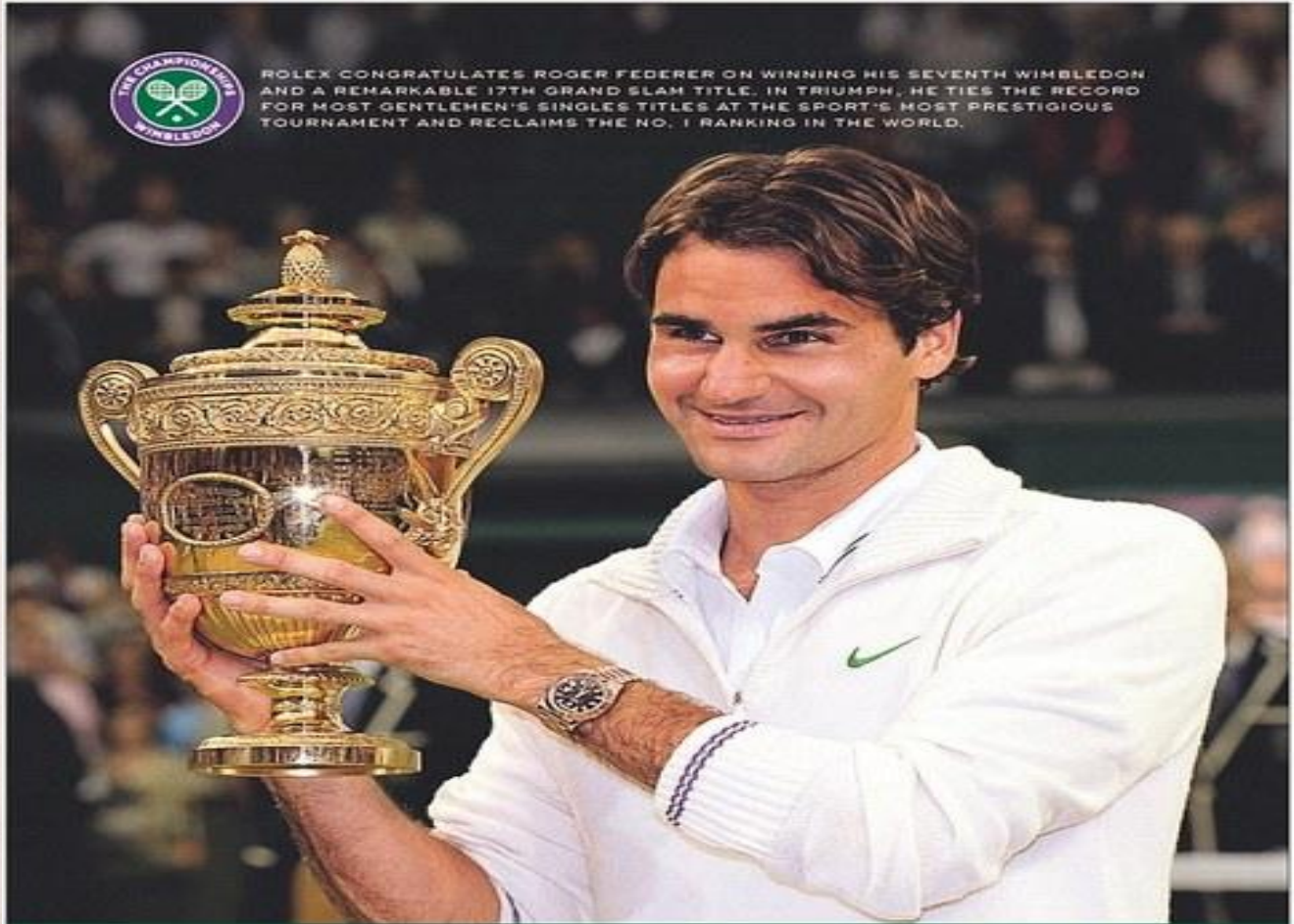
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