

Prezentace 1

6EBRA2

Branding (Anglicky)

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Introduction to brand management within the marketing environment.



Marketing as the basis of Branding

What is marketing?

1. Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with each other. (*Philip Kotler, 2001*)
2. Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (*AMA - American Marketing Association*)
3. Marketing as a **CCDVTP** = Creating, communicating and delivering the value to the target market at a profit. (*Philip Kotler*)



Purpose of the marketing

- Marketing is used to create, keep and satisfy the customer and generate profit at the same time.



Marketing environment

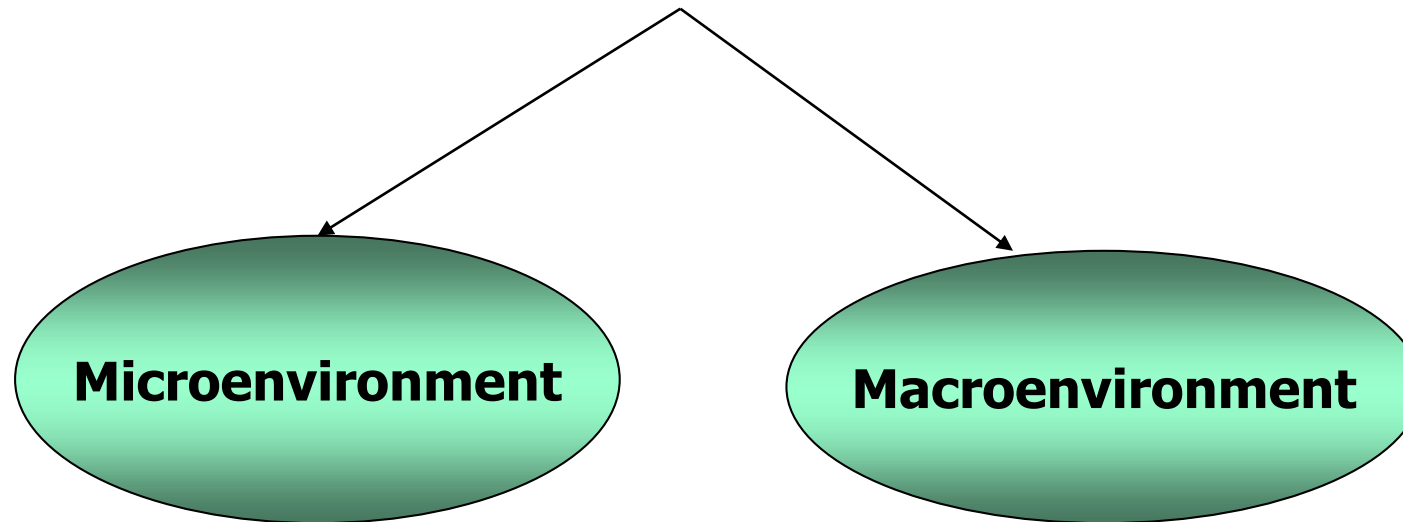
The term "marketing environment" relates to all of the factors (whether internal, external, direct or indirect) that affect a firm's marketing decision-making/planning. A firm's marketing environment consists of three main areas, which are:

- The macro-environment, over which a firm holds little control
- The micro-environment, over which a firm holds a greater amount (though not necessarily total) control
- The internal environment, which includes the factors inside of the company itself



Marketing environment

- Marketing environment

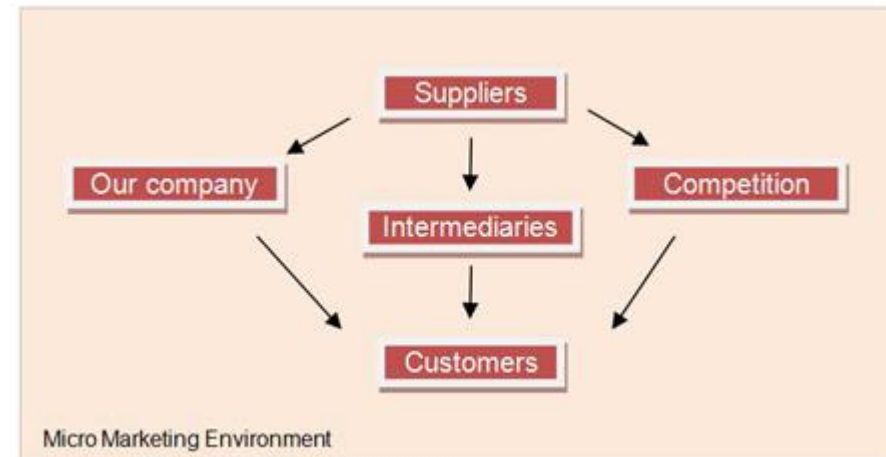




Marketing environment

Microenvironment

- Current and Potential Customers
- Competitors
- Intermediaries (Distributors/Wholesalers/Retailers)
- Suppliers





Marketing environment

Macroenvironment

- Demographic Environment
- Economic Environment
- Socio-cultural Environment
- Natural Environment
- Technological Environment
- Political and Legal Environment



Marketing environment

Internal environment

A firm's internal environment consists of factors inside of the actual company. These are factors controlled by the firm and they affect the relationship that a firm has with its customers. These include factors such as:

- Labor
- Inventory
- Company Policy
- Logistics
- Budget
- Capital Assets

Marketing environment

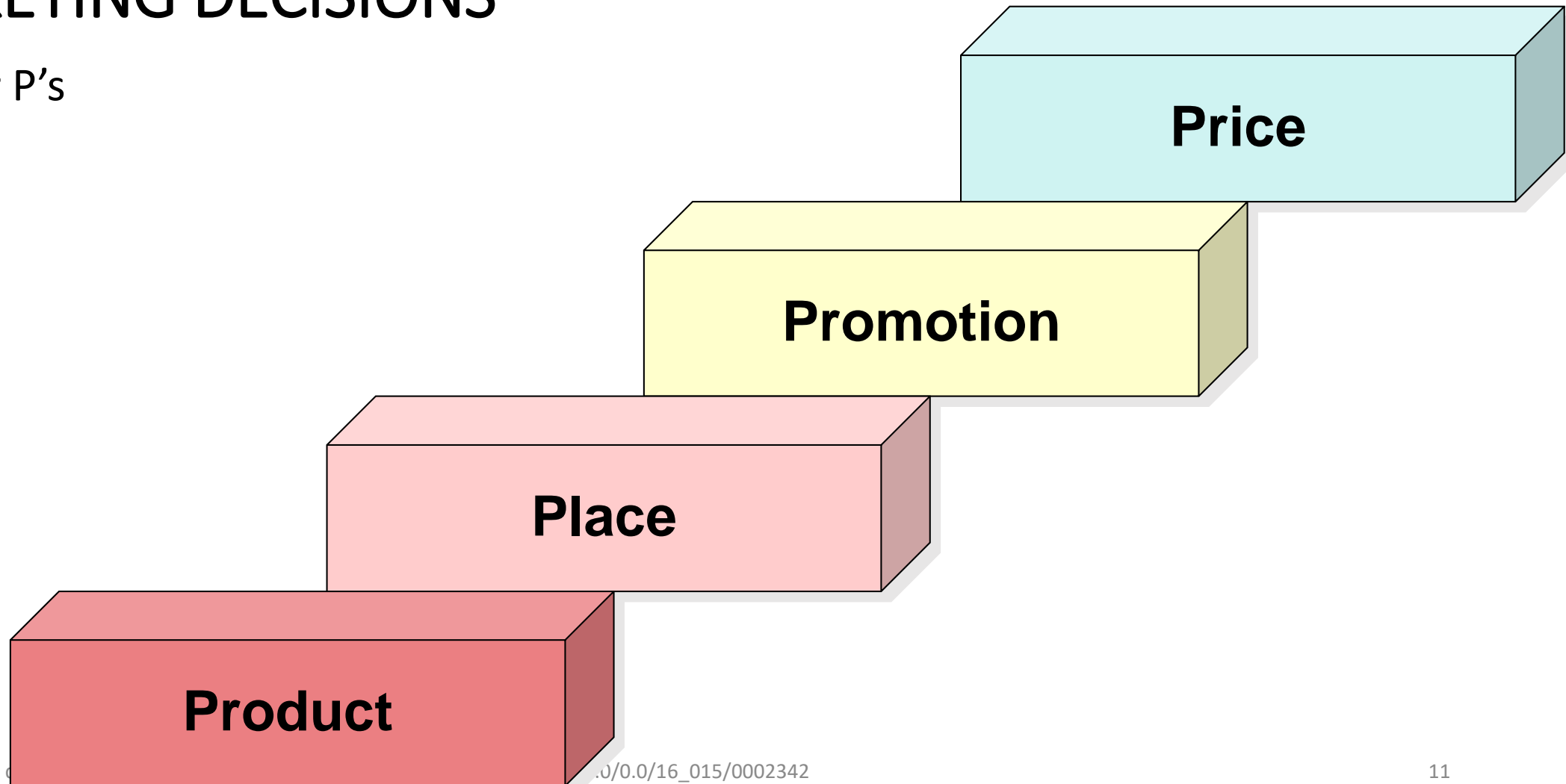
- Marketing environment overview



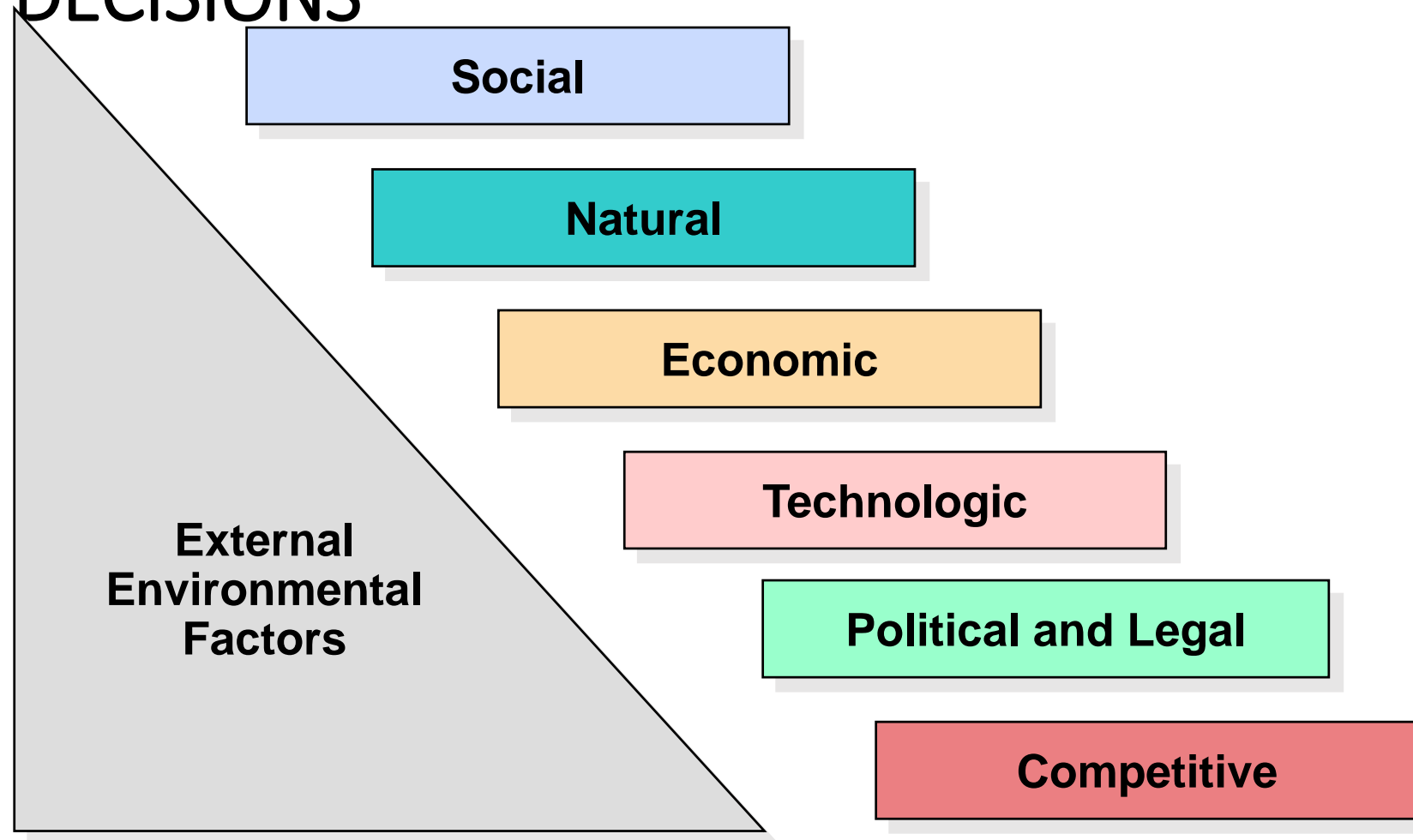


CONTROLLABLE FACTORS AFFECTING MARKETING DECISIONS

The Four P's

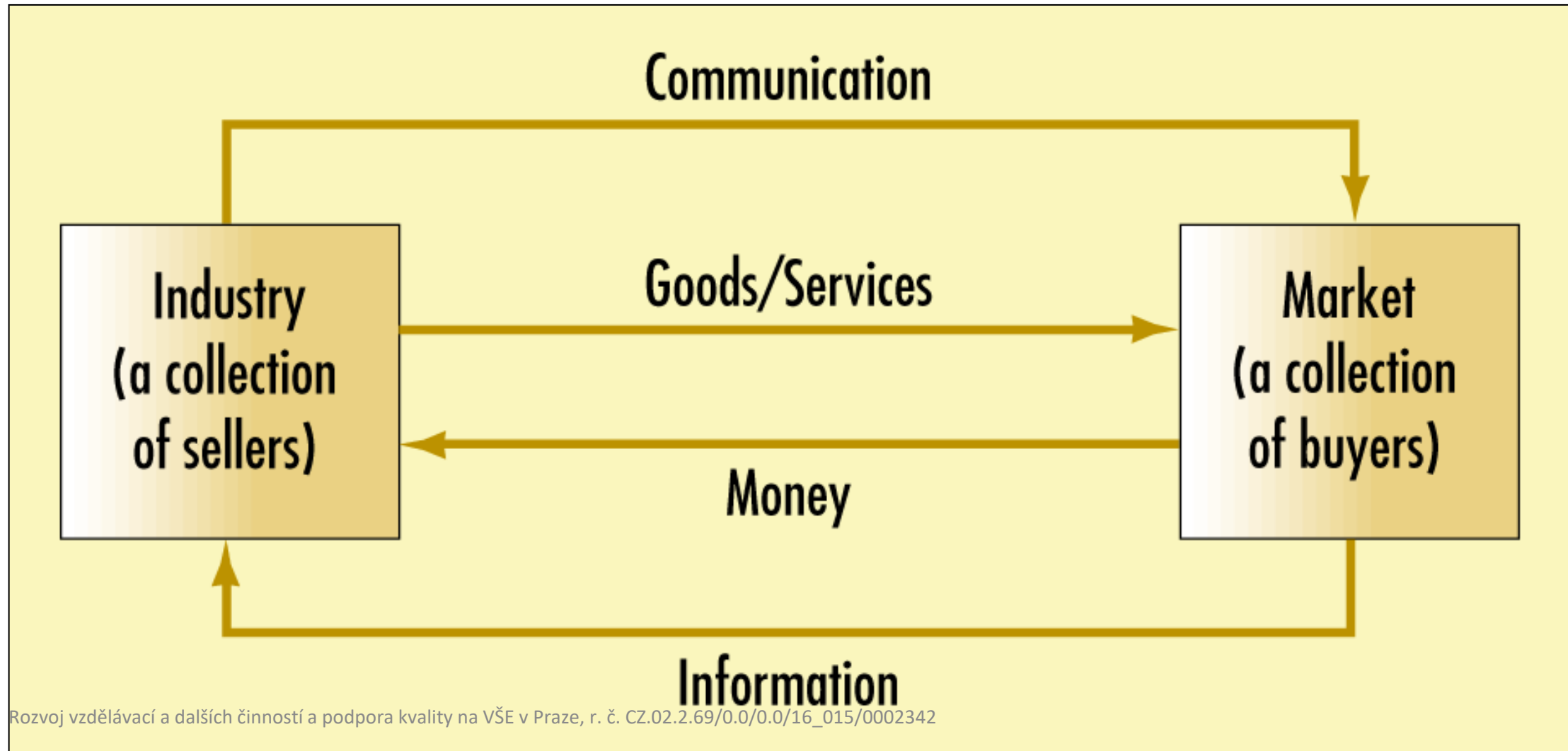


UNCONTROLLABLE FACTORS AFFECTING MARKETING DECISIONS





A Simple Marketing System





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Branding as a function of Marketing



Branding

Branding is the analysis and planning on how a brand is perceived in the market. Developing a good relationship with the target market is essential for brand management. Branding activities include in particular:

- Setting the role towards the other brands (Positioning)
- Selecting a brand name
- Brand and Logo Design
- Creating a slogan
- Setting the way of brand communication with customers
- Defining required product associations



What's branding?

- It's the marketing practice of creating a name, symbol or design that identifies and differentiates a product from other products.
- “Branding is the art of aligning what you want people to think about your company with what people actually think about your company.”



Branding vs marketing

- Marketing may contribute to a brand, but the brand is bigger than any particular marketing effort. The brand = remains after the marketing has swept through the room. It's what sticks in your mind associated with a product, service, or organization—whether or not, at that particular moment, you bought or did not buy.
- The brand is ultimately what determines if you will become a loyal customer or not.
- The marketing may convince you to buy a particular Toyota, but it is the brand that will determine if you will only buy Toyotas for the rest of your life.



Branding vs marketing

Is branding a cost centre?

On the surface, yes, but the return is **loyalty**.

The return is

- Sales people whose jobs are easier and more effective,
- Employees who stay longer and work harder,
- Customers who become ambassadors and advocates for the organization.



Questions exercises

- What is the importance of brand management in a business?
- Describe what can be expressed in the importance of the brand? What is the advantage of a good brand for a business?
- Find a business in the Czech Republic, which in your opinion is the bearer of "good brand". Explain why.



Key Words

- Brand, Brand Management, Marketing, Successful Brand, Slogan, Design, Corporate Culture, Innovation Strategy, Communication Strategy, Segmentation, Brand Identity, Brand As Product, Value Proposition, Brand Personality, Brand Recognition, Perceived Quality, Branded Differentiation, Value Proposition, Archetype.



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The historical basis of contemporary Brand management.



Etymology

- The word, *brand*, derives from its original and current meaning as a firebrand, a burning piece of wood. That word comes from the Old High German, brinnan and Old English byrnan, biernan, and brinnan via Middle English as birnan and brond.
- Torches were used to indelibly mark items such as furniture and pottery, and to permanently burn identifying marks into the skin of slaves and livestock. Later the firebrands were replaced with branding irons.
- The marks themselves took on the term and came to be closely associated with craftsmen's products. Through that association, the term eventually acquired its current meaning.



History 1/X

- Branding and labelling have an ancient history. Branding probably began with the practice of branding livestock in order to deter theft.
- Images of the branding of cattle occur in ancient Egyptian tombs dating to around 2,700 BCE.
- Over time, purchasers realised that the brand provided information about origin as well as about ownership, and could serve as a guide to quality.
- Branding was adapted by farmers, potters and traders for use on other types of goods such as pottery and ceramics.
- Forms of branding or proto-branding emerged spontaneously and independently throughout Africa, Asia and Europe at different times, depending on local conditions.



History 1/X

- Seals, which acted as quasi-brands, have been found on early Chinese products of the Qin Dynasty (221-206 BCE); large numbers of seals survive from the Harappan civilization of the Indus Valley (3,300–1,300 BCE) where the local community depended heavily on trade; cylinder seals came into use in Ur in Mesopotamia in around 3,000 BCE and facilitated the labelling of goods and property; and the use of maker's marks on pottery was commonplace in both ancient Greece and Rome.
- Identity marks, such as stamps on ceramics, were also used in ancient Egypt.



History 1/X

- Scholarly studies have found evidence of branding, packaging and labelling in antiquity.
- Archaeological evidence of potters' stamps has been found across the breadth of the Roman Empire and in ancient Greece. Stamps were used on bricks, pottery, and storage containers as well as on fine ceramics.
- Pottery marking had become commonplace in ancient Greece by the 6th century BCE. A vase manufactured around 490 BCE bears the inscription “Sophilos painted me”, indicating that the object was both fabricated and painted by a single potter.



History 1/X

- A characteristic feature of 19th-century mass-marketing was the widespread use of branding, originating with the advent of packaged goods.
- Industrialization moved the production of many household items, such as soap, from local communities to centralized factories. When shipping their items, the factories would literally brand their logo or company insignia on the barrels used, effectively using a corporate trademark as a quasi-brand.
- By the 1880s large manufacturers had learned to imbue their brands' identity with personality traits such as youthfulness, fun, sex appeal, luxury or the "cool" factor. This began the modern practice now known as branding, where the consumers buy the brand instead of the product and rely on the brand name instead of a retailer's recommendation.



History 1/X

- With the rise of mass media in the early 20th century, companies soon adopted techniques that would allow their messages to stand out; slogans, mascots, and jingles began to appear on radio in the 1920s and in early television broadcasting in the 1930s.
- By the 1940s manufacturers began to recognize the way in which consumers had started to develop relationships with their brands in a social/psychological/anthropological sense.
- Advertisers began to use motivational research and consumer research to gather insights into consumer purchasing. Strong branded campaigns for Chrysler and Exxon/Esso, using insights drawn from research into psychology and cultural anthropology, led to some of most enduring campaigns of the 20th-century.
- Brand advertisers began to imbue goods and services with a personality, based on the insight that consumers searched for brands with personalities that matched their own.



Questions exercises

- Describe historical periods in brand development.
- What two basic brand concepts do we recognize?
- Characterize the basic development stages in business or marketing.
- Try to compile a list of the ten oldest Czech brands. Which one is the best for you and why?



Key Words

- Production concept, Product, Selling concept, Marketing concept, Societal marketing concept, Branding, Marking.



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Product brand and its importance in Brand Management.



The role of brands

- The original aim of branding was to simplify the process of identifying and differentiating products.
- Over time, manufacturers began to use branded messages to give the brand a unique personality. Brands came to embrace a performance or benefit promise, for the product, certainly, but eventually also for the company behind the brand.
- Today, brands play a much bigger role. The power of brands to communicate a complex message quickly, with emotional impact and with the ability of brands to attract media attention, makes them ideal tools in the hands of activists.
- Cultural conflict over a brand's meaning has also influences the diffusion of an innovation.



Brand equity

- Brand equity is the measurable totality of a brand's worth and is validated by assessing the effectiveness of these branding components.
- As markets become increasingly dynamic and fluctuating, brand equity is a marketing technique to increase customer satisfaction and customer loyalty, with side effects like reduced price sensitivity.
- A brand is, in essence, a promise to its customers of what they can expect from products and may include emotional as well as functional benefits.
- When a customer is familiar with a brand, or favours it incomparably to its competitors, this is when a corporation has reached a high level of brand equity.



Brand equity

- Consumers' knowledge about a brand also governs how manufacturers and advertisers market the brand.
- Brand equity is created through strategic investments in communication channels and market education and appreciates through economic growth in profit margins, market share, prestige value, and critical associations.
- Generally, these strategic investments appreciate over time to deliver a return on investment. This is directly related to marketing ROI. Brand equity can also appreciate without strategic direction.



Brand equity

- While most brand equity research has taken place in consumer markets, the concept of brand equity is also important for understanding competitive dynamics and price structures of business-to-business markets.
- Three brand equity drivers were selected by researchers from numerous factors that have impact on a brand:
 - brand awareness,
 - brand perspective,
 - and brand attachment.



Brand equity

- Brand equity is strategically crucial, but famously difficult to quantify. Many experts have developed tools to analyze this asset, but there is no agreed way to measure it.
- As one of the serial challenges that marketing professionals and academics find with the concept of brand equity, the disconnect between quantitative and qualitative equity values is difficult to reconcile.
- Quantitative brand equity includes numerical values such as profit margins and market share, but fails to capture qualitative elements such as prestige and associations of interest. Overall, most marketing practitioners take a more qualitative approach to brand equity because of this challenge



Questions exercises

- Explain ways to increase brand value.
- What will you rate in a brand audit?
- Choose a brand and describe what innovation has gone through over the last five years.
- What is the difference between brand strengthening and brand revitalization?



Key Words

- Branding Strategy, Brand Audit, Brand Value Chain, Brand Management System, Brand Hierarchy Definition, Portfolio, Strategy, Market Segment, Brand Value Enhancement, Brand Revitalization, Brand Elimination, Orphan Brand, Corporate Rebranding.



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Brand identity
(brand as product, organization,
personality, and symbol).



Corporate brand identity

- Simply, the brand identity is a set of individual components, such as a name, a design, a set of images, a slogan, a vision, a design, writing style, a particular font or a symbol etc. which sets the brand aside from others.
- In order for a company to exude a strong sense of brand identity, it must have an in-depth understanding of its target market, competitors and the surrounding business environment.
- Brand identity includes both the core identity and the extended identity.
- The core identity reflects consistent long-term associations with the brand; whereas the extended identity involves the intricate details of the brand that help generate a constant motif.



Corporate brand identity

- According to Kotler et al. (2009), a brand's identity may deliver four levels of meaning:
 - attributes
 - benefits
 - values
 - personality



Corporate brand identity

- A brand's attributes are a set of labels with which the corporation wishes to be associated. For example, a brand may showcase its primary attribute as environmental friendliness. However, a brand's attributes alone are not enough to persuade a customer into purchasing the product.
- These attributes must be communicated through benefits, which are more emotional translations. If a brand's attribute is being environmentally friendly, customers will receive the benefit of feeling that they are helping the environment by associating with the brand. Aside from attributes and benefits, a brand's identity may also involve branding to focus on representing its core set of values.
- If a company is seen to symbolise specific values, it will, in turn, attract customers who also believe in these values.



Visual brand identity

- A brand can also be used to attract customers by a company, if the brand of a company is well established and has goodwill. The recognition and perception of a brand is highly influenced by its visual presentation. A brand's visual identity is the overall look of its communications.
- Effective visual brand identity is achieved by the consistent use of particular visual elements to create distinction, such as specific fonts, colors, and graphic elements. At the core of every brand identity is a brand mark, or logo.



Brand elements

Brands typically comprise various elements, such as:

- **name:** the word or words used to identify a company, product, service, or concept
- **logo:** the visual trademark that identifies a brand
- **tagline or catchphrase:** "The Quicker Picker Upper" is associated with Bounty paper towels
- **graphics:** the "dynamic ribbon" is a trademarked part of Coca-Cola's brand
- **shapes:** the distinctive shapes of the Coca-Cola bottle and of the Volkswagen Beetle are trademarked elements of those brands



Brand elements

- **colors:** the instant recognition consumers have when they see Tiffany & Co.'s robin's egg blue (Pantone No. 1837). Tiffany & Co.'s trademarked the color in 1998.
- **sounds:** a unique tune or set of notes can denote a brand. NBC's chimes provide a famous example.
- **scents:** the rose-jasmine-musk scent of Chanel No. 5 is trademarked
- **tastes:** Kentucky Fried Chicken has trademarked its special recipe of eleven herbs and spices for fried chicken
- **movements:** Lamborghini has trademarked the upward motion of its car doors



Brand names and trademarks

- A brand name is the part of a brand that can be spoken or written and identifies a product, service or company and sets it apart from other comparable products within a category.
- A brand name may include words, phrases, signs, symbols, designs, or any combination of these elements. For consumers, a brand name is a "memory heuristic"; a convenient way to remember preferred product choices.
- A brand name is not to be confused with a trademark which refers to the brand name or part of a brand that is legally protected.
- For example, Coca-Cola not only protects the brand name, Coca-Cola, but also protects the distinctive Spencerian script and the contoured shape of the bottle.



Brand personality

- Brand personality refers to *“the set of human personality traits that are both applicable to and relevant for brands.”*
- Marketers and consumer researchers often argue that brands can be imbued with human-like characteristics which resonate with potential consumers.
- Such personality traits can assist marketers to create unique, brands that are differentiated from rival brands. Aaker conceptualised brand personality as consisting of five broad dimensions, namely: sincerity (down-to-earth, honest, wholesome, and cheerful), excitement (daring, spirited, imaginative, and up to date), competence (reliable, intelligent, and successful), sophistication (glamorous, upper class, charming), and ruggedness (outdoorsy and tough).
- Subsequent research studies have suggested that Aaker's dimensions of brand personality are relatively stable across different industries, market segments and over time. Much of the literature on branding suggests that consumers prefer brands with personalities that are congruent with their own.



Brand personality

- Consumers may distinguish the psychological aspect (brand associations like thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand) of a brand from the experiential aspect.
- The experiential aspect consists of the sum of all points of contact with the brand and is termed the consumer's brand experience.
- The brand is often intended to create an emotional response and recognition, leading to potential loyalty and repeat purchases. The brand experience is a brand's action perceived by a person.
- The psychological aspect, sometimes referred to as the brand image, is a symbolic construct created within the minds of people, consisting of all the information and expectations associated with a product, with a service, or with the companies providing them.



Brand personality

- Marketers or product managers responsible for branding seek to develop or align the expectations behind the brand experience, creating the impression that a brand associated with a product or service has certain qualities or characteristics that make it special or unique.
- A brand can therefore become one of the most valuable elements in an advertising theme, as it demonstrates what the brand owner is able to offer in the marketplace.
- The art of creating and maintaining a brand is called brand management. Orientation of an entire organization towards its brand is called brand orientation. Brand orientation develops in response to market intelligence.



Brand personality

- Careful brand management seeks to make products or services relevant and meaningful to a target audience.
- Marketers tend to treat brands as more than the difference between the actual cost of a product and its selling price; rather brands represent the sum of all valuable qualities of a product to the consumer and are often treated as the total investment in brand building activities including marketing communications.



Brand personality

- Consumers may look on branding as an aspect of products or services, as it often serves to denote a certain attractive quality or characteristic.
- From the perspective of brand owners, branded products or services can command higher prices.
- Where two products resemble each other, but one of the products has no associated branding (such as a generic, store-branded product), potential purchasers may often select the more expensive branded product on the basis of the perceived quality of the brand or on the basis of the reputation of the brand owner.



Brand awareness

- Brand awareness involves a customers' ability to recall and/or recognize brands, logos and branded advertising. Brands helps customers to understand which brands or products belong to which product or service category.
- Brands assist customers to understand the constellation of benefits offered by individual brands, and how a given brand within a category is differentiated from its competing brands, and thus the brand helps customers & potential customers understand which brand satisfies their needs.
- Thus, the brand offers the customer a short-cut to understanding the different product or service offerings that make up a particular category.



Brand awareness

- Brand awareness is a key step in the customer's purchase decision process, since some kind of awareness is a precondition to purchasing. That is, customers will not consider a brand if they are not aware of it.
- Brand awareness is a key component in understanding the effectiveness both of a brand's identity and of its communication methods.
- Successful brands are those that consistently generate a high level of brand awareness, as this can often be the pivotal factor in securing customer transactions.
- Various forms of brand awareness can be identified. Each form reflects a different stage in a customer's cognitive ability to address the brand in a given circumstance.



Brand awareness

- Marketers typically identify two distinct types of brand awareness; namely brand recall (also known as unaided recall or occasionally spontaneous recall) and brand recognition (also known as aided brand recall).
- These types of awareness operate in entirely different ways with important implications for marketing strategy and advertising.



Brand awareness

- Most companies aim for "**Top-of-Mind**" which occurs when a brand pops into a consumer's mind when asked to name brands in a product category.
- **Brand recall** (also known as unaided brand awareness or spontaneous awareness) refers to the brand or set of brands that a consumer can elicit from memory when prompted with a product category
- **Brand recognition** (also known as aided brand awareness) occurs when consumers see or read a list of brands, and express familiarity with a particular brand only after they hear or see it as a type of memory aide.
- **Strategic awareness** occurs when a brand is not only top-of-mind to consumers, but also has distinctive qualities which consumers perceive as making it better than other brands in the particular market. The distinction(s) that set a product apart from the competition is/are also known as the unique selling point or USP.



Questions exercises

- Explain what is brand identity?
- Describe the six faces of brand identity and brand location.
- Explain what is brand personality?



Key Words

- Brand Identity, Brand Location, Brand Identity Faces, Brand Personality, Brand As Product, Symbol, Visual Identity, Word Identity, Logotype, Color, Font, Story, Strategic Identity, Positioning, Brand Positioning.



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