

Prezentace 3

6EBRA2

Branding (Anglicky)

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Definition and determination of the target group and its specifics.

Understanding consumer needs



Customer engagement

- Customer engagement is a business communication connection between an external stakeholder (consumer) and an organization (company or brand) through various channels of correspondence.
- This connection can be a reaction, interaction, effect or overall customer experience, which takes place online and offline.
- The term can also be used to define customer-to-customer correspondence regarding a communication, product, service or brand.
- However, the latter dissemination originates from a business-to-consumer interaction resonated at a subconscious level.



Customer engagement

- Marketing practices aim to create, stimulate or influence customer behaviour, which places conversions into a more strategic context and is premised on the understanding that a focus on maximising conversions can, in some circumstances, decrease the likelihood of repeat conversions.
- Although customer advocacy has always been a goal for marketers, the rise of online user generated content has directly influenced levels of advocacy.
- Customer engagement targets long-term interactions, encouraging customer loyalty and advocacy through word-of-mouth.



Customer engagement and consumer behaviour

- Customer engagement behaviour became prominent with the advent of the social phenomenon of online Customer engagement (CE).
- Creating and stimulating customer engagement behaviour has recently become an explicit aim of both profit and non-profit organisations in the belief that engaging target customers to a high degree is conducive to furthering business objectives.
- A customer's degree of engagement with a company lies in a continuum that represents the strength of his investment in that company.
- Positive experiences with the company strengthen that investment and move the customer down the line of engagement.



Customer engagement and consumer behaviour

- What is important in measuring degrees of involvement is the ability of defining and quantifying the stages on the continuum.
- One popular suggestion is a four-level model adapted from Kirkpatrick's Levels:
 1. Click - A reader arrived (current metric)
 2. Consume - A reader read the content
 3. Understood - A reader understood the content and remembers it
 4. Applied - A reader applies the content in another venue



Brand loyalty

- Brand loyalty is defined as positive feelings towards a brand and dedication to purchase the same product or service repeatedly now and in the future from the same brand, regardless of a competitor's actions or changes in the environment. It can also be demonstrated with other behaviors such as positive word-of-mouth advocacy.
- Brand loyalty is where an individual buys products from the same manufacturer repeatedly rather than from other suppliers.
- Businesses whose financial and ethical values, for example ESG responsibilities, rest in large part on their brand loyalty are said to use the loyalty business model.



Brand loyalty as a measurement

- Brand loyalty is a good measure for managers to use when trying to predict brand performance outcomes.
- It also highlights the importance of marketing communication when trying to promote a certain product that's not doing as well as other succeeding products.
- Marketers are able to look at the patterns of brand loyalty and pick out characteristics that make that product thrive.



Brand loyalty - Usage rate

- Most important is usually the 'rate' of usage, to which the Pareto 80-20 Rule applies.
- Kotler's 'heavy users' are likely to be disproportionately important to the brand (typically, 20 percent of users accounting for 80 percent of usage — and of suppliers' profit).
- As a result, suppliers often segment their customers into 'heavy', 'medium' and 'light' users; as far as they can, they target 'heavy users'.
- However, research shows that heavy users of a brand are not always the most profitable for a company.



Brand loyalty - Loyalty

- A second dimension, is whether the customer is committed to the brand. Philip Kotler, again, defines four status of loyalty:
 - **Hard-core Loyals** - who buy the brand all the time.
 - **Split Loyals** - loyal to two or three brands.
 - **Shifting Loyals** - moving from one brand to another.
 - **Switchers** - with no loyalty (possibly 'deal prone', constantly looking for bargains or 'vanity prone', looking for something different).



Factors influencing brand loyalty

- It has been suggested that loyalty includes some degree of predisposition toward a brand.
- Brand loyalty is viewed as multidimensional construct. It is determined by several distinct psychological processes, and it entails multivariate measurements.
- Customer perceived value, brand trust, customer satisfaction, repeat purchase behavior, and commitment are found to be the key influencing factors of brand loyalty.
- Commitment and repeated purchase behavior are considered as necessary conditions for brand loyalty followed by perceived value, satisfaction, and brand trust.



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Brand community

- A brand community is a community formed on the basis of attachment to a product or marque.
- Recent developments in marketing and in research in consumer behavior result in stressing the connection between brand, individual identity and culture.
- Among the concepts developed to explain the behavior of consumers, the concept of a brand community focuses on the connections between consumers.
- A brand community can be defined as an enduring self-selected group of actors sharing a system of values, standards and representations (a culture) and recognizing bonds of membership with each other and with the whole.
- Brand communities are characterized in shared consciousness, rituals and traditions, and a sense of moral responsibility.



Brand aversion

- Brand aversion is an antonym of brand loyalty. It is a distrust or a dislike of products from a particular brand on the basis of past experiences with that brand and its products, similar to taste aversion.
- Brand aversion can be the effect of obtrusive marketing strategies, bad press, a mass product recall, or other poor product launches.
- Psychologically, the reasons for brand aversion have been explained by the attachment-aversion model using the same three dimensions ("3 Es") that characterize a product:
 - enticing/annoying the self
 - enabling/disabling the self and
 - enriching/impoverishing the self (benefits/liabilities).
- The more annoying/disabling/impoverishing a brand "feels", the more aversion will be produced and vice versa. As is the case with all brands, the conceived qualities need neither correspond to real assets nor shortcomings.



Questions exercises

- Explain the term "attitude"?
- What are the rules of measurement and why are they set?
- What are the basic criteria for quality measurement?
- What components of attitudes can be measured?
- Explain the importance of brand loyalty and how can brand loyalty be measured?
- What indicators can be measured with Brandindex?
- Explain the development of loyalty to the brand?
- Discuss what customer loyalty measurements are being made.



Key Words

- Respondent, Survey, Interviewer, Personal Interviewing, Telephone Interviewing, Written Questioning, Testing, Communication Process, Communicator, Audience, Reporting Barriers, Written Report, Oral Presentations, Information Reports, Analytical Reports, Forecasting, Forecasting Methods, Brand Loyalty, Recognition Brands, Brand Preferences, Brand Search, Brandindex.



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Personal branding and its importance in the 21st century.



Personal branding

- Personal branding is the practice of marketing people and their careers as brands.
- It is an ongoing process of developing and maintaining a reputation and impression of an individual, group, or organization. Whereas some self-help practices focus on self-improvement, personal branding defines success as a form of self-packaging.
- The term is thought to have originated from an article written by Tom Peters in 1997.
- In **Be Your Own Brand**, first published in 1999, marketers David McNally and Karl Speak wrote: *"Your brand is a perception or emotion, maintained by somebody other than you, that describes the total experience of having a relationship with you."*



Personal branding

- The relationship between brands and consumers is dynamic and must be constantly refined. This continuous process demonstrates the ambivalence of consumerism.
- A personal brand may make itself appealing to companies in order to reinforce its visibility and increase its chance of receiving a sponsorship.
- Personal brands may be deliberately modified to reinvent a public persona. This may be to recover from a public embarrassment, or to re-emerge from obscurity. The public perception of authenticity often determines the success of a rebranding.



Personal branding and Social media

- Building a brand and an online presence through internal corporate networks allows for individuals to network with their colleagues, not only socially but professionally as well.
- This kind of interaction allows for employees to build up their personal brand relative to other employees, as well as spur innovation within the company because more people can learn from more people.



Personal branding and Social media

- Personal branding focuses on "*self-packaging*," where "*success is not determined by individuals' internal sets of skills, motivations, and interests but, rather, by how effectively they are...branded*"; it is more about self-promotion rather than true self-expression.
- The difference between the two is that self-promotion is deliberately intentional in all aspects because the individual is purposely shaping their image or persona, while self-expression can even be a byproduct of promotion.



Personal branding and Social media

- As social media has become a vehicle for self-branding, these moguls have begun to situate the maintenance of their online brand as a job, which brings about new ways to think about work and labor.
- The logic of online sites and the presence of feedback means that one's online presence is viewed by others using the same rubric to judge brands: evaluation, ranking, and judgment. Thus, social media network sites serve as complex, technologically mediated venues for the branding of the self.



Personal branding issues

- The other side of these 'strategies for success' is that this is very subtle self-commodification.
- Because personal branding is basically pointing out, and in some cases, glorifying, certain positive characteristics of an individual, it is not unlike traditional branding of products and companies. This puts individuals in the place of products, in which their efforts to appear more human are subverted.
- This possibility is exploited by celebrities and politicians, as "*marketing individual personalities as products*" is an effective way to gain millions of fans not just online but in real life as well. For celebrities of all types, online personas are their brands.
- On the other hand, personal branding may afford potential employers the opportunity to more accurately judge a candidate's abilities and cultural suitability, since blogs, profiles, websites, etc., are pieces of work that can be evaluated.



Reputation management

- Reputation management refers to the influencing and controlling of an individual's or group's reputation.
- Originally a public relations term, the growth of the internet and social media, along with reputation management companies, have made search results a core part of an individual's or group's reputation.
- Online reputation management, sometimes abbreviated as ORM, focuses on the management of product and service search website results.
- Ethical grey areas include mug shot removal sites, astroturfing customer review sites, censoring negative complaints, and using search engine optimization tactics to influence results.



Reputation management

- A fast growing discipline and corporate necessity, reputation management is widely acknowledged as a valuable intangible asset which can be one of the most important sources of competitive edge in a fiercely competitive market.
- With firms constantly under increased scrutiny from the business community, regulators, and corporate governance watchdogs good reputation management practices continue to help firms cope with this scrutiny.
- Other benefits of sound reputation management practices is how much they reinforce and aid a corporation's branding objectives which on their own along the way play a paramount role in helping a company meet its marketing and business communication objectives, a key driver towards how much any company can go towards increasing profits and its market share.



Questions exercises

- Considering students, describe the role of personal branding as a tool for building a positive image.
- What strategies can be used to build a personal brand?
- What is the benefit of personal branding for graduate career development?
- What are the most common types of personal branding?



Key Words

- Personal Branding, Personal Brand, Image, Personality, Celebrity, Reputation Management, Impression Management, Relationship Marketing, Celebrity Branding, Personality Analysis, Promotion, Value, Privacy, Leadership Strategy, Leadership Strategy, Market Challenge Strategy, Social Networking Twitter, Facebook.



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Brand as a destination and its management.



Place branding

- Place branding (including place marketing and place promotion) is a new umbrella term encompassing nation branding, region branding and city branding.
- Place branding is the process of image communication to a target market.
- Place branding can be defined as the process employed by public administrations to intend to create place brands.
- *“A place brand is a network of associations in the place consumers’ mind based on the visual, verbal, and behavioral expression of a place and its’ stakeholders. These associations differ in their influence within the network and in importance for the place consumers’ attitude and behavior” (Zenker & Braun, 2017, p. 275).*



Place branding

- It therefore aims to affect the perceptions of a place and position it favourably in the minds of the target groups.
- Place branding can even be considered as a “*governance strategy for projecting images and managing perceptions about places*” (Braun, Eshuis, & Klijn, 2014, p. 64).
- Place branding thus suggests that places, cities, regions or countries could be considered as brands, as long as perceived so.
- In this regard, many public administrations are implementing place branding strategies.



Strategic vs. Organic Place Branding

- The strategic application of place branding is growing with nations, regions, cities, and institutions as they realize they compete with other places for people, resources, and business.
- The phenomenon of place branding, as an organic process of image communication without strategy, has been occurring throughout history.
 - Examples of **strategic place brands** are diverse and include Amsterdam's "Iamsterdam", Las Vegas's "Sin City", and Abu Ghosh's "world capital of hummus".
 - Examples of **organic place brands** include Jerusalem's "holy city", Paris' "Illuminated City", and Silicon Valley's "tech capital."



Place branding processes

- Place branding is a process made up of several sub-processes. Unlike branding simpler entities like a product, service, company, person or classical subjects of branding, place branding, and in particular nation and city branding, is a complex process. The complexity comes from the great diversity of stakeholders in the process.
- In general, a place brand is derived from existing assets of the place such as its value offering or public perception. Otherwise, the place brand is derived from created assets, such as events, policies, abstract concepts of *tolerance*, and so on.
- The derived image of the place brand is then communicated through communication channels. These channels vary and range from television advertisements to Internet marketing efforts. These communications are aimed at a specific target market.



Place branding examples

Jerusalem

- Jerusalem has a clear city brand as a holy city.
- The holy city includes numerous significant holy sites such as the Western Wall, Church of the Holy Sepulcher, the Garden Tomb, and the Temple Mount.
- A study commissioned by the Swedish Research Council suggests that Jerusalem may be one of the oldest city brands, having undergone organic branding campaigns for centuries.
- Pilgrimage, the religious equivalent of tourism, has been part of Jerusalem's history for millennia.



Place branding examples

Las Vegas

- Las Vegas or simply Vegas is used by the Las Vegas Convention and Visitors Authority as a brand to market the bulk of the Las Vegas Valley, including the Las Vegas Strip, Las Vegas, Nevada, Henderson, Nevada, North Las Vegas, Nevada and parts of Clark County, Nevada.



Questions exercises

- Try to define the term Genius Loci and determine the tools you would use to measure it.
- How can you position a destination brand on the market?
- Which tools of marketing communication can be used to strengthen the image of the destination and which are not suitable. Support your answers with relevant arguments.
- Try to list the factors that affect your destination image. Which of them can be influenced and which are not?



Key Words

- Destination, Image, Genius Loci, Segmentation, Branding, Placement, Stereotype, Place, Spirit Of Place, Social Contacts, Climate, Landscape, Culture, Cognitive Component, Holistic Component, Psychological Component, Emotional Component, Advertising, Public Relations, Process 5D Flag, Logo.



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Environmental levels of brands and the issue with eco-labels usage.



Ecolabeling

- Consumer desires for sustainable consumption is driving the global marketplace with desire to regulate product production.
- The globalization of economies is shifting control of sustainability away from traditional command and control measures imposed by governments towards market governance which is a self-regulatory new environmental policy instrument, ecolabeling.
- Eco-labeling standardization is a new form of regulation which is voluntary in nature but impose upon large companies market forces in order to harmonize production of goods and services with stronger ecological practices.



Ecolabeling principles

- An individual's belief that an environmental claim lacks honesty can have a negative effect on attitude toward a brand.
- If, on the other side, the consumer grants credibility to the claim, the individual will behave more respectfully toward the environment.
- The problem in extending that credibility to a brand is that consumers interested in ecological products generally are skeptical of commercial advertisements.
- This skepticism is due to various factors such as lack of language, the absence of scientific knowledge necessary to interpret advertising meaning, and, in particular, the falsehoods and exaggeration of some advertising techniques.



Ecolabeling principles

- To resolve this problem, independent organizations may choose to guarantee messages on the environmental benefits of brands with environmental labeling systems sponsored by independent organizations.
- This practice tries to diminish perceived biases in environmental information by promoting standardization of the information with the aim of improving confidence in the evaluation of environmental benefits of products—all of which should positively affect the purchase intention.



Ecolabeling History

- Green Stickers on consumer goods have been evolving since the 1970s.
- The main drivers have been energy and fuel consumption. These stickers first started appearing on major appliances after government agencies in the United States and Canada legislated their requirement. Manufacturers are also required to meet minimum standards of energy use.
- The automobile industry in North America is required to meet a minimum emissions standard. This led to fuel efficiency labels being placed on new automobiles sold.
- The major appliance manufacturers were required to use standard testing practices and place clear labels on products.



Ecolabeling History

- The International Organization for Standardization has developed standards for addressing environmental labelling with the ISO 14000 family which grew out of ISO's commitment to support the objective of sustainable development discussed at the United Nations Conference on Environment and Development, in Rio de Janeiro, in 1992.
- Green Labelling worldwide is moving beyond traditional country borders.
- Most of these initiatives are voluntary Eco-labels, however, there is an initiative underway in North America to broaden the scope of Green Stickers to include other consumer goods.
- Although consumers tend to prefer ecolabeled products, recent research show that consumers do not fully understand ecolabels and do not fully trust ecolabels, especially when learning negative environmental consequences of production.



Marketing of green brands

- When it comes to marketing strategies of green brands, it is important for company officials to understand the effects of being green has on their company and customers alike.
- Being a green brand alone automatically differentiates a brand from the outset and opens new market opportunities.
- Green brands have also been profitable in niche markets where they can charge exclusive prices because conscious consumers are prepared to pay.
- To combine environmental concern into marketing strategy is called '*green marketing*' where companies use a range of undertakings to satisfy the consumer demand for environmentally friendly products such as revamping advertising, product adjustment, altering production operations, sustainable packaging and of course recycling (Baker, 2003). By doing this, a green brand is creating further value, which is conveyed through their communication strategy (Danciu, 2015).



Green marketing

- Green marketing is the marketing of products that are presumed to be environmentally safe.
- It incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising.
- Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term.
- Other similar terms used are environmental marketing and ecological marketing.



Green marketing

- Green, environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective.
- In more detail green, environmental and eco-marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment



The green marketing mix

- **Product:** A producer should offer ecological products which not only must not contaminate the environment but should protect it and even liquidate existing environmental damages.
- **Price:** Prices for such products may be a little higher than conventional alternatives. But target groups like for example LOHAS are willing to pay extra for green products.
- **Place:** A distribution logistics is of crucial importance; main focus is on ecological packaging. Marketing local and seasonal products e.g. vegetables from regional farms is more easy to be marketed “green” than products imported.
- **Promotion:** A communication with the market should put stress on environmental aspects, for example that the company possesses a CP certificate or is ISO 14000 certified. This may be publicized to improve a firm’s image. Furthermore, the fact that a company spends expenditures on environmental protection should be advertised. Third, sponsoring the natural environment is also very important. And last but not least, ecological products will probably require special sales promotions.



Green marketing and „LOHAS“

- LOHAS stands for Lifestyles of Health and Sustainability, and describes an integrated, rapidly growing market for goods and services that appeal to consumers whose sense of environmental and social responsibility influences their purchase decisions.
- The Natural Marketing Institute's (short: NMI) estimates the US LOHAS consumer market of products and services to be USD 209 billion – sold across all consumer segments.



Green marketing and „LOHAS“

The five LOHAS segments as defined by NMI include:

- **LOHAS**
 - Active environmental stewards dedicated to personal and planetary health. These are the heaviest purchasers of green and socially responsible products and the early adopters who influence others heavily.
- **Naturalites**
 - Motivated primarily by personal health considerations. They tend to purchase more LOHAS consumable products vs. durable items.
- **Drifters**
 - While their intentions may be good, DRIFTERS follow trends when it is easy and affordable. They are currently quite engaged in green purchasing behaviours.
- **Conventionals**
 - Pragmatists who embrace LOHAS behaviour when they believe they can make a difference, but are primarily focused on being very careful with their resources and doing the ‘right’ thing because it will save them money.
- **Unconcerned**
 - Either unaware or unconcerned about the environment and societal issues mainly because they do not have the time or the means – these consumers are largely focused on getting by.



Sustainability brand and branding

- Sustainability branding is the process of creating and maintaining an identity of a specific product, service, or business that reflects special added value in terms of environmental and social benefits.
- A brand is only perceived as being sustainable if it can credibly convey sustainability benefits which are noticeable by and relevant to the consumer.
- A sustainability brand must have an integrated culture for success.
- The key to a sustainable brand is trust between the consumer and the brand, only when this is achieved can a sustainable brand truly generate a USP and reap the benefits of it.



Sustainability brand and branding

- Opposed to the term green brands which mainly focuses on environmentally sound business practices, sustainability brands additionally acknowledge the social dimension of providing products and services.
- This entails, among others, health and safety issues resulting from direct or indirect product use (consumption level) as well as the conditions under which a particular product is produced (production level).
- The physical protection and well-being of people at work (i.e. employees as well as workers within the supply chains) are important indicators of sustainability brands and sustainability marketing in general which adheres to the triple bottom line of ecological (environmental), social (equity), and financial (economic) sustainability.



Sustainability brand development

- Sustainability brands are subject to constant change. A sustainability brand that is well established on the market, can be further developed into different directions. According to Belz and Peattie four main options for development are possible:
 - Line extension occurs when a company adds new products of the same product category under the same sustainability brand name.
 - Sustainability brand extension occurs when a company introduces products of a different product category but under the same sustainability brand name.
 - Multi-sustainability brands occur when a company manages two or more different sustainability brands but in the same product category.
 - New sustainability brands occur when a company creates an entire new brand name when they access a new product category.



Sustainability brand development

- To create a sustainability brand it is furthermore important to adopt the right channels for marketing according to Lauterborns five Cs.
- Advertising in this case can help to create awareness of the brand and thus form the new brand experience.
- Furthermore, it is obligatory for Sustainability brands to obtain one or more ecolabels, leading to a higher influence on consumer behaviour and the perception of the brand.



Questions exercises

- Define the difference between eco-labeling and quality labels.
- What are the main characteristics of the consumer segment called LOHAS?
- Think about the current situation of commercial brands and try to recognize their shift to sustainability. What does it most often manifest?
- What is so-called fast fashion and which brands can we include in this area? Is there a cheap alternative to fast fashion?



Key Words

- Eco-Labeling, Eco-Labels, Organic, Classic, Quality Labels, Regional Brand, Environment, Lohas, Green Consumer, Tourism, Tourism, Consumer Behavior, Certification, Sustainability Concept, Sustainability, Sustainable Development.



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