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ELEMENTS OF THE BRAND

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Abstract

We do live in a branded world. There is no doubt about it. We all make produce decisions every day. We probably all have certain types of products of which we like only one or two brands, while we buy other things based on what is on sale on a given day. This inclination to buy branded products is rooted in two basic things: recollection and satisfaction. We remember which one we like by brand name.

INTRODUCTION

From historical perspective, brand appeared in the 19th century. Its emergence is associated with the development of packaged products. Industrialization shifted the production of large quantities of household products from smaller local companies to centralized factories. The factories producing products of mass production were trying to expand the sales of their products to people who had previously purchased only the products from smaller local companies. The manufacturers of packaged goods from large factories had to convince the market about the quality of their products. Around 1900, James Walter Thompson published a concept of branding. This was the beginning of commercial brands' labeling (Palmer, 2005).

Some of the earliest manufactured goods in "mass" production were clay pots, the remains of which can be found in great abundance around the Mediterranean region, particularly in the ancient civilizations of Etruria, Greece and Rome. There is considerable evidence among these remains of the use of brands, which in their earliest form were the potter's mark. A potter would identify his pots by putting his thumbprint into the wet clay on the bottom of the pot or by making his mark: a fish, a star or cross, for example. From this we can safely say that symbols (rather than initials or names) were the earliest visual form of brands (Austin, Siguaw, Mattila, 2003).

What is a brand?

The English word "brand" is derived from "burning," a reference, in the word's business sense, to the embers once used to burn the mark of the owner onto livestock, casks, timber, metal, or other goods. By the 19th Century, according to the Oxford English Dictionary, the word had taken on the figurative connotation of a commercial trademark—"the ale was of a superior brand" (Blythe, 2000).

Later, in the mid-20th Century, the word grew to encompass the image that a product connotes in the minds of potential consumers or, even more abstractly, the popular conception of some person or thing. The OED somewhat sardonically cites a news report from 1959: "In the jargon of the P.R. trade, there is as yet no 'brand image' for the Prime Minister of Japan."

We define brand as the sum of all the information about a product, a service, or a company that is communicated by a name or related identifiers, such as logos or other visual cues. The brand is not the name itself; a corporate name that does not communicate anything of substance is not a brand. The attributes of a brand exist in the eye of the beholder and reflect an accumulation of both the communications that the person has received concerning the product, service, or company and the experiences that he or she has had with it (Almquist, Roberts, 2000).

This is a short definition of what a brand actually is: A brand is an identifiable entity that makes specific promises of value.

That sounds kind of text bookish, so let's pull those words apart to see what they mean (Clifton, Simmons, 2003).

- ***Identifiable*** – you can readily separate one thing from others similar to it by some means. Quite often, this will be a word, colour, or symbol (a logo) that you can see (Nicolino, 2001).
- ***Entity*** – I even checked Merriam Webster's Online Collegiate Dictionary for you on this one, and it says that an entity is "something that has separate and distinct existence".
- ***Specific promises*** – This expression may seem a little odd, but not really. A product or service makes claims about what it can deliver to you. Those claims – whether fresh breath, on time delivery, a stress-free tax return, or a kinder, gentler dental visit – are promises (Nicolino, 2001, Almquist, Roberts, 2000).
- ***Value*** – Whatever you get has to be something that you care about to some extent. The basis logic is that if you live in an apartment in city, you probably assign little value to a tractor, no matter how many acres of land it can work in an eight-hour day. However, you may have a high value feeling for a dry cleaner who would delivery to your home. And the cleaner who promises to delivery between 7 and 9 o'clock at night, after you get home from work, has more value to you than one who only delivers during the day.

So when you look at these four components – identifiable, entity, specific promise and value – what kinds of things could be a brand? There are a lot of obvious items, such as shoes and tennis racquets. There are a lot of obvious services, such as accounting, temporary job placement, house cleaning, and lawn mowing. Beyond these, there is a whole world of branding opportunities for tangible things like those we mentioned and for things much more elusive – things you may have never considered before (Nicolino, 2001).

Understanding the role of brands

If brands are so demonstrably powerful, and since the definition and benefit of brands embrace every type of business and organisation, the question to ask is why every business and organisation would not want to concentrate their resources, structure and financial accountability around this most important asset. Indeed, there is a clear need for organisations to be consistently preoccupied with maintaining the sustainable competitive advantage offered by the brand. The clarity of focus that a strong brand positioning gives organisations will always create more effectiveness, efficiency and competitive advantage across all operations; and from a pragmatic financial perspective, research among investment communities confirms that clarity of strategy is one of the first criteria for judging companies (Smith, 2003).

So why are brands sometimes not taken as seriously as the data show us they should be? There seem to be several potential explanations.

Lack of understanding

Perhaps the first and most obvious is a lack of full understanding among some senior managers about what successful branding really is. If branding is treated as a cosmetic exercise only, and regarded merely as a new name/logo, stationery and possibly a new advertising campaign, then it will have only a superficial effect at best. Indeed, if this "cosmetic" approach is applied in an effort to make a bad or confused business look more attractive, it is easy to see why these so-called "rebranding" exercises encourage such cynicism. Reputation is, after all, reality with a lag effect. Branding needs to start with a clear point of view on what an organisation should be about and how it will deliver sustainable competitive advantage; then it is about organising all product, service and corporate operations to deliver that. The visual (and verbal) elements of branding should, of course, then symbolize that difference, lodge it memorably in people's minds and protect it in law through the trade mark (Kapferer, 2008, Chermatony, 2006).

Terminology

The second explanation for why branding is sometimes not central in the corporate agenda seems to be to do with terminology. The term "brand" has now permeated just about every aspect of society, and can be as easily applied to utilities, charities, football teams and even government initiatives as it has been in the past to packaged goods. Yet there still seems to be a residual and stubborn belief that brands are relevant only to consumer goods and commerce. Clearly, this is nonsense when every organisation has "consumers" of some kind; furthermore, some of the world's most valuable brands are business to business, but that does not make them any less "consumers". However, rather than get deeply embroiled in the broader meanings of consumption, it is probably more helpful to talk about audiences for brands today. These can be consuming audiences, influencing audiences or internal audiences (Palmer, 2005, Smith, 2003).

All of these audiences need to be engaged by the brand – whether it is a product, service, corporate or not-for-profit brand – for it to fulfil its potential. If there are still those who would say "yes, but why does it have to be called brand?", it is worth remembering that every successful business and organisation needs to be set up and organised around a distinctive idea of some kind. To distinguish itself effectively and efficiently from other organisations, it is helpful to have some kind of shorthand: visual or verbal symbols, perhaps an icon that can be registered and protected. To make up another term for all this would seem perverse, as branding is already in existence. Rather, it is worth exploring why some people and organisations might have this aversion or misunderstanding and tackle the root cause. In the case of some arts and charitable organisations, there can be a problem with commercial overtones; for commercial organisations working in the business-to-business arena, or in heavy or technical services, there may be concerns that branding feels too soft and intangible to be relevant.

With the former, it is a harsh truth of the new arts and not-for-profit worlds that they are competing for talent, funding, supporters and audiences, and need to focus their efforts and investment with the effectiveness and efficiency that brand discipline brings. With the latter, there is nothing "soft" about the financial value that strong branding brings, in all and any sector; nor is it "soft" to use all possible competitive levers to gain every customer in a hypercompetitive international market. Price will always be a factor in choice. But acting like a commodity, rather than a trusted and differentiated brand, will eventually lead only to the lower-price road to perdition (Burmann, Zeplin, 2005, Hatch, Schultz, 2000).

Ownership

The third area to examine is that of ownership within organisations. Whereas the more established consumer goods companies grew up around their individual brands, more complex and technical organisations may often be run by people who have little experience in marketing or selling. As a result, the brand may simply be regarded as the specialist province of the marketing team, or, since the visual aspects of brands are the most obvious manifestation, brand management may be delegated to the design manager. This is not to cast aspersions on the specialist marketing and design functions, since their skills are vital in maintaining the currency and aesthetics of the brand; however, unless the chief executive of the organisation is perceived to be the brand champion, the brand will remain a departmental province rather than the driving purpose of everyone in an organisation. Although marketing is critical in shaping and presenting a brand to its audiences in the most powerful way, brands and marketing are not the same thing. And as far as the need for attention is concerned, if the brand is the most important organisational asset, it makes rational sense for it to be the central management preoccupation. Business strategy is, or should be, brand strategy, and vice versa. Effective and efficient corporate governance is brand-driven governance (Clifton, Simmons, 2003).

Tangible and intangible elements

The last area to cover in explaining any remaining ambivalence about brands relates to their particular combination of tangible and intangible elements. The tangible area is always easier, since today's senior business culture is still often happier concentrating on the tangible, rational and quantifiable aspects of business. As far as quantification is concerned, brands can certainly now be measured, and it is critically important that they are. If their financial contribution is not already self-evident, there are many formally recognised ways to put a hard and quantifiable value on them (Clifton, Simmons, 2003).
In terms of semiotics, brands have four levels (Gelder, 2003):

1. *A utilitarian sign.* This is about the practical aspects of the product and includes meanings of reliability, effectiveness, fitness for purpose and so on.
2. *A commercial sign.* This is about the exchange values of the product, perhaps conveying meanings about value for money or cost-effectiveness.
3. *A socio-cultural sign*. This is about the social effects of buying the product, with meanings about membership of aspirational groups or about the fitness of the product for filling social roles.
4. *A sign about the mythical values of the product*. Myths are heroic stories about the product, many of which have little basis in fact (Hatch, Schultz, 2000).

The association of different values with the brand name can be extremely useful when researching the acceptability of a brand's image. The importance that consumers place on these values can be researched using focus groups, with a subsequent analysis of the key signs contained within the brand, and consumers can be segmented according to their responsiveness to these signs and their relevance to the consumer's own internal values (Palmer, 2005).

The link between organizational culture and branding

One of the components of a powerful vision is the brand's values, and these are recognized as being part of the organization's culture. By understanding an organization's culture there is a better appreciation of the organization's values and therefore insight about how the brand's values might be linked to those of the organization.

Particularly for corporate brands that draw heavily on the corporation's name, organizational culture provides a strong indicator about the values that characterize the brand.

In a competitive environment, where organizations leapfrog each other's functional advantages, sustainable competitive advantage can be gained through the way the brand promise is delivered by staff. An organizational culture enables staff to infer the values of their firm and provides them with guidelines about how they should behave. As such, organizational culture acts as a link for strengthening a brand's performance. However, rather than talking about an organizational culture it is more appropriate to talk about the culture generally characterizing the organization, since it is likely that there will be variants which conform to the norm. The characteristics of an organization's culture can be assessed through auditing the organization's artefacts, its values and the assumptions held about how the market competes (Burmann, Zeplin, 2005).

Brands are more likely to thrive when they emanate from organizational cultures that support the brand's vision. Force field analysis of the vision for the brand and the prevailing organizational culture enables managers to assess the extent to which elements of the culture either enhance or impede the realization of the brand's vision.

In view of the need for all departments of an organization to work together delivering a coherent brand, the brand's team will benefit from evaluating whether each department has an enhancing, an orthogonal or a counter-culture. It is critically important that the culture of the customer-facing department reflects an enhancing subculture, since these staff provide the first point of contact with customers and they need to deliver the brand promise portrayed in promotional campaigns. Some degree of orthogonal subcultures can be accepted. However, it is helpful to have profiles of these subcultures, since this can forewarn the brand's team about resistance to new brand ideas from those departments that may be particularly conservative. Counter-cultures can be more problematic. Those departments exhibiting such contrary ideals should be confronted and encouraged to change, otherwise they may act in a manner that could damage the brand.

Involving all staff in a change programme to achieve the ideal organizational culture presents an opportunity to enhance brand performance. Such activities are best undertaken within an overall plan that is backed by very senior management and which recognizes that the journey will take some time. Without a firm commitment to communicating developments to everyone, the programme may flounder (Barlow, Stewart, 2004).

Ideally, the brand's team should monitor how appropriate the organizational culture is for the changing environment. Team members should be prepared to evaluate how they can bring about a fine-tuning process to keep the organizational culture synchronized with the market, to help the brand best meet customers' needs. A continual programme reminding employees of the importance of their internal clients, the external customers and shareholders should enhance the likelihood of better brand performance (Almquist, Roberts, 2000).

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The internal issues to be evaluated are (Almquist, Roberts, 2000):

1. How well do the artefacts of the organizational culture support the brand vision?
2. How well do the values of the organizational culture support the brand vision?
3. How well do the assumptions of the organizational culture support the brand vision?
4. When considering the subcultures that exist in different parts of the organization, what proportions are
    - enhancing subcultures?
    - orthogonal subcultures?
    - counter-subcultures?
5. To what extent is the organizational culture
    - appropriate for the current environment?
    - adaptable to environmental change?
    - respectful of leadership at all levels?
        i. • attentive to satisfying the needs of staff, customers and shareholders?
6. How do recruitment programs reinforce the desired culture?

CONCLUSIONS

Brands are valuable to organizations and customers. Their wealth generating capabilities result from the way organizations seek to add value to customers' lives. Essentially, brands are clusters of functional and emotional values. Traditionally brand management has focused externally, seeking to understand customer behaviour so that a unique mix of values can be devised to enhance customers' lifestyles. However, with the growth of the services sector and the importance of service in product-based brands, customers' increased levels of interaction with staff provide them with a powerful clue about brands' values. It is therefore argued that a more balanced perspective is needed, whereby brand management is as much about managing the brand internally (i.e. the role of staff) as it is about managing it externally (matching customers' needs). As staff are seen by customers as a manifestation of the brand, it is important they have the knowledge, skills and organizational support to deliver the functional brand values. Furthermore, by recruiting staff who genuinely believe in the brand's values, and therefore have their values aligned with those of the brand, managers need to enable these committed employees to behave in a way that reinforces the desired emotional values of the brand (Morrison Coulthard, 2004).

Brand management, or promise management, entails adopting a planned programme that bridges the staff's capabilities and enthusiasm with the customers' expectations. Effective brand management is about harnessing the organization's values and intellect in such a way that a unified value-enhancing process can deliver a sustainably unique offer that customers welcome from both a rational and psycho-social perspective. As a result of the pan-company approach needed to build and sustain brands, a team-based approach is commonly seen when firms structure their brand management processes.

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