CHAPTER 2

Understanding the Language of Branding

IT IS IMPORTANT to establish a common brand management vocabulary in your organization. Establishing this common vocabulary will ensure that people can communicate with fewer misunderstandings. More importantly, it will help communicate and reinforce key brand management principles.

I worked with organizations in which different managers used different terms to describe positioning the brand. Terms ranged from ''essence'' and ''promise'' to ''position'' and ''unique value proposition.'' This caused great confusion. I worked with other organizations that struggled with the differences among master brand, family brand, parent brand, umbrella brand, corporate brand, brand, subbrand, endorsed brand, product brand, etc. The aim is to agree on one set of terms and to simplify the brand architecture.

Brand

The American Marketing Association describes a brand as a ''name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition.''

More importantly, *a brand is the source of a promise to the consumer*. It promises relevant differentiated benefits. Everything an organization does should be focused on enhancing delivery against its brand's promise.

Combining a few different definitions, a brand is the name and symbols that identify:

- ✔ The source of a relationship with the consumer
- ✔ The source of a promise to the consumer
- ✔ The unique source of products and services

- ✔ The single concept that you own inside the mind of the prospect (per brand management experts Al Ries and Laura Ries, in their new book *The 22 Immutable Laws of BRANDING*)
- ✔ The sum total of each customer's experience with your organization

Brand Equity

Brand equity is the commercial value of all associations and expectations (positive and negative) that people have of an organization and its products

> **Tip**
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> **For those nonprofit organizations who are loathe to use the word "brand" (because of its corporate or business overtone/connotation) but who still want to actively manage their brands internally and externally, consider using the word "promise" in place of "brand." For instance, talk about *managing our promise, delivering upon our promise,* or *[name's] promise is.***

and services due to all experiences of, communications with, and perceptions of the brand over time. This value can be measured in several ways: as the economic value of the brand asset itself, as the price premium (to the end consumer or the trade) that the brand commands, as the long-term consumer loyalty the brand evokes, or as the market share gains it results in, among many others. From an economist's perspective, brand equity is the power of the brand to shift the consumer demand curve of a product or service (to achieve a price premium or a market share gain).

To use a metaphor, brand equity is like a pond. People may not know how long the pond has been around or when it first filled with water, but they know that it supports life, from fish and frogs to ducks and deer. It also may be a source of recreation, irrigation, and possibly even human drinking water. Clearly it is a valuable resource. But many people take the pond for granted. It seems as if nothing can diminish its supply of water, but yet we sometimes notice that it rises with the spring rains or lowers after a long drought or excessive overuse for irrigation.

Similarly, brand equity is a reservoir of goodwill. Brand-building activities consistently pursued over time will ensure that the reservoir remains full. Neglecting those activities or taking actions that might deplete those reserves will reduce the reservoir, imperceptibly at first, but soon all too noticeably until it is too late and all that is left is mud.

This illustrates one of the most difficult problems in brand management. Brand equity is critically important to a company's success, yet because of its reservoir-like nature, it is often taken for granted, overly drawn upon, and not adequately replenished, especially in times of crisis or to meet short-term needs.

Brand Image

Brand image is the totality of perceptions resulting from all experience with and knowledge of the brand. It is how consumers perceive the brand.

Brand Associations

Brand associations are anything a consumer associates with the brand in his or her mind. As David Aaker, ''guru'' of brand management, points out, these associations could be organizational, product related, symbolic, or personified. If there is a strong brand connection with a specific retail outlet, the associations could also be based on the retail experience.

Other brand equity components that are not listed in this chapter but which are covered in detail in Chapters 8 and 18 include awareness, accessibility, value, relevant differentiation, emotional connection, preference, usage, loyalty, and vitality.

Brand Positioning

Brand positioning is the way the brand is perceived within a given competitive set in the consumer's mind. Ideally, it is a function of the brand's promise and how the brand compares to other choices with regard to quality, innovation, perceived leadership, value, prestige, trust, safety, reliability, performance, convenience, concern for customers, social responsibility, technological superiority, etc. Relevant differentiation is the most important aspect of brand positioning.

One could argue that the brand essence, promise, and personality are all a part of the brand positioning. Given that, brand positioning is very similar to what I refer to as brand design in Chapter 3.

Brand positioning elements can be intentional and crafted by the marketer, for instance, as written in the brand positioning statement. The brand essence, promise, and personality can also exist ''in the mind of the consumer.'' Ideally, what exists in the mind of the consumer is congruent with the intended brand positioning, or if not, hopefully the brand management team is actively managing the brand so that congruence will occur.

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Brand Essence

This is the *heart and soul of a brand*—a brand's fundamental nature or quality. Usually stated in two to three words, a brand's essence is the one constant across product categories and throughout the world. Some examples are:

Nike: *Authentic Athletic Performance*
Hallmark: *Caring Shared*
Disney: *Fun Family Entertainment*
Disneyworld: *Magical Fun*
Starbucks: *Rewarding Everyday Moments*
The Nature Conservancy: *Saving Great Places*

Typically, it is rare for an organization's brand essence and slogan to be the same. For instance, Nike's essence—''Authentic Athletic Performance''—was translated to the following two slogans: ''Just do it!'' and ''I can.'' But, ''Saving Great Places'' more directly translates to its slogan ''Saving the Last Great Places on Earth.''

Kevin Keller, brand expert and author of the popular brand book, *Strategic Brand Management*, has coined the term ''brand mantra,'' which is very closely related to brand essence. The ''mantra'' concept reinforces the role of brand essence in internal communication. According to Keller:

> **[Brand mantra should]** define the category of business for the brand and set brand boundaries. It should also clarify what is unique about the brand. It should be memorable. As a result it should be short, crisp and vivid in meaning. Ideally, the brand mantra would also stake out ground that is personally meaningful and relevant to as many employees as possible.

Brand Promise

To be successfully positioned in the market place, a brand must promise differentiated benefits that are relevant and compelling to the consumer. The benefits can be functional, experiential, emotional or self-expressive. A brand promise is often stated as:

> ***Only [brand name]*** *delivers [benefit] in [product or service category].* Sometimes, with corporate brands, it is stated as: *[Brand name] is the (trusted/quality/innovative) leader in [benefit] in the [product or service category].*

To be believable, brand promises require compelling proof points (and what advertising professionals call ''reasons to believe'') in support of the brand's promise. A brand promise must:

- ✔ Address important consumer needs
- ✔ Leverage your organization's strengths
- ✔ Give you a competitive advantage through differentiation
- ✔ Inspire, energize, and mobilize your people
- ✔ Drive every organizational decision, system, action, and process
- ✔ Manifest itself in your organization's products and services

As Kristin Zhivago, respected marketing consultant and editor of the ''Marketing Technology'' newsletter, puts it in the July/August 1994 double issue of her newsletter:

> **The simple truth** about branding—a brand is not an icon, a slogan, or a mission statement. It is a promise—a promise your company can keep. First you find out, using research, what promises your customers want companies like yours to make and keep, using the products, processes and people in your company. Then you look at your competition and decide which promise would give you the best competitive advantage. This is the promise you make and keep in every marketing activity, every action, every corporate decision, every customer interaction. You promote it internally and externally. The promise drives budgets and stops arguments. If everyone in the company knows what the promise is, and knows that they will be rewarded or punished depending on the personal commitment to the promise, politics and personal turf issues start to disappear.

Visually, the brand promise should drive, or at least be congruent with, each of the five star points shown in Figure 2-1.

Brand Personality

Brand personality refers to adjectives that describe the brand (such as fun, kind, sexy, safe, sincere, sophisticated, cheerful, old fashioned, reliable, progressive, etc.). How consumers perceive a brand's personality is often discovered through qualitative research by asking people to describe the brand as if it were a person or an animal.

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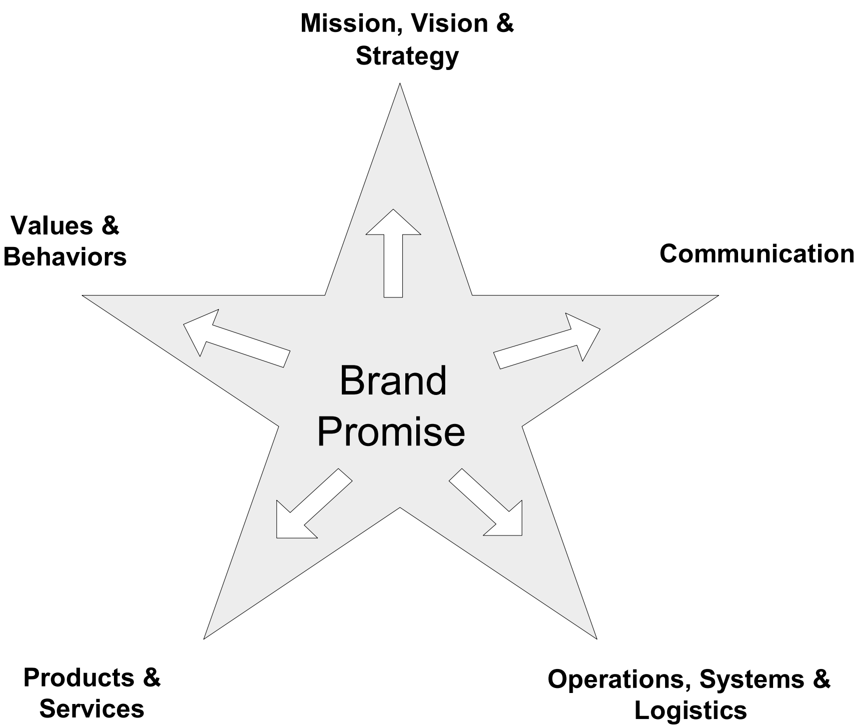
FIGURE 2-1. BRAND PROMISE.



Brand Identity

Brand identity is a combination of visual, auditory, and other sensory components that create recognition, represent the brand promise, provide differentiation, create communications synergy, and are proprietary.[1] Some define brand identity more broadly to include almost everything in a brand's design, including essence, promise, personality, and positioning. The more specific definition used in this book reflects the most common usage of the term, especially as used by firms focused on the creation of brand identity standards and systems.

Names and nomenclature, logotypes, symbols and other graphic devices, distinctive shapes and colors, brand voice and visual style, sounds, jingles and other mnemonic devices, typography, theme lines or slogans, and characters that are uniquely associated with a brand are all components of a brand's identity.[2] Textures, scents, flavors, and other sensory elements also can be components of a brand's identity.

Brand Portfolio

Brand portfolio is the mix of brands and subbrands owned by an organization. This portfolio should be actively managed to ensure effective, efficient brand management. For example, Procter & Gamble and Unilever both have a large portfolio of brands; General Motors manages Buick, Cadillac, Dodge, and other brands; Hallmark manages the Hallmark, Shoebox, and Crayola brands among others; Darden restaurant group manages the Olive Garden, Red Lobster, and Bahama Breeze brands.

Brand Architecture (or Brand Structure)

Think of brand architecture as a brand's family tree or its hierarchy. It is how an organization organizes the various named entities within its portfolio, and how they relate to each other. Ideally, the brand architecture is simple, with no more than two levels: brand and subbrands. In fact, brand/subbrand is the type of architecture most often used. It takes many forms, mostly based upon the type of name used for the subbrands. Some organizations add a third level: named products. But, any more than two levels can be confusing.

The four general types of architecture are:

1. Master brand
2. Brand/subbrand
3. Endorsed brand
4. Separate (stand-alone or independent) brands

Brand architecture addresses the following:

- ✔ Number of separately named entities
- ✔ Criteria for becoming a separately named entity
- ✔ Levels of relationships between separately named entities
- ✔ Naming and other brand identity conventions for each level
- ✔ Nature of the relationships between the named entities at different levels

Corporate Brand

Corporate brand is the brand bearing the company name. It is always the highest in a brand hierarchy. Examples are Ford, Hewlett-Packard, IBM, General Motors, 3M, and Kodak.

Master Brand

Master brand is the dominant, highest level brand in a brand hierarchy. Typically, it is also the *only* brand in the system. Historically, many corporate brands were also master brands. Today, there are few master brands left.

Parent Brand

Parent brand is a brand that is extended into more than one product category. It may or may not be the same as the corporate brand. Examples are Ford and Honda.

Parent brands offer the following advantages:

- ✔ Less expensive new product launches
- ✔ Trust/assurance
- ✔ Marketing economies of scale

Subbrand

A subbrand is a new brand that is combined with a parent or corporate brand in the brand identity system. The subbrand can make the parent brand more vital and relevant to a new consumer segment or within a new product category. Examples are Taurus and Accord.

Endorsed Brand

Endorsed brand is the primary name the consumer is intended to use to refer to a product. It is a brand that is endorsed by the parent or corporate brand in the brand identity system. The parent brand is also identified with the product; however, the endorsed brand is given much greater visual weight than the parent brand. In this situation, the corporate or parent brand lends credibility or assurance to the endorsed brand without overpowering it with its own associations. An example is Shoebox, a tiny division of Hallmark.

Trade Dress

Trade dress refers to aesthetic elements that provide legal protection for a brand's identity. For example, Coca-Cola's bottle shape is a part of its trade dress, as are Absolute vodka's bottle shape and Harley-Davidson's engine sound.

Brand Extension

Brand extension means applying the existing brand to new products, services, or consumer segments. If this is done by combining the existing brand with a new brand, the new brand is called a subbrand. If executed properly, brand extensions can broaden and clarify the meaning of the brand. If executed improperly, they can dilute or confuse the meaning of the brand. Examples are Crayola (from crayons to markers and pens) and Jell-o (from gelatin to pudding).

Marketing Plan

A marketing plan is a request for funds in return for a promised level of incremental revenues, unit sales, market share or profits.[3] One can develop marketing plans for products, services, market segments, or brands. The critical components of a marketing plan includes the following:

- ✔ ***Summary.***
- ✔ ***Objectives*** (attract new consumers, create new uses, increase share of requirements, incent trial, encourage repeat purchase, encourage add-on purchase, increase awareness, increase loyalty, change value perception, increase emotional bond, extend into new product and service categories, etc.).
- ✔ ***Situation Analysis.***
  - ✔ Market Analysis
  - ✔ Competitive Context
  - ✔ Customer Profile (segments, needs, attitudes, behaviors, insights, etc.)
- ✔ ***Strategies and Tactics*** (touching upon all key marketing components that will be used: product, packaging, pricing, distribution, advertising, publicity, sales promotion, selling, etc.; be specific).
- ✔ ***Operations Considerations*** (impact on plant capacity, need for new assets, etc.).
- ✔ ***Financial Projections.***
  - ✔ Pro forma profit and loss statements, balance sheets, cash flows, etc.
  - ✔ Funds required to execute plan
- ✔ ***Supporting Customer Research*** (qualitative research, concept testing, volumetric modeling, market test results, etc.).
- ✔ ***Risks and Contingency Plans.***

Brand Plan

A brand plan is similar to a marketing plan. Its objectives focus primarily on changing or improving brand equity components, like those listed below. Increased market share is a frequently specified brand objective.

- ✔ Brand awareness
- ✔ Brand accessibility
- ✔ Brand value
- ✔ Brand relevant differentiation
- ✔ Brand emotional connection
- ✔ Brand vitality
- ✔ Brand loyalty
- ✔ Brand personality
- ✔ Other brand associations

Notes

1. Definition courtesy of Lister Butler Consulting, New York.
2. Courtesy of Lister Butler Consulting, New York.
3. Source: ''What are the key issues to be covered in my marketing plan?'' http://www.uwa.com/marketing/consultants/mrktplan.htm 8/7/01.