



HOW TO CREATE A STRONG BRAND

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Abstract

Brands are omnipresent. A brand is not just a name, but it should stand for a concept or idea. Currently, in creating a strong brand, companies have to take into consideration a communication model that is composed of three elements: ignite, inform, involve. In terms of marketing strategy used by the company, the following architectures of the brand name can be observed: one-firm branding, house branding, endorsed branding, and separated branding. Usually the origin country is selling the product, being considered a guarantee of the quality and expertise. In the present, the Country Brand Index is calculated as recognition for highly appreciated nations.

Keywords

Brand loyalty, brand equity, the country brand index, advertising

1. Introduction

A brand, according to the American Marketing Association represents „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”. A brand also consists of a promise made by the company to its consumers regarding its offer from a qualitative point of view.

Brands are omnipresent¹. A brand is not just a name, but it should stand for a concept or idea.

There are three sample codes for international advertising that were developed after a research in six major markets. The research² was done on beer brand advertising, but the cods developed can relate to other products as well.

Table 1. International advertising – sample codes

Cosmopolitan style	Alternative humor	Totem of the tribe
Modern city life <ul style="list-style-type: none"> • Style bars • Bright lights, big city • Market savvy 	Self-deprecating humor <ul style="list-style-type: none"> • Twist in the tale 	Bonding focal points <ul style="list-style-type: none"> • Dances, music • Teams • Couples, family

Western (v. local) lifestyle <ul style="list-style-type: none"> • Western music • Western attitude 	Irony, cynicism <ul style="list-style-type: none"> • Defining style clans • Sub-cultures 	Nation and icons <ul style="list-style-type: none"> • Flags • Music • Humor • Funny foreigners
Beautiful people <ul style="list-style-type: none"> • Style • Confidence, self-assurance • Narcissism 	Parody <ul style="list-style-type: none"> • Making fun of mainstream • Humor • Reinterpreting other brands 	Looking alike <ul style="list-style-type: none"> • Uniforms • Animal allegories • Lizards, frogs

For any brand, the cultural aspects have to be taken into consideration. For instance, Hummer, although is a very interesting product, the customers often associated it with the American victory in the Desert Storm Operation. General Motors announce in 2010 that will either sell or shut down the brand, due to the mythology around it, meaning that this product was associated with military operations that raised controversy. Also, this product was perceived as a waste of natural resources and a cause for damaging the climate.

A strong brand means a brand that people believe in. Consumers tend to get emotionally involved in the process of buying. There is a hierarchy of these emotions, starting with predictability (consistency and knowledge), then dependability (generalized and risk experience) and getting to trust (emotional investment). Marketing specialist try to accomplish the highest level of emotions, meaning that for the customers is best to put their trust in the brand.

¹ Upendra Kumar Maurya, P. Mishra. *What is a brand? A Perspective on Brand Meaning*, European Journal of Business and Management, Vol. 4, No. 3, 2012.

² Harvey, M. and Evans, M. *Decoding competitive propositions: A semiotic alternative to traditional advertising research*, International Journal of Marketing Research, XXXI, 412-422, 2001.

Currently, in creating a strong brand, companies have to take into consideration a communication model that is composed of three elements³: ignite, inform, involve. Ignite stands for getting out the idea and encouraging people to embrace it (for instance releasing a TV spot), inform means raising awareness and debates (a specialist can provoke discussions among customers) and involve encourage people to be a part of happy customers and let their opinions be known (creating for instance a site where customers can upload reviews).

People are not just standing by any more and reading messages that the company is serving them with. Now they are encouraged to really participate in debates, in purchasing process and to give feed-back to the company.

Advertising campaigns have to be bold and innovative in order to conquer the consumer's hearts and minds.

2. Building brand loyalty

Brand loyalty represents⁴ an honest commitment of the consumer to further purchase the respective product, despite the marketing effort of the competitors, in order to change this consumption behavior.

Brand associations consist in⁵ „anything that is associated in memory with a certain brand”.

The essence of a brand strategy consists in the consequence in maintain the quality of the product, reason for linking the product strategy with the branding strategy.

As Philip Kotler remarks⁶, the brand name arises wishes, desires, emotions and certain behaviors.

The companies that are developing a certain brand name for their product are, metaphorically speaking, becoming its prisoners, because they cannot change it.

For instance the attempt of the Coca-Cola company to alter in 1985 the composition of its main product (and launched it under the unofficial name New Coke), was qualified by the analyst majority as a failure. The company's decision was taken as a result of market studies that concluded that most of the consumers would want a sweeter formula. However the company did not anticipate the unfavorable reaction from the loyal consumers that have succeed through numerous

actions to cancel the company's decision and to change back the product according to the original formula.

Another example that change is not always something good is the Kinder chocolate egg that after a few years of changes in the interior composition had come back to the original one.

A powerful brand name is determining probably a repeated decision to purchase the respective product.

The main factors that are determining the consumer's loyalty over a certain brand name⁷:

- ↳ the brand name is a guarantee for a highly qualitative product (70%);
- ↳ the brand name is a guarantee for consistent performances (61%); the brand name is familiar (33%);
- ↳ the brand name is offering a good value/price report (26%);
- ↳ The brand name is suited with the customer's personality (26%);

3. Consumers benefits due to the brand name

The brand equity represents the supplementary utility or added value offered to a product by its brand name. This brand equity can be established by diminishing the total utility (achieved by the customer due to utilizing the product) with the physical attributes⁸.

The main benefits⁹ for a company with a strong brand name consist in:

- ↳ consumers loyalty;
- ↳ the ability to attract new clients;
- ↳ the possibility of perceiving a premium price;
- ↳ the ability to enter into new markets by extending their brand name;
- ↳ The ability to block the entrance on the market for new competitors and others.

Branding means all activities developed by a company that have as the main goal increasing the value of the brand.

4. Brands classification

In terms of marketing strategy used by the company, the following architectures of the brand name can be observed¹⁰:

- 1) *One-firm branding*:

³ Rosenbaum-Elliott, Richard, Lerry Percy and Simon Pervan *Strategic Brand Management*, Oxford University Press, 2nd edition, 2011.

⁴ Oliver, R. *Satisfaction: A Behavioral Perspective on Consumers*, McGraw Hill, New York, 1997;

⁵ Aaker, D. *Managing Brand Equity*, Free Press, New York, 1991;

⁶ Kotler, Ph. *Country as brand, product, and beyond: A place marketing and brand management perspective*, Journal of Brand Management, 9, 4/5, April 2002;

⁷ Davis, S. *Brand Asset Management: Driving Profitable Growth Through Your Brands*, Jossey Bass, San Francisco, 2000;

⁸ Yahoo, B., Naveen, D. și Sungho L. An Examination of Selected Marketing Mix Elements and Brand Equity, *Journal of Academy of Management Science*, Spring 2000, 28, 2;

⁹ Kjell, G., Heim L. și Rune L. Exploring the impact of product category risk and consumer knowledge in brand extensions, *Journal of Brand Management*, 9, 6, July 2002;

¹⁰ Muhlbacher, H., Leih, H. și Lee D. *International Marketing: A Global Perspective*. 3rd Edition, Thomson Learning, 2006;

One-firm branding consists in the company's strategy to use its name as a brand for all the commercialized product scales. There are no different names that are specific to some of the company's products. Relevant examples are: Sony, Nike, Samsung and others. This strategy involves spending less on advertising new products, because there are launched on the market with the traditional brand.

2) House branding

The house branding represents the strategy of using, besides the companies brand name, also the one-firm branding that is specific to some products realized by the company. This strategies purpose is to differentiate the products of the same company. The automobile industry is largely using this strategy. For example, the Volkswagen Company had in his portfolio the Polo, Golf, Jetta, Passat, Touareg and other brands.

3) Endorsed branding

The endorsed branding is the strategy of promoting mostly the brand name of the product, but also to adjoin the companies name in order to familiarize the consumers with the new products name. It is used especially by the companies with wide products portfolio, that are entering in new markets that they are not very well known. For example, in the Daimler Chrisler case, the company was well known for the luxury big cars, but when it become involved in producing small cars, such as the Smart brand, it used the name Smart - a brand of DaimlerChrysler. Also, in the air transport industry, an example might be Lufthansa, that is a member of a strategic alliance and it is using the brand „Lufthansa – a member of Star Alliance”¹¹;

4) The separate brand

The separate brand consists in the strategy to commercialize products under its own brand, because they are already worldwide recognizes. As an example, the products of Procter & Gamble are very well known by the consumers, such as Nivea, Dove, Pampers and others.

5. The role of the origin country in the branding strategy

In some cases, the origin country is selling the product, being considered a guarantee of the quality and expertise.

The countries brand name can be described as an umbrella identity that is incorporating and offering a

meaning to brands orientated to specific objectives, such as promotion of direct foreign investment, tourism, exports and even has political influence¹².

Some countries have proven excellence in certain industries. Some relevant examples are auto industry in Germany, high quality watches in Switzerland, electronic industry in Japan, wines in France, cheese industry in Denmark, coffee in Columbia and others. The consumers are convinced to by a product only on the associations between the product and countries that is well known for that particular industry.

The tree most expensive brands in the world (for the year 2010) are¹³: Tiffany, Rolls Royce and Rolex.

A global brand name presents a large number of advantages¹⁴:

- ↳ reducing costs with developing new products;
- ↳ a bigger negotiation power with their business partners;
- ↳ scale economies regarding advertising campaigns;
- ↳ the use of former products know-how and others.

6. The Country Brand Index

Future Brand is a company of more than 600 employees from all over the world that has developed an index named the Country Brand Index, calculated based on people's perceptions on different nations worldwide. For 2012 – 2013 is the result of the opinion of 3.600 frequent travelers (for business or pleasure) concerning the value system (political freedom, environmental Friendliness, stable legal environment, freedom of speech), quality of life (education system, healthcare system, standard of living, safety, job opportunity, most likely to live in), good for business (investment climate, advanced technology, regulatory environment, skilled workforce), heritage and culture (history, art and culture, authenticity, natural beauty), tourism (value for money, attractions, resort and lodging options, food). In 2013 – 2014 there were 2530 respondents familiar with all countries and very interested in traveling.

Table 2. Hierarchy for Country Brand Index 2013 – 2014

1.	Japan
2.	Switzerland
3.	Germany
4.	Sweden

¹² Dzenovska, D. *Remarking the nation of Latvia: Anthropological perspectives on nation branding*, Place Branding, Vol. 1, 2, 2005;

¹³ <http://www.productusp.com/the-3-most-expensive-brands-of-the-world.html>

¹⁴ Barron, J., Hollinshead, J. Brand globally, market locally, *Journal of Business Strategy*, 25, 1, 2005;

¹¹ konzern.lufthansa.com/en/alliances/star-alliance/members.html

5.	Canada
6.	Norway
7.	United States
8.	Australia
9.	Denmark
10.	Austria

In addition to the quantitative research, a qualitative research is conducted, meaning a lot of interviews with global experts in politics, economy, international law and others.

People have to make decisions all the time. For instance what we are eating or what we are wearing in a certain day it may not be a crucial decision, but is still a decision. More impact on someone's life is deciding in which country he/she wants to travel, start a business or may be relocate permanently.

The Country Brand Index is taking into consideration not only a short period of time, but mostly a long one.

For 2013 – 2014 and 2014 – 2015 the first place is occupied by Japan, followed on second place by Switzerland. For 2012 – 2013 Switzerland was on the first place.

Japan was ranked high mainly on the following criteria: advanced technology, health and education, heritage and culture and also a place to visit on holiday. The people are appreciating that is a very dynamic country.

Switzerland obtained high scores for: standard of living, health and education, good infrastructures, natural beauty and also a place to visit for a holiday. This country is well known for banking system and also the watches industry that maintained a high appreciation during the years.

7. Conclusions

Every company that is developing a good product has to understand the importance of creating a brand value. It is equally important as the product, that the brand has the best perception possible, in the eyes of the consumer.

A brand is not necessary related to a company. It is very important to have a strong nation's brand, because people are judging others by their origin country.

By creating this index, Future Brand set a challenge for everyone first to identify the strong elements for their country and to make them known worldwide. Also it is not good to denigrate our own country and everyone must do their best to gain appreciation from others.

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