Branding perspectives

Recap + agenda setting

Marketing and marketing paradigms:

-consumer centricity

-organizational structure

-the role of the CMO and other marketing functions withing the "new" paradigm,

Different views on how this is achieved:

Strategic nature of marketing – two schools; the planning and emergence + IMC within these

Foreground IMC and Branding as a strategic endeavor

Branding perspectives

…

Planning + execution of IMC programs

Background/back stage
Theory

Foreground/front sage
Practice

4 different perspectives on branding

- Mind-share branding
  - Emotional branding
  - Viral branding
- Cultural branding

MIND-SHARE BRANDING

BRAND LEADERSHIP

Author of **BUILDING STRONG BRANDS**
and **MANAGING BRAND EQUITY**

DAVID A. AAKER
& ERICH JOACHIMSTHALER

'This is *it*
on branding.
Read it . . .
or else'
Tom Peters

Why is the brand so important?

"The brand is the only sustainable source of competitive advantage." (Aaker 1996)

- Basically, the most dominant branding paradigm from 1950 onwards

- "The brand entered the boardroom"

- Still being taught in most marketing textbooks today (Kotler, Keller, Aaker…)

- The goal is to generate brand equity through managing a brand identity that is <u>consistent</u> and <u>timeless</u> (Aaker 1996)

Brand equity

- The logic of the mind-share paradimg ➔ to build strong brands by attending to brand equity elements
  - What does this mean?

- Brand equity: "brand assets (liabilities) linked to a brand's name and symbol that add to (or subtract from) a product or service." (Aaker and Joachimsthaler 2000: 17).

"Product plus" view of equity

Brand equity = the additional sum of money a consumer is willing to pay vs. a similar, (un)branded product (de Chernatory & McDonald 1992)

Branded product markup
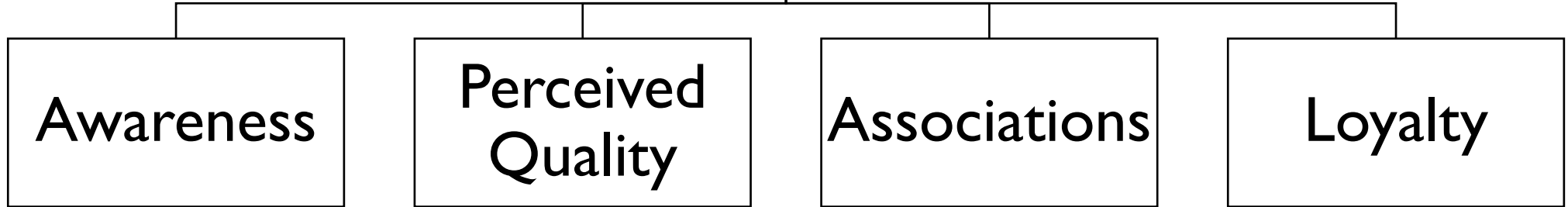
Branded product X

Generic product Y

Estrella Pop corn VOINMAKUINEN 3×80g VOINMAKUINEN MICROPOPCORN

€€

MCENNEDY AMERICAN WAY Microwave POPCORN Salted 3 x 100g

€

PÍRKKA VOINMAKUINEN MIKROPOPCORN Mikropopcorn med smörsmak 3 x 100 g

€

How to attend to brand equity?

Brand equity

Awareness
Perceived Quality
Associations
Loyalty

Awareness
- Linked to perceptions and even taste

- Consumers like familiarity and are likey to ascribe "positive" attributes to brands

(Aaker and Joachimsthaler 2000: 17)

Perceived Quality
Argued to influence brand associations … also argued to partly affect profitability as measured by ROI and stock return

Associations
Anything that connect consumers to a brand:
- Imagery
- Attributes (e.g., hedonic & utilitarian)
- Personality
- Symbols

Loyalty
- The **crux** of brand's value
- The goal is to strengthen the size and each loyalty segment
- Think about touch points and consumer decision making journey, for e.g.!

Change in market dynamics may affect brand loyalty

IMC campaigns as means of nurturing brand loyalty

- As per David Aaker and likeminded, brands pay-off

- He offers a ==brand leadership perspective== as a mean of building and sustaning strong brands

- Aaker offers four distinct but no mutually exlusive dimensions to argue for his model:

    - Organizational structure and processees
    - Brand architecture
    - Brand-building programs
    - Brand identity/position

Organizational structure and processes

- Build/foster an organizational structure and culture that will lead to strong brands
- IMC is full-mouth on this facet of brand leadership
- Someone or somegroup needs to be in charge of brand building and maintance procesess ➔ think about the role of the CMO and her team, for e.g.!
- CMO and others, to offer *relatively* clear guidelines and rules for everyone in the organization and especially for those engaged in brand management

➔ "this is how we do branding in this organization"

Brand architecture

- Identify brands and sub-brands as well as their roles, but also, see how they relate to one another

- Doing so, you will be in a better position to:
  - Offer clear consumer/customer offerings
  - Engage in better communication programs
  - Also, to leverage brand equity assets

- Brand architecture may help you decide:
  - When to stretch and existing brand (extension)
  - When to develop a new brand
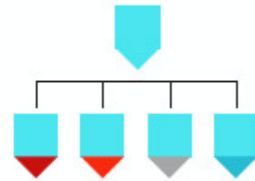 - When to use a sub-brand
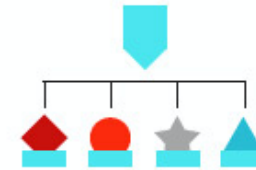
BRAND ARCHITECTURE SPECTRUM

SINGULAR BRAND ←··→ SEPARATE BRANDS
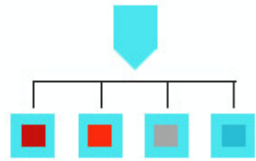
BRANDED HOUSE
products are organized around the corporate umbrella brand

FedEx Corporation ▸ FedEx Express / FedEx Freight / FedEx Ground

SUB-BRANDS
brands that augment and connect to the master brand

Virgin ▸ Virgin Vibes / Virgin games / Virgin Active

ENDORSED BRANDS
brand and products that are endorsed by larger brands

MARRIOTT ▸ COURTYARD BY MARRIOTT / Residence INN BY MARRIOTT / Fairfield BY MARRIOTT
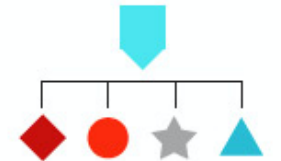
HOUSE OF BRANDS
a company oversees a set of stand-alone brands

P&G ▸ Gillette / Pampers / febreze / Bounty

SOURCE: "The Brand Relationship Spectrum," David A. Aaker: known as the 'Father of Modern Branding'

- Holistic view on branding
- Each brand has a role to play within the brand architecture
- The idea is not to manage brand as if they were silos
- CMO and her/his team to decide and internally communicate this aspect
- Identify strategic brands and invest in them

Brand identity and positioning

- Each brand needs a brand idenity:
  - How should consumers perceive out brand(s)?
- Brand identity ➔ the crux of brand building programs
- Needs to be precise; to avoid confusion

BRAND IDENTITY

Extended

Core
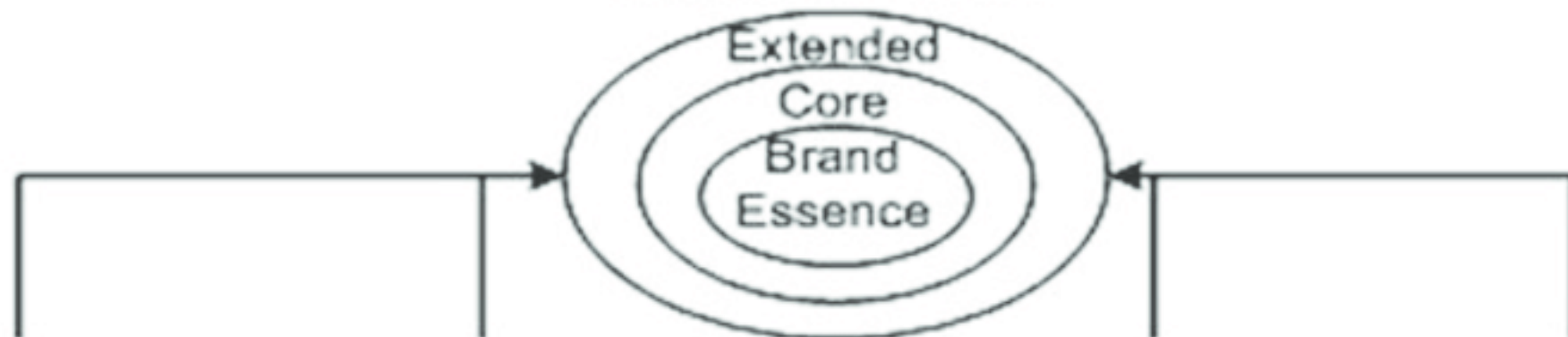
Brand
Essence

**Brand as
Product**

1. Product scope
2. Product
   attributes
3. Quality/Value
4. Uses
5. Users
6. Country of origin

**Brand as
Organization**

7. Organization
   attributes
   (e.g., innovation,
   consumer concern,
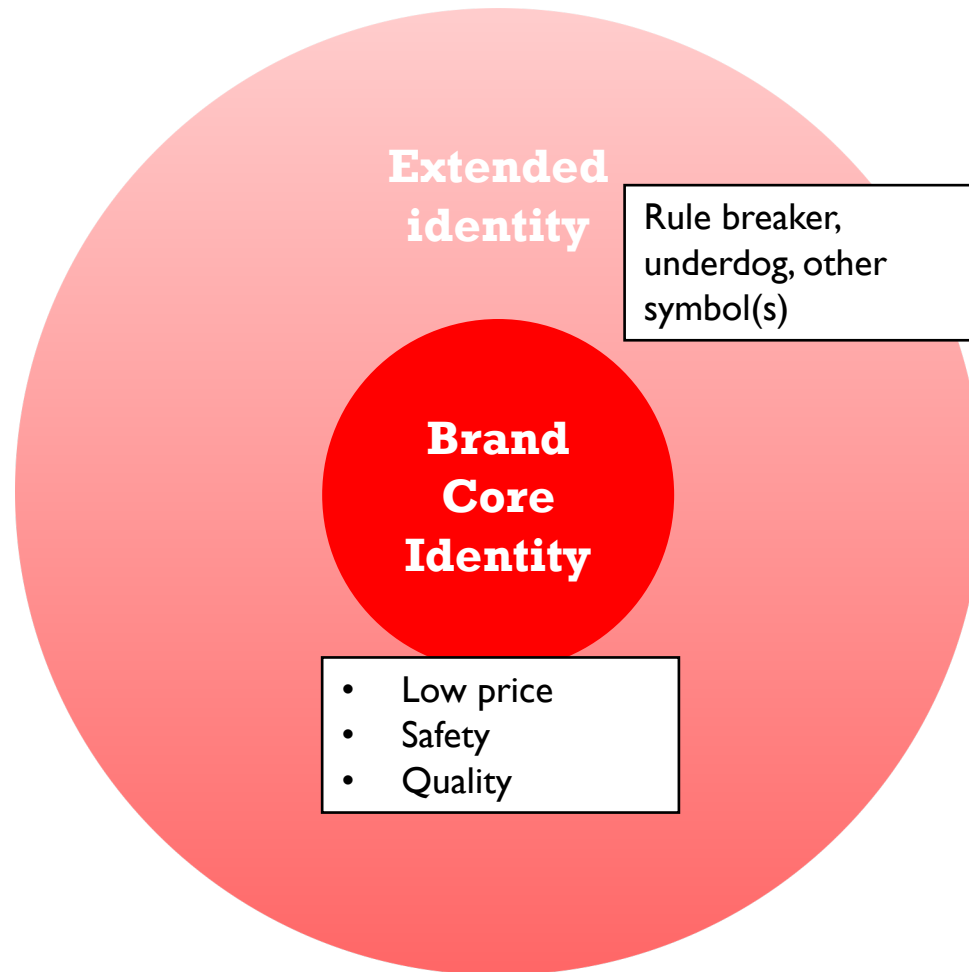   trustworthy)
8. Local versus
   global

**Brand as
Person**

9. Personality
   e.g., genuine,
   energetic,
   rugged)
10. Customer/
    brand
    relationships

**Brand as
Symbol**

11. Visual image
    and
    metaphors
12. Brand
    heritage

The brand "onion model"

Extended identity

Rule breaker, underdog, other symbol(s)

Brand Core Identity

- Low price
- Safety
- Quality

- The core identity remains unchanged

- The extended identity can and should be updated ➔ What IMC does!

Positioning:

- "the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market" (Ries and Trout 1981; Kotler 2003)

- Brand position helps with communication objetives:

  What message will best differentiate the brand and appeal to designated consumers?

Positioning and value propositions in practice

Nike owns the idea of 'athletic achievement' (positioning + value proposition; the promise of value to be delivered)

35% of customers said 'Mercedes' when asked to name a car brand to describe 'quality' (positioning + value proposition; the promise of value to be delivered)

Volvo ➜ safety (positioning + value proposition; the promise of value to be delivered)

Brand-building programs (IMC facet)

- IMC as a mean of brand-building

- Need to realize the brand identity and define it

- Promotional mix tools utilized to make brand identity elements salient and consistently communicated

- Strong brands = brilliant communication program executions (campaigns)

- Enough good campaigns out there, but not much brilliant executions

- The challenge: how to be noticed and remembered, how to change perceptions, hot to reinforce attitudes and to create strong consumer relationships + measurements reflecting brand equity elements

Mind-share branding recap

- <mark>Benefit driven branding approach</mark>

- Aim to establish a clear positioning and distinctive value proposition in the mind of the consumer (Ries and Trout 1981; Aaker 1996; Thompson et al 2006)

- Consistency, consistency, consistency

- Try to "own" a relevant association, word, emotion… whatever works

- The brand's promise/essence/core identity is timeless, its extended identity needs updated every now and then

- Still the *dominant* branding model ➔ mostly referred to as just "branding" in marketing literature

Cultural Branding

Introducing cultural branding

- Put together and formally introduced by Douglas Holt in his 2004 book "How Brands Become Icons"
- The themes and thinking had been developed in academic articles before this, through (Holt's and others')
- To a certain degree a culmination of the rise of CCT thinking in marketing

HOW
BRANDS
BECOME
ICONS

THE PRINCIPLES
OF CULTURAL
BRANDING

DOUGLAS B. HOLT

HARVARD BUSINESS SCHOOL PRESS
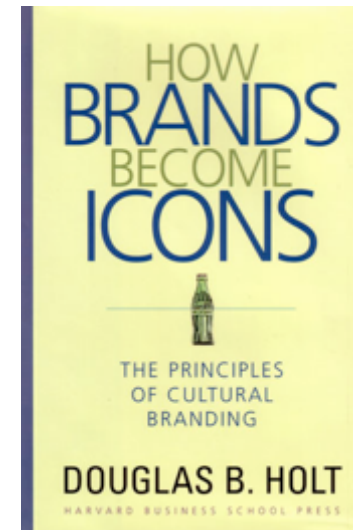
Reflections

Consumer Culture Theory (CCT): Twenty Years of Research

ERIC J. ARNOULD
CRAIG J. THOMPSON*

This article provides a synthesizing overview of the past 20 yr. of consumer research addressing the sociocultural, experiential, symbolic, and ideological aspects of consumption. Our aim is to provide a viable disciplinary brand for this research tradition that we call consumer culture theory (CCT). We propose that CCT has fulfilled recurrent calls for developing a distinctive body of theoretical knowledge about consumption and marketplace behaviors. In developing this argument, we redress three enduring misconceptions about the nature and analytic orientation of CCT. We then assess how CCT has contributed to consumer research by illuminating the cultural dimensions of the consumption cycle and by developing novel theorizations concerning four thematic domains of research interest.

Consumers and Their Brands: Developing Relationship Theory in Consumer Research

SUSAN FOURNIER*

Although the relationship metaphor dominates contemporary marketing thought and practice, surprisingly little empirical work has been conducted on relational phenomena in the consumer products domain, particularly at the level of the brand. In this article, the author: (1) argues for the validity of the relationship proposition in the consumer-brand context, including a debate as to the legitimacy of the brand as an active relationship partner and empirical support for the phenomenological significance of consumer-brand bonds; (2) provides a framework for characterizing and better understanding the types of relationships consumers form with brands; and (3) inducts from the data the concept of brand relationship quality, a diagnostic tool for conceptualizing and evaluating relationship strength. Three in-depth case studies inform this agenda, their interpretation guided by an integrative review of the literature on person-to-person relationships. Insights offered through application of inducted concepts to two relevant research domains—brand loyalty and brand personality—are advanced in closing. The exercise is intended to urge fellow researchers to refine, test, and augment the working hypotheses suggested herein and to progress toward these goals with confidence in the validity of the relationship premise at the level of consumers' lived experiences with their brands.

What is "culture"?

- "excellence of taste in the fine arts and humanities, also known as high culture"

- "an integrated pattern of human knowledge, belief, and behavior that depends upon the capacity for symbolic thought and social learning"

- "the set of shared attitudes, values, goals, and practices that characterizes an institution, organization or group"

What is "culture"?

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Cultural icons

- The goal of cultural branding is to build the brand into a cultural icon

- An icon is a symbol of an ideal that people hold in considerable esteem

- Other than brands, politicians, movies, books, photographs and even events can have iconic value

The thinking behind it

- "Anthropologists have always known we live in an experience economy," (Sherry) explains. "All consumption is about experience. And once you take that view, products are not simply tools or benefits or practical utilitarian kinds of things, but they're really more about meaning. They're the way people create meaning and transform meaning and so forth."

John Sherry Jr.

Identity brands

- The cultural branding model is intended for branding mostly identity categories

- Identity brands = value of products as a means of self-expression

- Products such as clothing, home decor, beauty, leisure, entertainment, automotive, food, and beverage etc. ➜ "ego-expressive products"

Identity brands

- Brands, products and styles provide a tangible method of meaning transference for consumers who seek to both fit in to peer groups and express individuality (Tuten 2007)

- Consumers feel their identity-building projects are intense "personal quests", but in truth similar quests are shared by many in the population (Holt 2004, p. 6)

Brand meaning

- Brands are historical artifacts moving through time and are carriers of meaning (Holt 2004, p. 1-4, 38)
- Brand meaning is a result of collective interpretations by multiple stakeholders over numerous historical moments (Hatch & Rubin 2005)
- Many of the assumptions in the other branding models don't take historical and the cultural context into account

The gist of Holt's criticism

- "Timeless consistency" can be impossible to attain, same for controlling a brand identity

- The idea is to align the brand with the right <mark>identity myth</mark> in a credible and appealing way in its marketing communication (Holt 2004, p. 11, 214-215)

- Brands respond to changes by "speaking again" in new contexts, and adapt old meanings to new circumstances

Identity myths?

"imaginative stories and images that selectively draw on history as source material, which function to continually re-imagine and vitalize the nation's ideology"

Myth of man-of-action hero
A particular masculinity myth/story

Why Have Marketers Ignored America's Man-of-Action Hero?

6/2/2003

> The man-of-action hero has been the central myth in American culture for twenty years. So why have only Budweiser and Nike tapped into this story? Professor **Douglas B. Holt** explains.

by Manda Salls, *HBS Working Knowledge*

(Douglas B. Holt says brand managers have little appreciation for how myths in American culture can be used to create "extraordinary" brand-building opportunities. In this e-mail interview, Holt discusses a recent working paper (with co-author Craig J. Thompson) looking at the possibilities presented by the rise of the man-of-action hero. –Ed.)

Salls: What is the man-of-action hero, and why is this manhood ideal so important in American culture? You say the man-of-action hero is a synthesis of two other popular models of American manhood—the breadwinner and the rebel. How does this work?

Holt: The man-of-action hero is a mythic model of masculinity, one that is distinctively American. Men of action are society's entrepreneurs. They're vigorous, charismatic outsiders who reinvent society's institutions. At the root of the man-of-action hero is the American idea that individuals with vision, guts, and a can-do spirit can transform weak institutions, invent wildly creative contraptions, build fantastic new markets, and conquer distant infidels. American men love the populist guy who stands against dominating institutions, fights for an alternative vision that runs against the grain of convention, and eventually wins out.

> The **man-of-action hero** combines the autonomous willpower of the rebel with the willingness to contribute to societal institutions that marks the breadwinner.
>
> — Douglas B. Holt

Two other models of masculinity are also widely popular in the USA: what we call the breadwinner and the rebel. Breadwinners are men who play by the rules of the institutions that they participate in, work hard to achieve, and eventually become respected authoritative figures—pillars of their communities. Colin Powell is an exemplary breadwinner today. At the other end of the spectrum are rebels. Rebels are defiant individualists, mavericks who buck every institutional norm in following their inner muse. Rebels are potent figures because they have the confidence to reject what society deems important. A generation ago, a classic rebel would be Peter Fonda in *Easy Rider*; today we have rebels like Tupac Shakur, Howard Stern, and Dennis Rodman.

More on identity myths

- Myths define culture by expressing its shared emotions and ideals (Solomon et al. 1999, p. 447)

- People feel anxieties when their personal life experiences and realities are in conflict with what the national ideology expects of them (Holt 2004, p. 45, 57, 210-213)

- People's identification with an identity myth is dependent on how well it soothes people's anxieties in their personal identity building projects

Common anxieties

- people's ambitions at work
- gender roles and sexuality
- their dreams for their children
- their fears of technology
- college graduation
- retirement
- mid-life crisis
- "the construction, maintenance and dissolution of key life roles that significantly alters one's concept of self"

(Holt 2004, p. 212; Fournier 1998)

How brands soothe anxieties

- Carriers of identity myths offer relief through ritualistic consumption of the product/text/brand

- Brands are special, because even if they aren't as affective as e.g. movies, they enable ritual and frequent consumption

- For example, by wearing a t-shirt of a certain myth, the myth is "transferred" to the person

Brands and identity myths

- A brand's strength is dependent on how well a brand encapsulates an identity myth and how strongly people identify with that myth

- The brand manager's role = to look back and understand the brand's "genealogy" and match it fit the proper identity myth

- Note: Holt's view is a tad US-centric

Populist worlds

- The "place" where the identity myth resides and gives it its legitimacy and cultural appeal

- Usually in the fringes of society (punks, hippies, bikers, LGBT communities, extreme athletes, hipsters, the underground etc.)

- People feel drawn to them when they notice that the populist world has an "answer" for an anxiety

Populist worlds

- The brand must "earn" a place in the populist world if it wants to credibly portray the myth

- The insiders who live in the populist world determine the brand's (and other people's) worthiness to claim membership in the populist world
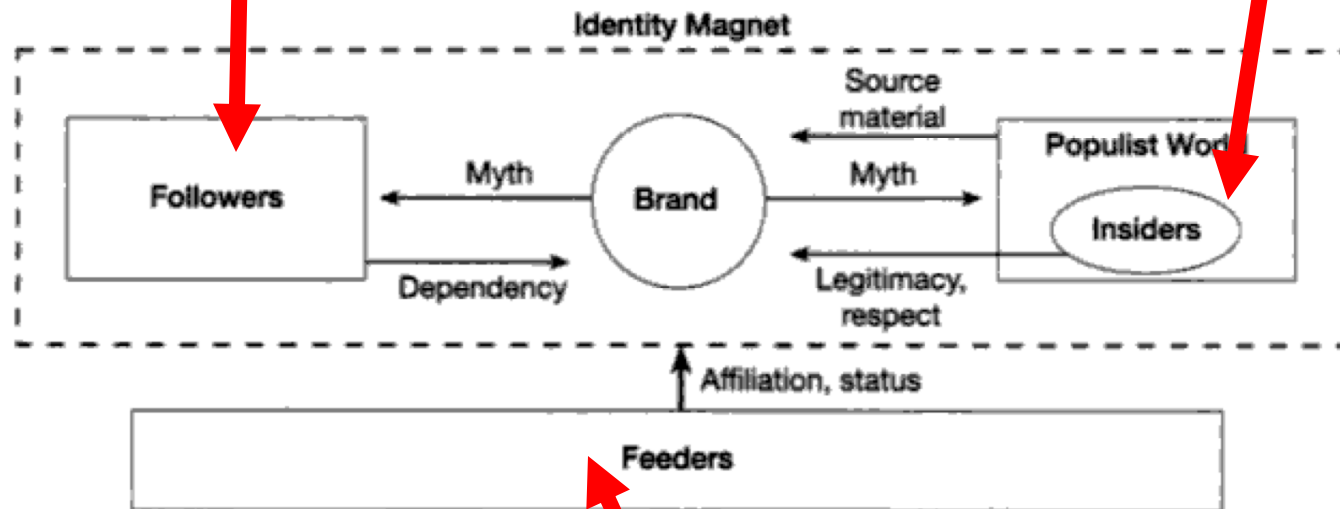
Three constituencies

- Insiders - legitimize the brand as an icon for the populist world
- Followers – enthusiastic fans of the brand, not members of the populist world
- Feeders – opportunistic bandwagoners of the brand's identity value, the vast majority of consumers and were attracted by followers
- The brand must keep the insiders happy, or at least tolerant of the brand's presence in the world ➔ the insiders are the real target audience
- If the brand manages this, the followers and feeders will follow

... (2) which will attract a following for the brand...

1. Keep these guys happy, or at least tolerant of the brand by defending the populist world and its ethos

Identity Magnet

Source material

Populist World

Followers

Myth

Brand

Myth

Insiders

Dependency

Legitimacy, respect

Affiliation, status

Feeders

... (3) and the rest will follow

How do you keep the insiders happy?

- The brand must show two things:

  - literacy – a understanding of the populist world's rules, idioms, and codes (Holt 2004, p. 65).
  - fidelity - to the populist world it draws from, and sacrifice short term financial gains to gain authenticity (Holt 2004, p. 89)

- "Harmony between good and world" (McCracken 1986)
- Without legitimacy, a brand's marketing strategy will not resonate with the target audience (Tuten 2007)

"Mean Joe Greene" from a consumer psych perspective

- Communicates the desired associations of the Coca-Cola brand in a emotionally engaging way

- American, refreshing, "family", fun, happy, iconic…

Cultural perspective

- Case study from Holt (2004) "How brands become icons"

- Coca-Cola has a long, long history as an American icon, representing "the best" of America (especially during and after WW II)

Cultural perspective

- The Vietnam war had seriously strained American unity

- Racial tensions and "angry black men" struck fear into white America

- America was in need of "healing"

"Mean Joe Greene" from a cultural perspective

- Struck a crucial cultural nerve with its powerful message of racial harmony and forgiveness, a unified America and Coca-Cola as a symbol of this healing

- Because of Coca-Cola's long history as an American icon, it could "speak" this way (very few brands could have)

- It repositioned Coca-Cola, redefined its identity myth in American culture while respecting its roots

So to recap…

- Brands are carriers of meaning

- Some brands become iconic by encapsulating a powerful ideal

- The most successful brands have been rooted into very relevant populist worlds

- The key is to manage this link to the populist world by showing respect to the people living "in" the populist world

How the branding models fit together

The branding models are connected

- Each model represents and evolutionary step in the marketplace, consumers, brand & marketing thinking and overall progress in management

- Tougher competition has driven the models in different product categories

- That doesn't mean they can't or shouldn't be used together, because they're intended for different purposes

- "Hybrid branding strategies"

TABLE 2-1

Comparison of Axioms Across Four Branding Models

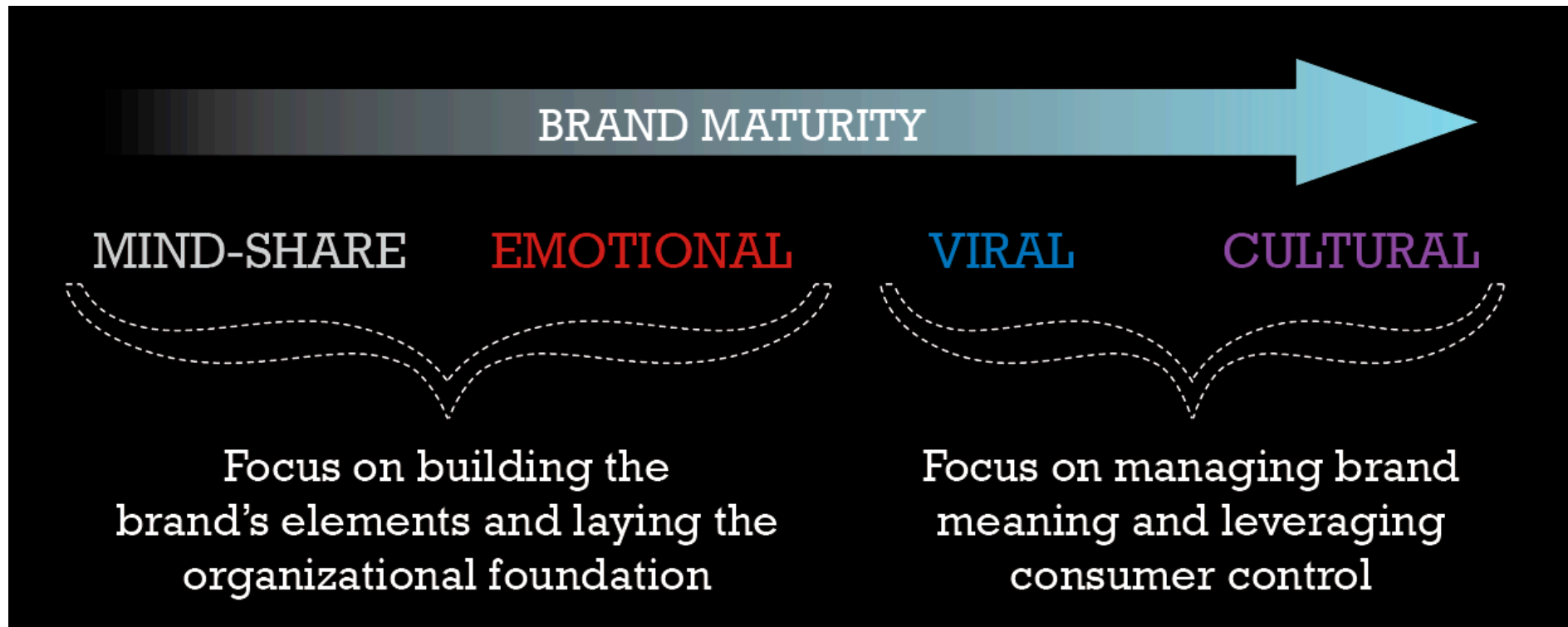|	Cultural Branding	Mind-Share Branding	Emotional Branding	Viral Branding
Key Words	Cultural icons, iconic brands	DNA, brand essence, genetic code, USP benefits, onion model	Brand personality, experiential branding, brand religion, experience economy	Stealth marketing, coolhunt, meme, grass roots, infections, seeding, contagion, buzz
Brand Definition	Performer of, and container for, an identity myth	A set of abstract associations	A relationship partner	A communication unit
Branding Definition	Performing myths	Owning associations	Interacting with and building relationships with customers	Spreading viruses via lead customers
Required for a Successful Brand	Performing a myth that addresses an acute contradiction in society	Consistent expression of associations	Deep interpersonal connection	Broad circulation of the virus
Most Appropriate Applications	Identity categories	Functional categories, low-involvement categories, complicated products	Services, retailers, specialty goods	New fashion, new technology
Company's Role	Author	Steward: consistent expression of DNA in all activities over time	Good friend	Hidden puppet-master: motivate the right consumers to advocate for the brand
Source of Customer Value	Buttressing identity	Simplifying decisions	Relationship with the brand	Being cool, fashionable
Consumers' Role	• Personalizing the brand's myth to fit individual biography • Ritual action to experience the myth when using product	• Ensuring that benefits become salient through repetition • Perceiving benefits when buying and using product	• Interaction with brand • Building a personal relationship	• "Discovering" brand as their own, DIY • Word of mouth

Brand building process (1/3)

1. Mind-share: put in place the brand organization, the thinking, the initial core promise, and the tangible brand elements. Emphasis strategic nature of brand building in organization.

2. Emotional: add more layers to the brand and take a heavy emphasis in sensorial elements of the brand and the brand's experiential elements especially in retail environments. Make the brand "smashable", so that the brand can be identified even from the tiniest bit (Lindstrom 2003)

Brand building process (2/3)

3. Viral: consumers should be able to pick up the brand they've just smashed and give new meaning to it. Crucial in online environments, where all brand elements need to be interactive and shareable. The brand's communications need to become two-way channels for dialogue.

4. Cultural: work hard to get the right kind of consumers to give the brand meaning and be proactive in shaping the brand to become culturally relevant in the hands of storytellers as well. Monitor changes in brand meaning and try to guide this evolution to the right direction.

Brand building process (3/3)

Q&A!