BRANDING

And Integrated Marketing Communications





"BRAND: O.E. brand, brond 'firebrand, piece of burning wood, torch,' and (poetic) 'sword,' from P.Gmc. *brandaz, from base *bran-/*bren-(see burn). Meaning of 'identifying mark made by a hot iron' (1552) broadened 1827 to 'a particular make of goods.' Brand name is from 1922"

Etymology of branding

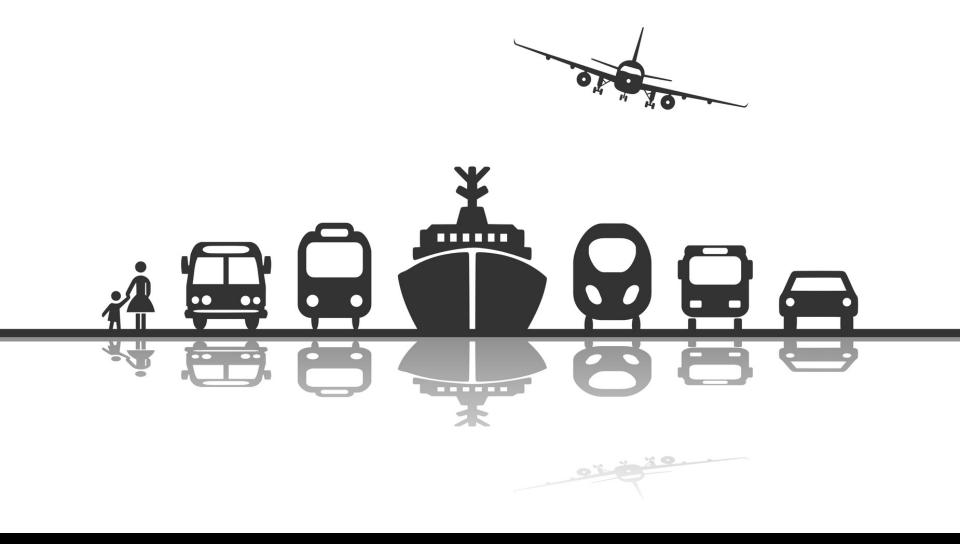
- Use of symbols to signify e.g. ownership know to happen in the Stone Age
- "Branding" an sich came from the use of hot irons to identify cattle
- Even today, the concept of identifying the source of products is still essential to branding (Farquah 1994)

So why is a brand so important now as a strategic source of competitive advantage?

Branding and the industrial times



- The industrial revolution and mass production were key drivers in the evolution of branding
- Mass production enabled catering to mass markets



• The rise of transportation systems enabled branded goods to start competing head-on with unbranded retailer goods

Branding evolves

•

In the early 1900s branded products were already commonplace on the shelves of convenience stores







- The real of birth of modern branding, however, can be dated back to the 1950s and the dawn of mass media (television)
- After WW II the rise of the middle class drove up demand, the birth of "consumerism"

Branding establishes itself

- From the 1930s, "brand management" was already considered an organizational discipline, as championed by Proctor & Gamble (P&G) (Low & Fullerton 1994)
- By the 1950s, the majority of companies had followed P&G's lead → "brand management systems"
- As markets expanded and goods could be found in practically all product categories, brand awareness efforts became necessary to break through the market clutter

- Intellectual
 property laws
 have had an effect
 on why brands
 rule now
- The brand as IP is now heavily protected
- Especially in the current media economy



2008 Rank	2007 Rank	Brand	Country of Origin	Sector	2008 Brand Value (\$m)	Change in Brand Value
1	1	Oca Cola.	United States	Beverages	66,667	2%
2	3	IBM	United States	Computer Services	59,031	3%
3	2	Microsoft	United States	Computer Software	59,007	1%
4	4	%	United States	Diversified	53,086	3%
5	5	NOKIA	Finland	Consumer Electronics	35,942	7%
6	6	⊕тоуота	Japan	Automotive	34,050	6%
7	7	(intel)	United States	Computer Hardware	31,261	1%
8	8	W	United States	Restaurants	31,049	6%
9	9	DISNEP	United States	Media	29,251	0%
10	20	Google.	United States	Internet Services	25,590	43%

BROW	BROWSE THE LIST Values calculated November 201						November 2014
Rank 靠	Brand		Brand Value (\$bil)	1-Yr Value Change (%)	Brand Revenue (\$bil)	Company Advertisin (\$mil)	Industry g
1	Ć	Apple	124.2	19	170.9	1,100	Technology
2	Microsoft	Microsoft	63.0	11	86.7	2,300	Technology
3	Google	Google	56.6	19	51.4	2,848	Technology
4	(ce Cota	Coca-Cola	56.1	2	23.8	3,266	Beverages
5	IBM.	ІВМ	47-9	-5	99.8	1,294	Technology
6	M	McDonald's	39.9	1	89.1	808	Restaurants
7	%	General Electric	37.1	9	126.0		Diversified
8	Tentine.	Samsung	35.0	19	209.6	3,818	Technology
9	TOYOTA	Toyota	31.3	22	182.2	4,200	Automotive
10	<u>Y</u>	Louis Vuitton	29.9	5	9-7	4,707	Luxury

https://www.forbes.com/powerfulbrands/list/#tab:rank - 2018

	Rank	Brand	Brand Value	1-Yr Value Change	Brand Revenue	Company Advertising	Industry
	#1	Apple	\$170 B	10%	\$214.2 B	\$1.8 B	Technology
GR 15th	#2	Google	\$101.8 B	23%	\$80.5 B	\$3.9 B	Technology
Name of the last	#3	Microsoft	\$87 B	16%	\$85.3 B	\$1.6 B	Technology
000	#4	Facebook	\$73.5 B	40%	\$25.6 B	\$310 M	Technology
Covered	#5	Coca-Cola	\$56.4 B	-4%	\$23 B	\$4 B	Beverages
	#6	Amazon	\$54.1 B	54%	\$133 B	\$5 B	Technology
	#7	Disney	\$43.9 B	11%	\$30.7 B	\$2.9 B	Leisure
(4)	#8	Toyota	\$41.1 B	-2%	\$168.8 B	\$4.3 B	Automotive
P	#9	McDonald's	\$40.3 B	3%	\$85 B	\$646 M	Restaurants
1	#10	Samsung	\$38.2 B	6%	\$166.7 B	\$3.7 B	Technology
						DE.	

Brand

- The focus has shifted from just "positioning different products" to a more brand centered approach
- As you remember, IMC has been argued to be very brand-centric



So in sum...

- 1. Mass production capability +
- 2. Mass transportation capability +
- 3. Mass communication capability +
- 4. A rising standard of living after WW II +
- 5. Increasing competition in product categorizes (see 1-3) =

The birth of branding!

Brands and strategy

- Even with all the progress, branding was only seen as a communications problem in the 1950s (Morrison 2001)
- "Branding = advertising, sales, and exhibitions"
- To surprisingly many companies, this type of thinking is still prevalent to this day

Brands and strategy

- Overall, branding decisions are having an impact on the organization as a whole
- Brand management is becoming a management tool and an integral part of the company's mission (e.g. Aaker 2001, Keller 1998)
- Graham (2001): "branding comprises everything a firm does"

Brand

- Brand = "added value to buying a similar, nonbranded product" (one view!)
- But increasingly, we are thinking about brands as "signs", as resources both to consumers and companies
- Brands are also cultural and historical artefacts



Brand as strategic resource

- If managed well, a brand is the key for expanding a company's offering to new areas → brand extensions
- Brands allow companies to overcome their product category limitations



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- 4 different views on branding
- 1.Mind-share branding
- 2. Emotional branding
- 3. Viral branding
- 4. Cultural branding

MIND-SHARE
BRANDING

(or, what IMC's of branding still is)



Mind-share branding

- 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 consistent and timeless (Aaker 1996)

The brand "onion model"

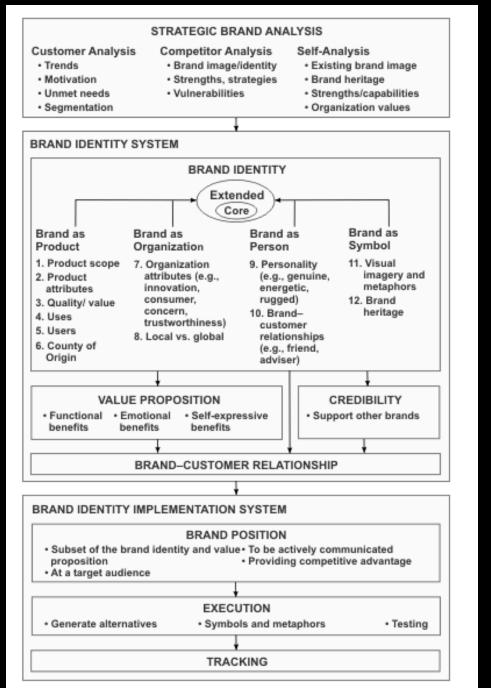
Extended identity

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



Brand equity

- "when a relevant constituent reacts more positively to, for example, an ad campaign, a product or service than if it would have been issued by an unknown or fictitious company" (Schulz et al. 2000; Farquah 1989)
- "a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm's customers." (Aaker 1996, p. 7-9)

"Product plus" view of equity

Branded product markup

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

Branded product X

Generic product Y

Brand equity

- The four major categories for brand equity that managers should actively look to manage and build are:
 - 1. Brand name awareness
 - 2. Brand loyalty
 - 3. Perceived quality
 - 4. Brand associations

(Aaker 1996, p. 8)

Remember, measurability!

Positioning and value propositions in practice

"IBM owns the color blue"

"Coca-Cola is associated with America,
Christmas and happiness"

"Nike owns the idea of 'athletic achievement"

"35% of customers said
'Mercedes' when asked
to name a car brand to
describe 'quality'"

"Volvo → safety"

"A traditional value proposition is a promise of utility: If you buy a Lexus, the automaker promises that you will receive safe and comfortable transportation in a well-designed high-performance vehicle.

An emotional value proposition is a promise of feeling: If you buy a Lexus, the automaker promises that you will feel pampered, luxurious, and affluent." (Kolko, 2015)

Why is the brand so important?

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



Mind-share branding recap

- 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



- Late 80s, early 90s concept of branding
- Got its momentum from the service revolution and experiential thinking
- Heavily visually and design oriented
- "Relationship principles have virtually replaced short-term exchange notions in both marketing thought and practice" (Fournier 1998)

emotional branding

the new paradigm for connecting brands to people

the future beyond brands ovemark

marc gobé

The Experience BRAND sen Economy Build Powerful Brands thr Touch Taste Smell Sign



Work Is Theatre & Every Business a Stage

B. JOSEPH PINE II JAMES H. GILMORE

Touch, Taste, Smell, Sig and Sound

Kevin Roberts, CEO Worldwide, SAATCHI & SAATCHI

MARTIN LINDSTROM

FOREWORD BY PHILIP KOTLER

- Three ideas stand above all:
 - l. emotional ties with consumers
 - 2. selling the brand as a desirable relationship partner
 - 3. touch points for consumers to experience the brand
 - (Gobé 2001, p. 139-140; Lindstrom 2005, p. 32-33; Thompson et al 2006)

- Lindström (2005): "smash the brand" → the brand should be recognizable even from small "bits" of the product
 - Examples: "Nokia tone (was)", Coca-Cola bottle shape, Apple's design language, Starbucks' smell of coffee, Nordstrom staff greeting phrases etc.
- Expanded the idea of a brand from more than just the logo + packaging → everything can be a part of a brand's identity







- Practitioner-driven, so not entirely theoretically coherent (yet)
- Dominant in service and product design aspects of branding
- More of an evolution of mind-share branding, is merging with the mind-share paradigm (Thompson et al. 2006; Holt 2004)
- Again: consistency, consistency
- Brand identity and positioning also key, though the brand is anthromorphosized more







- Very fuzzy in its definition
- word of mouth, stealth marketing, guerrilla marketing, buzz marketing and cool hunt (Holt 2004, pp. 14)
- Viral marketing vs. viral branding?
- Continuously evolving and seeing new forms

- Driven by two things: the emergence of the Internet and changes in consumer culture
 - The internet as a platform for people to share and modify content
 - 2. General distrust for companies and their branding efforts, and cluttering of advertising spaces (i.e. loss of advertising effectiveness)

- Basic idea: create some (interesting)
 advertising content and let the consumers
 (or others) spread it
- "amplification of initial marketing efforts by third parties through their passive or active influence" (Thomas Jr. 2004)
- Increasing "normal" advertising costs and decreasing returns for normal advertising
 - "viral is free"



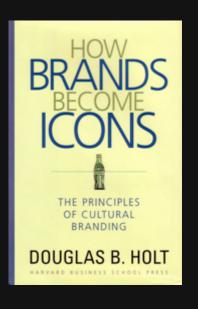
- Viral branding in Holt's book is understood as hunting for "influentials" that spread your message. This notion has become outdated
- Normal consumers are in fact more effective than "influentials" in spreading messages (Thompson 2008)
- Stealth and deceptive marketing tactics have become more or less disowned from viral branding
- "True" viral branding is based on honesty, transparency and authenticity (e.g. Sernovitz 2006, p. 28, McConnel; Huba 2006, p. 25, 27-28)



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 academic articles before this, though (Holt's and others')
- To a certain degree a culmination of the rise of CCT thinking in marketing





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"

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 selfexpression
- 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

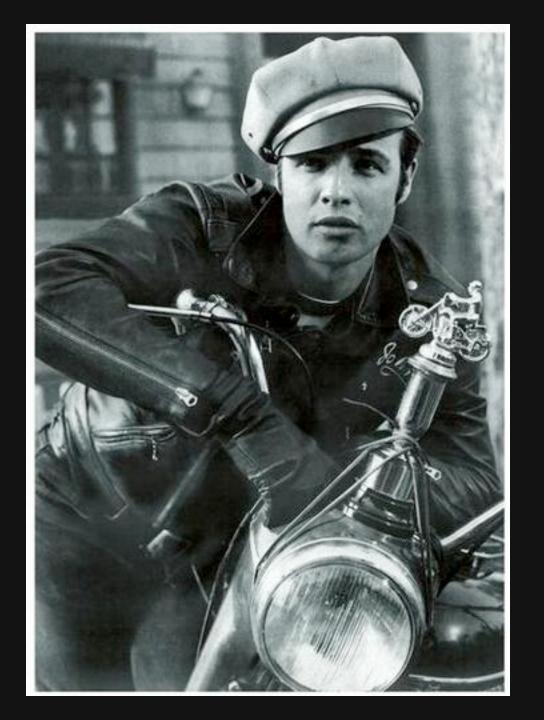
- Brands are historical artifacts moving through time and carriers of meaning (Holt 2004, p. 1-4, 38)
- Brand meaning is a result of collective interpretations by multiple stakeholders over numerous historical moments (Hatch & Rubin 2005)
- Many of the assumptions in the other branding models don't take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





ARCHIVE

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.



"Iconic brands function like cultural activists, encouraging people to think differently about themselves. The most powerful iconic brands prescient (prophetic/revelatory), addressing the leading edges of cultural change. These brands do not simply evoke benefits, personalities, or emotions. Rather, their myths prod (stimulate/poke/nudge) people to reconsider accepted ideas about themselves. The value of a particular myth resides not in the myth itself, but in its alignment with society's incipient (emerging) identity desires." Holt, 2004

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 → in Finnish: "vaatteet on mun aatteet"

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

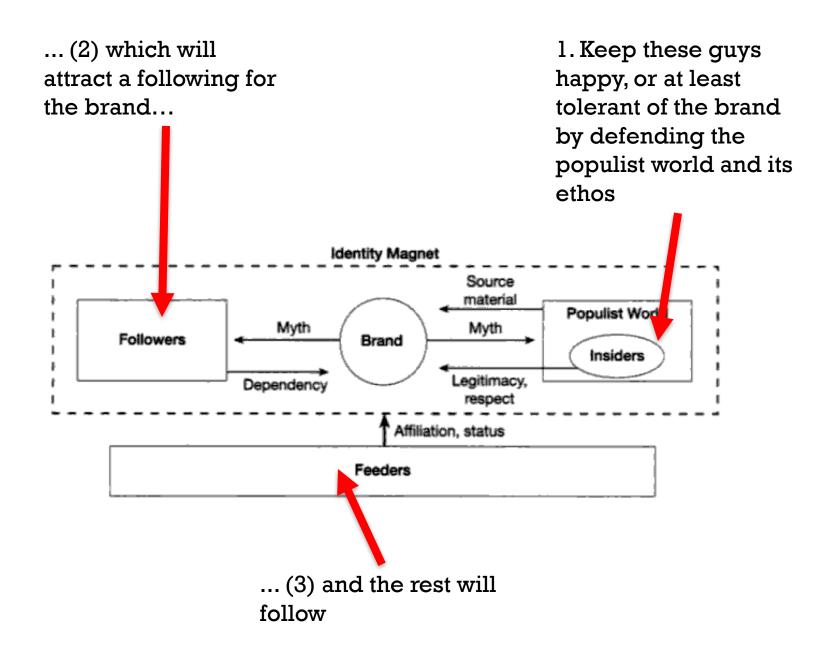
- The "place" where the identity myth resides and gives it its legitimacy and cultural appeal
- Usually in the fringes of society (punks, hippies, bikers, LGBT communities, extreme athletes, hipsters, etc.)
- People feel drawn to them when they notice that the populist world has an "answer" for an anxiety

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



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"

Conceptual differences

- Branding and brand management as disciplines are changing really fast
- It's important to stop every now and then and do sort of a status check
- Talking about different things with the same concepts can't be good for strategic planning
- "When you say 'brand' you mean..."

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 market- ing, coolhunt, meme, grass roots, infections, seeding, conta- gion, buzz
Brand Definition	Performer of, and container for, an identity myth	A set of abstract associations	A relationship partner	A communi- cation 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 con- sumers 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	Ensuring that benefits become salient through repetition Perceiving benefits when	Interaction with brand Building a personal relationship	Tilde "Discovering" brand as their own, DIY Word of mouth
	myth when using product	buying and using product		

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)

BRAND MATURITY

MIND-SHARE

EMOTIONAL

Focus on building the brand's elements and laying the organizational foundation

VIRAL

CULTURAL

Focus on managing brand meaning and leveraging consumer control