



Aalto University
School of Business

Capstone: Product and Brand Management

Lecture 7

26.3.2019

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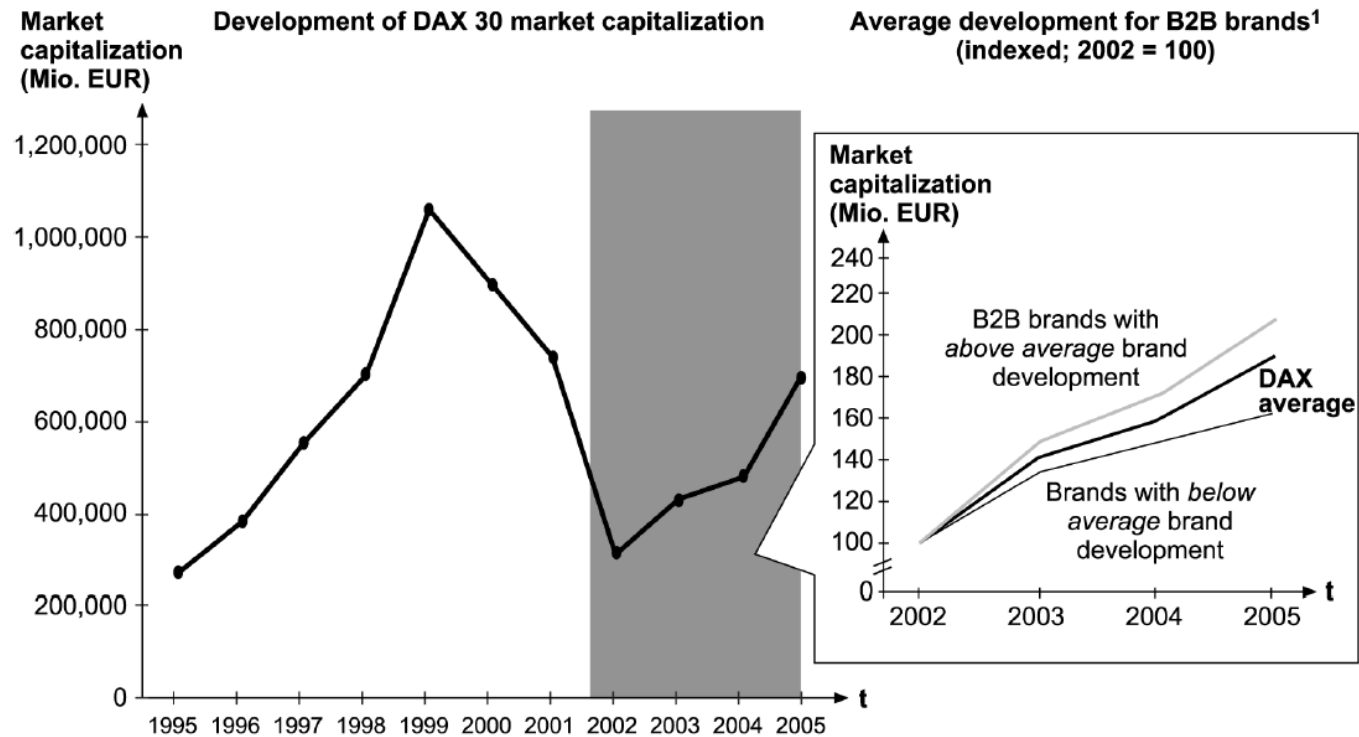
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Corporate brand – a case for a branded house

Effects of branding in B2B industries

(Kotler & Pfoertsch 2007)

Figure 1 Branding's effect on DAX companies' share price

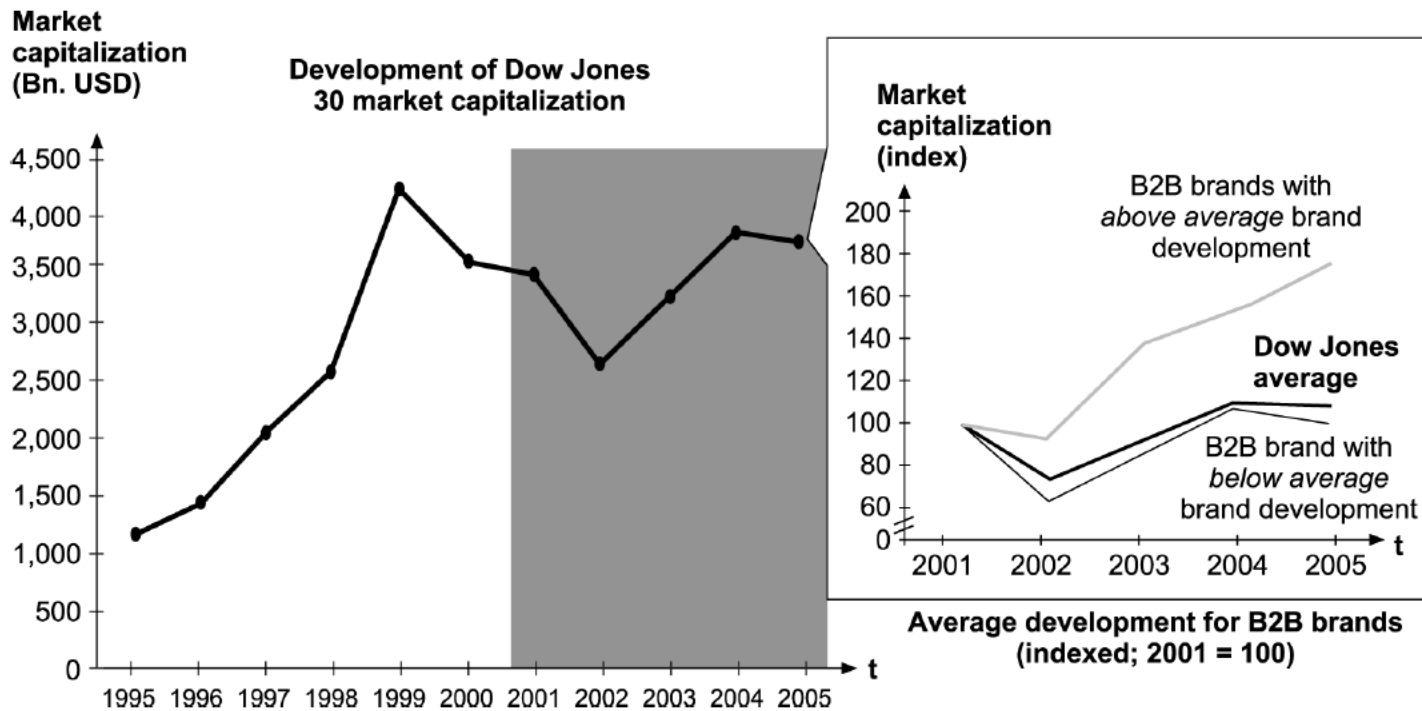


Note: The BBDO Brand Equity Evaluation System was used to determine the brand performance; see BBDO Brand Excellence Band 1: Brand Equity Review 12/2006

Effects of branding in B2B industries

(Kotler & Pfoertsch 2007)

Figure 2 Branding's effect on DOW companies share price



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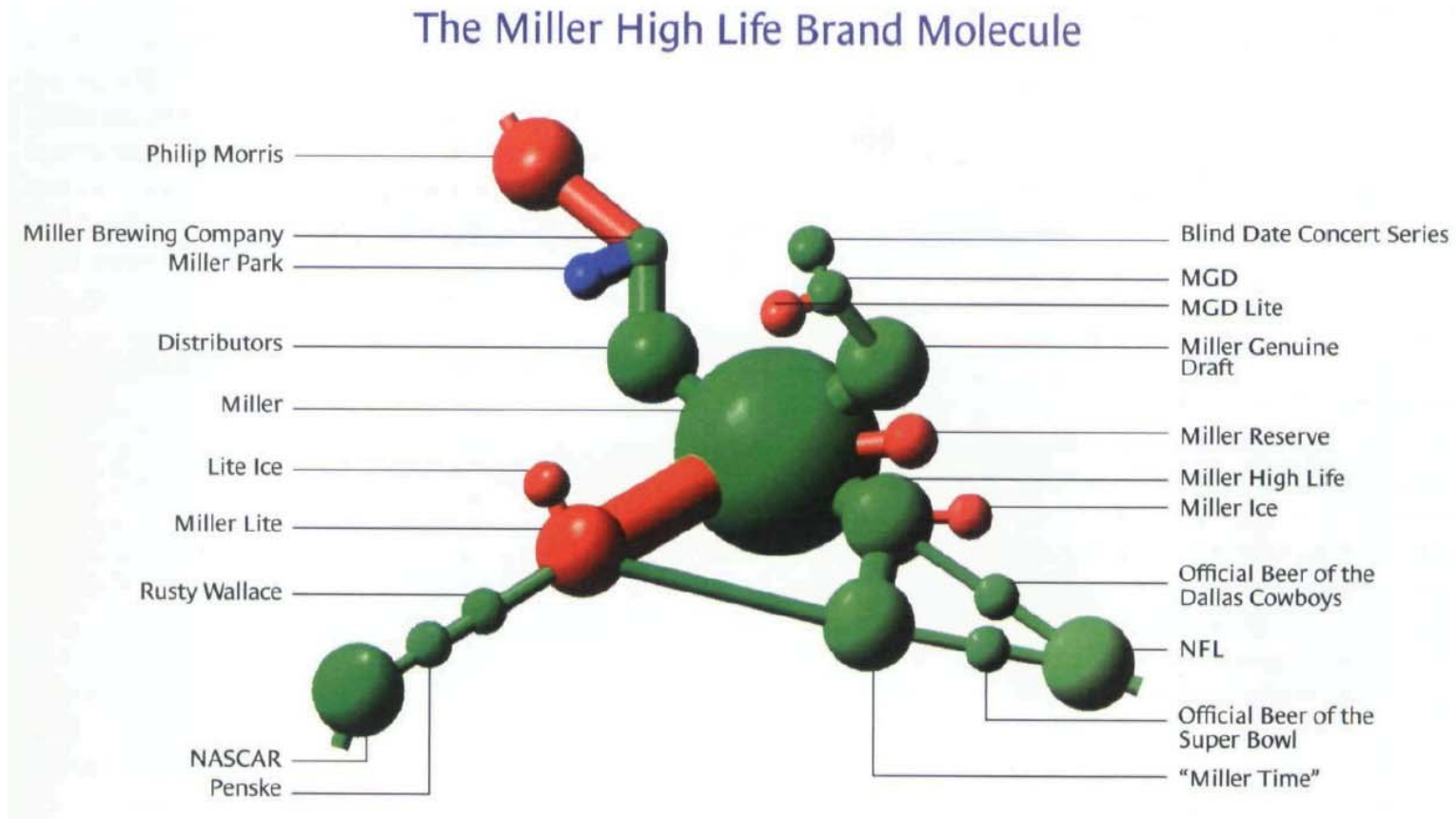
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Iconic brands and brand communities

Brand molecule map

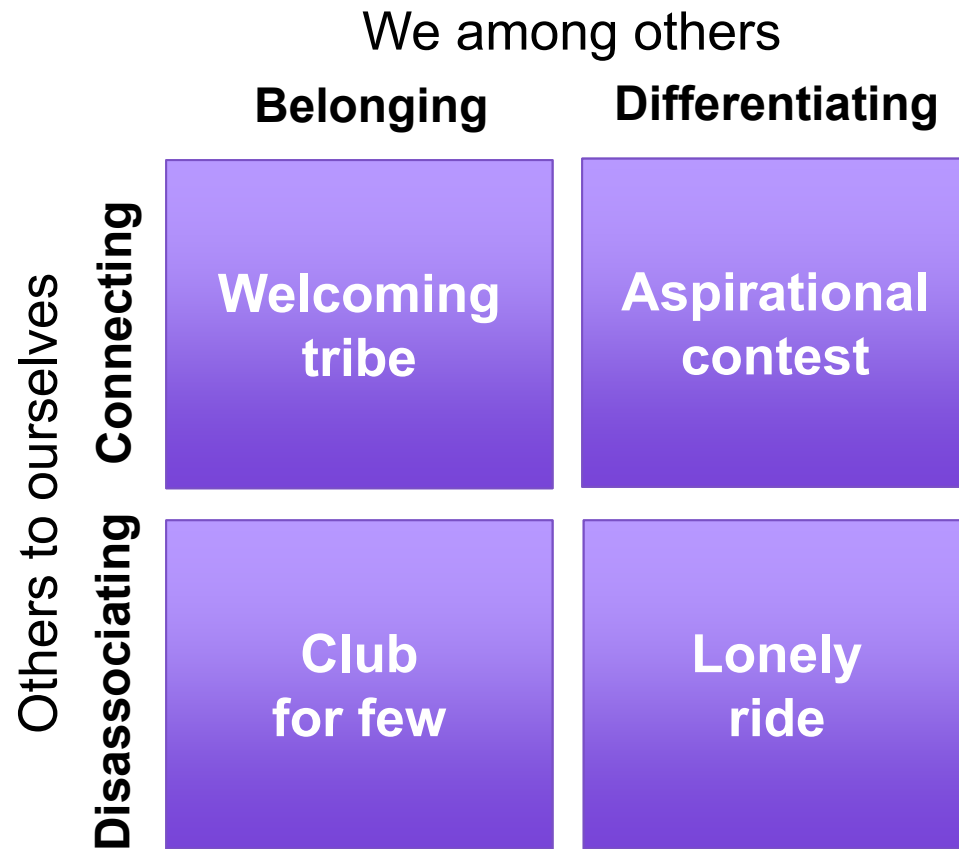
(Lederer & Hill 2001)

The Miller High Life Brand Molecule



How we use brands

(Mattila 2003)

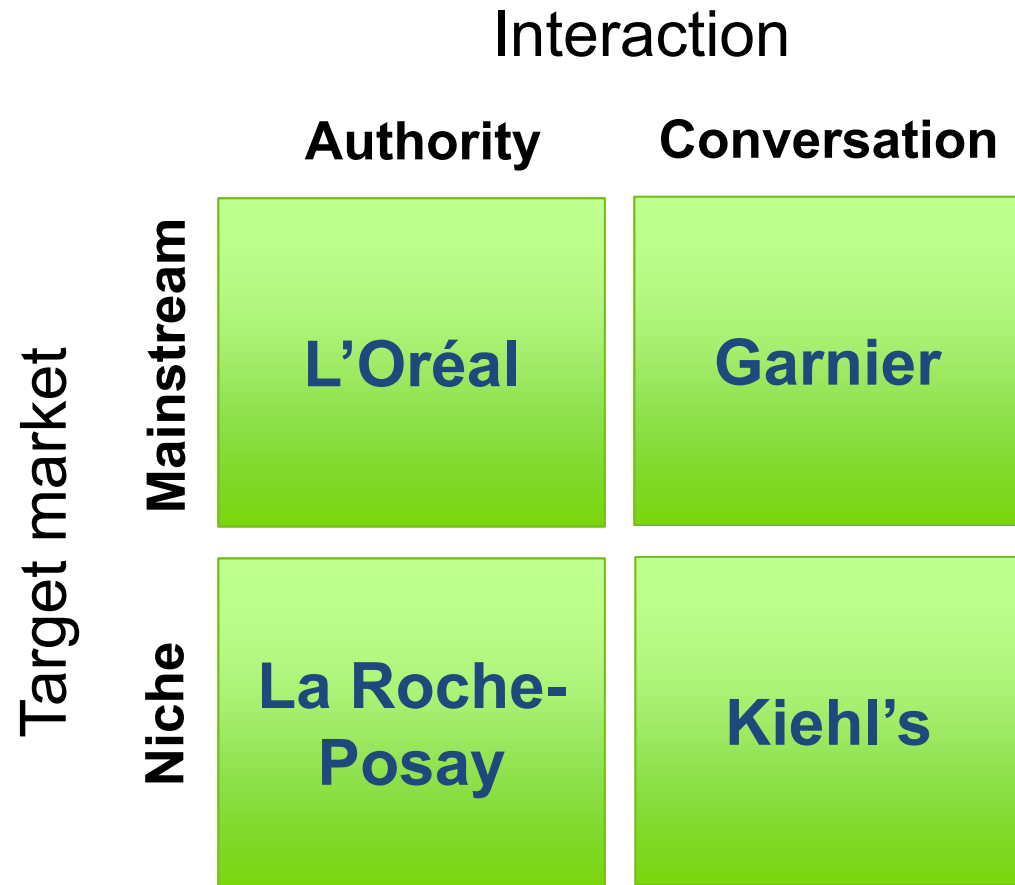


Brand communities (Fournier & Lee 2009)

- Brand community = A group of ardent consumers organized around **lifestyles**, **activities** and **ethos** of the brand
- Aspiring to and leveraging customer loyalty, marketing efficiency and brand authenticity
- Hard work
- Sponsoring the cause, not the brand

Brand communities (Fournier & Lee 2009)

- L'Oréal: connecting with people who make up the community in ways that reaffirm the brand



Brand communities (Fournier & Lee 2009)

- **Myth 1:**
A brand community is a marketing strategy
- **The reality 1:**
A brand community is a business strategy
 - Harley Davidson
 - *Three imperatives: create demand, produce product and provide support*
 - *Employee engagement*
 - *Club membership*

Brand communities (Fournier & Lee 2009)

- **Myth 2:**
A brand community exists to serve the business
- **The reality 2:**
A brand community exists to serve the people in it
 - Not only about gaining status or trying on a new identity through brand affiliation
 - Emotional support and encouragement
 - Exploring ways to contributing to the greater good
 - Cultivating interests and skills

Brand communities (Fournier & Lee 2009)

- **Myth 2:**
A brand community exists to serve the business
- **The reality 2:**
A brand community exists to serve the people in it
 - Facebook
 - Churches
 - Country clubs
 - “Putting the brand second”

Brand communities (Fournier & Lee 2009)

- **Myth 3:**
Build the brand and the community will follow
- **The reality 3:**
Engineer the community and the brand will follow
 - Pools
 - *United by shared goals or values*
 - *Republicans, Apple fans*
 - *The common meaning gets often diluted if the brand attempts to grow: members may drop out*

Brand communities (Fournier & Lee 2009)

- **The reality 3:**
Engineer the community and the brand will follow
 - Webs
 - *Relying on strong one-to-one connections and personal relationships*
 - *Cancer Survivor Network*
 - *Facebook*

Brand communities (Fournier & Lee 2009)

- **The reality 3:**
Engineer the community and the brand will follow
 - Hubs
 - *United by admiration of an individual*
 - *Breaks apart when the central figure is no longer onboard*
 - *Celebrity endorsement*
 - *Oprah*
 - *Angela Hewitt*

Brand communities (Fournier & Lee 2009)

- **The reality 3:**
Engineer the community and the brand will follow
 - Nike: skillful creation of webs in order to strengthen its pool and hubs

Brand communities (Fournier & Lee 2009)

- **Myth 4:**
Brand communities should be love-fests for faithful brand advocates
- **The reality 4:**
Smart companies embrace the conflicts that make communication thrive
 - Communities inherently political, and conflict is a norm
 - Coke vs. Pepsi
 - Burger King vs. McDonalds

Brand communities (Fournier & Lee 2009)

- **The reality 4:**
Smart companies embrace the conflicts that make communication thrive
 - In- and out-groups, as and them
 - *Dove's "Real Beauty"*
 - *Real Porsche and Porsche Cayenne*
 - Power of shared enemies
 - Communities become stronger bu highlighting, not erasing, the boundaries

Brand communities (Fournier & Lee 2009)

- **Myth 5:**
Opinion leaders build strong communities
- **The reality 5:**
Communities are strongest when everyone plays a role
 - Spreading information, influencing decisions and helping new ideas gain traction
 - Buzz campaigns vs. real community building

Brand communities (Fournier & Lee 2009)

- **The reality 5:**
Communities are strongest when everyone plays a role
 - Schau and Arnold; evangelizing, customizing, welcoming, badging, competing...
 - Non-profit communities
 1. Mentors and learners
 2. Back-ups
 3. Storytellers and historians

Brand communities (Fournier & Lee 2009)

- ...
 4. Heroes and celebrities
 5. Decision-makers and providers
 6. Greeters guides and catalysts
 7. Performers and ambassadors
 8. Accountants
 9. Talent scouts
 10. Supporters

Brand communities (Fournier & Lee 2009)

- **Myth 6:**
Online social networks are the key to a community strategy
- **The reality 6:**
Online networks are just one tool, not a community strategy
 - “Many sponsored online “communities” are nothing more than far-flung focus groups established in the hope that consumers will bond around the virtual suggestion box”

Brand communities (Fournier & Lee 2009)

- **The reality 6:
Online networks are just one tool,
not a community strategy**
 - Serendipity
 - Physical spaces have a role!
 - L'Oréal: connecting with people who make up the community in ways that reaffirm the brand

Brand communities (Fournier & Lee 2009)

- **Myth 7:**
Successful brand communities are tightly managed and controlled
- **The reality 7:**
Of and by the people communities defy managerial control
 - Hasbro suing its fans
 - Putting corporate interests over those of the customers

Brand communities (Fournier & Lee 2009)

- **The reality 7:
Of and by the people communities
defy managerial control**
 - Fans own the brand!
 - Replacing control with balance of structure and flexibility

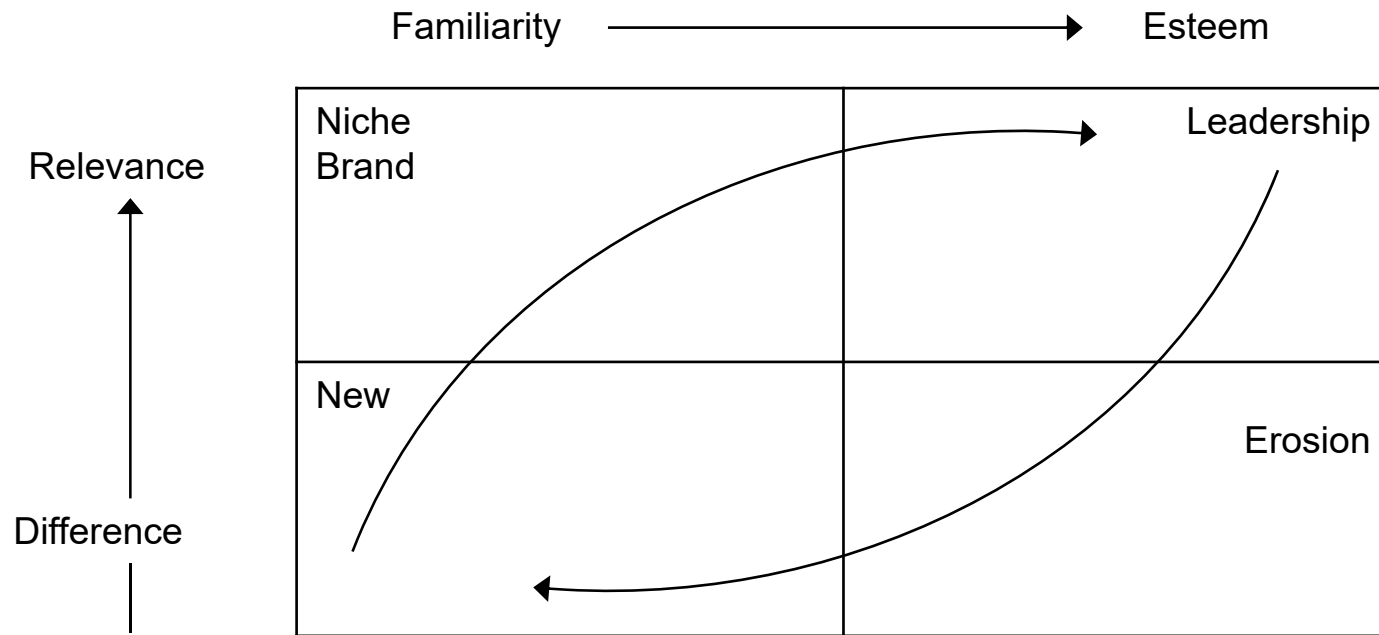


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Brand decline and recovery

Paths of brand growth and decline

(Kapferer 2012)



Source: Brand Asset Monitor (Y&R)

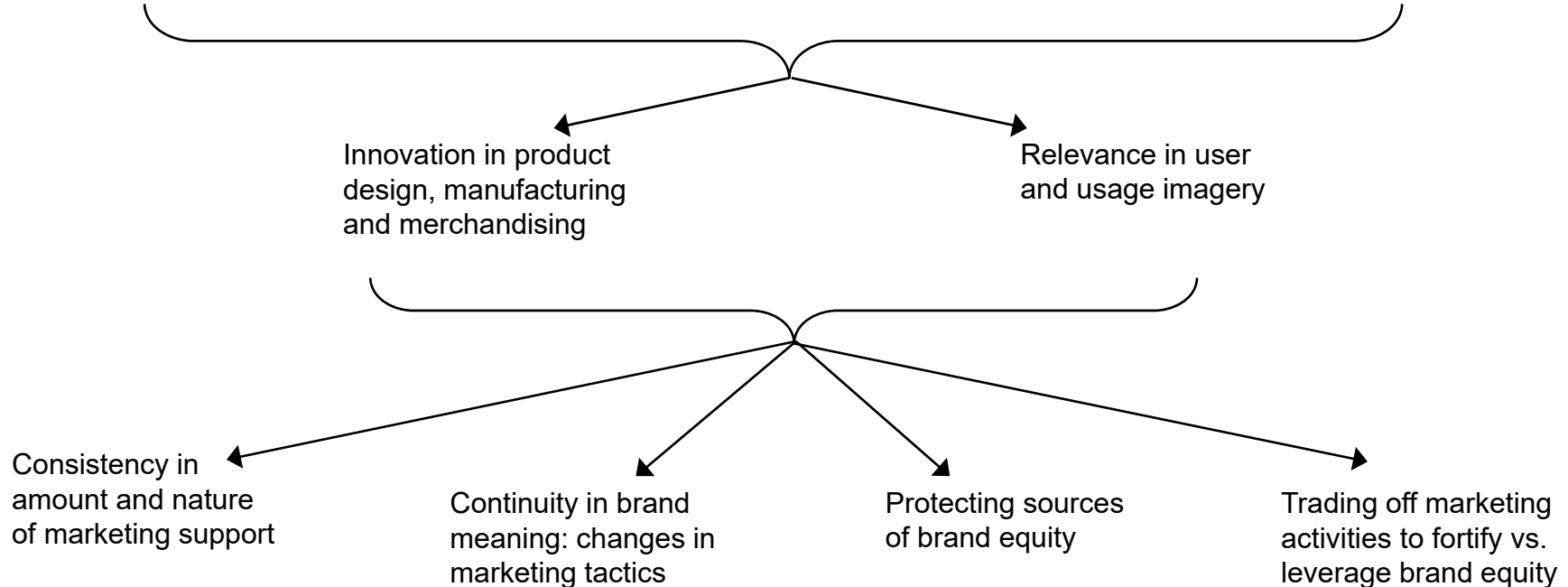
Brand reinforcement strategies (Keller 1999)

Brand Awareness

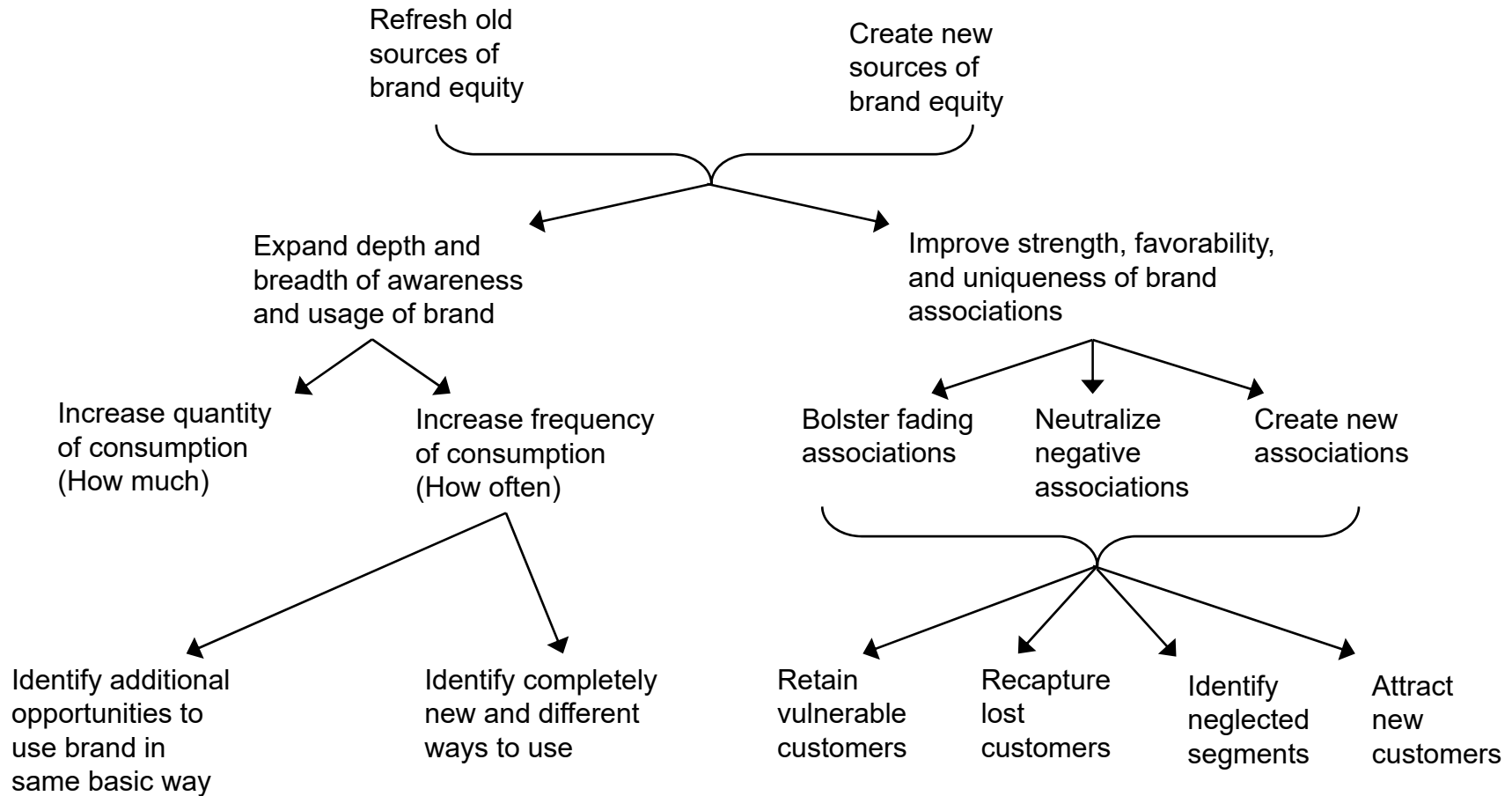
- What products does the brand represent?
- What benefits does it supply?
- What needs does it satisfy?

Brand Image

- How does the brand make products superior?
- What strong, favorable, and unique brand associations exist in customers' minds?



Brand revitalization strategies (Keller 1999)



Seven crucial naming mistakes

(Keller 2013)

1 Using cliched words such as “Innovation” or “Solution” in a name.

In most industry situations these kinds of words are so overused, they no longer have meaning.

2 Insisting on a name that can be found in an English dictionary.

Not only are such names scarce, they also may cause translation or other linguistic problems.

3 Taking the easy way out and settling on initials.

Initials may be easier to trademark, but an enormous budget is typically required to give them meaning.

4 Using terms like “Extra”, “Plus”, or “New” to communicate next generation products or improved line extensions.

Three more examples of words that have lost their meaning through overuse.

5 Adopting license-plate shorthand.

A name that customers have to work too hard to figure out is a turnoff – and a wasted opportunity.

6 Seeing how many names can be combined to make a confusing brand.

Most that initially started in this direction have truncated to simpler shorter alternatives.

7 Asking for suggestions from friends and other uninformed sources.

The results that come from this approach seldom relate to or express a company’s business strategy.