CREATIVITY IN BRAND BUILDING AND CO-BRANDING

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ABSTRACT

Branding has emerged as a top priority of management in the last decade due to the growing realization that brands are one of the most valuable intangible assets that firms have. Driven in part by this intense industry interest, academic researchers have explored a number of different brand-related topics in recent years, generating scores of papers, articles, research reports, and books. Branding has become one of the most important aspects of business strategy. Yet it is also one of the most misunderstood. Branding is sometimes considered to be merely an advertising function and many managers and business writers hold the view that branding is about the management of product image, a supplementary task that can be isolated from the main business of product management. Choice modelling implications of the branding concept, the challenges of incorporating main and interaction effects of branding as well as co-branding strategies have been discussed.

Keywords- Brands, Brand Equity, Brand Extension, Marketing, Co-Brand

INTRODUCTION

Marketing is the process of communicating the value of a product or service to customers, for the purpose of selling that product or service. Marketing can be looked at as an organizational function and a set of processes for creating, delivering and communicating value to customers, and customer relationship management that also benefits the organization. Marketing is the science of choosing target markets through market analysis and market segmentation, as well as understanding consumer behaviour and providing superior customer value. From a societal point of view, marketing is the link between a society's material requirements and its economic patterns of response. Marketing satisfies these needs and wants through exchange processes and building long term relationships.

Brands serve several valuable functions. At their most basic level, brands serve as markers for the offerings of a firm. For customers, brands can simplify choice, promise a particular quality level, reduce risk, and/or engender trust. Brands are built on the product itself, the accompanying marketing activity, and the use (or non-use) by customers as well as others. Brands thus reflect the complete experience that customers have with products. Brands also play an important role in determining the effectiveness of marketing efforts such as advertising and channel placement. Finally, brands are an asset in the financial sense. Thus, brands manifest their impact at three primary levels – customer-market, product-market, and financial-market. The value accrued by these various benefits is often called brand equity. Our primary goal in this paper is to both selectively highlight relevant research on building, measuring, and managing brand equity and to identify gaps in our understanding of these topics. We put considerable emphasis on the latter and suggest numerous areas of future research. Five basic topics that align with the brand management decisions and tasks frequently, performed by marketing executives are discussed in detail: 1) developing brand positioning, 2) integrating brand marketing; 3) assessing brand performance; 4) growing brands; and 5) strategically managing the brand. We then consider the implications of this work for choice models. Finally, we present a simple framework for integrating the customer-market, product- market, and financial-market level impact of brands and how the brand is created and developed by company actions.

BRAND – PRODUCT CULTURE

Brand is not just a name or identity of product rather is the culture of the product. We can borrow from the disciplines of anthropology, history, and sociology to understand products as cultural artefacts. Products acquire meanings and connotations as they circulate in society. Over time, these meanings become conventional, widely accepted as “truths” about the product. At this point, the product has acquired a culture. Consider a new product that has just been introduced by a new company. While the product has a name and a trademarked logo, and perhaps other unique design features—all aspects that we intuitively think of as “the brand”—in fact the brand does not yet exist. Names and logos and designs are the material markers of the brand. But, because the product does not yet have a history, these markers are “empty.” They are devoid of meaning. Over time, ideas about the product accumulate and “fill up” the brand markers with meaning. A brand culture is formed. Let us consider how this happens.

Brand cultures accumulate as various “authors” create stories that involve the brand. Brands have four primary types of authors: companies, popular culture, influencers, and customers. Companies shape the brand through all of its product-related activities that “touch” customers. All elements of the marketing mix—product, communication, channels, and pricing policies—can potentially “tell stories” about the product. Popular culture: Products are a prominent part of the world in which we live. As such, they are frequently used as props in films, television, books, magazines, on the Internet, across all mass media. These representations can have a powerful influence on brands. Popular culture can comment on brands directly—as when a talk show host spoofs an advertisement or when a product becomes a news story. Alternatively, brands can be used as props in entertainment products such as films—as with Reese’s Pieces in E.T. and Pepsi in Wayne’s World. For nearly a century, companies have sought to manage how their brands are presented in the media, through public relations efforts and paid sponsorships. Think of trade magazine reviews, the opinions offered by experts and specialists during work and leisure gatherings, and the opinions offered by retail salespeople. Of course, the stories circulated by these four authors interact, often in complex ways. Customers watch ads and listen to influencers as they use the product. The media monitors how customers use the product and considers this in how they represent the product. In fact, the quantity and complexity of these interactions mean that isolating the influence of each author is usually quite difficult.

INTEGRATING BRAND ELEMENTS

Brands identify and differentiate a company’s offerings to customers and other parties. A brand is more than a name (or "mark"). Other brand elements such as logos and symbols (Nike’s swoosh and McDonalds’ golden arches), packaging (Coke’s contour bottle and Kodak’s yellow and black film box), and slogans (BMW’s “Ultimate Driving Machine” and Visa’s “It’s Everywhere You Want to Be”) play an important branding role as well. A number of broad criteria are useful for choosing and designing brand elements to build brand equity (Keller 2003): 1) memorability; 2) meaningfulness; 3) aesthetic appeal; 4) transferability (both within and across product categories and across geographical and cultural boundaries and market segments); 5) adaptability and flexibility over time; and 6) legal and competitive protect ability and defensibility. Brand elements vary in their verbal vs. visual content and product specificity. Although a robust industry exists to help firms design and implement these various brand elements, comparatively little. A successful and lasting brand does not happen by accident, though some gifted entrepreneurs make it look easy. The truth is that brands are carefully constructed with a lot of planning, strategy and hard work going into every detail. We wish to acknowledge the importance of business, real world experience and a sound business model — many books have been written on these subjects. Instead we want to focus on the sometimes overlooked but equally crucial role of creativity in developing a successful brand.

First, it is essential to understand what a brand is and what it is not. A brand is not a slogan, a logo or even a product. It's not something you can actually hold in your hand. There is no single word in the English language that is a precise synonym for brand. A brand is the gut feeling that people have about a company, product or service. If enough people share the same feeling about a product, it has been branded. This can be a tricky concept for many otherwise savvy business people to grasp, but it is indeed an important distinction: The brand is not the actual company, product or service—it's the way people feel, think and react to it.

Second, we must take a look at what creativity is. Creativity can be expressed in many ways — through art, design, writing, music and countless other ways .In fact, the great thing about creative people is they keep coming up with ways to demonstrate their creativity. Boiled down to the most fundamental level, creativity is about two key things:

1. The ability to see things differently from how other people see them

2. The ability to represent thoughts and ideas in ways that no one else has considered yet.

It's easy to see how these abilities can be helpful when developing a unique and memorable brand. In order to succeed, you must know your customers, your competitors and the market place in which you're competing. That knowledge comes from research. It's critically important and we do not wish to downplay its value. But analysis and logic is all very left-brain stuff. *When do we get to the creativity?* The difference between a mediocre brand and a great one can be summed up in one word: *Differentiation.* It's the one thing or series of things that makes a brand unique and sets it apart from its competition. It could be a trade secret, something that you're lucky enough to have patented so that no one else could possibly copy it. The difference could also be in the brand experience that customers have when they interact with your staff. The difference could be a brand is not a slogan, a logo or even a product. It's not something you can actually hold in your hand. The vital role of creativity in brand building, subtle or radical, is as long as your brand is not like all the rest. Differentiation is uniqueness and uniqueness comes from creativity. Successful brands connect with customers on an emotional level. Customers become loyal to a brand because they like something—not necessarily everything— about it. Customers may find the quality of the product merely average, but the purchasing experience exceptional. They could walk right past less expensive choices if they are captivated by another brand's personality. Consumers can be attracted or repulsed by packaging design. A creative approach is much more likely than a pragmatic one to lead to the emotional connection that customers long to have with their favorite brands.

CORPORATE BRAND

There is an important distinction between a corporate brand and a product brand. The product brand focuses on the product and the customer; while the marketing activity as a short, long, and tactical function handles it. In contrast, the corporate brand clearly focuses on the whole organization where the CEO has a crucial role and ultimate responsibility for its management. It considers multiple stakeholders as a strategic factor in the organization. A corporate brand that has high complexity is a name, term, sign, symbol/ design or a combination of these elements, intended to identify and differentiate the company's products from those of the competitors in the minds of the subjects concerned. Essentially, it is about people, values, practices and processes.

The corporate brand contributes not only to customer-based images of the organization but to the images formed and held by all its stakeholders which include employees, customers, investors, suppliers, partners, regulators, special interests and local communities . The ability to use the vision and culture of a company as part of a unique selling proposition is brought by corporate branding to marketing (Hatch and Schultz, 2003). It also represents the agreement between the organization behind the brand and its multiple stakeholders (Balmer, 2004). Balmer suggested that corporate brands are underpinned by three elements: values, promises and behaviour. Hatch and Schultz (2008) proposed successful corporate branding depending on the coherence between strategic vision, organizational culture, and stockholders' image.

CORPORATE BRANDING STRATEGIES

Corporate branding strategy seeks to create unique identity and position for its products, services and ensures that both product and organization create value beyond that of their competitors. Corporate branding strategy can create added value for the corporation and implement its vision and create unique position in the marketplace. Also it can enable the corporation to bring further leverage to its tangible and non-tangible assets. It is a degree of endorsement by the parent brand that has two extremes: *First*, the uniformity model where both the corporate level and the business units are all positioned and profiled. *Second*, the variety model where business units are different from the corporate level .The corporate branding strategy is a systematically planned and implemented process of creating and maintaining a favourable reputation.

TYPES OF BRANDING STRATEGIES FOR CO-BRANDS

Co-branding is a marketing arrangement to utilize multiple brand names on a single product or service. Also, co-branding can be seen as a type of strategic alliance between two parties. Basically, the constituent brands can assist each other to achieve their objectives. Obviously, creating strategic alliances by engaging in co-branding has become increasingly popular across many industries. A successful co-branding strategy has the potential to achieve excellent synergy that capitalizes on the unique strengths of each contributing brand. The philosophy behind co-branding is to attain advanced market share, increase the revenue streams, and improve competitive advantages through customer awareness. A great deal of attention has been focused on selecting a co-branding partner-not only the essentials of the potential parties but a series of steps in selection process. Correspondingly little attention has been paid to the co-branding position and successful strategies. An appropriate co-branding strategy decision on brand managers has by and large tended to follow rather than focus on surface factors.

Market Penetration Strategy

A Market Penetration Strategy signifies a conservative tactic to keep the existing market and the original brand names of two firms. In essence, the co-brand name is either a single brand name (e.g., BMW, Mini Cooper) or the combination of two firms (e.g., MillerCoors and DaimlerChrysler) with the products or services. The key assumption that drives the adoption of a Market Penetration strategy is the horizontal convergence of two companies. The merged firm's commitment is to take advantage of such horizontal integration, accentuate the desirable goals and benefits by sharing the resources. The merger between HP and Compaq, for instance, has led to the creation of a global brand. HP uses single brand name for the firm's image but some products with a dual name such as HP Compaq Presario series of laptop/desktop. Another example is the merger of Miller and Coors. The new co-brand "MillerCoors" positions in existing market and keeping the original brands. The new company will combine Coors' two breweries with Miller's seven plants. Under the deal, a Coors product can be brewed at a Miller plant and vice versa. Thus, the combined firm will bring its production closer to end markets, creating huge savings on shipping. However, focusing on existing market and brand names might not cause the synergy to make the merged firm stronger and more efficient (e.g., HP was not superior to IBM much after merging Compaq). Finally, for a Market Penetration strategy to succeed, it is critical that the heterogeneous of customer segments and the reputation of two firms should be sufficiently high.

Global Brand Strategy

A Global Brand Strategy signifies a firm's decision to serve all its customers with an existing co-brand name in a new market. The key assumption that drives the adoption of a Global Brand strategy is convergence of cross-segmental preferences. The merged firm's commitment is to take advantage of such convergence, accentuate the desirable goals and benefits by utilizing global recognition. BenQ has actively pursued to extend the market share and global visibility by merging telecommunication department of Siemens with existing brands of the combination "BenQ-Siemens". For the merged brand, advantages of a global product brand could accrue at both the supply end—when scale and scope advantages substantially outweigh the benefits of partial—as well as the demand end, with uniquely and premium than local or regional brands. However, focusing on extending the current market might cause fail and lose the original advantages (e.g., BenQ reduced its assets dramatically after merging Siemens). Finally, for a Global Brand strategy to succeed, it is vital that the universality across diverse customer segments appeal continuously to evolving patterns of preference.

Brand Reinforcement Strategy

A Brand Reinforcement Strategy signifies two firms decide to use a new name as a co-brand name in the existing market. The key assumption that drives the adoption of a Brand Reinforcement strategy is brand image reinforcement. The merged firm's commitment is to take advantage of such attempt of a totally different co-brand name, accentuate the desirable goals and benefits by providing a diverse name and representation style. For the new co-brand name, two firms could reinforce the reputation of their original brands without hurting the original names. However, focusing on creating a new brand name might cause losing the advantages (e.g., people having negative image will affect the seed company of a diverse co-brand name). Finally, for a Brand Reinforcement strategy to succeed, it is essential to create an appropriate co-brand name that is totally different from original ones effectively and efficiently.

Brand Extension Strategy

A Brand Extension Strategy signifies two firms decide to serve a newly co-brand name in a new market. The key assumption that drives the adoption of a Brand Extension strategy is union of cross-segmental preferences (e.g., Sony and Ericsson). The merged firm's commitment is to take advantage of such union, accentuate the desirable goals and benefits by extending different segments. The merger between Sony and Ericsson has led a horizontal integration for a strategic purpose. Before merging with

Ericsson in 2001, Sony was not (with market share of only 1% to 2%) a leading player in the telecommunication industry. Sony had superior design capabilities, but lacked core telecommunication competences, whereas Ericsson had excellent R&D capabilities. The merger began to earn profits in the second merged year (2003) thanks to the embedded camera function and emergence of 3rd generation mobile phone standards and technology. This success can also be attributed in part to the fact that the partners had a good co-branding plan including a joint brand name for cellular phones. For the merged brand, positioning a co-brand in an extension purpose might cause by a successful cobranding plan (e.g., Sony-Ericsson). Finally, for a Brand Extension strategy to succeed, it is vital that two firms have to take advantage of their core competences at the first place, generate the positive synergy as well as draw up an appropriate long-term co-branding plan. Known as Sony Ericsson earlier, Sony acquired Ericsson's share to become one of the global leaders of mobile handsets. Today Sony is the eighth largest mobile manufacturer in the world.

CONCLUSION

Consequently, brand strategy is a necessary concept for every ambitious corporate. Product entirely consists of its function and image which defines feelings in the eye of consumer. Brand strategy is helpful for the second dimension: feelings. If a corporate wants to be indispensable in the market, it has to focus on its brand strategy. Without confidence, experienced quality, image and emotional relationship with its buyer, a product can be changed by another product which gives same function. With keeping the structure, vision of corporate and conditions of the market in the mind, the corporate has to formulate the right strategy.

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