

Brand Management

CHAPTER OBJECTIVES

Students should be able to answer the following questions:

- 2.1 How does a brand's image affect consumers, other businesses, and the company itself?
- 2.2 What types of brands and brand names do companies use?
- 2.3 What characteristics do effective logos exhibit?
- 2.4 How do marketers identify, create, rejuvenate, or change a brand's image?
- 2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?
- 2.6 What current trends affect private brands?
- 2.7 How can packaging and labels support an IMC program domestically and in foreign settings?
- 2.8 How do firms manage brands in international markets?

OVERVIEW

A *brand* is the word, term, or phrase featured as the name of a product, product line, or company.

A *brand image* reflects the feelings consumers and businesses hold regarding the overall organization as well as its individual products or product lines.

One of the most critical ingredients in the successful development of an integrated marketing communications plan is effective management of an organization's image.

Michelin

The term *brand association* applies to situations in which consumers consistently connect a product's name with a specific meaning, concept, or idea.

For years, the Michelin Tire Man has portrayed a consistent image from which the organization built and maintained consumer brand recall.

Concepts associated with the tires include product durability, reliability, quality, and most important, with protection and safety.

Carefully selected product names accompany the overall Michelin brand. Tire labels include Defender, Protector, Pilot, Premier, and Energy that reinforce those themes.

More recently, the Michelin executive team introduced an emphasis on sustainability and also safe driving.

Questions for Students:

1. What do you think of when you hear Michelin?
2. Compare your image of Michelin to other tire companies.
3. Does the Michelin Man reinforce the company's primary themes? Why or why not?

The first part of this chapter examines the activities involved in managing a corporation's brand image, including its name and logo.

The second part addresses ways to develop and promote the various forms of brand names. Brand equity and brand parity are described.

Finally, packages and labels, which should be included in any marketing communications program, are assessed. Ethical and international considerations are noted.

Objective 2.1: How does a brand's image affect consumers, other businesses, and the company itself?

Corporate and Brand Image

A corporate or brand image expresses what the company and its products stand for as well as how it is to be known in the marketplace.

Consumer beliefs about a firm are more important than how company officials perceive the image.

Components of Brand Image

A corporate image contains invisible and intangible elements (see Figure 2.1). The components of a corporate image include the following:

- Products
- Personnel
- Retail outlets
- Servicing
- Advertisements
- Publicity
- Interactions with employees

Negative publicity has the potential to stain or damage consumer perceptions of a corporation's image.

Question for Students: What organizations can you think of that experienced damage to their images in the past five years? What caused the damage?

The Role of Brand Image—Consumer Perspective

From a consumer's perspective, the corporate image serves several useful functions (see Figure 2.2). These include:

- Assurance regarding purchase decisions of familiar products in unfamiliar settings
- Assurance concerning purchases where there is little previous experience
- Reduction of search time in purchase decisions
- Psychological reinforcement and social acceptance

The Role of Brand Image—Company Perspective

Corporate image is a crucial element of the business-to-business marketplace.

Figure 2.3 lists benefits of brands to individual companies.

These include:

- Extension of positive consumer feelings to new products
- The ability to charge a higher price or fee
- Consumer loyalty leading to more frequent purchases
- Positive word-of-mouth endorsements
- The ability to attract quality employees
- More favorable ratings by financial observers and analysts

A *brand alliance* occurs when two companies use brand strength to develop and co-market a new product featuring both names.

Objective 2.2: What types of brands and brand names do companies use?

Brand Names and Brand Types

A corporate name is the overall banner under which all other operations occur. Figure 2.4 lists the categories of brand names.

- *Overt names* reveal what the company does (American Airlines, BMW Motorcycles).
- *Implied names* imply what the company is about (Travelocity, Lyft, Snapchat, FedEx, and Home Depot).
- *Conceptual names* imply the essence of the brand (Google, Twitter, Krispy Kreme).
- *Iconoclastic names* do not reflect the company's goods or services (Yelp, Ikea, Expedia, Lexus, Reebok, Monster.com).

Question for Students: Can you provide additional examples of each of these types of names?

Figure 2.5 provides backgrounds for some well-known company names.

Brands develop histories and have personalities. They include strengths, weaknesses, and flaws.

Figure 2.6 identifies several types of brands.

Family Brands

A *family brand* means a company offers a series or group of products under one brand, such as Campbell's.

The advantage of a family brand is that consumers usually transfer the image associated with the brand name to any new products added to current lines.

Brand Extensions

Brand extension is the use of an established brand name on goods or services that are not related to the core brand.

Black & Decker has been successful in extending its brand name to new types of power tools. The company was not as successful in extending the line to small kitchen appliances.

Flanker Brands

A *flanker brand* is the development of a new brand by a company in a good or service category it currently has as a brand offering. Flanker brands can help a company offer a more complete line of products, creating barriers to entry for competing firms.

Examples include Hallmark (greeting cards, television channels, books, even wines).

Co-Branding

Co-branding, or alliance branding, can take three forms, as shown in Figure 2.7.

- *Ingredient branding*—is the placement of one brand within another brand (Intel and Dell).
- *Cooperative branding*—is a joint venture of two or more brands into a new product or service (any company such as American Airlines that offers a charge card such as VISA).
- *Complementary branding*—is the marketing of two brands together to encourage co-consumption or co-purchases (Velveeta with Rotel Tomatoes and Diced Green Chilies or Cinnabon at Pizza Hut and Schlotzsky's locations).

There can be risks in co-branding. If the relationship fails to do well in the marketplace, both brands normally suffer.

Objective 2.3: What characteristics do effective logos exhibit?

Brand Logos

A *brand logo* is a symbol used to identify a company and its brands, helping to convey the corporate image.

Quality logos and corporate names should pass four tests, as shown in Figure 2.8.

1. They should be easily recognizable.
2. They should be familiar.
3. They should elicit a consensual meaning among those in the firm's target market.
4. They should evoke positive feelings.

Figure 2.9 identifies some of the oldest logos.

Logos are especially important for in-store shopping. Effective logos exhibit two characteristics:

1. Consumers must remember seeing the logo in the past.
2. The logo must remind consumers of the brand or corporate name.

The notion that a logo can elicit a consensual meaning among customers is known as *stimulus codability*.

A logo does not have to be complex and contain every element of the brand's meaning. Simple logos can be effective, such as the Nike Swoosh.

Changing logos does not always modify public opinion of a company; it can backfire.

When completed properly, logo changes can trigger positive reactions and symbolize a positive change, such as when Pepsi developed a new logo.

Tips for creating or changing logos are provided in Figure 2.10.

Question for Students: Companies at times choose to modify the logo. Can you think of some examples?

Objective 2.4: How do marketers identify, create, rejuvenate, or change a brand's image?

Identifying the Desired Brand Image

To promote the desired image, the marketing team should evaluate the nature of the company's current image. Then future communications can be tailored to promote the proper image.

Company leaders first study the firm's image and identify how it is connected to a company's strengths and weaknesses.

The marketing team should try to discover how those outside of a company view the brand.

Once the team understands how the brand is viewed, decisions can be made regarding ways to correct any misperceptions or build on the image that customers currently hold.

Creating the Right Brand Image

In each industry, the right image is one that reaches all target markets and conveys a clear message regarding the unique nature of the organization and its products.

A strong image accurately portrays what the firm sells.

In a business-to-business operation, creating the right image can be challenging.

Rejuvenating a Brand's Image

Reinforcing or rejuvenating a current image that is consistent with the view of consumers is easier to accomplish than changing a well-established image.

Figure 2.11 lists four keys to image rejuvenation.

The key to successful image reengineering is to remain consistent with a previous image while at the same time building to incorporate new elements to expand the firm's target audience.

Rejuvenating an image helps a firm sell new products and can attract new customers.

L'Esse provides an example of an effective brand rejuvenation effort.

Changing a Brand's Image

Completely changing the image people hold regarding a company or a brand may not be possible.

Attempting to change an image becomes necessary when target markets have begun to shrink or disappear, or the brand's image no longer matches industry trends and consumer expectations.

At that point, company leaders must consider what they wish to change, why, and how they intend to accomplish it.

Target sought to change its image to become accepted by readers of *Vogue* magazine.

Objective 2.5: How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?

Developing and Building Powerful Brands

Developing a strong brand begins with discovering why consumers buy a brand and why they repurchase the brand. Questions to be asked include the following:

- Where does your brand stand now?
- What are your objectives?

- What are you doing to build your brand and business?
- What are your brand's strengths? Weaknesses?
- Which opportunities should be pursued first? Where are the pitfalls?

The goal of branding is to set a product apart from its competitors.

One primary feature that keeps a brand strong is that it contains something that is *salient* to customers.

Figure 2.12 identifies the ingredients required to build powerful brands.

Branding begins with awareness, which may be achieved by featuring the brand name prominently in repeated advertisements.

Building powerful brands includes the effective use of social media.

Building brands incorporates the creative use of mobile marketing techniques.

Brands should be authentic or unique in some manner.

Business and retail customers trust powerful brands. *Trust* represents the customer's belief in the efficacy and reliability of the brand.

Powerful brands go beyond delivering functional features. They focus on providing an experience that involves the opportunity to be to customized and personalized.

The final ingredient of powerful brands results when the company acts responsibly.

Brand Loyalty

Brand loyalty means customers purchase only one brand. They consider no other brand, regardless of price differences.

Emotion and value drive brand loyalty, rather than rational thought based on product attributes.

Brand Equity

Brand equity is the perception that a good or service with a given brand name is different and better.

Brand parity is the perception that there are no tangible differences between competing brands.

Brand equity allows the company the opportunity to charge a higher price and retain a market share that is greater than would otherwise be expected for an undifferentiated product.

In business-to-business markets, brand equity often allows a company to charge a higher price.

Objective 2.6: What current trends affect private brands?

Private Brands

Private brands, private labels, and store brands are proprietary brands marketed by an organization and normally distributed exclusively within the organization's outlets.

Advantages to Retailers

Several changes have occurred in the private brand arena, summarized in Figure 2.13:

- Quality levels of private label brands have improved.
- Many brands are perceived as a value purchase.
- Loyalty toward stores has been gaining although loyalty toward individual brands has been declining, giving an advantage to private labels.
- Private labels are used to differentiate retail outlets.
- Many firms are now advertising company private brands.
- There is increase in the quality of in-store displays for and packaging of private labels.

Responses from Manufacturers

Some manufacturers have begun to respond to the inroads made by private labels. Figure 2.14 lists some of the tactics used by manufacturers, including:

- Focus on a few core brands
- Advertise heavily
- Expanding product offerings
- Focus on in-store selling
- Use alternative marketing methods

Objective 2.7: How can packaging and labels support an IMC program domestically and in foreign settings?

Packaging

A unique package and label can help sell a product, build brand recognition, and inspire repeat purchases.

The primary purposes of packages are displayed in Figure 2.15.

Sometimes packaging changes are necessitated by adverse market conditions. The popularity of Procter & Gamble's Tide Pods surged as soon as it hit the market because of ease of use; however, the company had to overcome the problem of children thinking the pods were candy, so the package was modified.

Labels

Labels must:

- Meet legal requirements
- Point out distinguishing features of the product
- Help lead to the purchase

The label represents another marketing opportunity.

A company's image, brand, logo, and theme should extend to the design of the package and label.

The placement of QR codes for consumers to access with mobile devices represents a new trend in packaging and labeling.

Ethical Issues in Brand Management

Brand infringement occurs when a company creates a brand name that closely resembles a popular or successful brand (Korrs, Victor's Secret).

Domain squatting or *cybersquatting* means buying a domain name with the purpose of making a profit by reselling it to the firm.

Objective 2.8: How do firms manage brands in international markets?

International Implications

Carefully consider standardization versus adaptation when developing global brands.

Make sure packages and labels are legal and protect the product being shipped over long distances.

Be aware of the complications that occur when trying to position products in global markets.

The label must meet the legal requirements of the country in which the product is sold.

Note to Professors:

The authors' blog for professors and students may be found at <http://blogclowbaack.net/>.

IMPLICATIONS FOR BRAND MANAGERS AND PUBLICITY DEPARTMENTS

(Note to professors—these materials are not in the text. They provide a method for you to summarize the chapter in a different way.)

Note the tricky relationship between a strong corporate image and bottom-line profits. In other words, be aware that it is difficult to use numbers to express the value of an effective image in an era where accountability is such a major concern.

Recognize the value of the following items:

- An identifiable company logo
- A brand name that generates both recall and a favorable impression
- Quality family brands
- Brand equity
- Effective use of private labels

Study the company's position and the position of each individual product. Use the attributes of price, competition, use, quality, users, product class, or cultural symbols to identify the position that the company and its products hold. Then, make decisions about the following issues:

- Is this position where we thought we were?
- Is this the position we want?
- If we intend to change our position, where do we aspire to be?
- Which tactics will move the company and its products to the correct, appropriate, or desired position?

REVIEW QUESTIONS

2-1. Describe the concept of brand image. What are the tangible aspects of a brand image? What are the intangible aspects?

Corporate image is how consumers view a company, which has many intangible and tangible aspects. The tangible aspects include:

- Goods and services sold
- Retail outlets where product is sold
- Factories where product is produced
- Advertising, promotions, and other forms of communications
- Corporate name and logo
- Employees

Intangible elements include the firm's reputation for quality, standing behind products, and methods of dealing with customers.

LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

AACSB: Application of knowledge

2-2. How does brand image help customers? How does it help the specific company?

A corporation's image can help customers by:

- Providing assurance when they make purchase decisions of familiar products in unfamiliar settings
- Providing assurance for purchases when there is little previous experience
- Reducing search time in purchase decisions
- Providing psychological reinforcement and social acceptance of purchase decisions

A corporation's image helps the company by:

- Making brand extensions easier
- Being able to charge a higher price
- Creating higher customer loyalty
- Leading to more frequent purchases
- Promoting positive word-of-mouth communications
- Attracting quality employees
- Causing the firm to be viewed more favorably by financial analysts

LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

AACSB: Application of knowledge

2-3. Describe brand extension and flanker brand strategies.

Brand extensions appear when the company uses an established brand name on goods or services that are not related to the core brand. Flanker brand strategies are the development of a new brand by a company in a good or service category it currently has a brand offering for.

LO: 2.2 What types of brands and brand names do companies use?
AACSB: Application of knowledge

2-4. Identify and describe three types of co-brands or alliance branding.

The three types of co-brands are:

1. Ingredient branding, or placement of one brand within another brand
2. Cooperative branding, which is a joint venture of two or more brands into a new product or service
3. Complementary branding, which is the marketing of two brands together to encourage co-consumption or co-purchases

LO: 2.2 What types of brands and brand names do companies use?
AACSB: Application of knowledge

2-5. What is a brand logo? What are the characteristics of an effective logo?

A corporate logo is something (usually a symbol) that is easily recognizable to consumers. The characteristics of a corporate logo are that it should be easily recognizable, familiar, elicit consensual meaning among those in the firm's target market, and should evoke positive feelings.

LO: 2.3 What characteristics do effective logos exhibit?
AACSB: Application of knowledge

2-6. What is meant by the term “stimulus codability”?

Stimulus codability means that a logo can elicit a consensual meaning among customers.

LO: 2.3 What characteristics do effective logos exhibit?
AACSB: Application of knowledge

2-7. How will company leaders know when they have created the desired brand image?

Student answers will vary based on their personal experiences.

A firm will know the marketing team has created the right image for the firm when benefits appear, such as attracting more customers, favorable ratings by financial observers and analysts, and the company attracts quality employees.

LO: 2.4 How do marketers identify, create, rejuvenate, or change a brand's image?

AACSB: Application of knowledge

2-8. What four areas require attention when seeking to rejuvenate a firm's brand image?

First, former customers need to rediscover the brand. Second, older and newer consumers need to be connected to the brand through a timeless value it offers. Third, the brand should be contemporized. Fourth, marketers can build a brand community through social media, mobile, and other interactive marketing techniques.

LO: 2.4 How do marketers identify, create, rejuvenate, or change a brand's image?

AACSB: Application of knowledge

2-9. What are the characteristics of a strong and effective brand name?

The characteristics of a strong and effective brand name are that it is easily recognizable to consumers and that consumers have a positive reaction to the brand name.

LO: 2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?

AACSB: Application of knowledge

2-10. Explain the role of trust in creating a strong brand.

Trust represents the customer's belief in the efficacy and reliability of the brand. It can be established over time through personal experiences. Trust results from a brand performing consistently and fulfilling its promise, its authenticity, and its uniqueness.

LO: 2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?

AACSB: Application of knowledge

2-11. What is the difference between brand equity and brand parity?

Brand equity is the set of characteristics unique to a brand that provide value to the brand. In essence, the brand is different and better. Brand equity allows the company the opportunity to charge a higher price and retain a market share that is greater than

would otherwise be expected for an undifferentiated product. Brand parity is the perception that there are no differences between major brands.

LO: 2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?
AACSB: Application of knowledge

2-12. How has private branding, or private labeling, changed in the past decade?

Private branding, or private labeling, has changed in the past decade in the following ways: the quality levels of products have increased; the products are perceived as having high value; loyalty to stores has increased, allowing store managers to increase in-store or private lines; they can be used to differentiate retail outlets; private label companies have begun to advertise these differences; and store managers now devote more effort to creating quality in-store displays of and packages for private brands.

LO: 2.6 What current trends affect private brands?
AACSB: Application of knowledge

2-13. What role does a product's package play in the marketing program?

The package is the last chance to make an impression on a customer. It should protect the contents, stand out, and tell the consumer what is inside.

LO: 2.7 How can packaging and labels support an IMC program domestically and in foreign settings?
AACSB: Application of knowledge

2-14. How can a label support an IMC program or advertising campaign?

Labels must meet legal requirements and be distinguishable to consumers. Labels can refer to features of advertisements and other IMC efforts. They should match the theme of the IMC campaign.

LO: 2.7 How can packaging and labels support an IMC program domestically and in foreign settings?
AACSB: Application of knowledge

2-15. What ethical issues are associated with brand management?

There are concerns with brand infringement and with domain or cybersquatting.

LO: 2.7 How can packaging and labels support an IMC program domestically and in foreign settings?

AACSB: Ethical understanding and reasoning

2-16. How do the concepts of standardization and adaptation apply to branding strategies?

Marketing managers must choose the strategy that fits the company and its products. There has been some resistance to more global or standardized brand names.

LO: 2.8 How do firms manage brands in international markets?

AACSB: Diverse and multicultural work environments

CRITICAL THINKING EXERCISES

2-17. Ashley Drake just purchased a small clothing boutique two blocks from your campus. The current name of the store is College Fashions. She feels she needs a new name that projects an image of offering trendy, hip fashions to your college's students. What name would you suggest? Discuss your brand name in terms of which category it fits and the four tests of quality names. To succeed, Ashley knows she needs to retain the store's current customers as well as gain new ones. Outline a plan to rejuvenate the company's brand image using the keys to image rejuvenation identified in Figure 2.11.

The brand name is an overt name. It passes the four tests.

1. It is recognizable.
2. It is familiar.
3. It should elicit a consensual meaning among those in the firm's target market.
4. It can evoke positive feelings.

The new plan should create a new experience for buyers. It really cannot rely on past relationships, because the company is new. It should be authentic.

LO: 2.4 How do marketers identify, create, rejuvenate, or change a brand's image?

2-18. Recently, the company that sold the Varidesk expanded to include a fuller line of products. To achieve this goal, a new brand name, Vari, was created and

promoted in various media outlets. Given the short history of the Varidesk as a product, do you believe a change in brand name was a wise move for the organization? Why or why not?

Student opinions will vary. They can share their thoughts with class members as an in-class exercise.

LO: 2.4 How do marketers identify, create, rejuvenate, or change a brand's image?

- 2-19. Brand image affects purchase decisions. Identify two brands you consider to hold a positive image and explain why. Identify two brands that you believe should either change or rejuvenate their brand images, and explain why. How can the change or rejuvenation be accomplished for each brand?**

Student responses will vary by brands chosen. This should be a good question for in-class discussion.

LO: 2.4 How do marketers identify, create, rejuvenate, or change a brand's image?

- 2-20. Identify the benefits consumers realize from purchasing well-known brands. For each benefit, discuss a brand that you recently purchased that you believe fulfills that benefit. Explain why.**

Student answers will vary. They might include things such as “easy to remember” or “fun.”

LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

- 2-21. Define the four categories of brand names. Identify two brands for each category that are not mentioned in the text. Explain why you believe each is a good example.**

Student answers will depend on brands chosen.

LO: 2.2 What types of brands and brand names do companies use?

- 2-22. Identify a brand that you have recently purchased that is not well-known, but you like. Using the concepts presented in the “Building Powerful Brands” section of this chapter, discuss how the brand you identified can be built into a powerful brand. Be specific.**

Student answers will depend on the brand chosen.

- LO: 2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?
- 2-23. Identify five different brands for which you have a high level of brand loyalty. Describe your level of loyalty and discuss why you are loyal. Explain how brand equity impacts your loyalty for each brand.**
- Student answers will vary based on brands chosen.
- LO: 2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?
- 2-24. Pick a private label that you have recently purchased. What is your evaluation of the private brand quality compared to national brands? This chapter described a number of changes in private label branding that has occurred. Discuss each of these changes in relation to the private brand you picked.**
- Student answers will vary based on brands chosen.
- LO: 2.6 What current trends affect private brands?
- 2-25. Look through a cupboard and locate three packages that you believe are effective. Describe why they are effective. Choose three labels that are effective at capturing attention. What are the attention-getting aspects of each label?**
- Student answers will depend on the packages they choose.
- LO: 2.7 How can packaging and labels support an IMC program domestically and in foreign settings?

INTEGRATED LEARNING EXERCISES

- 2-26. Websites constitute an essential element of a brand's image. Access the websites of the following brands to get a feel for the image each brand tries to project. Locate on YouTube an advertisement for each brand (supply the URL and a screenshot in your response). Is the image projected on the website consistent with the YouTube advertisement and the image portrayed in the other advertisements for the brand?**
- a. *Wendy's* (www.wendys.com)
 - b. *Skechers* (www.skechers.com)
 - c. *CoverGirl* (www.covergirl.com)
 - d. *Maxwell House Coffee*

www.myfoodandfamily.com/brands/maxwell-house)

Student opinions will vary. This can be a good in-class discussion question, especially if the sites can be posted for students to see.

LO: 2.4 How do marketers identify, create, rejuvenate, or change a brand's image?

2-27. A leading consulting firm that has been a leader in extending marketing knowledge and in the area of brand development is the Boston Consulting Group. Other companies that have actively been involved in brand development include Lexicon Branding and Brand Keys. Access each firm's website. Describe the services provided by each firm.

- a. *Boston Consulting Group* (www.bcg.com)
- b. *Lexicon Branding, Inc.* (www.lexicon-branding.com)
- c. *Tenet Partners* (www.tenetpartners.com)
- d. *Brand Keys* (www.brandkeys.com)

BCG lists branding, consumers, corporate development, deconstruction, diversity, e-commerce, energy, financial services, globalization, health care, industrial good, information technology, operations, organization, pricing, retail, strategy, technology & communications, and travel & tourism.

Lexicon lists technology, automotive, and "pharma."

Tenet Partners offers research and analytics, brand strategy assistance, design assistance, and digital marketing activities.

Brand Keys describes itself as "The World Leader in Customer Loyalty and Engagement Metrics."

LO: 2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?

2-28. Brand extension and flanker branding are common strategies for large corporations. Access the following websites. Identify the various brand extension strategies and flanker brands used by each company.

- a. *Post Consumer Brands* (www.postconsumerbrands.com)
- b. *VF Corporation* (www.vfc.com)
- c. *Samsung* (www.samsung.com)

Post Consumer Brands extends through new cereals, such as Dunkin Cereal and Three Sisters .

VF Corporation includes Wrangler, Lee, Vassarette, JanSport, and The North Face.

Samsung, most known for mobile phones, also markets appliances and home audio products

LO: 2.2 What types of brands and brand names do companies use?

- 2-29. Private labels provide a significant source of revenue for many retail stores and manufacturers. The Private Label Manufacturers' Association promotes manufacturers that produce private labels. Visit the organization's website at www.plma.com. Access each item on the menu. Summarize the information provided for each item.**

These will change as the site is updated.

LO: 2.6 What current trends affect private brands?

- 2-30. Conduct an internet search for brand logos. Identify five logos that you think are well designed. Screen-capture the logos and explain what you think makes each logo effective. Identify five logos that you think are poorly designed. Screen-capture them and explain why you think they are ineffective.**

Answers will vary because websites tend to change on a regular basis.

LO: 2.3 What characteristics do effective logos exhibit?

BLOG EXERCISES

Access the authors' blog for this textbook at the URLs provided to complete these exercises. Answer the questions that are posed on the blog.

- 2-31.** Tesla: blogclowbaack.net/2018/08/29/tesla-chapter-2/
2-32. Nice Versus Kind: blogclowbaack.net/2018/08/23/nice-versus-kind-chapter-2/
2-33. Interesting Logos: blogclowbaack.net/2020/02/26/interesting-logos-chapter-2-8-9/

These exercises provide you with an additional tool to engage your students.

LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

Student Project: Creative Corner

The assignment is to develop a brand name, package, and label for a variety of products, including the following:

- a. A new bakery
- b. A new line of cosmetics
- c. A new candy bar
- d. A new line of denim clothes
- e. A new energy drink
- f. A new perfume or cologne

Individual student answers will vary widely.

LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

Cases

Case 1 Creating a Company Name

- 2-34. What category of brand name should this company use? Create a brand name for Derrick and explain how the name you developed will help Derrick succeed.**

The names are descriptive of contents. Student perceptions of their potential for success will vary.

LO: 2.2 What types of brands and brand names do companies use?

- 2-35. Create a logo based on the name you chose that will be placed on Derrick's website and all food packages.**

Student logos will vary and could be shared with classmates.

LO: 2.3 What characteristics do effective logos exhibit?

- 2-36. What type of marketing message should be developed for the launch of Derrick's company? Design a campaign to achieve his goals.**

Student campaigns will vary. Characteristics might include being convenient, more fun, tasty, and so forth.

LO: 2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?

- 2-37. Create names for the 10 basic meals Derrick will offer (make your own choices for meals, possibly including standard American fare, Mexican food, Italian food, or any other specialty food you especially enjoy). Make an argument as to why naming each meal is a good idea or why you think doing so is not a good idea.**

Product names will vary. Students could share their ideas in class.

LO: 2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?

- 2-38. Create a newspaper ad for one of the meals you named. Be sure to include your logo and company name as well as the message you outlined.**

Ad content will vary. Students could share their ideas in class.

LO: 2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?

Case 2 Brand Alliances and Brand Resurrections

- 2-39. Provide an analysis of the brand alliances mentioned in this story. What factors shape your perceptions of the brands involved?**

Student answers will vary. Factors that shape perceptions include past experiences with the companies involved, both positive and negative.

LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

- 2-40. In each of the brand alliances, which of the two co-brands do you believe is the more powerful name? What causes you to hold that perception?**

This can be a discussion question. Ideas about the more powerful brand will be based on consumer preferences, in this case, the students involved.

LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

- 2-41. Can you think of any potential disadvantages of brand alliances? Explain your answer.**

Negative publicity toward one of the co-brands could hurt the other.

LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

2-42. Do you recall the names Datsun, Dodge Dart, or Taurus? What perceptions do you have of those brands? Ask your parents what they think of those brand names. Are their answers different from yours?

Most students will not recall the names unless their parents owned one of the cars.

LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

2-43. Describe what you believe are potential advantages and disadvantages of brand resurrections.

Potential advantages include being able to use nostalgia and recall to enhance the brand.

Previous negative experiences could create a disadvantage, as could the belief that the brand is simply old or stale.

LO: 2.4 How do marketers identify, create, rejuvenate, or change a brand's image?

Bonus Case

A HEALTHY IMAGE

Mary Wilson was both nervous and excited as she opened her first staff meeting in the marketing department of St. Margaret's General Hospital. Mary's new role was director of marketing and communications. Her primary task was to increase the visibility of St. Margaret's Hospital in order to raise the image of the institution in the eyes of the many publics served. The long-term goal was to attract the best possible physicians while increasing use of the hospital's facilities and attracting more patients.

The world of health care changed dramatically in the past decade. Government regulations and support, concerns about lawsuits, evolving and expensive technologies, and changes in health insurance provisions affected hospitals of all sizes. In addition, St. Margaret's faces strong competition. The hospital's primary location is in a major metropolitan area in Minnesota. Two other large hospitals also offer comparable services in the same city. Each seeks to sign physicians to exclusive contracts in which they will only provide care with one organization.

The other significant challenge to St. Margaret's is its proximity to the Mayo Clinic. Clearly, Mayo holds the highest level of prestige in the state and even in the region. Most physicians are inclined to think of Mayo first when making referrals for patients with difficult medical problems. Mayo would be viewed by most publics as the "best" care possible.

The key issues in the image of any health organization include developing trust and a feeling of confidence in the quality of care that will be received. Beyond technological advantages, other, more subtle elements of an image could have an influence. Mary noted that the nurse plays a primary role in determining how patients view hospitals. An uncaring and inattentive nurse is likely to drive away both the patient who encountered the nurse and all of that patient's family and friends. Negative word-of-mouth, Mary said, must be held to an absolute minimum.

Mary believed St. Margaret's needed to overcome two problems. First, the name "Margaret" is not commonly used anymore. Some publics may view it as an "old-fashioned" name. Second, there was nothing distinctive about the hospital's image. The overlap in services provided (heart care, cancer treatment) made it difficult to differentiate St. Margaret's from other providers.

If there was any advantage, Mary believed it was that St. Margaret's was affiliated with the Catholic Church. It was the only nonprofit hospital of the three major competitors. This attracted both Catholic patients and some Catholic physicians. Also, the hospital was able to utilize the services of a wide variety of volunteers.

As the marketing meeting opened, the agenda was to discuss all of the ways St. Margaret's could build its client base. The task would not be easy, but everyone in the room believed the hospital offered high-quality services in a caring atmosphere.

1. What are the image issues in this case?

St. Margaret's knows the hospital cannot be the "best." The other problem is brand parity relative to the other hospitals in the city.

2. What are the brand name issues?

St. Margaret's is viewed as an "old-fashioned" name.

3. What types of advertisements should Mary develop for St. Margaret's Hospital?

Ads that emphasize the organization's advantages, including caring service, nonprofit status, and possibly the hospital's Catholic heritage.

4. What other types of activities could St. Margaret's pursue to build a strong and positive corporate image?

Health fairs and community service projects. Outreach programs for the homeless and those without health insurance.