The Sense of Brand

Abstract

Always brand leads to company's enterprise value. Price Waterhouse Coopers (PWC) research indicates that for many organizations the majority of the value is related to the brand or the brands that the company own. Brand value can broadly be expressed as the present value of future expected earnings or cash flow as a result of brand ownership. How brand loyalty can be increased. The psychology behind human behaviour as it pertains to brand selection can be both rudimentary and complicated at the same time. For any brand preference, our five senses will be there to evaluate, develop and drive for any particular brand. Strong brands can help their owners consistently to out perform the stock market on share price.

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Introduction

How do brands create value?

From consumers perspective strong brands produce much more than mere awareness or fame. They actively influence the customer's purchase decision making process, reducing the risk to the consumer by making product or service selection easier. Strong brands represent the trust, quality, better service and competitive price and value.

Brands play an important role in differentiating the offering against the competition by creating an unique image. A strong brand can also create rapid uptake of product in new market. It is useful to consider a brand as a presence that largely resides in the mind of consumers.

The importance of Brand Management and Communication

Successful brands have retained their competitive advantage over long periods of time, adapting and changing the nature of the brand in response to shifting customer trends or by keeping one step ahead of the competition by innovating product or services and increasing the customer's perceived value of the brand.

A successful convergence between sender and receiver will result in some type of response to a brand's compelling message. The

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successful communication can create different experiences, connection and relationships, this supports a theory that the consumer, not the organization, owns the brand.

Building and maintaining a successful brand is an increasingly expensive business. Marketing cost is often the most significant investment that a company commits. PWC research indicates that most consumer goods companies will spend between 10% and 20% of turnover on advertising, promotion and marketing initiatives.

The results of marketing investments are largely unpredictable. The marketing budget often represents one of the most significant investment for a company. An appropriate Management information system can provide information on how to gain better return on marketing investment by identifying value creating activities.

Also the brand value needs to be communicated to shareholders. The research indicates that the more information shareholders are given about corporate performance, the more stable the share price.

Building Brands in the New Economy

Brand building theory developed out of the practices of consumer packaged goods companies in the last century. The theory called for creating a product difference, real or symbolic, spending a huge amount on advertising. Advertising played the crucial role and its effectiveness was judged by measures of awareness, recognition, recall, or intent to buy.

Companies should clarify the corporation's basic values and build the corporate brand. Companies such as Starbucks, Sony, Cisco Systems, Mario, Hewlett Packard, General Electric and American Express have built strong corporate brands, their name on a product or service creates an image of quality and value. Companies must use the brand value proposition as the key driver of company's strategy, operations, services and product development.

Companies need to define brand's basic essence to be delivered, wherever it is sold. Local executions can be varied as long as they deliver the feel of the brand.

Companies need to develop a more comprehensive brand building plan to create positive customer experiences at every touch point-events, seminars, news, telephone, e-mail, person to person contact.

Managing Branch Equity

A brand needs to be carefully managed so that its equity does not depreciate. This requires maintaining and improving brand awareness, perceived quality and functionality and positive associations. Those tasks require continuous R&D investment, skillful advertising and excellent trade and consumer service. Proctor & Gamble believes that well-managed brands are not subject to a brand life cycle. Many brand leaders of 70 years ago are still today's brand leaders; Kodak, Gillette, Coca Cola, Heinz and Campbell Soup.

Many analysts see brands as the company's major enduring assets. Every powerful brand really represents a set of loyal customers. Brand equity is major contributor to customer equity. The proper focus of marketing planning is to extend customer life time value, with brand Management serving as a major marketing tool.

Brand-Name Decision

Manufacturers and service companies who brand their products must choose which brand names to use. The strategies will individual name, blanket family name, separate family name and corporate name combined with individual product names.

The brand name should suggest something about product's benefits, product or service category. Brand name should be easy to spell, pronounce, recognize and remember. The brand name should be distinctive, e.g- Kodak and Exxon.

Measuring Brand Value

Brands are the very powerful tool. There are now a days very systematic valuing done for brands. The table below shows the value of different brands. There are many brands that are valued very highly. It is important to understand the situation in which the brand valuation practically comes into use, for better understanding, Let us take TATA's acquisition of Ford's Jaguar and Land Rover Brands. TATA's intention of course would have been to penetrate the international market of Luxury Cars. What is the benefit? The benefits of such an acquisition was market entry and to get established consumer base and brand loyalty, otherwise TATA would have invested lot of funds to establish their own brand in a highly competitive international market.

Brand value measurement for top brands

Rank 2007-08	*Brand*	Brand Value in Million.	Brand Value in Million (Previous yr)	% change
1.	Coca-Cola	65324	67000	-3%
2	MICROSOFT	58709	56926	3%
3	IBM	57091	56201	2%
4	GE	51569	48907	5%
5	Nokia	33696	30131	12%
6	Toyota	32070	27941	15%
7	INTEL	30954	32319	-4%
8	McDonald	29398	27501	7%
9	DISNEY	29210	27848	5%
10	Mercers-Benz	23568	21795	8%
11	CITI	23443	21458	9%
12	HP	22196	20458	9%
13	BMW	21612	19617	10%
14	Marlboro	21283	21350	0%
15	American Express	20827	19641	6%

Brand Building Tools

Marketers are therefore turning to other trade for attracting attention to their brands.

Among the Most Important are

- Public relations and press releases.
- Sponsorships
- Clubs and Consumer Communities
- Factory visits
- Trade shows and event marketing
- High value for the money
- Celebrity personality
- Mobile phone marketing

Many of these tools describe efforts to build a brand through branded experience or experiential communications.

Case

How to manage brand asset and how to develop the brand equity. Also there are some problems and solutions raised by Colgate Palmolive and Coca Cola.

Problems in Brand Management

Companies must balance their communication expenditures among the main communication media. Brand Manager should effectively audit and verify the means to advertise the brand and developing image like public relation, trade and sale promotion, consumer promotion, direct marketing and internal employee communication.

If the telephone operator is curt, if the order taken is poorly informed, if the accountant will not explain the invoice, the brand image in compromised. Also poor training, lack of customer centric business operation, lack of brand equity management, lack of team effort & long-term brand strategy will lead to poor image and reputation and weak brand.

Solution

Now companies like Colgate Palmolive and Coca-Cola are beginning to establish brand asset management team to manage their major brands. Also the brand equity managers are there to maintain and protect the brand's image, association and quality to prevent any degradation.

How does the brand excel?

- The brand excels at delivering the benefits, consumers truly desire.
- The brand should stay relevant and there to remain in touch with customer's taste, current market conditions and trends.
- The pricing strategy should be based on consumer's perception of value.
- To optimize price, cost, and quality to meet or exceed customer's expectation.
- The brand should be better positioned.
- The brand should be consistent by not delivering any wrong information or wrong officials' information to the customers.
- The brand port folio and brand hierarchy should make the sense. Brand hierarchy should be well thought out and well understood.

Conclusions

This research will suggest a distinction between spurious and true brand loyalty. This will be helpful to understand the importance of brand image and how to connect it to the consumer's mind. The cultivation of this information may help any organization facing brand loyalty issues with their constituents and provide resources to uncover case issue.

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