Branding

Brands surround us in our every-day lives. People may judge others by their brand of car, their brand of clothes, the brand of drinks they consume. Brands and their consumption can help give people identity and image. Because of this, marketing is often brand driven, the objective is to establish a product with a separate identity in consumer's minds, making the product desirable, wanted, even needed.

'Brands are important for customers because they represent attributes, values, benefits and personality.'
(Bass. and Times Newspaper Ltd.., and MBA Publishing)

a brand is a product which can be identified easily by consumers, and in the view of these consumers has value, properties or an image that separates it from the competition'.

Defining the term Brand

A Brand can be defined in several ways; examples of these are given below,

' A brand is the name given to a product to help differentiate it from other similar products'
'

A brand is a product consumers rely upon, for quality, value and service'.

'A brand involves a distinctive identity for a product with which users can identify'
(Hall, Raffo, and Jones. Business Studies, Causeway Press)

'A brand is a name term, sign, symbol or design which identifies a sellers products and differentiates them from competitors products'
(Boots, Times Newspapers and MBA Publishing)

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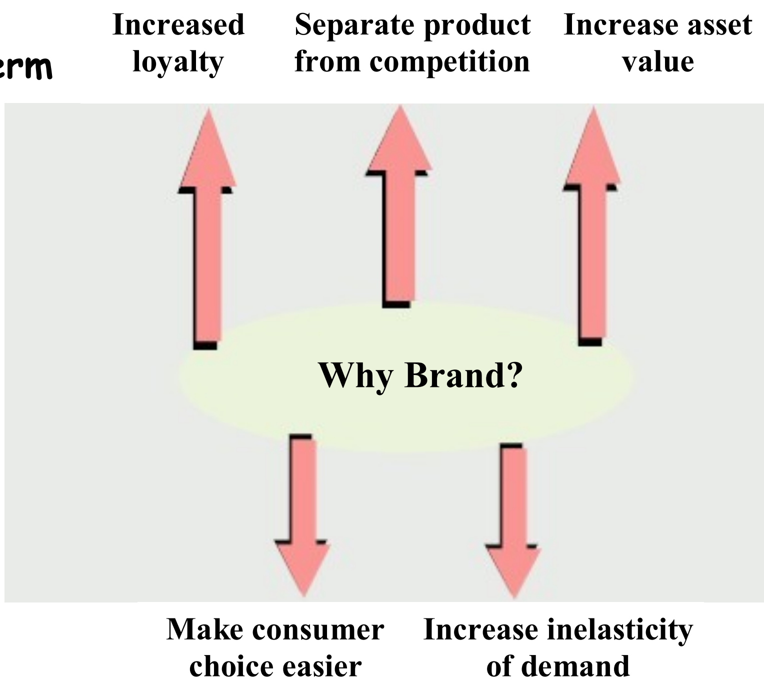
Why use branding?



There are a number of reasons why firms use branding, these include:

- **To create increased consumer loyalty** -this is important when competition is intense.

- **To separate the product from the herd** - especially in markets when there is otherwise little differentiation of products, when products are marked by their similarities rather than their differences.
- **To increase price inelasticity of demand** - this gives greater control over pricing strategies
- **To increase value of the firm** - brand values can be higher than other asset values of a business
- **To ease customer choice** - brand identity makes recognition of products easier, making purchase more likely.

There are though disadvantages of branding.

- High cost of advertising - brands must constantly be kept in the consumers' eye.
- Loss of brand value for one product can affect a whole range of similarly branded products.
- Brands invite competition - often from copycat manufacturers.
- High cost of research and development in ensuring the brand continues to develop and lead the market.

Protecting Brands.

Brands can offer long term profitability to firms, giving some predictability on sales, and revenues. But brands do not just happen, they must be developed carefully, and when mature the development must continue. This development of the brand ensures that full long term value is extracted from the brand.

To achieve this, firms must;

- Be sure of the brand's identity
- Offer value to customers
- Advertise and promote
- Carry out market research
- Ensure quality
- Continually develop the brand
- Remember what made the brand successful in the first place.
- Protect the brand from competition and react to competition when it occurs.

Brand Value

Brands have real value which are shown on a firms Balance Sheet. The value of a brand can be measured by estimating the difference between what sales are likely to be with the brand, and what sales are likely to be without the brand. Just imagine two drinks machines next to each other in a shopping mall, one says Coca Cola, the other says Happy Day Cola. The Coca Cola machine is likely to have more sales than it's competitor, because of brand loyalty. This difference in sales is part of the value of the brand.

Notes.