CORPORATE IMAGE
AND BRAND MANAGEMENT

CHAPTER 2
1. Why is a corporation’s image vitally important?

2. What kind of tactics and plans can be used to build an effective corporate image?

3. What are family brands, brand extensions, flanker brands, co-brands, private brands, brand equity, and brand recognition?

4. How are logos, packages, and labels related to image and brand management?

5. Which brand and product characteristics can be used to establish a positive position in the market?
What is a Brand?

A person’s perception of a product, service, experience, or organization.

A brand is not a logo. A brand is not an identity. A brand is not a product.

A brand is a person’s gut feeling about a product, service, or organization.

Brands mean different things to different people at different times.
Do you know these famous brands?
Elements of a Brand
One of the most critical ingredients in the successful development of a company’s brand is effective management of an organization’s image.
Effective marketing communication begins with the establishment of a clearly defined corporate image.

Corporate image, or reputation, describes the manner in which a company, its activities, and its products or services are perceived by outsiders. In a competitive business climate, many businesses actively work to create and communicate a positive image to their customers, shareholders, the financial community, and the general public.

A company that mismanages or ignores its image is likely to encounter a variety of problems.
Corporations trying to shape their image are analogous to individuals who will dress appropriately, cultivate courteous manners, and choose their words carefully in order to come across competent, likeable, and reliable.

In the personal as in the corporate case, the image should match reality. When it does not, the consequence will be the opposite of the one intended.
Corporate Image

➢ Summarizes what the company stands for
➢ How it is known in marketplace
➢ Specific impression in minds of customers
➢ Consumer beliefs most important
Components of a Corporate Image

<table>
<thead>
<tr>
<th>TANGIBLE</th>
<th>INTANGIBLE</th>
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<tbody>
<tr>
<td>1. Good &amp; services sold</td>
<td>1. Corporate, personnel, and environmental policies</td>
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<tr>
<td>2. Retail outlets where product is sold</td>
<td>2. Ideals and beliefs of corporate personnel</td>
</tr>
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<td>3. Factories where the product is produced</td>
<td>3. Culture of country and location of company</td>
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<tr>
<td>4. Advertising, promotions, and other forms of communications</td>
<td>4. Media reports</td>
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<tr>
<td>5. Corporate name and logo</td>
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<td>6. Packages and labels</td>
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<td>7. Employees</td>
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</table>
Consumer Perspective

- Provides confidence
- Provide positive assurance
  - Unfamiliar Settings
  - Little or no previous experience
- Reduce search time in purchase decision
- Provide psychological reinforcement and social acceptance
Company Perspective

- Extension of feelings to new products
- Ability to charge a higher price or fee
- Consumer loyalty = more frequent purchases
- Positive word-of-mouth endorsements
- Attract better employees
- More favorable ratings by financial observers and analysts
Some of the warning signs that a business might have an image problem:

- High employee turnover, the disappearance of major customers,
- A drop-in stock value, and poor relationships with vendors or government officials.
- If an image problem is left unaddressed, a company might find many of its costs of doing business rising dramatically, including the costs of product development, sales support, employee wages, and shareholder dividends.
- In addition, since the majority of consumers base their purchase decisions at least partly on trust, current and future sales levels are likely to suffer as well.
CORPORATE IMAGE

https://incitrio.com/ubers-ad-campaign-is-the-beginning-of-a-new-brand-image/
Identifying the desired Image

Corporate image can be a major part of company success

Evaluate the nature of company image
  ◦ Customers
  ◦ Employees
  ◦ Suppliers
  ◦ Distributors

The Top 50 Brands

Following are the top 50 most relevant brands ranked by U.S. consumers. The brands were selected for inclusion in the survey based on contribution to U.S. households.
CORPORATE IMAGE DEVELOPMENT

In making decisions about the image to be projected, marketers should remember three things:

1. The image being projected must be an accurate portrayal of the firm and coincide with the products and services being sold.

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

3. It is difficult to change the images people hold regarding a given company.
   - Negative or bad press can destroy an image that took years to build.
CREATING THE RIGHT IMAGE

- Reaches the target and conveys a clear message regarding the unique nature of the organization and its products
- Accurately portrays what the firm sells
- When an image is well established, other promotions can be built around the reputations
  - Results = long term customer loyalty and future sales
Warby Parker has trained its sights on the stylish, “post-wealth” millennial set—as customers and employees.
How to build a Great Brand: Warby Parker

MAKE ME CARE: PUT TOGETHER A GREAT STORY. WARBY PARKER GOT TREMENDOUS WORD-OF-MOUTH FROM THE GET-GO BECAUSE THEIR STORY RESONATED WITH THE PRESS, WHO WERE EAGER TO TELL THEIR READERS ABOUT IT.

UNDERSTAND YOUR BRAND HIERARCHY—WHAT’S MOST CRITICAL? WARBY PARKER LAYS OUT ITS BRAND IN A LINEAR FASHION: LIFESTYLE BRAND -> VALUE AND SERVICE -> SOCIAL MISSION.

STEAL THE SHOW! GET YOUR EARLY BUZZ + INFLUENCER BUY-IN BY BEING TASTEFULLY REBELLIOUS. WARBY PARKER WANTED TO BE A PART OF NY FASHION WEEK IN FALL 2011, BUT COULDN’T AFFORD TO GET INVOLVED THE TRADITIONAL WAY—SO THEY INVITED 40+ EDITORS TO A ‘SECRET EVENT’ AT THE NY PUBLIC LIBRARY. THEY EARNED BUZZ (WITHOUT PAYING FOR IT!) BY CREATING A REMARKABLE EXPERIENCE.

IF IT AIN’T FUN, WHY DO IT? CREATE CONTENT THAT’S LEGITIMATELY FUN. WARBY PARKER’S ANNUAL REPORTS INCLUDE THINGS LIKE WHAT BAGELS THEY ATE, OR WHAT WERE THE MOST POPULAR MISSPELLINGS OF THE BRAND.

FIGURE OUT WAYS TO TURN MUNDANE INTERACTIONS WITH YOUR BRAND INTO REMARKABLE, SOCIAL ONES. WARBY PARKER’S TEAM RESPONDED TO QUESTIONS ON TWITTER WITH QUICKLY-SHOT YOUTUBE VIDEOS, WHICH AVERAGE 120 VIEWS PER VIDEO.

BETTER TOGETHER: PARTNERSHIPS MAKE TONS OF SENSE FOR LIFESTYLE BRANDS. WARBY PARKER DOES PARTNERSHIPS WITH ALL SORTS OF OTHER BRANDS AND ENTITIES.

CREATE UNIQUE, MEMORABLE PHYSICAL EXPERIENCES. WARBY PARKER MAKES VERY INTERESTING DECISIONS: THE FLAGSHIP STORE LOOKS LIKE A LIBRARY, AND THE EYE EXAMS ARE DONE WITH OLD-SCHOOL RAILROAD FLIPPING THINGS. WHEN THEY WANTED TO DO MOBILE SHOWCASES, THEY USED BICYCLES, AND THEN A REPURPOSED SCHOOLBUS.
2. Rejuvenating an Image

• Allows for:
  • Help former customers rediscover the brand
  • Builds community
  • Sells new products
  • Attracts new customers
  • Retains current customers
  • Stays consistent with old and new elements
  • Takes time and effort
Frito Lay’s reformulated both Lay’s and Ruffles potato chips—the first time the Lay’s formula had ever been changed. To enhance the flavor of both chips, the company developed a new frying process and switched from soybean oil to cottonseed oil. With consumers preferring less salty snacks, the sodium content of the chips was also reduced.
Scholl are foot care specialists. The products was originally called "gel inserts" and were for putting in women’s high heeled shoes.

One of the designers got hold of this product and was given the freedom to re-design it. Being a user herself, she thought the pack could be much more feminine and better explain the benefit: allowing you to go out dancing or clubbing in your fanciest (but not always comfortable) shoes and not get sore feet. And here is the key: "immersive insight" gained not from understanding the consumer, but by being the consumer.

The product was re-launched as Scholl Party Feet. This was not just a nicer pack, it suddenly shouted out loud the product’s positioning.
3. Changing an Image

Extremely difficult to do

- Leaders must carefully consider:
  - What they wish to change
  - Why they wish to make a change
  - How they intend to accomplish the task

Necessary when target markets have begun to shrink or disappear

- Firms image no longer matches trends
Changing Corporate Image

- One spark of hope
- One million points of light

Walmart saved more than 1 billion gallons of water in the past 2 years working with our poultry suppliers.
Wal-Mart
Birkenstock

BIRKENSTOCKS ARE BACK
(AND THEY’RE CHIC!)

BIRKENSTOCK
Made in Germany • Tradition since 1774
SUPER OLD SCHOOL
Changing an image

- Requires more than a revamped logo.
- Demands a vision that inspires customers, investors, and others to see the company in a new light.
- Responds to changes in the external environment and consumers needs
A Brand is a Combination of Words and Visuals to Create the Customer Experience

https://www.youtube.com/watch?v=EpUGpUl0c1k
Corporate Names

... AS PART OF YOUR IMAGE
Corporate Names

- Cornerstone of company’s relationship with its brand
- Sets the attitude and tone
- First step toward “personality”
- Four categories of names
Corporate Names

Overt names
- Says what a company does

Implied names
- Recognizable words or word parts that convey what a company is about

Conceptual names
- Captures essence of what a company does

Iconoclastic names
- Represents something unique, different and memorable – does not reflect the company products
Origins of Some Unique Corporate Names

**Google** – name started as a joke about the way search engines search for information. Word googol is one digit followed by 100 zeros.

**Lego** – combination of Danish phrase “leg godt” which means “play well” and Latin word lego which means “I put together.”

**Reebok** – alternative spelling of “rhebok” which is an African antelope.

**Skype** – original name was “sky-peer-to-peer,” which was changed to “skyper” then to “skype.”

**Verizon** - combination of Latin word “veritas” which means “truth” and horizon.

**Yahoo** – word from Jonathan Swift’s book *Gulliver’s Travels*, which represented a repulsive, filthy creature that resembled Neanderthal man. Yahoo founders, Jerry Yang and David Filo considered themselves yahoos.
Golden Rules of Naming

1. Do not copy others.
2. Do not get too creative.
3. Only accept global names.
4. Make sure the name can be pronounced and spelled correctly
How much does it cost to name a company

- **Basic company naming** – $7,500 to $15,000
  - When you simply need a good company name and nothing else

- **Mid-level company naming** – $50,000 - $100,000
  - When you need a company name, tagline, logo design and domain

- **Comprehensive company naming** – $1,000,000
  - When you need a full suite of company naming, brand positioning, logo design & trademark services
Corporate Logos

- Symbol used to identify a company and brands
- Compatibility with company name
- Millions of dollars to develop a logo
- Important for in-store shopping
  - Visually process faster than words
  - Nike swoosh - $35
- Stimulus code-ability – when a logo elicits a consensual meaning among customers
A brand is an experience.

It's what makes Evinrude pure even before you read the label. It's why a FedEx envelope gets opened before anything with a postage stamp.

Brand experience is what your customers remember about you. It's what leads to lasting impressions, preferences, and performance. This is what sets Landor's work apart: customer experiences that are not mysterious, but real, tangible, measurable — unforgettable.

Here are hundreds of examples —

- Abbott's Village Bakery
  Capturing consumers' imaginations
- Café Coffee Day
  Inspiring coffee-fueled fun and conversation in India
CORPORATE LOGO TEST

They should be easily recognizable.

They should be familiar.

They should elicit a consensual meaning among those in the firm’s target market.

They should evoke positive feelings.
BENEFITS OF LOGO RECOGNIZABILITY

- Aids in recall
  - Specific brands
  - Advertisements
- Reduces shopping effort
- Reduces search time
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Designing a Quick Logo
What colors should you use in your logo?

**Pink** – femininity, innocence, softness, health, and youth

**Purple** – sophistication, spirituality, wealth, royalty, youth, and mystery

**Red** – aggressiveness, passion, strength, vitality, fear, speed, and appetite

**White/silver** – purity, truthfulness, faith, contemporary, refined, and wealth

**Yellow** – youth, positive feelings, sunshine, cowardice, refinement, caution, and appetite
Symbolism in Logos
Branding

The process involved in creating a unique name and image for a product in the consumers' mind, mainly through advertising campaigns with a consistent theme.

- Aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers.
Building powerful brands

1. Featuring the brand name prominently in repeated advertisements.
2. Authentic or unique in some manner.
3. Consumers trust, believe, become loyal to.
4. Providing an experience that involves the opportunity to be customized and personalized.
5. Building powerful brands requires the effective use of social media and mobile advertising.
Benefits of BRANDING

- Provides quality assurance
- Reduces search time
- Allows company to charge more
- Reduces brand parity

Consumers choose brands that are:
- Brand benefits consumer view as important and of higher quality than competition
- Memorable
## Most improved brands among millennials

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand Name</th>
<th>Score</th>
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<th>Change in Score</th>
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**Types of Brands**

- **Family brands**
  - Multiple products under one brand
  - Transfer associations
- **Brand extension**
  - New good or service
- **Flanker brand**
  - New brand within current category
Co-Branding

Co-branding is the combination of two brands.

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

Succeeds when it builds the brand equity of both brands.
Developing Strong Brands

- Brand's most compelling benefits?
- What emotions are elicited by the brand either during or after the purchase?
- What is the one word that best describes the brand?
- What is important to consumers in the purchase of the product?
- Begins with understanding why consumers buy a brand.
Ad Agencies: DEVELOPING STRONG BRANDS

If your brand were a ___________.
**Ultimate objective**

= Brand Loyalty

Only brand customers purchase

Drivers of brand loyalty

- Emotion
- Value

Consumer experience
**BRAND EQUITY**

Perception that a good or service with a given brand name is different and better.

**BRAND PARITY**

- Major problem
  - Is little distinction between competing brands.
  - Customers only see minor differences in a brand.
Brand parity
Brand Equity

Brand parity
Final Steps in Building a Brand

1. Research and analyze what it would take to make the brand distinctive.
2. Engage in continuous innovation.
4. Integrate new and old media.
5. Focus on domination.
Packaging
Packaging

• Final opportunity to make impression
• 69% of purchase decisions made in-store
• Have 3 seconds to catch attention
• Needs to stand out
• Tells customers what is inside
PACKAGING

- Protect the product inside
- Easy shipping, moving, and handling
- Easy placement on store shelves
- Prevent or reduce the possibility of theft
- Prevent tampering
New Trends in Packaging

Meet consumer needs for speed, convenience, and portability

Must be contemporary and striking

Must be designed for ease of use
PACKAGING
Unique packaging
Sake
Kleenex
Kraftstoff Vodka
Beer
Handy Wipes
Sumurai Vodka
Festina Watches
Tylenol
New packaging ideas
Green Packaging
Banana Leaf Packaging
Labels
LABELS

Must meet legal requirements.

Provide another marketing opportunity to sell the product.

Carry terms designed to build customer interest and confidence in the product

“Over 1 billion served”
Gourmet
Natural
Children’s formula
Wal-Mart Private Label
Target – Clear Rx
Wine Labels
Blackberry gin
ETHICAL ISSUES

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

- Brand name becomes a generic term
- Domain or cyber squatting – buying a domain name with the purpose of making a profit by re-selling it to the firm.
End