

# 2

## Chapter Two

# Corporate Image and Brand Management

# 2

# Applebee's

- 2008 recession changed dining out
- DineEquity purchased Applebee's
- IHOP CEO – Julia A. Stewart
  - “Minnow swallows the whale”
  - Act of retribution
- Marketing emphasis
  - Product quality, price, promotions
  - Quality employment environment
- Enhance dining experience
- Advertising agency – Crispin Porter

# 2

## Brand and Corporate Image Management

### Chapter Objectives

1. How does a corporate image affect consumers, other businesses, and the company itself?
2. What elements are involved in identifying, creating, rejuvenating, or changing a corporation's image?
3. What are the different types of corporate names?
4. What are the characteristics of effective logos?

# 2

## Brand and Corporate Image Management

### Chapter Objectives

5. What different kinds of brands can firms offer?
6. How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?
7. What current trends affect private brands?
8. How are packages and labels used to support an IMC program, both domestically and in foreign settings?

# 2

## Brand and Corporate Image Management

### Chapter Overview



Skyjacker's new M95 Monotube Shock is the ultimate shock absorber for light trucks, Jeeps and SUVs. This single tube design helps operating temperatures stay cooler under extreme conditions. The high pressure nitrogen gas and floating piston technology combine to create the fastest responding shock ever.

- Managing a corporation's image
- Managing brands
- Issues associated with developing and promoting brand names and logos
- Importance of packaging and labels

## Corporate image advertisement by State Farm

At some intersections  
you never know who  
you're going to bump into.

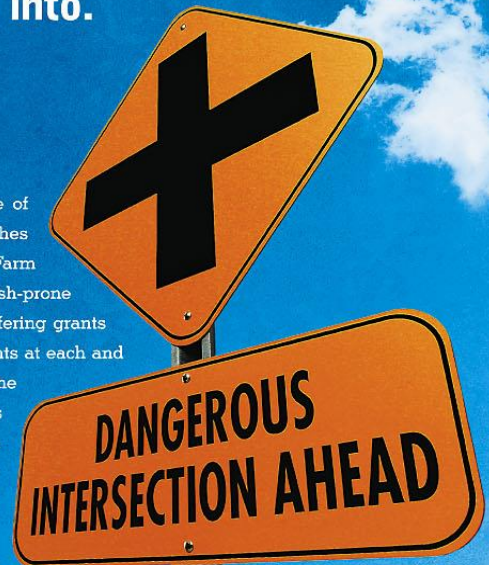
Any busy intersection will see its share of accidents. But at some intersections car crashes are so common, they're almost routine. State Farm Insurance has identified ten of the most crash-prone intersections in the entire nation\*, and we're offering grants totalling \$1.2 million to help make improvements at each and every one. It's all part of our commitment as the world's largest auto insurer to help make drivers and their families as safe as they can be. For a complete map and photos of some of the nation's most crash-prone intersections, see [www.statefarm.com](http://www.statefarm.com).

\*Figures for crash-prone intersections based on 1998 State Farm auto claims data.



**Like a good neighbor,  
State Farm is there.®**

State Farm Mutual Automobile Insurance Company (not in NJ)  
State Farm Indemnity Company (NJ)—Home Offices: Bloomington, Illinois



# FIGURE 2.1

## Components of a Corporate Image

### Tangible Elements



1. Goods and services sold
2. Retail outlets where sold
3. Factories where produced
4. Advertising, promotions, and other forms of communications
5. Corporate name and logo
6. Packages and labels
7. Employees

### Intangible Elements



1. Corporate, personnel, and environmental policies
2. Ideals and beliefs of corporate personnel
3. Culture of country and location of the company
4. Media reports

# **Role of Corporate Image**

## **Consumer Perspective**

- Provides positive assurance
  - Unfamiliar settings
  - Little or no previous experience
- Reduces search time
- Provides psychological reinforcement
- Social acceptance

# Top Corporate Global Brands

Rank	Company	Brand Value (Billions)	Country
1	Coca-Cola	\$71.8	United States
2	IBM	\$69.9	United States
3	Microsoft	\$59.0	United States
4	Google	\$55.3	United States
5	General Electric	\$42.8	United States
6	McDonald's	\$35.5	United States
7	Intel	\$35.2	United States
8	Apple	\$33.4	United States
9	Disney	\$29.0	United States
10	Toyota	\$27.7	Japan

Source: Based on "2011 Ranking of Top 100 Brands," *Interbrand*, [www.interbrand.com/en/knowledge/best-global-brands](http://www.interbrand.com/en/knowledge/best-global-brands), accessed October 5, 2011.

# **Role of Corporate Image**

## **Company Perspective**

- Extension of feelings to new products
- Ability to charge more
- Consumer loyalty
- More frequent purchases
- Positive word-of-mouth
- Greater channel power
- Attracts higher quality employees
- More favorable ratings

# Identifying the Desired Image



**Pity you have nothing left to wish for.**

It's all come true. The endless horizon. The precise handling. And the way the sounds and sensations of the night resonate throughout the open cockpit. The 911 Turbo Cabriolet delivers the road in its most potent form. Perhaps it's time you followed your dreams. Porsche. There is no substitute.

The new 911 Turbo Cabriolet



- Evaluate current image
  - Ask customers
  - Ask non-customers
- Can be strategic advantage

# Creating the Right Image

- Sends clear message
- Portrays what the firm sells
- Business-to-business may be challenging
- Calumet – “All Things Calumet”



# Rejuvenating an Image

- Sells new products
- Attracts new customers
- Retains current customers
- Key – Remain consistent with old and new
- Takes time and effort

## FIGURE 2.5

### Keys to Successful Image Rejuvenation

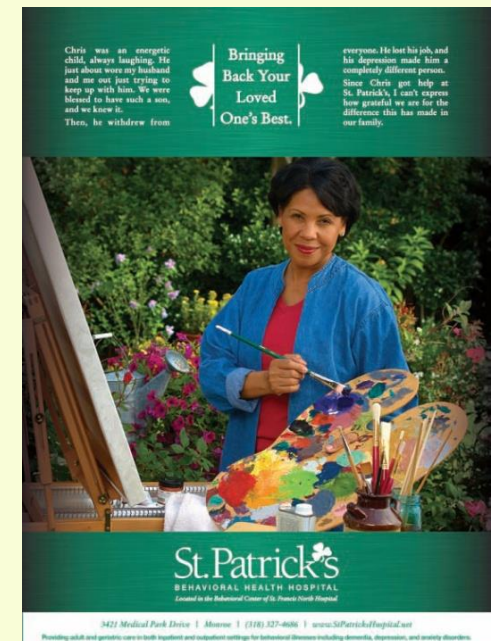
- Help former customers rediscover the brand
- Offer timeless consumer value
- Stay true to original, but contemporize
- Build a community

Source: Based on "Comeback Kids: Haggar, Keds Stage Brand Revival," *Advertising Age*, October 30, 2011, <http://adage.com/print/230721>.

# Changing an Image

- Extremely difficult
- Necessary when target market declines or product no longer matches industry trends
- Requires more than advertising
- Begins internally – then moves outward

May require changing view of an industry



# Corporate Names

- Overt names
- Implied names
- Conceptual names
- Iconoclastic names



## Iconoclastic Name

Yamaha

# Experience the Saltwater Advantage



## ...in the NEW ZX20 Bay

The ZX20 Bay is the perfect boat for every day because it's made to be in a permanent weekend mode using composite construction that is built to last. The hull design creates a low center of gravity, while the generous waterline length and beam provide the most stable fishing platform in the industry.

You'll also enjoy this hull's performance combined with a reliable Yamaha outboard. The ZX20 Bay drives easily into the shallows and tackles the rough water of the passes with amazing stability. And in between cruising and fishing you can relax as you remind yourself, "it's practical". Test drive the new ZX20 Bay today. You'll realize that SKEETER boats are **Engineered Like No Other.**



CALL 1-800-SKEETER TO ORDER A CATALOG, OR VISIT YOUR LOCAL SKEETER DEALER



[www.skeeterboats.com](http://www.skeeterboats.com)

**SKEETER**  
PERFORMANCE FISHING BOATS®  
ENGINEERED LIKE NO OTHER

# FIGURE 2.7

## Origins of Some Unique Corporate Names

- **Google** — name started as a joke about the way search engines search for information. Word googol is one 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.
- **Volkswagen** — created by Adolph Hitler as a car for the masses that could transport 2 adults and 3 children at speeds up to 62 mph. Name means “people’s car.”
- **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.

## FIGURE 2.8

### Tests of Quality Logos and Corporate Names

- Easily recognizable
- Familiar
- Consensual meaning
  - Stimulus codeability
- Evokes positive feelings

# Corporate Logos

- Aids in recall of specific brands
- Aids in recall of advertisements
- Reduces shopping effort
- Reduces search time and evaluation of alternatives



# What colors should you use in your logo?

- **Black** – seriousness, distinctiveness, boldness, power, sophistication, and tradition
- **Blue** – authority, dignity, security, faithfulness, heritage, corporate stability, and trust
- **Brown/gold** – history, utility, earthiness, richness, tradition, and conservative
- **Gray/silver** – somberness, authority, practicality, corporate mentality, and trust
- **Green** – tranquility, health, freshness, stability, and appetite
- **Orange** – fun, cheerfulness, warmth, exuberance, health, and youth

Source: Adapted from “Jared McCarthy, “Logos: What Makes Them Work (Part 1 of 2),” ([www.marketingprofs.com/5/mccarthy4.asp](http://www.marketingprofs.com/5/mccarthy4.asp)), February 22, 2005.

# 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

Source: Adapted from “Jared McCarthy, “Logos: What Makes Them Work (Part 1 of 2),” ([www.marketingprofs.com/5/mccarthy4.asp](http://www.marketingprofs.com/5/mccarthy4.asp)), February 22, 2005.

# Branding

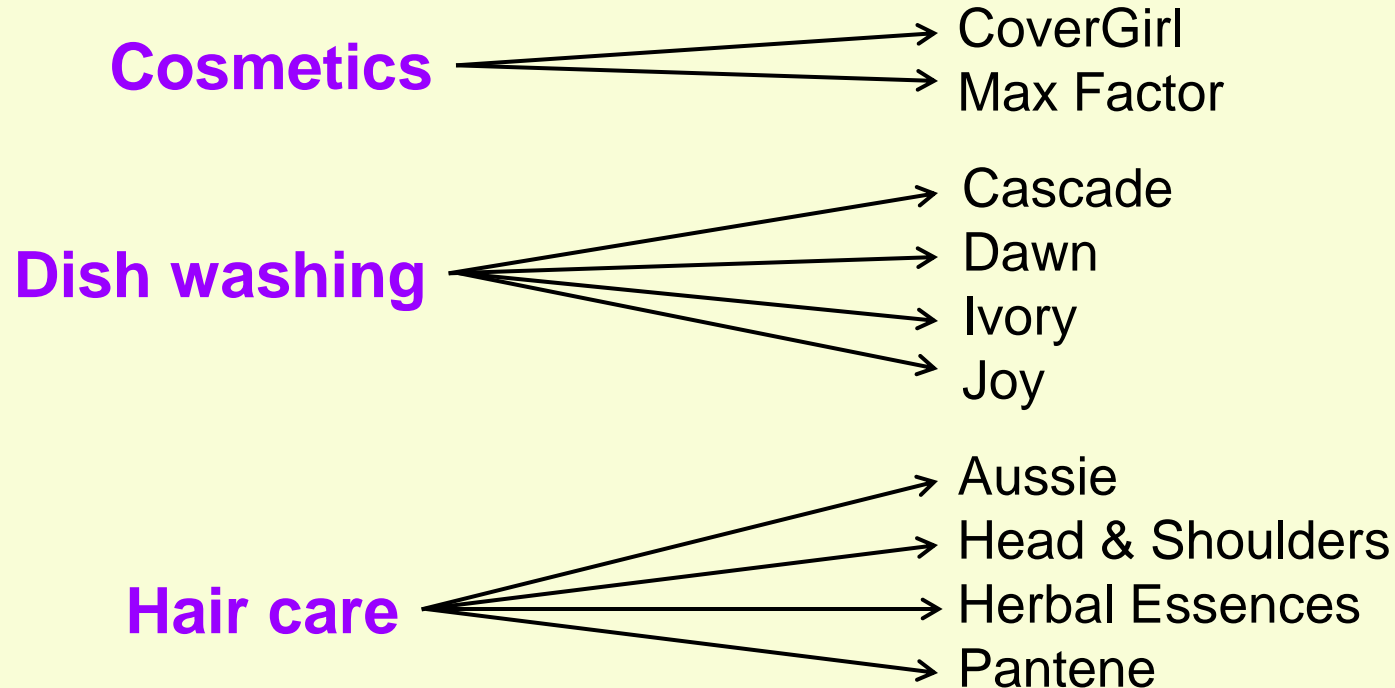
- Provides quality assurance
- Reduces search time
- Allows a company to charge more
- Transference to other brands sold
- Reduces brand parity

# 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

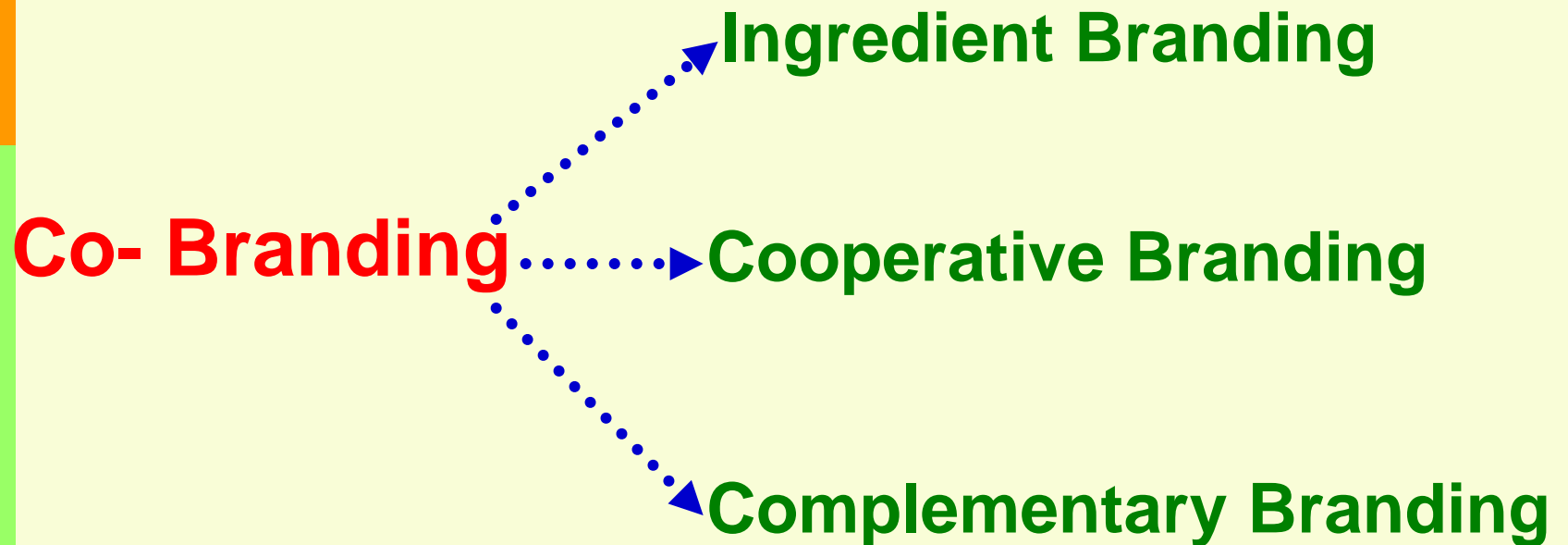
# FIGURE 2 . 10

## Brands Sold by Procter & Gamble



# FIGURE 2.11

## Forms of Co-Branding



# Developing Strong Brands

**Begins with understanding why consumers buy a brand.**

- Where does your brand stand now?
- What are your objectives?
- What are you doing in terms of building your brand and business?
- What are your brand's strengths? Weaknesses?
- Which opportunities should be pursued first?
- Where are the pitfalls?

## FIGURE 2.12

# Building Powerful Brands

- Invest in the brand
- Create awareness
- Offer authenticity, uniqueness
- Build trust
- Deliver an experience
- Offer value
- Utilize social media
- Utilize mobile
- Act responsibly

Skyjacker has built a powerful brand through providing customers with a good experience and delivering value.



# NEVER BE OUTGUNNED

Skyjacker's new M95 Monotube Shock is the ultimate shock absorber for light trucks, Jeeps and SUVs. This single tube design helps operating temperatures stay cooler under extreme conditions. The high pressure nitrogen gas and floating piston technology combine to create the fastest responding shock ever.

## SKYJACKER<sup>®</sup> SUSPENSIONS

For an Authorized Skyjacker<sup>®</sup> Dealer near you call  
1.866.4.A.DEALER  
or visit us on the web at [skyjacker.com](http://skyjacker.com)

QR code, Facebook, Twitter, YouTube icons

# Brand Loyalty

- Ultimate objective
- Only brand customers purchase
- Drivers of brand loyalty
  - Emotion
  - Value
- Consumer experience

# Brand Keys Customer Loyalty Engagement Index (CLEI)

## Soft drinks

- Coca-Cola
- Pepsi
- Mountain Dew

## Ice Cream

- Haagen Dazs
- Ben & Jerry's
- Blue Bell

## QS Restaurants

- McDonald's
- Subway
- Wendy's

## Breakfast cereals

- Cheerios
- Special K
- Honey Nut Cheerios

## Pasta Sauce

- Barilla
- Ragu
- Progresso

## Casual Dining

- Ruby Tuesday
- Outback
- Chili's

Source: Based on "Comeback Kids: Haggar, Keds Stage Brand Revival," *Advertising Age*, October 30, 2011, <http://adage.com/print/230721>.

## FIGURE 2.14

### **Benefits of Brand Equity**

- Higher prices
- Higher gross margins
- Channel power
- Additional retail shelf space
- Reduces customer switching behavior
- Prevents erosion of market share

## FIGURE 2.15

### Methods of Measuring Brand Equity

- Financial value
- Stock market value
- Revenue premium
- Consumer value

# Private Brands

- Popularity has fluctuated
- Connotation of low price, low quality
- Historically → price-sensitive consumers
- Retailers investing in private brands
- Equivalent to manufacturers' brands (72%)

# FIGURE 2.16

## Changes in Private Labels

- Improved quality
- Perceived as a value purchase
- Higher loyalty towards retail outlets and lower loyalty towards specific brands
- Used to differentiate retail outlets
- Increased advertising of private brands
- Increased quality of in-store displays and packaging of private brands

# Advantages to Retailers

## Private Labels

- Higher gross margins
- Can price lower
- Loyalty to stores and brands within a store
- Differentiate stores from national brands
- J.C. Penney – private labels
- Increased marketing of private labels

# FIGURE 2.17

## Tactics Used to Combat Private Labels

- Focus on core brands
- Increase advertising
- Introduce new products
- Focus on in-store selling, packaging
- Use alternative methods of marketing

Source: Adapted from Vanessa L. Facenda, "A Swift Kick to the Privates," *Brandweek*, Vol. 48, No. 31 (September 3, 2007), pp. 24-28.

# 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

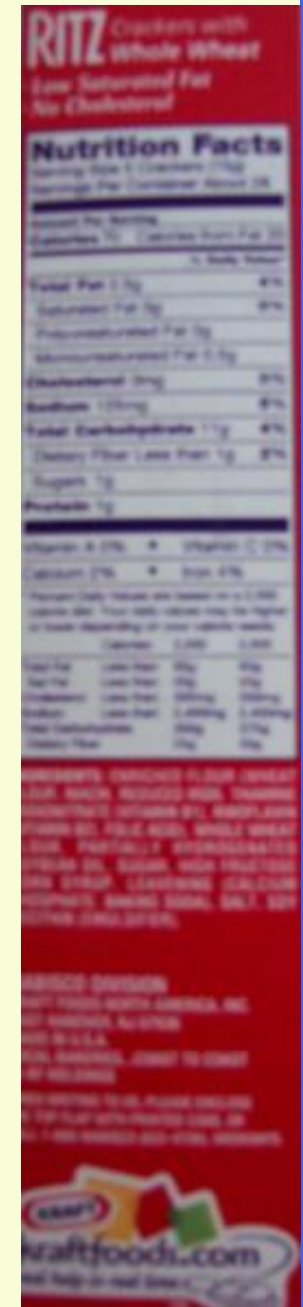
# FIGURE 2.18

## Primary Purposes of Packaging

- Protect product
- Provide for ease of shipping and handling
- Provide for easy placement on shelves
- Prevent or reduce theft
- Prevent tampering (drugs and food)
- Meet consumer needs for speed, convenience, and portability
- Communicate marketing message

# Labels

- Must meet legal requirements
- Provide marketing opportunity



# FIGURE 2.19

## Uses for QR Codes Packages and Labels

- Access product information
- Access videos on product use
- Access recipes and nutritional information
- Compare sizes, brands, and styles
- Access to product reviews and ratings
- Provide links to social media and entertainment sites

Source: Based on Heidi Tolliver-Walker, "The Top Five Most Effective Ways to Use QR Codes on Packaging," *Seybold Report: Analyzing Publishing Technologies*, Vol. 12, No. 1, January 9, 2012, pp. 2-6

# Ethical Issues

- Brand infringement
- Brand name becomes a generic term
- Domain or cyber squatting

# International Implications

- Adaptation vs. standardization
- Standardization reduces costs
- Shrinking world → standardization
- High-profile, high-involvement – global brand
- Low-involvement products – local brand
- Packaging and labeling
- Image and positioning issues

# Ouachita Independent Bank

## (Part 2)

Theme of campaign - Local people, local trust

- Bank is located in Ouachita Parish - Louisiana

## Discussion Questions

1. What image does the name suggest?
2. What tangible elements impact the bank's image?
3. What intangible elements impact the image?
4. Is the campaign them consistent with the name?

Does the name and logo meet the following criteria?  
(For its target market)

## Ouachita Independent Bank

### FIGURE 2.8

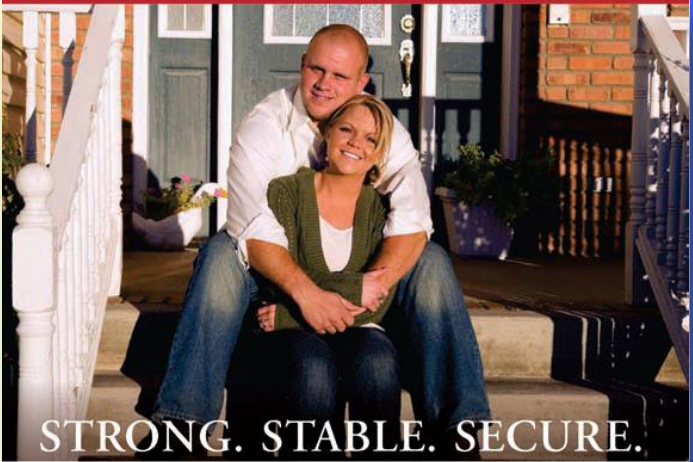
#### Tests of Quality Logos and Corporate Names

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# Integrated Campaigns in Action


## Home Federal Bank




STRONG. STABLE. SECURE.

Locally managed and headquartered in Shreveport for 85 years, Home Federal is not only strong enough for these difficult times, but we also successfully weathered the Great Depression, World War II and the Savings and Loan Crisis of the '80s. Prudent and responsible business practices have always kept us strong, stable and fully capitalized.

Now, as a full-service bank, we are proud to say we stand well-prepared to provide peace of mind for all your family's financial needs. It's really simple. Home Federal Bank has money to loan and you'll be sitting at the table with the same people who can make decisions and make them quickly! Together, we will weather this current recession just fine.

 HOME FEDERAL BANK  
*A Better Way*



FINANCIAL CENTER 624 MARKET ST. SHREVEPORT (318) 222-1146	FINANCIAL CENTER 6161 YOURRE DR. SHREVEPORT (318) 674-2616	COMMERCIAL DIVISION 6421 YOURRE DR., STE 100, SHREVEPORT (318) 841-1170	FINANCIAL CENTER 8990 MANSFIELD RD., SHREVEPORT (318) 674-2630
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Focus of campaign → Rebranding