

BRANDING INSIGHTS

from **Philip Kotler**

What is a Brand?

When you think about branding you probably think of advertising, taglines, logos, jingles, etc., but these, in fact, support a brand and are not the brand itself. A brand is a complex concept incorporating many elements.

A brand is:

- The image of a product and a promise to deliver quality.
- An effective and compelling way to communicate the benefits of your product or service.
- An essence, an ideal, an emotion.
- The totality of perceptions—everything you see, hear, know, read, feel and think about a product or service—based on past experiences, associations, and expectations for the future.
- A shortcut of attributes, benefits, beliefs, and values that differentiate, reduce complexity, and simplify decision-making.

“An orange is an orange . . . is an orange. Unless . . . that orange happens to be Sunkist, a name 80 percent of consumers know and trust.”

CEO
Sunkist Growers

“All our factories and facilities could burn down tomorrow but you’d hardly touch the value of the company; all that actually lies in the goodwill of our brand franchise and the collective knowledge in the company.”

Roberto Goizueta,
the late CEO of
Coca-Cola

Relevancy of Brand in the New Economy

If a product or service is not a brand, then it is a commodity, in which case price is everything and the low-cost producer is the only winner. In today’s world characterized by hyper competition, globalization, and customer empowerment, brand is more important than ever.

While the “Old Economy” was characterized by manufacturing industries with standardization, replication, and efficiency, the “New Economy” is built on information industries with differentiation, customization, and personalization.

Additional aspects of this new economy include:

- A focus on customer lifetime value
- A focus on stakeholders
- A focus on customer retention and growth
- Measuring customer satisfaction and retention rates
- Marketing done by everyone
- Brand building through employee behavior.

Exercise: What is your Brand Personality?

Your brand triggers a variety of associations such as words (FedEx=overnight), features (Volvo promises safety), and emotions (think Harley-Davidson). These are the benefits your product or service provides but you could also think of this as your “brand personality”. It is important to remind yourselves and understand the key attributes of your products and services in order to improve your brand delivery.

Individually, write down the words triggered by your brand name.

- A. Circle the favorable words; square the unfavorable words.
- B. Underline the words that are favorable but not widely known.
- C. Double underline the words that are unique to your organization.
- D. Share what you have written with each other

“A brand is a storehouse of trust that matters more and more as choices multiply. People want to simplify their lives.”

Summary

- Companies should clarify the corporation's basic values and build the corporate brand. Companies such as Starbucks, Sony, Cisco Systems, Marriott, 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 should use brand managers to carry out the tactical work. But the brand's ultimate success will depend on everyone in the company accepting and living the brand's value proposition. Prominent CEOs—such as Charles Schwab or Jeff Bezos— are playing a growing role in shaping brand strategies.
- 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.
- Companies need to define the 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 must use the brand value proposition as the key driver of the company's strategy, operations, services, and product development.
- Companies must measure their brand-building effectiveness not by the old measures of awareness, recognition, and recall, but by a more comprehensive set of measures including customer perceived value, customer satisfaction, customer share of wallet, customer retention, and customer advocacy.



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