

BRAND BUILDING – AN ESSENTIAL MARKETING ACTION

Lecturer Diana Soca Ph.D

Romanian-American University
1B, Expozitiei Avenue, Sector1, Bucharest
soca_diana@yahoo.com

Abstract:

A brand strategy is essentially an approach that guides every aspect of a business. It must do so that the brand corresponds to the four D: desired by the consumer, deliverable, distinct from the competition and durable over time. It is a model that tells you both how to run a business and how each customer interaction with the brand must look like.

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"A brand is a name, term, sign, symbol, a drawing or a combination of these elements with the aim of identifying the goods or services of a seller or group of sellers and differentiate those goods or services from the competition" – this is how the American Marketing Association defines the concept of brand.

In other words the brand includes those items that added to a product differentiate it from other products that meet the same need. These elements of differentiation can be functional, rational, tangible, in connection with product performance or they may be symbolic, emotional, intangible assets in connection with what the brand represents.

The key to success in developing a brand is convincing consumers that there are relevant differences between brand products or services in a category. The differences between brands are often about the attributes or benefits of the offered product. Gillette, Merck, Sony and other corporate brands have maintained their dominance for decades by constantly coming with innovations. Other brands have created their competitive advantages by means independent of product attributes. Coca-Cola, Calvin Klein, Gucci, Marlboro gained their dominant positions by understanding the motivations and desires of the consumers and then created relevant and attractive images around their products.

Brands are very valuable assets, recognized by law, which can influence consumer behavior, can be bought and sold and ensure a steady stream of future income to the owner.

Building a strong brand is a complex process whose fulfillment requires both financial strain and effort from the marketing department. Strong brands are those that guarantee product quality, those to which the customer turns to every time and those providing customer satisfaction.

A strong brand can bring high income to a company, based only on its image and the expectations of its purchasers. Since the mid 80s during the economic boom, huge amounts have been paid for brands during mergers and acquisitions of companies. These amounts may be justified by the profit growth achieved upon purchasing the brand as well as by the difficulty and expenses needed to create similar brands from scratch.

Amid these financial considerations, in the present there is a keen interest coming from senior managers of companies regarding brand strategy.

Kevin Lane Keller, professor of marketing at the Tuck School of Business, renowned specialist in strategic brand management, has identified ten key features of the strongest brands in the world:

1.The brand excels at delivering the benefits customers truly desire - the management of companies that own a strong brand focus on maximizing the experiences which the customers have with the provided products or services.

2.The brand stays relevant in time - the company's management is constantly informed regarding the situation of the market segment of interest, the new trends and the customer preferences.

3.Pricing strategy is based on customers' perception of value - firms show an ongoing concern in optimizing the price and the quality of a product or service to meet or exceed customer expectations.

4.The brand is properly positioned - companies establish their criterias of competitiveness. They set appropriate and feasible elements of differentiation from the competitors.

5.The brand is consistent - strong brand firms have marketing programs that ensure continuity of the image perceived by the customer.

6.The brand portfolio and hierarchy make sense – the corporate brand creates a unified umbrella for all the brands within its portfolio and there is a well established hierarchy between these brands.

7.The brand makes use of and coordinates a full repertoire of marketing activities to build equity - the management of companies with strong brands make use of all means of communication to ensure that the brand and its significance are consistently represented.

8.The brand's managers understand what the brand means to consumers – companies do research on customer opinion regarding the products or services they offer, periodically making profiles of the targeted customers.

9.The brand is given proper support, and that support is sustained over the long run – the company's management supports their brand by investing in research and long-term development of their marketing programs.

10.Companies monitor sources of brand equity

Although it has a shape generally materialized by a name, a slogan or symbol, a brand is primarily an intangible value, the sum of all the customers' feelings towards it. In other words the brand is a promise of quality and satisfaction addressed to the customers.

Building a brand means more than just marketing. It means to build a certain reputation with your clients, to manage their perceptions through your actions. This means that the brand can be perceived favorably or unfavorably depending on how you interact with the environment and how actively you manage it.

Strong brands in Romania and abroad in 2011

The fight for supremacy of the strongest brands in the world is becoming more and more fierce. Achieving a ranking is not an easy task. In order to qualify for the list of participants at least one-third of the company's income must be made outside the country

of origin, the company's products must be well known over the world and the achieved annual incomes must be comparable to the budgets of small countries.

Table 1: Ranking of the top 10 brands in 2011

Rank	Previous Rank	Brand	Sector	Brand Value (\$m)	Change in Brand Value
1	1	Coca-Cola	Beverages	71,861	2%
2	2	IBM	Business Servicess	69,905	8%
3	3	Microsoft	Computer Software	59,087	-3%
4	4	Google	Internet Services	55,317	27%
5	5	General Electric	Diversified	42,808	0%
6	6	McDonalds	Restaurants	35,593	6%
7	7	Intel	Electronics	35,217	10%
8	17	Apple	Electronics	33,492	58%
9	9	Disney	Media	29,018	1%
10	10	HP	Electronics	28,479	6%

Source: www.interbrand.com

Interbrand has been publishing a top of the 100 most powerful brands in the world every year since 2001, top that is led by Coca-Cola, which is for the 11th consecutive year the most valuable brand worldwide. The well known brand of soft drinks has reached a value of 71,861 billion \$, up by 2% since last year. In 2001 at the first edition of the Interbrand ranking Coca-Cola's estimated value was 68,945 billion \$.

On second place we have IBM with an 8% value increase since last year up to 69,905 billion \$.

Microsoft, the brand created by Bill Gates, has lost 3% of its value in 2010 down to 59,087 billion \$, ranking 3rd.

"This year's Top 100 Best Global Brands has shown that despite a chaotic economic climate, companies have been flexible, have evolved and have innovated in order to meet the customer's needs. Strategies were refined and social networks have become more important, so the strongest brands of today have made more relevant promises to their customers" it is said in a statement of Interbrand.

The 4th position is occupied by Google whose value increased by 27% up to 55,317 billion \$, while General Electric is still rank five with a value of 42,808 billion \$.

McDonalds ranks 6th by taking advantage of the opportunity created by the financial crisis to attract new clients with their premium coffee and healthy menus and managed an increase in value of 6% up to 35,593 billion \$.

The 7th position is occupied by Intel with a value of 35,217 billion \$ and an increase in value of 10%. Intel maintained its growth strategy, spending millions of dollars for the construction of new production facilities, in a year when many companies gave up investing and expanding.

By far the biggest surprise of this year's rankings comes from Apple, which reported an incredible 58% increase in value, going from rank 17 last year to rank 8 in 2011 with a value of 33,492 billion \$. This is the first year when Apple is among the top 10 brands.

The 9th position is occupied by Disney with a brand value of 29,018 billion \$, up by 1% from the previous year while Hewlett-Packard ranks 10 with a value of 28,479 billion \$, 6% more than in 2010.

Judging by the companies' areas of activity we notice that technological brands are very well represented in the top and have also recorded the most significant increases in terms of value. Thus among the top 10 most valuable brands in 2011 we have 7 companies in this field (IBM, Microsoft, Google, General Electric, Intel, Apple and Hewlett-Packard). Also four of the biggest value increases since last year have been recorded in the technological sector (Apple, Amazon.com, Google and Samsung). Moreover, one of the few new brands in the top - HTC - comes from this sector.

The ranking conducted by Interbrand takes into account the financial situation of the companies, the role of the brand among consumers (how much the purchase decision depends on that name) and the brand's strength (the brand's ability to provide security regarding the future earnings of the producing company).

On the 8th of september 2011 at the BrandRO conference Unlock Market Research has presented a study of the most powerful 50 Romanian brands.

Table 2: Top 50 Romanian brands in 2011

Rank	Brand	Rank	Brand	Rank	Brand
1	Borsec	18	Izvorul Minunilor	35	Eugenia
2	Poiana	19	Petrom	36	CEC
3	Kandia	20	Primola	37	Doina
4	Gerovital	21	BRD	38	Magura
5	Dorna	22	Perla Harghitei	39	Laura
6	BCR	23	Ursus	40	Arctic
7	La Dorna	24	Zuzu	41	Ciuc
8	Dacia	25	Rom	42	Albalact
9	Plafar	26	Elmiplant	43	Rostar
10	Timisoreana	27	Dero	44	Ciucas
11	Murfatlar	28	Fares	45	Bucegi
12	Napolact	29	Pate Bucegi	46	Azuga
13	Pate Sibiu	30	Bergembier	47	Domo
14	Cotnari	31	Banca Transilvania	48	Altex
15	Cristim	32	Covalact	49	Noroc
16	Farmec	33	Frutti Fresh	50	Jidvei
17	Romtelecom	34	Biborteni		

Source: ziuadecj.realitatea.net

"The purpose of this study is to identify and rank the most powerful 50 Romanian brands. Their success stories can be a source of inspiration for creating authentic Romanian models that will give us confidence and make us proud " explain the authors of the study.

The research is based on a qualitative study conducted through 20 detailed interviews of people aged between 18 and 46 years and a quantitative study consisting of 1314 telephone interviews.

Top 10 strongest Romanian brands are as follows:

1.Borsec - is perceived as the most powerful Romanian brand, a brand that has retained its quality over time and earned it's rank through earnestness. Thus the "queen of Romanian mineral water" is also the "queen of Romanian brands".

2.Poiana - this brand is considered traditional, reliable and friendly by the consumers

3.Kandia - has a history of over 120 years. It owns the Rom chocolate brand in its portfolio, one of the longest running local brands, which has kept its recipe since 1964.

4.Gerovital - is the best-selling cosmetic brand in Farmec's portfolio.

5.Dorna - continues to incite through innovative approaches; it is the live proof that boldness is a necessary ingredient of a Romanian brand.

6.BCR - a Romanian bank by definition.

7.La Dorna - is recognized both locally and internationally and is the current market leader in the UHT milk segment in Romania

8.Dacia - is the reference brand for Romania, a familiar brand, popular and equally adaptable.

9.Plafar - a natural brand, born and raised from the passion for nature.

10.Timisoreana - a brand that has resurrected the Romanian tradition of beer and a name that the Romanians are proud of.

An examination by product category reveals that in top 5 alcoholic beverages Timisoreana was first followed in order by Murfatlar, Cotnari, Ursus and Bergembier. In the food sector the top 5 brands were as follows: Dorna, Napolact, Pate Sibiu, Cris-Tim and Zuzu. Gerovital is rank one when it comes to brands for personal care followed by Plafar, Farmec and Elmiplant. In the services and durable products category BCR was declared the most powerful local brand followed by Dacia, Romtelecom, Petrom and BRD. Borsec is the most powerful brand in the non alcoholic beverages category followed by Dorna, Wonder Spring, Perla Harghitei and Frutti Fresh. When it comes to sweets Poiana is the most powerful brand followed by Kandia, Primola and Eugenia. In the top ten most powerful media brands Pro TV is number one followed by Antena 1, Radio Zu, TVR 1, Prima TV, Kiss FM, Radio 21, Freedom, Truth and Europa FM.

The most dramatic increases in ranking since last year have been recorded by Kandia, Gerovital, Primola, Elmipalnt, Perla Harghita, Petrom, Drona, Zuzu and Covalact.

Conclusions

Managers work with concepts and techniques to improve long-term profitability of brand strategies. More and more companies realize that one of the most valuable assets available is the brand name associated with the goods or services they offer.

The ability of a strong brand to simplify consumer decision, reduce risk and to establish expectations is essential the same way it is essential for management to create strong brands that hold to their promise and to enhance the strength of these brands over time. For some this may be an art, for others it is science, perseverance, faith, knowledge, creativity, innovation and genius.

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