

CHAPTER 12

Branding

Sections

12.1 Product Branding

12.2 Brand Identity and Protection



College
and Career
Readiness

Reading Prep

Before reading this chapter, read the Review Your Knowledge questions at the end of the chapter. This exercise will prepare you for the content that will be presented in this chapter. Review questions serve as a self-assessment to help you evaluate your comprehension of the material.

Check Your Marketing IQ

Before you begin the chapter, see what you already know about marketing by taking the chapter pretest. The pretest is available at www.g-wlearning.com/marketing/.

DECA Emerging Leaders

Buying and Merchandising Team Decision-Making Event, Part 2

Career Cluster: Marketing

Instructional Area: Product/Service Management Promotion

Procedure, Part 2

1. In the previous chapter, you studied the performance indicators for this event.
2. The event will be presented to you through your reading of the Knowledge and Skills Developed, Specific Performance Indicators, and Case Study Situation. You will have up to 30 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
3. You will have up to ten minutes to make your presentation to the judge followed by up to five minutes to answer the judge's questions. You may have more than one judge. Both members of the team must participate in the presentation, as well as answer the questions.
4. Turn in all of your notes and event materials when you have completed the event.

Case Study Situation

You are to assume the role of marketing specialists for Shopmart, a national discount retail chain. The **CEO of Shopmart (judge)** has asked you to develop a strategy to raise customer awareness of the store's private-label brand to ultimately increase sales and increase profit margins.

Shopmart is one of several large national discount retail chains across the country. The store sells a wide variety of merchandise, such as household

items, clothing, health and beauty products, electronics, small furniture, and seasonal items. While merchandise sales have been steady, the past two quarters have not shown any significant increases.

The CEO of Shopmart (judge) is now focusing on the store's private label brand, Match. The Shopmart health and beauty department offers all major brand-name products consumers expect to find, plus the additional private label brand, Match. Priced from five to 20 percent less than the national brands, Match products are just as effective as national brands. Sales of Match-brand health and beauty products should be higher than what they are, given the economic conditions in the country. The CEO (judge) has asked you to develop a strategy to raise awareness of the Match brand to Shopmart customers, which will increase sales.

The CEO (judge) warns that price alone does not create customer loyalty to a brand. Please consider the following product qualities. Your strategy should:

- meet customer needs;
- exude quality; and
- deliver a positive experience.

You will explain your strategy to the CEO (judge) in a meeting to take place in the CEO's (judge's) office. The CEO (judge) will begin the meeting by greeting you and asking to hear your ideas. After you have explained your strategy and answered the CEO's (judge's) questions, the CEO (judge) will conclude the meeting by thanking you for your work.

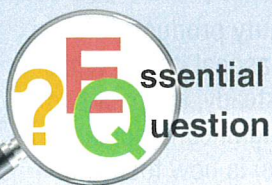
Critical Thinking

1. How does your strategy create differentiation from the competition?
2. If successful, what other departments could use the Match brand?

Visit www.deca.org for more information.

Published by DECA Inc. Copyright © by DECA Inc. No part of this publication may be reproduced for resale without written permission from the publisher. Printed in the United States of America.

Section 12.1



How do marketers distinguish their brands from the competition?

Product Branding

Learning Objectives

LO 12.1-1 Describe elements of a brand.

LO 12.1-2 Define three types of product brands.

Key Terms

brand name
logo
trade character
tagline
jingle
metaphor

brand promise
perception
national brand
private-label brand
generic brand

LO
12.1-1

Elements of a Brand

An important part of product planning is branding. Recall that a *brand* is a name, term, or design that sets a product or business apart from its competition. All goods, services, and businesses have a brand. Some brands are stronger and more effective than others. The brand is a result of everything a customer sees, hears, and experiences about a company or product. A positive brand experience can ensure the success of a product. A product or business with a negative brand image has a difficult time overcoming it to remain profitable. Just as first impressions are made by people, the way a product is packaged, priced, and presented also makes a first impression. Brands are created through both tangible and intangible elements.

Tangible Brand Elements

The *tangible elements* of a brand are its name, graphic design elements, packaging, and tagline or slogan. These are the elements that can be seen and heard. Tangible brand elements are often the

first experience a consumer has with a product. Each tangible element should be carefully considered to make sure it reflects the desired image.

Name

A **brand name** is the name given to a product consisting of words, numbers, or letters that can be read and spoken. Sometimes, choosing the right name for a product can guide the product strategy and other marketing mix decisions. For example, a vacation resort was developed on Hog Island in the Bahamas. However, the resort did not take off until the island name was changed to Paradise Island.

Graphic Design Elements

Some of the most powerful aspects of a brand are the graphic design elements. These elements appear in packaging, on labels, and form the logo. A **logo** is the picture, design, or graphic image that represents a brand. A logo may also be called a *brand mark*. A logo can be a graphic symbol, like the Nike swoosh or the red target symbol for Target. It may also be the name of the company or product without a symbol, such as Ray Ban and Lego.

Symbols tend to work best when they evoke some aspect of the product. Part of the reason the

COLOR EMOTION GUIDE



The Logo Company

The colors chosen for the graphic design elements project the desired image of the product. *In what ways does color shape your perception of a brand?*

Nike logo is so effective is that it evokes a sense of movement and power. A symbol may simply be the name with a special graphic treatment or unique typeface, such as the IBM, Citibank, and Dell logos.

The colors used in the graphic design elements for a product also contribute to the visual identity of a brand. Colors are carefully chosen to attract attention and to project the desired image. Many research studies have been conducted evaluating the impact of color on human behavior, including product perceptions and buying behavior. For example, the color red is often perceived as exciting, and blue commonly suggests dependability. Marketers purposely use color in the graphic design elements of a brand to appeal to customers and support the brand image.

Trade characters are another type of graphic design element that may be used for branding purposes. A **trade character** is an animal, a real or fictional person, or an object used to advertise a good or service. Effective trade characters symbolize the good, service, or company. These characters typically become so closely associated with the good or service that they can actually become the brand. The Jolly Green Giant and Mister Clean are successful trade characters.

Packaging

The brand takes a physical form through packaging. The graphic elements of a brand are often prominently displayed on product packaging.

Packaging should reinforce the brand image with consistent use of brand colors, logos, slogans, and other elements. In a retail environment, the graphic design elements used on packaging position a product among its competition and should promote its competitive advantages.

Packaging choices that might affect buying behavior, such as design, color, and materials, are part of the marketing function. For example, using recyclable plastic containers for beverages and child-safety caps for medicines is important to many consumers.

Packaging also includes labeling. The function of label information is to describe the product and verify facts about it, such as contents, nutritional information, weight, and grade. Some packaging and labeling contain safety precautions and directions to prevent injury to the user. Special governmental agencies may be involved in packaging standards for certain products. For example, the United States Department of Agriculture (USDA) requires that safe-handling instructions appear on all packages of raw and partially cooked meat and poultry to prevent the spread of food-borne illnesses. The USDA also requires that the package states a product's *grade*, which is a rating of the quality of agricultural food products.



Thinglass/Shutterstock.com

The Jolly Green Giant is a trade character used to advertise Green Giant vegetables. *What other examples of trade characters can you name?*

Tagline

A **tagline**, or *slogan*, is a phrase or sentence that summarizes an essential part of the product or business. A catchy phrase or memorable tagline can strengthen a brand. For example, Wheaties cereal has been “The Breakfast of Champions” since the 1930s. This tagline has appeared in every promotion and on every box of cereal along with the image of a champion athlete. It has become a strong brand identifier for the General Mills product.

A tagline or slogan set to music is called a **jingle**. Jingles are used for radio, television, and Internet advertising purposes. An example of a jingle is that of Nationwide Insurance Company, which says, “Nationwide is on your side.” Companies also purchase the rights to popular songs to represent their brands. The music of the jingle or song becomes a very identifiable part of the overall brand.

Metaphors are often used in advertising as a way to enhance the perceived value of a product. *Value* is the relative worth of something to a person. A **metaphor** is a word or phrase for one thing used in reference to a very different thing in order to suggest a similarity. An example of a metaphor is describing someone as “drowning in paperwork.” An advertising metaphor may also combine a phrase with an image to strengthen the message. For example, Geico Insurance advertises its services as “so easy, a caveman can do it.” BMW promotes its vehicles as “the ultimate driving machine.”

Intangible Brand Elements

Intangible elements of a brand include the implied promise of the brand, consistency of the brand, and customer perceptions of the brand image. Intangible elements are hard to measure because they cannot be seen or heard. Examples include customer expectations, their feelings about the brand, and their direct interactions with it. Recall that *image* is the idea that people have about someone or something. Brands can convey a variety of images, such as prestige, value, or trendiness.



Brands can convey a variety of images, such as prestige, value, or trendiness. *What brands can you identify that convey trendiness?*



Case in Point

M&M's® and State Farm

Catch phrase, tagline, slogans—all these are words used for a product line that consumers remember and connect to a particular product. An effective and memorable slogan can sell a product for years to come. However, creating a slogan that fits and sells a product is no easy feat. Some slogans have been around for years and are proof that people will remember a product with a catchy phrase.

In 1941, Mars, Inc. introduced M&M's® candy for US troops fighting World War II. The popularity of the product led to a public release of M&M's a few years later with several promotional campaigns that targeted the general public. The slogan, “Melts in your mouth, not in your hand” was created for M&M's in 1954 and has been used ever since.

In 1971, famous American songwriter Barry Manilow wrote State Farm's musical jingle, “Like a good neighbor, State Farm is there.” Baby boomers related well to it, and State Farm still uses the same jingle today. Slogans create emotional buying experiences for customers that they remember. If customers can recognize a slogan or hum a jingle, branding has done its job.

Brand Promise

In its simplest form, a brand is a promise made to consumers. It may or may not be included in the graphics or tagline. A **brand promise** is a statement made by an organization to its customers that tells customers what they can expect from its products. Consumers develop expectations for a brand based on how it is promoted and priced. When customers use their hard-earned money to purchase something, they assume their expectations will be met.

Brand Consistency

Brand consistency means that the good or service is the same whenever and wherever you buy it. For example, when you go to a Best Buy store, you expect the same products, prices, décor, signage, and service at every location across the country. If a brand fails to meet consumer expectations at any time, the product or business may eventually run into problems. Customers tend to remember failed expectations and often discuss them with others.

Perceptions of Brand Image

Perception is the mental image a person has about something. Perception of a brand image includes feelings about a product or company. For example, consider your perceptions about these entirely different brands: BP, Microsoft, Levi Strauss, and Coach. Just saying their names can evoke certain feelings based on your perception of the company's image. Consumers form perceptions of brand images in three ways:

- personal experience;
- hearing the experiences of others; and
- how a company promotes the brand.

Because perception is so critical to brand success, marketers use every tool and technique they can to enhance the image of their brand.

LO
12.1-2

Product Brand Types

The brand of a product is what sets it apart from its competitors. There are three types of product brands: national, private label, and generic. Each brand type has unique qualities and market appeal.

National Brand

A **national brand** is one created by a manufacturer for its own products. It may also be called



Employability Skills

Humility

Humility means to be modest and not to think one is better than other people. Possessing humility does not mean to be meek or have diminished self-esteem or self-image. Instead, it means treating people respectfully, being confident in your abilities, and behaving as a professional. When soft skills are mastered, some aspects of humility naturally happen. For example, simply saying “thank you” to someone demonstrates humility.

a *manufacturer's brand*. For example, Ritz, Cover Girl, and Ugg are all well-known national brands. National brands are probably the most familiar to consumers because they are carried by many large and small retail stores. Some manufacturers also have their own retail stores that exclusively sell their own brands.

Private-Label Brand

Private-label brands are products owned by and created specifically for large retailers. Private-label products are only sold by one retailer. For example, Abercrombie & Fitch stores only carry Abercrombie-label products. Other brands cannot be purchased at Abercrombie & Fitch; nor can you buy Abercrombie clothing at any other retailer.



Sheila Fitzgerald/Shutterstock.com

Walmart's Great Value brand is an example of a private-label brand. *How do you decide between purchasing a national brand or a generic brand?*

Generic Brand

A consumer product that lacks a widely recognized name or logo is a **generic brand**. Generic brands are not advertised, and it is not immediately obvious who manufactures them. With no promotional costs to recoup, generic brands can cost up to 50 percent less than similar brand-name products.

Many products are made and sold for less in a generic-brand format. For example, most prescription and over-the-counter medicines are also available in generic forms. Grocery stores in particular create and sell many generic brands of packaged foods and other products. Generic brands appeal to value-conscious consumers.



You Do the Math

Problem Solving and Reasoning

When solving word problems, the elements of the math problem must be identified before it can be solved. However, there must be enough information provided to solve the stated problem. If certain information is not provided, it may not be possible to determine the math problem.

Solve the following problems.

1. A business sells smartphones across the nation. Each phone comes in packaging that measures 6 inches by 4 inches by 1 inch. The products are shipped to resellers in cartons that measure 18 inches by 12 inches by 12 inches. The cartons can hold a maximum of 15 pounds. The company wants to know how much each full carton weighs.
2. Darren orders office supplies every Monday. This week he must order 23 reams of paper, 2,000 envelopes, and 12 boxes of tape. He wants to know how much this will cost. Is there enough information to solve this problem? If not, what information is missing?
3. Lana is a marketing manager who travels for work. On Monday, she drove 48 miles. On Tuesday, she drove 37 miles. On Thursday, she drove 76 miles. She is reimbursed for gasoline at a rate of 53 cents per mile. Lana wants to determine how many miles per gallon she averaged while traveling. Is there enough information to solve this problem? If not, what information is missing?

Section 12.1 Review

Check Your Understanding

1. What is the difference between the tangible and intangible elements of a brand?
2. Identify functions of labeling.
3. How are perceptions of brand image formed?
4. List three types of product brands.
5. Which product brand type is likely the most familiar to consumers?

Build Your Vocabulary

As you progress through this text, develop a personal glossary of key terms. This will help you build your vocabulary and prepare you for a career. Write a definition for each of the following terms and add them to your personal glossary.

brand name
brand promise
generic brand
jingle
logo
metaphor

national brand
perception
private-label brand
tagline
trade character

Section 12.2



Essential
Question
How can brand
identity influence
consumer buying
decisions?

Brand Identity and Protection

Learning Objectives

- LO 12.2-1 Explain brand identity.
- LO 12.2-2 Define branding strategies.
- LO 12.2-3 Identify ways in which a company can protect its brand.

Key Terms

brand identity
brand equity
brand loyalty
branding strategy
brand extension

co-branding
brand licensing
intellectual property
trademark
service mark

LO
12.2-1

Brand Identity

Brand identity is the way in which a business wants to be perceived by customers. While many factors impact a customer's opinion of the brand, the brand identity is what the company wants the customer to think and the image it tries to project through its marketing efforts. Examples of the most well-known and valuable brands, listed in Figure 12-1, have strong brand identities.

The true power of a brand lies in its ability to influence purchasing behavior. **Brand equity** is the value of having a well-known brand name. The brand equity of companies like Disney and Ford is priceless. Branding helps promote products to increase sales. Marketers hope their branding efforts will achieve the following goals:

- create a unique brand identity;
- contribute to the positive image of the brand; and
- inspire brand loyalty and repeat sales.

Most Valuable Brands

Rank	Brand	Brand Value (\$ billions)	Industry
1	Apple	154.1	Technology
2	Google	82.5	Technology
3	Microsoft	75.2	Technology
4	Coca-Cola	58.5	Beverages
5	Facebook	52.6	Technology
6	Toyota	42.1	Automotive
7	IBM	41.4	Technology
8	Disney	39.5	Leisure
9	McDonald's	39.1	Restaurants
10	GE	36.7	Diversified

Source: Forbes Media LLC; Goodheart-Willcox Publisher

Figure 12-1 A strong brand identity can be an invaluable asset for the success of a business.

Unique Brand

Many companies use product features to sell a product. However, product features can easily be copied by the competition and are rarely unique. Recall that a *benefit* is the ability of a product to satisfy a need. In order to make a brand stand out from the competition, it is important to learn which product benefits are valued by customers in different target markets. Marketing research plays a large part in creating unique brand identity.

The key to a unique brand is creating products and promotions that appeal to the needs and wants of the target market. For example, most computers have fast processing capabilities. That feature is common. However, some customers want fast processing for online video gaming. Other customers need a computer for word processing, creating spreadsheets, and online research. Depending on the target market, the computer promotions will focus on different benefits.

Positive Brand Image

Developing a unique brand does not always translate into a positive brand image. Recall that a positive brand image is tied directly to customer perception. Businesses want their brands perceived in a positive light in order to keep sales growing.

One way to accomplish this goal is to align the brand with a positive message. *Corporate social responsibility* is the actions of a business to further social good. It goes beyond the profit interests and legal requirements of a business. Examples include donating to nonprofits, recycling, or supporting a cause like cancer research. The brand of a company reflects its image in the community. For

this reason, many companies visibly participate in community and charitable events. For example, Sony Pictures partners with nonprofits and other organizations that promote environmental causes. Among others, Sony donates to and encourages employees to participate in Habitat for Humanity, Special Olympics, and the “Arts for All” initiative.

Some large corporations buy the *naming rights* for sports stadiums, convention centers, and other public places to show their support for a community. In these cases, a corporation makes a financial investment in exchange for the privilege of having its name on a structure accessible to the public for a defined period of time. Displaying the corporation’s name in this way promotes its brand as one that supports the economic well-being of the region. It is hoped that people attending events at the venue will perceive the company positively. This positive image may lead some people to think of the corporation and their products when the need arises.

Brand Loyalty

Research has shown that it costs four times as much to attract a new customer as it does to keep an existing one. **Brand loyalty** is customer dedication to a certain brand of product. If that brand is not available, the customer will search elsewhere for it or choose not to buy the product at all. Brand-loyal customers are the best customers because they make repeat purchases.

Brand loyalty occurs when a good, service, or business consistently meets customer needs and expectations. This creates a strong relationship between the customer and the brand. A unique brand with a positive image may impact brand loyalty. However, customer experience with the



Green Marketing

Sustainable Packaging

A company’s brand takes physical form through product packaging. Marketers understand that packaging choices might affect consumer buying behavior. Using sustainable packaging appeals to environmentally conscious consumers and can contribute to a positive brand image. Sustainable packaging:

- is designed to reduce the amount of material used;
- uses recycled and/or recyclable materials;
- uses biodegradable and compostable materials; and
- is safe and healthy for people and the environment throughout its life cycle.

Using sustainable product packaging demonstrates a company’s commitment to going green and efforts to be socially responsible.

brand is the main factor in brand loyalty. For example, some people will only buy a General Motors (GM) car because they have had a positive experience with GM vehicles. Others may never consider buying a GM car due to their own negative experiences or perceptions of GM.

If customers have any type of negative experience, the chance for a repeat purchase drops drastically. Customers who receive poor service at a certain restaurant are much less likely to return, for example. People who have had bad experiences with a product or company often discuss their dissatisfaction with other people. Negative perceptions about a brand can spread quickly through word-of-mouth, and they become hard to change. Excellent customer service is vital for brand loyalty. Any negative experiences must be turned around to keep customers satisfied.

LO
12.2-2

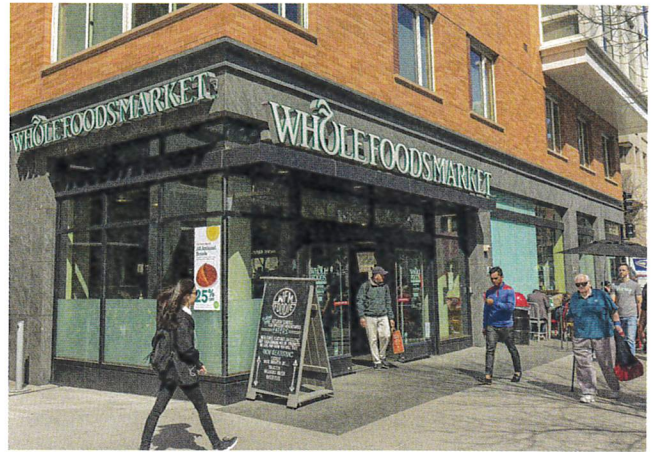
Branding Strategies

A **branding strategy** is a plan to develop a brand in a way that supports the goals of the business. A business that has developed a recognizable brand can maximize opportunity for growth by positioning its brand to create a new customer experience. Some strategies used are brand extension, co-branding, and brand licensing.

Brand Extension

Brand extension is the practice of using an established brand name on different products in a product mix. For example, Ralph Lauren was known for its Polo brand of clothing. They extended the Ralph Lauren brand to market a line of linens, including bath towels and bed sheets. The Ralph Lauren brand was already well established and successful in the clothing market. Therefore, the business expected their customers would assume the linens with the same brand would be of the same high quality as the clothing they were accustomed to buying. The strategy worked, and the Ralph Lauren brand is now on other items, such as furniture and home décor, in addition to linens.

Extending a brand creates new marketing opportunities, which can lead to higher sales and profit for the company. Customers who were not interested in the brand before might be interested



Rob Crandall/Shutterstock.com

Whole Foods Market is an example of a company with many loyal customers. *Why might a consumer become loyal to a brand?*

in the new products. However, brand extension does come with risks. This practice may cause the brand to appear stretched too thin. Using the brand on too many products or products that are unrelated to the original can cause the brand to lose customer appeal. In addition, if a brand is extended to a new product and that product fails, the entire brand could suffer.

Co-branding

Co-branding combines the products of one or more manufacturers in the creation of a product. This strategy works well when the two companies who are introducing the co-branded product have a high level of brand recognition.

For example, the home-furnishing store Pottery Barn noticed its customers asking questions about the wall paint colors used in its advertisements. The company decided to partner with a well-known paint company, Sherwin-Williams, to market an exclusive line of paint colors that match Pottery Barn products. The paint colors carry the brand recognition of both companies. Pottery Barn customers can browse the exclusive Sherwin-Williams shades on the Pottery Barn website. At the same time, Sherwin-Williams customers can see the exclusive shades wherever Sherwin-Williams paints are sold. Pottery Barn and Sherwin-Williams have also extended this co-branding strategy to include Pottery Barn Kids, PB Teen, and West Elm, other Pottery Barn brands aimed at different target markets.

Brand Licensing

Brand licensing is the practice of leasing a brand name for use by another business under the specifications of an agreement. For example, when Apple first created the iPod, it needed accessories. Rather than create speakers and other peripherals on its own, Apple (the licensor) extended a licensing agreement to Bose (the licensee). Bose created a Bose Sound System with an iPod docking station. In return, Bose paid royalty to Apple for the use of their brand.

As with other branding strategies, extending a branding license to another company does have risks. Failure to understand the agreement or its terms can be an issue for both parties. In addition, more than one brand can give a customer a reason not to buy. In the previous example, if a customer wanted to purchase an iPod but did not want to purchase a Bose product, the customer might choose to not buy a Bose brand docking station *or* an Apple iPod.

L0
12.2-3

Brand Protection

A brand is only valuable if competitors cannot copy it. In business, a brand is considered the intellectual property of its owner and should be protected from theft. **Intellectual property** is something that comes from a person's mind, such as an idea, invention, or process. Certain intellectual-property laws protect the unique phrases, symbols, and designs associated with brands. Many companies also choose to protect their brands by registering them with the United States Patent and Trademark Office (USPTO).

Trademarks and Service Marks

A **trademark** protects taglines, names, graphics, symbols, or any unique method used to identify a product or company. A **service mark** is similar to a trademark, but it identifies a service rather than a product. Trademarks and service marks do not protect the product itself from theft. They only protect the ways in which the product is identified. The symbols TM for trademark and SM for service mark can be used without USPTO registration.

Trademark Registration

Ownership of all intellectual property, including brands, is implied. However, registering the trademark or service mark with the USPTO is recommended for increased protection. Once a trademark or service mark has been registered, the symbol ® can be used with the mark, as shown in Figure 12-2. These symbols notify the public that the creator claims exclusive rights to the brand and its use.

Generic terms cannot be registered trademarks. For example, the words *disposable facial tissue* cannot be trademarked, but the brand name *Kleenex* can be. A generic phrase can be part of a trademarked name, but it cannot be the sole name. *Corn flakes* is a generic term to describe a type of breakfast cereal. The phrase *corn flakes* cannot be trademarked, but a phrase such as *Kellogg's Corn Flakes* that uses the company's name can be trademarked.

Many people use current brand names in place of generic product categories. One brand may become so powerful it replaces the generic



Social Media

Social-Media Analytics

Metrics are ways to measure the effectiveness of marketing activities. *Social-media analytics* is gathering information from social-media activities. It is important for a marketer to measure the returns from using social media as a tool. There are programs available that measure how many responses are received from an activity, how many dollars are being generated, and other important information that helps determine if the investment of time and money has been productive. Google Analytics is an example of a tool that helps measure the outcomes of social media. For example, when using this program, a marketer can view reports on who the audience is, find out how customers who interact with you on social media behave, and determine if your social-media marketing is meeting your goals.

Correct Usage of Trademark Symbols	
TM	Trademark, not registered
SM	Service mark, not registered
®	Registered trademark

Goodheart-Willcox Publisher

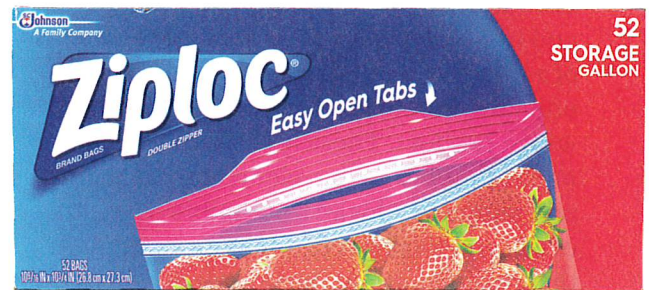
Figure 12-2 Graphic marks are symbols that indicate legal protection of intellectual property.

category name. The Ziploc brand name has replaced the category name *resealable storage bags*. Another example of a powerful brand is Google. Most people now refer to using an Internet search engine as *googling*. This is evidence that the company has created a very powerful brand. Other examples include Band-Aid, Styrofoam, and Xerox. The generic usage of the name attests to the popularity of the brand. This brand is sometimes said to have become *genericized*.

However, there are drawbacks to the brand name becoming a generic name for a general class of product. When this happens, the brand no longer has legal trademark protection and can

be used by anyone. Many now-familiar generic names began as trademarked brand names, such as aspirin, granola, and zipper.

Most companies want to protect their brands and the investments made in them. Losing trademark protection is not desirable. To help distinguish the brand from the generic category and maintain legal protection, marketers often use the word *brand* along with the name. For example, Band-Aid is often advertised as “Band-Aid brand bandages.”



Keith Homan/Shutterstock.com

The usage of a brand name as a general product category attests to the popularity of the brand, such as Ziploc plastic bags. *Why do you think a company might not want their brand to become genericized?*

Section 12.2 Review

Check Your Understanding

1. What is the key to a unique brand?
2. How can a company develop a positive brand image?
3. What are the benefits and risks of brand extension?
4. What is the difference between a trademark and a service mark?
5. What is a benefit of registering a trademark?

Build Your Vocabulary

As you progress through this text, develop a personal glossary of key terms. This will help you build your vocabulary and prepare you for a career. Write a definition for each of the following terms and add them to your personal glossary.

brand equity
brand extension
brand identity
branding strategy
brand licensing

brand loyalty
co-branding
intellectual property
service mark
trademark

Chapter Summary

Section 12.1 Product Branding

LO 12.1-1 Describe elements of a brand.

Brands are created through both tangible and intangible elements. Tangible elements of a brand can be seen and heard and are often the first experience a consumer has with a product. These include the product name, graphic design elements, packaging, and tagline or slogan. Intangible elements of a brand include customer expectations, their feelings about the brand, as well as their direct interactions with it. These elements include the implied promise of the brand, the consistency of the brand, and customer perceptions of the brand image.

LO 12.1-2 Describe three types of product brands.

Three types of product brands are national, private label, and generic. A national brand is created by a manufacturer for its own products. Private-label brands are products owned by and created specifically for large retailers. A generic brand is a consumer product that lacks a widely recognized name or logo.

Section 12.2 Brand Identity and Protection

LO 12.2-1 Explain brand identity.

Brand identity is the way in which a business wants to be perceived by customers. Branding efforts should create a unique brand identity, contribute to the positive image of the brand, and inspire brand loyalty and repeat sales. In developing a unique brand identity, businesses create products and promotions that appeal to the needs and wants of the target market. Aligning the brand with a positive message helps brands to be perceived in a positive light. Brand

loyalty occurs when a brand consistently meets customer needs and expectations.

LO 12.2-2 Define branding strategies.

A branding strategy is a plan to develop a brand in a way that supports the goals of the business. Brand extension is the practice of using an established brand name on different products in a product mix. Co-branding combines the products of one or more manufacturers in the creation of a product. Brand licensing is the practice of leasing a brand name for use by another business under the specifications of an agreement.

LO 12.2-3 Identify ways in which a company can protect its brand.

A brand is only valuable if competitors cannot copy it. Certain intellectual-property laws protect the unique phrases, symbols, and designs associated with brands. Trademarks and service marks do not protect the product itself from theft; however, they protect the ways in which the product is identified. Many companies also choose to protect their brands by registering them with the United States Patent and Trademark Office (USPTO).

Check Your Marketing IQ

Now that you have completed the chapter, see what you have learned about marketing by taking the chapter posttest. The posttest is available at www.g-wlearning.com/marketing/.

Review Your Knowledge

1. Describe elements of a brand.
2. Explain brand promise as an intangible brand element.
3. Define three types of product brands.
4. How are generic brands different from national and private-label brands?
5. Explain brand identity.
6. What goals do marketers hope their branding efforts will achieve?

7. Define three branding strategies.
8. Identify ways in which a company can protect its brand.
9. Identify the symbols used for trademark and service mark.
10. Explain why a company would not want its brand name to become a generic term.

Apply Your Knowledge

1. Describe the tangible elements of the brand of the company you have selected, including its name, graphic design elements, packaging, and tagline or slogan.
2. Evaluate the company's packaging and labeling strategies. How do they contribute to the brand and the company image?
3. What types of branding decisions have been made for the company? Do you believe they will be effective? Do you have recommendations to improve the brand and image?
4. What is the company's brand promise? Describe what customers expect when they purchase a good or service from the company's brand.
5. Assume you are a marketer for a company that provides a consumer service. Write two metaphors for that service that could be used in promotions.
6. It is important for marketers to know the general perception of the company's brand among the customer base. How would you go about learning about the perceptions of your customers?
7. As a marketer, how could the branding of your company's products help you make decisions about the three other Ps?
8. Describe how your company uses the branding strategies of brand extension, co-branding, or brand licensing. Think of three new possible ways your company could employ these branding strategies to reach its business goals.
9. Think about the brand loyalty for the products you market. What does the company currently do to develop brand

loyalty? How could you increase brand loyalty for your products?

10. Is any part of the company brand trademarked? Describe the process for trademarking a part or all of the tangible parts of your company brand.

Apply Your Math Skills

Without the expenses of branding and advertising, generic brands cost less than brand-name products and often appeal to value-conscious consumers. Apply your math skills to solve the following problems.

1. While preparing an office supply order, Curtis noticed the price difference between brand-name and generic dry-erase markers. A four pack of brand-name dry-erase markers costs \$7.00, while the generic equivalent costs \$4.50. Curtis ordered 10 packages of the generic dry-erase markers. How much did Curtis save by ordering 10 packages of the generic dry-erase markers instead of the brand-name product?
2. Nina is the marketing manager for a local grocery store. She regularly reviews company sales figures to evaluate the effectiveness of marketing activities. Over the last year, Nina tracked sales of generic brands and found that \$450,000 of the total product revenue came from generic brands. The company's total annual product revenue is \$3,000,000. What percentage of revenue can be attributed to generic brands?

Communication Skills



**College
and Career
Readiness**

Reading After you have read this chapter, determine the central idea and analyze its development over the course of the chapter. How is it shaped or refined by details? Review the major arguments or points made by the author and provide an objective summary of the chapter.

Writing Writing that is objective is free of personal feelings, prejudices, or interpretations. Write a paragraph about the importance of

branding to a company's marketing strategies that only uses objective statements or language.

Listening Your purpose for listening varies depending on whether you are in a personal conversation, listening to a group discussion, or a member in a large audience. What was your purpose for listening to your instructor present this lesson today? Was it because you have to, needed to learn the material for a test, or other reasons? When you listen with purpose, you get more out of the information that is being presented.

Internet Research

History of Labeling Using the Internet, conduct a search for the phrase *history of product labeling*. Research the historical events that have brought about food and drug labeling laws in the United States and around the world. Cite examples of how and why changes have been made to product labels over the course of history.

Branding Strategies Select a brand that interests you and conduct Internet research on the company's branding strategies. How do you think the branding strategies used helped develop the image of the company or brand? Summarize your research findings.

Rebranding Using the Internet, research a product or company that was rebranded. Describe the motivation for rebranding and how the rebranding was executed. Was the outcome positive? If so, describe the positive changes that occurred. If not, is there evidence that points to why the rebranding attempt failed?

Teamwork

Working with a partner, identify brands with which you are familiar in a newspaper or magazine. Select several examples and create a poster to show how the different brands are represented. What did you learn from this experience? Share your project with the class.

Portfolio Development



College and Career Readiness

Soft Skills Employers and colleges review various qualities of candidates. For example, the ability to communicate effectively, get along with customers and coworkers, and solve problems are important skills for many jobs. These types of skills are called soft skills.

Make an effort to learn about and develop the soft skills needed for your chosen career field.

1. Conduct research about soft skills and their value in helping people succeed.
2. Create a Microsoft Word document and list the soft skills important for a job or career that you currently possess. Use the heading "Soft Skills" and your name. For each soft skill, write a paragraph that describes your abilities. Provide examples to illustrate your skills. Save the document.
3. Update your master spreadsheet.

UNIT 4 Product

Building the Marketing Plan

Without products to sell, there would be no businesses. As the marketing manager for your company, you must decide not only what products or services to offer, but why yours are better than those sold by the competition. Describing your products and their competitive advantages is an important part of the marketing plan. Marketers help create solid, positive brand identities to ensure the success of the business.

Part 1 Product

Objectives

- List the products or services offered by your business.
- Complete a features and benefits chart for each one.
- Determine the unique selling proposition (USP) for each one.

Directions

In this activity, you will begin the Product Strategies portion of the Marketing Mix subsection, which appears in the Marketing Strategies section of the marketing plan. Access the *Marketing Dynamics* companion website at www.g-wlearning.com/marketing/. Download the activity file as indicated in the following instructions.

1. **Unit Activity 4-1—Product** Describe the products or services your business will offer. Discuss the features and benefits for each and write your unique selling proposition (USP).
2. Open your saved marketing plan document.
3. Locate the Marketing Mix subsection under Marketing Strategies and start the Product Strategies section. Use the suggestions and questions listed in the marketing plan template to help you generate ideas. Delete the instructions and questions when you are finished recording your responses. Proofread your document and correct any errors in keyboarding, spelling, and grammar.
4. Save your document.

Part 2 Branding

Objectives

- Describe the brand and show the tangible brand elements.
- Explain how the current branding strategy supports the products or company.
- Make recommendations for improving the branding strategy.

Directions

In this activity, you will complete the portion of the Marketing Strategies section that describes your Product Strategies. Access the *Marketing Dynamics* companion website at www.g-wlearning.com/marketing/. Download the activity file as indicated in the following instructions.

1. **Unit Activity 4-2—Branding** Analyze the branding strategies that are currently in place for your products or company, and recommend ways to improve the branding program for a stronger brand identity.
2. Open your saved marketing plan document.
3. Locate the Marketing Mix subsection under Marketing Strategies and complete the portion under Product Strategies that relates to branding. Use the suggestions and questions listed in the marketing plan template to help you generate ideas. Delete the instructions and questions when you are finished recording your responses. Proofread your document and correct any errors in keyboarding, spelling, and grammar.
4. Save your document.