

## The brand – a few definitions

*"A consumer panel was shown the picture of two beautiful women and asked who was more beautiful. The vote split 50-50. Then the experimenter named one woman Jennifer and the other Gertrude. The woman named Jennifer subsequently received 80 percent of the votes."*

Philip Kotler

~ Ph. D. Lecturer **Alexandra Craciun** (University of Bucharest)

**Abstract:** This article discusses a series of definitions of the term "brand" in order to highlight the fact that in a world dominated by hyper-consumption and products with similar functional benefits the role of branding is every day more important, being the only means by which the consumer is oriented. People no longer consume products but brands, because now the differentiation does not start from physical attributed but from emotional benefits. That is why the brand managers' role is all the more related to the management of a symbolic world.

**Keywords:** brand, strategy, brand identity, consumption, brand capital, products, category, market.

### Introduction

In 1988, Philip Morris Companies purchased Kraft for \$12.6 billion, 6 times its actual value. The difference is the brand price or, better said, the price of the word Kraft<sup>1</sup> (NK, p. 28) with everything that implies in the mind of consumers.

The same thing happened when Ford purchased Jaguar, when the physical goods were not estimated at more than 16% of the total value of acquisition (MN, p. 31).

<sup>1</sup> Naomi Klein source, No logo

This means that the rest of 84% was the price of the name Jaguar.

There are facts that changed the perspective over advertising. It's not only a voice that calls us from the shop: Buy me, buy me! but it becomes the product's content, the essence of what we actually buy, the brand.

But, in order to understand all this alchemy, let's see together a few definitions. We will do this not because there is no hope to find the meaning of branding in one single definition, but because we are positive that "brand" is a hard to define term.

Therefore, where is the difference between Jennifer and Gertrude? Is it in the picture, in the name, in consumer's head or in the 80 percentages for Jennifer?

Some would say it's in the 80 per cent. And so we reach the first and probably most austere definition of the brand.

That would be a definition that valid for the grown-ups, if we are to listen to the Little Prince: "Grown-ups love numbers. When you tell them you have a new friend they will never ask questions about the most important problems. They will never ask how his voice is, what games he enjoys playing? They ask: How old is he? How many brothers he has? ... How much money does his father earn? Only from these numbers they get to know a few things about him." Let's approach things as grown-ups and see what brand means in numbers. The experts in such measurements are those from Interbrand, a company that calculates every year how much cost the 100 first brands in the world.

Therefore, at the question: "What is the brand?" Coca-Cola answered with 39 billion US dollars in 1995, with 83.8 billion US dollars in 1999, with 67.3 billion US dollars in 2005. In 2009 the answer was: 68.734, 3% more than in 2008. But, as Alice in Wonderland would say: "This is not a satisfactory answer".

It is like you would say about the beautiful woman Gertrude that she represents only 20%. And still, David Aaker shows that for the first 9 of the top 60 world brands, the value of the mark exceeds 50% of company's total value: "From the 15 top brands, only General Electric has the brand value under 19% from company's estimated value. In exchange, 9 of the top 60 most valuable brands have the brand value over 50% from the value of the company. But, in the case of BMW,

Nike, Apple or Ikea the brand capital is over 75% from the market capitalization.<sup>2</sup>

That would mean to have a good name. Is the reverse of the famous headline of John Caples: They laughed when I sat down to the piano... or, in other words, it's not good to be called Gertrude, at least not in a cultural environment where Jennifer sounds sexier.

But then, I think we still have to observe something. We can easily imagine a character that owns a BMW, wears Nike, uses an Apple computer and he just furnished his house with Ikea sofas. It is not odd that, between all the brands in the world, those that have the image capital highly exceeding company's assets address the same type of character? A character that is ready to offer almost 80% of the price on the company's name.

Moreover, these brands seem to be part of those types of brands that Kevin Roberts, CEO at Saatchi&Saatchi Worldwide, called LOVEMARKS, meaning "charismatic brands that people can't live without".<sup>3</sup>, brands that people excuse even the strategy mistakes, brands they are ready to even tattoo on their chest in order to be recognized as users of those brand's products.

And I am sure that those kinds of users do not know the value of that particular brand. But they know how much they paid for the product, and more than that, they know, as Little Prince says: "the sound of his voice and what games he enjoys playing". Moreover, they also know that if their mother calls them Gertrude, having a BMW, is like their name is also Jennifer.

<sup>2</sup> **David Aaker** - *Brand Leadership*, New York, The Free Press, , 2000, p. 18

<sup>3</sup> "Out of love for brands", interview with **Kevin Roberts**, CEO at Saatchi&Saatchi Worldwide for the Biz Magazine, nr.91/sept. 2004, p.26

But let's let aside the ghosts of branding and let's get back to a coherent definition, much more prosaic. The trendy brand is etymologically more related to cows than to BMWs, because "brandon"<sup>4</sup> or "brandr" in its older, Germanic form meant marking the cattle with the red-hot iron. Also the French "marquee" is related to the same action. We are looking at the first definition of brand:

***Brand means marking, labeling, attribution.***

That is of course the most innocent definition – and that is what most of the producers do with their marks: attribute them, but without making them known.

Actually, the brand specialists declaim against this definition, saying that branding starts where this definition ends, as the career of a great actor starts where he is no more figurant.

But let's move a step forward; in this stage we will add another element: Vision. Scott Galloway said that: "*A brand is the face of business strategy*".<sup>5</sup>

And that's true. I remember the most elementary strategy lesson I have ever heard was in fact a joke about the country branding. Accidentally or not the joke was referring to cattle: two in general. It sounded like this:

You have two cows. You sell one and force the other to produce milk for four. You are surprised when the cow dies. This is an American company. You have two cows. You strike because you want to have three. You can found with them a French company. You have two cows. You reset them so as to be ten times smaller than an average cow and

to produce two times more milk. Then you make intelligent animated images with the cows, call them Cowkemon and sell them worldwide. That's clear: this is a Japanese type of management.

You have two cows. You reset them as to live 100 years, eat once a month and to strip themselves. That's a German company.

You have two cows. Both are mad. That is only if you founded a British company.

If we are talking about an Italian company: you have two cows, but you don't know where they are. You go for a lunch break. But it can be worse: you have two cows. You count them and you find out they are 5. You count them again and you have 42. You count them again and you have 12. You stop counting and open another bottle of vodka. That's for sure a Russian company.

But let's take another example. You have 5000 cows, none of them is yours. You take money for storage. That means you think strategically in a Swiss style.

And on other continents:

Indian company: You have two cows. You hollow them.

Chinese company: You have two cows. You have 300 people stripping them. You declare 0% unemployment, high cattle productivity and you arrest the reporter that published the news.

As we talked about strategical ideas related to the country brand, let's see how a Romanian company would look like: You have 6 cows, costs as if you had 10, you milk only 3, you run like heck around them, you bring personnel for other 5, you declare bankruptcy and you blame the twerp.

If all these methods seem very little encouraging then we didn't hear the worse. Theories show that cows can multiply also

<sup>4</sup> Jean Kapferer, op cit, p. 48

<sup>5</sup> "*A brand is the face of a business strategy*", the quote is taken from David Aaker's work "Brand Leadership", The Free Press, New York, 2000.

otherwise than with a bottle of vodka, and some would call that the Enron model: You have two cows. You sell three of them to your listed in the stock exchange, using letters of credit opened at the bank by your brother-in-law, then you make an exchange debt/account receivable with an associated general offer, so as to regain the four cows, with a relief from taxation for four cows. The rights of the six cows are transferred, through an intermediary to a company in Cayman Islands, secretly hold by the majority shareholder that resells to your company all the right on the seven cows. According to the annual report, the company holds eight cows, with an open option for another one. You sell a cow to buy a USA president, and that will leave you with nine cows. No balance sheet is given together with the communiqué. The public bears with it and says nothing.

Chasing the herd of country and then company branding long the way we wondered from Scott Galloway's definition: "A brand is the face of business strategy"<sup>6</sup>. What we wanted to underline was the fact that between strategy and brand we have a strong relation that can lead to certain stereotypes. In other words, if you laughed at the above joke, that means you recognized the strategic face of country brands we referred to.

Going from national level to the super-market level, things sound more prosaic. What strategic face do yoghurt and salami have? It's hard to say. A few years ago I was counting in a Carrefour supermarket approximately 20 types of yoghurt, but only Danone was having a strategic face.

Now we can talk about the "old time tradition" of Napolact yoghurt, about the

"healthy taste for life" of Tnuva yoghurt. We now have brands, or in other words, we have business strategies.

That is why I believe this definition is appropriate. It takes the brand out of the marketing department and puts it on the CEO desk. And that is the normal way to be. Because Harley Davidson is not making perfumes, women are not ready to have Cosmopolitan yoghurt, they don't want to wear Bic lingerie or brush their teeth with Pond's toothpaste.

You recognized in the above examples some of the most roaring marketing mistakes that started from the wrong brand evaluation.

In other words, managers did not understand that their brand – as Scott Galloway says – is "the face of business strategy" and from here they have to start when they want to build up their name. When companies contradict their brands, consumers amend them immediately.

Jean Noël Kapferer was saying: "The brand is a point of view on the category of products"<sup>7</sup> and this definition is almost similar to the one previously enounced. Because, what else is strategy other than "a point of view on the category"? You can't do strategy outside the category you are in. And still, we like more this definition.

Why? Because it bears the same subjective distance given by the "point of view" that strategically involves the brand manager, but does not mechanically anchor the attributes of the trade mark in market quota and distribution systems. Of course, the brand can still mean all these, but it represents, as Kapferer says, a point of view on them.

And so we reach another definition of brand, a more metaphoric one, but which is extremely important, as I see it.

<sup>7</sup> *ibidem*, p.54

<sup>6</sup> "A brand is the face of a business strategy", the quote is taken from **David Aaker**'s work "Brand Leadership", The Free Press, New York, 2000.

"A brand is more like a box in someone's head. (...) When time goes by, only few things we can recover from it. But we can know if it is a heavy or light box. We also know the room it was in – if it is in the room of positive boxes (that of objects associated to positive feelings and attitudes) or in that of negative boxes" <sup>8</sup>.

So, as consumers we have our heads full of boxes, bigger or smaller, fuller or emptier, useful or useless, good or bad, but in anyway, perishable. Nevertheless, the most important discovery is that those boxes are in the consumers' heads and not elsewhere.

In fact, this theory that moves the brand box from the objective world, defined in terms of product benefits, to the consumer's head, is at the base of branding.

Al Ries and Jack Trout named this process since 1972 "positioning".

The positioning represents the place a product occupies in the consumer's head.

In the brand manager's language: "positioning is not what you do with a product. The positioning is what you come to create in the mind of the beneficiary" <sup>9</sup>.

In Aaker's terms that is equal to: place the brand of a product in the positive and negative brand rooms, to determine if they get a bigger or smaller place. Evidently, each brand manager wishes for his brand a big and shiny box. But it happens often that a small and shabby box keeps better the essence of the brand.

This is the starting point of another vision on trademarks that says brands are

<sup>8</sup> **David A. Aaker** – *Building Strong Brands*, New York, The Free Press, 1996, p.10

<sup>9</sup> **Ries, Jack Trout**, *Poziționarea lupta pentru un loc în mintea ta*, București, Curier marketing, 2004, p.16 ("Positioning – The battle for you mind" Published by McGraw-Hill, 2001)

adjectives. All that is necessary to make a brand wanted enters this box. To the rest, we only have a succession of Russian dolls that hide deeper and deeper the essence.

Luke Sullivan, executive creative director at West Wayne Advertising was saying: "I use the expression brand=adjective. Volvo=safety, Fedex=overnight." <sup>10</sup>

This "adjective" is practically a type of Unique Selling Proposition <sup>11</sup> that is applied attributively to the category. But, at a closer look none of the words attached to brands is an adjective. They are made adjectives only when attributed to category. Therefore, Volvo is a safe car, Fedex – the ultra fast post with which you can do transfers overnight, Bergenbier – the beer you drink with your friends.

Coming back to Kapferer, we will enrich the idea of branding by another definition. Jean Noël Kapferer was observing that: "A brand is a living memory" <sup>12</sup> because it has to "eliminate what is atypical, dissonant".

The adjective brand is a good example, because it can only preserve one trait, it has to eliminate all that's irrelevant. But what can be irrelevant for a brand that the better you know it the less you know about it?

For example, years ago, working in DDB Romania I took part in a pitch for Ford. The

<sup>10</sup> **Luke Sullivan, Hei, Whipple**, *încearcă asta – un ghid pentru a crea reclame de excepție*, București, Curier marketing, 2003, p.35 ("Hey Whipple, squeeze this – a guide to creating great ads")

<sup>11</sup> The **Unique Selling Proposition** (also **Unique Selling Point**) is a marketing concept that was first proposed as a theory to explain a pattern among successful advertising campaigns of the early 1940s. It states that such campaigns made unique propositions to the customer and that this convinced them to switch brands. It was invented by Rosser Reeves.

<sup>12</sup> **Jean Noël Kapferer**, op cit, p. 49



brief: a campaign for Ford Focus along with the strategical part. The agency's proposition comprised, as usual, more creative directions all set on the same strategical platform. As it often happens I was one of the first victims of the campaign and I ended in buying a Ford Focus.

Now, after years of using the product it is difficult to find an adjective for it, as I could when I first heard about the product. Therefore, it is much simpler to talk about brands as adjectives when you know nothing about them. But after you position them and you build their strategical forms and then you also used them for some time, the adjective becomes too narrow to characterize them with. Therefore, when they start to move another theory arises, and more when many brands move very fast, and this movement is evidently influenced by category.

In 1975, W.P. Dizzard<sup>13</sup> show that if the car industry had developed as rapidly as the computer industry, a Rolls Roys would have cost 2.5 US dollars and it could have used only a gallon of gas for 1.600km (995 miles).

Of course, it is almost impossible to cover all this metamorphosis with an adjective. That is why some see more plausible the verbal equivalence of brands. And then "Nike exhorts. IBM solves. Sony dreams."<sup>14</sup> Apple means Think different, Philips Making things better, And McDonald's I'm loving it.

Even Google means to google, and Yahoo transformed into Do you Yahoo?

<sup>13</sup> The reference is found in the book of **Charles U.Larson**, *Persuasiunea . Receptare și responsabilitate*, Iași, Polirom, 2003, p.108 (*Persuasion: Reception and Responsibility*) and it refers to the work of W.P.Dizzard, *The Coming Information Age: Overview of Technology, Economics, and Politics*

<sup>14</sup> **Dan Weiden** cited by Luke Sullivan in "*Hey Whipple, squeeze this – a guide to creating great ads*", p. 35

And what about the Nestlé cereals, that instead of communicating something significant about themselves they ask for milk – the famous slogan Got milk? – or about Budweiser that asks with specific intonation: Wassup?- making history with beer brands.

What is then the relevance of these verbs and why do they have more meaning than an adjective? Why sometimes what makes the brand is more important than the brand itself?

A simple answer would be that the verb better expresses the relation. It has a person, is transitive or intransitive, it makes better reference to the consumer.

The adjective is static. Is stuck in the product without possibilities to make variations outside the superlative, that most of the times it is a sign of aging. The adjective is opaque.

The verb is more transparent. When saying Got milk? Nestlé.... Is the brand of cereals you can never get enough of, and this implies also an attribute – good, delicious, tasty, excellent. That means that with the help of the verb, the adjective loses opacity and the consumer is able to see more in a way that involves him/her.

The verbal form sends us to another definition of the brand that says:

"The brand is a program"<sup>15</sup> Setting the product on a moving stairway, we would say, and like any other program it has to imply certain movement. The branding program is the distance between the product memory and its projections – Kapferer was saying, and so it is easily to be verbally consumed.

In fact, overcoming the adjective phase of branding and touching the verbal liberty is both dangerous and benefic. It indicates

<sup>15</sup> **Kapferer**, op.cit., p.55

that the trademark is mature. But, when the brand becomes verbal before time it can get out of hand.

We say that Google is to google, or Nike means Just do it! when we know enough about these brands. Otherwise is better to talk about them in adjectival terms.

It was better to say at first about the WV that it's a German car and only then introducing Bill Bernbach's Think simple.

The conclusion is that only famous brands can afford to be verbal. Here we depend very much on the category, because it's hard to be verbal when you are a hard surface cleaner than when you sell high speed cars.

I think there are brands that "exist" and brands that "do". Is good to have a brand that "does" but it has to be sufficiently mature to do what it has to do, otherwise you could lose control and, as Kapferer says: it will exit the program.

And, as we are talking about Kapferer, he added something else also: the brand is both "product's memory and futuree"<sup>16</sup>.

Consequently, in branding the programming is made from the "roots", but it functions so restrictively that it prescribes what the company has to do from then on. That is why Xerox couldn't launch computers and it had to focus on printers. That is why Coca-Cola consumers boycotted the New Coke product because it has a similar taste with Pepsi, even though at the blind test they said that the flavor they like most.

The brand is programming, it offers that "legitimate territory" in which all products and all its slogans have to be comprised. Defined in this way, the brand starts to look like that psycho-analytic house described by

<sup>16</sup> ibidem

Gaston Bacheleard there the attic is the memory, the ground floor is the conscious and the basement is the subconscious. Only that they seem to be put downwards: the basement should be the memory, the ground floor the present of the trademark and the roof the developments that the brand suffers. What brand managers should keep present in their minds is that they cannot build a roof which is outside the perimeter of their house, or is too heavy or over-dimensioned.

And at this point I would propose an exercise. Try to draw the house of your brand. Identify the memory elements of the brand that you would put into the basement. Bring those important to the surface and those you want to forget deep inside the basement. Place on the basis line those attributes on which you try to build the resistance structure. See which the brand doors are, what the things that make the consumers enter the house are. See what the brand windows are, that your consumers see in the brand. Draw a roof trying to place there your own projections related to the brand. At the basis of the roof put opportunities. On the top write the place that you want your brand to occupy in consumers' mind in 5 years time. Take out through the chimney what you want to eliminate from the brand content as it is now. Under the threshold put the brand key. What would the word be? The definitive element related to the brand, an element that you hold and wish to keep. The brand key is what some call One Word Equity, which WOW! capable of sustaining the brand capital of all products you have under the same name.

And if we tried to see how a brand house would look like, we remind also David Aaker suggestion of assimilating the brand to a ship – whose captain is the brand manager

and which, always in competition, has to precisely know where its competitors are, where they are heading and what is their power. But, more than this, it is essential to know the tendencies that could influence the behavior of target groups "consumers' perceptions and motivations are like wind. It's important to know their direction, their force and their possible changes."<sup>17</sup>

We have seen that the brand can be a box in the consumer's mind, a house – as legitimate territory where we can sometimes

change furniture; we can paint it or extend it, but always on the same foundations. It can also be a ship, namely another type of box, but a box with wings and whose biggest part, the best organized side is under water, and that which is seen is vulnerable in front of trends.

We have also seen that brand is memory as well as programming, a kind of genetic code that impedes the BMW to produce a product that would be similar to Renault.

<sup>17</sup> **Aaker** – *Building Strong Brands*, New York, The Free Press, 1996, p. 21

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