

8.6: Elements of Brand

What You'll Learn To Do: Describe the Elements of Brand and How Brands Add Value to an Organization's Products and Services

If you walk through a parking lot at school, work, or the local mall, chances are good that you could identify all the car brands just by looking at hood emblems. When you spot someone with a “swoosh” on her T-shirt, you probably already know she’s wearing Nike-brand apparel without even asking. How is it possible to know so much just by looking at an image or a shape? The answer is branding!

These familiar symbols are the tangible marks of branding in our everyday lives. But brands are much more than just logos and names. Brands also encompass everything else that contributes to your perception of that brand and what it represents.

The specific things you’ll learn in this section include:

- Define brand
- Explain elements that contribute to a brand and the brand-building process
- Explain how brands contribute value to organizations and consumers
- Describe different types of brands

What is a Brand?

As we start our exploration of brand and its role in marketing, take a few minutes to watch the following video about Coca-Cola, which is perhaps one of the most iconic brands of all time. As you watch this video, look and listen for the all the different elements that contribute to the thing we call a “brand.”



[Read the transcript for this video about Coca-Cola.](#)

Brands are interesting, powerful concoctions of the marketplace that create tremendous value for organizations and for individuals. Because brands serve several functions, we can define the term “brand” in the following ways:

1. **A brand is an identifier:** a name, sign, symbol, design, term, or some combination of these things that identifies an offering and helps simplify choice for the consumer.
2. **A brand is a promise:** the promise of what a company or offering will provide to the people who interact with it.
3. **A brand is an asset:** a reputation in the marketplace that can drive price premiums and customer preference for goods from a particular provider.
4. **A brand is a set of perceptions:** the sum total of everything individuals believe, think, see, know, feel, hear, and experience about a product, service, or organization.

5. A **brand is “mind share”**: the unique position a company or offering holds in the customer’s mind, based on their past experiences and what they expect in the future.

A brand consists of all the features that distinguish the goods and services of one seller from another: name, term, design, style, symbols, customer touch points, etc. Together, all elements of the brand work as a psychological trigger or stimulus that causes an association to all other thoughts one has had about this brand.

Brands are a combination of tangible and intangible elements, such as the following:

- Visual design elements (i.e., logo, color, typography, images, tagline, packaging, etc.)
- Distinctive product features (i.e. quality, design sensibility, personality, etc.)
- Intangible aspects of customers’ experience with a product or company (i.e. reputation, customer experience, etc.)

Branding—the act of creating or building a brand—may take place at multiple levels: company brands, individual product brands, or branded product lines. Any entity that works to build consumer loyalty can also be considered a brand, such as celebrities (Lady Gaga, e.g.), events (Susan G. Komen Race for the Cure, e.g.), and places (Las Vegas, e.g.).

History of Branding

The word “brand” is derived from the Old Norse *brand* meaning “to burn,” which refers to the practice of producers burning their mark (or brand) onto their products. Italians are considered among the first to use brands in the form of watermarks on paper in the 1200s. However, in mass-marketing, this concept originated in the nineteenth century with the introduction of packaged goods.



Figure 8.6.1: The Coca-Cola logo is an example of a widely recognized trademark and global brand.

During the Industrial Revolution, the production of many household items, such as soap, was moved from local communities to centralized factories to be mass-produced and sold to the wider markets. When shipping their items, factories branded their logo or insignia on the barrels they used. Eventually these “brands” became trademarks—recognized symbols of a company or product that have been established by use. These new brand marks enabled packaged-goods manufacturers to communicate that their products were distinctive and should be trusted as much as (or more than) local competitors. Campbell Soup, Coca-Cola, Juicy Fruit gum, Aunt Jemima, and Quaker Oats were among the first products to be “branded.”

Brands Create Market Perceptions

A successful brand is much more than just a name or logo. As suggested in one of the definitions above, brand is the sum of perceptions about a company or product in the minds of consumers. Effective brand building can create and sustain a strong, positive, and lasting impression that is difficult to displace. Brands provide external cues to taste, design, performance, quality, value, or other desired attributes if they are developed and managed properly. Brands convey positive or negative messages about a company, product, or service. Brand perceptions are a direct result of past advertising, promotion, product reputation, and customer experience.



Figure 8.6.2: As an automobile brand, the Mercedes-Benz logo suggests high prestige.

A brand can convey multiple levels of meaning, including the following:

1. **Attributes:** specific product features. The Mercedes-Benz brand, for example, suggests expensive, well-built, well-engineered, durable vehicles.
2. **Benefits:** attributes translate into functional and emotional benefits. Mercedes automobiles suggest prestige, luxury, wealth, reliability, self-esteem.
3. **Values:** company values and operational principles. The Mercedes brand evokes company values around excellence, high performance, power.
4. **Culture:** cultural elements of the company and brand. Mercedes represents German precision, discipline, efficiency, quality.
5. **Personality:** strong brands often project a distinctive personality. The Mercedes brand personality combines luxury and efficiency, precision and prestige.
6. **User:** brands may suggest the types of consumers who buy and use the product. Mercedes drivers might be perceived and classified differently than, for example, the drivers of Cadillacs, Corvettes, or BMWs.

Brands Create an Experience

Effective branding encompasses everything that shapes the perception of a company or product in the minds of customers. Names, logos, brand marks, trade characters, and trademarks are commonly associated with brand, but these are just part of the picture. Branding also addresses virtually every aspect of a customer's experience with a company or product: visual design, quality, distinctiveness, purchasing experience, customer service, and so forth. Branding requires a deep knowledge of customers and how they experience the company or product. Brand-building requires long-term investment in communicating about and delivering the unique value embodied in a company's "brand," but this effort can bring long-term rewards.

In consumer and business-to-business markets, branding can influence whether consumers will buy the product and how much they are willing to pay. Branding can also help in new product introduction by creating meaning, market perceptions, and differentiation

where nothing existed previously. When companies introduce a new product using an existing brand name (a brand extension or a branded product line), they can build on consumers' positive perceptions of the established brand to create greater receptivity for the new offering.

Brands Create Value

Brands create value for consumers and organizations in a variety of ways.

Benefits of Branding for the Consumer



Figure 8.6.3: The Dunkin' Donuts logo, which includes an image of a DD cup of coffee, makes it easy to spot anywhere. The coffee is known for being a good value at a great price.

Brands help simplify consumer choices. Brands help create trust, so that a person knows what to expect from a branded company, product, or service. Effective branding enables the consumer to easily identify a desirable company or product because the features and benefits have been communicated effectively. Positive, well-established brand associations increase the likelihood that consumers will select, purchase, and consume the product. Dunkin' Donuts, for example, has an established logo and imagery familiar to many U.S. consumers. The vivid colors and image of a DD cup are easily recognized and distinguished from competitors, and many associate this brand with tasty donuts, good coffee, and great prices.

Benefits of Branding for Product and Service Providers

For companies and other organizations that produce goods, branding helps create loyalty. It decreases the risk of losing market share to the competition by establishing a competitive advantage customers can count on. Strong brands often command premium pricing from consumers who are willing to pay more for a product they know, trust, and perceive as offering good value. Branding can be a great vehicle for effectively reaching target audiences and positioning a company relative to the competition. Working in conjunction with positioning, brand is the ultimate touchstone to guide choices around messaging, visual design, packaging, marketing, communications, and product strategy.



Figure 8.6.4: The Starbucks brand is associated with premium, high-priced coffee.

For example, Starbucks' loyal fan base values and pays premium prices for its coffee. Starbucks' choices about beverage products, neighborhood shops, the buying experience, and corporate social responsibility all help build the Starbucks brand and communicate its value to a global customer base.

Benefits of Branding for the Retailer

Retailers such as Target, Safeway, and Wal-Mart create brands of their own to create a loyal base of customers. Branding enables these retailers to differentiate themselves from one another and build customer loyalty around the unique experiences they provide. Retailer brand building may focus around the in-store or online shopping environment, product selection, prices, convenience, personal service, customer promotions, product display, etc.

Retailers also benefit from carrying the branded products customers want. Brand-marketing support from retailers or manufacturers can help attract more customers (ideally ones who normally don't frequent an establishment). For example, a customer who truly values organic brands might decide to visit a Babies R Us to shop for organic household cleaners that are safe to use around babies. This customer might have learned that a company called BabyGanics, which brands itself as making "safe, effective, natural household solutions," was only available at this particular retailer.

Video: REI Builds Brand by Closing on Black Friday

Organizations build their brands through all the ways they communicate and interact with consumers. Sometimes a company takes specific actions to demonstrate what a brand stands for, attract attention, and hopefully deepen customer loyalty because of what their brand represents.

That's exactly what outdoor retailer REI did when it announced in October 2015 that their doors would be locked on one of the biggest shopping days of the year. Its CEO, Jerry Stritzke, told employees in an email, "While the rest of the world is fighting it out in the aisles, we hope to see you in the great outdoors." In the following video, Stritzke joins CBS *This Morning* to explain the company's decision and how it reflects on the REI brand.

As you watch this video, think about how this announcement might change your perceptions of the avid outdoors enthusiasts REI targets? Even if you don't fit this target segment, how would this announcement affect your perceptions of the REI brand?



[Read the transcript for the video “REI Closing on Black Friday.”](#)

Types of Brands

Many kinds of things can become brands. Different types of brands include individual products, product ranges, services, organizations, individual persons, groups, events, geographic places, private label brands, media, and e-brands.

Individual Brands

The most common type of brand is a tangible, individual product, such as a car or drink. This can be very specific, such as the Kleenex brand of tissues, or it can encompass a wide range of products. Product brands can also be associated with a range of offerings, such as the Mercedes S-class cars or all varieties of Colgate toothpaste.

Service Brands

A service brand develops as companies move from manufacturing products to delivering complete solutions and intangible services. Service brands are characterized by the need to maintain a consistently high level of service delivery. This category includes the following:

- Classic service brands (such as airlines, hotels, car rentals, and banks)
- Pure service providers (such as member associations)
- Professional service brands (such as advisers of all kinds—accountancy, management consultancy)
- Agents (such as travel agents and estate agents)
- Retail brands (such as supermarkets, fashion stores, and restaurants)

Organization Brands

Organization brands are companies and other entities that deliver products and services. Mercedes and the U.S. Senate each possess strong organization brands, and each has associated qualities that make up their brand. Organizations can also be linked closely with the brand of an individual. For example, the U.S. Democratic party is closely linked with Bill and Hillary Clinton and Barack Obama.

Personal Brands

A person can be considered a brand. It can be comprised of one individual, as in the cases of Oprah Winfrey or Mick Jagger. Or it may be composed of a few individuals, where the branding is associated with different personalities. With the advent of the Internet and social media, the phenomenon of *personal branding* offers tools and techniques for virtually anyone to create a brand around themselves.

Group Brands



Figure 8.6.5: OWN: The Oprah Winfrey Network

Group branding happens when there is a small group of branded entities that have overlapping, interconnected brand equity. For example, the OWN group brand of the Oprah Winfrey Network and the brand of its known members (Oprah and her team) are strongly connected. Similarly, the Rolling Stones represents a group brand that is strongly associated with the personal brands of its members (most enduringly, Mick Jagger, Keith Richards, Ronnie Wood, and Charlie Watts).

Event Brands

Events can become brands when they strive to deliver a consistent experience that attracts consumer loyalty. Examples include conferences the TED series; music festivals like Coachella or SXSW; sporting events like the Olympics or NASCAR; and touring Broadway musicals like *Wicked*. The strength of these brands depends on the experience of people attending the event. Savvy brand managers from product, service, and other types of brands realize the power of event brands and seek to have their brands associated with the event brands through sponsorships. Event sponsorship is now a thriving big business.

Geographic Place Brands

Many places or areas of the world seek to brand themselves to build awareness of the essential qualities they offer. Branded places can range from countries and states to cities, streets, and even buildings. Those who govern or represent these geographies work hard to develop the brand. Geographic branding is used frequently to attract commerce and economic investment, tourism, new residents, and so on.

Private-Label Brands

Private-label brands, also called own brands, or store brands, exist among retailers that possess a particularly strong identity (such as Save-A-Lot). Private labels may denote superior, “select” quality, or lower cost for a quality product.



Figure 8.6.6: CNN Logo

Media Brands

Media brands include newspapers, magazines, and television channels such as CNN.

E-Brands

E-brands exist only in the virtual world. Many e-brands, such as Amazon.com, have a central focus on providing an online front end for delivering physical products or services. Others provide information and intangible services to benefit consumers. Typically a common denominator among e-brands is the focus on delivering a valued service or experience in the virtual environment.

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