

Many attributes are difficult to assess, so consumers rely on limited cues

To Assess....consumers use

- Speaker Quality
- Window Cleaning efficacy
- Dish soaps power
- Strength of Cleaners
- Workmanship of a car
- Airline Safety
- Quality
- Speaker Size
- Blueness
- Amount of Suds
- Intensity of smell
- The sound of closing door
- Cleanliness of the seats
- Brand Name

What is a "brand"?

- **Brand**: name, term, sign, symbol, or design intended to identify the products or services and to differentiate them from the products offered by competitors.
- **Brand**: a psychological concept (or set of associations)
- **Brand(ing)**: The art of taking something common and improving on it in ways that make it more valuable and meaningful.
- **"A product is no more than an artifact around which consumers have experiences....Nike could have spent millions preaching the value of encapsulated gas trapped within a thin pliable membrane. Instead it communicated what the product *meant*...it transcended the product..."Just Do It" was not about sneakers, it was about values... it tapped into the wide range of emotional rewards that are uniquely relevant to sports and fitness."**

Scott Bedbury

What images do these brand names evoke?

Mercedes – Benz:

Harley Davidson:

Apple:

PC jr.:

Smart & Final:

Listerine:

Marlboro:

Calvin Klein:

Name the major brands:

Oatmeal:

Dog food:

Beer:

Running Shoes:

Tuna:

Bananas:

Lobsters:

Peaches:

(some of) Procter & Gamble's products

Mix Width

Detergent

Ivory Snow

Tide

Liquid Tide

Joy

Cheer

Oxydol

Bold

Gain

Bold II

Dawn

Sunny Delight

Bar Soap

Ivory

Camay

Lava

Zest

Safeguard

Coast

Oil of Olay

Toothpaste

Gleem

Crest

Complete

Denquel

Crest (with "X")

Fruit Juice

Sunny Delight

**Line
Length**



4 types of new products

Product Category

Old

New

Old

line extension

brand extension

Brand

Name

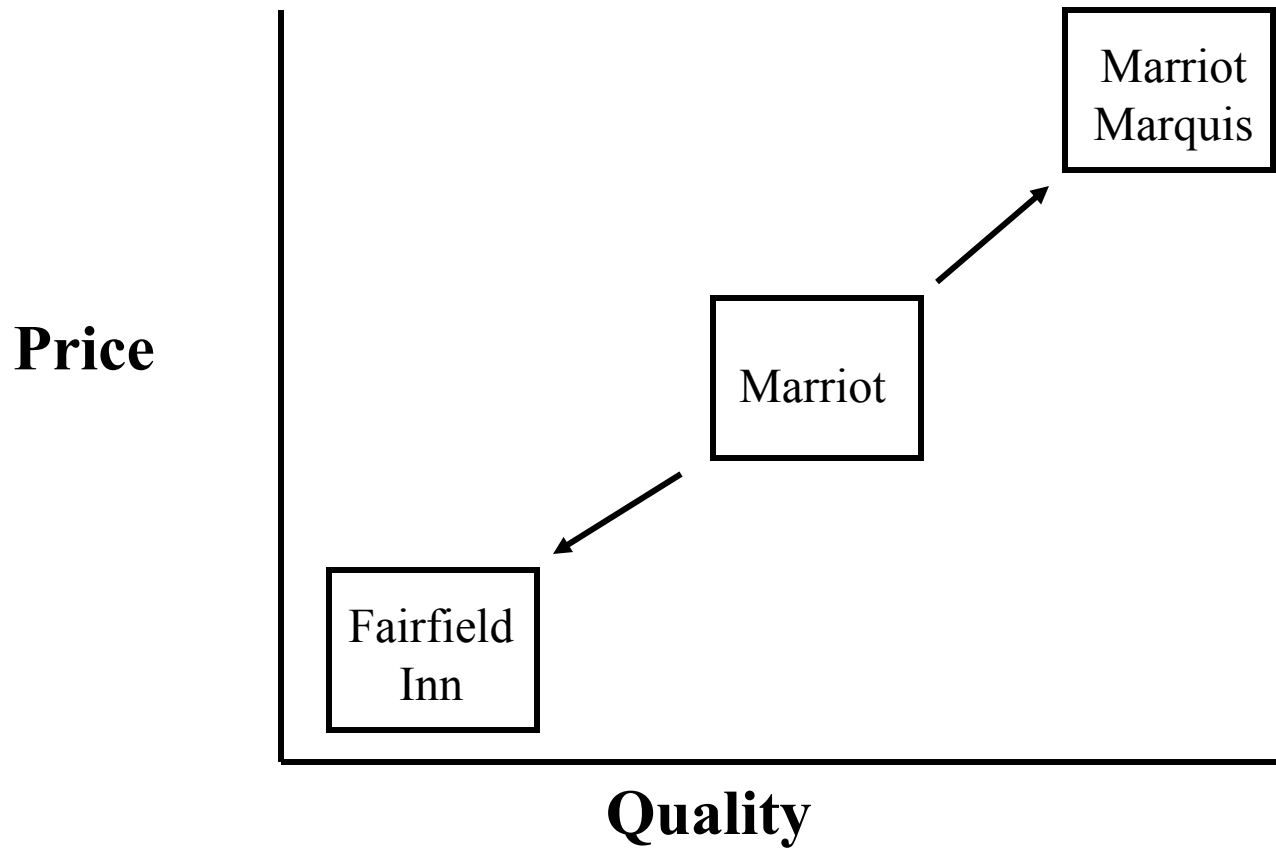
New

subbrand

new brands

		Old	New
Old		line extension	brand extension
New		subbrand	new brands

price/quality line extensions



4 types of new products

Product Category

Old

New

Old

line extension

brand extension

Brand
Name

..by Marriot

New

subbrand

new brands

Old	line extension	brand extension
New	subbrand	new brands

A good name should....

- (1) Suggest something about the product's qualities or benefits**
 - *Huggies, Beautyrest, Diehard, Easy-Off, Instant Ocean, Finale*
- (2) Be short, easily pronounced, recognized, & remembered**
 - *Tide, Aim, Zest*
- (3) Be distinctive**
 - *Kodak, Toys "R Us, Charlie*
- (4) Be consistent with the image of the product (or other products)**
 - *Arm & Hammer Carpet Deodorizer*
 - *Chocolate Frosted Wheaties????*
- (5) Have no undesirable associations (in english or other languages)**
 - *Chevy Nova (No Va = Does not work)*
- (6) Be legally available & legally protectable**

Some brand names are "too successful"

Linoleum ⇒ linoleum

Nylon ⇒ nylon

Trampoline ⇒ trampoline

Escalator ⇒ escalator

Xerox ⇒

Kleenex ⇒

Not yet legally generic

Vaseline ⇒

Frisbee ⇒

Microwave Mexican Food

Mom's old fashioned Tex-Mex

Burrito Bandit

Aunt Jemima's Mexican Classics

Ice to Rice

Speedy Gonzalez

How long can a brand survive?

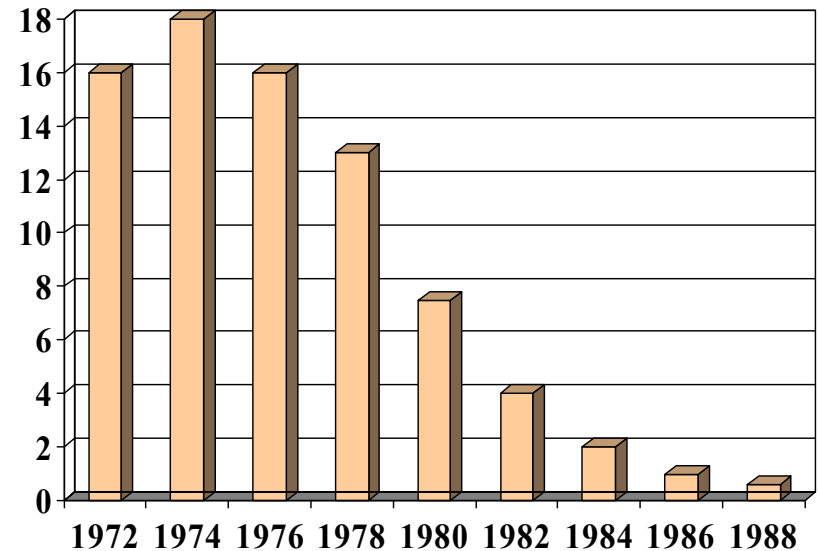
<u>Category</u>	<u>Leading Brand 1925</u>	<u>Leading Brand 1985</u>
Soap	Ivory	Ivory
Razors	Gillette	Gillette
Soft Drinks	Coca Cola	Coca Cola
Flour	Gold Medal	Gold Medal
Tires	Goodyear	Goodyear
Toothpaste	Colgate	Crest

The death of a brand: *Schlitz* beer

- 1872 "The beer that made Milwaukee famous"
- 1947 leading brand in U.S.
- 1972 Close 2nd "You only go around once in life – so grab all the gusto you can"

The death of a brand: *Schlitz* beer

- 1974 To cut cost, they reduced brewing time from 12 days to 4; began using corn syrup instead of barley malt.
- Image problem caused a slight decline in sales
- 1976 To combat declining sales began aggressive discounting
- Caused people to think of it as cheap beer, and sales dropped more
- In a panic, they changed ad campaign to "There's just one word for Beer: Schlitz! And you know it!"
- 1978, restored formula and former ad campaign, but.....



*Reputation, Reputation, Reputation! I have
lost the immortal part of myself.*

Shakespeare

A good name is better than riches!

Don Quixote

Brand Equity: Can it be measured?

- Price premiums

Which would you prefer?:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Bayer for \$3.75 | <input type="checkbox"/> Generic at \$3.75 |
| <input checked="" type="checkbox"/> Bayer for \$3.75 | <input type="checkbox"/> Generic at \$3.50 |
| <input checked="" type="checkbox"/> Bayer for \$3.75 | <input type="checkbox"/> Generic at \$3.25 |
| <input type="checkbox"/> Bayer for \$3.75 | <input checked="" type="checkbox"/> Generic at \$3.00 |
| <input type="checkbox"/> Bayer for \$3.75 | <input checked="" type="checkbox"/> Generic at \$2.75 |

- Preference

Which box of cornflakes would you prefer?

Brand X

[47%]

Brand Y

[53%]

Kelloggs

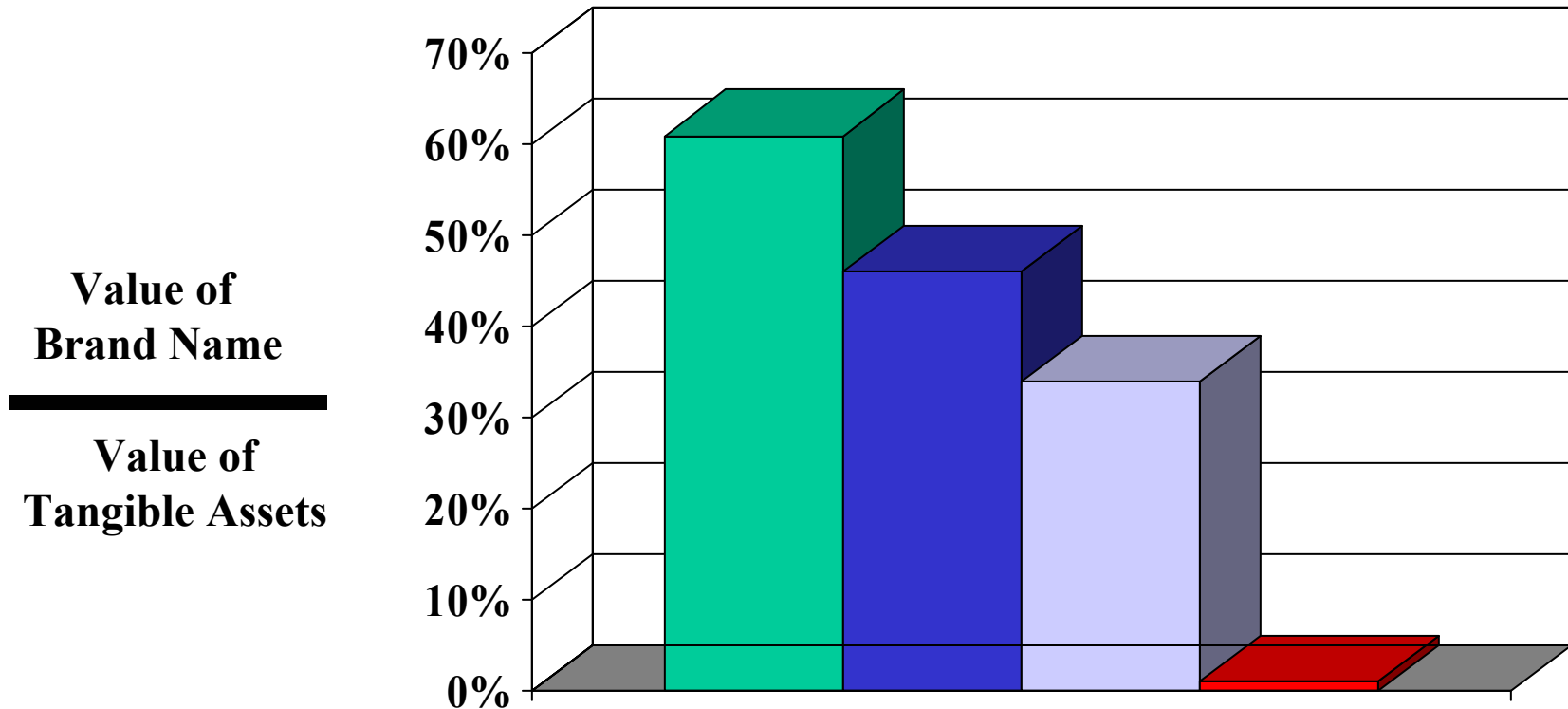
[59%]

Brand Y

[41%]

How to measure brand equity?

- Stock Prices relative to tangible assets



In 1988, Sunkist earned 10.8 Million for

- (1) **Sunkist Fruit Gems (produced by Ben Myerson)**
- (2) **Sunkist Orange Soda (produced by Cadbury-Schweppes)**
- (3) **Sunkist Fruit Roll ups (produced by Lipton)**
- (4) **Sunkist Vitamin C (produced by Ciba –Geigy)**

Do Names Matter?

"What's in a name? ...a rose by any other name would smell as sweet"

Shakespeare

**"Shakespeare was wrong. A rose by any other name would not smell as sweet
... which is why the single most important decision in the marketing of
perfume is the name."**

Al Ries & Jack Trout

Reality, perception, and the power of brands

