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→ Market Report : Building a brand name



What is a brand and how do you create one? When its been developed how do you maintain its profile? Michele Witthaus seeks the answers.

From burgers to bonds, everything money can buy now seems to have a brand identity. Areas of activity that never previously embraced branding are adopting commercial branding principles. Even employers are applying branding principles to themselves to attract the best staff.

But what is a brand exactly and how is it created? And from a business point of view, how is it possible to know whether it is doing the job for which it is designed? Trust is an important factor in shaping brand perceptions, and it's not always the biggest brands that get top ranking, as a recent *Readers Digest* survey of European Trusted Brands proves.

For example, HSBC may be Britain's biggest bank but smaller rival Lloyds TSB has beaten it to the title of most trusted bank five times. PG Tips remains Britain's most trusted tea in spite of being overtaken recently in sales terms by Tetley. And Coca Cola, ranked number 1 in terms of market value by Interbrand and one of the biggest brands in the world, is ranked most trusted brand in only 3 out of 14 European countries. Advertising spend doesn't buy trust either - in the UK, only 6 out of 10 most trusted brands in a category were also the highest spenders. A brand is a promise of value, says Sicco van Gelder, author of the book *Global Brand Strategy* and a director of brand agency Brand Meta. This is either an explicit or an implicit promise of what people can expect.

"The brand strives to provide something that is so valuable to these people that they want to purchase the product or service, work for the company, donate money to the organisation, or pledge allegiance to whatever the objective is." At its simplest a brand is a badge of identity, says Richard Mosley, managing director of People in Business. "It tells you where something (or someone) is from, and it carries an implied guarantee that what has been promised on behalf of the brand will be delivered." Until recently, most people would only have associated the term "brand" with consumer goods and services, but it is now used far more widely, with many companies striving to develop "employer brands" (what Mosley calls "the package of functional, economic and psychological benefits offered by and identified with an employer").

A brand represents a collection of perceptions that exist in the mind of the consumer, says Peter Matthews, managing director of brand agency Nucleus. "Brands are created, grown or diminished, through the individual experiences that customers have with them - including advertising, contact with employees, visiting a website and using a product." Big corporate brands are expected to stand for quality, says Catelijne Wessels, an analyst at Corporate Social Responsibility Europe (CSR). "This includes not only product quality, but having a responsible supply chain and trading practices." Wessels says that the rise in popularity of Fair Trade products is an indication of consumer interest in brands that subscribe to ethical principles. "It can even become a competitive advantage. In France there is a substantial new group of consumers called BoBos (Bourgeois Bohemians). Their market share is expected to reach 25 per cent.

To succeed, a brand must develop a personality that enables it to form a relationship with users or buyers, says Gavin Murray, strategy director for international advertising at *Readers Digest*. He argues that canny marketers can get consumers to "feel" for a brand by encouraging them to develop a bond with it. The key message of the brand in this process is "Treat me as a friend - this means understand me, trust me, share your world with mine." Despite their "touchy-feely" qualities, brands must continually justify their existence in the real world of finance, warns Martin Roll, CEO of Venture Republic and author of the book *Asian Brand Strategy*. "Branding is an investment that must deliver ROI (return on investment) and shareholder value, like any other business activity. It must appear on the left side of the balance sheet as an intangible asset and its value is subject to change upward and potentially downward." Added to this, a brand is a success

only as long as customers are willing to pay a substantial and consistent price premium for it versus competing products and services, notes Roll. Top earning brands don't just happen by chance - they are the product of ongoing planning and research.

The strategic planning for a brand starts with an understanding of an organisation's business strategy, says Van Gelder. "This means getting a complete view of all the elements of the brand expression and then choosing which to use and emphasise in the brand's manifestations." He points out that if the target market doesn't experience the promised benefits, the hard work put into devising and executing the brand may still flounder on the perception of the brand among consumers."

And as Matthews remarks, the consequences of losing the consumer vote can be very serious. "Brands that fail to deliver on their promises fail to keep their customers, and so fail to be brands." It's important to test how well brands are doing, and sales figures do this to some extent. However, while measurement of sales may be the most obvious way to judge the strength of a brand, it's important not to overlook less tangible factors, says Gavin Murray. "At a deeper level, there are emotional measurements like quality and perceptions of value for money." Crucially, says Richard Mosley of People in Business, it's important to assess the brand's momentum. "Is the brand associated with fresh innovations and is it continuing to attract the next generation of consumers? "If the answer to these questions is yes, it's good news for the future of the brand concerned - and for the customers it exists to serve.

The author, Michele Witthaus, has been a freelance writer for most of the last 20 years. She covers a wide range of subjects including the arts, business development, corporate and retail design, e-commerce, education and training, marketing, new media, recruitment, retailing and telecommunications.

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