

AMERICAN MARKETING ASSOCIATION

*The*

# BRAND MARKETING BOOK

*Creating, Managing,  
and Extending  
the Value of Your Brand*

**Joe Marconi**

**AMA** AMERICAN **MARKETING** ASSOCIATION

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**BRAND**

**MARKETING**

**BOOK**

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NTC Business Books  
*NTC/Contemporary Publishing Group*

**Library of Congress Cataloging-in-Publication Data**

Marconi, Joe.

The brand marketing book: creating, managing and extending the value of your brand / Joe Marconi.

p. cm. (American Marketing Association)

Includes bibliographical references (p. )

ISBN 0-8442-2257-7

1. Brand name products—Marketing. I. Title.

HD69.B7M373 1999

658.8'27—dc21

99-23371

CIP

Some of the material in this book appears previously under the title *Beyond Branding*, published by Probus Publishing/McGraw Hill in 1993.

Interior design by Point West, Inc.

Published by NTC Business Books (in conjunction with the American Marketing Association)

A division of NTC/Contemporary Publishing Group, Inc.

4255 West Touhy Avenue, Lincolnwood (Chicago), Illinois 60712-1975 U.S.A.

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Printed in the United States of America

International Standard Book Number: 0-8442-2257-7

99 00 01 02 03 04 LB 21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2

For Todd and Kristin and Emily,  
and for Karin

# Acknowledgments

**T**hanks to Francesca Van Gorp, Jamie Born, and the staff of the American Marketing Association; to John Nolan, Danielle Egan-Miller, Susan Moore-Kruse, and Denise Betts at NTC/Contemporary Publishing for making our fourth project together a very satisfying one; and to Lonny Bernardi and Rich Girod, and especially to Karin Gottschalk Marconi for just about everything.

# Introduction

The baby's smile was "a Kodak moment." The corporation's annual meeting was "a Maalox moment." "Brands," as Kodak also so beautifully put it, "are helping to define the times of our lives."

Marketers have understood that the *brand*—whether considered in terms of brand name, brand equity, or brand loyalty—has been a manageable force in business for decades.

A well-respected marketing professional was heard to say, "People don't buy brands, they buy products. Keep the focus on the *product*." That's a good line—and certainly quotable—but like so much else in the way of quotable business lines, it's a bit too simplistic.

Certainly, people buy products, but *which* products they buy and how they make their buying decisions have a lot to do with how they feel about the brand. Some very successful companies allocate huge budgets for advertising, promotions, and publicity each year. They allocate these budgets in order to become better known, because it is increasingly more accepted among marketers that, in the minds of consumers, a *better-known* brand is thought to be a *better* brand.

Think of the best names in the business—any business. How did they get to be the best names? Imagination, innovation, quality, and style had a lot to do with it. But con-

siderable energy was devoted to defining *what* people think of the brand and *how* people think of the brand.

How important is brand image?

Very important. It is what people remember, if they remember anything at all.

Sometimes brands truly do permeate and become so familiar that they become synonymous with their product category to the point of appearing generic. Coke, Kleenex, and Xerox are constantly battling to protect their trademarks and to make the distinction that they are not categories but *brands*.

It is important to understand the intrinsic value in the brand name. Harvard is regarded as one of the world's greatest universities, but when it allows its name to be used on a repackaged multivolume set of great books (*The Harvard Classics*), or on sweatshirts sold in airport gift shops and department stores, or on a nationally distributed humor magazine, it is using, selling, or exploiting the commercial value of its name—its brand name.

Despite the extremely high failure rate, a rush of new products hits the market each year. Many of them have familiar names: Starbucks, the premium coffee shops that became popular among yuppies in the 1980s, launched an ice cream line that is sold in supermarkets alongside Starbucks Frappuccino bottled beverages. Reese's peanut butter cups, long one of the United States' top-selling candy treats, brought out several candy bar extensions, as well as cookies, breakfast cereal, and jars of its own branded peanut butter; and Virgin Airways, having already moved into the music business with Virgin Records, opened a chain of Virgin Megastores for music, books, and clothing, and even Virgin cola.

Since the early 1990s, as mergers, acquisitions, spin-offs, licensing, and positioning have occupied more attention at both the highest and the lowest corporate levels, the image and the presentation of the brand have become

major concerns. Corporate identity and diversification programs have become more sophisticated. The brand and the opportunities inherent in it are often the very basis of product or corporate marketing.

A brand is a name. Brand equity is the value of that name.

While this book is aimed primarily at marketers, the material presented can be useful to CEOs, corporate boards, managers, consultants, and market research personnel at every level.

Consider first the role of the marketer in relating to the brand. Marketers were once regarded as those individuals concerned primarily with pricing and distribution. Marketing professionals today bridge the gap between high-tech and personal service, relying heavily on research, publicity, and advertising. A well-conceived marketing plan will consider graphics, packaging, and positioning. A defined strategy should inform the marketer in all these areas.

Marketing is also a major factor in product development, both initially and for any possible brand extensions.

A marketer must know what the public wants. This may seem like a rather sweeping statement—and it is. In the highly competitive environment of the twenty-first century, anything less will not be sufficient.

- Are a brand's products and services, no matter how successful, meeting the fullest possible range of needs? If not, what can brand managers do about it?
- Is it time for something *new and improved*? A companion product? A whole new line? Perhaps what's needed is new packaging or a flashy (or *less flashy*) new logo.
- What is your "good name" worth to dealers, consumers, merchandisers, franchisers, or franchisees?
- What about prospects for shifting gears entirely, such as taking your business name into an entirely new field?



Billions of dollars are invested in building brands and the suggestion of quality and value that goes with them. Sometimes companies are sold and the original flagship products quickly abandoned. But the valued company *name* or *brand* was what the buyer wanted.

Clearly, time and tastes change. To stay alive, it is sometimes necessary for a company to diversify. When diversification is the best approach, is it better to buy or to build? That decision could depend on a number of considerations. For example, how might a health-conscious public feel about tobacco companies owning food companies and putting their well-known brand names on the label? R. J. Reynolds and Philip Morris encountered just such a problem. Better to buy the companies and retain less controversial names like Nabisco and Kraft on product packaging.

Would moviegoers be comfortable going to see a family film from Seagram's Pictures? Or take the kids to a theme park called Seagram'sLand? Good business sense prompted Seagram's management, after purchasing the MCA entertainment conglomerate (parks, stores, publishers, and movie companies), to stick with the name Universal Studios.

The most astute multinational companies take careful note of psychographic impressions. Mitsubishi works well on a name plate for airplane engines and automobiles, but for a beer . . . just call it Kirin. Yamaha, on the other hand, worked hard at building equal respect for its brand of motorcycles and pianos. The cost was an investment to address issues of quality and marketing for both product categories, having a great deal of patience, and enormous advertising budgets.

This book will look at names, logos, corporate identity programs, franchising, mergers, name changes, and, perhaps most important, brand building and developing extensions of the brand. It will examine vanity and practicality and consider why the Coca-Cola Company found greater success in its Diet Coke brand than it was able to achieve with Tab. And why, speaking of brand extensions,

Trump Airlines never caused sleepless nights among United Airlines executives.

A design firm president noted that the incredible costs of introducing new brands highlights the need to piggy-back on what already exists. The significantly high number of new product failures suggests that a new product bearing the name of an established old favorite increases its odds at achieving acceptance, at least at the trial stage. In a competitive environment, whether the name is old or new, marketers need to understand the importance of creating, managing, and maximizing the impact of a brand in the marketplace. The question of how to do it is what this book will explore.

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# SECTION 1

***Equity,  
Loyalty,  
and a  
Good  
Brand  
Name***



# The Right Name Is a Good Way to Start

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“What’s in a name? that which we call a rose  
By any other name would smell as sweet.”

—*William Shakespeare,*  
*Romeo and Juliet (1595)*

“With a name like yours, you might be  
any shape, almost.”

—*Lewis Carroll,*  
*Through the Looking Glass (1872)*

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**H**ow much extra might someone pay for a shirt with a leading sports team insignia? Or for a leather jacket bearing the Harley-Davidson logo? Or for T-shirts with the call letters of a favorite radio station? As if proof of the experiment, the NBC Shop (gift and merchandise shops the TV network operates in several major U.S. cities) learned that a shirt or jacket sold for considerably more with the network’s logo on it than without.

Why?

Because people want to associate themselves with the images of things they like—and they’ll pay extra to do it.

People are also preconditioned to believe that an item with a Nike, DKNY, Mercedes-Benz, or Polo insignia identifies them as being of a particular, very discriminating class.

What's in a name? If the name is Playboy, Xerox, Microsoft, or Barbie, the answer can be counted in millions of dollars.

Once the *idea* of a product or service turns into the actual product or service, the next major issue becomes choosing the right name. Having the right name can be as important as having the right product.

Some brand names are so powerful that they become the generic names of their product categories. We say "Coke" and "Kleenex" and "Xerox" when referring, respectively, to any cola beverage, facial tissue, or photocopy.

Most products, however, have to work hard to be noticed at all, much less to stand out from the pack. Over the years, the approaches to achieving name recognition have been varied, from companies poking fun at themselves ("With a name like Smuckers, it's got to be good") to actually spelling it out for you ("How do you spell relief? R-O-L-A-I-D-S"). Others set their names to music you'll remember. Some name themselves after your town, your state, or someone you love and respect or admire—New York Life, Illinois Tool Works, Mother's Cookies, and Lincoln Savings are a few examples.

Charles Schwab, perhaps America's best-known and most successful discount stockbroker, reportedly said that two of the smartest moves he ever made were putting his name on the company and his picture in his ads. The theory was that people wanted to know the names and faces of people to whom they would be entrusting their money. The name, the face, and the focus of the ad campaign was to suggest integrity and trustworthiness. It helped, of course, that the Schwab name was simple and easy to say and that he was a pleasant-looking, photogenic man. After Mr. Schwab named his "brand" for himself, however, he then had to build it to prominence.

Adman Harry Beckwith, in his book *Selling the Invisible*, wrote, "It's tempting to create a clever name . . . (like) Hair

Apparent for a hair transplant clinic. . . . Don't get funny with your name."

As a general rule that's pretty good advice. Creative people enjoy demonstrating their creativity and believe that nothing less is expected of them, so we get For Eyes as the name of the chain of eyeglass stores or, as on the TV comedy show *Ellen*, a bookshop called Buy the Book. A Chicago store for books and gifts is actually called He Who Eats Mud, clearly one of the more colorful entries in the clever name derby. There's nothing wrong with wanting to be a bit more original than "Bob's Gift Shop," but the key to how far to go with unusual, funny, or clever names is to ask what will generate the most effective, positive response from clients, customers, and prospects. If the name of your business is silly, will it help or hurt business? Despite scoring high in taste tests, the snack food Screaming Yellow Zonkers never quite reached the sales levels of Cracker Jack.

Magazines with names like *Marie Claire*, *Jane*, *George*, and *Frank*, which were launched in the 1990s, may make their editors smile, but will they convince an unknowing person standing at an airport newsstand that this is a magazine he or she would like to read? Nobody ever had to wonder what *Car and Driver*, *Sports Illustrated*, *House and Garden*, or *Business Week* were trying to say.

Again, to quote Harry Beckwith, "To stand out, stand out. . . . Just as sophisticated marketers do not want their brand names to become generic, you do not want a generic name as your brand."

But between funny names and generic names lie a great many possibilities.

A case of instant brand building occurred when actor Paul Newman put his name and face on jars of Newman's Own salad dressings, sauces, and salsa and containers of popcorn and ice cream. Practically overnight the brand drew attention and recognition. Because of the high



quality and excellent distribution of the brand, it gained a very respectable market share for many of its products.

Helen of Troy hair care appliances posted a sales increase some twelfold over little more than a decade after adding the name of trend-setting hair stylist Vidal Sassoon to its packaging. The reputation of Sassoon immediately became the reputation of the hair dryers and curling irons by virtue of their association with him.

Another instant brand success was the on-line magazine *Salon*. In 1998, as President Bill Clinton's personal relationships became the stuff of congressional hearings and tabloid headlines, the electronic publication broke several important stories that were picked up and led print and broadcast news for days after. Even though only a small percentage of people checked the Internet for their news, all mainstream media and millions of citizens were talking about "that story in *Salon*," and the publication had immediate worldwide recognition and credibility on a par with the major national daily newspapers and TV networks.

Not every new business start-up or young company is going to have a Paul Newman, a Vidal Sassoon, or a breaking news story associated with it. To achieve an identity in the marketplace, the selection of a company name and a product name should be treated as critical decisions. Here are some important considerations in choosing a name:

- Your company name should suggest stability and integrity.
- Your product name, when possible, should say something about the product. Some examples are Fix-O-Dent denture adhesive, Jiffy Lube auto service, or Golden Grain Rice.
- Avoid negative imagery or identification in the product name (AYDS weight-loss candy and wafers was an example of an especially unfortunate product name).