

Module 3: Branding

Lesson 2 - Brand Building

OVERVIEW

In this lesson, students will further explore the concept of **branding**. Branding is much more than a logo or a catchy slogan, and students will learn the various components of the brand-building process.

OBJECTIVES

1. Define brand awareness.
2. Differentiate between brand awareness and brand image.
3. Explain the importance of brand equity.
4. Illustrate the concept of brand extension.
5. Provide an example of co-branding.
6. Describe the concept of rebranding.

KEY TERMS

Brand awareness

Brand equity

Brand extension

Brand image

Co-branding

Rebranding

This Lesson Bundle Includes:

- Brand Building - Lesson Outline
- Brand Building - Presentation Slides
- Industry Application - Related Links
- Student Activity - ID Me! - Brand Identification PPT
- Class Discussion - Recognize Me? - Rebranding PPT
- Student Activity - Brand Image

Lesson 2 - Brand Building

BRANDING

Branding is much more than a logo or a catchy slogan. So how do organizations develop their brands? A successful brand is not built overnight. Organizations invest heavily in carefully crafting a brand that resonates with consumers and helps advance its marketing goals and objectives. In this section of the course, we will review the components of brand building that are critical to the success of any business.



NOTE

This lesson includes a variety of different brand “rankings”, ranging from the most reputable to the most valuable. This reinforces the importance of brand building, and the various ways businesses can develop a strong brand.

Characteristics of a Successful Brand

A successful brand...

- Has a positive, distinctive image and generates positive feelings and associations.
- Is easy to remember and the name is easy to pronounce.
- Has a logo that is easily recognizable.
- Implies the benefits the product delivers.
- Is consistent with the image of other product lines within the company.
- Is legally and ethically permissible.

Benefits associated with the development of a strong brand include:

- Strong brands have the power to create business value and impact more than just corporate revenues and profit margins.
- Strong brands can also help establish a competitive advantage, command price premiums, and decrease the cost of entry into new markets and/or categories.
- Strong brands reduce business risk and attract and retain talented staff.
- A brand's strength can help carry the brand in a tough economy.

BRAND BUILDING

Companies invest a great amount of time and money into strategically building their brands. Logos are essentially the face of the company, and effective branding will build positive relationships with consumers, leading to opportunities for the business to grow.

To build a successful brand, organizations focus on the development of:

- Brand awareness
- Brand image
- Brand equity
- Brand loyalty



Brand Awareness

Brand awareness refers to the process of maximizing the levels of recognition of a brand. Awareness describes the extent to which consumers are familiar with the name, image, or other distinctive qualities of a brand.

For example, most consumers will recognize an Apple product the moment they see it based on the brand's logo and unique product design. This is because Apple has an extremely high level of brand awareness.



ACTIVITY

Play the "ID Me!" brand identification game. See if you can identify the logos that represent some of the most recognizable brands in the world. Once you have completed the exercise, see which brands had the highest levels of brand awareness among students in your class.

Brand Image

Consumer perceptions linked to a particular brand (health, excitement, fun, family, etc.) describe its **brand image**.

For example, the Disney brand is associated with family fun and entertainment. The brand image is one that makes consumers think of family vacations or family movie nights and being transported to a fun environment.

The reputation of the brand influences brand image. According to the annual Axios Harris brand reputation [poll](#), grocery store chains and automobile brands command the most respect from consumers.

In 2022, the following brands were ranked as the top ten most reputable:

1. Trader Joe's
2. HEB Grocery
3. Patagonia
4. The Hershey Company
5. Wegmans
6. Samsung
7. Toyota
8. Honda
9. Amazon
10. Sony



ACTIVITY

Using the worksheet provided, describe the image you associate with each listed brand. Is the brand fun? Is it family-oriented? Is it environmentally friendly? Describe how you think consumers feel about each brand.



Brand Equity

Brand equity refers to the value placed on a brand by consumers.

Nike has strong brand equity because consumers have long associated the brand with top-level athletes and quality products. Thanks to its brand strength, Nike can charge \$300 for a pair of soccer shoes. Compare that to the shoes made by Diadora, one of Nike's competitors that focuses on soccer shoes and apparel, which top out at \$120 for a pair. Typically, a good pair of cleats from any brand can run \$150, but Nike's brand equity allows them to sell them at a higher price point.

Brand Equity vs. Brand Value

Brand equity describes the level of swagger and legitimacy the brand has in the minds of consumers while brand value is the financial significance the brand carries. Both brand equity and brand value provide an estimate of how much a brand is worth.



The World's Top Brands Of 2022

A brand analyst and strategy company (Kantar Millward Brown) annually ranks the world's most powerful brands measured by their dollar value.

Apple is the most valuable brand in the world, according to the [Kantar BrandZ Most Valuable Global Brands 2022](#) ranking, and is positioned to become the world's first trillion-dollar brand.

Top global brands of 2022:

1. Apple
2. Google
3. Amazon
4. Microsoft
5. Tencent
6. McDonald's
7. Visa
8. Facebook
9. Alibaba
10. Louis Vuitton

Click [here for](#) access to the full report and to view brand rankings by industry category.



FUN FACT

According to the Kantar BrandZ Most Valuable Global Brands 2022 report, the combined value of the world's 100 most valuable brands increased by 23% to **\$8.7 trillion** in the last year. Media & Entertainment, Business Solutions & Technology Providers, and Retail categories account for over half of the total value of the Top 100 ranking.



Brand Loyalty

Brand loyalty describes consumer preferences for a particular brand as compared to competitor products or services. When a company enjoys high levels of brand loyalty, its customer base has a favorable association with a specific product or the brand itself when compared to competing products or brands.

Brand Extension

Brand extension refers to the use of a successful brand name to launch a new or modified product or service in a new market. Leveraging the strength of a brand allows companies to create new revenue streams with the introduction of new products or services.

Brand extension example:

In 2022, Duolingo, the popular language learning app, opened Duo's Taqueria, a Duolingo-branded restaurant with a language-learning tie-in. Customers have an opportunity to "earn" a 10-20 percent discount on food orders by answering a question in Spanish when placing an order. Click [here](#) to read the story at foodandwine.com.



DISCUSSION TOPIC

See if you can identify any additional examples of brand extension. As a class, try to target a list of at least five different examples using multiple product categories.

Co-Branding

Opportunities exist for two strong brands to collaborate on a marketing initiative. **Co-branding** is the practice of using multiple brand names to jointly promote or market a single product or service. This is often referred to as *brand collaboration*.

Recent examples of co-branded products or services and brand collaborations include:

NERF (a Hasbro brand) partnered with Vrbo to create a NERF-themed lakefront vacation property.

- The property also serves as the scene for the popular "NERF HOUSE SHOWDOWN" series on YouTube.
- The vacation home was fully outfitted in top-of-the-line NERF toys and gear.
 - Click [here](#) to read the story at prnewswire.com.

In 2022, Vans teamed up with Crayola for the first time in more than a decade for family-friendly Crayola-branded footwear, apparel, and accessories collection.

- Click [here](#) to read the story at hypebeast.com.

Also in 2022, Pepperidge Farm, makers of the popular snack Goldfish, teamed up with spice-maker Old Bay for a limited-edition release of an Old Bay-flavored Goldfish cracker

- Click [here](#) to read the story at baltimore.com.



Rebranding

One strategy for re-establishing or strengthening a brand is the process of rebranding. **Rebranding** is the updating or creation of a new name, term, symbol, design, or a combination thereof for an established brand with the intention of developing a differentiated (new) position in the mind of stakeholders and competitors. Often, a rebranding effort includes the development of a new logo, the introduction of a secondary logo or mark, and/or the alteration of an existing logo.

Rebranding example:

In preparation for the introduction of its first electric vehicle (coming to the market in 2024), Buick launched a new logo and brand identity, the first significant alteration to the brand's logo since 1990.

- To help usher in a new era of electric vehicles, the brand also announced plans to introduce a new name for the new division of products, calling the EV vehicles “Electra”.
- The brand dropped the familiar circular logo in favor of a modernized horizontal logo which will be affixed to the front fascia of Buick vehicles beginning in 2023.
- In a press release, the company said, “Buick’s new logo, use of the Electra naming series, and a new design look for our future products will transform the brand.”
 - Click [here](#) to read the full press release from the Buick website.



Rebranding Risks

Rebranding, however, can come with some risk and can be expensive and very time consuming. In many cases, a rebrand will take years and could cost millions of dollars.

This was the case when Gap Inc. rebranded in 2010.

- According to a story published by [Medium](#), Gap invested \$100 million in a rebranding effort that included the launch of a new logo.
- Consumer backlash was swift, with consumers railing against the new branding on social media and online, with one consumer group creating a website dedicated to suggestions for a new Gap logo generated over 14,000 new iterations of the logo, most of them mocking the company's decision to rebrand.
- After just seven days, Gap reversed course and ditched the rebrand, opting to keep its original logo.

When Facebook debuted its massive brand overhaul, including a new company name (Meta), the business experienced a significant decline in public trust, according to a story published by [Fast Company](#).

- According to the Harris Brand Platform, Facebook's trustworthy score fell from 11% to 6.2% after announcing its Meta rebrand.

Other brands have launched failed rebranding efforts, including Coca-Cola's “New Coke” branding disaster (which the company called “One of the Most Memorable Marketing



Blunders Ever” on its own [website](#)) and Tropicana, who ditched a new packaging design after a few months.

- The iconic fruit juice brand, Tropicana, [invested](#) \$35 million in the rebranding project, introducing new packaging that did not resonate with consumers.
- After sales plunged 20%, costing the company a [reported](#) \$30 million in sales, Tropicana reverted back to the old packaging.
 - Click [here](#) to learn more about the company’s failed rebrand.



DISCUSSION TOPIC

Review the “Recognize Me?” slide deck in class. Compare each new logo with the brand’s previous logo, and discuss the following:

- Why do you think the brand chose to rebrand?
- What message are they trying to communicate to consumers?
- How might the new logo influence brand image?
- Do you prefer the new logo or the old one? Why?

Use the worksheet provided to take notes as you review each slide.



KEY TAKEAWAY

Branding is much more than a logo or a catchy slogan. So how do organizations develop their brands? A successful brand is not built overnight. Organizations invest heavily in carefully crafting a brand that resonates with consumers and helps advance its marketing goals and objectives.



INDUSTRY APPLICATION

Connect your classroom with industry examples by reviewing the following news stories relating to concepts covered in this lesson:

Establishing Brand Name - [A Brief History of Kim Kardashian Stirring Up Controversy When Naming Her Brands](#)

Co-branding - [Pepsi and IHOP Team Up for Limited-Edition Pepsi Maple Syrup Cola](#)

Co-branding - [Gap-Branded Sheets And Pillows Are Coming Soon To Walmart](#)

Rebranding - [Convenience store retailer Tom Thumb to undergo \\$50 million rebrand](#)

Rebranding - [Here's what Burger King's new logo looks like](#)

Rebranding - [Brand trust in Facebook actually fell after it changed its name to Meta](#)

Rebranding - [Russia's rebranded McDonald's chain reportedly considers 8 new names, including 'The Same One' and 'Available Cash Register', as it unveils new logo](#)

KEY TERMS DEFINED:

Brand awareness: The process of maximizing the levels of recognition of a brand. Awareness describes the extent to which consumers are familiar with the name, image or other distinctive qualities of a brand.

Brand equity: The value placed on a brand by consumers.

Brand extension: The use of a successful brand name to launch a new or modified product or service in a new market.

Brand image: Describes consumer perceptions linked to a particular brand.

Co-branding: The practice of using multiple brand names to jointly promote or market a single product or service.

Rebranding: The updating or creation of a new name, term, symbol, design, or a combination thereof for an established brand with the intention of developing a differentiated (new) position in the mind of stakeholders and competitors.

