# Effects of Branding on L'Oreal Shampoo

Explain branding and how it is used to strengthen a business or product and the product is L'Oréal shampoo.

## Answer

****Definition of Branding****

According to ****American Marketing Association**** - Brand is *“A name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name.”*

According to ****Philip Kotler**** - *“******Brand******is a name, term, sign, symbol, design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”*

****Branding**** is *“a seller’s promise to deliver a specific set of features, benefits and services consistent to the buyers.”*

****Meaning of Branding****
Branding is a process of creating a unique name and image for a product in the mind of consumer, mainly through advertising campaigns. A brand is a name, term, symbol, design or combination of these elements, used to identify a product, a family of products, or all products of an organisation.

Branding is an important component of product planning process and an important and powerful tool for marketing and selling products.

***Branding***

On the shelves of every grocery store are brand-name products from Oreo cookies to Tide detergent. Strong brands are a great asset to a company and can generate streams of incremental revenue due to the fact that people are willing to pay a premium for brand-name products and over time they reduce marketing costs because a brand’s customers present lower or no purchase barriers.

A brand is a name, symbol, term, sign, design, or combination of each of these things, the purpose of which is to identify goods and services of one seller or of a group of sellers and differentiate them from competitors.

A brand is also the sum of all characteristics that make a product offering unique. A company can copy a product, but it cannot replicate the brand. In a sense, the brand is the “personality”

of the product, what the product means to the customer and the set of emotions evoked when the brand is encountered or used by the customer.

***Brand Identity***

A brand’s identity is the company’s vision of the brand and the brand’s promise to consumers. It is also the outward visible identity of the corporate brand or family of brands. McDonald’s, for example, has the golden arches as part of its brand identity, but it also represents convenient

and reliable products. When you order a McDonald’s cheeseburger, it should taste the same whether you are ordering it in Los Angeles, London, Shanghai, or Moscow and it should be prepared quickly, because it is ***“fast food.” (global standardisation)***

***Brand Image***

The brand image is the consumer’s actual view of the brand. Companies will try to bridge the gap between brand identity and brand image. Consistency is the key element when promoting a brand or product, and a clear and consistent promotional campaign will help ensure that

the brand’s image and the brand identity are very similar.

***Brand Loyalty***

People who buy only a particular brand of product or service are considered by marketers to be “brand loyal.” There are various levels of brand loyalty, from extremely loyal to brand terrorist and everything in between.

Think about the products you buy; are you willing to purchase just any brand of detergent or coffee creamer? Some people will use only Clorox bleach or Coffee-mate coffee creamer, while others will be satisfied using private-label bleach or a generic creamer and may not notice a difference beyond price. Others may be loyal some of the time; however, they will take advantage of a sale or promotion for another competitive product.

For example, you may buy Coke regularly, but would you buy Pepsi instead if there were a sale? If so, you are not brand loyal to either Coke or Pepsi; you are capable of switching.  People who have bad experiences with brand-name products or services may tell others about their dissatisfaction; these people are deemed “brand terrorists” and may act as an adverse multiplier of reputation.

A rule of thumb is that a positive experience will have a one or two-time positive effect, but a customer with a negative experience will tell 8 to 10 people. If you have a terrible meal at a local restaurant, chances are not only will you not eat at the restaurant again, but also you will tell friends or family about your negative experience.

The same can be true with your experience with any kind of product. People who have a bad experience with a brand, product, or service are much more likely to express their reaction to their experience than those who have good experiences.

While there is no way of ensuring that every person is completely satisfied, companies can take measures to try to please their customers through high levels of customer service. They can also take steps to win over customers, or market share, from other products or services in order to equalize the balance between lost customers and new customers.

****Elements of Branding****

Brand includes various elements like - brand names, trade names, brand marks, trade marks, and trade characters. The combination of these elements form a firm's corporate symbol or name.

* ****Brand Name**** -      It is also called Product Brand. It can be a word, a group of words,      letters, or numbers to represent a product or service. For example -      Pepsi, iPhone 5, and etc.
* ****Trade Name**** -      It is also called Corporate Brand. It identifies and promotes a company or      a division of a particular corporation. For example - Dell, Nike, Google,      and etc.
* ****Brand Mark**** -      It is a unique symbol, colouring, lettering, or other design element. It      is visually recognisable, not necessary to be pronounced. For example      - Apple's apple, or Coca-Cola’s ***cursive typeface.***
* ****Trade Mark**** -      It is a word, name, symbol, or combination of these elements. Trade mark      is legally protected by government. For example - NBC colourful      peacock, or McDonald's golden arches. No other organisation can      use these symbols.
* ****Trade Characters**** -      Animal, people, animated characters, objects, and the like that are used      to advertise a product or service, that come to be associated with that      product or service. For example – ***PG Tips and Tetley tea ads***

****The Purpose of Branding****

* Identity / Identification – Who Are You?
* Distinction from Competition – What Makes You Unique?
* Influence / Reinforce Perception – What Do Customers Think Of You?
* Target / Address a Chosen Audience – Who Should Know, and What
* What Will Make The Strongest Impact on Branding?

***A brand should***… refer to (***AIDA Model***)

•Arouse Emotion

•Ignite Passion

•Create Credibility

•Have Meaning

***Most brands are seeking purpose…***

“Purpose-based branding is having an inspirational, motivational reason for being for your brand. Its a brand that shares values with consumers, it’s a brand that has an agenda, that is trying to make a powerful impact for good”

- ***Jim Stengal, Former Chief Marketing Officer, P&G***

****Branding Strategies****
***There are various branding strategies on which marketing organisations rely to meet sales and marketing objectives. Some of these strategies are as following:-***

* ****Brand Extension**** -      According to this strategy, an existing brand name is used to promote a      new or an improved product in an organisation's product line. Marketing      organisations uses this strategy to minimise the cost of launching a new product      and the risk of failure of new product. There is risk of brand diluting if      a product line is over extended.
* ****Brand Licensing**** -      According to this strategy, some organisations allow other organisations      to use their brand name, trade name, or trade character. Such      authorisation is a legal licensing agreement for which the licensing      organisation receives royalty in return for the authorisation.      Organisations follow this strategy to increase revenue sources, enhance      organisation image, and sell more of their core products.
* ****Mixed Branding**** -      This strategy is used by some manufacturers and retailers to sell      products. A manufacturer of a national brand can make a product for sale      under another company's brand. Like this a business can maintain brand      loyalty through its national brand and increase its product mix through      private brands. It can increase its profits by selling private brands      without affecting the reputation and sales of its national brand.
* ****Co-Branding**** -      According to this strategy one or more brands are combined in the      manufacture of a product or in the delivery of a service to capitalise on      other companies' products and services to reach new customers and increase      sales for both companies' brands.

****Branding Strategy Continued****
***Brand identity is a vital part of a business, and it should be incorporated into many key aspects and areas.***

* Company name, logo, or slogan
* Company letterhead
* Company forms
* Marketing materials and advertising
* Signage
* Web sites
* Uniforms
* [Promotional items](https://www.qualitylogoproducts.com/) such as [pens and pencils](https://www.qualitylogoproducts.com/pen-promotional.htm), key chains, ball caps, [tote bags](https://www.qualitylogoproducts.com/bag-tote.htm)





****Brand knowledge**** refers to brand awareness (whether and when consumers know the brand) and brand image (what associations consumers have with the brand). The different dimensions of brand knowledge can be classified in a pyramid (adapted from Keller 2001), in which each lower-level element provides the foundations of the higher-level element. In other words, brand attachment stems from rational and emotional brand evaluations, which derive from functional and emotional brand associations, which require brand awareness. Brand knowledge measures are sometimes called “customer mind-set” measures because they capture how the brand is perceived in the customer’s mind.

****Brand awareness**** measures the accessibility of the brand in memory. Brand awareness can be measured through brand recall or brand recognition. Brand recall reflects the ability of consumers to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or some other type of probe as a cue.

****Brand Recognition/Brand Equity****reflects the ability of consumers to confirm prior exposure to the brand (i.e., recognize that it is an “old” brand that they have seen before and not a “new” brand that they are seeing for the first time). In a recognition task, consumers see a stimulus (e.g., an ad for the brand, a brand name) and must say whether they have seen it before (e.g., last night on television, in magazine X, etc.).

****Brand Personality List****The problem with Brand Asset Valuator and with other similar proprietary measures is that we do not know exactly how each dimension is measured. In contrast, Jennifer Aaker’s (1997) academic research gives us a set of adjectives that can be used to describe the personality of a brand, much like the personality of an individual (see Keller 2003: 448).  She distinguishes five facets of brand personality: Sincerity, excitement, competence, sophistication and ruggedness. Two or more adjectives measure each facet.

***The method consists of asking subjects to what extent each adjective describes the brand.***

* Sincerity (down-to-earth, honest, wholesome, cheerful)
* Excitement (daring, spirited, imaginative, up-to-date)
* Competence (reliable, intelligent, successful)
* Sophistication (upper-class, charming)
* Ruggedness (outdoorsy, tough)



****Multiple Dimensions Of Brand Knowledge****

The reality that emerges from the varied research activity in branding through the years is that all different kinds of information may become linked to a brand, including the following:

1. ****Awareness—****category identification and needs satisfied by the brand.

2. ****Attributes—****descriptive features that characterize the brand name product either intrinsically (e.g., related to product performance) or extrinsically (e.g., related to brand personality or heritage).

3. ****Benefits****—personal value and meaning that consumers attach to the brand’s product attributes (e.g., functional, symbolic, or experiential consequences from the brand’s purchase or consumption).

4****. Images****—visual information, either concrete or abstract in nature.

5. ****Thoughts****—personal cognitive responses to any brand related information.

6. ****Feelings****—personal affective responses to any brand related information.

7. ****Attitudes****—summary judgments and overall evaluations to any brand-related information.

8. ****Experiences****—purchase and consumption behaviours and any other brand-related episodes

****Brand evaluation****

****Definition****
Brand evaluation is a method used to determine the tangible and intangible assets of a corporate or product brand. The goal is to quantify the overall impact of a brand and – partly – to convert it to monetary terms. There are more than 40 different approaches and models for brand evaluation.

****The importance and necessity of evaluating brands****

The necessity of evaluating brands resides both in the company’s and in the marketing environment’s interests, especially those organizations or persons who are interested in the company’s and its brands’ financial performance.

It is about the company’s stakeholders (suppliers, investors, financial institutions, distributors, employees, customers etc.) and the competition.

****Three approaches apply:***purely monetary, finance-oriented philosophies consider brand value from the point of view of the brand owner and evaluate the brand on the basis of profits or sales clearly attributable***to the brand and that would not have been achieved without the brand.

***Behavioural science or consumer-oriented approaches*** believe that brand value is essentially dependent upon perception of the brand, brand images in the minds of the consumer, and the associations conjured up as a result. Integrative models combine consumer and market approaches: economic data and positive and negative associations are considered equally important in terms of defining and determining brand value.

The diversity of methods produces very different results that are not inter-comparable. Brand value depends on the underlying attitude, the reason for evaluation (e.g. Mergers & Acquisitions, control, protection) and the model-specific definition and operationalization of indicators and factors.

****2. Applications****
The main reasons for brand valuation are: ****market transactions****, i.e., ***sale of brands, brand control and monitoring, and brand protection.***

When brands are sold, finance-based methods are mainly used. The sales currently and potentially achieved with the brand then appear to be the most important consideration and these determine the brand value at a given time. Where the aim is to evaluate the efficacy of brand strategy and efficiency of brand management, consumer-oriented behavioural science based methods are appropriate. These enable statements to be made with respect to brand presentation, determination of budget figures and endpoints, or justification of a particular budget.

If integrative approaches are used, brand value can also be used as a measure of success, as a comprehensive evaluation tool, or as a basis for setting target agreements for the responsible brand manager. This approach is also common for legal protection of brands: licensing fees, the amount of compensation demanded in the event of brand infringement, and other payments for utilization rights are based on consumer and economics-oriented brand value.

It is becoming increasingly common for organizations to voluntarily include brand values alongside obligatory accounts in their external reporting during brand sale transactions (e.g. in the corporate report, external accounting system). Among other things, this shows potential investigators, acquisition/takeover candidates externally bound intangible assets and the associated market and sales potentials.

***Important:***The values obtained with different methods are not comparable and may be difficult to comprehend in many cases. No uniform evaluation approach exists that would produce a valid representation to fit all circumstances. All the approaches are deficient to a greater or lesser extent from a communication science point of view, as they tend to neglect aspects of public communication.

****3. Indicators****
***Brand income***:**** Brand income is the income share of the total income of the company, based on the brand's design. It also features the brand generated by the added value of a product or service as compared to an unmarked offer.

***Brand equity:***Brand equity is the portion of a company's overall equity that is attributable to the brand. It also describes the added value of a product or service generated by the brand versus an unbranded offering.

***Brand image:***Brand image describes the attitudes, connotations and associations connected with a particular brand in the minds of existing or potential consumers.

***Stability:***Brand stability refers to the steadfastness of a brand in the face of social and market changes and influences.