



creativity



innovation

Topic Outline

- What is brand?
- Innovation brand strategy
- Brands and the web



Lesson Outcomes

- Explain the application of brand extension strategy in innovation
- Identify elements of web-branding success



Introduction

'A product is something that is made....a brand is something that is bought, by a customer.'

'A product can be copied by a competitor....a brand is unique.'

'A product can be quickly outdated...a successful brand is timeless'

Stephen King

What Is Brand?

- Brand is a name, term, symbol / design or a combination of them which identifies one or more products.
- Successful brand combines effective product, distinctive identity and added values as perceived by customers.
- Carries the company or product name into the market and shows how it positioning itself to compete.
- Represent the sum of what people know about the product and its usefulness, quality and availability.
- Creates value for customers and firm.

What Is Brand?

Customers Perspective

1. Simplifying the processing of large amounts of information.
2. Provide confidence in the purchasing situations.

Firm Perspective

1. Allows higher prices to be charged.
2. Provide significant competitive advantage.

Example:

Firm may decide to purchase a brand from another company rather than to develop a brand by itself. E.g. IKEA purchased Habitat brand (furniture and household products).

What Is Brand?

Twining	1706	Adidas	1920
Schweppes	1798	Volvo	1926
Levis	1850	Durex	1929
Heineken	1864	Mars	1932
Agfa	1873	McDonald's	1937
Coca-Cola	1886	Playboy	1953
Phillips	1891	Benetton	1965
Pepsi-Cola	1898	Nike	1972
Persil	1907	Body Shop	1976
Nivea	1911	Swatch	1982
Boeing	1916	Eternity	1988



What Is Brand?

Exploiting New Opportunities And Develop Brands

1. New technology – Sony over the past 20 years have continually exploited new technology.
2. New positioning – Body Shop was a pioneer of ‘green’ cosmetics and has exploited this position.
3. New distribution – Argos Store developed the concept of warehouse-catalogue shopping (new channels of distribution).

Characteristics of a Successful Brands

1. Provide a strong bond of trust between the brand owner and the customer
2. Come with an implicit guarantee of quality
3. Consistent : wherever and whenever
4. Widely available
5. Have a distinctive difference
6. Have a clear personality



Reasons of Unsuccessful Brands

1. Walk before the company can run
 - ✓ Attempt to build brand awareness before defining a clear brand position.
2. Identify what matters
 - ✓ Promoting something consumers don't care about.
3. Focus on differentiators
 - ✓ Focus on easily copied selling point.
4. Watch what the company is copying
 - ✓ Copying a product feature.
5. Think carefully before rebranding
 - ✓ Improper reposition of an existing brand could led to a loss in market share.

Innovation Brand Strategy

- Brand Extension – use of an establish brand name on a new product in the same product field or in a related field or in unrelated product field.
- A simple brand extensions would be when a new or unconventional size is brought out, the original brand name is given a prefix e.g. Giant, Jumbo, Fun or for some technical product, this could be a new alphanumeric code.
- E.g.: Canon – cameras and copiers, Philips – diverse electrical and electronics industries, Coca Cola – cola drinks

Innovation Brand Strategy

Advantage of associating existing brand name & innovation:

1. Expertise: Established original brand accrued a reputation for high-level competence in its field. Customers transfer trust and liking of existing products to new ones and accelerate its acceptance.
2. Prestige: Some consumers believe that enviable image confer status on them.
3. Access: Original brand held good access to the best suppliers and to the best distributors. An extension would capitalize these relationships.
4. Accelerate the development of trust and acceptance rates among its potential customers.

Innovation Brand Strategy

Disadvantages:

1. Introducing new products which do not reflect the original brand will affect existing products.
2. Unsuccessful innovation can undermine the credibility of the company among distributors and customers.



**What does your brand
say about you?**

Brands & The Web

Components to Consider in Setting Up Website

1. Technology
2. Service
3. Market
4. Brand



Brands & The Web



Strategies of Setting Up Website

1. The creation of new brand
 - Being the first mover, fast and adding value for the customer.
2. The reinforcement of an existing brand
 - Immediate strategy if have established distribution channels and cannot risk eliminating existing customers and distributors.
3. To support the repositioning of a brand
 - E.g. UPS move from a parcel delivery company to a logistic solutions company.
4. To be a brand follower
 - Mimicking the first mover without adding any particular value to the site.

Brands & The Web

Elements of Web-Branding Success

1. A compelling value proposition
2. A high-quality online experience
3. A reputation for excellence
4. Strong communications program and efficient customer acquisition strategy
5. Unique positioning concept and distinct brand image
6. Strong partnership and strategic alliances
7. Intense customer focus
8. First mover and early mover advantage
9. Relentless innovation
10. Ability to leverage offline brands and assets



