
The Power of Branding: Revisiting an “Old Friend”

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ABSTRACT

Branding is a key strategic tool used to create awareness, reputation and build the organisation's image. Marketers consider brands as carriers of values, and the development and implementation of branding strategies and programmes have lately expanded to include more than the traditional corporate, product and service domains of branding. In this article we set out to define and briefly discuss the nature of branding and indicate how brands are used to define the product to the customer. One of the major challenges facing South African business and marketing executives in the new millennium is to create world-class brands that will put South African brands on the national and international map.

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INTRODUCTION

Brands exist in the mind. They help us reduce the anxiety of the unknown by providing the assurance of an old friend.
Dr Edward de Bono, 2001.

In today's volatile and competitive markets brands are under constant pressure. Mergers, acquisitions and major changes in the business environment demand the continuous management of the organisation's brands. All brands, "...whether product, service or corporate require constant evaluation and conscious rejuvenation" (McCoy, 2001: 1). For many customers and consumers, the brand "is the product". Therefore, branding is a key strategic tool used to create awareness, reputation and build the organisation's image. Marketers consider brands as carriers of values, and according to McCoy (2001), can even be a more efficient way than segmentation to find your target market. In order to build customer trust and loyalty, a brand must be easy to identify and consistent in quality. The development and implementation of branding strategies and

programmes have lately expanded to include more than the traditional corporate, product and service domains of branding. *Retail branding*, for example, aims to fully engage the customer and reach beyond merely staging an experience (Levy & Weitz, 2001). The rapid growth in the leisure industry is placing great demands on *leisure branding* (McCoy, 2001), while the emergence of e-commerce has demonstrated the importance of *digital branding* (Duncan, 2002; McCoy, 2001).

There is general agreement in the marketing literature that a brand is more than the name given to a product; it embodies a whole set of physical and socio-psychological attributes and beliefs (Simões & Didd, 2001: 217). In consumer marketing, brands often provide the primary means of differentiation between competitive offerings. As such, brands can be critical to the success of companies (Wood, 2000: 662). It is estimated that half of the market value of the Fortune 250 companies are tied up in intangible assets such as brand equity (Court, Leiter & Loch, 1999: 101). Aaker (1991: 7-8) suggests that strong brands provide higher profit margins and better access to distribution channels, as well as a broad platform for product line extensions. It is clear that brands directly influence the sustainability of a business and its growth. Brands are also directly responsible for generating shareholder value.

In this article we set out to define and briefly discuss the nature of branding and indicate how brands are used to define the product to the customer. We discuss the role that brands play in companies, and touch on the process of brand management so as to give practical insight into this important yet illusive management tool. Special emphasis will be placed on the development of brands and branding from a South African perspective. To illustrate the value and “power” of branding to a company, and serve as an introduction and background to the topic, a case study of a well-known global brand, namely Heineken beer, is presented first.

CASE STUDY: HEINEKEN BEER

The traditional global beer market has hardly grown over the last decade. This has prompted brewers to expand into non-traditional beer drinking markets, such as those in traditional wine drinking countries (Vrontis, 1998: 76). The traditional beer drinking nations of northern Europe (countries such as UK, Germany, Belgium and Ireland) have, for example, recently experienced stagnating or falling beer sales due to consumers switching to low alcoholic beers, wine and soft drinks.

Brewers essentially regard beer as a homogeneous product, and thus rely largely on differentiation to create consumer preferences. In an industry where product differentiation - especially differentiation relating to image and segmentation - is of paramount importance, the creation and maintenance of a strong portfolio of brands is critical in terms of achieving a sustained competitive advantage (Vrontis, 1998: 77).



Heineken, one of the three most recognised beer brands in the world, is available in more than 170 countries (AC Nielsen, 2001: 4). The company was founded in 1864, when a 22-year old businessman, Gerard Adriaan Heineken, bought the Haystack brewery in Amsterdam. Since then, Heineken has grown with leaps and bounds to the point where it currently is the third largest brewer in the world with a production volume of 97.9 million hectolitres, and profits in the region of EUR 621 million (<http://www.heinekencorp.com/>).

The globalisation drive by Heineken can be traced back to the vision of Alfred Heineken who, in 1942, saw the potential of a beer that can travel around the world. As grandson of G.A. Heineken, he went to America to learn how the Americans market their beer. Currently only 21 per cent of the company's sales occur within The Netherlands. The *Encyclopaedia of Consumer Brands* (1994) states that in the early 1990s Heineken achieved a 9 per cent market share in Western Europe, increasing its status to that of the largest European beer brewery. The Heineken brand is sold in 170 different countries and brewed in 19 of them. While the company possesses more than 70 different brands, its principal strategy is to market four corporate brands on a worldwide scale. These brands are: Heineken, Amstel, Buckler (alcohol-free) and Murphy's Irish Stout. Only the first two (Heineken and Amstel) are marketed in South Africa.

These global brands are supported by the remaining brands in the product line, which tend to be national or regional in identity. The decision was however taken to brand Heineken international under the same brand logo to project a single standard quality image internationally (<http://www.heinekencorp.com/>). A closer examination of Heineken's marketing strategy (4 Ps) clearly shows how the brand is integrated into the product and vice versa. In Table 1 Heineken's European marketing strategy is compared to their South African strategy.

Table 1 Heineken's marketing strategy: A comparison between Europe and South Africa

Strategy	Europe and UK	South Africa
Product	Brand name: Heineken and Heineken Export	Heineken and Amstel
Price	Premium	Premium
Place	90 Breweries outside Europe	Distributed through SA Breweries
Promotion	Sponsorships and traditional promotional tactics	Sponsorships and traditional promotional tactics

The power of the Heineken branding is quite evident from the entry of Heineken into the Hong Kong beer market. Carlsberg and San Miguel traditionally dominated the Hong Kong beer market. Today they account for only 45 per cent of the market, while Heineken accounts for 20 per cent. This growth was accomplished by using a key Asian value, namely popularity. The company asked staff of restaurants and bars to leave Heineken bottles on the tables. Very soon, little green bottles were being drunk by white-collar workers everywhere (Robinson 1996: 57). Using the quality associated with generic Heineken in traditional markets and the visual connotation of the green branded bottle, Heineken successfully entered a closed market at a relative low cost.

GLOBAL BRANDS

AC Nielsen, the global marketing research firm, recently published a report on the world's leading global brands entitled "*Reaching the Billion Dollar Mark: A Review of Today's Global Brands*". The report identifies those brands that have sales over a billion dollars as well as a geographic presence in all of the major regions of the world. A brand had to meet three main criteria to be included in the AC Nielsen study:

- The cumulative sales for the year ending March 2001 had to be US \$1 Billion or more.
- The brand had to have a measurable presence in each of the following four geographic regions, namely Latin America, Asia Pacific, North America and Europe, as well as the Middle East & Africa.
- Sales outside of the home market had to represent at least 5 per cent of the global sales value.

The findings presented in the report are based on data from thirty countries. Although one may question whether this is truly a global study, these 30 key markets account for 90 per cent of the world's gross domestic product (GDP) and are spread across all of the core geographic regions. Over two hundred brands were researched for this study. Of the 200 plus brands investigated, only 43 brands actually met the criteria of having a global presence in each region and having over a billion dollars in sales. These 43 brands represent 23 global manufacturers and a total of more than \$125 billion in sales (see Table 2).

A glance through this list of "Global Leading Brands" inadvertently leads one to ask the following questions: "What makes these brands so unique?" and "Why are these brands so successful?" These are undoubtedly difficult questions to answer. Tilley (1999: 182) argues that the world's leading brands are "... those which consistently deliver their promise to their customers and are able to create lasting value for them". She has identified some distinguishing characteristics of so-called "leadership brands":

- They influence the behaviours, thoughts and feelings of a significant number of people, or of a market. Rather than following rules and markets, leadership brands create them.
- They effectively communicate a meaning which is more than just the function of the product or the market they serve. The most effective meanings are based on a deeply felt human need. This enables leading brands to enter new markets or develop new products which address this need.
- Leadership brands embody their meaning in all they do. They exemplify it and this embodiment is visible at all times.
- They are consistent and eloquent in every aspect of their communication so that people always understand what the brand stands for.
- They are dynamic, constantly changing and developing to meet new needs so that they remain relevant, even when their original product is obsolete.
- Leadership brands have social responsibilities and inspirational roles. They hold certain beliefs, values, attitudes and behaviours which earn the respect of consumers and other stakeholders.

Table 2 A review of today's global brands

Brand (# of countries included 30 maximum)	Segment	Sales Ye Q1 2001 (In constant US \$)
Total Coca-Cola (30) Coca-Cola (Regular)** Diet Coke/Coca-Cola Light** Marlboro (25) Marlboro (Regular)** Marlboro Lights**	Carbonated beverages Tobacco	Over \$15 billion
Total Pepsi (30) Pepsi (Regular)** Diet Pepsi/ Pepsi Light**	Carbonated beverages	\$5 - 15 billion
Budweiser (25) Campbell's (21) Kelloggs (27) Pampers (27)	Beer Soup Cereal Diapers	\$3 - 5 billion
Benson & Hedges (21) Camel (24) Danone (25) Fanta (29) Friskies (24) Gillette (29) Huggies (25) Nescafe (29) Sprite (30) Tide (11) Tropicana (17) Wrigley's (27)	Tobacco Tobacco Yoghurt Carbonated beverages Pet Food Blades & razors Diapers Coffee Carbonated beverages Laundry detergent Still beverages Chewing gum	\$2 - 3 billion
Colgate (29) Duracell (28) Heineken (26) Kodak (13) L&M (18) Lay's (22) Pedigree (25)	Toothpaste Batteries Beer Consumer films Tobacco Chips & snacks Pet food	\$1.5 - 2 billion

Table 2 continued

Brand (# of countries included 30 maximum)	Segment	Sales Ye Q1 2001 (In constant US \$)
Always (22)	Sanitary protection	\$1 - 1.5 billion
Doritos (20)	Chips & snacks	
Energizer (28)	Batteries	
Gatorade (22)	Sports beverages	
Guinness (23)	Beer	
Kinder (28)	Chocolate	
Kleenex (26)	Facial tissue	
L'Oreal (27)	Colorants	
Maxwell House (19)	Coffee	
Minute Maid (16)	Still beverages	
Nivea (29)	Moisturizers & cleansers	
Pantene (30)	Shampoo & conditioners	
Philadelphia (25)	Cheese	
Pringles (30)	Chips & snacks	
Seven-Up/ 7-Up (30)	Carbonated beverages	
Tylenol (9)	OTC Pain remedies	
Whiskas (24)	Pet food	

* Brands are in alphabetical order within each sales range

** Sub brands that independently meet the Global Billion Dollar mark

Source: AC Nielsen, 2001.

The six characteristics discussed above suggest that a brand is more than just a label, name, or package. But what exactly is a brand? We will attempt to answer this question in the next section.

THE NATURE OF A BRAND

Different authors define the term “brand” differently. Wood (2000: 664) explains that the different approaches to defining the brand construct partly stem from differing philosophies (such as product-plus and holistic branding) and stakeholder perspectives (i.e. a brand may be defined from the consumers' perspective and/or from the brand owner's perspective). In addition, brands are sometimes defined in terms of their purpose, and sometimes described by their characteristics.

De Chernatony & Riley (1997: 89) point out that much of the literature on brands is based on the 1960 American Marketing Association (AMA) definition of a brand:

A name, term, sign, symbol or design, or combination of them, intended to identify the goods or services or one seller or group of sellers and to differentiate them from those of competitors.

This definition has been criticised by writers on the subject as being too mechanical, too concerned with the physical product, too input orientated, with little reference to the manufacturer's strategic thinking or visions for the brand, and failing to recognize that the brand acquires connotations in consumers' minds through their experiences with it (De Chernatony & Riley 1997: 90).

De Chernatony & Riley (1997: 90) has identified nine themes regarding the nature of a brand from a review of relevant literature in this regard. These nine themes include conceptualisations of a brand as:

- **A legal instrument** – Since branding represents an investment by a firm, firms seek legal ownership of a title to obtain some protection against imitators. At its simplest, a brand can, therefore, be regarded as a legal “statement of ownership”.
- **A logo** – The conceptualisation of a brand as a logo is in line with the traditional AMA definition cited earlier. This definition stresses the importance of the brand's visual features as the basis for differentiation.
- **A company** – Many service organizations use corporate branding where the company's name is used to identify the entire product offering (Cravens 1997: 308). Such a perspective stresses a coherent focus for all the company's offerings, with a consistent message to all its stakeholders (De Chernatony & Riley 1997: 91).
- **An identity system** – This perspective stresses the need for developing a holistic, integrated desired positioning for the brand. In this regard, de Chernatony (1999) distinguishes between the image, reputation and identity of the brand.

Brand identity is a firm-centred concept that can be defined as a unique set of brand associations that the brand strategist *aspires to create or maintain* (Louro & Cunha, 2001: 860). From the firm's perspective, the brand identity is an expression of how the firm wants the brand to be perceived by its customers.

Brand image, on the other hand, is a customer-centred concept which can be defined as a holistic impression held by customers about the relative position of a brand among its perceived competitors (de Chernatony, 1999: 165). De Chernatony (1999: 159) argues that brand image concerns the latest perceptions and that it changes continually.

He believes that managers should rather focus on *brand reputation* that is more stable and represent the distillation of multiple images over time. The latter construct is defined as: “A collective representation of a brand’s past actions and results that describes the brand’s ability to deliver valued outcomes to multiple stakeholders” (Harris & De Chernatony, 2001: 445).

- **An image in consumers’ minds** – As suggested above, one can look at a brand from the firm or customer’s point of view. Brand image is defined as “consumer perceptions of a brand as reflected by the brand associations held in consumers’ memory” (Louro & Cunha, 2001: 863). De Chernatony & Riley (1997: 91) explain that there is growing support for the brand image conceptualisation. Adopting an image definition forces management to face the challenge of dealing with perceptual filters which change consumers’ cognitions of the brand (De Chernatony & Riley, 1997: 91).

De Chernatony & Riley (1997: 93) summarise four complementary views of brands that consumers might hold:

- At its simplest, a brand may simply be a means of identifying an offering. Research indicates that consumers often do not remember the names of products they buy regularly, but rely on packaging to identify what they are looking for.
- A brand can also be a guarantee of consistent quality and thus act as a risk reduction mechanism.
- Brands can also act as a shorthand device encapsulating all the mental connections people have around them. This enables rapid information recall and facilitates product choice.
- At the most abstract level, brands enable consumers to project aspects of their self-concepts. Several studies have shown that, in the case of products that are consumed conspicuously, consumers often choose brands they perceive to be congruent with their self-concept.
- **A personality** – De Chernatony & Riley (1997: 92) point out that brands are often presented as symbolic devices with personalities that users value beyond their functional utility. According to Aaker (1997: 347), brands often serve a symbolic or self-expressive function because consumers imbue brands with human personality traits. She defines brand personality as “the set of human characteristics associated with a brand” and has developed a scale to measure brand personality along five dimensions, namely sincerity, excitement, competence, sophistication, and ruggedness.
- **A relationship** – De Chernatony (1999: 169) argue that once the brand’s personality has been defined, a relationship develops between the brand and the consumer defined by the values inherent in the brand’s personality.
- **Adding value** – Simões & Dibb (2001: 220) explain that customers generally buy brands rather than products. Competition among brands,

therefore, no longer occurs at the core-product level but according to the added functional capabilities and symbolic features that the brand represents (De Chernatony & Riley 1998: 1081). These functional or emotional values represented by the brand enable firms to achieve a competitive advantage.

- **An evolving entity** – According to Goodyear (quoted in De Chernatony & Riley 1997: 92) brand evolve through different stages: From unbranded commodities, to brands as references where the name is used for identification, to a situation where brands develop a personality by offering emotional appeals in addition to functional benefits. The implication of this view is that different definitions should not be considered as conflicting, but rather as expressions of the evolutionary development of brands.

BRAND STRATEGY: A TYPOLOGY OF BRAND TYPES AND BRAND STRATEGIES

Several authors have developed classification schemes to categorise different *brand types* as well as different *brand strategies* used by firms (see Laforet & Saunders, 1994 & 1999 as well as Cravens, 1997: 307-312). Brand types relate to a classification of the type of brand name used for a specific individual product, while brand strategy refers to a firm's broader approach to the branding of its product range(s), or as Laforet & Saunders (1999: 51) explain, to: "... the ways firms mix and match their corporate, house, and individual brand names on their products".

Laforet & Saunders (1994: 64-76) have identified a hierarchy of six brand types based on a content analysis of 400 leading brands in the UK grocery sector. These six brand types include:

- **Corporate brand names** – This brand type involves the use of the company name as a brand name and is often used by service firms. Companies such as Shell, Avis, Kellogg and Heinz have made their company names synonymous with a product class. Sometimes the corporate brand appears as the only brand identity, as in the case of Heinz tomato sauce, or along with another brand name such as Nestlé's Classic Double.
- **House brand names** – Diversified companies sometimes use the names of divisions or Strategic Business Units (SBUs) to promote products in different markets or market segments. Volkswagen, for example, has the Volkswagen and Audi brands.
- **Family brand names** – According to Laforet & Saunders (1994: 67), family brand names are names used to cover a family of related products.

Family brand names differ from house names in that there is no relationship between the brand name and the company's organizational structure (e.g. the brand does not relate to a specific SBU or subsidiary). Family brands often result from a situation where a strong mono brand name is used to launch new related brands.

- **Mono brand names** – A mono brand name refers to the use of a single unique brand for each individual product. According to Laforet & Saunders (1994: 67), mono brands are the dominant form used by many leading marketers. However, the number of mono brands is diminishing as firms engage in brand extensions. Many firms are also moving away from mono brands to a mixed brand type consisting of a corporate and product specific brand name (e.g. Nestlé Kit Kat) or a family and product specific brand name (e.g. Crosse & Blackwell Branston Pickles).
- **Virtual brand names** – Occasionally, virtual brand names appear as suffixes used to identify variants of a brand or as a qualifier to a brand name. Nestlé's pet foods division, for example, markets Friskies Gourmet and Friskies Gourmet A La Carte. These are two *distinct* products differentiated by the addition of the virtual brand name "A La Carte" (Laforet & Saunders 1994: 67).
- **Brand variant descriptions** – Laforet & Saunders (1994: 67) explain that a variant of a brand is often described with a descriptor (e.g. Cross & Blackwell Mayonnaise Light)

The content analysis conducted by Laforet & Saunders (1994: 67-69) also suggests a classification of brands strategies into a mix of four elements, namely: corporate dominant, house dominant, mixed brands, and brand dominant.

The true **corporate dominant brand** structures are quite rare in the fast moving consumer goods (FMCG) sector. Corporate brands do, however, occur quite frequently in the service sector (Simões & Didd, 2001: 219). In the FMCG sector, corporate brands are normally used when a company operates in a tightly defined homogeneous market. Laforet & Saunders (1994: 68) explain that acquisitions have caused composite corporate dominant firms to emerge such as Cadbury Schweppes and Colgate-Palmolive where parts of the corporate name are associated with different product classes, for example, Cadbury with chocolate and Schweppes with cold drinks.

According to Laforet & Saunders (1994: 68 & 73), **house-dominant brand** structures are more common in the FMCG sector than corporate ones. This happens because most major marketers of fast moving consumer goods are highly diversified and consist of a large number of different SBUs. House brands are also appropriate when a firm diversifies outside the names suiting

their corporate name, or when acquired businesses have their own useful established reputations (Laforet & Saunders, 1999: 65).

Many FCMG marketers use **mixed brand** structures. Mixed brands gain symbiotically from the reputation of the corporate name and the individuality of a unique brand name (Laforet & Saunders, 1999: 65). However, if taken too far, this symbiosis can degenerate into parasitism and a loss of brand identity.

The final brand structure mentioned by Laforet & Saunders (1994: 68-69) is a **brand dominant** brand structure. By using a brand dominant strategy, companies can differentiate their products and position themselves for diverse target markets. Brand-dominant strategies also suit decentralised businesses with a wide brand portfolio (Laforet & Saunders, 1999: 64).

Firms using a brand dominant structure either use a different *mono brand* for each of their products (In this case, the company name and corporate logo is not prominently displayed, but usually do appear somewhere on the packaging) or use *furtive brands* (where the name of the manufacturer does not appear on the packaging at all). Pet food manufacturers often use the latter approach to reduce the link between food for pets and food for humans.

Cravens (1997: 308) mentions two additional brand strategies that are not covered by Laforet and Saunders (1994). These include having no brand identity and private label branding. According to Cravens (1997: 308), small- and medium-sized manufacturers often do not have an established brand identity (**no brand identity**) and lack the financial and marketing capabilities to build buyer awareness in the marketplace. Firms in this situation often rely on wholesalers and retailers to encourage buyers to purchase their brand. **Private-label offerings** carrying the brand of a well-known retailer has recently become very popular. Dunne and Narasimhan (1999: 41) point out that one fifth of all grocery sales in the United States are now sold under retailer's names. Private labels account for a quarter of all grocery sales in Canada, and in Europe the proportion is even higher. These authors argue that, contrary to conventional wisdom, major brand manufacturers can gain by supplying private label products, especially premium private label products, to retailers (see Dunne & Narasimhan, 1999: 41-52 for a comprehensive discussion of this issue).

Laforet & Saunders (1994) as well as Cravens (1997: 309) point out that companies often use more than one of the strategies mentioned above for different product lines or product categories. In addition, firms competing in the same market often use vastly different brand strategies (Laforet & Saunders, 1999: 51). In the UK confectionary market, each of the major competitors,

Cadbury Schweppes, Nestlé and Mars, for example, have different brands strategies (Saunders & Guoqun, 1996: 29). Why is this the case?

While the conventional view is that branding is consumer-driven, research by Laforet and Saunders (1994 & 1999) suggest that a firm's brand strategy is shaped by three major forces, namely standardization, differentiation and symbiosis. These three major forces are in turn influenced by a large number of factors that relate to the firm's history, structure, corporate philosophy, strategy, market structure, segmentation approach, and product range. Laforet and Saunders (1999: 64) point out that many factors or forces shape a firm's brand strategy. These are the issues that brand managers must consider in their choice of an appropriate brand strategy. Some important issues in the strategic management of brands will be highlighted next.

IMPORTANT ISSUES IN THE STRATEGIC MANAGEMENT OF BRANDS

The findings of a recent study by Copernicus, a US marketing consulting firm, and the international marketing research house Market Facts suggest that most companies have commoditised their products and services despite spending billions on marketing and branding. By "commoditised", Copernicus and Market Facts mean that a company's products and services are amazingly similar to competitor products and services in features, advertising, and price.

The study, conducted among a nationally representative sample of 615 US consumers, investigated the performance of 50 different product and service categories in terms of whether they are becoming more homogenous (i.e. the brands are becoming more similar or commodity-like) or heterogeneous (i.e. differentiated) over time.

The questionnaire used three different measures: the first asked respondents to evaluate whether the two leading brands in a category were becoming more similar or different (see Table 3); the second queried respondents about the category as a whole; while the third focused on whether a low price vs. brand features or benefits were becoming increasingly important to respondents.

The results indicate that none of the 50 product and service categories studied are becoming more differentiated over time and that 90 percent are actually declining in differentiation.

Market Facts also asked consumers to rate the leading brands in each of 48 product and service categories in terms of whether they are becoming more

similar or different over time. This measure of brand differentiation was then converted into a scale ranging from +100 (much more similar) to -100 (much more different). More positive scores indicate *increasing* similarity between brands and a move towards commoditisation. Results indicating the similarity score of 17 selected brands are shown in Table 3.

Table 3 Perceived similarity among some leading brands in different product/service categories

	Pairs of Leading Brands	Similarity Score
1.	Credit cards: Visa / MasterCard	45
2.	Hair Care Products: L'Oreal / Clairol	37
3.	Gas Stations: Mobil / Shell	34
4.	Bookstores: Barnes & Noble / Borders	34
5.	Bottled Water: Aquafina / Evian	32
6.	Health & Fitness Clubs: Bally's / Gold's Gym	28
7.	Athletic Shoes: Nike / Adidas	27
8.	Long-Distance Telephone Service: AT&T / MCI	27
9.	Online Toy Stores: ToysRUs.com / eToys.com	25
10.	Cars: Toyota / Honda	23
11.	Online Bookstores: Amazon.com / BarnesandNoble.com	21
12.	Personal Computers: IBM / Compaq	21
13.	Potato Chips: Lay's / Ruffles	16
14.	Diapers: Huggies / Pampers	16
15.	Cars: Mercedes-Benz / BMW	9
16.	Cigarettes: Marlboro / Camel	4
17.	Cola: Coke / Pepsi	-7
	Average Score	18

Source: Adapted from Copernicus Marketing Consulting and Research, 2001

Clancy & Trout (2002: 22) ascribe the slide of brands towards commodity status to two factors: First, marketers are relying too much on short-term promotional programmes that focus consumers' attention on deals and distract them from the brand and the inherent value thereof. And second, advertisers don't develop distinct messages that "... help consumers tell one brand from another".

The results of the aforementioned study points to the challenges involved in building and managing brands in an era of intense competition in many product and service categories. Cravens (1997: 305) describe product/brand management as an activity that consists of "... planning, managing and coordinating strategy for a specific product or brand". Cravens points out that these responsibilities

include market analysis, targeting, positioning strategy, product analysis and strategy, identification of new product needs, and management and coordination of product / brand marketing activities. As this description suggest, brand management has a strong *strategic* focus. This is accentuated by the fact that CEOs surveyed by Ernst & Young judge brand to be among the most important keys to their companies' future success (Docters, 1999: 9). Saunders & Guoqun (1996: 29) also argue that because brands have value, the way a company uses its portfolio of brands is a top management decision. Unfortunately, brand managers are often described as "young, inexperienced, overloaded with quantitative skills, and short-term focused". In addition, they are accused of lacking a customer orientation (De Chernatony & Riley, 1997: 93).

BRANDS AND BRANDING IN SOUTH AFRICA

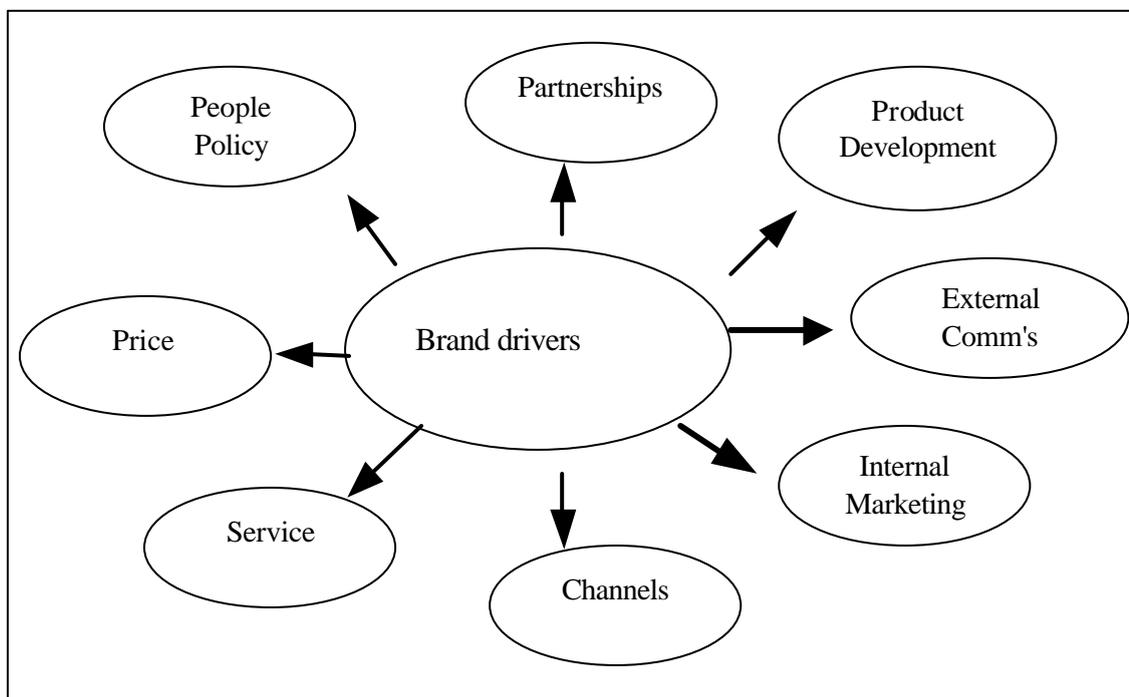
The listing of brands in South Africa exceeds 32 000 at present (www.themarketingsite.com). According to Krige (2001) the gathering of information and recording of the development of brands and branding in South Africa, relies heavily on the marketing community. Although the list contained in the 2000 Edition of the Encyclopaedia of Brands and Branding In South Africa may not be complete, it provides a comprehensive review of this topic in the South African context. In an introductory article to the sixth edition of the abovementioned publication, Dr Edward de Bono (in *The Encyclopaedia of Brands and Branding In South Africa (Encyclopaedia of Brands)*, 2001: 15,16) refers to seven types or categories of brands that exist in the minds of consumers. One of them (called "hooks") is extremely powerful when not much can be done to distinguish the brand directly from similar products. An example of this is the De Beers diamond. For decades the "hook" has been "A Diamond is Forever" – recently voted the best advertising slogan of the twentieth century. Now the South African mining firm is going to laser its name onto each diamond it sells for retail use, to ensure that the buyer can see that it is this stone that has been bought for all time.

One of the major challenges facing South African business and marketing executives in the new millennium is to create world-class brands that will put South African brands on the national and international map. Robertson (in *The Encyclopaedia of Brands*, 2001) is of the opinion that the creation of global brands are an imperative for the future of South Africa. Since the ending of apartheid and the opening up of South Africa's own market to international competition, creating global brands has to take a high priority (especially in the light of the high unemployment rate in the country). How then, can South African marketers create a brand that will engage the customers and build long-

term sustainable relationships? Robertson (in *The Encyclopaedia of Brands*, 2001: 20-22) offers the following as key elements to create powerful brands:

- Whether it is a new brand or an existing one, it has to have a "reason to be". This means that the brand and product concept has to be distinctive, relevant and appealing to the consumer. Nothing should be taken for granted and the changing lifestyles and attitudes of the consumers should be kept in mind.
- Create a cohesive brand. The importance of ensuring that the functional experience delivers the added value of the brand promise cannot be stressed too strongly, as there is sometimes a temptation to focus solely on the image.
- Emphasise the role of brand values. "Brand values are critically important to brands as they are key drivers and measures in both brand delivery and the behaviour of the people within the organisation" (Robertson in *The Encyclopaedia of Brands*, 2001: 21). Figure 2 shows how the brand operates from the centre of the business, (sometimes called "Inside out branding").
- Strive to build unique and robust brands. The uniqueness can come purely from a original offer, or creating a space in the global marketplace.

Figure 2 Brand drivers



Source: Robertson (in *The Encyclopaedia of Brands*, 2001: 21)

Burgess (in *The Encyclopaedia of Brands*, 2001) adds to the above by listing the following skills needed to develop and manage brands in South Africa:

- Skill 1: Understanding purchase and buying behaviour. The firm must understand the brand and product associations that live in consumers' minds.
- Skill 2: Defending local brands. To defend local brands against international competition, Burgess says, one must require global insights.
- Skill 3: Understanding competition. According to Burgess (in *The Encyclopaedia of Brands*, 2001: 45) "...firm-to-firm competition has shifted to competition between supply chains". South Africa could do much to improve teamwork.
- Skill 4: Managing interaction via smart cards, Internet and bulletin boards. Some commentators predict that 60 per cent of sales to consumers will go through electronic channels within the next 10 years.
- Skill 5: Focus. Getting everyone in the organisation focused on constantly enhancing customer and stakeholder value.

And lastly, some advice from Mohale (in *The Encyclopaedia of Brands*, 2001) to market South Africa and Africa as a brand. He believes that we need a Regional African brand and by extension, an African continent brand just like the European Union brand and the Asian Market brand. He suggests we move from the humble beginnings of the "...apartheid brand to the Rainbow Nation brand to the 'Two nations in one brand'" (Mohale in *The Encyclopaedia of Brands*, 2001: 26,27). According to this author Africa is the world's most mis-marketed and under-marketed continent. The well-known saying "Build a brand and the world will beat a path to your door" will only become a reality, says Mohale, if we start building African brands such as "African wildlife", "African sunshine" and "African hospitality".

CONCLUSION

It is clear that the role of the brand extends beyond the traditional opinion of a logo that can be used to identify a product. The drive of the branding process has become an integral part of an organisation and all the stakeholders involved as to communicate and convey the core values that can be attributed to the brand. Managing the brand requires a long-term perspective that has to coincide with a company's long-term strategic goals. At the end of the day creating value is what business is all about. The brand has the potential to create shareholder value as a long-term strategic tool ensuring stable growth and prolonged revenue generation.

The challenge facing South African companies is to engage in serious brand building programmes and follow in the steps of some of the world's leading brands, which started their brand building operations more than a century ago.

The Nokia brand, for example, was founded in 1865, Coca Cola in 1886, IBM in 1911, General Electric in 1913, and McDonald's in 1955. These are the success stories of companies who "...evolved into being a brand, and through total focus moved from being a small domestic player, throwing all its resources, energy and passion in one direction and emerging as a global giant" (Sampson in *The Encyclopaedia of Brands*, 2001: 65). South African marketers need to reach out to this "old friend"!

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