Integrated Advertising Promotion and Marketing Communications 7th edition Clow Solutions Manual

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Chapter 2

Brand Management

LEARNING OBJECTIVES

Students should be able to answer the following questions:

1 How does a brand image affect consumers, other businesses, and the company itself?
2 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?
3 What are the different types of brand names?
4 What are the characteristics of effective logos?
5 What different kinds of brands can firms offer?
6 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?
7 What current trends affect private brands?
8 How can packages and labels support an IMC program, domestically and in foreign settings?
9 How are brands managed in international markets?

OVERVIEW

One of the most critical ingredients in the successful development of an integrated marketing communications plan is effective management of an organization's image.

Applebee's Brand Image Overhaul

To rejuvenate the Applebee's brand in a weak economy, CEO Julia A. Stewart undertook an extensive program. Based her experiences at IHOP, Stewart employed much of the same model upon arriving at Applebee's, emphasizing product quality, pricing, promotion, the dining experience, and a quality employment environment.

Questions for Students:

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1. What do you think of when you hear "Applebee's"?
2. How did Stewart change the product, pricing, promotion, and dining experience at Applebee's?
3. How does the Applebee's brand compare with other similar restaurants?

The first part of this chapter examines the activities involved in managing a corporation's brand image, including its name and logo.

The second part addresses ways to develop and promote the various forms of brand names. Brand equity and brand parity are described.

Finally, packages and labels, which should be included in any marketing communications program, are assessed. Ethical and international considerations are noted.

Learning Objective # 1: How does a brand image affect consumers, other businesses, and the company itself?

Corporate and Brand Image

A corporate or brand image summarizes what the company stands for as well as how it is known in the marketplace.

Consumer beliefs about a firm are more important than how company officials perceive the image.

A corporate image consists of the overall consumer perceptions or end-user feelings toward a company along with its goods and services.

This image summarizes what the company stands for as well as how it is positioned in the market place.

Components of Brand Image

A corporate image contains invisible and intangible elements (see Figure 2.1). The components of a corporate image include:

- Products
- Personnel
- Retail outlets
- Servicing
- Advertisements

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- Publicity
- Interactions with employees

Negative publicity has the potential to stain or damage consumer perceptions of a corporation's image.

Questions for Students:

What organizations can you think of that experienced damage to their images in the past 5 years? What caused the damage? (The BP oil spill is an example)

The Role of Brand Image—Consumer Perspective

From a consumer's perspective, the corporate image serves several useful functions (see Figure 2.2). These include:

- Assurance regarding purchase decisions of familiar products in unfamiliar settings
- Assurance concerning purchases where there is little previous experience
- Reduction of search time in purchase decisions
- Psychological reinforcement and social acceptance

The Role of Brand Image—Business-to-Business Perspective

Corporate image is a crucial element of the business-to-business marketplace (see Figure 2.3).

Making purchases from a well-known company is in many ways the same process as consumer purchases, in terms of the advantages of a strong and positive image.

Corporate image is especially important when expanding internationally.

The Role of Brand Image—Company Perspective

From the viewpoint of the firm itself, a highly reputable image generates many benefits. These include:

- Extension of positive consumer feelings to new products
- The ability to charge a higher price or fee
- Consumer loyalty leading to more frequent purchases
- Positive word-of-mouth endorsements
- The ability to attract quality employees
- More favorable ratings by financial observers and analysts

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Learning Objective #2: What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

Identifying the Desired Brand Image

To promote the desired image, the marketing team should evaluate the nature of the company's current image. Then future communications can be tailored to promote the proper image.

Company leaders first study the firm's image and identify how it is connected to a company's strengths and weaknesses.

The marketing team should try to discover how those outside of a company view the brand. Once the team understands how the brand is viewed, decisions can be made regarding ways to correct any misperceptions and/or build on the image that customers currently hold.

Creating the Right Brand Image

In each industry, the right image is one that reaches all target markets and conveys a clear message regarding the unique nature of the organization and its products.

A strong image accurately portrays what the firm sells.

In a business-to-business operation, creating the right image can be challenging.

Rejuvenating a Brand's Image

Reinforcing or rejuvenating a current image that is consistent with the view of consumers is easier to accomplish than changing a well-established image.

Figure 2.5 lists four keys to image rejuvenation.

The key to successful image reengineering is to remain consistent with a previous image while at the same time building to incorporate new elements to expand the firm's target audience.

Rejuvenating an image helps a firm sell new products and can attract new customers.

L'Eggs provides an example of an effective brand rejuvenation effort.

Changing a Brand's Image

Completely changing the image people hold regarding a company or a brand may not be possible.

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Attempting to change an image becomes necessary when target markets have begun to shrink or disappear, or the brand's image no longer matches industry trends and consumer expectations.

At that point, company leaders consider what they wish to change, why, and how they intend to accomplish it.

Target sought to change its image to become accepted by readers of Vogue magazine.

Learning Objective #3: What are the different types of brand names?

Brand Names

A corporate name is the overall banner under which all other operations occur. Figure 2.6 lists the categories of corporate names.

- *Overt names* reveal what the company does (American Airlines, BMW Motorcycles).
- *Implied names* imply what the company is about (Federal Express, IBM).
- *Conceptual names* imply the essence of the brand (Google, Krispy Kreme).
- *Iconoclastic names* do not reflect the company's goods or services (Apple, Monster.com).

(Ask students to provide additional examples of each of these types of names)

Figure 2.7 provides backgrounds for some well-known company names.

Learning Objective #4: What are the characteristics of effective logos?

Brand Logos

A logo is a symbol used to identify a company and its brands, helping to convey the corporate image.

Quality logos and corporate names should pass four tests, a shown in Figure 2.8.

1. They should be easily recognizable.
2. They should be familiar.
3. They should elicit a consensual meaning among those in the firm's target market.
4. They should evoke positive feelings.

Logos are especially important for in-store shopping. To be advantageous the logo should

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help with two things:

1. Consumers must remember seeing the logo in the past
2. The logo must remind consumers of the brand or corporate name

The notion that a logo can elicit a consensual meaning among customers is known as *stimulus codability*.

A logo does not have to be complex and contain every element of the brand's meaning. Simple logos can be effective, such as the Nike Swoosh.

Changing logos does not always modify public opinion of a company.

When completed properly, logo changes can trigger positive reactions and symbolize a positive change, such as when Pepsi developed a new logo.

Tips for changing logos are provided in Figure 2.10.

Question for Students: Companies at times choose to modify the logo. Can you think of some examples?

Learning Objective #5: What different kinds of brands can firms offer?

Types of Brands

Brands develop histories. They have personalities. They include strengths, weaknesses, and flaws. Figure 2.11 identifies several types of brands.

Family Brands

A *family brand* means a company offers a series or group of products under one brand, such as Campbell's.

The advantage of a family brand is that consumers usually transfer the image associated with the brand name to any new products added to current lines.

Brand Extensions

Brand extension is the use of an established brand name on goods or services that are not related to the core brand.

Black & Decker has been successful in extending its brand name to new types of power tools. The company was not as successful in extending the line to small kitchen appliances.

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Flanker Brands

A *flanker brand* is the development of a new brand by a company in a good or service category it currently has as a brand offering. Flanker brands can help a company offer a more complete line of products, creating barriers to entry for competing firms.

Figure 2.12 lists Procter & Gamble's various brands.

Co-Branding

Co-branding or *alliance branding* is the combination of two brands.

Co-branding can take three forms, as shown in Figure 2.13:

1. *Ingredient branding*—is the placement of one brand within another brand.
2. *Cooperative branding*—a joint venture of two or more brands into a new product or service.
3. *Complementary branding*—is the marketing of two brands together to encourage co-consumption or co-purchases.

Co-branding succeeds when it builds the brand equity of both brands.

Recently, Wholly Guacamole developed a brand alliance with Sonic

There can be risks in co-branding. If the relationship fails to do well in the marketplace both brands normally suffer.

Learning Objective # 6: How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

Developing Brands

Developing a strong brand begins with discovering why consumers buy a brand and why they re-purchase the brand. Questions to be asked include:

- What are the brand's most compelling benefits?
- What emotions are elicited by the brand either during or after the purchase?
- What is the one word that best describes the brand?
- What is important to consumers in the purchase of the product?

The goal of branding is to set a product apart from its competitors.

One primary feature that keeps a brand strong is that it contains something that is *salient* to customers.

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Building Powerful Brands

Figure 2.14 identifies the ingredients required to build powerful brands.

Branding begins with awareness, which may be achieved by featuring the brand name prominently in repeated advertisements.

Brands should be authentic or unique in some manner.

Business and retail customers trust powerful brands. *Trust* represents the customer's belief in the efficacy and reliability of the brand.

Powerful brands go beyond delivering functional features. They focus on providing an experience that involves the opportunity to be to customized and personalized.

Building powerful brands requires the effective use of social media and mobile advertising.

The final ingredient of powerful brands results when the company acts responsibly.

Brand Loyalty

Brand loyalty means customers purchase only one brand. They consider no other brand, regardless of price differences.

A brand adds value when it creates the "delight factor" by exceeding expectations and making an emotional connection with the consumer.

Figure 2.15 identifies some of the top brands in select categories, in terms of engagement.

Brand Equity

Brand equity is the perception that a good or service with a given brand name is different and better.

Brand equity allows the company the opportunity to charge a higher price and retain a market share that is greater than would otherwise be expected for an undifferentiated product.

Brand parity is the perception that there are no tangible differences between competing brands.

In business-to-business markets, brand equity often allows a company to charge a higher price.

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Brand equity is a strong weapon that might dissuade consumers from looking for a cheaper product or for special deals or incentives to purchase another brand.

Brand name recognition and recall can be built through repetitious advertising.

Measuring Brand Equity

Marketers have developed four different methods to measure brand equity (see Figure 2.16).

Brand equity based on *financial value* estimates the future cash flows of a brand based on its unique strength and characteristics, which will then be discounted to determine a net present value.

The *stock market* approach means the financial value of the company is determined through stock valuation. Then an estimate of the portion of the value allocated to brand equity and not physical assets is made.

The *revenue premium* compares a branded product to the same product without a brand name.

The *consumer value*, attempts to measure the value of a brand based on input from consumers. Typical measures include familiarity, quality, purchase considerations, customer satisfaction, and willingness to seek out the brand.

Figure 2.17 identifies 10 most loved brands.

Learning Objective #7: What trends currently affect private brands?

Private Brands

Private brands, private labels, and store brands are proprietary brands marketed by an organization and normally distributed exclusively within the organization's outlets.

Advantages to Retailers

Several changes have occurred in the private brand arena, summarized in Figure 2.16:

- Quality levels of private label brands have improved.
- Many are perceived as a value purchase.
- Loyalty towards stores has been gaining although loyalty towards individual brands has been declining, giving an advantage to private labels.
- Private labels are used to differentiate retail outlets.
- Many firms are now advertising company private brands.

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- There is increase in the quality of in-store displays for and packaging of private labels.

Responses from Manufacturers

Some manufacturers have begun to respond to the inroads made by private labels. Figure 2.19 lists some of the tactics, including:

- focus on a few core brands
- advertise heavily
- expanding product offerings
- focus on in-store selling
- use alternative marketing methods

Learning Objective #8: How can packaging and labels support an IMC program?

Packaging

A unique package and label can help sell a product, build brand recognition, and inspire repeat purchases.

The primary purposes of packages are displayed in Figure 2.20.

An example advantages created by packaging is the new forms of refrigerator-friendly 12 packs, as created by Alcoa Rigid Packaging.

Sometimes packaging changes are necessitated by adverse market conditions. The popularity of Proctor & Gamble's Tide Pods surged as soon as it hit the market because of ease of use, however, the company had to overcome the problem of children thinking it was candy, so the package was modified.

Labels

Labels must:

- Meet legal requirements
- Point out distinguishing features of the product
- Help lead to the purchase

The label represents another marketing opportunity.

A company's image, brand, logo, and theme should extend to the design of the package and label.

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Labels with QR Codes

The placement of QR codes for consumers to access with mobile devices represents a new trend in packaging and labeling.

Figure 2.21 identifies the various ways companies use QR codes on packages and labels.

Two common uses are to access product information and videos or instructions on how to use the product.

Ethical Issues in Brand Management

Brand infringement occurs when a company creates a brand name the closely resembles a popular or successful brand (Korrs, Victor's Secret).

Domain squatting or *cyber squatting* means buying a domain name with the purpose of making a profit by re-selling it to the firm.

Learning Objective #9: How are brands managed in international markets?

International Implications

Carefully consider standardization versus adaptation when developing global brands.

Make sure packages and labels are legal and protect the product being shipped over long distances.

Be aware of the complications that occur when trying to position products in global markets.

The label must meet the legal requirements of the country in which the product is sold.

MyMarketingLab

Go to **mymktlab.com** to complete the problems marked with this icon ✪.

Important Note to Professors:

The MyLab feature at Pearson will grant you access to the Integrated Campaigns in Action within the Instructor's Resource section.

The authors' blog for professors and students may be found at:

http://blogclowbaack.net/

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Both methods contain actual print materials produced for the campaign. Broadcasts material such as video ads, TV ads, and radio ads are embedded using YouTube and Pearson servers.

These features bring to life the exciting process of building integrated advertising and marketing campaigns. Most important, you will have access to insights and background information from the agencies and the companies involved in how the campaigns were created.

IMPLICATIONS FOR BRAND MANAGERS AND PUBLICITY DEPARTMENTS

(Note to professors -- these materials are not in the text. They provide a method for you to summarize the chapter in a different way)

Note the tricky relationship between a strong corporate image and bottom line profits. In other words, be aware that it is difficult to use numbers to express the value of an effective image in an era where accountability is such a major concern.

Recognize the value of the following items:

- An identifiable company logo
- A brand name that generates both recall and a favorable impression
- Quality family brands
- Brand equity
- Effective use of private labels

Study the company's position, and the position of each individual product. Use the attributes of price, competition, use, quality, users, product class, or cultural symbols to identify the position that the company and its products hold. Then, make decisions about the following issues:

- Is this position where we thought we were?
- Is this the position we want?
- If we intend to change our position, where do we aspire to be?
- Which tactics will move the company and its products to the correct, appropriate, or desired position?

REVIEW QUESTIONS

2-1 Describe the concept of brand image. What are the tangible aspects of a brand image? What are the intangible aspects?

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Corporate image is how consumers view a company, which has many intangible and tangible aspects. The tangible aspects include:

- Goods and services sold
- Retail outlets where product is sold
- Factories where product is produced
- Advertising, promotions, and other forms of communications
- Corporate name and logo
- Employees

Intangible elements include the firm's reputation for quality, standing behind products, and methods of dealing with customers.

2-2 How does brand image help customers? How does it help the specific company?

A corporation's image can help customers by:

- Providing assurance when they make purchase decisions of familiar products in unfamiliar settings.
- Providing assurance for purchases when there is little previous experience.
- Reducing search time in purchase decisions.
- Providing psychological reinforcement and social acceptance of purchase decisions.

A corporation's image helps the company by:

- Making brand extensions easier.
- Being able to charge a higher price.
- Creating higher customer loyalty.
- Leading to more frequent purchases.
- Promoting positive word-of-mouth communications.
- Attracting quality employees.
- Causing the firm to be viewed more favorably by financial analysts.

✪ **2-3 How will company leaders know that they have created the desired image for their firm?**

A firm will know the marketing team has created the right image for the firm when benefits appear, such as attracting more customers, favorable ratings by financial observers and analysts, and the company attracts quality employees.

2-4 What four areas require attention when seeking to rejuvenate a firm's image?

First, former customers need to rediscover the brand. Second, older and newer consumers need to be connected to the brand through a timeless value it offers. Third the brand should be contemporized. Fourth, marketers can build a brand community

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through social media, mobile, and other interactive marketing techniques.

2-5 What is a brand logo? What are the characteristics of an effective corporate logo?

A corporate logo is something (usually a symbol) that is easily recognizable to consumers. The characteristics of a corporate logo should be: easily recognizable, familiar, elicit consensual meaning among those in the firm's target market, and should evoke positive feelings.

2-6 What is meant by the term "stimulus codability?"

Stimulus codability means that a logo can elicit a consensual meaning among customers.

2-7 Describe the use of brand extension and flanker brand strategies.

Brand extensions appear when the company uses an established brand name on goods or services that are not related to the core brand. Flanker brand strategies are the development of a new brand by a company in a good or service category it currently has a brand offering for.

2-8 Identify and describe three types of co-brands or alliance branding.

The three types of co-brands are:

1. Ingredient branding, or placement of one brand within another brand.
2. Cooperative branding, which is a joint venture of two or more brands into a new product or service.
3. Complementary branding, which is the marketing of two brands together to encourage co-consumption or co-purchases.

2-9 What are the characteristics of a strong and effective brand name?

The characteristics of a strong and effective brand name are that it is easily recognizable to consumers and that consumers have a positive reaction to the brand name.

2-10 Explain the role of trust in creating a strong brand.

Trust represents the customer's belief in the efficacy and reliability of the brand. It can be established over time through personal experiences. Trust results from a brand performing consistently and fulfilling its promise, its authenticity, and its uniqueness.

2-11 What is the difference between brand equity and brand parity?

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Brand equity is the set of characteristics unique to a brand that provide value to the brand. In essence, the brand is different and better. Brand equity allows the company the opportunity to charge a higher price and retain a market share that is greater than would otherwise be expected for an undifferentiated product. Brand parity is the perception that there are no differences between major brands.

2-12 What methods can be used to measure brand equity?

Brand equity based on *financial value* estimates the future cash flows of a brand based on its unique strength and characteristics, which will then be discounted to determine a net present value.

With the *stock market* approach, the financial value of the company is determined through stock valuation.

The *revenue premium* compares a branded product to the same product without a brand name.

The *consumer value* method attempts to measure the value of a brand based on input from consumers. Typical measures include familiarity, quality, purchase considerations, customer satisfaction, and willingness to seek out the brand.

2-13 How has private branding, or private labelling, changed in the past decade?

Private branding, or private labeling, has changed in the past decade in the following ways: the quality levels of products have increased; the products are perceived as having high value; loyalty to stores has increased, allowing store managers to increase in-store or private lines; they can be used to differentiate retail outlets; private label companies have begun to advertise these differences; and store managers now devote more effort to creating quality in-store displays of- and packages for private brands.

✪ **2-14 What role does a product's package play in the marketing program?**

The package is the last chance to make an impression on a customer. It should protect the contents, stand out, and tell the consumer what is inside.

2-15 How can a label support an IMC program or advertising campaign?

Labels must meet legal requirements and be distinguishable to consumers. Labels can refer to features of advertisements and other IMC efforts. They should match the theme of the IMC campaign.

2-16 What ethical issues are associated with brand management?

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There are concerns with brand infringement and with domain or cyber squatting.

2-17 How do the concepts of standardization and adaptation apply to products, brand names, and marketing strategies?

Marketing managers must choose the strategy that fits the company and its products. There has been some resistance to more global or standardized brand names.

CRITICAL THINKING EXERCISES

Discussion Questions

2-18 Dalton Office Supply Company has been in operation for over 50 years and was the predominant office supply company in its region during that time. Approximately 85% of Dalton's business is based on providing materials to other businesses. Only 15% comes from walk-in customers. Recently, low-cost providers such as Office Depot have cut into Dalton's market share. Surveys of consumers indicate that Dalton has an image of being outdated and pricey. Consumers did report that Dalton's customer service was above average. What image should Dalton's project to regain its market share? Outline a plan to rejuvenate the company's image.

Student discussions should cover several issues. The company should probably try to build on the idea that they are a high-quality, high-service firm in order to regain market share. The plan should be a total IMC approach, and not just advertisements that promote Dalton as high quality with excellent customer service.

✪ **2-19 Henry and Becky Thompson are planning to open a new floral and gift shop in Orlando, Florida. They want to project an image of being trendy, upscale, and fashionable. They are trying to decide on a name and logo. What should be the name of the company? What kind of logo should be developed?**

Refer to the Mylab for answers to this and all starred Mylab questions.

2-20 Brand image affects purchase decisions. What brands or corporations do you consider to have positive images? Why? Which brands or corporations should attempt to change images? Why? Explain how to accomplish this task. Name brands that require rejuvenation. How can it be accomplished for each brand?

Student responses will vary by brands chosen. This should be a good question for in-class discussion.

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✪ **2-21 Identify five different brands for which you have a high level of brand loyalty. Describe your level of loyalty and discuss why you are loyal. How important is brand equity in your loyalty?**

Refer to the Mylab for answers to this and all starred Mylab questions.

✪ **2-22 What is your opinion of private brands or labels? Compare your purchase behavior of private labels in contrast to national or manufacturers' brands. What private labels do you purchase regularly? Why do you purchase those particular private labels instead of national or manufacturers' brands?**

Refer to the Mylab for answers to this and all starred Mylab

2-23 Go to a local retail store. Choose five packages that are effective. Describe the reasons they are effective. Choose five labels that were effective at capturing attention. What features were the attention-getting aspects of the label?

Student responses will vary by product chosen. Look for differences by gender and by culture or national origin. Also note if convenience, attractiveness, size, or some other feature was the deciding factor.

2-24 Go to a local retail store. Look at packaging and locate five packages with QR codes. Access the code through a smartphone. Which of the purposes discussed in the chapter does the QR code serve? Evaluate the QR code and the information or site that was accessed.

Student answers will depend on the products chosen.

INTEGRATED LEARNING EXERCISES

2-25 Web sites constitute an essential element of a company's image. Access the Web sites of the following companies to get a feel for the image each company tries to project. Is the image projected on the Web site consistent with the image portrayed in the company's advertisements?

a. Bluenotes (www.blnts.com)
b. Portillo's Restaurants (www.portillos.com)
c. BMW Motorcycles (www.bmwmotorcycles.com)
d. Maxwell House Coffe (www.maxwellhousecoffee.com)
e. Sony (www.sony.com)

Student opinions will vary. This can be a good in-class discussion question, especially if the sites can be posted for students to see.

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2-26 A leading consulting firm that has been a leader in extending marketing knowledge and in the area of brand development is the Boston Consulting Group. Other companies who have been actively involved in brand development are Lexicon Branding and Corporate Branding. Access each of their Web sites. What type of services does each provide?

a. Boston Consulting Group (www.bcg.com)
b. Lexicon Branding, Inc. (www.lexicon-branding.com)
c. Corporate Branding (www.corebrand.com)
d. Brand Keys (www.brandkeys.com)

BCG lists branding, consumers, corporate development, deconstruction, diversity, e-commerce, energy, financial services, globalization, health care, industrial good, information technology, operations, organization, pricing, retail, strategy, technology & communications, and travel & tourism.

Lexicon lists technology, automotive, and "pharma."

Corebrand offers intelligence, strategy, communications, management, Brandpower rankings, and the organization's Corebrand Center.

Brand Keys describes itself as, “The World Leader in Customer Loyalty and Engagement Metrics.”

2-27 Brand extension and flanker branding are common strategies for large corporations. Access the following Web sites. Identify the various brand extension strategies and flanker brands used by each company.

a. Marriott Hotels (www.marriott.com)
b. Procter & Gamble (www.pg.com)
c. VF Corporation (www.vfc.com)
e. Kraft Corporation (www.kraftfoods.com)

Marriott includes Renaissance, Courtyard, Residence Inn, Fairfield Inn, TownePlace Suites, SpringHill Suites, Marriott Vacation Club International, The Ritz Carlton, Marriott ExecuStay, and Marriott Executive Apartments.

P & G's brands are noted in the chapter. In 2005, the company announced the acquisition of Gillette.

VF Corporation includes Wrangler, Lee, Vassarette, JanSport, and The North Face.

Kraft Foods offers products including Baker's, Cool Whip, Jello, Planters, Cheez

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Whiz, Cracker Barrel, CapriSun, Chrystal Light, Maxwell House, Kool Aid, Country Time, Oscar Mayer, A.L. Grey Poupon, and Taco Bell, among others that also carry the name "Kraft."

2-28 Private labels are an important source of revenue for many retail stores and manufacturers. The Private Label Manufacturers' Association promotes manufacturers that produce private labels. From their Web site at www.plma.com identify the press updates, store brands, and upcoming events that illustrate the importance of private labels for both retailers and manufactures.

These will change as the site is updated.

2-29 Look up one of the following companies on the internet. Discuss the image that is conveyed by their Web site. What changes or improvements could these companies make?

a. Canyon Beachwear (www.canyonbeachwear.com)
b. Union Pacific Railroad (www.uprr.com)
c. Bicycle Museum of America (www.bicyclemuseum.com)
d. Applebee's (www.applebees.com)
e. Cheerios (www.cheerios.com)

Answers will vary depending because websites tend to change on a regular basis. If a particular website is not functioning, encourage students to access another Web site within the same product category.

BLOG EXERCISES

Access the authors' blog for this textbook at the URLs provided to complete these exercises. Answer the questions that are posed on the blog.

2-30 Kenmore, Craftsman, and Diehard:

http://blogclowbaack.net/2014/05/07/private-brands-sears-chapter-2/

2-31 Target: http://blogclowbaack.net/2014/05/07/target-chapter-2/

2-32 Branding: http://blogclowbaack.net/2014/05/07/branding-chapter-2/

These exercises provide you with an additional tool to engage your students.

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Student Project: Creative Corner

The assignment is to develop a brand name, package, and label for a variety of products, including:

2-33 A new brand of skis for recreational boating
2-34 A new line of eyeglasses
2-35 A new chocolate candy bar
2-36 A new line of jeans
2-37 A new energy drink
2-38 A new perfume or cologne

Individual student answers will vary widely.

Cases

Case 1 Brand Alliances and Brand Resurrections

2-39 Provide an analysis of the brand alliances mentioned in this story. What factors shape your perceptions of the brands involved?

Student answers will vary. Factors that shape perceptions include past experiences with the companies involved, both positive and negative.

2-40 In each of the brand alliances, which of the two co-brands do you believe is the more powerful name? What causes you to hold that perception?

This can be a discussion question. Ideas about the more powerful brand will be based on consumer preferences, in this case, the students involved.

2-41 Can you think of any potential disadvantages of brand alliances? Explain your answer.

Negative publicity toward one of the co-brands could hurt the other.

2-42 Do you recall the names Datsun, Dodge Dart, or Taurus? What perceptions do you have of those brands? Ask your parents what they think of those brand names. Are their answers different from yours?

Most students will not recall the names unless their parents owned one of the cars.

2-43 Describe what you believe are potential advantages and disadvantages of brand resurrections.

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Potential advantages include being able to use nostalgia and recall to enhance the brand.

Previous negative experiences could create a disadvantage, as could the belief that the brand is simply old or stale.

Case 2 A Healthy Image

2-44 What are the image issues in this case?

St. Margaret's knows the hospital cannot be the "best." The other problem is brand parity relative to the other hospitals in the city.

2-45 What are the brand name issues?

St. Margaret's is viewed as an "old fashioned" name.

2-46 What types of advertisements should Mary develop for St. Margaret's Hospital?

Ads that emphasize the organization's advantages, including caring service, nonprofit status, and possibly the hospital's Catholic heritage.

2-47 What other types of activities could St. Margaret's pursue to build a strong and positive corporate image?

Health fairs and community service projects. Outreach programs for the homeless and those without health insurance.

MyMarketingLab

Go to **mymktlab.com** for the answers to the following Assisted-graded writing questions:

2-48. Brand image affects purchase decisions. What brands do you consider to hold a positive image? Why? Which brands should attempt to change brand images? Why? Explain how to accomplish this task. Which brands do you believe need rejuvenation? How can it be accomplished for each brand?

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2-49. Look up each of the following brands on the internet. Discuss the image conveyed by each brand's website. What positioning strategy is used? Justify your selection. What changes or improvements could these brands make to their website to enhance its appeal?

<LL>a. Canyon Beachwear (www.canyonbeachwear.com)

b. Union Pacific Railroad (www.uprr.com)

c. Bicycle Museum of America (www.bicyclemuseum.com)

d. Applebee's (www.applebees.com)

e. Cheerios (www.cheerios.com)

2-52. MYMKTLAB only – comprehensive writing assignment for this chapter.

Bonus Case

BARBIE VERSUS BRATZ

Mattel general manager and senior vice president for the Barbie doll brand, Richard Dickson, faced a significant problem. The Barbie collection was experiencing a dramatic decline in sales. In essence, the buzz shifted to newer, seemingly more twenty-first century doll lines, especially the Bratz line from outside Mattel and the American Girl brand from within the company. The Bratz line was viewed as being "edgier" and more ethnically diverse. The American Girl line appealed to older girls.

Barbie dolls and accessories had enjoyed a rich tradition of popularity and status as a cultural icon. The first edition, produced in 1959 became a coveted for young girls. The companion Ken doll was launched in 1961. Christie, an African American doll, emerged in

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1968. In 2000, the Barbie line held an astonishing 80 percent market share. The Barbie line's peak year of sales, 2002, was the financial pinnacle.

Barbie's market share began to drop dramatically and reached bottom in 2009, when it fell to less than 50 percent of dolls sold to girls. Richard Dickson was assigned the task of rejuvenating the line. In the attempt to restore some of the glamour of the brand, Dickson created a team of in-house brand managers and sent them to the mod-baroque, Kelly Wearstler–designed Viceroy hotel in Santa Monica, California. "I wanted people to see what it was like to be surrounded by a signature style," Dickson reported.

The team responded with a new model, the "Generation of Dreams" Barbie line. They also mandated that all Barbie products be consistent with the brand's identity. For several years, powerful retailers such as Wal-Mart had influenced the doll's specs, creating what Dickson called "brand goulash." Further, the number of licensees of Barbie products was greatly reduced.

Additional changes were made. A real-life Barbie dream home be designed and built in Malibu, California. Fashion giant Diane von Furstenberg created life-size Barbie apparel for Fashion Week magazine. To pay for the programs, the number of traditional 30-second television advertising spots was reduced. The Barbie Web site was expanded to include contests, games, videos, and a virtual world. Initial results of these efforts were promising. In 2009, sales rose by 18 percent in one quarter, the largest increase in 3 years. The new line created additional publicity and buzz, which also generated greater interest.

Mattel directly confronted Bratz with a copyright infringement lawsuit, which it won. The essence of the lawsuit was that Mattel is the legal owner of the Bratz dolls, which are manufactured by archrival MGA Entertainment. The ruling by a federal judge was reached,

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in part, because Bratz's creator Carter Bryant was working at Mattel under an exclusive contract when he came up with the idea for the doll. The jury's $100 million judgment did not include punitive damages. Both sides claimed victory based on the jury's decision.

The future of the doll industry remains clouded. One trend, known as age compression marketing, dramatically affects all traditional toy manufacturers and retailers. Children simply abandon certain toys, including dolls, at much younger ages. Both the Barbie and Bratz lines continue to adapt, with more mature clothing options for dolls combined with more mature marketing presentations. Although the Mattel brand remains strong, the company continues to face challenges as the world of children and toys continues to evolve. .i

(1) Provide an analysis of the Mattel Barbie brand. What factors shape perceptions of the brand in the eyes of parents and young girls?

The answer should contain both tangible and intangible elements of the brand. Tangibles include the actual product, ancillaries, packaging, and labels. Intangible elements would focus on perceptions of the brand.

(2) What brand problems did the Bratz line of dolls create for the Barbie brand?

The line was more trendy and edgy; Barbie may have been seen as outdated.

(3) How might social media affect perceptions of both the Bratz and Barbie doll lines?

Even younger consumers now connect online.

(4) Do you think the efforts made by Richard Dickson were the most effective ways to restore the brand? Defend your answer.

Student answers will vary. Based on sales, it was somewhat effective.

(5) Going forward, what tactics would you use to maintain and build the Barbie brand?

Student answers will vary. One approach would be to identify target markets by age and socioeconomic status and then focus the brand on a more specific group.

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Sources:

[i] "Jury Awards Mattel $100 in Barbie-Bratz Lawsuit," *WCCO*. (**http://wcco.com/business/barbie.bratz.lawsuit.2.803672.html**, accessed August 10, 2010); Jeremy Deutchman, "After 50 Years, Barbie's Still a Living Doll," *USE News*, (**http://uscnews.usc.edu/business/after_50_years_barbies_still_a_living_doll.html** accessed August 10, 2010).

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