

The importance of brand building and branding

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Abstract

The article treats with the importance of a brand building and branding and shows an overall and present view on the world biggest brands and the brand top risers. Also describes the methodology of branding evaluation process and the analyses necessary for the brand value estimation. Work puts the branding process in the contrast of employment attractiveness as well as in case of consumers loyalty and brand reputation. It also points on a connection to the consumers decision making process.

Key words Branding, marketing, corporate

1. INTRODUCTION

Nowadays, the companies are estimated not just by tangible property, rather by the soft matters as name reputation, ideas and intellectual property or relations with customers, because the brand is power. Branding belongs to many factors. It affects the customers on daily basis. Even in case of expensive trades, majority tends to decide according to those soft factors in spite of comparing hard data. In present time, what one company can do, can do also the others. So that's much more of it going on. Primarily it is about strategic process of brand building. The goal is to bring added value so the company can succeed in an ever changing and a highly competitive business environment.

2. PHENOMENON OF BRANDING

Human mind is not able to work without signs. The word "brand" comes from ancient Norwegian or Teutonic expression which stands for "to burn" [1]. People make their decisions when asking who to be, how to live and what to buy, but in all of it in condition created by marketing and brand publicity [1].

Literature [2] defines branding as a name, sign, symbol, term, design or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers. It is not about getting target market to choose certain company over the competition, but rather it is about getting companies prospects to be seen as the only with the right solution to the problem [2].

Branding can strengthen the good reputation, amplify loyalty, support the perception of a greater value and help customers realize that they entered the world controlled by same values [1]. Branding assignment is to create positive experience in customer's minds. A brand represents a big idea, a system of beliefs that customers consider as unique and useful for them [3]. It also affects satisfaction of customers and it is never-ending process [18].

2.1 Emotions are important

Most important thing is selling an emotion. According to Zig Ziglar, logic makes people think, and emotion make people act. Logic bridge between buyer and seller represents only 20 % of a buying decision in a B2B (business to business) settings [4]. Doctor Albert Mehrabian at UCLA (University of California, Los Angeles) found in his research that feelings and attitudes are communicated 7 % by words, 38 % by tone of voice, and 55 % nonverbally [4].

Buying decisions are always the result of a change in the customer's emotional state. While information is helpful when changing emotional state, it's the emotion that is important, not the information [5]. All decisions should stem from the interplay of factors like greed, fear, altruism, envy, pride or shame. When enough of these emotions are present in emotional state, a buying decision becomes inevitable [5].

Emotion is the adhesive that, when mixed with trust, equals loyalty. Trust means that unequal exchange can be accepted on occasion because things will even out over the long term [6]. When consumer trust in a brand is undermined, there is a corresponding loss in market power, as customers have less faith that the company will live up to expectations [6].

Literature [11] brings theory of five factors necessary for successful brand. It has to be cool, real and unique, customer also has to find self-identification in it and it has to bring happiness [9]. President and CEO of Hewlett-Packard Meg Withman once said: "When people use your brand as a verb, that is remarkable" [7]. Since the Google Company has been founded at 4th of September 1998, it took eight years for the word "Google" to be registered as a verb in the Oxford English dictionary, even despite of a fact that it has already been the world largest internet search provider for last six years [8].

3. BRAND VALUE MEASURING METHODOLOGY

CEO former of Quaker Oats, John Stuart, said: "If this business were split up, I would give you the land and bricks and mortar and I would keep the brands and trademarks, and I would fare better than you" [1]. Brand evaluation is a controversial discipline. It is difficult to attribute exact financial value to the intangible assets [1]. Official methods basically try to isolate abstract matter, in this case a brand, from more concrete assets, which value in company is easy to measure, including factories, know how, patents etc [1].

We can find more theories, which offer different way of measuring value. But the fundamental principle is really similar for majority of them. One of the most famous ways of measuring is performed by the consulting company "Interbrand".

Strong brands enhance business performance primarily through their influence on three key stakeholders groups: customers (current and prospective), employees and investors. Methodology takes all of these stakeholders and value-creation levers into account [10]. Brand strength measures the ability to create continuity of demand into the future through loyalty. In doing this, it considers internal (management and employers) and external (customer) factors. Inputs are combined with a financial model of the business to measure the brand's ability to create economic value [10]. Methodology seeks to determine, in customer and financial terms, the contribution of the brand to business results [10]. Whole process consists of three main analysis, financial, demand and competitive. Via these, it is possible to express brands economic profit, role of brand (Index RBI) and brand strength score (BSS). Second level examines factors like clarity, commitment, protection, responsiveness, authenticity, relevance, differentiation, consistency, presence or understanding. Combing these analyses and factors creates brand value [10].

4. TOP 2012 GLOBAL BRANDS

According to report presented by Interbrand, title of the most valuable brand belongs to Coca-Cola with the brand value estimated at 77, 839 mil. \$. It is approximately 8 % more in comparison to previous year. Six of top 10 brands belong to IT companies and except one, they have belonged to top 10 over last decade [10].

1	Coca-Cola	77,839 mil. \$
2	Apple	76,568 mil. \$
3	IBM	75,532 mil. \$
4	Google	69,726 mil. \$
5	Microsoft	57,853 mil. \$
6	GE	43,682 mil. \$
7	Mc Donald's	40,062 mil. \$
8	Intel	39,385 mil. \$
9	Samsung	32,893 mil. \$
10	Toyota	30,280 mil. \$

Tab. 1. Top ten brands in 2012 own elaboration according to [10].

From all the companies illustrated above, brands of Apple and Samsung are considered to be the greatest risers. In case of Samsung with brand value estimated at 32,893 mil. \$, there is a 40 % increase since year 2011. Increase of the Apple brand is 129 %, which is more than three times greater than in case of Samsung [10]. Apple's growth has happened within years 2011 and 2012 when it appeared in top ten for the first time. Figure 1 shows dramatic increase in confrontation with Coca Cola, the most valuable brand over last decade.

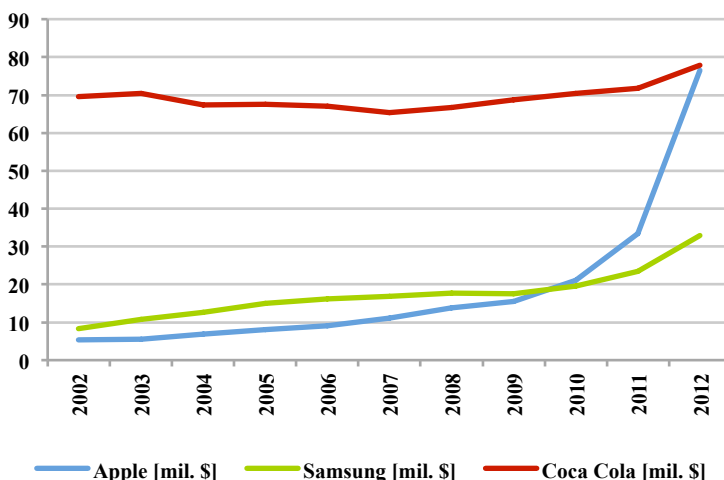


Fig. 1. Top risers vs. Coca Cola own elaboration according to [10].

5. ATTRACTIVENESS FOR EMPLOYERS

Literature [11] presented the rank list of the world most attractive employers in 2012. The study was based on the preferences of over 144 000 career seekers, with a business or engineering background from the world's 12 greatest economies. Table 2 illustrates the rank list in two categories, business and engineering.

	Business	Engineering
1	Google	Google
2	KPMG	IBM
3	Procter & Gamble	Microsoft
4	Microsoft	BMW
5	Deloitte	Intel
6	Ernst & Young	General Electric
7	PwC	Siemens
8	J.P. Morgan	Apple
9	Coca-Cola	Sony
10	Goldman Sachs	Procter & Gamble

Tab. 2. World's most attractive employers own elaboration according to [11].

There are seven brands which also appeared in the table 1 as members of the top ten brands in this rank list. An assumption is presented, that strong brand increases the level of attractiveness that companies have as employers. Present can be considered as the age when traditional forms of communication are weakened by the information technologies [12]. The average time spent per visit is 23 minutes and 71 % believe employers visit their personal profile after interacting with employers on online communities [11]. It creates pressure, new ways of interaction needs to be involved [14]. The real power is in creating community around a brand and its active involvement [15]. Consistent migration of marketing activities into the world of internet generally influences perception of company image [13]. Even small and medium sized businesses consider those factors to be critical in gaining higher competitiveness [16]. It is also closely connected to performance appraisal [17]. In a world where top performing employees are becoming a scarce commodity, finding the right people is critical for business and brand success [11,16].

6. DISCUSSION

The brand phenomenon is supported and verified by many resources from all over the world. It attracts consumers and creates connections to the brand through the emotions that accompanies it. Powerful brand is a strong and effective tool for building a good reputation and consumers loyalty that brings greater sales with it of course. Strong and famous brand is also a key factor when finding top job applicants. Process of brand building has become extraordinary important so the company can succeed in any field of work. finding top job applicants. Process of brand building has become extraordinary important so the company can succeed in any field of work. finding top job applicants. Process of brand building has become extraordinary important so the company can succeed in any field of work. finding top job applicants. Process of brand building has become extraordinary important so the company can succeed in any field of work. finding top job applicants. Process of brand building has become extraordinary important so the company can succeed in any field of work.

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