

Explore Branding as a Marketing Strategy

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Abstract— The brand is a factor that has the most influence on strategic marketing decisions. Branding identifies which elements a firm chooses to apply across the various products it sells. Brand name represents a certain level of quality so that satisfied customers can easily recognize and buy the product again (Erdem, 2018). In order to effectively deliver product information to potential customers, many large companies have invested huge amount of money in increasing their brand awareness and building their brand image. Shrimp (2018) explained that customer brand knowledge and response, which are central to brand value, depend on brand awareness and brand images. Therefore, establishing and managing brands awareness and loyalty may be the marketers' most important tasks.

Keywords— Branding , marketing strategy.

I. INTRODUCTION

From the company's point of view, brands perform many valuable functions. First, brand names and trademarks are both important intellectual properties for a company, which protect unique product features from being copied by competitors. Next, brand loyalty provides predictability and security of demand for the firm and creates barriers to impede other competitors to enter the market (Solomon, Marshall, & Stuart, 2020). In general, brand loyal customers are willing to pay a higher price for desired brands. Furthermore, brands are enormously valuable pieces of legal property that can influence consumer behavior, and provide the security of sustaining future revenues to their owner (Bymer, 2019). The following key factors can explain why companies adopt branding strategies.

II. BRANDING AS A MARKETING STRATEGY

To Increase Awareness

Brand awareness is based on whether a brand name comes to customer's mind, that is, the name is evoked easily when customers think about a particular product category (Hoffman et al., 2020). Obviously, if potential customers do not know about a company, they are less likely to purchase from it. Besides a strong company brand will create a platform for merchandise promotion. It is like the tide that raises all the ships. (Craig Roads, 2019) Therefore, one of the dominant goals of many businesses is to build as much awareness as possible, which is why they tend make brand name a central part of their strategy. Brand awareness could be generated in some ways, such as advertisement and social media. Advertisements through various media are the

most common form adopted by the companies for generating brand awareness among the customer. According to this strategy, the concerned brand is promoted through TV,

Internet, newspaper, billboards and many more. Besides many companies use the social media like Blogs and You-Tube for promoting their products in a cost effective manner.

To Build Positive Image

A brand image can shape consumers' attitudes toward the product. Consumers tend to develop a set of beliefs about a product's attributes and then form a brand image(Lamb, Hair, & McDaniel, 2019). The brand image is a message and a promise. Take BMW for example, it focuses on the aspirations of the customers it communicates. Successful in creating and maintaining the brand identity, BMW understands and directs the message through the media to the target audience. (Stephen Ready, 2020) So it has a strong public image with its sensory and physical features as well as its price. By carrying the brand name, marketers can advertise and change consumers' attitudes in three dimensions: (a) changing beliefs about the brand's attributes, (b) changing the importance of these beliefs, and (c) shaping new beliefs (Peter & Olson, 2019).

To Provide Legal Protection

Brand names or trademarks have extremely good economic power and reputation. (Suhejla Hoti, Michael McAleer, Daniel Slottje. 2018) Branding can prevent a company's profitable brand name from being copied by other competitors. For many companies an important intangible asset is intellectual property. Intellectual property assures a company of protected income in the patent's duration before competitors can product generic equivalents such as "Coke" with a word mark by The Coca-Cola Company (Doole & Lowe, 2018).

To Segment Market

Companies can use brands to segment their markets. A company can develop a marketing mix or formulate a marketing strategy that applies to each of its segments. For example, P&G develops at least four shampoo brands for different target markets. It includes Pantene Pro-V, Pert Plus, Vidal Sassoon and Head and Shoulders. All have excellent worldwide presence, and each one has admirable equity within its own category. Pantene delivers the customers' desire in hair care: healthy and shiny hair. Vidal Sassoon's position is established deeply in expertise of the Sassoon salons, teaching academies and products throughout the world. Pert Plus is the first successful 2-in 1 product to combine shampoo and conditioner. Besides Head & Shoulders is designed to relieve flaking and itching, it inhibits the recurrence of dandruff when used regularly. (Anonymous, 2018)

Brand Extensions

When brands have strong brand equity, companies can apply the existing brand names to new products. Launching new or modified products in a new category is called brand extensions (Kotler & Armstrong, 2018). For example, when Toyota introduced a new model tailored Camry, consumer may have been more likely to feel comfortable with its anticipated performance because of their previous experience with and knowledge of other Toyota vehicles. (S.Ramesh Kumar, 2018) Consumer knowledge, consumer trust and lower cost are the advantages of stretching a brand. (David Taylor, 2019) On the contrary, if the brand extension does not improve or add value to the original brand, the existing brand equity will suffer reduction in brand loyalty and sales. Over-extensions could make the brand name less strongly identified with any specific type of products (Kotler & Keller, 2020). For instance, Cadbury ran the risk of losing its more specific meaning as a chocolates and candy brand by linking its brand to mainstream food products such as mashed potatoes, powdered milk, soups, and beverages (Aaker, 2018).

Global Branding

Branding allows companies to market their brands globally. Companies can successfully market their brands in different countries through effective communications and clarity of brand positioning. Ideally, the marketing manager should think globally and act locally, not extremely focus on full standardization or localization, but rather by exploring good ideas, strategies, and products on a wider regional basis. A strong global brand acts as an ambassador when companies go into new markets or launch new products. (Lamb, Hair, & McDaniel, 2019).

To Build Consumer's Loyalty

Branding strategy allows companies to build up brand loyalty among consumers. Brand loyalty is a highly desirable goal for most marketers. Consumers may consistently prefer one brand over others, particularly in some product category. Over half the users, in particular product categories such as cigarettes, coffee, toothpaste, detergent, and medicine consumers often have brand loyalty (Peter & Olson, 2019).

When a brand delivers what is anticipated repeatedly, consumers start to trust the brand. When a company acts according to the image it plans, the trustworthiness develops. But as credibility grows, brand failures become more costly. Dell lost consumers' trust when service slid. Mattel lost credibility because of lead-tainted toys. Brand loyalty is a present from consumers to companies that acquire their trust over time, but it can also be taken away at any time (Don Frischmann, 2020)

To Add a Valuable Equity

A brand's value reflects how consumers think, feel, and act with respect to the brand, as well as the prices, market share, and profitability that the brand commands for the firm (Lefton, & Anson, 2020). This value adds to product and service called brand equity (Kotler & Keller, 2020). For most public companies, the enormous amount of the hidden asset value is

caused by brand equity. (William Neal, Ron Strauss, 2019) Brand equity is like money in the bank. (Craig Roads, 2019) Successful brands can develop strong brand equity and create enormous financial value for companies. For example, Kohlberg Kravis Roberst purchased RJR Nabisco for \$25 billion (twice its book value), and Philip Morris paid \$12.19 billion for Krafts (four times its book value) and \$5.7 billion for General Foods (also four times its book value) (Hoffman et al., 2020). These companies regard branding as such an important part of their marketing strategies because these brands can add financial values to their organizations.

Brand equity does not just happen but must to be carefully crafted and nurtured by marketing program to forge strong, favorable, and unique consumer awareness and associations with a brand. In modern competitive market, brand equity is the element of the brand value equation that can be used for long term competitive advantage. (William Neal, Ron Strauss, 2019)

III. THE BRANDING STRATEGY OF COCA-COLA

The Coca-Cola Company has convincingly demonstrated its ability to the global markets; its success is as a result of thinking globally and acting locally (Keegan, 2019). The company is adept at adopting sales promotion, distribution, and customer service efforts to local needs.

Strong Brand Equity

Brand equity refers to the value of company and brand names. (Lamb, Hair, & McDaniel, 2019). Brands have higher brand equity to the extent they have higher brand awareness, perceived quality, and brand loyalty (Kotler & Armstrong, 2018). A brand with strong brand equity can bring a company's considerable profits. Coca-Cola's brand can help it leverage its brand name by introducing new products to existing product line.

Integrating Marketing Communication Strategy

Coca-Cola often integrates and coordinates its many communication channels such as mass media advertising, personal selling, sales promotion, public relations, and direct marketing strategy to deliver a clear, consistent, and compelling message about their brands and its products. Integrate marketing communications help Coca-Cola produce better communications consistency and greater sales impact. However, soft drink marketing is characterized by heavy investment in consumer advertising and promotion. On average, the Coca-Cola Company spends roughly \$2 billion a year worldwide on marketing campaigns (The Coca-Cola Co., 2018).

Strong Branding and Advertising Suit Local Markets

With a strong brand name, Coca-Cola can quickly market its products to the world. It projects a global image of fun, good time, and enjoyment. The product types or advertisement may vary to suit local tastes. Take China as an example, Coca-Cola was the first foreign company to enter in China after China's reform and opening up, and the first to advertise in China.

Coca-Cola's New Year's Film for China shot in a typical Chinese situation. Traditional Chinese arts such as couplets, puppets and paper-cuts were used to express the strong local flavor of China through folk activities such as sticking String Festival couplets and setting off fireworks. In a short space of time, Coca-Cola became a local product in China, and this acquainted image indeed achieved the effect of communicating with Chinese consumers (Bodi Chu, 2020).

IV. THE BRANDING STRATEGY OF COSTCO

In recent years, an increasing number of wholesalers and retailers have created their own brands, such as Costco's store brand, Kirkland Signature. Private brands products now make up an average of 25 percent of purchases in the U.S. and approximately for 45 percent in Europe. A private brand not only can increase store brand awareness, but also intensify store image. If retailers have their own private brands, they possibly have more power over manufacturing, quality, control, and delivery of the goods (Levy & Weitz, 2018). Kirkland Signature is becoming a Costco private brand in its own right. Costco plans to increase the number of Kirkland Signature items and hopes to drive Kirkland Signature sales to 30 percent of their total in the future. Now Costco is the second-largest general merchandise retailer in the U.S.

Direct Mail Marketing Strategy

Costco generally limit marketing and promotional activities to new warehouse openings, and they occasionally use direct mail marketing to prospective new members (Costco Wholesale, 2020). These practices lead Costco to have lower marketing costs as compared to other competitors. Costco uses marketing teams to contact businesses directly to build connections within regions that have potential wholesale members. These contacts are supported by direct mailings during the period immediately prior to opening.

Word-Of-Mouth And Coupon Booklets Marketing

After a membership base is established in an area, most new memberships result from word-of-mouth advertising (Costco Wholesale, 2020). Doing an excellent job of delivering value to members, Costco does not incline to spend money on other advertising activities, such as television, radio, magazines, and newspaper, because the best type of advertising for Costco is word-of-mouth by the members. Periodically, Costco sends its members coupon booklets to promote manufacture's brands and its store brand.

Membership Marketing

By offering an extra rewards, Costco encourages the gold star card member to upgrade to executive membership. Membership marketing not only brings Costco considerable revenues annually, but also increases customer's loyalty to the store.

Lower Price, Limit Selection, and Higher Quality

Costco's operating strategy is to offer products to their members with lower prices than other retailing channels, and offers a wide variety of product categories, with only limited national or private brands within each category. This practice

enables Costco to produce high sales volumes and rapid inventory turnover.

High Sales Volume and Rapid Inventory Turnover

Costco has rapid inventory turnover, as it uses a combination of volume purchasing, efficient distribution, and self-service warehouse facilities. All the above strategies allow Costco to operate profitably at significantly higher gross margins than other wholesalers, mass merchandisers, and supermarkets.

V. CONCLUSION

For brand managers, aiming at brand image and awareness is usually seen as important to the success of marketing campaigns. Especially in fast moving customer merchandise such as good, sports, apparel and electronics items, companies spend much resources appraising and tracking customer awareness of brands and brand image. However, for long-term brand success customer relationships are the key. This means increasing brand trust, brand satisfaction and brand loyalty among consumer and target groups. Customer relationships are not formed immediately, but it is a way to create lasting value. Brand building is not about the short-term, always about a longer view and generating profit and customers' brand loyalty over the long term.

Marketers can use both online and offline media to communicate with consumers for generating brand awareness, promoting a desired brand image, stimulating new and repeat brand sales, and enhancing brand loyalty and building brand equity.

Some brand loyalty customers form clubs and further strengthen the brand. Harley Davidson loyal consumers show passion about the brand by getting together and going out on the bikes wearing special clothes created by the brand. Brand visibility and the revelation of loyalty result in positive brand equity. Take high priced cigarettes and perfumes for example, loyal customers are even willing to try out the variants of the brand and pay a premium. So the companies should take brand management strategies to maximize the value of their reputation and building lasting consumer loyalty. Then based on consumer brand loyalty, the companies can achieve long term competitive advantage.

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