

The meaning and definition of brand



Due to the intensive competitiveness between the different producers and sellers in today's contemporary world, the phenomenon of joint branding is increasing at a rapid rate. With the traditional brand extension and the various brand alliance strategies like dual branding and advertising alliance, joint branding is a way of distinguishing the products from their competitive alternatives. By utilizing, the concept of product integration whereby a single entity is branded with that of one or more entities, companies can derive the favorable outcomes for both the entities.

2. 1 Meaning and Definition of Brand

The concept of branding is existing for past many centuries now. It is the primary means of distinguishing the product of a single manufacturer from that of another. The term ' brand' is a derivative of the Old Norse word brandr, which implies " to burn," (Kotler, 1982).

As defined by (Keller, 2009, p 17), a brand is a " name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of seller or group of sellers and to differentiate them from those of competition. Technically, whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand".

" Brand resembles the total experience that consumers relate to the products" (Keller & Lehman, 2004, p. 1) in order to create and retain the monetary performance (Haigh & Knowles, 2004) which results in the visibility of the brands at three different levels – customer, product and financial areas (Keller & Lehman, 2004). Haigh and Knowled (2004) have suggested in their theories that brands are the primary source through which the

competitive products could differ. The construction of “ competitive superiority” (Keller & Lehman, 2004, p. 2) could be obtained by handling the various brand channels.

The significance of brands have changed in the modern world due to the global trends, for instance, the deregulation of industrial sector, the privatisation of public organisations, the establishment of independent firms, extensive utilisation of franchises and the eradication of trade barriers (McDonald, de Chartony and Harris, 2001).

Brand Equity

“ Brand Equity is a combination of the brand assets and liabilities associated to a specific brand, its name, image, logo or symbol that appreciates or depreciates the value provided by the product to its consumers” (Aaker, 1991, p. 15). In simple terms, it is the added value provided to products which reflects the consumer attitude towards the brand (Kotler & Keller, 2006). Appendix A lists the world top 10 brands in the year 2010.

It has been observed that for products in order to gain brand equity must be associated “ with the name or symbol of the brand” (Aaker, 1991, p. 15) however, on either amending or altering the name following a joint branding activity the product value might get effected.

Furthermore, Aaker (1991) suggested the assets and liabilities which effects the brand equity as “ brand loyalty, brand awareness, quality perception, the brand association with quality and other factors like patents, trademarks etc”.

2. 1. 1 Brand Vs Product

“ A product is anything that is offered to a market for attention, acquisition, use or consumption that might satisfy a need or want” (Kotler, 1984, p. 137). Therefore, a product could be a tangible good like bread, cricket bat, or vehicle; however, a Brand is wider in scope than a product, because “ it can have dimensions that differentiate in some way from other products designed to satisfy the same need” (Gregory, 1999, p. 54). These variations may be “ rational and tangible- related to product performance of brand- or more symbolic, emotional, and intangible-related to what the brand represents” (Rosson & Brooks, 2004, p. 57).

“ Developing apparent branding differences among products through branding and by developing a loyal customer franchise, marketers create value that can translate to financial profits for the firm” (Bruner, 2005, p17). However the fact is the significantly low numbers of tangible assets are considered to be valuable and so is the case with the intangible assets.

2. 1. 2 Creating New Brand Associations

By associating a brand with another entity, consumers make a pre-conceived image linking the attributes of these brands to the other entity and to every other entity and association which is in liaison with this brand (Homburg & Bucerius, 2005). In a wider sense, “ this secondary brand knowledge is most likely to affect evaluations of a new product when consumers lack either the motivation or the ability to judge product-related concerns” (Morall, 1996, p. 131). In other words, “ when consumers either don’t care much about or don’t feel that they possess the knowledge to choose the appropriate brand,

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they may be more likely to make brand decisions on the basis of secondary considerations like what they think, feel, or know about the country from which the product came, the store in which it is sold, or some other characteristics” (Shelton, 2002, p. 147). Therefore, the association of brands with other brands improves customer retention, enhances service quality, influences customer’s perception of the brand and proves to gain an edge over the competitors (Perry & Herd, 2004).

According to Kumar (2004), when a specific brand is linked to any entity, it not only creates a new relationship but also it affects all the existing relationships of the brand. The basic mechanism states that the consumer is aware of the attributes of entity. “ When a brand is identified or linked to that entity, consumer may infer that some of the particular associations, judgments, or feelings that characterise the entity may also characterise the brand” (Kumar & Blomqvist, 2004, p. 26). A number of different theoretical mechanisms from psychology predict this type of inference. One is “ cognitive consistence”[1], in other words, the consumer’s perception is, what is true for the entity, must be true for the brand.

2. 2 Joint Branding

According to signaling product, “ the combination or collaboration of two brands provides greater assurance of quality than what a single branded product provides, which should lead to higher evaluations of products and premium prices” (Rao, 1999, p37).

“ Through a brand extension strategy, a new product can become linked to an existing corporate or family brand that has its own set of associations”

(Swystum, 2001, p117). Further, Sinclair (2007) is of the opinion that a presentg brand could influence its relationship with other entities by getting into an association with a brand from the same industry (Sinclair, 2007). Joint branding – also called Joint branding, “ brand bundling” (Keller, 2004, p 19) or brand alliances – is formed with the association of two or more brands who decides to produce a new brand and as well sells it together.

Joint branding is in existence for past many decades; for instance, Betty Crocker partenered with Sunkist Growers in 1961 to profitably sell a lemon chiffon cake mix. Interest in Joint branding “ as a means of building brand equity has increased in recent years” (Grobel & Forbes, 2006, p203). For instance, the toffee candy bar produced by Hershey’s Health has not only been extended into several new products-Health Sensations (bite sized candies) and Health Bits and Bits of Brickle (chocolate-covered and plain toffee baking products)-but also has been licensed to a variety of vendors, such as Dairy Queen (with its Blizzard drink), Ben and Herry’s, and Blue Bunny (with its ice cream bar).

Some other notable supermarket examples of Joint branding are Kellog’s Pop- Tarts with Smuckers fruit filling. Yoplait Trix yogurt, and Smuckers Dove ice cream sauce. In the credit card market, Joint branding often links three brands, as in the Shell MasterCard from Citi Cards. With airlines, brand alliances can unite a host of brands, such as Star Alliance, which comprises of 16 different airlines such as United Airlines, Lufthansa, and Singapore Airlines.

Although the joint branded products are into use for quite some time but surprisingly, it has a very minute quantitative observational research on the subject. Norris (1992) was the person “ to describe the potential benefits of the Joint Branded products”. This study was then preceded by the various theoretical articles by Rao & Rueckert (1994) on Joint Branded Products on signaling Perspective and the other one by Hillyer & Tikoo (1995) “ to understand the influence of Joint branded products on brand evaluation”.

2. 2. 1 Merits & De-merits of Joint Branding

The primary benefit provided by joint branding is the ability to position a product distinctively and credibly amidst the large number of multiple brands in the market industry (Norris, 1992). “ Joint branding can create more compelling points of difference or points of parity for the brand -or both-than otherwise might have been feasible” (Hillyer & Tikoo, 1995, p57). The outcome would see it producing higher number of sales in the current market and additionally opening good opportunities with new customer groups. “ Joint branding can reduce the cost of product introduction because it combines two well-known images, accelerating potential adoption” (Levin, 1996, p87). Joint branding also may be a “ valuable means to learn about consumers and how other companies approach them. In poorly differentiated categories especially, joint branding may be an important means of creating a distinctive product” (Desai & Keller, 2002, p 136).

The possible limitations of joint branding could be “ the risks and lack of control that arise from becoming aligned with another brand in the minds of consumers. Consumer’s expectations about the level of involvement and

commitment with joint brands are likely to be high” (Levin, 1996, p 147). “ Unsatisfactory performance thus could have negative repercussions for both (or all) brands” (Rao, 1997). Levin, in his study further emphasizes on the fact that “ If the other brand has entered into a number of joint branding arrangements, there also may be a risk of overexposure that would dilute the transfer of any association. It may also result in distraction and a lack of focus on existing brands”.

A summarized tabulate version of the merits and de-merits of joint branding is listed in Appendix B.

2. 3 Comparison of joint branding against the different branding strategies

Joint branding is “ a long term brand alliance in which a product is identified and branded with the other brand” (Levin, 1996, p7). A joint branding strategy should constitute following characteristics; the participant of the joint branding “ should be independent before, during and after the alliance” of the joint branded product (Ohlwein & Schiele, 1994). Secondly, the joint branding strategy should be implemented on a purpose by the owners of the brand (Blackett & Russell, 1999). Third, the potential buyer should notice the cooperation between the two brands (Rao, 1997). Fourth, there should be incorporation of more than one brand at a single instance (Hiller & Tikoo, 1995; Levin, 1996)

The joint branding practically shows that there are two variations in it. The first one can be said as Vertical joint Branding often called as “ ingredient branding” (Desai & Keller, 2002, p 113), it refers to a vertical combination of products where manufacturers of different value chain steps in one product

(E. g. Pepsi and Nutra Sweet; Dell and Intel). On the contrary the horizontal joint branding is characterised by producers stepping in the same value chain for the manufacturing and selling of a “ multi-branded” product. In addition, “ a joint branded product may also appear in a category where both the producers are already established (Sony & Ericsson Mobile phones)”.

Joint branding strategy can become “ the brand extension strategy by introducing new product with the same brand name on the existing or new product category or the new product in the new product category” (Desai & Hoyer, 1993, p 176). The figure below represents the overlaps and differences among the joint branding and brand extension strategies.

Figure 1: Joint Branding and Brand Extension (Source: Helming, Huber & Leeflang, 2008)

Only one single brand is involved in classical brand extensions where as joint branding includes multiple brands. Because of this difference there is no information on how customers utilise the brand attitude and association to deliver their response to the combination of two brands can be derived from the study and practice of “ classic brand extension” (Simonin & Ruth, 1998). On the other side “ brand extension appears much frequent in practice and corresponding literature is much sophisticated and comprehensive” (Aker, 1990; John, 1998; Balachander & Ghose, 2003; Volckner & Sattler, 2006). “ Both brand extension and Joint branding strategies work on the same subject line, to strengthen the parent brand and extend the customer value perception to a new product” (Aaker, 1990. P76). However, joint branding strategy can be seen as more advantageous because a second brand can contribute an additional value perception to the parent brand and itself that

a parent brand cannot gather itself. In addition there might be some negative effects to the potential advantages caused by the combination of two brands reasoning either they don't fit or unfavorable perception among the partnering brands. Further to this the joint branding involves great complications in the operational activities because this strategy needs the alignment of interest of a minimum two associated partners. The choice on aligning requires a careful and comprehensive study of related cost and advantages levied on certain operational objective and the situational surroundings. Additional to joint branding strategy there lays few more brand aligning strategies, they are;

Joint sales promotion

Advertising alliance

Dual branding

Bundling

The Joint Branding strategy can be closely related to advertising alliance approach. The primary reason to utilise the different branding strategies similar to that of joint branding strategy is the improvement of interdependent image accompanying the collaboration with complementary partner (Wernerfelt, 1988, Erdem & Swait, 1999). The signaling theory explains that, the collaboration of two brands assures the customer with greater product quality that in turn provides higher evaluations and premium prices (Rao, 1999). However, joint branding strategy “ is the only approach where a single product collaborates with two or more brands” (Wernerfelt,

1988, p 36). Even though the new brand alliance strategy may not contain the severe unfavorable spillover effects and less difficulty but they may not involve such strong benefits as the joint branding strategy.

The table below shows the differences between the joint branding strategy and other strategies. This table demonstrates that the joint branding and brand extension strategies are very similar where as the other strategies are completely different.

Table 1: Branding Strategy and their distinction from Joint Branding

Strategy

Example

Characteristic

Difference from Joint branding

Relevant Literature

Product Bundling

Vobis Hardware, software and services for PC's

Combined offer from two or more goods in a package with one total price

No simultaneous branding of a single physical product by two brands

Gaeth, 1990; Yadav, 1994; Stremersch & Tellis, 2002.

Advertising alliance

Wasa (bread) & Due Darfst (diet butter)

Simultaneous mention of different supplier of different products in one advertisement

Berndt, 1985; Schroter & Waschek, 1996; Bergen & John, 1997; Samu, 1999

Joint sales promotion

Reebok (sports outfit) and Pepsi (soft drink)

Timely, limited appearance of two independent brands in promotional activities

Varadarajan, 1985; Varadarajan, 1986; Palupski & Bohmann, 1994.

Dual Branding

Burger king (fast food) & Shell (Gas station)

Common usage of store location (shop in shop concept)

Levin, 1996; Levin & Levin, 2000.

Brand Extension

Boss Brand transfer from cloths to perfume

Extension of brand to a new product in either a new or an existing product category

Equals joint branding , if new product is branded by two brands simultaneously

Aaker & Keller, 1990; Balachander & Ghose, 2003; Volckner & Sattler, 2006.

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2. 3. 1 Joint Branding and its Effectiveness

Different theories were propagated to gain an understanding on the efficiency of joint-branding when compared with various other brand extension strategies. Below listed is a brief description on these theories:

Concept Combination Theory: This was propounded by Park, Jun and Shocker in the year 1996. In this theory, the researchers have observed the evolution and usefulness of combined brand partnerships. A combined brand is described to be the outcome of aligning two significant brands. The findings were based on the influence on perception of the consumer towards the new composite brand resulting from the earlier perceptions of the combining brands. The concept combination procedure enlisted evaluating two self sufficient concepts which are to form a new concept (Wisniewski, 1996). According to Park, Jun and Schocker (1996) “ a composite joint brand comprises of at least one parent brand and one modifier brand, each of which are determined according to their position in the composite brand”. As per the concept combination theory, “ a set of core attributes in a concept is the most essential and salient set of attributes for understanding a concept” (Eysenck and Keanne 1990), and “ it is difficult to change when the concept is combined with others”.

b) Signaling Theory: This theory was utilized by various realists (Rao, Qu & Ruekert, 1999; Rao and Rueker1994; Washburn, Till, and Priluck 2000) in order to evaluate and assess the creation of joint branding and its usefulness. As stated by Spence (1974), “ signaling could be observed when the observer takes actions to communicate data and information to the ones

who are ignorant of it, in order to facilitate their decision making”. By utilizing this theory, Washburn, Trill & Priluck (2000) had studied the effects of joint branding on the “ brand equity” of the partnering brands. The four components[2]of the brand equity were evaluated based on the changing perception of the consumers.

c) Assimilation and Contrast Theory: Levin (2002) has engaged “ social judgment theory in investigating the impact of joint branding”. According to the social judgment theory (Shrif & Hovland, 1961), “ judgments towards a stimulus are affected by the context within which it is evaluated”.

Furthermore, Sherman (1978, p107) states a “ stimulus is judged not only by its own features but also by the other stimulus that are present concurrently”. Based on the occurrence of a stimuli the contexts are classified into “ contrast and assimilation effects” (Meyers-Levy and Sternthal 1993).

2. 3. 2 Direct Effects

Considering the empirical theories of Rao & Rueckert (1994) and Rao (1997), Rao (1999), an in depth study of “ Joint Branded products from signaling perspective”, whereby they show that the customers evaluates the brand qualitiveness better in relation to unidentifiable characteristics where a particular brand is collaborated with another brand which is presumed to be at risk of consumers acceptance. The combined outcome of the dual branding nature, joint branded products offers a better quality signal when compared with “ mono branded products”.

Levin (1996) findings displayed that matching a reputed brand name with a non-reputable or slightly known host brand improves consumers' product evaluations than adding a non-reputable brand. Thus, it could be concluded that "consumers' brand awareness on the partner brands has a positive direct effect" (Rao, 1997, p. 118). Fang and Mishra (2002) also supported this claim, stating that consumer perception of a non-reputed brand enhances when combined with a reputed, good quality associate; and Voss & Tansuhaj (1999), proves that "consumer evaluation of a joint-branded product improves if a well-known domestic brand is incorporated with an unknown foreign brand partner".

Vaidyanathan & Aggarwal (2000) has also analyzed "joint-branded products formed by a well-known national brand and an unknown private brand, and found that a joint-branded product received positive valuation if it is incorporated with a well-known ingredient brand". By differentiating a joint brand product as having either an unknown branded element or a reputed brand, Desai & Keller (2002) clarifies "the extended effect of the host brand". With the extension which transforms the intensity of a prevailing product feature, a stabilized component facilitates early growth recognition, however a self-brand ingredients results in favourable successive group expansion assessment. The brand extension which adds a whole new feature to the product would inculcate an existing component, as doing this will lead to high assessment of the original product and its preceding expansion.

Park (1996) states "that the positive attitude of consumer towards a brand leads to positive direct effects, and the joint-branded products involving two complementary brands gain a better attribute profile in the mind of

consumers' than that of a direct brand extension of dominant brand or a joint branded product involving two highly favourable but uncomplimentary brand". Walchli (1996), When measuring the evaluation of joint-branded products according to the agreement of the partner brands, displays that in high associated situations, the high dissimilar or similar partner brand possess less positive evaluation that it may have in rather disimilar partner brand. This astounding result is a task of the amplification that consumers undertake to seek resolutions that are partial towards positive clarification for the inaptness (Mandler (1982))

The prior positive attitude generates the positive direct effect towards each partner brand, and also from the positive perception toward the brand and the offered product fit of the partner brand. The term ' fit' refers for the consumer perception on congruity of both the partner brand and their offered product categories and the branding concepts (Simonin & Ruth, 1998). The model of Simonin & Ruth had been modified by Hadjicharalambus (2001) to gain an evidence that overall fit (i. e., the joint venture of two brands A & B as a new joint brand product) effects the evaluation positively of the joint branded products, but overall the fit is influenced by the transfer fit positively, or partner brand fit with product category of the joint branded product and fit of the brand. There is a possession of synergitic effect on the high transfer fit, which generates positive direct effects. The direct link with the brand equity and the joint branded products has been stated by Washburn (1999) and Washburn et al. (2000, 2004) , this displays that the higher brand equity of partner brand enhance the perceived brand equity of the joint branded product and thus radiates positive direct effect.

The study conducted by Janiszewski & Van Osselaer (2000) and Van Osselaer & Janiszewski (2001) shows how the consumer predicts the products performance through brand names and product features by different training methods. As explained by Simonin & Ruth (1998) and Park et al.,(1996) that joining two or more established brands improves the face value of a joint branded products because the well known ingredient of a brand gives positive direct effects.

The two most recent study conducted on the direct effect of joint branding is done by Baumgrath (2003) and Huber (2005). These studies agree and support to the previous studies of Simonin & Ruth (1998) and Hadjicharambous's (2001) findings. The most comprehensive study on direct effects is given by Baumgarth (2003). He had analyzed a biggest simple, the great variety of joint branded products, and the most path relationship. He also states that advertising has a relevantly great importance in terms of evaluating the joint branded products. Huber (2005) proved evidently that involvement of product and orientation of consumers brand influences the success of joint branded product.

The comparison of brand extension and joint branding study's displays some interesting similarities and differences. The requirement of fit in a high degree in a brand and the product extension is the main factor of success for brand extension, high involvement of parent brand, acceptance from the market and retailer (Volckner & Sattler, 2006). The success of joint branded product is influenced by the transfer fit and support from market, but it carries much significance obtained from the product fit and the partner brand. This is because the joint branding introduces the new evaluation

dimensions, unlike the brand extension. The collaborating concept of joining two or more brand from a single product to a joint branded product can achieve much benefits of that it may not achieve from its own. This finding is supported by Park et al (1996). The experimental test conducted shows that a joint branded product is assumed much favorable than that of the direct brand extension in the parent brands product category

The literature of joint branding still need to analyze the addition factor of success of brand extension, like retailer acceptance and parent brand involvement. The table 2 below shows the relevance of relationship from the brand extension that may serve as a potential factor of success for joint branded product. Such combination can be considered for further research.

TABLE 2; Succes Factors for Direct effects

Success factors for direct effects

A Joint branded product is more successful if.....

source

Relative Importance

Characteristics of constituent brands/products

Awareness

brand awareness of the constituent brand is high

Levin et al. (1996) Fang and Mishra(2002) Voss and Tansuhaj(1999)

Vaidyanathan and Aggarwal(2000) Desai and Keller(2002)

Medium

Quality

the perceived quality of the constituent brands is high

Rao et al. (1999) McCarthy and Norris (1999) Park et al. (1996) Simonin and Ruth (1998) Janiszewski and van Osselaer (2000) van Osselaer and Janiszewski (2001) Baumgarth (2003) Lafferty et al. (2004) Huber (2005)

High

Brand equity

the brand equity of the Constituent brands is high

Washburn (1999) Washburn et al. (2000; 2004)

High

Characteristics of Joint Branded product

Advertising

the evaluation of advertising campaigns with regard to the joint branded product is positive.

Baumgarth (2003)

High

Retail Acceptance

retailer acceptance is high

Volckner and Sattler (2006)

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NA

Fit constituent brands/products

Degree of Complimentariness

the constituent brands are highly complimentary regarding an attitude of the joint branded product

Park et al. (1996)

Medium

Brand fit

Brand fit of the constituents brand is high

Simonin and Ruth (1998) Baumgarth (2003)

High

Product fit

Product fit of the product categories of constituents brands is high

Simonin and Ruth (1998) Baumgarth (2003) Huber (2005)

High

Incongruence

Partner brands are moderately incongruent under high involvement conditions.

Walchi (1996)

Medium

Fit constituent brands with Joint branded product

Fit of constituents brands and Joint branded product

The fit between the brands and the joint branded product is high

Hadjicharalambous(2001 Baumgarth (2003))

High

Person specific variables

Product involvement

Involvement with the product category of the cobranded product is high

Huber(2005)

Medium

Brand Orientation

Brand orientation is high

Huber(2005)

Low

Constituent brand involvement

Constituent brand involvement is high

Volckner and Sattler (2006)

NA

(Source: Helming, Huber & Leeflang, 2008)

2. 3. 3 Spillover Effects

Studies on joint branding that delivers spill-over effect are scarce. A structural equation model has been developed by Simonin & Ruth (1998) that displays consumers' attitude towards the joint branded product, influencing positive attitude towards each partner brand. These authors have also proved that the brand that are less familiar in the market gains weak impact on the consumer attitude by the joint branded product (Lafferty, 2004). Baumgrath (2003) states that, great brand stability has less image erosion due to unfavourable extension, which may deliver weak spill over effect. Joint branded products may increase evaluation of an unknown brand if those unknown brand are joint with well known brand.

A joint branded product which has two high equity partners can get a win-win potential, which can lead to great spill over effect. Brands with low brand equity gain the higher benefit from the joint branding and that carrying high brand equity does not suffer down grading of reputation, even if they are joined with a lower equity partner (Washburn, 1999; Washburn et al. 2000; 2004). Vaidyanathan & Aggarwal (2000) states that the brand equity of a national brand does not decrease if collaborated with the unknown private brand. Musante (2000) finds that a joint branded products improves its

evaluation if it cooperates with the second brand which is perceived to be higher in that dimension.

Table 3; Success factor for spill over effects

**Success factor for spill Spill over effect on one/both brand(s)
Source**

over effect are stronger more positive if..

Characteristics of constituent brand(s)

Brand Awareness

Brand awareness of one of the constituent brand is high

Voss & Tanssuhaj (1999)

Brand Personality/attitude

The brand personality of one of the constituent brand is positive

Musante (2000)

Brand Equity

The brand equity of one of the constituent brands is high

Washburn (1999); Vaidyanath & Aggarwal (2000); Washburn (2000; 2004)

Brand Familiarity

The brand familiarity of the constituent brand is low

Simonin & Ruth (1998)

Brand stability

The brand stability of the constituent brands is low

Baumgarth(2003)

Success factor for Spill over effect

Spill over effect on one/both brand(s) are stronger /more positive if..

Source

Charac