

# [Brand personality analysis for smart speaker market](https://assignbuster.com/brand-personality-analysis-for-smart-speaker-market/)

Executive Summary

Slate has been considering joining the market in producing smart speakers that are considered to be the future of home automation as they will have control over smart home devices with minimal assistance from the owner. Before jumping into the venture, Slate asked for a brand audit of its two competitors Sonos and Harman Kardon. Both companies are well known audio developers and have been in business for many decades. The audit evaluates the eight branding elements of each company; as well as compares how both companies are competing in the market regarding its brand, how consumers perceive them, and the strengths and weaknesses that contribute to its success. In the brand audit, you will learn how each company approached a pause in business that led them to rethinking its branding strategy and reinventing itself, to be able to support the needs and demands of its consumers. The brand audit is intent was to lay out how each company approached the branding elements to improve the products and services it offered, mapping out a blue print for Slate should it decided to move forward in the same direction. After reviewing each company’s brand, I do recommend that Slate take the dive into smart speaker market, although it will take some work, and possibly involve some rebranding, it will be a great growth opportunity for the company in the end.

Introduction.
Slate, and its two major competitors, Harman Kardon and Sonos are all reputable companies that produce state of the art electronics for homes and cars. The companies are moving quickly into the next technological advances of intelligent speakers (or smart speakers). These smart speakers are considered to be the future of home automation as they will have control over smart home devices such as smart locks, light bulbs, garage doors and refrigerators with minimal assistance from the owner. Additionally, these smart speakers will have the capability to manage schedules and shopping lists, as well as, improve and adapt to user’s preference over time (Caddy & Pino, 2018). Moving into the direction of producing a product that will be profitable, appropriate branding will be essential. Slate has asked for a branding analysis of its two competitors: Harman Kardon and Sonos. The analysis will identify the following eight branding elements of both companies: brand personality, brand image, brand identity, brand differentiation, brand positioning, brand communication, brand loyalty, and brand equity. While identifying these eight branding elements, the report will also answer the following questions:

(1)   How strong are the companies’ brands in the market?

(2)   What are the factors contributing to their strengths and weaknesses?

(3)   How are these two brands competing against each other? How strong is their global performance?

(4)   How do consumers perceive their brands?

(5)   Are there any sub-brands? Are there any brand extensions?

Brand Personality

Brand personality is a set of human characteristics that is associated with a brand, and generally takes time to successful brands to attain. Consumers “ assign personality traits to products” – for example, rugged, romantic, rebellious, or sophisticated—and choose those brands that are more in line with their “ desired self-image” (Kerin & Hatley, 2017, p. 304). Brand personality consists of five magnitudes: competence, sincerity, excitement, sophistication and toughness.

Harman is identified as having a brand personality of competence and sophistication. It certainly takes both these traits to be a well-established brand that has been in business for almost 70 years, and have unfailingly delivered top notch products year after year. Over 50 million automobiles are operating with Harman’s audio systems. These systems are thoughtfully sophisticated, with software that controls billions of mobile devices and integrated across several platforms. Harman is greatly invested in sustainability, while also being invested in the maintaining and improving quality and performance of its products. Its profound sophistication and proven track record were enough to garner multiple partnerships with superior automobile makers, known for its incredibly reliable and state of the art vehicles, like Lexus, BMW, Mercedes, Toyota and Subaru; to name a few. Expanding its scope outside the world of automobiles, Harman is also thriving in the market of consumer electronics, while partnering with brands like ASUS, Samsung, and Sharp.

The driver of brand value for high-end speaker systems used to be design, sound quality, and big retail events. However, Sonos went beyond this by building an app that connects its speakers to services like Spotify and Pandora and makes recommendations for personalized playlists using algorithms (Hansen, 2015).

Sonos represents the brand personality that reflects sincerity and excitement. Having taken the approach to develop such an app that will allow customers to connect with the company speaks to the daring and imaginative position of Sonos which sets them apart from their competition.
Brand Image

Brand image is the thought or perception that a consumer believes about a brand. It is what Having delivered quality products to customers for over 70 years, Harman is a company that is constantly looking for gaps in the market that the company can fill and excel in. In 2015, after the noticeable spike in demand for software and services that would simplify daily tasks for its consumers. Harman decided to expand its abilities cloud, mobility and analytics. In doing so, the company had acquired a new standard for over-the-air updates and cyber security solutions. These new changes reformed Harman into a well-connected technology company. Harman took that opportunity to revamp its image with a new logo and tagline “ Expect Brilliance”.

Sonos brand image was redesigned in 2011, Sonos started the venture of a developing a new product, understanding that a consumer’s perception of a company is vital, they sought assistance from Bruce Mau Design to redevelops brand image with the help of a

Brand Identity

Brand identity is far more than just creating a logo, it is the lasting appearances of a brand that encompasses the vision of a company and should exude trustworthiness and relevance. Building a successful brand identity requires great effort, dedication and lots of fine-tuning and could take years to perfect it. After Harman made the decision to expand its products beyond speakers to add technology, it was vital for them redesign its identity to represent the change. Chairman and President Dinesh Paliwal stated that, “ The evolution of our brand identity showcases Harman as a powerful, proven and progressive technology company at the center of a connected and ever-changing world.”

Like Harman, Sonos thought the development of a new product warranted an identity

Makeover. With the assistances of Bruce Mau design company, Sonos was able to revitalize it’s identity which helped to shift into a broader realm and grown the company’s business. The process was thoroughly thought out and carefully planned, to ensure market trends were not ignore, yet staying true to its core values.

Brand Differentiation

Brand differentiation is the means by which a company’s brand is set apart from its competition, by associating a superior performing aspect of its brand with multiple consumer benefits (Carter, 2014). A company’s reputation and integrity is defined greatly by its brand differentiation, as globalization is growing heavily along with the influx of competition, companies are needing to reconsider its approach to manage customer portfolio and its interaction with customers.

Harman partnered with a renowned audio tech firm, Dirac, to implement much of its digital audio solutions into its products to differentiate its brand from the competitors. Harman is intended to remain the best in its class and taken the necessary steps to secure it.

Mark Bergen wrote that Sonos knew early on how ubiquitous music streaming and WIFI was going to be, and that the company carved out a comfortable niche as the market’s premium brand, selling its fleet on nine audio products mostly to audiophiles (Bergen, 2015). Following this move by Sonos, these mobile handsets were the rave with millions of people have remote access to streaming music from where ever they were. This act set Sonos apart from any other company, setting a standard that was later compared to as “ the Lexus of the category”. Now with the technology shift, people everywhere are wanting to be apart of the exclusive access.

Brand Positioning

Brand positioning is the designing of a company’s offering and image to occupy a distinct place in the mind of the target customers (Kotler & Keller, 2015). It is a critical stage of a brand management strategy which aides in the development of new products, communication, market expansion, pricing, and the selection of distribution channels (Fayvichenko, 2018).

Harman was the leader in its industry for a very long time, with its extensive entertainment broadcasting and housing its premium audio systems in over 80 percent of luxury vehicles. Yet, Harman was losing a portion of business to lesser audio brands that had reached more consumer and had stronger marketing presence. To regain its position, Harman had to reevaluate how it was connecting to its audience and understand that not all its customers were the same, then formulate a plan that would reach the broader. In redefining its approach, Harman created four distinct and cultural positions that were specific to a certain target with precise roles and a unique voice.

Sonos gain much success from its early branding of WiFi and music streaming. Now that the market has become so saturated with big mobile businesses, Sonos finds itself have to think of a new branding position to remain relevant. In doing so, the company is exploring broader marketing efforts, with prime-time broadcasting ads to increase it presence to a wider audience. While Harmon is expanding it marketing budget to reach the broader audience, its staying true to its nature to stay behind the scenes. Chris Kyle stated “ our job is to help tell the story, not be the story.”

Brand Communication

Brand communication is the way in which companies deliver information about products and services to its customers. Good communication can make increase the success of a business, and bad communication can ruin a business. Companies will want to ensure that are reaching out to its audience on a regular basis and with pertinent information, whether the information is regarding new products, or changes and updates to older products. Harman and Sonos have been delivering on the communication brand with engaging websites that provides an array of information on the company and its products. Social media has been an asset to these companies, making it easier to reach millions. Each company is also taking advantage of all the social media platforms to stay connected with its audience.

Brand Loyalty

Brand loyalty is the consistent support of a brand time after time. Consumers will show their loyalty to brand that is perceived to produce quality products and shows consideration and appreciation to its customers. On the other hand, if a customer feels they have been disrespected by a brand and feels the brand produces mediocre products, that could cause a lasting bad impression on the company.

Harman continues to have the respect and loyalty of its customers with regards to the audio systems in their vehicles. When car buyers are shopping around, seeing the Harman logo in their cars is a plus, as they know the reputation of the brand.

Sonos has the same respect when it comes to consumers and music streaming. Sonos customers remember how the company provided them the ability to streaming music from devices from anywhere and sees how the company is continuing to make improvements to those abilities.

Brand Equity

According to Johansson (2009) brand equity is “ the value of the positive associations that consumers have with a product’s brand name. Kevin Keller stated in his book, Strategic Brand Management, that to build brand equity, you have to shape how consumers think and feel about your product. Keller goes on to categorize those thoughts and feelings into four questions: (1) Salience: “ Who are you?”, (2) Meaning: “ What are you?”, (3) Response: “ What about you? and (4) Resonance: “ What about you and me?” Customers equate brand equity to best quality, so when a company builds that brand equity, which comes over time, customers have no issue is paying a little extra, because they know the products and services received will be impeccable. Both Sonos and Harman have demonstrated brand equity as can been seen by ever increasing years in business.

Now that we explored the eight branding elements, and how each of the competitors lined up with each, we compare both companies to see how they match up using the following questions:

1. How strong are the companies’ brands in the market?

Both Harman and Sonos have demonstrated that there’s a strong market for each of their brands. Harman has been in business for over 70 years and continues to reinvent itself has times evolve. Sonos, has been a leader in its from the beginning also have the capability to adapt as technology evolves being able to consistently produce products that its loyal customers will purchase.

1. What are the factors contributing to their strengths and weaknesses?

Harman

Factors contributing to Harman’s strengths are a strong distribution network that have reach a vast majority of the potential market, high level of customer satisfaction and established brand equity among potential customers, and automation of activities that allows Harman to scale up or scale back as the demand in the market shifts. Factors contributing to its weaknesses are poor forecasting of product demand which leads to missed opportunities, and a limited organization structure that limits expansion in other product segments outside of the present business model.
Sonos

Factors contributing to Sonos are the integration with pandora, apple music, amazon prime music and others, multi-room music experience and a great mobile app. Some weaknesses are the inability to use 3 rd apps to play music direct, no Bluetooth speaker option for outdoor use and systems can be costly to setup.

1. How are these two brands competing against each other? How strong is their global performance?

The two brands have produced a wireless speaker for home audio, Harman starting price for the lowest model is considerable cheaper than Sonos, at $200. It has an attractive appearance and sound is said to be above most competitors. Sonos prices start at $400, it offers a much smaller version of the speaker to not take away from room and while it is a wireless speaker it doesn’t include the as an alternative. Each brand has a developed their brand global and have been able to intrigue its international consumers the same. Theirs is still room to improve but each company is in great standings globally.

1. How do consumers perceive their brands?

Consumers perceive both brands to be reputable and reliable. Both brands have an extensive consumer following of loyal customers who believe in and stand behind the products of these brands. These brands are perceived to be honest and have appreciation for its customers.

1. Are there any sub-brands? Are there any brand extensions?

Harmon has expanded greatly over the years, having been acquired by Samsung and inking partnerships will over 2 dozen automobile developers like Mercedes Benz, BMW, Ford, Jeep, Lexus, and Hyundai to name a few. Harman also has brand extensions that include AKG, JBL, Infinity, Revel and Mark Levinson.

Sonos has a smaller portfolio of partners that include Wink, Yonomi, ABB, URC, ONKYO, Elite, Integra, Brillant, Senic, and Wrensilva. They are expecting to partner with alarm. com and are continuously working to add more partnerships to the fold.

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