The american marketing association

Business, Marketing

" A brand is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. " 5 6A brand in short is an identifier of the seller or the maker. A brand name consists of words, letters, and/or numbers that can be vocalized. A brand mark is the visual representation of the brand like a symbol, design, distinctive coloring or lettering. A trademark is a brand that is legally protected. All trademarks are brands and include both the brand name and the pictorial design.

Exclusive rights to use the brand in perpetuity are granted by the trademark law, unlike the Patents and Copyright Laws which have expiry dates. 6 A brand is a promise of the seller to provide a particular set of benefits or attributes or services to the buyer. Each brand symbolizes a level of quality. Apart from attributes and benefits, it also reflects values, culture, personality and etc. so we can say that brand is a very complex symbol. It is not just a name. Brand gives an identity to a product. Brand differentiates one product from other. A brand can convey many levels of meaning.

A brand brings in mind some attributes like Lexus suggests expensive, luxury, and high-prestige automobile. These attributes must be translated into functional and emotional benefits. The brand tells about the producer's values like for example Range Rover stands for high performance and prestige. Brand also represents certain culture and can project certain personality like Nokia communicator mobile phone may suggest a businessperson. It represents the kind of consumer who buys or uses the product. We would expect to see a 20-30 year old behind the wheel of a Porsche not a 50-60 year old.

Brands vary on the amount of power and value they have in the marketplace. We have brands that are not known more by the people and on the other hand we have brand that are known to the people and has a very high degree of brand awareness. Sony is one of the highly recognized brands in the world. The terms " brand" and " product" are not interchangeable. Chevron noted that " product" refers to the physical attributes and style of an item, especially its function and form. These attributes and characteristics are easy to communicate, and they are easy to modify in order to improve the product.

In order to properly describe a product, you need focused communication that avoids complexity and confusion. " Products" are by nature extroverted, or focused on the consumer, and his or her wants and needs. A " brand," on the other hand, has no corresponding physical body or characteristics. It is a concept, a collection of values that represents an unwritten covenant with the consumer. It is the sum of the expectations and associations that the brand conveys. A brand is difficult to communicate quickly, and it cannot be changed.

It demands unfocused communication, in which the richness and the complexity of the communication support the values. A brand is an asset of any company. Its as much an asset as a factory and machinery are. A brand is not an asset by birth. It is built over a period of time. Brand equity is just the process of brand building. 8 9The term brand equity refers to the value inherent in a well-known brand name. From a consumer's perspective, brand equity is the added value bestowed on the product by the brand name. 9 Brand equity makes it possible for the company to charge a premium price.

Brand names are the most valuable assets for many companies. Brand equity facilitates the acceptance of new products and the allotment of preferred shelf space, and enhances perceived value & quality, and premium pricing options. Brands differ in the amount of power and value they have in the market. On one hand there are brands that are not known by many buyers and on the other hand are brands that have a high degree of brand awareness. Then there are some brands that have a high degree of brand acceptability. Beyond this are brands which have a high degree of brand preference.

And finally there are brands that have a high brand loyalty. The overall description of brand equity incorporates the ability to provide added value to a company's products and services. This added value can be used to the company's advantage to charge price premiums, lower marketing costs and offer greater opportunities for customer purchase. A badly mismanaged brand can actually have negative brand equity, meaning that potential customers have such low perceptions of the brand that they prescribe less value to the product than they would if they objectively assessed all its attributes/features.

One of the best examples of brand equity is in the soft drink industry. Without a brand name and all of the marketing dollars that have gone into it, Coca-Cola would be nothing more than flavored water. Due to the company's long-term marketing efforts and protection, enhancement and nurturing of their brand name, Coke is one of the most recognizable brands in the world. However, even this marketing giant has trouble capitalizing on its own brand equity when handled improperly (e. g. New Coke).

If someone suddenly took their brand name and brand equity away from them, Coke would lose hundreds of millions, if not billions, of dollars. This includes lost sales, lost marketing dollars and lost promotions, additional marketing costs to promote a new brand, and significantly lower awareness and trial rates for their new brand. 10 Brand equity can provide strategic advantages to a company in many ways. It can allow a company to charge a price premium compared to competitors with less brand equity. Strong brand names simplify the decision process for low-cost and non-essential products.

Brand name can give comfort to buyers unsure of their decision by reducing their perceived risk. It maintains higher awareness of the company's products. It is used as leverage when introducing new products. It becomes easy for the company to introduce new products in the market. As the company has an already established corporate brand name so it becomes easy to influence the customers to purchase their new product. High brand equity makes sure the company's products are included in most consumers consideration set.