WHEN TO INCLUDE OR EXCLUDE THE COMPANY IN THE PRODUCT BRAND?

WHILE CREATING A BRAND IDENTITY IT IS IMPORTANT TO KNOW WHEN TO INCORPORATE THE COMANY IMAGE ADN WHEN TO CREATE A SEPERATE IDENTIY.

IRA S. KALB

PROFESSOR OF CLINICAL MARKETING, MARSHALL SCHOOL OF BUSINESS,USC

When positioning a product, a critical decision marketers need to make is whether or not to include the image of the company in the product brand. In their classic book, Positioning the Battle for your Mind, Al Ries and Jack Trout suggest that positioning will result in greater success of the image of the product is separated from the image of the company. Unfortunately, their model does not explain the success of products such as Diet Coke, Microsoft Office, and Apple iPod, where the product brand incorporates the company. This suggests a more sophisticated model that companies can employ to create more successful product brands.

Case for combination or inclusion:

If the company has a good reputation for making the type of product that is being introduced, it is a good idea to include the corporate brand in the image of the product. The good reputation will lift the sales of the product. For those that already have a positive relationship with the corporate brand, the corporate stamp validates the product and gives comfort to buyers.

Case for separation:

(1) DAMAGED IMAGE OR RISKY PRODUCT

If the product is risky or the company has a bad image, the image of the product should be separated from the company. For example, Disney uses the corporate brand only on entertainment that is deemed wholesome for kids. For entertainment that has sexual, violent, or other potentially objectionable content, they have created separate brands, such as Touchstone, Hollywood, or Miramax. In 1988, when consumer reports said that the Suzuki Samurai tipped over when taking turns, sales of all Suzuki models declined from roughly 81,349 units to 21,389 units the following year in the US.

(2) COMPANY IS TOO CLOSELY IDENTIFIED WITH A PRODUCT DIFFERENT FROM THE ONE BEING INTRODUCED. IBM is known as the computer company, and in the 1970's they made an excellent copy machine that many thought was better than competitors, but it did not sell because people associate IBM with computers — not copiers. Xerox developed a good computer in the 1980's but it did not sell because Xerox is known as the copier company. Both may have been successful, if they launched these products under a separate brand identity.

(3) LOCK AND KEY MISMATCH. If the company wants to get into new product areas that are in conflict with established market segments, they need to create new brand identities for these products. To baby boomers, Toyota, Honda, and Nissan, were associated with making small, affordable, and fuel-efficient cars. That worked well for college students in the 1970's. As these students aged and became more affluent, many wanted luxury cars. The Japanese automakers knew they had to create new product images, separate and apart from the original ones, so they created Lexus, Acura, and Infiniti for these evolved segments.

MODEL FOR CREATING A PRODUCT BRAND.

In creating a brand identity for a new product, it is important to know when to incorporate the company image and when to create a separate identity. If it is not on the separation list above, and the company has a good reputation for the type of product being introduced, it is probably a good idea to include the company image. 4Ps

Coordinated by Sugandh Singh

AD