Branding aspects in the design process

Considering branding strategies during a product development process

destex

Introduction

Branding is the process carried out by companies to differentiate their offer from similar ones, using distinctive names or symbols.

Branding, is according to Brassington and Pettitt (2000) "the creation of a three-dimensional character for a product, defined in terms of name, packaging, colours, symbols etc., that helps to differentiate it from its competitors, and helps the customer to develop a relationship with the product"[1]

Its main purpose is to promote the brand image and to encourage customer brand loyalty. Branding is crucial for products and services sold in huge consumer markets. It's also important in B2B because it helps you stand out from your competitors.

The way a brand is perceived by the public is called brand image. The way strategists want the brand to be perceived is called brand identity, and this is a central concept to a brand's strategic vision (Aaker, 1996).[2]

1. Brassington, F. & Pettitt, S. (2000) Principles of Marketing. Harlow: Financial Times Management.
2. Aaker, D., A. (1996) Building Strong Brands. New York: The Free Press – A division of Simon & Schuster Inc.

Introduction

Today's market requires to overcome the classic functional vision of the brand to assume a new one, **more narrative, able to tell stories** that involve the brand. The specific identity of a certain brand is taken into **the brand identity**: a constructive process that leads to the identity of the brand.

When introducing a new design or a new product into the market it is important that it reflects your company existing brand identity.

Furthermore the new product could also come with a new brand, maybe because it sign the introduction of a new line that use a special material or that it is meant to satisfy customer's special needs. The new brand must be coherent with your corporate brand strategy and vision.

Goals

The launch a new product supposes the construction of a new visual identity or the use of an existing one and the definition of a strategy able to communicate exact messages and objectives. This identity needs to be coherent with the overall company strategy / vision and to be put into a system with other product' lines / brands.

The goal is to provide the learners with practical knowledge and tools in order to let them construct a winning branding strategy from the beginning, during the design process.

Learning outcomes:

Knowledge

- To know the factors influencing a company reputation and how they are linked with the brands system
- To acquire knowledge about how to construct a winning brand identity or to adapt an existing brand identity to a new product / design, and what are the different branding strategies to bring a product into the market
- To consider different kind of indicators to analyse the effectiveness of a branding strategy

Skills

- To launch a new design or a new product keeping in mind the main aspects of a brand identity or what we want the new brand identity will communicate
- To use a differentiation strategy to obtain a competitive advantage into the market
- To analyse figures and fact to test a branding strategy and eventually adopt corrective measures

Competences

- To define a branding strategy that is appropriate with the product features and the objective established
- To put into practice actions letting to acquire a brand equity and ability to measure it

1. Branding construction

There are no recipes to create a successful brand but there is a correct approach based on the ability to listen to the client, on a careful construction of the image, on corporate reputation, leadership and on the ability to communicate and to create long and lasting relationships.3 The brand must stand out for its innovative character.

| BEST CASE	NEUTRAL CASE	WORST CASE
Customers know exactly what you deliver. It's easy to begin dialogue with new prospects because they quickly understand what you stand for. You acquire customers quickly because your prospects' experience with you supports everything you say. You can charge a premium because your market knows why you're better and is willing to pay for it.	The market may not have a consistent view or impression of your product and company, but in general, you think it's positive. You haven't thought a lot about branding because it doesn't necessarily seem relevant, but you admit that you can do a better job of communicating consistently with the market. You're not helping yourself but you're not hurting yourself either.	You don't have a brand strategy and it shows. It's more difficult to communicate with prospects and convince them to buy. They don't have an impression of your product/service or why it's better. What you do, what you say and how you say it may contradict each other and confuse your prospects. Competitors typically have an easier time acquiring customers.

3. Alan D. Smith, William T. Rupp and Darlene Montley – 2013 – Corporate reputation as strategic competitive advantage of manufacturing and service based firms: Multi-industry case study – International Journal of Services and Operations Management

4. http://www.marketingmo.com/strategic-planning/brand-strategy/

2. Branding and Corporate Reputation

A good corporate reputation has its basis on socially unique experiences and relationships with all company's important stakeholders.[3] Firms produce goods ultimately to meet consumer needs, and their reputation is evidence of how well they are able to translate them into value. Many firms may not spend as much time managing their corporate brand as they do for their sub-brands, which can be a huge unrealised opportunity because corporate brands may carry the most weight in terms of competitive advantage. Powerful company reputations have their consumer loyalty based on recognisable brands eliciting emotional responses from consumers.[5]

Figure1. Conceptual or activity map on the basic forces associated with the strategic leveraging of corporate reputation.[5]
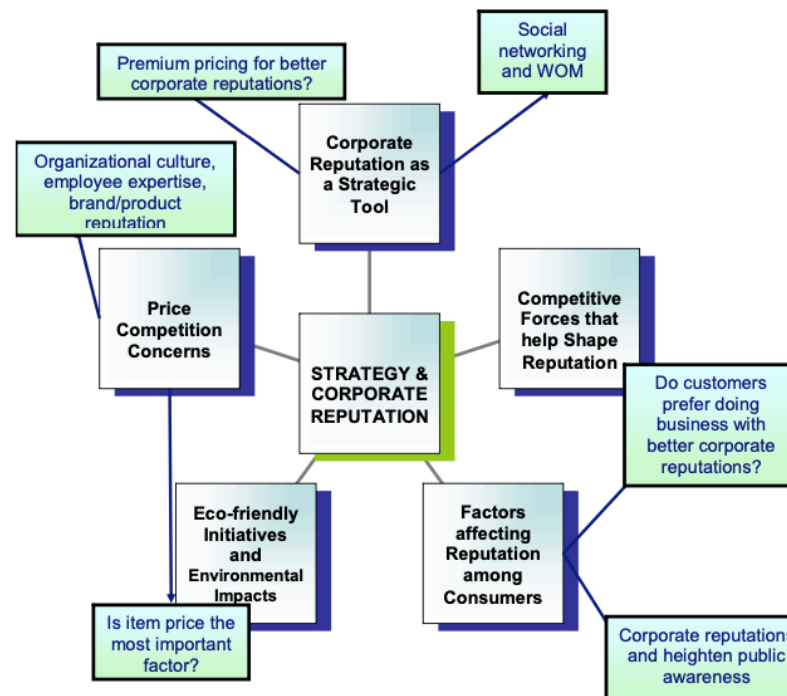
5. Scott, S. (2007) 'Corporate social responsibility and the fetter of profitability', Social Responsibility Journal, Vol. 3, No. 4, pp.31–39.

3. Alan D. Smith, William T. Rupp and Darlene Montley – 2013 – Corporate reputation as strategic competitive advantage of manufacturing and service based firms: Multi-industry case study – International Journal of Services and Operations Management

3. Brand identity

3.1 The brand strategy

If the character of the corporate body is a really important aspect to take into consideration when developing a brand strategy, we also need to create a brand that stand of its own. It is important to set goals for the brand and determine the best way to achieve those goals. [6]
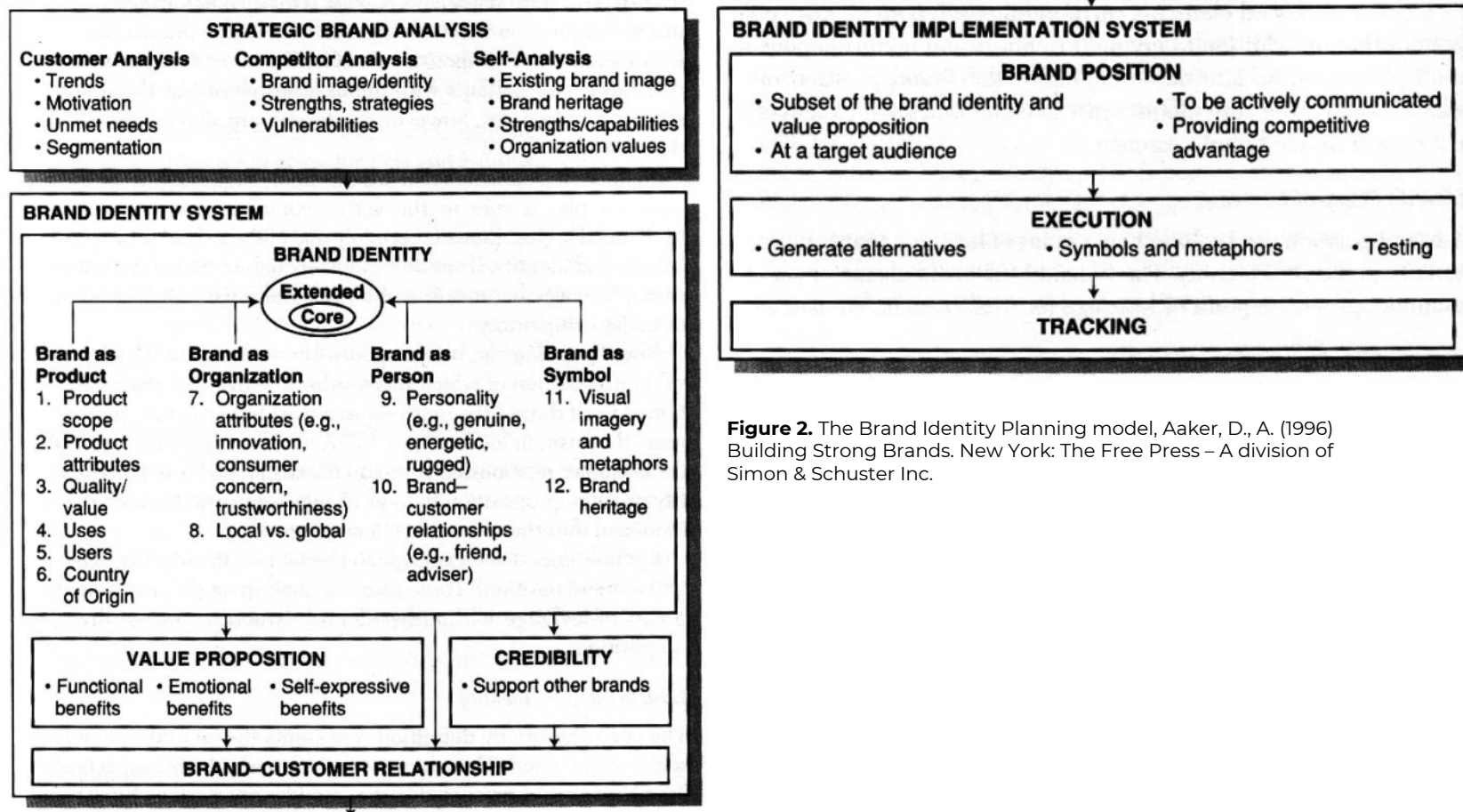

Figure 2. The Brand Identity Planning model, Aaker, D., A. (1996) Building Strong Brands. New York: The Free Press – A division of Simon & Schuster Inc.

6. Randall, G. (2000) Branding – a Practical Guide to Planning Your Strategy. London: Kogan Page.

3. Brand identity

3.2 Brand identity system

Following the Aaker's brand identity system, we can find four dimensions under which an identity is typically developed for a brand, that give it both texture and depth.

Brand as product

Associations with product typology, product related attributes, quality/value, with use occasion or a specific country/region.

Brand as organisation

Association with the organization attributes, as for example innovation, quality and concern for the environment as part of the overall culture and values, more resistant to competition than product attributes.

Brand as person

Association with human qualities. This perspective is also called brand personality. In this way the brand become a vehicle for the customer to express his or her own personality.[8]

Brand as symbol

Association with emotional needs related to the symbolic use of brands and their social significance. A symbol is anything that can represent the brand: visual imagery, metaphors, brand heritage.[4]
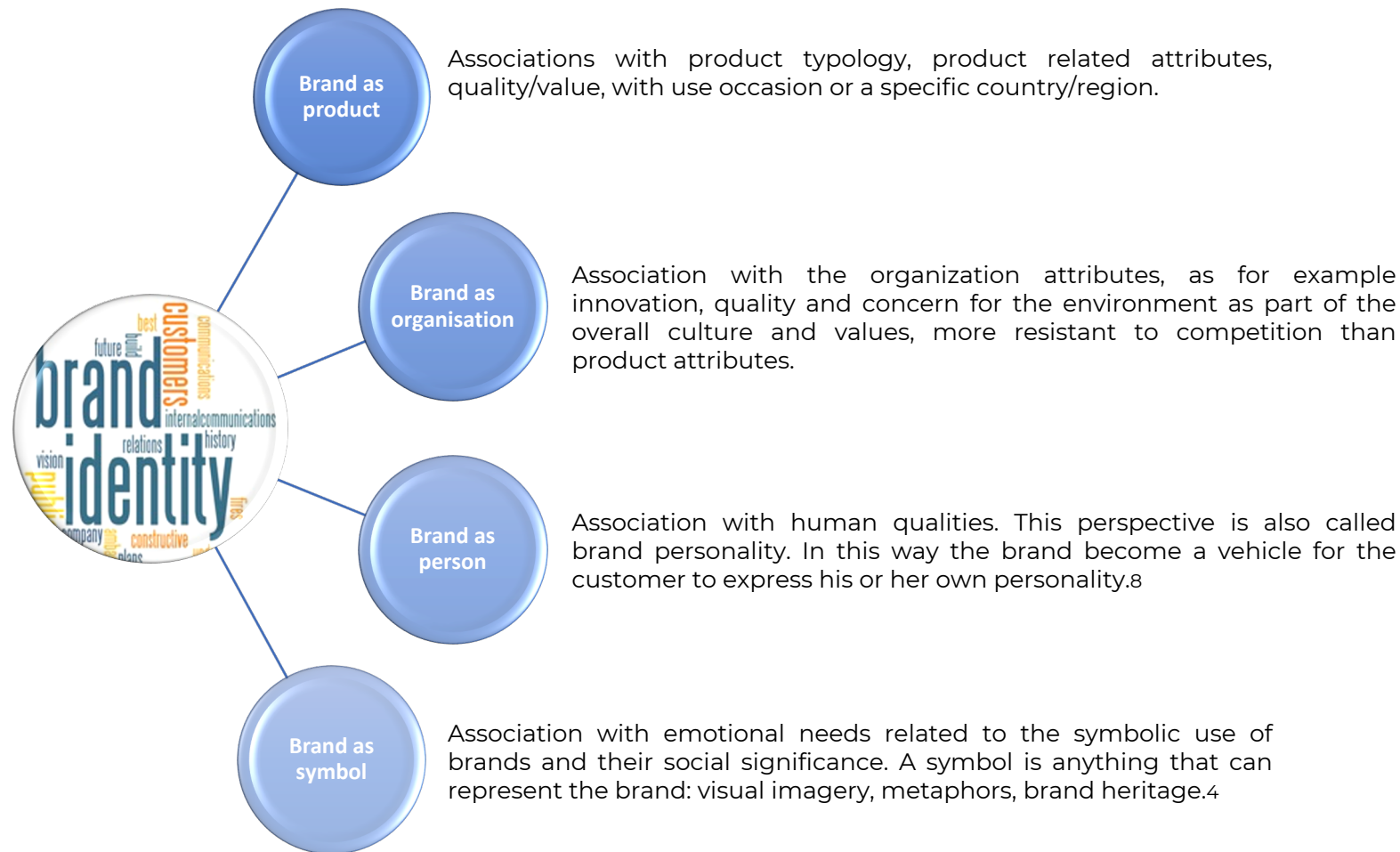
7. The Brand Identity Planning model, Aaker, D., A. (1996) Building Strong Brands. New York: The Free Press – A division of Simon & Schuster Inc

8. Moorthi, Y., L., R. (2002) "An approach to branding services". Journal of Services Marketing, Vol. 16, Issue 3

9. Eadie, D., Hastings, G., Stead, M. & MacKintosh A., M. (1998) "Branding: could it hold the key to future tobacco reduction policy?". Health Education, Vol. 99, Issue 3

3. Brand identity

3.2 Brand identity objectives

A model is proposed, suggesting that stronger brands result from a homogeneous brand identity, with congruent identity components to be maintained within the organisation reputation main components.
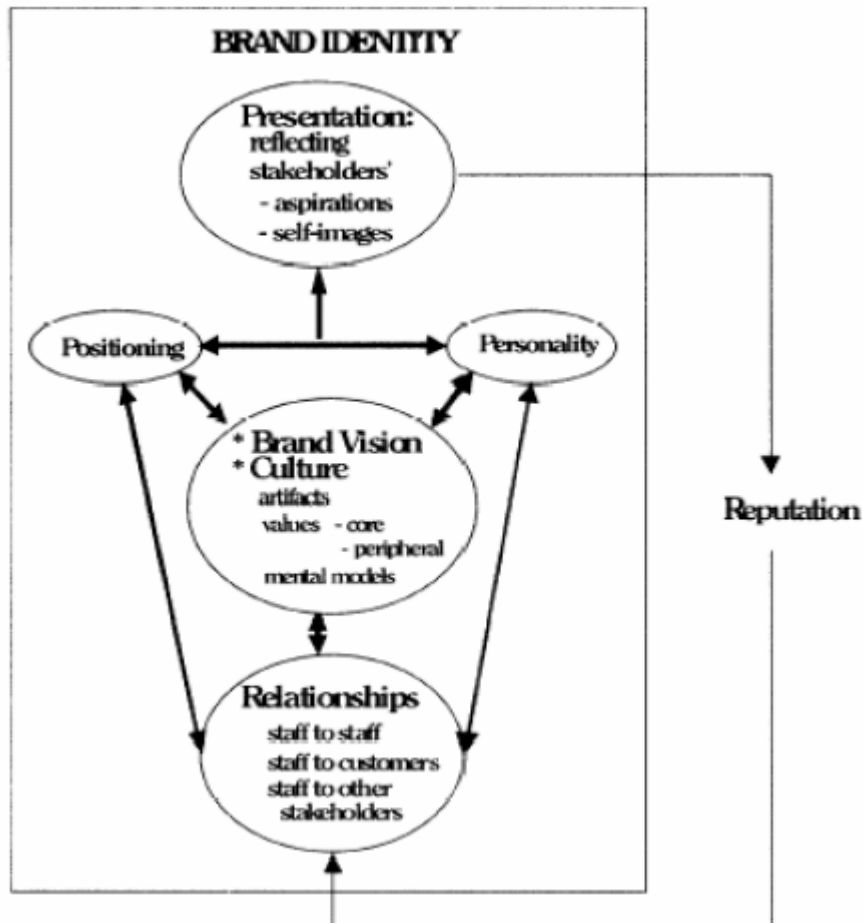
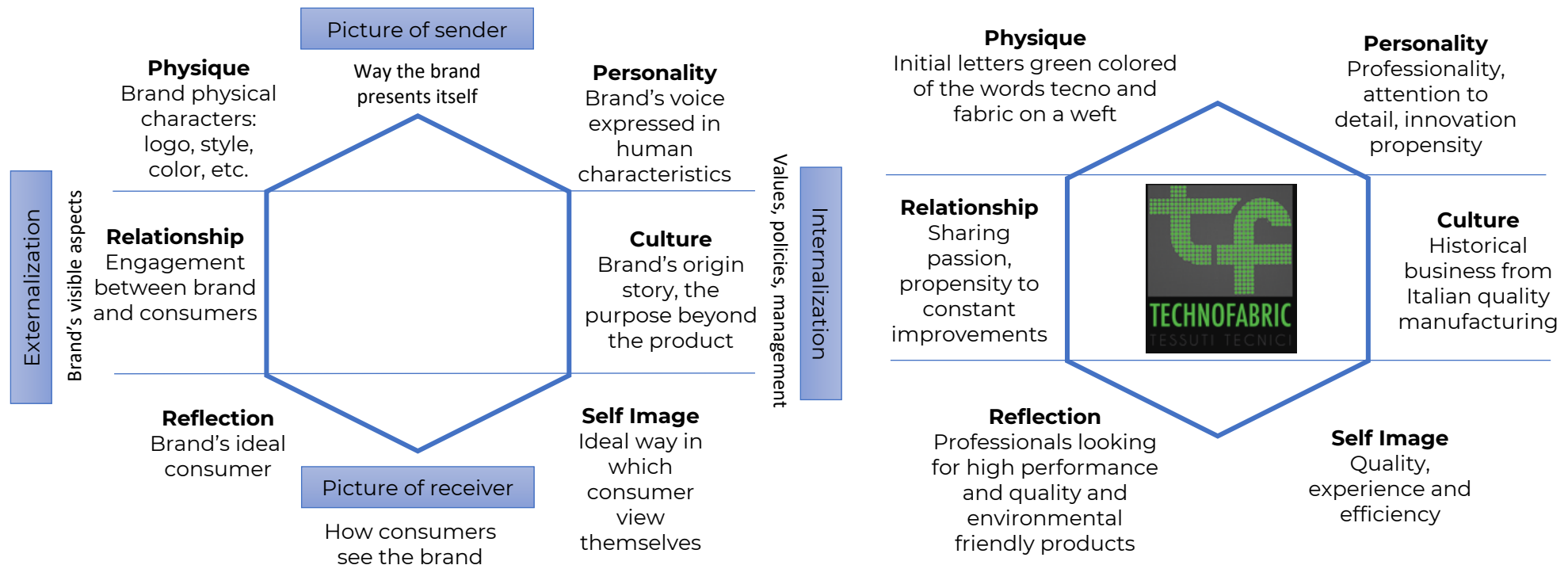**Objective of brand identity development:**

- Create durable relationships
- Make the brand appeal for stakeholders
- Be part of a positioning strategy
- Establish a product differentiation
- Establish a brand loyalty
- Establish a reputation reflecting the corporate core values, vision and culture

Figure 3. Chernatony, L. (1999) "Brand management through narrowing the gap between brand identity and brand reputation". Journal of Marketing Management, Vol. 15

3. Brand identity

1.2 Kapferer Brand Identity Prism

The Brand Identity Prism is a concept developed in 1986 by Jean-Noel Kapferer, a professor of marketing strategy, in order to visualize how a brand is expressed through specific facets. The prism's purpose is for brands to recognize the parts of their identity and make them work together to tell the brand's story. The prism is a helpful and clear way for you to craft a branding strategy that is aligned with your mission.

Left prism (generic model)

Picture of sender
Way the brand presents itself

Physique
Brand physical characters: logo, style, color, etc.

Personality
Brand's voice expressed in human characteristics

Relationship
Engagement between brand and consumers

Culture
Brand's origin story, the purpose beyond the product

Reflection
Brand's ideal consumer

Self Image
Ideal way in which consumer view themselves

Picture of receiver
How consumers see the brand

Externalization — Brand's visible aspects

Internalization — Values, policies, management

Right prism (Technofabric)

Physique
Initial letters green colored of the words tecno and fabric on a weft

Personality
Professionality, attention to detail, innovation propensity

Relationship
Sharing passion, propensity to constant improvements

Culture
Historical business from Italian quality manufacturing

Reflection
Professionals looking for high performance and quality and environmental friendly products

Self Image
Quality, experience and efficiency

TECHNOFABRIC
TESSUTI TECNICI

10. The Brand Identity Prism: what it is and how to use it – Zeinep Lokmanoglu 2020 - Thttps://99designs.it/blog/resources/brand-identity-prism/
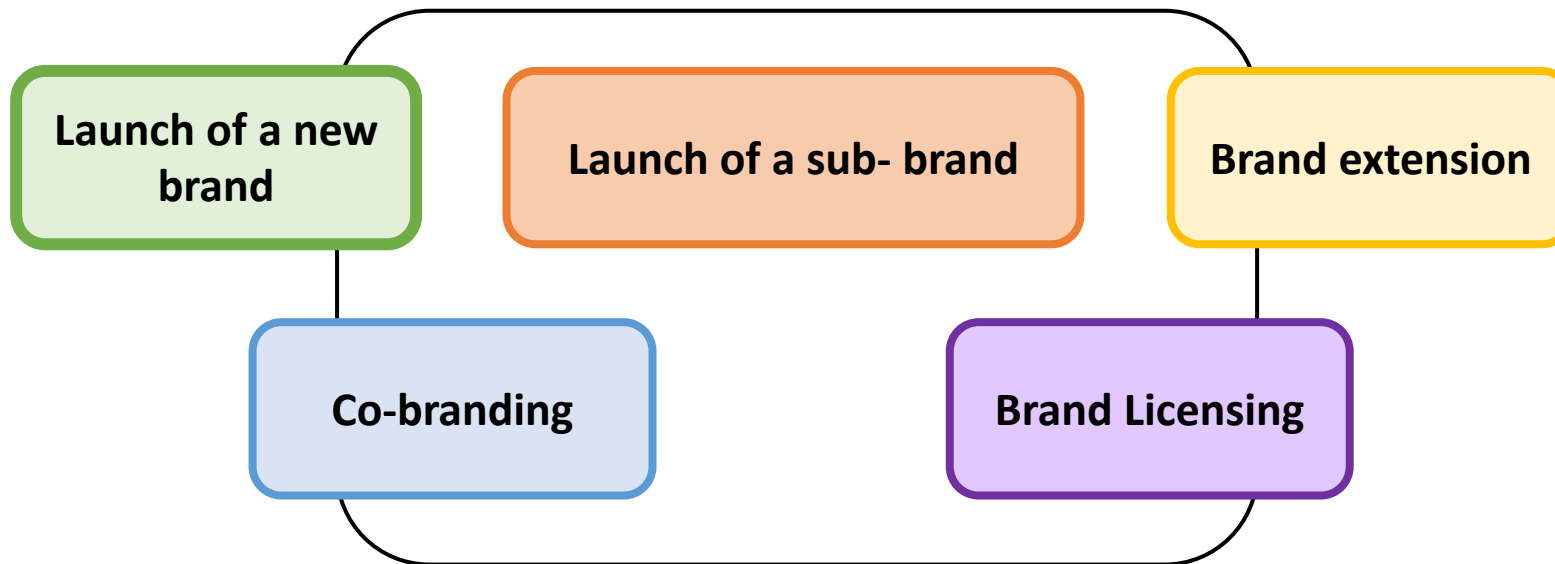11. https://www.technofabric.com/

4. Branding strategy

The branding strategy is necessarily influenced by the number of products and product lines that a company produces, by the features of its target markets, by the number and kinds of competitors' products, and by the amount of available resources.

In marketing, the word portfolio can be generically used to indicate the set of products or services offered by a company, or it can refer specifically to all the brands managed by the organization (in this case, it takes the name of brand portfolio).[12]

We have different possibilities:

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Launch of a new
brand
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Launch of a sub- brand
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Brand extension
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Co-branding
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Brand Licensing
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12. Stephen J. Carlotti Jr., Mary Ellen Coe, and Jesko Perrey – Making Brand Portfolios Work – McKinsey Quarterly 2004

4. Branding strategy

4.1 New brand

Launch of a new brand

A brand with a new identity incorporating a new vision and communicating specific messages

Pros
- Establish a new image
- Assure a more distinctive identity

Cons
- Higher promotion cost
- Risk of brand cannibalization

KARL MAYER
WE CARE ABOUT YOUR FUTURE

Market leader in the textile machinery building. It offers solutions for the fields of warp knitting and flat knitting, technical textiles, warp preparation for weaving and digitalization.

KM.ON	STOLL by KARL MAYER
Launched in 2017 Software solutions to connect textile machines into the digital world	**Acquired in 2020** Manufacturing of flat knitting machines and developing of Fashion & Technology and Technical Textiles solutions.

DUPONT

Company active in the following sectors: safety, healthcare, nutrition, electronics and construction creating innovative applications.

Kevlar	Tyvek
Heat-resistant, synthetic, lightweight fiber for protective application	Breathable, resistant to water, abrasion, bacterial penetration and aging nonwoven material, ideal for a wide variety of applications.
Great Stuff (DUPONT)	Nomex
Line of pesticides and windows and door seal	Flame and heat-resistant, fiber for protective garments.

13. Guy Tomlinson – Brand Extension Strategies: How to Extend more Successfully? - The Marketing Directors 2020

14. https://www.karlmayer.com/en/corporate/about-karl-mayer/

15. https://www.kmon.net/en/about-us

16. https://www.stoll.com/en/company/about-stoll/

17. https://www.dupont.com/brands.html

4. Branding strategy

4.2 Sub-brand

Launch of a sub-brand

Sub-branding is when a main brand creates a subsidiary or secondary brand. Sub-brands are typically created as an opportunity to reach a new audience.

Pros

- Help advertise and increase exposure for the parent brand
- Help establish brand loyalty and trust

Cons

- Costs to market, promote and maintain the new brand
- Unsuccessful sub-brands can negatively impact the parent brand

18. Emily Marchack – The pros and cons of sub-branding and brand extension, Brogan and Parners 2015

19. https://forigroup.com/division/

4. Branding strategy

4.3 Brand extension

Brand extension

Brand extension is when a brand extend itself from one category into another one.

Pros

- Leverage the new category
- Not need to spend money on rebranding
- More recognisability potentially trusted

Cons

- Extension into areas that are not natural fits, creating confusion for the parent brand
- Additional costs will be needed to promote and maintain the new brand

resistex INCREASE YOUR PERFORMANCE

BIOCERAMIC
Resistex® Bioceramic is a polyester fiber linked to bio-ceramic crystals able to perform a **highly beneficial action for the human body.**

CARBON
Resistex® Carbon is a yarn with unique technical features obtained by uniting textile fibers with a continuous filament of **conductive material based on active carbon.**

COPPER
Resistex® Copper is a **high-tech yarn** obtained by uniting natural or artificial fibers with **pure copper.**

SILVER
Resistex® Silver is obtained by coating a continuous nylon filament with a **99.9% pure silver** layer. It's a yarn developed for wellness.

Gore delivers reliable, high-performance protective apparel.

GORE-TEX — GUARANTEED TO KEEP YOU DRY — Durably waterproof, windproof & breathable

GORE WINDSTOPPER — Total windproofness Maximum Breathability — With durable light rain resistant laminates — With insulation protection

GORE THERMIUM — Start warm, stay warm with protected insulation

Outside dWWB

18. Emily Marchack – The pros and cons of sub-branding and brand extension, Brogan and Parners 2015

20. https://resistex.com/en/

21. https://www.innovationintextiles.com/gore-to-restructure-its-brand-products-and-technologies

4. Branding strategy

4.4 Co-branding

Co-branding

Co-branding is the practice of two or more companies or brands coming together for a common marketing strategy. The goal is to sell new products or services for both of those companies.22

Pros

- Less costs for both brands to reach a larger audience
- Increase of market size
- Possibility to increase brand reputation and create leverage
- Shared talent with less need to outsourcing

Cons

- Financial aspects need to be well defined
- Risk to create confusion
- Risk not to fit with the brands respective culture
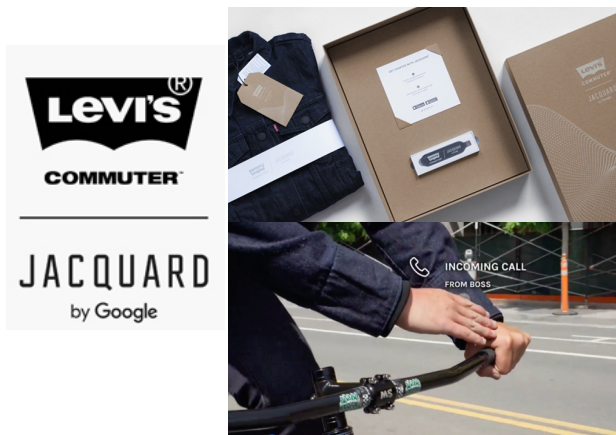
The Levi's Commuter x Google Jacquard Trucker Jacket is the first physical manifestation of the Jacquard technology. Google weaves technology into the denim, providing the urban cyclist with a safer ride, connectivity and a seamless cycling experience.

22. Brandon Gaillle, Pros and Cons of co-branding 2016

23. http://www.marketrevolution.it/smart-fabrics-wearables-del-futuro/

4. Branding strategy

4.5 Licensing

Brand Licensing

Licensing is an agreement in which a company allows another organization to use its brand on other products for a fee or royalty.24

Pros

- Constant income flow generated by the royalties
- Low risk to break into a set market
- Cost-effective route to getting a product to market

Cons

- Possible lose control on your product
- Many products do not get licensed
- Risk to for little returns

Textile finishing technologies offered under licensing

schoeller®
Switzerland

Manufacturer of technical, protective, functional and knitted textiles and finishing technologies developer

energear a schoeller® technology
Returns energy to the body

3XDRY® a schoeller® technology
Three times dry

coldblack® a schoeller® technology
Protection from heat and UV rays

ecorepel® a schoeller® technology
Environmentally friendly water and dirt repellence

nanosphere® a schoeller® technology
Keep textiles dry and clean

ecodye a schoeller® technology
Environmentally friendly polyester dyeing

Licensing partners can use selected developments for their own textile production. The subsidiary Schoeller Technologies AG grants licenses in the form of patents and trademarks.
Partners will benefits from:
-Use of the technology
-Use of the brand
-Comprehensive services

24. Barbara Bouffard – Licensing Pros vs Cons – Innovate product design 2013

25. gwww.schoeller-textiles.com/en/businessunits/technologies-licensing

5. Brand equity

Successful branding also creates "brand equity" – the amount of money that customers are willing to pay just because it's your brand. In addition to generating revenue, brand equity makes your company itself more valuable over the long term.
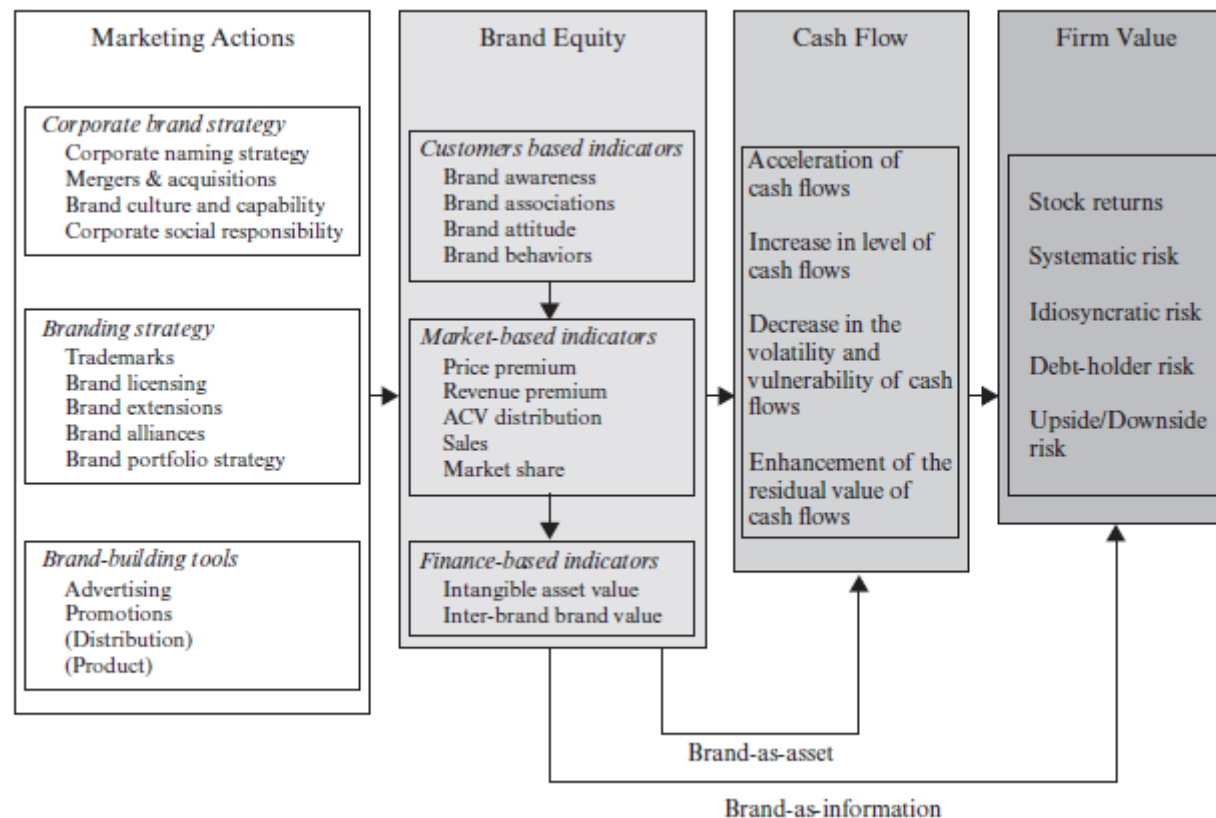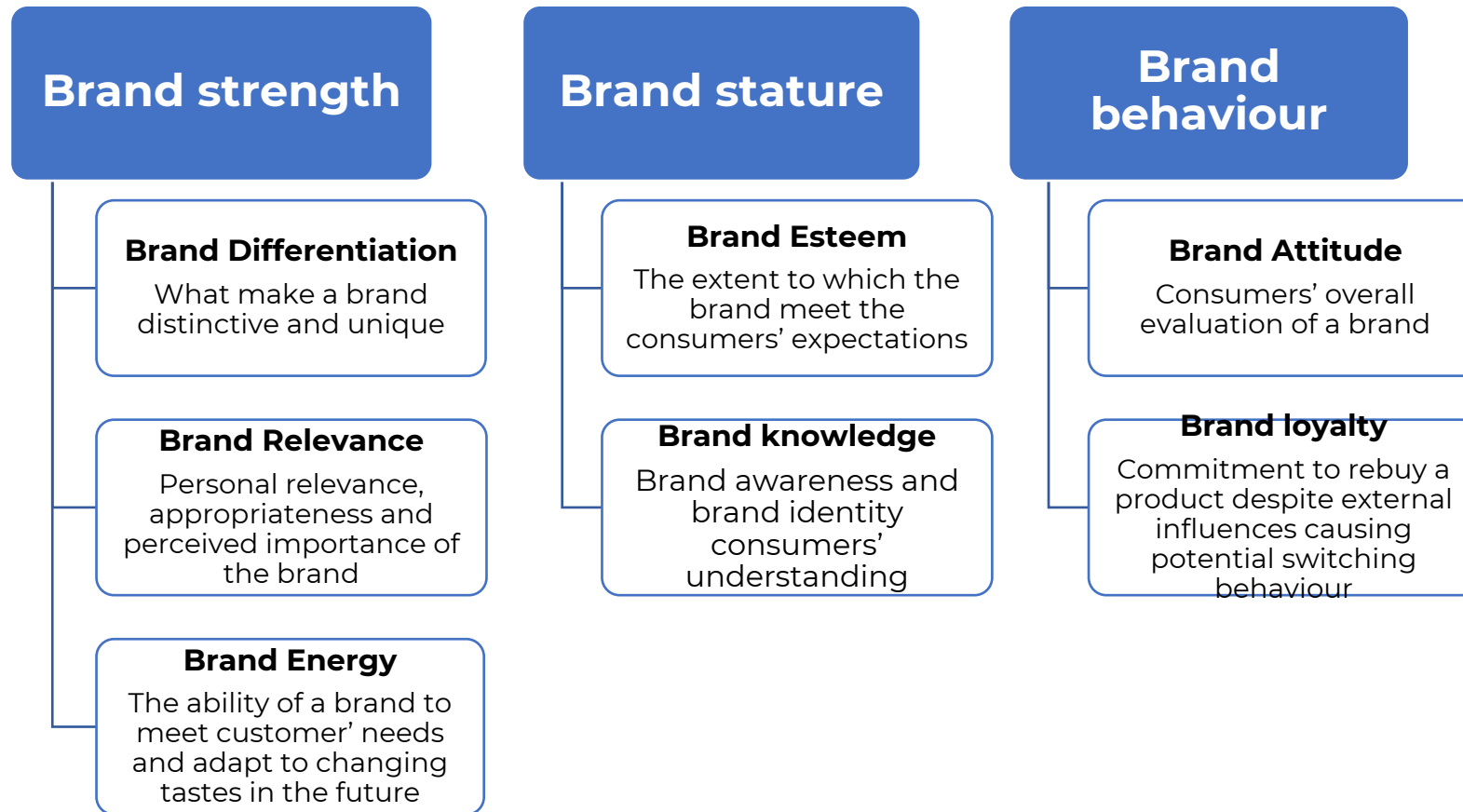

Figure 4. Conceptual Framework: how branding effects firm value. Shuba Srinivan, Liwu Hsu and Susan Fournier - Branding and Firm Value, Handbook of Marketing and Finance 2012

5. Brand equity

5.1 Consumer Based Brand Equity - CBBE

Customer- based brand equity, defined as 'the differential effect of brand knowledge on consumer response to the marketing of the brand',[26] is the most commonly used equity measure among both researchers and practitioners.

Brand strength

Brand Differentiation
What make a brand distinctive and unique

Brand Relevance
Personal relevance, appropriateness and perceived importance of the brand

Brand Energy
The ability of a brand to meet customer' needs and adapt to changing tastes in the future

Brand stature

Brand Esteem
The extent to which the brand meet the consumers' expectations

Brand knowledge
Brand awareness and brand identity consumers' understanding

Brand behaviour

Brand Attitude
Consumers' overall evaluation of a brand

Brand loyalty
Commitment to rebuy a product despite external influences causing potential switching behaviour

26. Keller, K.L. (1993), 'Conceptualizing, Measuring, and Managing Customer- based Brand Equity,' Journal of Marketing, 57 (1), 1–22.
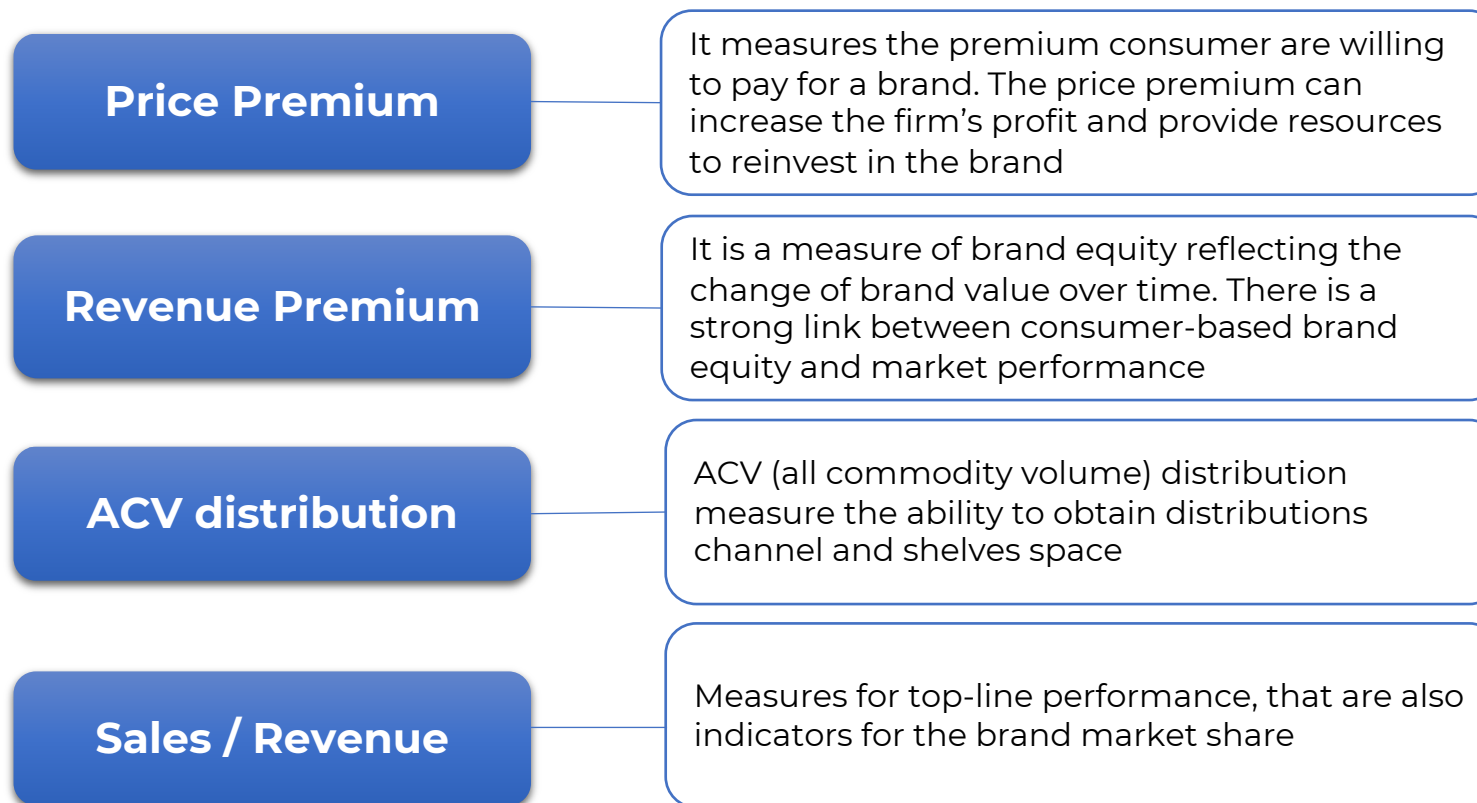
27. Wong, H.Y. and B. Merrilees (2008), 'The Performance Benefits of Being Brand- orientated,' Journal of Product and Brand Management, 17 (6), 372–83.

28. Mizik, N. and R. Jacobson (2008), 'The Financial Value Impact of Perceptual Brand Attributes,' Journal of Marketing Research, 45 (1), 15–32.

5. Brand equity

5.2 Market Based Brand Equity - MBBE

A second perspective on brand equity is based on market- level manifestations. Some researchers claim that no matter how brand equity is measured or for what purposes measurement serves, the value of the brand 'must ultimately be derived in the marketplace'.[29]

Price Premium

It measures the premium consumer are willing to pay for a brand. The price premium can increase the firm's profit and provide resources to reinvest in the brand

Revenue Premium

It is a measure of brand equity reflecting the change of brand value over time. There is a strong link between consumer-based brand equity and market performance

ACV distribution

ACV (all commodity volume) distribution measure the ability to obtain distributions channel and shelves space

Sales / Revenue

Measures for top-line performance, that are also indicators for the brand market share

29. Hoeffl er, S. and K.L. Keller (2003), 'The Marketing Advantages of Strong Brands,' Journal of Brand Management, 10 (6), 421–45.

30. Kartono, Benjamin and Vithala R. Rao (2007), 'Linking Consumer- based Brand Equity to Market Performance: An Integrated Approach to Brand Equity Management,' Working Paper, Cornell University, Ithaca, NY.

5. Brand equity

5.1 Financial Based Brand Equity - FBBE

A third approach to measuring brand equity is based on financial market performance.[31] Such approaches typically decompose firm value into tangible assets such as plant and equipment or net receivables, and intangible components reflecting goodwill and brand investments and other forms of intellectual property.

Intangible asset value

From an accounting perspective, brand equity is an accumulated intangible asset enhanced by marketing expenditures and brand management tools that generates future cash flows or reduces the volatility of future cash flows.
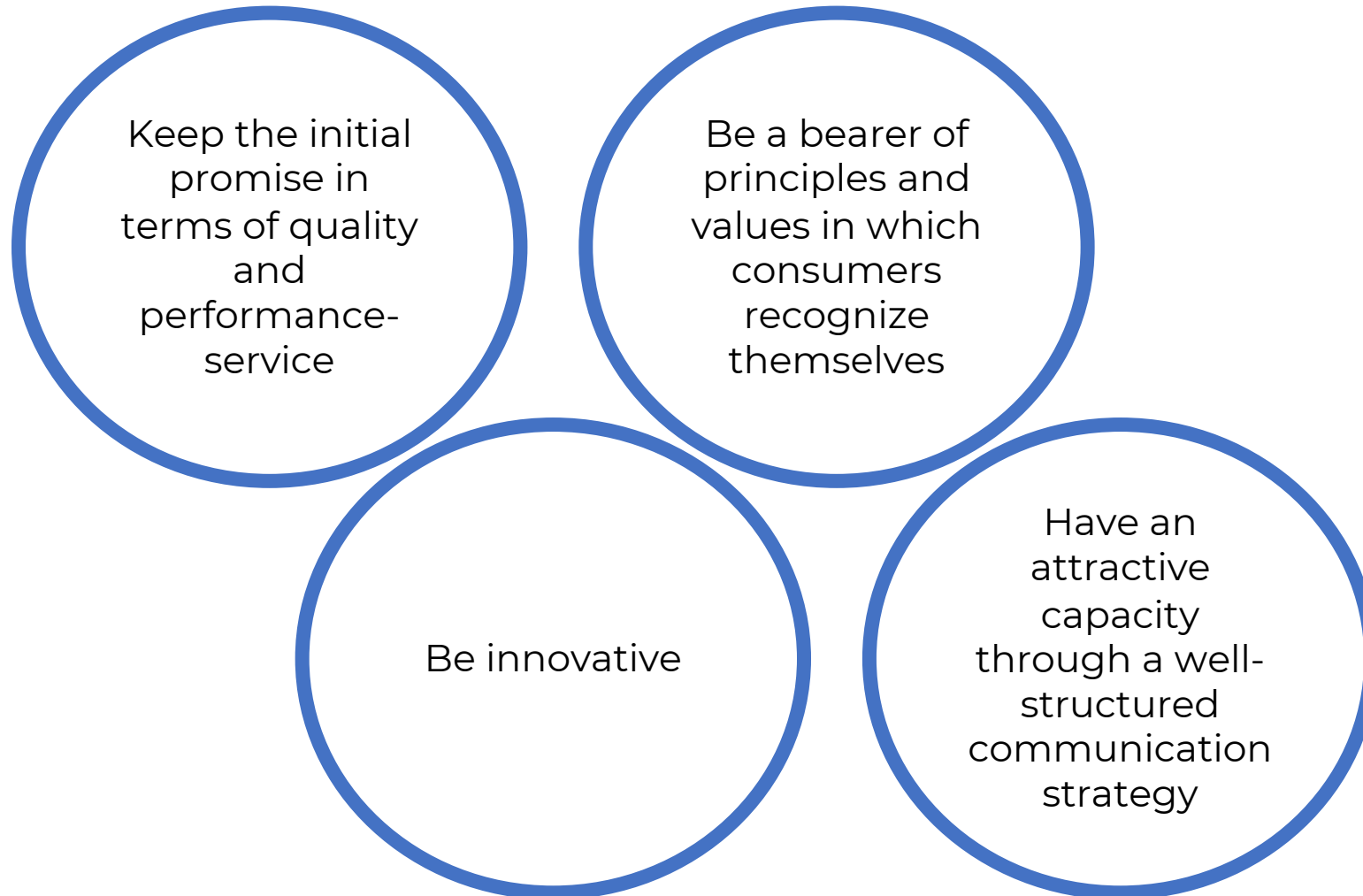
Inter-brand value

The Interbrand valuation metric combines the subjective consumer mindset of brand equity with objective brand performance in the product market.

31. Amir, E. and B. Lev (1996), 'Value- relevance of Nonfinancial Information: The Wireless Communications Industry,' Journal of Accounting and Economics, 22 (1–3), 3–30.

32. Ambler, T. (2003), Marketing and the Bottom Line, London: FT Press.

6. Key successful brand aspects

However, the rules to develop a successful brand valid in any market can be summed up in 4 points:

Keep the initial promise in terms of quality and performance-service

Be a bearer of principles and values in which consumers recognize themselves

Be innovative

Have an attractive capacity through a well-structured communication strategy

Conclusions

Effective branding can provide a multitude of benefits to your business, expanding your customer base, creating loyalty, and ensuring a positive view of your company. There are many things that you will need to consider when you focus on forming the best possible brand for a new product.

The brand of your business is important to the overall success of your marketing strategies. Forming a great brand can help to increase awareness, inspire loyalty, and convey your desired message to your consumers. It can be difficult to create an effective brand strategy that will adequately promote a new product or a revised design.

In these slides we intended to give instruments/tools to help you to create a product / design embedding a clear message by presenting:

- different components contributing to the definition of a winning brand identity able to differentiate a product with the ones offered by competitors, increasing the market share and consequently the incomes;
- different brand strategies with practical examples coming from the advanced textile sector;
- practical tools and schemes able to lead you in the brand identity identification / construction;
- ways to test key brand attributes and perceptions to evaluate the achievement of the desired results

Visit http://destexproject.eu/ to see the rest of the intellectual outputs of the project

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