

BRAND POLICY INSTRUMENTS: CONTRIBUTIONS TO BRAND EQUITY

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Abstract: In this paper we attempted to establish the contributions of brand elements to the brand equity. Building brand equity is realized and is based on a series of visible elements, easy to recognize and to remember by the public. A name, a symbol, a slogan are just a part of the visible elements of the brand meaning. The brand elements are a shortcut of clients' perception regarding the brand utility and brand image, suggesting some benefices of performance and competence. The brand elements that we analyzed are: the name, the Internet address, the symbol, the slogan and the packaging. We showed that each of these elements play a significant role in brand notoriety. On the other side, the brand equity helps to the awareness of brand elements. The relationship between brand elements and brand equity is of interdependence and reciprocal relationship.

JEL classification: M10, M31

Key words: branding; brand strategy; brand equity; brand elements.

Brand policy instruments is based on a number of specific issues that we will discuss in the following paragraphs.

Brand elements, which are also called identities of the brand, are those that serve to identify and differentiate brands (Keller 2008, p. 140). Branding theory suggests that these elements, if carefully chosen, might lead to the creation of strong, unique, and favourable attitudes. On the other hand the names of people or words without a clear meaning have become strong brands without having to invest much time into selecting them. Even if the brand elements are an important asset of the brand equity, favoring recognition, awareness and image, we appreciate that their choice does not play a decisive role in creating the image of the brand. The category of brand elements include: name, logo, characters, symbols, tagline, and conditioning.

1. BRAND NAME

The name of the brand has a strong impact in the minds of consumers, resonate with their attitudes, captures the entire richness of the brand meaning. The name plays an important role in the construction of the image of the brand. Even if a name is difficult to pronounce or has negative connotations, well-known brands with great tradition can not change their name because it would mean to start building the brand from scratch. The science of choosing a new brand name called *naming*, and it is recommended to enterprises wishing to register their new trade marks.

The name is a fundamental indicator of the brand, a support for efforts for recognition and for the communication process of the enterprise. Brand advertising is orchestrated around the name. The name can generate associations that serve to describe the brand (Aaker 2005, p. 234).

In this section we use mostly name of brand name, as we approach the process of choice and validation of a new brand name. Naturally, the examples will be all from well-known brands.

The brand names must meet a number of conditions to be able to transform into a powerful brand. They must help to brand recognition and to create brand associations (Keller 2008, p. 147-151).

Brand names can lead to improvement of the brand image if they are simple, easy to pronounce and write, familiar and suggestive, different and distinct.

Simple names can be easily retained and can be easily spoken or written. The initial choice of the name is usually made for the domestic market the company. The difficulty arises when brands are expanding abroad. Think how hard it is to pronounce Whirlpool in Romanian or how the pronunciation of Viceroy can be addressed - as in French or English. The difficulty lies especially when meeting with the brand, which can cause the consumer to make a choice, to ask for another product because of embarrassment, of helplessness he/she could not pronounce the respective product name. Anyway pronunciation rules vary from country to country and from one language to another. The same brand name is pronounced differently in different linguistic contexts.

Companies whose brands are difficult to pronounce must spend money not only to promote the name but also to teach consumers how to pronounce those names.

The brand names must be clear, easy to understand, to pronounce and to remember. It must also be familiar and meaningful in order to fit on existing cultural structures. Names of fruit (*Orange, Apple*), people (*Ford, Porsche*), geographical names (*Borsec, Murfatlar, Dacia*) already exist in memory thus consumers simply need to retain the association with the products covered by brand.

Choosing a brand name should take into account the existing names and to seek a differentiation, a distinctness. The brand name must be perceived as something unique. The uniqueness relates to the fact that a name is difficult to imitate. For example the *Google* brand, which is both different and distinct in the categories of services where it is acting.

According to Aaker (2005, pp. 237-238), the consumer finds it easier to remember:

- a name that is different and attracts attention;
- a name that has something interesting such as a rhyme or pun;
- a name that creates a mental image or picture,
- a name with emotional charge;
- a simple name.

When choosing the name we must make sure that these names are not very descriptive. It is true that all manufacturers want the name to suggest the product category: Homebank, 24 banking, etc. for various types of Internet banking. But the products have a life cycle, while brands are more stable over time. Thus, by setting a name too suggestive a significant amount of the brand meaning can be lost. The usefulness of the product will be presented to the public through commercial spots and through effort of salespeople. The brand name is the one which will have to create the spirit of the brand, to be the banner of brand recognition. The brand name doesn't have to describe what the product does, but to suggest a difference (Kapferer 2008, p. 212).

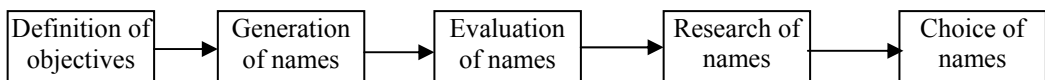
The brand name, if carefully chosen, largely contributes to the creation of brand associations. In this regard, the name must be as suggestive as possible. For example,

Frutty Fresh from European Drinks suggests freshness and vigour of fruit, *Pure* from Henkel suggests absolute cleanliness in washing the dishes. *Head and Shoulders* shampoo from Procter & Gamble suggests attention to hair and dandruff control, leaving clean shoulders.

Linked to the contribution of names to associations of brands, a very important thing is that these names may not give rise to undesirable associations. Some brand names have undesirable connotations in other languages.

Companies must be careful when transferring their brands abroad.

Choosing the brand name is a systematic and objective activity. Usually, specialized companies are called in this regard. No matter who carries out the process of choice of name, it is necessary to generate and evaluate alternatives according to various criteria (Aaker 2005, p. 235). The choice of a brand name is a sequential process which is carried out after a certain procedure:



Source: Adapted from Kevin Keller, Strategic Brand Management, Prentice Hall, 2008, pp. 153-154

Figure 1. The process of choice of the brand name

In the first stage, the definition of objectives, it is envisaged how the new brand will harmonize with the other brands in the portfolio; also, the extent to which the new brand will contribute to achieving the objectives of the company.

In the second phase a series of names are proposed. Those who generate these names may be employees of the branding consultancy firm, employees of the company, existing and potential customers.

In the stage of evaluation of names a list containing a large number of potential names is chosen. The selected names are intended to meet a number of conditions: not to have a double-meaning or an unintentional meaning, not to be difficult to pronounce, not to be already registered, not to enter into conflict with other names already registered.

In the research stage of brand names, it is established a short list of up to 10 names that are studied extensively. Mainly the focus is on researching the consumers' reaction to the new name.

Attention should be paid to the brand names so that they do not trivialize in time and eventually turn into common nouns. We speak about xerox, scotch. Even if trifle may can be a sign of recognition, in fact it creates confusion and leads to erosion of capital mark. In this case it is useful to add a descriptor CEC - Bank (Kapferer 2008, p 213).

The brand name should be chosen so as to provide flexibility over time. The brand name must be able to maintain its force of suggestion for a large number of years, to be able to sustain a symbol and a slogan. The symbol and the slogan may change over time; usually the name remains fixed. A name that suggests a certain geographical service will have difficulties to impose outside the designated area.

According to Landor advertising and branding agency, there are 8 principles at the basis of choosing the name (Landau, 2012):

- the name should be memorable;
- the name must have a consistent set of evocations;
- the name must be strongly promoted;
- the company must wait patiently for the name to become known;
- the name must explore new creative dimensions;
- the name must fold on the customers' expectations;
- the process of name search must be systematic and consistent;
- the name must allow new meanings over time.

Name changes are the most sensitive and controversial aspects of branding. Should a brand name be changed or preserved? Many companies are of the opinion that the name should be preserved at any cost. Name changes are expensive, are complex and they are not endorsed by the public when they are announced. Respected brands are maintained but they are polished permanently (Ollins 2006, p. 159-160).

The question is how much of the commercial and financial success can be attributed to its brand name and how much is the contribution of its significance. We may note that successful brands have different names, easier or more difficult to pronounce, from different languages: Google, Toyota, Starbucks. More important than the name is their significance: provides immediacy and convenience, a quality car, a third place between home and job. We appreciate that regardless of the initial choice, the management of the meanings of a product or company can help a brand name to become a brand. A consumer who purchases repeatedly a product ultimately retains that name no matter how difficult it is to pronounce it. Thus, the selection process of a brand name is overrated. It is obvious that an inspired choice will lead to reduced expenditure on advertising for memorization and notoriety. However, strong associations can be created regardless of brand name. The effort for creating a brand leads to a name.

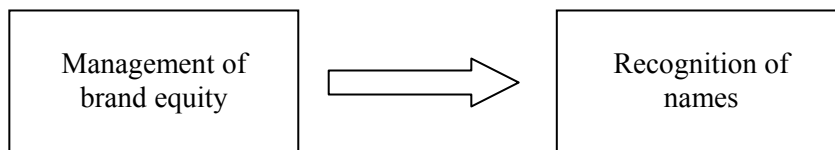


Figure 2. Brand determines name recognition

2. INTERNET ADDRESS

Currently a lot of business is conducted on the Internet. Companies have sought to have a strong presence online. For this purpose they have set up Internet sites at addresses which coincide to a large extent with their names. But this was not always possible, because other people or organizations have registered those Internet domains.

Internet address often accompanies classic name in a commercial spot, with reference to the Internet for more information. In addition, the site which is found at that address can contain many elements intended both to inform and to delight consumers.

For some businesses, the trend is clearly towards online. For example newspapers are expected to transfer over the Internet. Thus URL's are signs of brand recognition: www.zf.com *Ziarul Financiar*, www.ft.com *Financial Time*, www.gandul.info. *Gândul*. These addresses must have the same characteristics as the brand name: catchy and memorable, easy to write, with a rich set of possible

evocations. If the full name of the company is not available online or the name is too long, suggestive abbreviations or part of the name can be used.

Other business is conducted solely on the Internet. www.google.com and www.facebook.com are examples of strong brands that have the strength to be globally significant. Their web address is what has turned into a well-known brand.

We appreciate that, especially in the future, the Internet address will play an important role in brand visibility, supporting along with other elements the brand recognition and the brand image.

3. SYMBOL

Although the name is the core of the brand, visual symbols play an important role in creating the brand image and in increasing the brand value. Symbols or logos can be linked to or separated from brand names. Some symbols such as those of Nike or Mercedes are well known.

Visual symbols have the ability to bring a plus in brand recognition and notoriety. Another advantage lies in the fact that they can be easily transposed into other cultures. That's why logos are well suited to corporate brands, which can include very many sub-brands under their umbrella.

The symbol or logo is an important identification element for brands. The other elements such as colors, characters, slogans, type of message form together the visible recognizable pattern. We can say that the logo is the core of a branding program. The main role of the logo is to convey the specific idea of the organization in a concise, direct and impacting manner (Ollins 2009, pp. 30-31).

Logos can be adjusted over time to look more contemporaneous. Brand names change with more difficulty, involving higher costs. But the logo is easy to improve, thanks to the progress in graphic technologies.

According to David Aaker (2005, p 248), the symbols may be:

- geometric shapes – Renault's diamond;
- things – the window from our Casa Noastră – Our House;
- packaging – Coca-Cola's 0.25L bottle;
- logos - Apple's bitten apple,
- animals – dog with helmet at Dedeman;
- people – the woman from Bunica oil;
- scenery - bottle representations for Tușnad or Izvorul Minunilor;
- cartoon characters.

Symbols help the recognition and creation of positive emotions. Faced with the avalanche of trade names, the customers' recall efforts are overworked nowadays. Some people have a better visual memory so that it is easier for them to retain a graphical representation. The power of suggestion of symbols is really huge and comes to help the representation of the brand's set of evocations. The landscapes on the Dorna bottle suggest purity of the water and of the lands from where this water is tapped.

Certain symbols are very cute, associated with positive elements such as fun and laughter. People start a transfer of feelings, from the respective object to themselves. People do not like when they don't understand a particular symbol or when it awakens negative feelings and emotions.

In this context there are certain still and animated characters: the Michelin man known as Bibendum, Mr. Muscolo – the gel plumber, etc. Their role is to catch attention and to stimulate positive emotions. For people it is easier to develop a

relationship with other people than with abstract characters. It is important that these characters do not minimize the potential of the brand and to become more popular than the brand itself. They must be constantly adjusted graphically.

One of the roles of a symbol, in addition to the possible generation of associations, is to be the indicator of a brand. The logos of Nike or Mercedes can be used alone without any problems – the brand recognition is ensured.

Gatorade is a company that produces hydrating drinks for athletes. Its symbol is represented by a lightning bolt. The lightning bolt on Gatorade packaging reflects the speed with which the drink is absorbed by the body (Adamson 2010, 286).

The symbol could also help the brand name to be associated with the class of products through the connections that it creates. The Dedeman or Baumax logos clearly suggest the industry of building materials.

4. SLOGAN

Slogans are short phrases that communicate the brand idea. They are used in advertising to stimulate the purchase and to help the brand image. Slogans are effective as they describe the significance of the brand and they capture the essence of the brand in a short phrase. Slogans are flexible and can adapt easily to a new campaign. Marketers must be able to recognize how the slogan contributes to the brand value, to determine whether a change of slogan may lead to a higher value and to capture and preserve the essence of previous slogans when modifying a slogan (Keller 2008, p 163).

Volkswagen has the following slogan:

Volkswagen Das Auto (Eng: Volkswagen – the Car) emphasizing the superior value of this brand. Nike's slogan is: *Just Do It*.

Slogans are more difficult to remember than names and symbols. However, when they are retained, it indicates that brand awareness is very high.

Combined, a name, a symbol and a slogan can represent an important part of the capital of a brand. A slogan can be built on a strategy of positioning or repositioning (Aaaker 2005, p. 255). Slogans are less vulnerable to attack by counterfeiters. The major role of slogans is that it helps in the creation of brand associations.

5. CONDITIONING

Conditioning represents how the product is kept or packed. Conditioning is above all a practical object. Products must be sold in determined quantities, they have to be protected before reaching the final consumer, and sometimes even afterwards. Moreover, conditioning has a role of communication. Inseparable from the product which it contains, the packaging is first spotted by the consumer. He holds the role of "silent salesman" (Meghişan and Nistorescu 2008, p 219). Other suggestive names of the packaging, suggesting its role, are "the last five minutes of marketing" or "the permanent average" (Keller 2008, p 169).

At the same time, conditioning must meet the consumers' expectations (ease of use of the product, possible long-term storage, dispensing of product consumption etc.) and the distributors' concerns (possibility of grouping, protection against theft, limiting of manipulation and so on).

Conditioning is involved in product positioning and helps to market segmentation by using colors and graphic elements, for each group of customers. Finally, this tool improves productivity when designed with ingenuity.

Packages are made with creativity to stimulate consumption and brand associations. The 0.25 l Coca-Cola bottle has a unique and easy to recognize design. Heineken is known for its green bottle. Packaging innovations may provide a temporary competitive advantage. Packaging innovation doesn't cost very much in relation to other ways of creating the brand value.

Packaging plays a determining role in consumer psychology (Keller 2008, pp. 176-177). Packaging may influence the taste by the specifications of the ingredients; packaging may influence the perceived value: a bigger pack leads to the perception that we have achieved a good deal; packaging may influence consumption and the way in which a person uses a particular product.

Bottled water is the greatest success of branding, the triumph of emotion over reason (Ollins 2009, pp. 40-41). To a large extent, packaging is responsible for this success and, of course, communication. Bottled water has emotional connotations of health, purity, dynamism, physical condition. Many people are willing to pay more for the emotional peace brought up by the consumption of bottled water.

Where conditioning is not possible, the design comes out. Design is the one that stimulates emotion and interest for certain products. Design starts with the function and continues with the form, then it comes the determination of the consumers' practical solutions and their solutions, the addition of the ergonomic characteristics related to layout and style, the differentiation and transformation of emotional possibilities (Fisk 2008, p. 269). Marketing of cars has become a business in which design plays the lead role. Innovations in engines are quite rare. But what stimulates sales is the facelift carried out continuously. Besides, within the VW Group, the VW, Skoda, Audi and Seat brands are all made on the same technical platform, they have basically the same engine and the same body, what distinguishes them being the design, interior and exterior.

All elements of the brand must fulfill the role of creating and supporting the value of the brand. For determining the brand elements there are some rules: to be memorable, to be evocative, to be pleasant, to be transferable, adaptable and easy to protect (Keller 2008, p 141). The brand elements, the name, the symbol, the slogan play an important role in the creation of brand meanings and their associations.

6. CONCLUSIONS

Brand identification elements are important because they resonate with the consumers' mind, leading to the formation of brand equity. In respect to the brand name we have shown that financial and commercial success of a brand is due to the brand's content of meanings rather than to its name. We may note that successful brands have different names, easier or more difficult to pronounce, from different languages: Google, Toyota, Starbucks. More important than the name is their significance: it provides immediacy and convenience, a quality car, a third place between home and job. We appreciate that regardless of the initial choice, the management of the meanings of a product or company can help a brand name to become a brand. A consumer who repeatedly purchases a product finally retains the respective identification elements no matter how difficult it is to pronounce or memorize them. We believe that the brand elements are, in fact, the result, the effect of a strong brand. The elements of the mark are a shortcut which incorporates brand meanings and not those that create brand meanings. A brand is a name just because it is a brand while a name is not a brand. The name is only the visible part of the iceberg.

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