

Brand Management: Key Terminology

Some definitions...

Category: Simply put, the category refers to **what** you are selling and not who is selling it. How you define your category influences who is in your competitive set.

Brand: Refers to **who** is selling the what. It is the source of the promise to the consumer.

“A product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless.” S. King, WPP Group, London

“A company’s brand has almost nothing to do with its products or services anymore. Branding is really a function of the dialogue between a company and its constituents. The more meaningful that dialogue, the stronger the brand.” Larry Weber, head of Advanced Marketing Services for Interpublic and author of *The Provocateur*

Brand Equity: The value a customer places on a product because of its name and the associations they equate with that name.

“A set of attributes (or liabilities) linked to a brand’s name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm’s customers. It is a reservoir of goodwill.” David Aaker, author of *Building Strong Brands*

*“It is that **dialogue** between the organization and the consumer that either enhances or erodes the value of the brand over time.”* Rob Klein, President, Klein & Partners, Inc.

Brand Essence: The heart and soul of the brand – a brand’s fundamental nature or quality. A brand’s essence is the one constant across all product categories and throughout the world. And it can be expressed in 3-4 words.

Brand Image: How the brand is currently perceived in the marketplace. That is, the “associations” consumers have of your brand in their mind.

Brand Identity: It is how you want to be perceived in the marketplace. According to Aaker, identity is comprised of four components: how your brand is seen as a set of product attributes and features; how your brand is viewed as an organization; how your brand is seen as a person, including its personality or character and the type of relationship it has with customers; and how your brand is seen visually through things such as logos, colors, taglines, etc. (i.e., sensory elements).

“Brand identity is a combination of visual, auditory, and other sensory components that create recognition, represent the brand promise, provide differentiation, create communications synergy, and are proprietary.” Brad VanAuken, Brand Aid

Value Proposition: A statement of the functional, emotional, and self-expressive benefits delivered by the brand that provide value to the customer.

Brand Position (i.e., Brand Promise): The brand position or promise is that part of the brand’s identity and value proposition that is to be actively communicated (i.e., the message, tag line, etc.) to the target audience, and that demonstrates an advantage (i.e., meaningful differentiation) over competing brands. Essentially, it is a promise by the organization to act in a certain manner. It is a reason for consumers to believe. Your promise drives everything you do as an organization.

Brand Architecture: It is how an organization organizes the various named entities within its portfolio (or family), and how they relate to each other. Ideally, the architecture is simple, with no more than two levels – brand and subbrands. The four general types of brand architecture include: master brand, brand/subbrand, endorsed brand, and separate brands.

Brand Roles: Brands within the brand family (or portfolio) all play specific roles depending on the brand architecture. The better each member within the brand family understands and executes its role the stronger the brand will be in the market.

Brand Extension: Applying the existing brand's equity to new products, services, markets, or customer segments.

Brand Strategies Over Time: As a brand ages, it may need to change. Change can happen gradually over time in an evolutionary fashion, where the brand becomes something different. Or, a brand can augment its current core identity with an additional identity that supports and extends that core identity.