

James Balderson

What is Branding and how does it help or hinder profits?

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Tutor: Caroline Finucane

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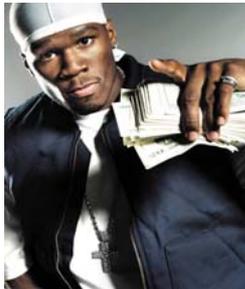
Introduction

Branding has been used since the beginning of human life, since the first cave man made his mark on a tree or tribes started to fashion themselves apart from others.

In this essay I am going to discuss man's fascination with identity and branding, and look at how this has translated into the commercial world. I will also consider the cultural links both within society and within business that branding provides.

What is Branding?

Branding as a physical marking or adornment of the body could be linked to many forms of individual, group and tribal identification throughout human culture and history. Consider Anglo Saxon wode paint to the modern day where we see fans painting their faces at football games with team colours. Tattoos have been used for thousands of years to establish links of the individual to other family or "gang" members, and more recently were used almost like a cattle brand by the Nazis. In other primitive cultures we see neck rings extending the length of the neck, or plates enlarging the lip, for no more practical purpose than perceived beauty and clan membership. Body piercings are another expression of membership as well as adornment and in modern culture there is a definite peer pressure to follow piercing fashions. Clothing has been used as a very obvious form of branding throughout history. Military and organisational uniforms employ a standardised combination of colours, clothing elements and styles to identify the wearer as being a British Army Captain or a Savoy Hotel bell boy. Very specific clothing elements such as the detail of fabric construction in Scottish tartan can be used to identify membership to specific families or clans. In common usage today we see the logo or crest of an organisation used on clothing such as on the breast pocket of a school blazer, or a company polo shirt etc. Culture derived and linked to the music industry generates or builds upon fashion trends. Today we see "gangster rap" image which combines baggy trousers with head scarves, sun glasses and heavy and obvious gold jewellery or the "grunge" look of tired and frayed clothes and unkempt hair but with a definite boycott of any specific logo. Ironically those who allow themselves to be persuaded that wearing these styles as a form of rebellion seem to be blindly conforming in other ways. This can clearly be seen in the polarisation of fashions seen in West Side Story, Grease and the time of Mods and Rockers.



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During the release of the internet browser Mozilla 1.4 a strategy document listed rules to be used when releasing future "Mozilla" products i.e. artwork, words and messages. This is what branding is – a set of rules which a company identifies a product with. For example "Seamonkey" was a project to create an open source (program code freely available to developers) browser which looked like the old Netscape 4 and now Firebird/Thunderbird is the second generation Mozilla project. Both use different artwork and terminology to describe similar features, although both

are application suites i.e. web browser, news and mail clients. Branding is important to Mozilla so that their user interface is unconfusing and yet can be instantly recognised across versions and platforms.



Simply put, branding is - in a packaging form - the designs and logos owned by a company e.g. Coca Cola. Although the Coca Cola bottle designer is unknown, the shape is recognised the world over. Branding is so important that urban myth would have it that Coca Cola “invented” the traditional red suited Santa Claus. In fact this is not too far from the truth. In the early 20th century there were a variety of versions of this Christmas figure, and there are red suited versions appearing on Christmas cards in the 1920s shortly before the advertising campaign from Coca Cola helped to establish this particular image of Father Christmas as a household icon. Coca Cola themselves have continued to use this particular image since that time, and although he is now animated he has changed very little and indeed been adopted by others as the corporate face of Christmas.

Why a Brand?

A brand is used as a rapid, short-cut means of identifying an organisation, company or product. Its purpose is to embody ideas that have been linked with it through advertising or reputation. The brand might be represented by an image, a particular phrase or style of writing but the whole purpose is to trigger a recognition which might include some associations about the brand such as quality and ethos etc.

A good example of how a single company might want to use branding to its advantage is that of the Savoy hotel group. This includes The Berkeley and Claridges. When the group invited Pentagram to look at their branding they wanted to consider how the image of the three hotels would be best marketed overseas. They wanted to know if a single brand would be appropriate or whether each hotel should have a separate identity. The conclusion, unsurprisingly, was that the three hotels should each be marketed as a discrete entity. Since each is different in terms of physical location and architecture, as well as the present style, they arrived at three discrete typographic logos. The Savoy, being elegant and refined received a simple logo in gold, with the central V emphasised to discretely link to the huge awning over the entrance. The Berkeley was represented by a capitalised serif logo since this was seen to suit its more formal atmosphere, and Claridges a more ornate script which spoke more of its exuberance. Prospective guests looking at these logos should hopefully now be able to read more into what each hotel represents simply by the extra information these simple names now convey. Thus an advertising campaign that links ideas about the hotels to these brands will be able to ensure that the correct impression is formed in the future when the customer simply sees a letterhead with the name of the hotel, for example.

SAVOY

Conversely the Pentagram Group considered the possibility of a single brand representation of the three hotels. It was decided that if they were to do this a major disadvantage would be a negative association with the concept of a “chain” of hotels. In other words the very individuality of these hotels was a prime selling point. Following this route would also require a fragmentation of the functions of each hotel, creating separate areas for the varying requirements of their clients, and this was seen as a further negative aspect which would erode and blur the overall style and ethos of each hotel.



In 1998 the superstore giant ‘Tesco’ went to Wolff Olins to have their own 37,000 separate product ranges rebranded to cause less confusion with the customer and to help save design costs. Before this their own product ranges all had different looks which needed 29 design agencies to implement the constantly changing products. After the redesign all the product ranges from “value” to “finest” followed the same design characteristics, which boosted sales and cut costs by £3M in part by reducing the in-house design to 1 person from 15.

This showed that a single common branding is easier and less costly to implement, along with being less confusing for the customer. All the own-brand products now have a common theme and appearance, helped by a simple packaging design that involves less “hype” and more information about the product.

After this redesign of branding for Tesco's it changed their image from a “pile them high, sell them cheap” company to a more quality-oriented brand which in turn was proven by sales increases.

When the Independent Television Commission announced a contest for a fifth terrestrial television station in 1997 a consortium led by MAI and Pearson entered the hotly contested battle with “Channel 5 Broadcasting”. As part of their licence agreement Channel 5 had to retune television sets in the new coverage areas which was both a logistical and financial challenge, but also a brilliant opportunity to raise brand awareness. Along with an advertising campaign “Give me 5” and a poster campaign from Wolff Olins, by the time of it’s launch in 1997 this campaign had achieved 92% unprompted awareness in the three months of its running which helped achieve its target market share of 5%. After the launch Channel 5 continued with the brand that Wolff Olins created for them in their on-screen image.



I think that Channel 5 needed to have a very high awareness of their existence to even attempt to gain a share in the already established terrestrial television arena. To be the fifth British terrestrial television station you would have to be quite different from the rest. With this advertising campaign they proved that they were. It was so successful that Channel 4 followed suit afterwards by changing their logo and image. Currently Channel 5 still hold their 5% market share even through the recent developments in digital broadcasting.

What is corporate culture and brand culture?

Corporate culture is almost a moral and ethical matter. It requires a certain amount of introspection by the company to determine what it stands for and what standards it aspires to. This culture can evolve out of a company's roots and history or can be instigated in response to a perceived need for change, and may be a strong force in the success of a company or a very negative one. A general example might be working conditions. The Japanese are very aware of the human equation in efficiency. Whilst hard work is essential, they recognise the importance of looking after their workforce. This attitude can be seen world wide but there is a stereotype of Japanese style tai-chi workouts to encourage physical fitness and mental alertness that remains with us. Afternoon naps have been adopted by some companies as research shows a significant boost in productivity and IQ after only a 15 minute rest. Natural light was used by some forward thinking industrialists in the late 19th and early 20th centuries to improve working conditions in their factories and thus improve worker's health and productivity.



Corporate culture can be seen in the attitudes of the staff and management. The ways the office works and the corporate culture is not necessarily the same as the brand culture. The brand might be associated with ideas of relaxation, being laid back and yet require a completely different corporate culture to support that product. Perhaps an IT brand portraying itself as “easy to use and stress free” might require long hours and very early starts for its technical support staff!

In the year 2000 BT was faced with a new, challenging and hostile communication market for the first time in its history.



“OFTEL” the telecoms regulatory commission had just passed new anti-monopoly rules which forced BT to open up the telephone exchanges to rivals. This meant that the competition could make more money and made it easier to compete with BT.

As a response BT approached Wolff Olins which had been doing branding for them for 12 years. To create a new brand for its mass-market internet business, with a vision of leading the second internet wave, bringing a faster, richer and more rewarding experience for everyone. This was known as “People Power”.



This was the brand culture, but Wolff Olins and Andy Green, CEO of BT Openworld, wanted the BT Openworld office workforce to live the brand, which is known as “corporate culture.” The idea of this is to create an internal culture that reflects “People Power”. On kick-off day Wolff Olins worked with BT Openworld to stage the kick-off event. The office environments were transformed into “People Power” space and each person received a Power Pad to record their personal thoughts on the day on what “People Power” meant to them and what they will do to implement it.

The idea of People Power was so good that it has now spread to the rest of BT with open plan “work style” buildings and “hot desking”: being able to work at any desk or now, with wireless communications, anywhere. But also BT as a whole has now had to cut costs after the internet bubble burst and has moved to “home working” and outsourced workers.



What is a Corporate Identity?

Reputation and past experiences of customers represent an important core of business to most companies. A company with many products or services might want to make customers who have had a positive experience with one of these aware of their association with other products or services.



For example many people won't know that the Boots group own Halfords. Customers who have a positive experience with the high street chemists might therefore be encouraged to use Halfords if they were aware of the link between the brands. Of course this can work in a negative fashion too and so a corporate identity can be used



as an umbrella to group elements of the business together that are deemed appropriate. It might be that a decision was made in the case of the Boots group that the health centred high-street chemists might not be best associated with a car parts firm which has connotations of a polluting mode of transport which causes damage to the environment.

Wellcome was originally founded as a non-profit organisation and charity. Henry Wellcome was from a wealthy background and his original intent was to create a range of scientifically produced medicines that would be recognisable and separate from the proliferation of “quack” medicine there was around at the time. After Henry Wellcome (1853-1936) graduated as a Doctor he joined a medical mission in India and started writing a diary about the medical conditions the locals had, and discovered the link between malaria and mosquitoes and researched how to treat it. In contrast the large medical and equipment supplier “BCB” has evolved from the original company selling the somewhat dubious sounding “Brown’s Cough Bottle”. Each of these companies has an identity which has grown out of their past history. Some companies based in this industry have been criticised for putting company profits over the well being of the populations they sell to and clearly a company with a more positive foundation would be more likely to be seen in a more positive light, and fare better.



In 1984 British Telecom had just been privatised from General Post Office Telecommunications and was looking to change its identity from the state owned telecommunications monopoly in the UK. With the transition from the GPO the new organisation had inherited an image of being unresponsive, bureaucratic and unsophisticated, and was seen as being fully entrenched within the UK market. They now needed to reinvent their image in an international marketplace. However both their image and their culture were inconsistent with their vision of becoming a major player in the telecommunications market. Wolff Olins helped BT to create a new image, identity





and logo by concentrating on research, positioning, visual identity and implementation. One of the first changes was the move from the name British Telecom to BT in order to improve the company's international appeal. The existing logo based around a "T" was dropped because of possible confusion in other markets. The new logo of the piper was adopted, as a figure with many mythical and cultural references to communication, and incorporates the idea of listening as well as announcing which was intended to represent a company that was more open and accessible. The importance of Corporate Identity is such that BT clearly considered it a worthwhile exercise and expenditure in

terms of time and money which involved incorporating the new identity on over 70,000 vehicles and 60,000 pay phones as well as stationary, signs, bills and phone books etc.

This ongoing initiative for improvement of the corporate image has continued throughout the development of new technologies and the massive growth of companies in this sector. For example the mobile phone branch Cellnet that BT developed and eventual evolution of the independent entity O2 shows that BT is not only capable of successfully marketing their own identity but of creating successful new companies who have built upon their parent company's reputation. Although these sell-offs and floatations have been necessitated by political, legal and financial considerations internationally – such as anti-monopoly legislation – BT's business plan has made a number of quasi-independent arms to the business more successful than the previous industry behemoth and yet appear as one entity to the customer.

Conclusion

Branding is essential to the survival of a company in a marketplace with stiff competition. The customer wants to be able to recognise a product or service and associate that with their experience of its quality, and in turn recognise the manufacturer or provider and their reputation and ethos. This empowers the customer and helps them make a free choice about future purchases. It also provides a mechanism for advertisers to link that brand or company with ideas which encourage purchase.

In the light of this investigation into the benefits and importance of branding it is worth mentioning the heavily driven marketing campaigns which have sometimes backfired as in the case of the “Sunny Delight” brand of fruit drinks which were marketed as a healthy drink, where the manufacturers even pushed for the drink to be unnecessarily stored in the “chilled” section alongside the pure fruit juices for an association for that product which proved misleading and unnecessary. The news media picked up on what was perceived as a total misrepresentation of the product and medical cases even arose where children reacted to the betacarotene colouring additive and turned bright yellow and orange. These medical cases were particularly embarrassing for the manufacturers (Procter and Gamble) and a marketing agency’s nightmare since the television advertising campaign at the time showed two snowmen raiding the fridge for the drink and changing colour. When consumers became better educated about the contents of the product and it became clear that it in fact contained additives and only 5% fruit (since it was only a “fruit flavoured” drink) the brand suffered a huge backlash and sales are now suffering (down 36% three years after the launch).

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