# A Product is What You Sell; A Brand is What People Buy.

## Product Decisions: The tangible.

- Focuses on delivering key benefits: taste and nutrition.
- Involves specific attribute decisions: calories, sugar, fiber, flavor, texture.
- Requires technical expertise: human nutrition, food manufacturing, consumer taste preferences.

## Brand Decisions: The intangible.

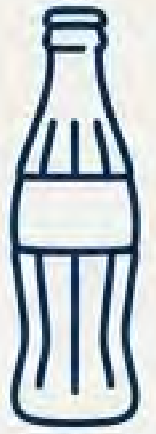
- Focuses on creating a unique identity and enhancing the experience.
- Involves creating psychological benefits, like becoming part of a ritual.
- Requires customer insight: understanding needs for self-expression, relationships, and belonging.

# Brands Are Lasting Assets That Defy Commoditization.

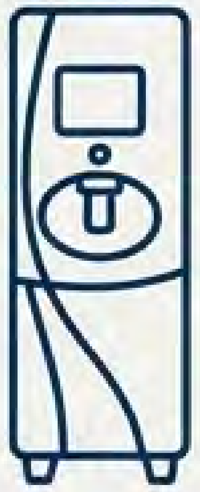
While products can become obsolete or be reverse-engineered, a strong brand can endure for generations, inheriting the legacy and trust built by its predecessors.

## Case Study: Coca-Cola

- **Initial Value Source:** A “secret” product formula. This made the product a de facto commodity, vulnerable to imitation.
- **The Shift:** The company realized it was selling the *Coca-Cola brand*, not just a cola product. The failed “New Coke” rebranding reinforced the brand's immense emotional value.
- **Today's Strategy:** The brand is the primary source of market value. The Coca-Cola Freestyle machine, with over 150 customizable beverages, illustrates this perfectly. It is the *brand* that draws customers, not one unique product formula.



Secret Formula



# Spotlight: How to Brand a Commodity.

The Story of Café de Colombia.

## The Challenge

Colombian coffee growers produced high-quality beans but struggled to command premium prices in a commoditized market. A price decline in the 1950s spurred action.

## The Strategy

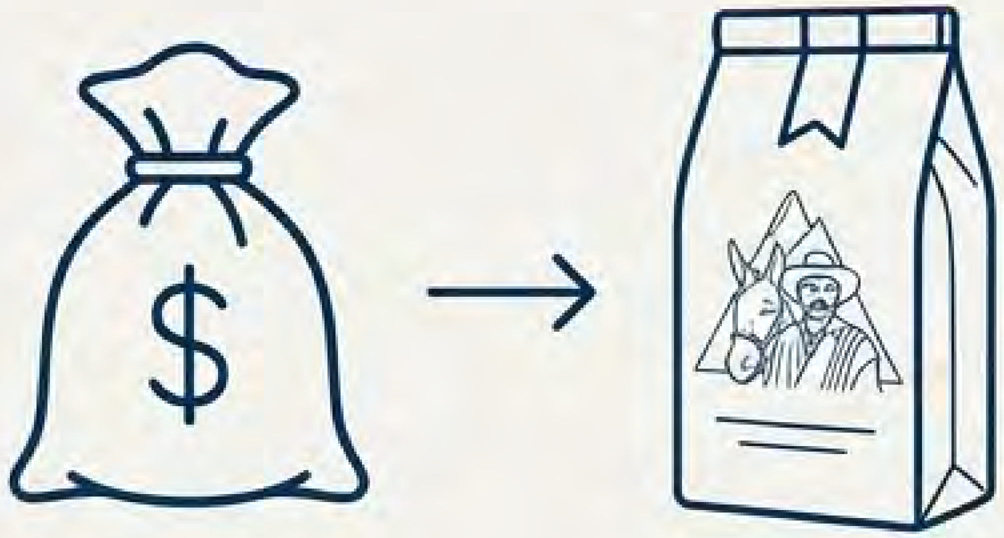
The Colombian Coffee Growers Federation (FNC) decided to build a brand around the coffee's origin to certify its quality and differentiate it from blends.

## The Execution

1. **Create an Icon:** In 1958, the FNC introduced "Juan Valdez," a fictional character embodying the ideal Colombian coffee grower—symbolizing authenticity and expertise.
2. **Build Recognition:** TV and print ads featured Juan Valdez and his mule, Conchita, leading to an iconic logo.
3. **Certify Quality:** The FNC licensed the logo to roasters using 100% Colombian coffee, creating a mark of quality.

## The Result

The brand achieved high recognition, secured premium prices for growers, and expanded into the Juan Valdez Café retail chain, becoming one of Colombia's most valuable brands.



# The Brand Image is the Blueprint in the Customer's Mind.

A brand image is the mental picture that exists in people's minds, shaped by their thoughts, beliefs, and feelings about an offering. It is the network of all brand-specific associations.

**The Brand (Company Action)**

The set of attributes a company creates—name, logo, motto.

→  →

**The Brand Image (Customer Perception)**

The interpretation of those attributes, shaped by personal values, experiences, and social interactions.

Key Insight: Managers control the brand attributes but can only *indirectly influence* the brand image that forms in each individual's mind.

## Brand Reputation

Focuses on the past; company-centric (reflects historical actions).

## Brand Image

Broader scope (past, present, future promise); customer-centric (how customers internalize the brand).

# Deconstructing the Blueprint: An Association Map


This map visualizes one person's mental network for the Starbucks brand.

- **Nodes:** Symbolize different ideas associated with the brand.
- **Proximity:** Nodes closer to the center represent primary, stronger associations. Nodes farther away are secondary.

## What Defines a Strong Brand Image?

- A large number of meaningful associations (benefits, usage occasions, experiences).
- The strength and positivity of those associations.

**Note:** The same brand can evoke varied perceptions. Some see Starbucks as "handcrafted espresso," others as a "social space."

# The Brand’s Power Grows When Benefits Aren’t Obvious

The Challenge: **Not all benefits are transparent**. A brand’s role is to make the invisible visible.

### Observable (Search) Attributes

Benefits are easily identified before purchase. Low uncertainty.

The color of a car, the size of a toothpaste tube, the type of cuisine at a restaurant

### Experiential Attributes

Benefits can only be evaluated through use. Higher uncertainty.

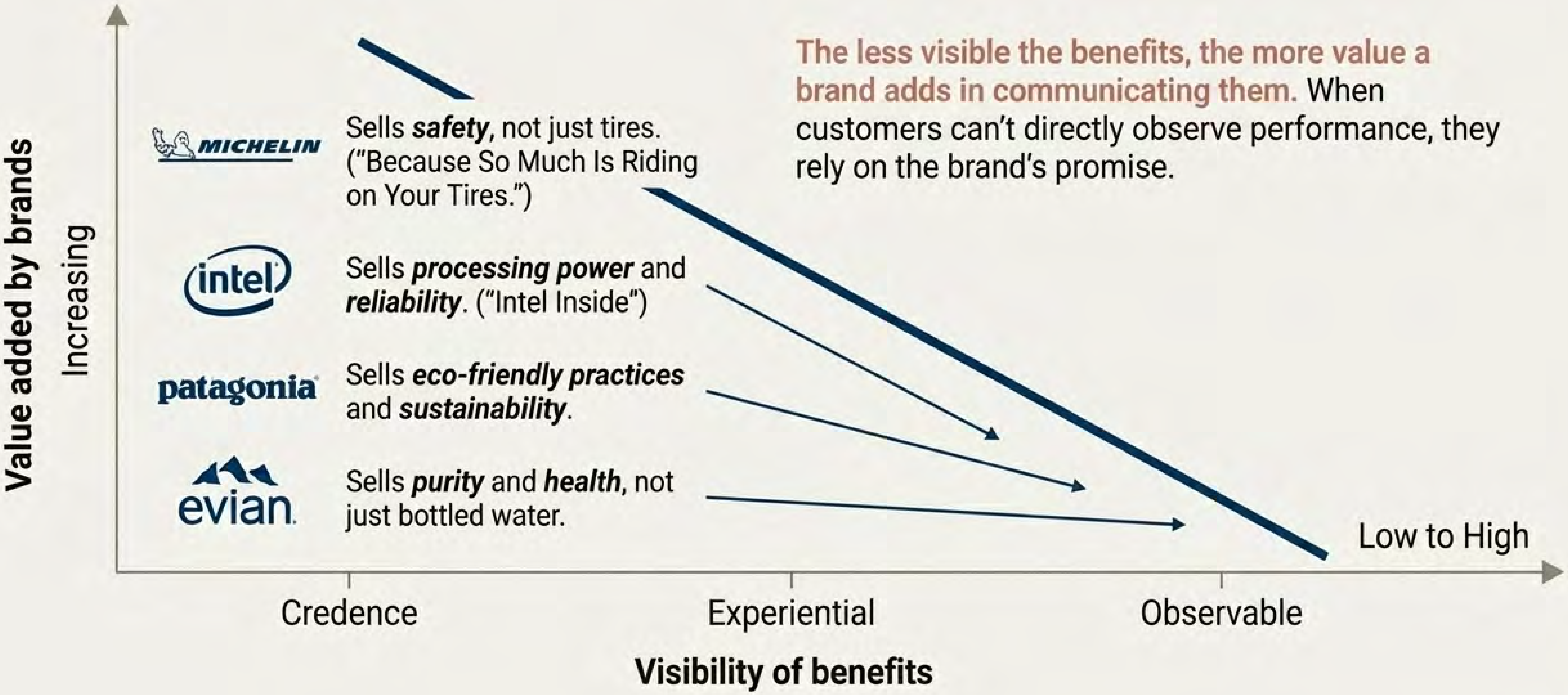
The taste of the toothpaste, the comfort of the car, the flavor of a meal.

### Credence Attributes

Performance cannot be fully assessed even after consumption. Highest uncertainty.

The cavity-prevention benefit of toothpaste, the safety of the car, the calorie count of the meal.

# Making the Invisible Visible: The Core Task of Great Brands.




**The less visible the benefits, the more value a brand adds in communicating them.** When customers can't directly observe performance, they rely on the brand's promise.

# The Manager’s Toolkit: The 7 Levers of Value Creation

The brand doesn’t exist in isolation. It is one of seven attributes, known as the Marketing Mix, that managers use to define an offering and create market value.


1. **Product:** The core goods (tangible or intangible).
2. **Service:** Benefits without permanent ownership.
3. **Brand:** The identifier of origin and creator of unique value.
4. **Price:** The monetary amount charged.
5. **Incentives:** Tools to lower cost or boost benefits (discounts, loyalty programs).
6. **Communication:** How the offering is described to the audience.
7. **Distribution:** The channels used to deliver the offering.

# The Brand is the Integrating Force in the Marketing Mix


## The Debate

- Managers often debate the most important element of the mix.
- Engineers see the product as central (Apple's innovation).
- Service managers prioritize service (Zappos' exceptional support).
- Sales managers focus on distribution (getting products into customers' hands).

## The Pivotal Role of the Brand

Beyond being just one attribute, the brand embodies the essential aspects of the value created by the other six.

## Key Insight

The brand image often becomes a reflection of the offering's entire value proposition. A Harley-Davidson's brand image isn't just a logo; it reflects the product's design, the service experience, the pricing strategy, and the community-based communication.

# Strategy Before Tactics: The Market Impact of the Brand

## The Common Mistake

Many companies start with tactical activities—choosing a logo, creating an ad campaign—without a clear strategic vision. This leaves success to chance.

### The Strategic Flow of Value Creation

**Company Activities**

The branding efforts a company undertakes (design, communication).

**Brand Image**

These activities shape a subjective perception in the customer's mind.

**Customer Behavior**

The brand image influences purchase likelihood, usage, and advocacy.

**Customer Value**

Perceived benefits

**Company Value**

Bottom-line impact

# The Strategic Compass: A Value-Driven Approach

To build a strong brand, you must reverse the flow. Start by defining the value the brand will deliver, and let that guide all tactical decisions.

### The Value-Driven Brand Management Model

**Start with Value**
First, analyze customer needs and define the **Customer Value** the brand will provide.

**Define the Image**
Determine the **Brand Image** needed to communicate that value.

**Link to Outcomes**
Link the image to desired **Customer Behavior** and the resulting **Company Value**.

**Execute Tactics**
*Only then* should you design **Brand Tactics** (company activities like logos, ads, etc.) to build that specific image.

**Brand Strategy** guides **Brand Tactics**

# The Brand Promise: Defining the Soul of the Brand

The **Brand Promise** (or brand mantra) is a short, internal phrase that encapsulates the brand's core meaning and essence. Its purpose is to align all stakeholders and actions.

Key Characteristics:

- It is an **internal** concept, not a public motto.
- It reflects the company's **core competency**.
- It sets **boundaries** for brand extensions, clarifying what the brand is and what it is not.

**Examples: Promise vs. Motto**

| Brand | Internal Brand Promise | External Brand Motto |
| --- | --- | --- |
| Nike | Authentic athletic performance | Just Do It. |
| Disney | Fun family entertainment | Where Dreams Come True. |
| BMW | A superior driving experience | The Ultimate Driving Machine. |
| Walmart | Everyday low prices | Save Money. Live Better. |
| Ritz-Carlton | Impeccable hospitality | Ladies and Gentlemen Serving Ladies and Gentlemen. |

# Spotlight: A Symbol as a Coat of Arms

## The Enduring Identity of Nestlé

1868

↓

Today

### The Origin

In 1867, Henri Nestlé developed an infant formula to address high child mortality. He was one of the first Swiss manufacturers to use a distinctive logo.

### The Symbol

The logo, introduced in 1868, was based on his family name ("little nest"), depicting a mother bird feeding her chicks. It symbolized nurturing and reinforced the brand's connection to its infant products.

### The Conviction

When his agent suggested replacing the nest logo with the Swiss cross for a local market, Nestlé firmly refused.

> " *I cannot agree to let you change my nest for a Swiss cross... I absolutely insist that my labels must be identical everywhere... People must be able to identify my product at first glance. The nest is not only my trademark but also my coat of arms... anyone can make use of a cross, but no-one else may use my coat of arms.*

# The Pinnacle: Moving from Managing the Brand to Managing *by* the Brand

Building a strong brand requires moving beyond brand-specific decisions to using the brand's core essence as the guiding principle for *all* company actions.

## What "Managing by the Brand" Means:

- **Strategic Alignment:** All decisions—product design, pricing, service, distribution—must be consistent with the brand's identity and value proposition.
- **Cultural Embodiment:** The brand's promise shapes the corporate culture. It is internalized by every employee, not just the marketing department.
- **The Brand as the Organization's Character:** The brand's values become the shared values that guide the entire organization's actions.


## Examples in Action:

- **Gillette:** Ensures its products live up to "The Best a Man Can Get."
- **Louis Vuitton:** Maintains its luxury identity by avoiding promotional sales.
- **Patagonia:** Embeds its environmental value system into its operations and supply chain.