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Building brands identity

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Abstract

It is generally known that the decisional process regarding to choose or not to choose a brand is determined by anecdotal evidence. Having a great product without a strong identification is not enough. If a potential customer can relate to previous experience with the identity of a brand, he surely developed a brand image and is more likely to prefer that specific brand.
In this research paper the components of a brand identity are going to be studied in order to have a hierarchy of the importance of the elements and an impact dimension. All this will also result in arguments for the relevance of a brand identity strategy.
Even though a vast amount of academic research regarding brand identity is available, there is not enough research regarding the correlation between brand identity strategy and brand image and no simple basic brand identity framework can be found.
Associating your product with a strong brand identity is a key factor in competitive advantage and leads to great financial rewards. The smaller is the difference between the perceived brand image and the entity's aimed brand identity; the more efficient was the brand identity strategy.
It is important to note that Nescafe brand is subject for the testing of the developed framework and is used to support the findings of this work paper.

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Keywords: brand identity; brand identity strategy; brand image; brand equity

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1. Introduction

In these days, a product or a service is almost irrelevant without the brand. It cannot be identified or associated with what influences in fact our purchasing process. It is the overall effort of a brand identity what actually determines the success or failure; and a better understanding of it and its result, namely the brand image, is an important matter.

Some of the problems identified by me are the complex processes of testing, designing, evaluating and comparing brand identities. Consequently, a simple brand identity framework will be created tested and compared to an existing brand identity blueprint. When we speak about identity and image management, we discover a high degree of unpredictability, uncertainty and a creativity factor added to the management lines. In order to have consistency within the company, it is the best situation to reduce risk and doubt associated to certain departments by the skeptical entities that are involved.

In the process of building a brand identity, more important an active brand identity, we prefer to have certain guidelines or frameworks in order to do it right from the first attempt. As we all know, according to (Lord Kelvin) what can be measured can be improved. Considering this, having the dimension of impact of the general brand identity on a consumer's perception, we can increase predictability, reduce risk and increase the efficiency from the beginning of the development of a brand.

2. Literature review

2.1. Conceptual delimitations

To define the well-known but confusing concept of brand, we acknowledge the definition presented by AMA (American Marketing Association). Name, term, sign, symbol, design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

Another concept about brand would be Van Den Heaver's, (2000) opinion that the definition earlier mentioned does not characterize a brand, but the following one does. He says that brands are what the entity wants its target customer to think and feel about their products or service. If we adapt this definition to the work paper, we could say that he refers to an approach of the brand identity.

According to Shiva N. (2005), it is said that the brand is not a tangible asset and has no physical existence and the value of such thing cannot be determined, excepting specific business transactions. Therefore, we consider that a simple non-physical evaluation system of a brand identity for guidance purpose can be useful.

Many other opinions can be discovered and perhaps accepted. But in literature we can identify an agreement between Kotler P., Keller K. L., (2006), Keller K. L., (2003), Shiva N., (2004) and Duncan T., (2005) that states that a brand is a product or service differentiated by its positioning relative to the competition. From our point of view, these authors were referring especially to what produces the differentiation and we consider it a fair approach based on most primitive form of the brand.

Another definition and conceptualization of a brand, which we consider accurate and also links the brand to identity to brand image is the one that says that a brand is not necessarily a product; but it is the product's essence, its meaning, and its direction, and it defines its identity in time and space. Too often brands are examined through their component parts: the brand name, its logo, design or packaging, advertising or sponsorship, or image or name recognition, or very recently, in terms of financial brand valuation; but it is not enough. Real brand management however, begins much earlier, with a strategy and a consistent, integrated vision. Its central concept is brand identity, not brand image. This last definition might seem to contradict the course of our work paper; but we must remind you that we are focused on the brand identity and not the entire brand which is formed by brand identity and brand image.

2.2. Brand identity

As the concept states, brand identity is how a company is being identified. The consistency of this brand identity is formed by its features like culture, vision, personality, positioning, presentations, relationships and other meaning beliefs followed by the entity.

Further, brand identity will be transformed in one or more of the following components in order to result the desired brand image: logo, apparel, signage, stationery, marketing collateral, messages and actions, products and packaging, emotions and other components. We also like to consider these components as the vehicle that leads to the aimed brand image. Brand identity is the direction the vehicles must follow to reach their destination, namely the customer's perception.

It is common for companies to use strategies of branding in order to communicate their identity and their value to potential consumers and stakeholders. It is the specialized departments or external agencies the ones that must convey and develop a suitable brand identity strategy.

In order for a brand to differentiate itself, it must follow a complex process considering the components of a specific importance. Every component that will be encountered by the public is relevant for forming brand identity and thus creating brand image. The entire overview upon the brand is developed during the meeting of the public with the brand identity, which divided is formed by logo, stationery, marketing collaterals, products and packaging, signage, apparel design and messages and actions. We consider this process as a complex marketing strategy which requires the implication of all the levels that have an interest in the success of a particular product. This overall endeavor results in creating loyalty and emotional connections with the targeted public; and this is what we will also try to prove at basic level through our research paper.

Of course the brand concept is not a recent one; but only the term is somehow new. It has been used for identifying and differentiating products since very early times. The word brand is coming from the German language, meaning to burn. Its basic overall view is proclaiming ownership of property and even though this element has widely evolved and became more complex, the concept of ownership is still present but with a greater and greater importance with time passing by.Soon after the appearance of the ownership concept, the consumers started to have preferences of particular manufacturers or providers. It was always a strong association between the identity and the responsibility towards the customer resulting in the desire of the equity owners to differentiate and enhance identification and differentiation for their product or service.

The entire history of brand is a difficult one that has suffered many different trends influences. But when we discuss about such things, it is important to update the knowledge related to the subject in order to be relevant. Updated information will be presented in the next chapters.

Further, taking into account the literature, this paper will use the next model (Fig. 1)created with the elements earlier mentioned.

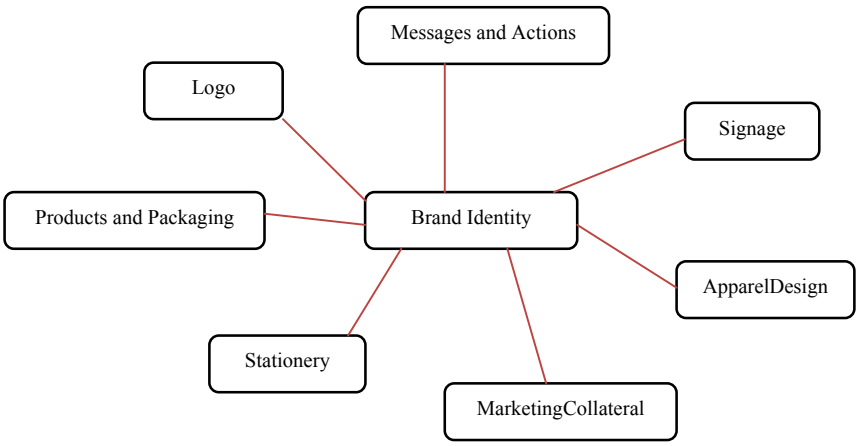

Figure 1 Brand Identity Elements

2.3. Brand equity

Considering the Customer-Based Brand Equity model, we have encountered 8 well established conceptualizations of brand equity in Eda (2009):

1. In 1993, Keller K. L. defined brand awareness and brand image as dimensions for brand equity.
2. In 1994, Park, C. S., Srinivasan, V. said that the best dimensions for brand equity are brand associations. Like the ones that will be explained soon.
3. In 1995 Lane and Jacobson established that brand attitude and brand name familiarity are creating brand equity.
4. Still in 1995, Cobb-Walgren, Ruble and Donthu acknowledge brand equity as being the perceived quality, brand awareness, brand associations and advertising awareness.
5. In 1996, Aaker decided that the best dimensions of brand equity are brand loyalty, perceived quality, brand awareness and brand associations.
6. In 2000, Yoo, Donthu and Lee agreed and updated arguments for Aaker's establishment from 1996.
7. Again in 2000, Berry says that brand awareness and brand meaning are dominant for customer's perception.
8. And the last conceptualization specified in the book, is from 2001 when Yoo and Donthu updated again their arguments from 2000 for the idea that brand equity is brand loyalty, perceived quality, brand awareness and brand associations.

2.4. Brand personality

It is for sure that brands have personality. From our point of view, we like to link the emotion dimension from the buying process, to the brand personality impact.

Personality represents the emotional characteristic of the brand. It is influenced by positioning as well as the core values and culture of the top management. Shiva N., (2005). The personality of the brand is a complex and rich information regarding the entity. If it would have been necessary for this work paper to take a deeper understanding in the reflection of the brand personality on the brand image, we would have used the following dimensions defined by Lombard A., (2001): sincerity, excitement, competence, sophistication, ruggedness.

3. Defining the brand Nescafe

Consumption of coffee in Romania is driven by macro-economic factors, innovation and the price for raw materials. Last year, 9 out of ten Romanians from urban areas, has consumed at least once a day a coffee and 25.6% of them drinking more than one coffee. Other figures related to this subject would be 6.6% have used this product two to three times per day, while 1.5% consumed only once per month and 0.8% more rarely. We must say that these facts come from a study named BrandExpress made by Daedalus MillwardBrown, through a continuous telephone survey on a sample of 1.000 respondents.

The local market is firmly anchored in roasted and ground coffee segment in both retail and out of home. One great feature of the local coffee market is that consumers hardly change the taste with which they have become accustomed over time, so that their loyalty towards the brand is high.

Nielsen's Shopper Trends reports show that Romanians choose rather to consume less coffee than to change their favorite brand. Other factors that might influence sales are the presence of the product in the stores, price and promotions. It has to be mentioned that the decisional process of purchasing the coffee is strongly linked to the availability of the product for purchase. Therefor the brand Nescafe is present in all outlets, both in traditional commerce and modern commerce.

Coffee consumption in Romania is about five times lower than the European average, according to a study made by the market research institute GFK. According to the study, a Romanian consumes annually about 1.83 kg of coffee, while Europeans drink no more than 5.3 kg of coffee.

Romanian Coffee association brings together leading manufacturers like Elite Romania, Kraft Foods Romania, Supreme Imex, Nestle and Panfoods Alca. Co., which together hold about 90% of the local branded coffee market. According to this association, the reason for the low consumption comparing to the European level of consumption is owed to the price of such a product which Romanians cannot afford. This association is campaigning since last year to eliminate excises, which will result in a market growth by more than 50% over the next four years. The main consumers in Romania according to their occupation can be distributed after the following percentages: 50% deskbound professionals, 25% students, 15% homemakers and 10% freelancers.

3.1. Nescafe customer-based brand equity model

Considering the Customer-Based Brand Equity model, we found the following result according to the students from Singapore Management University in a Strategic Brand Management project. (thenescafeway.wordpress.com)

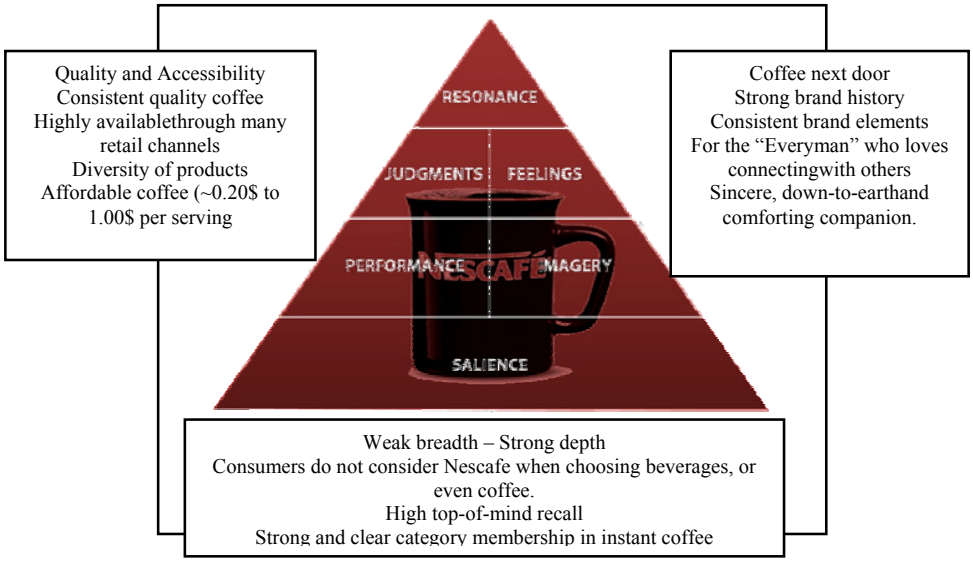

Figure 2Customer – Based Brand Equity Model on Nescafe

3.2. Nescafe's brand profile

The transparency concept is taken seriously by Nescafe; therefore it was easy to identify the following characteristics of Nescafe's brand profile.

Mission – Nescafe is dedicated to making great tasting coffees for you to enjoy every day.

Mantra – Bringing people together, Great tasting coffee, Well-being.

CEO – Paul Bulcke.

Target Market – Nescafe's primary target market constitute by those that drink coffee, especially those that are looking for a fast solution to good coffee.

Products – Coffee products (Nescafe Original, 3 in 1, Alta Rica, Cap Colombie, Espresso, Gold Blend, Green Blend, Cappuccino, Original Decaff, Gold Blend Decaff) and Coffee Machines (Dolce Gusto).

Price – average serving price is 0.20 $.

Place – from convenient stores to supermarkets and rarely in restaurants, café's a similar location.

Brand presence – is formed by social media engagement, involving in the community, print ad and road show.

3.3. Nescafe's brand identity

Nescafe is a strong brand that was established in Singapore around 70 years ago. The main associations for the Nescafe brand is the parent company Nestle and the international profile owned to their very diverse range of coffee products. Fortunately, each element of brand identity presented by me earlier is exploited by Nescafe. This will make the testing of the framework on Nescafe brand image possible.

To avoid the monopolization of this discussion by Nescafe, we will make a general assessment of its brand identity. The overall brand is based on the following structure: easy to pronounce brand, brand consistency, high reputation of Nestle and media mix like television commercials, radio, cinema, packaging, event sponsorship and sales promotion.

3.4. Nescafe in Romania

Nestle began its activity in Romania since 1995 with the purpose of bringing coffee, cereals, instant soup and baby food. The company Nestle during its presence in Romania it had in 2009 for example approximately 150 million euros turnover. Of course Nestle is the biggest player on the instant coffee market in Romania with Nescafe.

In Romania, Nescafe is the leading soluble coffee, with a portfolio of differentiated products based on consumer taste profile. Owing to its accessibility in store and in price, it has predominant market share for instant coffee.

4. Data and Methodology

4.1. Research problem

The research problem that we considered is the establishment of whether or not the system created by us has relevance and can be applied. We aim to test the impact of the brand identity elements on the consumer's perception in order to have better knowledge in the field and make the process of building and evaluating a brand easier.

Studying at what level the logo, stationery, marketing collaterals, products and packaging, signage, messages and actions and apparel design are having an impact on the customer's perception can be beneficial for building brands identities.Further after the testing of the relevance of the framework, we also want to establish a hierarchy of the importance in the perception of consumers regarding logo, stationery, messages and actions, products and packaging, signage, apparel design and marketing collaterals; and to test the possible existence of correlation between the mentioned factors.

4.2. Research objectives

It is mandatory to introduce the research component in the process of designing a brand identity in order to have a suitable brand identity that will relate positively the brand image to the entity. Therefore, we decided to study the decisional process of purchasing with the help of both brand identity and consumer's perception. The objectives of our research will mainly focus on brand identity framework and the impact of the presence of such a strategy on consumer's perception.

Our primary research objective is the creation of a map of impact dimension of a brand identity of a consumer's product on a consumer's perception. Further, we will also present our primary and secondary objectives on a hierarchical basis, such as:

1. Develop a brand identity framework
2. Study the impact of the brand identity on consumers
3. Establish a hierarchy of the importance of the components in the mind of the consumers
4. Study Nescafe's brand identity impact on its customers

5. Study the correlation between the two impacts

4.3. Purpose of the work paper

Considering the objectives on which we decided to focus our work, we identified several suitable questions.
- Which are the main factors and vehicles forming brand identity?
- What component of brand identity has the greatest importance?
- How big is the impact or how much of the purchasing process represents the brand identity?
- How big is the impact or how much of the purchasing process represents the brand identity of Nescafe?

With the help of this research, we want to create a simple system to evaluate a brand identity for enhancing brand image and perhaps accurately comparing similar brands. Of course these actions become useful in the moment they are needed.

It is not easy to evaluate a brand identity or to follow a random framework for building an active brand, but having a scale for evaluation and guidance would make the job of the creator of brand identity easier and this is our purpose through our work-paper.

4.4. Data collection method

During the designing of the procedure we would follow, we decided on a descriptive research with empirical results. The decision was made because our work is developing and testing a description of people's perception. We chose a sample size of approximately 10% of the 3rd year undergraduates from the Faculty of Economics and Business Administration; representing from our point of view a relevant size in order to make a generalization in this situation.

As we had a specific target and a process that required two staged questionnaires, we decided to gather our results electronically with the help of a database with the targeted subjects.

The earlier mentioned guidelines for our sampling existed because our work paper required relevant answers from respondents that are familiarized with the brand concept. Our reason is not that those that are familiar with the brand concept are the only ones influenced by a brand identity, but in order to have relevant answers, we needed the respondent to have an opinion on this matter.

Once the problem was formulated, and we started to develop a primary research, we have done some extensive literature review in order to formulate a questionnaire as an instrument for the research.

In order to develop the impact dimension for our research, we used 7 brand identity components established by us after an extensive documentation: Logo, stationery, marketing collateral, products and packaging, apparel, messages and action and signage. Further in the questionnaire we developed a table in which the respondent was able to grade each component according to the following semantic differential scale: "very strong, strong, neither strong or weak, weak, very weak" and in order to be able to interpret the data, we attributed each of the scale a value: 2, 1, 0, -1 and respectively -2.

The first series of 100 questionnaires was completed in November 2012, and the second series applied to the same respondents in March 2013. The reason for this difference on the timeline was that we wanted the respondents to forget and ignore the previous answers received from them. This is important to eliminate biased answers in the second series of questionnaires and to have accurate responses reflecting their present opinion.

4.5. Questionnaire design

To have the necessary tools for reaching the established objective, we have developed two similar questionnaires which will make references to the Nescafe's brand identity and the brand identity (general).

4.6. Sample

Regarding the sampling method, we decided to follow the following quota guidelines:

There are 1047 3rd year students in Iasi at the Faculty of Economics and Business Administration spread into 10 specializations. In order to have a relevant sample size to test our assumptions, we had 100 respondents, approximately 10%, and 200 questionnaires, 2 per each respondent.

The first series of 100 questionnaires was completed in November 2012, and the second series applied to the same respondents in March 2013.

After applying the questionnaire according to the sampling establishment, we have selected responses in order to fit the sampling guideline. The results were according to the following Figure 3:

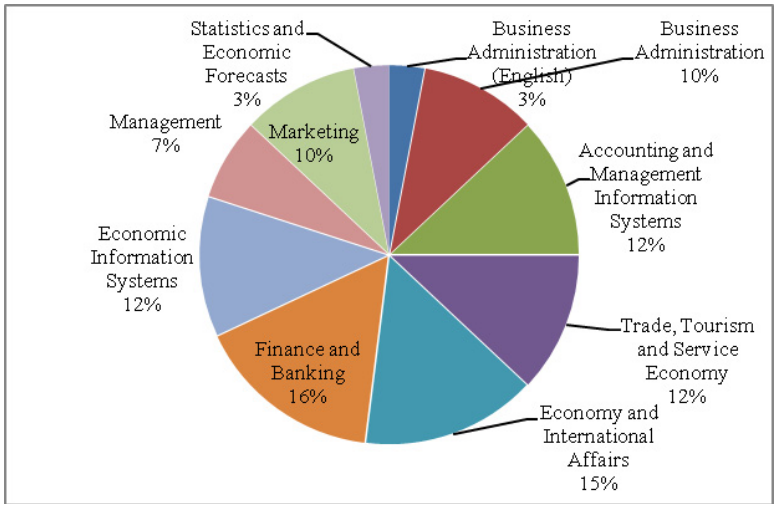

Figure 3 Sampling Results per Specialization

5. Results

In order to reach our objective, the process requires a two stages research.

The first stage of the research will constitute in developing an ideal map of impact that can be reached by the brand identity and an evaluating system. The first stage will also provide us with a hierarchy between the factors.

In the second stage we will test a particular brand identity, Nescafe, in order to see the efficiency and applicability of our result and the efficiency of the brand identity strategy of an entity that is situated on the 35th place in the top brands in the world and 7th place in the top coffee brands in the world.

5.1. Acceptance of the association

90% of the respondents agreed that this association (Logo, stationery, signage, marketing collaterals, messages and actions, apparel, products and packaging) while making the purchase decision is real. Also, according to the responses that we received, 87% of the respondents agreed to the existence of an emotional component and only 13% disagreed.

5.2. Brand identity element impact

From the results of the first data collection we have extracted a hierarchy of the importance of each element of the brand identity for the brand image. We have to say that the results were expected by me and there is a logical hierarchy taking into consideration the focus of the main brands in the world on certain aspects of the brand identity

The degrees that have resulted from computing the scores resulted from the Brand identity assessment section from the questionnaire. The hierarchy is the following: 1st Products and Packaging (22%), 2nd Marketing Collaterals (20%), 3rd Logo (18%), 4th Messages and Actions (14%), 5th Signage (13%), 6th Stationery (7%), 7th Apparel (6%).

To continue, the hierarchy in the second series of the questionnaires tested on Nescafe is similar but with small differences. The hierarchy is the following: Products and Packaging (18%) is still the first, followed by Logo (17%), Marketing Collaterals (16%), Messages and actions (15%), Signage (14%), Stationery (11%) and Apparel (9%).

To make sure about the accuracy of our future conclusions, we also want to test the presence of any correlations between each element of brand identity from the two series of questionnaires.

In order to reach a conclusion about the existence of any relation between the two series of data, we will conduct Pearson Correlation tests through SPSS 17.0 for each of the brand identity elements. With these said, the tests will be made on logo general assessment and Nescafe logo assessment, stationery general assessment and Nescafe stationery assessment, marketing collaterals general assessment and Nescafe marketing collaterals assessment, products and packaging general assessment and Nescafe products and packaging assessment, apparel design general assessment and Nescafe apparel design assessment, messages and actions general assessment and Nescafe messages and actions, signage general assessment and Nescafe signage assessment.

Between the perceived impact dimension for logo and the perceived impact dimension for Nescafe logo is a correlation of 0.461 (Pearson Correlation).

Between the perceived impact dimension for stationery and the perceived impact dimension for Nescafe stationery is a correlation of 0.359 (Pearson Correlation).

Between the perceived impact dimension for marketing collaterals and the perceived impact dimension for Nescafe marketing collaterals is a correlation of 0.419 (Pearson Correlation).

Between the perceived impact dimension for products and packaging and the perceived impact dimension for Nescafe products and packaging is a correlation of 0.521 (Pearson Correlation).

Between the perceived impact dimension for apparel and the perceived impact dimension for Nescafe apparelis a correlation of 0.455 (Pearson Correlation).

Between the perceived impact dimension for messages and actions and the perceived impact dimension for Nescafe messages and actions is a correlation of 0.468 (Pearson Correlation).

Between the perceived impact dimension for signage and the perceived impact dimension for Nescafe signage is a correlation of 0.411 (Pearson Correlation).

The overall conclusion of these tests offers us a degree of certainty related to the answers received from the respondents. We can say that this process verified the accuracy of the thesis conclusions related to the previous tests.

6. Conclusions

Considering the results from the research, several conclusions can be mentioned.

First conclusion would be the assessment of the brand identity. Reviewing the results, the importance of a strong brand identity is obvious. In order to occupy the designated area of impact from the customer's perception, it is mandatory to take into consideration the undertaken factors.

Second conclusion is the established hierarchy between the brand identity elements. It is wrong to have a perception upon the brand identity as an individual asset. It is based on the following elements presented in order of their importance: Products and Packaging, Marketing Collaterals, Logo, Messages and Actions, Signage, Stationery and apparel.

Third conclusion is related to the testing of the applicability of the framework. The positive correlation identified between the two series of data demonstrates that the system developed in the work paper can be applied.

7. Research limitations

During the process of designing our research several limitations were encountered. The generally present time limitation was the main factor keeping the objectives of this research extending. Further we doubt of the sincerity of our respondents, noticing the existence of the need to have a complex answer in the open questions while we needed a simple and concise answer.

Ignoring the general limitations related to financing and timeframe, this research could be test on much more than one brand. Several business entities with very different turnover could be tested in order to notice the influence of a brand identity.

Also we consider geography a limitation in this situation because it would have been relevant to apply and test the framework in different cities or even different countries.

8. Originality

The originality of our paper constitutes of the simplicity of the application of the results. There are a lot of studies and researches that imply the link between brand identity and brand image, but we could not identity a simple system which can lead you perhaps to an algorithm for brand evaluation or comparison or even serve as guideline for a new brand identity design.

We also have to mention at this point that we do not consider only high level brands as possible targets of the results of our research; but any small, medium and large enterprise. This fact is relevant for the originality because small and medium entities are not considered to have a relevant brand identity, but we consider the opposite and we think they own the core of a future brand identity.

9. Relevance

Considering the definition offered by Hjørland B. & Sejer C., (2002), we consider something relevant if it enhances the chances for the accomplishment of a certain task that is implied.

In a fast forward moving and a dynamic market, such a measurable framework is enhancing the designing of a brand identity strategy and offers the possibility of improvement. Weare sure that if the system can be applied, it can bring relevance to the process of brand building.

Further it is not the relevance that should be questioned, but the reliability. It is a mistake to take some form of method and apply it without certainty and this uncertainty is what we want to eliminate through our research. The results of such a research can be interpreted and used for different purposes, but the relevance constitutes in the way it is used.As earlier specified, it is easy to identify multiple applications for our research as it is regarding brand, concept that has always been evolving and studied and will continuously be developing.

Again the diversity is not questionable, and it comes down to the purpose for which it is applied because the result can lead to many different conclusions and interpretations; and can be applied for different purposes.

Despite the fact that this work paper is designed and tested on respondents and market characteristics from Romania, it has a world-wide application because of the global characteristic of brands nowadays. Besides this, we can identify several concepts that can lead to international use. The blueprint can be applied by different levels of management; it is generally reliable and can be adapted to different cultures based on local policy, perceptions, beliefs and many other variable factors.

The main result of this work paper is not a rigid one, and it is suitable for different situations as it has a wide diversity and international application.

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