Challenges and Opportunities of Brand Management, Brand Equity and Corporate Branding

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Abstract: **Branding is actually considered to be as back bone for the customer's in selecting his or her choice of products. In modern vibrant business environment most of the organization emphasizes only focusing on the enhancement of brand value, and also brand positioning. In the light of present day context corporate's survive only on the basis of their respective brands, enabling them to adopt staggered branding process as' a strategy in order to capture the public attention and also persuading them by application of enormous ways of marketing tools, and even certain organization projects its brand as testimony. Over the past several years branding has gained a significant and staggering importance and still hoping in gaining charm in future.**

***Key Words – branding, convictions of brand, branding strategy, Staggering progress*.**

I. INTRODUCTION

Marketers must create competitive advantage by constantly adapting to and instigating change. An innovative product or program loses its competitive edge and the ability to command price and/or share premiums as soon as the competitors are able to duplicate or counter its capabilities. Hence, successful marketers must dare to be different, to market changes are likely to be more successful if actions are guided by knowledge of the forces shaping market behavior and insights that enable the development of sustainable competitive advantages.

Meaning and Significance of Corporate Branding

Corporate branding is the practice of using a company's name as a product brand name. It is an attempt to use corporate brand equity to create product brand recognition. It is a type of family branding or umbrella brand. Disney, for example, includes the word "Disney" in the name of many of its products; other examples include IBM and Heinz. This strategy contrasts with individual product branding, where each product has a unique brand name and the corporate name is not promoted to the consumer.

Corporate branding can result in significant economies of scope since one advertising campaign can be used for several products. It also facilitates new product acceptance because potential buyers are already familiar with the name. However, this strategy may hinder the creation of distinct brand images or identities for different products: an overarching corporate brand reduces the ability to position a brand with an individual identity, and may conceal different products' unique characteristics.

Corporate branding is not limited to a specific mark or name. Branding can incorporate multiple touch points. These touch points include; logo, customer service, treatment and training of employees, packaging, advertising, stationery, and quality of products and services. Any means by which the general public comes into contact with a specific brand constitutes a touch point that can affect perceptions of the corporate brand.

It has been argued that successful corporate branding often stems from a strong coherence between what the company's top management seek to accomplish (their strategic vision), what the company's employees know and believe (lodged in its organizational culture), and how its external stakeholders perceived the company (their image of it). Misalignments between these three factors may indicate an underperforming corporate brand. This type of corporate brand analysis has been labeled the Vision-Culture-Image (VCI) Alignment Model.[1]

Changes in stakeholder expectations are causing an increasing number of corporations to integrate marketing, communications, and corporate social responsibility into corporate branding. This trend is evident in campaigns such as IBM Smarter Planet, G.E. Ecomagination. The Coca-Cola Company Live Positively, and DOW Human Element. As never before, people care about the corporation behind the product. They do not separate their opinions about the company from their opinions of that company's products or services. This blending of corporate and product/service opinions is due to increasing corporate transparency, which gives stakeholders a deeper, clearer view into a corporation's actual behavior and actual performance. Transparency is, in part, a byproduct of the digital revolution, which has enabled stakeholders -- employees, retirees, customers, business partners, supply chain partners, investors, and neighbors -- with the ability to share opinion about corporations via social media.

II. THE SIGNIFICANCE OF BRAND PERSONALITY TRAITS

Externally, corporate brands can establish number of valuable associations in the minds of customers and other key constituents that can help to differentiate the brand,

such as common product attributes, benefits or attitudes; people and relationships; programmes and values; and corporate credibility. 7 – 10 Regardless of how it is constituted, a corporate image will depend on a number of factors, such as the products a company makes, the actions it takes, and the manner in which it communicates to consumers .A key component of the corporate image is the corporate brand personality .In the past, brand personality has been studied at the product level. Aaker 11 examined the brand personality attributed to 60US product brands and found they fall into five main clusters: (1) sincerity, (2) excitement,(3) competence, (4) sophistication and (5) ruggedness (see also Aaker *et al* .,). 12 the organization and it will influence how the company will be viewed by others.

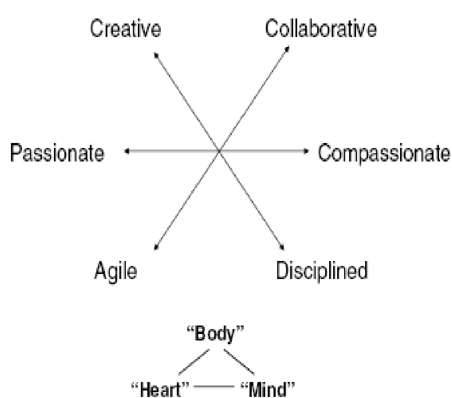


Figure 1 Corporate personality traits.

The 'heart' of the company is comprised of two traits: passionate and compassionate. The company must be passionate about serving its customers and competing in the market and must have compassion for employees, stakeholders, and members of the communities in which it operates.

The 'mind' of the company contains two traits: creative and disciplined. A successful company must be creative in its approach to serving its customers and winning in the market, while also adopting a disciplined approach that ensures appropriate and consistent actions across the organization.

The ' body ' of the company is made up of two traits: agile and collaborative .The successful company must possess the agility to profitably react to changes in the market and also employ a collaborative approach that ensures it works well together inside and outside the company toward common goals.

Note that the identification of these three core dimensions of corporate brand personality is broadly consistent with earlier academic work that empirically analyzed approaches to corporate identity research and identified three core dimensions of the ' Corporate Identity Mix: 'Soul, Mind and Voice. 14,15Next, we discuss these three corporate brand personality dimensions in detail. For each of the three dimensions, two additional sub-dimensions are identified that capture the primary corporate personality traits within these dimensions.

Heart: Passion and Compassion

The 'heart' of the organization involves passion and compassion. Employees of energy sources in manufacturing or programs to reduce the pollution produced by the finished products themselves. Ben& Jerry's demonstrated its care for the environment by splitting the traditional financial bottom line into a ' double 'bottom line, which included a measurement of the environmental impact of their products and processes.

Passion provides the internal drive for employees, but it must be tempered by a concern for others via compassion. 18 Nikes an outstanding example of a company whose passion for athletics and athletes has fuelled great marketing success, but is compassionate to others in many different ways. Nike exhibits compassion to society as a whole through their various communities initiatives such as the Nike GO program to 'get kids moving and give them a means to do it' and Zone arcs in the UK to transform playtime at UK primary schools; environmental initiatives such as Nike Considered, which uses different footwear materials and construction to minimize waste and toxic substances ,and the Nike Reuse-A-Shoe recycling program; and corporate responsibility initiatives through best practice methods in supply chain management and involvement with the Global Alliance.

Mind: Creativity and Discipline

The 'mind' of a successful business must be creative but disciplined. In particular, 21st century firms must possess creativity to overcome the trade-offs inherent in virtually all aspects of business. In many ways, the most fundamental challenge of management is how to reconcile or address the many potential tradeoffs that can exist in making marketing and other decisions. Figure 2 lists a number of the different possible trade-offs or conflicts that can occur in making strategic, tactical, must be made in the context of constrained — and often fairly limited— resources.

In each of those cases, creativity and innovative approaches overcame tough marketing dilemmas. Innovations must go beyond solving trade-offs, however, to also address other organizational issues. Firms must demonstrate the ability to find new solutions to old problems. For example, Procter & Gamble, consistently among the most innovative packaged-goods companies, recently created a more efficient way to clean persistent bathroom stains with competing in new markets that seem more attractive for reasons such as that they are growing faster or have fewer competitors. Then, a few years later, the firm repeats the move, shifting again into another new

business or market. The firm affected by the‘ grass is greener ’ syndrome overlooks the fact that success cannot be sustained by continually chasing business trends.

Some Marketing Traits

- **Strategically**
  - – Retaining customers vs. Acquiring customers
  - – Brand expansion vs. Brand fortification
  - – Product performance vs. Brand image
  - – Points-of-parity vs. Points-of-difference
- **Tactically**
  - – Push vs. Pull
  - – Continuity vs. Change
  - – Classic vs. Contemporary image
  - – Independent vs. Universal image
- **Financially**
  - – Short-run vs. Long-run objectives
  - – Sales-generating vs. Brand building activities
  - – Accountable/Measurable tactics vs. not
  - – Quality maximization vs. Cost minimization
- **Organizationally**
  - – Global vs. Local
  - – Top-down vs. Bottom-up
  - – Customization vs. Standardization
  - – Internal vs. External

Figure 2 Some marketing trade-offs

Body: Agile and Collaborative

Finally, the ‘body’ of the firm involves being agile and collaborative. A successful21st century firm must possess the agility to capture and deliver value to consumers in the face of challenging market dynamics. Many changes have occurred in the marketing environment in recent years. Undoubtedly, the marketing environment will continue to evolve and change, often in very significant ways, in the coming years. Shifts in consumer behavior, competitive strategies, government regulations or other aspects of the marketing environment can profoundly affect the fortunes of a firm. Besides these external forces, the firm itself may engage in a variety of activities and changes in strategic focus or direction that may necessitate minor or major adjustments in the way that its brands are being marketed.

Consequently, effective brand management requires proactive strategies designed to at least maintain — if not actually enhance — brand equity in the face of all these different forces. The firm must be able to move forward quickly to take advantage of new opportunities in the market.

III. OPPORTUNITIES PRESENT IN BRAND MANAGEMENT AND BRAND EQUITY

Strategic Alliances

In the face of global competition, domestic firms may seek alliances with foreign Competitors, thus co-opting them and preventing their availability to competitors. Such alliances have become the norm in the auto industry. Or, given shrinking margins and profits at home, companies may seek greater opportunity in the global arena. To survive, companies often have to share costs and risks, and therefore rewards. Increasingly, they also are forced to share knowledge, distribution, and even capital via strategic alliances that can stretch organizational capabilities and change the nature of brand management. The brand manager must coordinate with counterparts outside the firm as well as traditional contacts within. For many firms, strategic alliances with certain suppliers, distributors, and even former competitors are a key to future competitive strength. Co branding extends to alliances between the complementary brand names of independent producers, for example, Ford’s Citibank Master Card.

Collaborating with competitors

Although alliances between manufacturers with complementary skills, or between manufacturers and their suppliers and distributors, is natural and understandable, even direct competitors can find reasons to collaborate. The strength of global challenges encourages domestic competitors to form alliances and creates pressures for changes in antitrust regulation to make the alliance feasible. Global alliances may provide a way of weakening antitrust restraints. This requires new thinking and possibly a split personality for the brand manager, as he or she cooperates in one domain while possibly remaining competitive in another. This may force new organizational arrangements on the firm.

Designing Products for Global Acceptance

There are myriad factors that influence both customer and competitor behavior in foreign markets. An emerging strategy that seems to be succeeding is to plan globally and act locally, in which activities such as product design are conducted at a global level, but marketing and other transactional activities are customized locally. Finally,

managers must be careful in coping with cultural or language differences.

The expansion into Europe was comparatively easy from a cultural standpoint. As Japan developed, the cultural differences were larger, and U.S. business had more difficulty there. As we look ahead, the cultural challenges will be larger still in the rest of Asia – from China to Indonesia in Thailand to India – where more than half the world lives. U.S. companies will have to adapt to those cultures if they are to succeed in the 21st century.

The brand manager may press for flexible product designs that contain features important to all markets collectively or options that can be added readily to a basic design to satisfy local requirements. Brand management will be involved actively in seeking out, selecting from, and implementing an array of such options.

The Increasing Openness of Markets

Deregulation often leads to increased competition from outside traditionally defined product – market boundaries. Each of these new competitors is leveraging their established relationships with customers to penetrate the credit card market rapidly. To contain threats, banks have gone into partnership with airlines and telecommunication companies to offer credit cards with "frequent user" miles.

The effects of deregulation are felt in varied industries, ranging from import / export to telecommunications, health care, and transportation. It is worth nothing that competitive forces often precede deregulation. They are both a cause and an effect. The challenge to brand management is sometimes how to adapt proactively to harsh new market realities before the protection afforded by regulation is removed.

Impact of Technologies Change

The pace and nature of technological change is itself affected by the globalization of markets. Globalization means larger markets for the products of technology and greater need to coordinate management activities over wider expanses of distance and time. Greater opportunity and reward brings more players to the table and affects the direction of research efforts. Technology can be leveraged to gain competitive advantage or technological change can be resisted by entrenched interests to their own detriment. Other impacts of technology on brand management follow.

Product Innovation

Technological innovation often leads to new and better ways of solving old problems.
These innovative new products may offer greater functionality at lower costs and can displace existing products (e.g., compact discs replacing cassettes; camcorders replacing 8mm movie cameras),

Convergence of product- markets

Technological advances sometimes have blurred boundaries between product markets.
The challenges to brand managers include (1) how to utilize skills from one product market in another, (2) assembling and managing skills of several partners (i.e., ignoring traditional organizational boundaries) in developing and marketing new products and services, and (2)managing joint promotions and ensuring that "partner brand" strategies do not adversely affect their own brands.
Regardless of whether it is technology – driven, the search for defensible competitive advantage also has extended the boundaries of existing product categories or blurred existing definitions. Many industrial producers have discovered the added value that a recognized brand name, as an ingredient or component, can add. By establishing a credible brand present in the final consumer market, producers such as Intel, with its "Intel Inside" campaign, or Du point, with its Stain master brand, are attempting to further their influence with manufacturers of personal computers and carpeting.

Time-based Competition (Market entry timing)

In an era of rapid technological change accompanied by fast innovation, shorter product life cycles, and converging markets, time-based competition is becoming increasingly important. Companies with shorter product development cycles can close in on potential markets faster. Each product iteration enables a fast-cycle company to apply marketplace learning (e.g., features and functions that customers like or do not want), thereby potentially improving success of the next model. Brand managers acquire greater control.

When competitors can leverage similar technologies to duplicate products and services, speed is even more important.

Harvesting the best customers Occupying the mental corner store Developing a reputation for innovation
Shorter order fulfillment cycles Mass customization:

The Increased Power of Distribution and the Evolution of Channels

The new level of competition in many product markets has been abetted by dramatic changes in product distribution and the behaviors of distributors. Whereas in the past, products moved in a loosely coupled fashion from manufacturers to wholesalers and retailers to the final consumer, all levels of distribution and supply now see the importance of system wide coordination to improve operating efficiencies. The advent of the term "relationship management" captures this new awareness of symbiotic inter organizational requirements for delivering customer value. For some manufacturers, this has led to the recognition that distributors are customers with their own preference functions. Conflict within the channel, in the past merely a nuisance, is now seen as a potentially fatal obstacle to the success of the brand.

Intensifying product market competition also has changed the geographic scope of product market boundaries. As markets become more global, the scope of distribution systems for most firms has broadened as well. Brand managers now recognize the incredible value of global brands – those recognized and admired throughout the world – and the difficult tasks associated with their creation and maintenance.

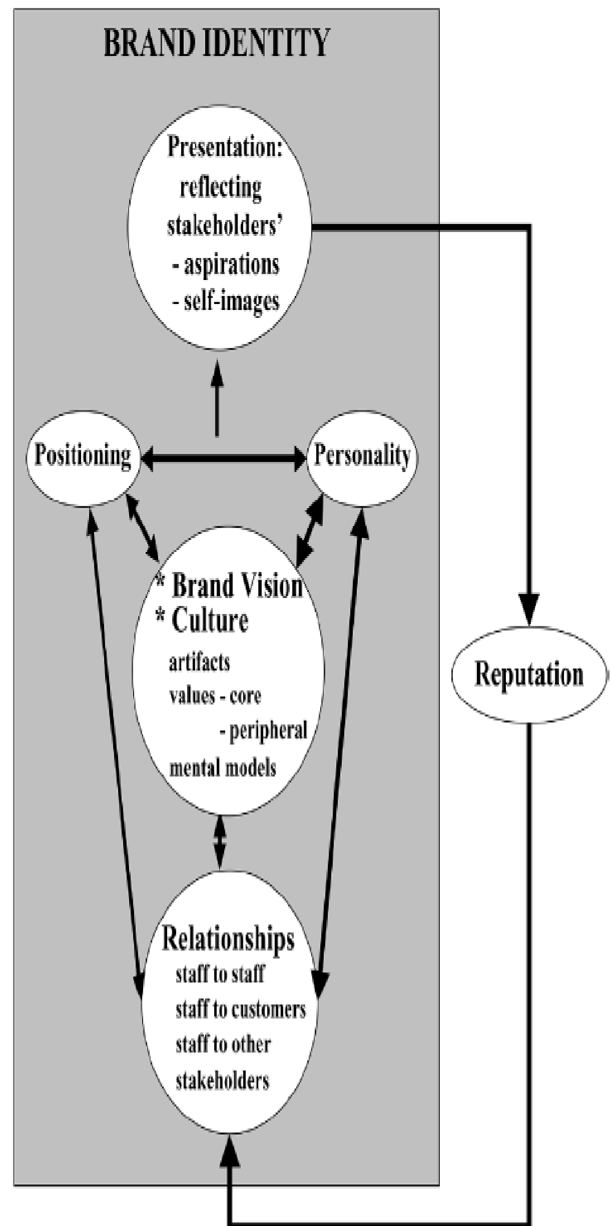
Changing Consumer Markets

It is at the product – market level that broad environmental forces are transformed into specific competitive threats and opportunities that require new and creative brand management responses. Both customers and competitors learn and adapt. Once PC buyers learned that IBM compatible clones were reliable and used the same components as name brands, they refused to pay hefty price premiums

For IBM or Compaq. The introduction of Microsoft "Windows" improved the user-friendliness of PCs and drove Apple and IBM – compatible computers, closer together and made each more vulnerable to price competition from the other. Corporate downsizing and corresponding reduction in in-house purchasing expertise may imply increased importance for intangible "product" components such as the service and relationship dimensions. This shift may cause an increase in the importance of corporate brands and bring reward to reapportions that are compatible. The brand manager must become ever more sensitive to these possibilities. Brand management is challenged to understand the dynamics of changing markets and manage brand association.

IV. SIGNIFICANCE OF IDENTITY-REPUTATION GAP MODEL OF BRAND MANAGEMENT

Corporate branding requires a holistic approach to brand management, in which all members of an organization behave in accordance with the desired brand identity. Following the International Corporate Identity Group's statement on corporate identity (van Riel and Balmer, 1997), corporate identity is interpreted as an organization's ethos, aims and values that create a sense of individuality which differentiates a brand. Building on Kapferer's (1997) brand based view of identity, de Chernatony (1999) proposed a model of brand management, conceptualized as the process of narrowing the gap between a brand's identity and its reputation, as illustrated in Figure 1. Brand identity consists of six components: vision and culture, which drive the brand's desired positioning, personality and subsequent relationships, all of which are then presented to reflect stakeholders' actual and aspiration self-images. The components of the model interact and are mutually reinforcing. The individual components are described in the following subsections.



Source: de Chernatony (1999)

Brand vision and culture

At the centre of brand identity are brand vision and culture. Vision encompasses the brand's core purpose ± its reason for being ± and its core values, which provide a system of guiding principles (Collins and Porras, 1996).Managers need to communicate their brand's purpose to employees clearly in order to inspire them and help them understand how their roles relate to it. It is also important to convey internally the brand's core values, because these guide employees' behavior. Each brand will have a unique set of values that are relevant to its target market, but we argue that it is the consistency of the perception of those values, as well as the nature of those values, that is an important characteristic of successful brands.

The organization's culture encompasses employees' values and assumptions, which also guide their behavior, particularly in novel situations (Wilkins and Ouchi, 1983).Managers need to be attentive to their organization's culture and its alignment with the brand's values, since this could result in inconsistent behavior and detrimentally affect stakeholders' perceptions of the brand. Corporate culture can represent a source of competitive advantage (Bettencourt and Brown, 1997), but the culture needs to be appropriate, adaptive and attentive to the needs of all stakeholders (Kotter and Heskett, 1992). Managers thus need to agree on the few core corporate values that will remain unchanged, and the less central values that need to adapt to changing circumstances.

Positioning

The coherence between the brand's vision and core values and the brand's positioning next needs to be examined. A brand's positioning sets out what the brand is, who it is for and what it offers (Rositer and Percy, 1996). Following means-end theory (Gutman, 1982), a set of functionally distinct capabilities that differentiate a brand should be derived from the brand's core values. The brand's positioning will be affected by art facts, akin to Kapferer's (1997)``physique'', which provide cues about the brand's performance characteristics.

Personality

The brand's emotional characteristics are represented by the metaphor of personality, which, amongst other sources, evolves from the brand's core values. Personality traits are further developed through associations with the ``typical user'' imagery, endorsers and consumers' contacts with the company's employees (Aaker, 1997). Managers therefore need to ensure that a brand's personality is conveyed consistently by both its employees and external communications. Another influential source for a brand's personality is its positioning and an integrated approach to branding can help reinforce the synergy between these.

Relationships

Having nurtured a brand's personality, a relationship between the brand and its consumers evolves, which is characterized by the values inherent in the brand's personality. Consistent with Fournier (1998), consumer-brand relationships are portrayed as being reciprocal in Figure 1. Through their interactions, employees significantly affect a brand's relationship with its consumers. The consistency of these interactions is therefore crucial, since relationships continually evolve and can be destabilized by changes from either partner (Fournier and Yao, 1997). Managers need to help employees understand the types of relationships that are appropriate with other employees, consumers and other stakeholders, based on the brand's core values.

Presentation

The final component of brand identity involves the identification of presentation styles to present the brand's identity so as to reflect consumers' aspirations (cf. Kapferer's (1997) ``reflections'') and self-images (Belk, 1988;Hogg and Mitchell, 1996). People respond more favorably to brands and companies they perceive as being consistent with their self-concepts (Dowling,1994). Brands' symbolic meanings also help consumers understand and express aspects of their selves to others (McCracken, 1993). Both advertising and employees' interactions with consumers contribute to the symbolic meaning of a brand. Thus managers need to be attentive to potential incongruity between a brand's desired symbolic meanings and those conveyed through advertising and employees' behavior.

Reputation

Successful management of internal brand resources should result in a favorable brand reputation. Adapting Fombrun and Rindova's (1996)definition of reputation, a brand's reputation is defined as ``a collective representation of a brand's past actions and results that describes the brand' s ability to deliver valued outcomes to multiple stakeholders''. In contrast to a brand's image, which reflects current, changing perceptions, a brand's reputation is more stable and represents the distillation of multiple images overtime (Fombrun and van Riel, 1997). By encompassing the evaluations of all stakeholders, reputation provides a much more representative indication of brand performance. van Riel and Balmer (1997) also noted that the objective of corporate identity management was the establishment of a favorable reputation among an organization's stakeholders. Familiarity with key stakeholders' perceptions is central to corporate brand management (Balmer,1995). de Chernatony's (1999) model conceptualizes the brand building process as revolving around the identification and narrowing of gaps between a brand's identity and its reputation. Managers therefore need to work with staff to reduce these gaps and eliminate sources of incongruity. Strategies may then be fine-tuned to achieve a better match between identity and reputation By including both internal and external components in the process, the model provides a balanced approach to brand building.

V. CONCLUSION

Corporate branding requires increased emphasis on internal brand resources to present a coherent brand identity to stakeholders. De Chernatony's (1999)identity-reputation gap model of brand management conceptualizes brand building as the process of narrowing the gap between brand identity and brand reputation. Building on this, we have identified key internal factors that we propose affect the leverage of brand resources to enhance brand performance. Employees play a crucial role in the brand building process and managers can further lever their brand potential by striving to achieve greater congruence among members of the brand team

and between the team and other employees. It is therefore crucial that corporate marketers adopt a planning perspective which incorporates both internal, pan-company marketing as well as the traditional, external perspective to ensure that there is synergy between employees' actions, resulting in optimizing consumers' satisfaction.

Needless to say, brand managers appear increasingly challenged. The world of the brand manager is complex and becoming more so. Technology is at once a curse and an opportunity –while creating new capabilities for the brand manager; it also provides a need for new skills and different vision. The forces brand managers faces are not temporary. If anything, they increase the need for the type of coordinated management brand management traditionally has as its strength. Brands continue to have value in a competitive marketplace and undoubtedly will continue to exist. Although specific organizational forms may change, brand management itself will adapt and thrive as managers accept new challenges by improving their competitive ability.

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