

Q: Critical examine the role of brand associations in successful global branding

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Brand and brand associations go hand in hand, without a brand, brand associations are nothing and without brand associations, brand is just a name. Therefore it is important to study the relationship between these two, and more importantly to understand the role of brand associations played in successful global branding. That is the purpose of this paper. In order to do so, I shall start with defining the brand and brand associations, then move on to look at different roles that brand associations have played in global branding from different academic perspectives. My conclusion will be followed by and finally I shall point out my further research directions accordingly.

Defining Brand Associations

To understand what brand associations are, we have to start with brand. Well respected academician, a brand specialist David Aaker (1991) offered us a powerful definition of brand, according to him (Aaker 1991, 7) brand is “a distinguishing name and or symbol intended to identify the goods or services of either one sellers or a group of sellers, and to differentiate those goods or services from those of competitors.” Thus when similar products or services in terms of their physical attributes have been offered by sellers, consumers can easily identify the source of it through brand names.

In the modern business world, however, a successful global brand is not only just a sign of the ownership of a particular product or service; more importantly, it is a value expressive tool in which to express the perception of the values and beliefs that have been integrated into the product or service by their creators and interpreted by the consumers who were the ultimate users of those products or services. (Chernatony & McDonald, 1992) For example, Rolex watches are widely considered to be the symbol of wealth, similarly Toyota cars are usually associated with the reliability. Thus luxury is the word to reflect the nature of Rolex products; likewise good built quality is the Toyota’s characteristic. Therefore, we can describe brand associations as “anything linked in memory to a brand” (Aaker 1991, 109) by its customers and such association represents the meaning of that product or service to its customers.

The Role of Brand Associations in Successful Global Branding

Brand associations are playing an important role in successful branding. According to Aaker (1991, 110), they “represent bases for (customer’s) purchase decisions and for (customer’s) brand loyalty” through numbers of possible ways: brand associations can influence customer’s interpretation of the product or service and helping customers to create good attitudes or feelings toward it. The way they do this is to help customers to process or retrieve relevant positive information otherwise would be difficult to. This is because associations summarise a set of product or service facts and specifications. As a result, they can create a specific reason for customer to buy and use the brand. This can lead to an increase in customer’s brand loyalty and to provide a basis for brand extensions by transferring the brand name into a new product or service. Thus for Aaker (1991), the most important role that played by brand

associations is their ability in influencing the customers' buying behaviour by informing them a product or service's characteristic.

Similarly, Keller (1998, 108) argues that the essential role of brand associations is to sustain brand's competitive advantages and to inform customers the 'unique' selling point of a particular brand. However, different to Aaker (1991), for Keller (1998), there are many associations associated with the brand. Those associations can either be based on product related (functional) or non-product related attributes (e.g status, prestige etc). Some of them will be shared with other brands. Keller (1998) called this type of associations, "Points of Parity Association (PPA)," their role is to help customers to establish a category of membership with other similar products or services. For example, a shop means to most customers is places where you can buy the things you want to buy. However, different types of shops may sell different types of products (e.g some shops only sell clothes while others selling mobile phones toys etc), with the specific types of associations, they can help brand to attract specific group of customers who have a particular need. However, the other type of associations will not be able to do this; they are only belonging to their own brand, and have held a unique position. Their role is to attract customers by informing them the selling point of a particular brand. Keller (1998) called this type of association, "Point of Difference Associations (PDA)." In the global business, PDA plays a role as the differentiating creator that is to differentiate its brand from others in the same product or service category. Thus for a business they determine the success of the brand.

This seems to be the case well explained in the travel industry, for example, as a brand name, Lufthansa is often associated with German efficiency and timeless in which would be an appeal for those of the travellers who are seeking for the punctuality and convenience.

Chernatony & McDonald (1992) view the brand associations from a different perspective, for them the basic role of associations is to get customers highly involved personally with the brand. (Chernatony & McDonald 1992, 65) Chernatony & McDonald (1992) use the term of 'added values' to describe the brand associations. They defined the 'added value' as something that "are relevant and appreciated by consumers and which are over and above the basic function role of the product." (Chernatony & McDonald 1992, 66) A good example can be found in the series of Apple's products such as iPod where the primary function of iPod was to listen to music. However by adding up all the extra features (e.g aesthetic design, film watching and photo viewing functions), it not only allows Apple to charge a premium price, but also can attract those of customers who are seeking to use it to reflect their social positions or lifestyles, thus to get them involved with the brand too. Therefore Apple's products are satisfied both buyers' rational (functional) needs as well as psychological (by enhancing their self-esteem) needs. (Chernatony & McDonald 1992) As a result, customers become more loyal to the brand.

Conclusion

Previous studies have shown that the marketing essential is to create a greater value of the product or service for its customers than that is offered by its competitors. This would increase the market share and result of it, to boost the earnings for the business. Keegan (2002, 4) introduced us a customer winning formula to explain this point, which is Customer Value (V)=Customer Perceived Benefits- Customer

Perceived Costs (B)/Price (P). As we could see in the equation that the customer values can be increased either by expanding customer benefits or to reduce the relative price, or a combination of two.

With the assumption of ignoring the price factor, and based on all of the theories I have examined above, I could conclude that the fundamental role of brand associations is thus to maximise the customer perceived benefits of a particular brand and minimise the customer perceived costs of having this brand. As a result, this would create to a greater customer value, lead to a better reason for customer to purchase and to increase customer's brand loyalty. Hence make the brand success.

Further Research

For the further research, it would be interesting to examine how cultural differences affect the branding strategy of the multi-national companies in the telecommunication industry.

Word counts: 1247 (excluding bibliography and question title)

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