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Company Brand Vs. Individual Brand: Which Way to Go?

By Johann Sebastian S.

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Bounty, Folgers, Head & Shoulders, Nescafe, Dancow, Maggi, Marlboro, Winston; what do these brands have in common? What about Sony, Philips, Kraft, Coca-cola? While the first list can be grouped into 3 manufacturers – Procter & Gamble, Nestle, and Philip Morris – the second inundates you with lengthy catalog of different kinds of product categories that fall under a single company brand.

The practice of keeping a multitude of individual brands, as well as sticking to the company brand to identify products of diverse range of categories, have long defined branding strategies in marketing history. Each comes with its own advantages and drawbacks, spurred primarily by nature of business, social and economic environment, and consumer perceptions. So here's a list of imperatives you can reflect on when choosing and developing proper branding strategies for your business. Though I refer to the Internet at a few lines, they are not exclusively applicable to Internet branding, but to branding in general marketing context.

Availability of resources

Managing multiple brands naturally spawns demand for more financial, human, and technical resources. Effective use of the Internet for branding and customer-relationship purposes connotes competent technical, management, and marketing team at the back end, buttressed by sufficient available funds. From the early stage of planning and development to regular maintenance and periodical improvements, combination of human, technical, and financial capital are the building blocks of successful Internet marketing programs.

At the very least, you need one site for each brand with its own individual domain and brand characters, maintained by exclusive teams of developers, editors, designers, and marketers. Some might suggest merging all brands under one major site and divide them into a series of smaller ones under sub domains, all of which are managed by one single team. But this approach would dilute the real identity of each brand as well as weigh down productivity and performance of the supporting team.

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A case in point is AOLTimeWarner, whose plethora of brands spans across Time, Fortune, Business2, People, Money magazines, America Online, Warner Music, and CNN, to name some. Recognized by its independent identity and target audience, each brand maintains an online territory of its own that conveys individual character, spawned by the design, content, and domain name. There is a very little – if any – feel of and reference to AOLTimeWarner as the parent brand.

Credibility of corporate brand

The positive image of a strong company brand can extend to and boost the credibility of the products under it, especially those new to the market. Sony and Philips for instance, capitalize on their long-held image as trustworthy makers of high-quality and durable electronics to support the marketability of their

products. Furthermore, this strategy serves as a competitive advantage when launching products of either little/ no innovation, without meaningful features in the consumers' eyes, or of major innovation. Consumers will associate the 'useless' products with the company brand, hence they will be more receptive to the marketing message. In a similar vein, when encountering major technological advancements such as plasma TV or MP3-capable stereo, consumers rely on the trustworthy corporate brand to unload the burden of dissonance off their back when considering trial or purchase.

The power of a strong corporate brand is even visible in company with multiple brands as demonstrated by CNET, which incorporates its well-known name into less popular sub brands under its network — News.com, Search.com, Download.com, Shopper.com, CNET Radio — to boost their credibility. You can instantly get the 'feel' of CNET when logging on to any of these sites as they essentially share the same colors, layout, and navigation. News junkies are ensured of the credibility of content presented by News.com, which bears the CNET logo of trustworthy brand of network of technology-related sites.

Ironically, the strongest point of a company brand is also its weakest link. Relying on a single brand can do widespread damage across sub brands in catastrophic episodes, even when only one product involved. In the wake of Ford-Firestone tire debacle in 2000 for a while both companies were down in the toilet with eggs on their face, despite the exclusivity of the mishap – Firestone Wilderness AT tires on Ford Explorer.

On the other side of the spectrum, individual brands can stay virtually unscathed when their corporate parents stumble upon mishaps. The downward spiral that illustrates AOLTimeWarner's image since the completion of AOL-TimeWarner merger in early 2001 does little harm to its brands; the general public sees Fortune and Warner Music as separate entities with their own image and characters, without drawing any reference to the fact that AOLTimeWarner has become an example of a failed mega merger.

Association to established brand

It is more practical and easier to launch an individual brand when not operating under the shadow of corporate brand – particularly in the wake of a disastrous event that hurts the image of the company. The new brand can be safely introduced to and accepted by the market without the fear for consumers'

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associating it with the corporate brand under crisis.

This advantage has been enjoyed repeatedly by consumer–goods companies such as P&G and Unilever. P&G exploits the potential of emerging markets in South America and Southeast Asia by creating regional brands, without noticeable connection to the image of P&G and its other brands in the United States and other countries. Furthermore, except for those in business and economy sector, probably nobody has no idea what P&G is or what it does, or what company makes their laundry detergent.

Conforming to the unofficial but widely existent phenomenon that no school of thought can be valid at all times, the two branding strategies I am proposing here are subject to a set of constraints — current condition of market, nature of business, and consumer, economy, and social environments. The persistent success of Sony in sustaining mind share as a household name in advanced and long–lasting electronics, may justify the option of going with company brand. Yet for more than fifty years Nestle and P&G, and now AOLTimeWarner, have proven that settling down in the background and instead diverting the spotlight to a set of well–managed individual brands, can be a lifesaver during

times of crisis.

Growing Your Brand Assets

By Claire Cunningham

Okay. Raise your hand if you think brand management is just for BIG companies (like Target, McDonalds or Ford.) Wow! That's a lot of hands! Well, guess what? You're all wrong.

Brand issues are important to ALL companies for the simple reason that people buy from other people. People have personalities. Branding establishes and communicates a company's personality (sometimes referred to as company image.)

Think about YOUR company. What personality or image do you want to present to customers and prospects? Should it be warm, friendly, and down–to–earth? Polished, knowledgeable, and sophisticated?

Does your company's current logo and literature design reflect the image you want to present? Is your company's personality presented consistently in all forms of communication?

Are you overwhelmed now? Let me simplify. There are four key steps in brand management:

- 1) Positioning – identify your company's unique benefits and image.
- 2) Planning – develop a road map for your brand identity programs.
- 3) Protection – guard the integrity of your brand.

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4) Promotion – build awareness of and preference for your brand.

Brand management is an ongoing process, not a destination. Bad news: the work is never done. Good news: if you do the positioning and planning up front, protection and promotion programs flow naturally.

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Growing Your Brand Assets

Creating An Unconscious Brand

Creating Brand Awareness

Developing a Formal Brand Messaging Document

Great Brands Depend on Attention to the Brand Architecture

Affiliate Marketing PLR Kit

Self Improvement PLR Kit

Hobbies, Arts and Crafts PLR Kit

Traffic Boost News Ticker

The Amazing Bonus Pack



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