MANAGING BRANDS

The Key topics

1.) Ethical Issues with Branding

2.) Managing Brands Over Geographical Boundaries and Market Segments

3.) Managing Brands Over Time

Rahil Patel
<table>
<thead>
<tr>
<th>CONTENTS PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introduction</strong></td>
</tr>
<tr>
<td><strong>Ethical Issues with Branding</strong></td>
</tr>
<tr>
<td><strong>Managing Brands Over Geographical Boundaries and Market Segments</strong></td>
</tr>
<tr>
<td><strong>Managing Brands Over Time</strong></td>
</tr>
<tr>
<td><strong>References</strong></td>
</tr>
</tbody>
</table>
Puma is a German global sports manufacturing organisation founded in 1948 and specializes in footwear, apparel, and accessories for different target markets. This assignment in close reference to Puma will critically discuss, analyse and evaluate the importance of ethical issues with branding, managing brands over geographical boundaries and market segments, and managing brands overtime.

**Ethical issues with branding**

An issue of possible consideration, could be of ethical branding and corporate reputation. According to Fan (2005) there is a close link between ethical branding and corporate reputation. Fombrun (2000) mentions that corporate reputation is concerned with feelings people have about a company based on the particular information or even misinformation they have on company activities for example. Also, Keller (1998) outlines that a corporate social responsibility association involves a particular creation of consumer perceptions. This therefore suggests, that a company (e.g. Puma) would be perceived as contributing ethically to specific community programmes, social activities and in general, as a whole look to attempt welfare improvement of society. For example, Puma take sustainability initiatives (welfare) through the use of organic cotton, recycled polyester and bluesign approved materials (Puma, 2016) in order to be sustainably ethical and hence socially responsible but also at the same time develop quality branded products through these practices to build a reputation. However, it is significant to consider that ethical branding can have influences at corporate and product levels. For example, Fan (2005) outlines that at a corporate level, a brand is a vital part of corporate reputation management and therefore, any unethical behaviour will have severe damaging consequences on a brand such as Puma. In the case of a product level, it involves aspects such as labelling, packaging and communication which can still have significant effects on organisation reputation, even though there is no direct impact on the corporate level (Fan, 2005).

Another consideration provided by Endacott (2004), mentions that consumer research can pose potential benefits to certain societies by identifying different citizens’ concerns and responding to them through a ‘good cause’ or ‘community service’ commitments. Therefore, this suggests that through the effective use or development of consumer research, it would be possible for companies to have a great opportunity to identify how and where they should position their branded product or services in a global market. For example, Puma in the U.S. (Boston) 2011 provided an example of cause-related marketing by promoting benefits (donations) during a marathon period for a non-profit organization (Soles4Souls) that provides shoes for poor people around the globe (SELFISHGIVING, 2011). This therefore, proves as a valid example towards producing for a ‘good cause’ and hence the brand can potentially resonate strongly amongst a society and its citizens. Another example of Puma, shows that important aspects of their environmental program include the reduction of their ecological impacts through their unprecedented environmental profit and loss account, as well as their commitment towards their goal of zero discharge of hazardous chemicals by 2020 (Puma, 2016). This example suggests that Puma are ‘champions’ (White, 2004) that take serious ethical steps through CSR and potentially CRM in order to have a wider influence for a particular society and its environment.

Overall, it is significant to consider that there is in fact a link between ethical branding and corporate reputation (Keller, 1998; Fombrun, 2000; Fan, 2005) but it is important to consider
the influence ethical branding can have at corporate and product levels (positive or negative) (Fan, 2005) to shape the strength of the link. Lastly, Endacott (2004) establishes that consumer research for ethical purposes can provide opportunities for companies to determine branded product or service positioning. E.g. Puma in Boston 2011 and also them being considered ‘champions’ for taking CSR and CSM steps.

Managing Brands Over Geographical Boundaries and Market Segments

Ethical issues can be determining factors when a brand is over geographical boundaries and market segments, therefore shaping its effectiveness and possible success with a target market. Aaker and Joachimsthaler (1999) mention that brand builders (such as Puma) are particularly motivated by the prospects of just wanting their brands to be global but in fact global brand leadership should be the priority. In order to meet the goal of brand leadership, successful companies (e.g. Nike, Adidas) comprehensively follow the four key principles of sharing insights and best practises, assigning responsibility, supporting global brand planning and delivering brilliance. Puma in 2014 and beyond for the global level have a clear strategy that encompasses five strategic priorities of repositioning Puma as the world’s fastest sports brand, improving their product engine, optimizing their distribution quality, increasing the speed within their organization and infrastructure, and renewing their IT infrastructure (Puma, 2016). Each of its business units (e.g. Team sport) has a prominent role towards company success globally and lastly, through their own brand (e.g. COBRA Golf) they can expand their reach with greater ease and maximize returns with efficiency (Puma, 2016). All this seems to have worked globally as suggested by results showing increases in revenue in the regions of EMEA, the Americas and Asia/Pacific (Puma report, 2015). This therefore, suggests careful implementation of the four principles by Puma and subsequent achievement of possible brand leadership in these geographic regions.

However, a key study in Dimofte et al. (2008) showed a consumer perspective that for most consumers in the US, brand globalisation can be associated with positive affect and amongst other customers it can be negative. This could suggest that, global branding in a geographical boundary such as the US is driven more by affect than the cognitive aspect, with standardisation and/or adaptation having a defining role to manage brands over geographical boundaries and market segments. For example, the success of the ‘PUMA lab’ concept has managed to improve business with Foot Locker USA but at the same time has generated spill-over-effects onto other key retailers in the US market place (Puma, 2016). This suggests, that a brand can achieve positive affects in a particular market or boundary like the US. Also, Kapferer (2005) mentions there is an importance to recognise the need for selective globalisation in order to reduce costs and limitations so important investment is not wasted. Therefore, this suggests that a local environment within a country abroad should be more of a consideration. For example, Puma trying to penetrate the U.K. market or boundary use sponsorship activity in regions such as Newcastle and London (Puma, 2016) to initiate needed responses and impact for wider globalisation purposes.

Overall, it is significant to consider that instead of striving for just wanting global brands, global brand leadership should be the priority (Aaker and Joachimsthaler, 1999). However, the consumer perspective suggests that on a particular boundary or market (e.g. US) global branding is driven by affect (positive or negative) and not the cognitive aspect (Dimofte et al.
Lastly, to examine costs and limitations, selective globalisation should be recognised for its importance (Kapferer, 2005).

**Managing Brands Over Time**

Ethical issues and being able to manage brands over geographical boundaries and market segments can be significant towards how brands are managed over time.

Keller (1999) identifies that taking a long-term view of marketing decisions could guarantee effectiveness of brand management. In regards to brand equity proactive strategies can be implemented to maintain and enhance it overtime, therefore it is suggested further by Keller (1999) that this can be reinforced by consistent marketing actions that are able to convey brand meaning. To add, Keller (1999) suggests that brand revitalization requires capturing lost sources of brand equity or if this is not possible, new sources of brand equity can be identified and established. To expand on brand revitalization, Berry (1988) mentions there are eight key benefits outlined of building strong brands (e.g. one is that strong brands can generate consistent volume). These particular benefits in line with a seven step brand revitalization programme (e.g. step one: ruthlessly rededicate yourself to providing quality) (Berry, 1988) would therefore suggest the brand identifying and establishing new sources towards future success. In reference to Puma for 2014 and beyond, their strategy encompasses five long-term strategic priorities (Puma, 2016). Therefore, this suggests these long term strategies would be impacted through consistent marketing actions that would be able to convey brand meaning and subsequently, reinforce brand equity. Also, taking into consideration one priority of ‘repositioning Puma as the world’s fastest sports brand’, it encapsulates brand revitalization as key through the brand identifying and establishing a new source of brand equity for consistent and future success.

However, it is also important to consider Advertising recall being influential towards managing brands over time. For example, a finding from Keller et al. (1998) indicated that a suggestive brand name explicitly conveying a product benefit, leads to higher recall of advertising consistent in meaning with the brand name. Therefore, this could suggest through certain advertising strategies and the optimal use of meaningful brands can have potential advantages or even limitations in building and managing brand equity over time. For example, Puma acquired Rihanna as a long-term ambassador for the brand in 2014 with Her role requiring involvement in all promotional and advertising content for Puma in order to benefit their products as efficiently as possible (Millington, 2014). The effect of this can be supported by the fact the ‘PUMA BY RIHANNA CREEPER’ trainer is a sell-out product within the footwear department (Puma.com, 2016).

Overall, it is important to consider that taking a long-term view of marketing decisions could generate effectiveness of brand management over time, including brand equity (Keller, 1999). Brand reinforcement and revitalization have significant roles for brands to be able to be managed over time. Brand revitalization in particular can flourish if required, when the eight key benefits are in line with the seven step revitalization programme (Berry, 1988). Lastly, it is also pivotal to understand that advertising would have a major role to play for brands to be managed overtime. Recall consistency will depend on the explicit brand name and product benefit (Keller et al. 1998).
References:


