

Aims

- Consider the importance of brand recognition
- Discuss the importance of researching a product concept

Lead-in

- Give three examples of brands to which you are loyal, i.e. which you regularly buy without thinking about it. Why are you loyal to them?
- What products are there for which you are what marketers call a brand-switcher, i.e. you have no preference for or loyalty to a particular brand?
- What products can you think of for which the name of the brand is totally unimportant, so that you don't even notice it?

Reading: Products and brands

Read the following text, and write a brief heading for each section.

1 _____

A product is anything that can be offered to a market that might satisfy a want or need. This means that services, leisure activities, people (politicians, athletes, actors), places (holiday resorts) and organizations (hospitals, colleges, political parties) can also be considered as products.

Most manufacturers divide their products into product lines – groups of closely related products, sold to the same customer groups, and marketed through the same outlets. Because customers' needs and markets are constantly evolving, and because different products are generally at different stages of their life cycles, with growing, stable or declining sales and profitability, companies are always looking to the future, and re-evaluating their product mix.

2 _____

Most products offered for sale by retailers are branded. A brand is a name, or a symbol, or a logo that distinguishes products and services from competing offerings, and makes consumers remember the company, product or service. A

brand name can be reinforced by distinctive design and packaging.

The key objective of branding is to create a relationship of trust. Customers have an image of the brand in their minds, combining knowledge about the product and their expectations of it. Some brands are seen as more than just products or services: they successfully represent customers' attitudes or feelings, e.g. Nike, Starbucks, Apple Computer, The Body Shop, etc.

By way of extensive advertising, companies can achieve brand recognition among the general public, including millions of people who are not even interested in the products. Branding is used for B2B (Business-to-Business) marketing of materials and components, as well as for consumer goods in B2C (Business-to-Consumer) marketing.

3 _____

Some companies include their name in all their products (corporate branding), e.g. Philips, Virgin, Yamaha. Other companies do individual branding, and give each product its own brand name, so the company name is less well-known than its brands (compare the name Procter & Gamble with

its individual brand names Pampers, Pringles, Duracell and Gillette).

Some companies, such as the major producers of soap powders, have a multi-brand strategy which allows them to fill up space on supermarket shelves, leaving less room for competitors. Even if one brand 'cannibalizes' (or eats into) or takes business away from another one produced by the same company, the sales do not go to a competitor. Having three out of 12 brands in a market generally gives a greater market share than having one out of ten, and gives a company a better chance of getting some of the custom of brand-switchers.

4

The brand consultancy Interbrand publishes an annual list of the Best Global Brands, which shows that the worth of a brand can be much greater than a company's physical assets. For example, in the early 2000s, the value of the top ranked brand, Coca-Cola, was calculated at over \$70 billion. Consequently, a company's market value (the combined price of all its shares) can be much greater than its book value – the recorded value of its tangible assets such as buildings and machinery. Brand value largely comes from customer loyalty: the existence of customers who will continue to buy the products.

Comprehension

- 1 Why do companies' product mixes regularly change?
- 2 Why do companies brand their products?
- 3 What is the difference between corporate branding and individual branding?
- 4 Why do the big soap powder producers have a multi-brand strategy?
- 5 Why can the market value of companies be much higher than the value of their tangible assets?

Vocabulary

Find words or expressions in the text which mean the following:

- 1 places of business for selling goods to customers (shops, stores, kiosks, etc.)
- 2 all the different products, brands and items that a company sells
- 3 businesses that sell goods or merchandise to individual consumers
- 4 a graphic image or symbol specially created to identify a company or a product
- 5 wrappers and containers used to enclose and protect a product
- 6 the extent to which consumers are aware of a brand, and know its name
- 7 surfaces in a store on which goods are displayed
- 8 the sales of a company expressed as a percentage of total sales in a given market
- 9 consumers who buy various competing products rather than being loyal to a particular brand

Discussion: Brands and attitudes

1 What attitude would you associate with the following brands?

- | | |
|-------------------|-----------------|
| • Apple | • Louis Vuitton |
| • BMW | • MTV |
| • Harley-Davidson | • Nike |
| • Ikea | • Sony |

2 Which brands do you have an emotional attachment to, because they represent your attitudes or feelings?



Melissa Glass and her partner

Listening 1: Not just a juice bar ▶ 1.22

Melissa Glass has opened a chain of juice bars in Switzerland. Listen to her talking about Zeste Juice Bars, and answer the questions.

- 1 What lines of products do Zeste sell?
- 2 Why does Melissa Glass say 'we don't consider ourselves just a juice bar'?

Listening 2: The origin of smoothies ▶ 1.23

Listen to Melissa Glass talking about where smoothies come from, and why they launched the product in Switzerland, and answer the questions.

- 1 Where did the concept of juice bars originate, and how did it develop?
- 2 Where did Melissa and her husband first see the concept?
- 3 Why did they decide to open their juice bars in Switzerland?

Listening 3: Launching the product ▶ 1.24

Listen to Melissa Glass talking about doing market research and opening the first store, and answer the questions. Then listen again to check your answers.

- 1 Fill in the gaps below in what Melissa says.

We had to do research into ¹ _____, we had to do research into colours, what ² _____ where it was going to be the most successful. We knew that obviously we needed ³ _____-_____ passage. The problem with that in Switzerland is the locations, the places with high passage are extremely expensive, so it's always a balance between getting somewhere that's got enough passage but not too, too expensive, because when you're selling a product that has a cost price of five francs you have to sell a lot of juices and smoothies to cover the base, the ⁴ _____. Apart from that we had to do obviously questionnaire friends, take surveys, we had to do, we also did ⁵ _____, ⁶ _____, we did a couple of parties at our place to try the different products, and to choose the different smoothies that we were going to start with.

- 2 What does 'high-frequency passage' mean?
- 3 Why did they give their bars and products English names?
- 4 What was their plan after launching in Lausanne?