

MANAGEMENT
&
MARKETING

Volume XII, issue 1/2014

**EDITURA UNIVERSITARIA
CRAIOVA 2014**

Editor in Chief

Professor PhD NISTORESCU Tudor, University of Craiova

Deputy Chief Editor

BARBU Mihail Catalin, University of Craiova

Editorial Assistants

BOCEAN Claudiu, University of Craiova

GIURCĂ VASILESCU Laura, University of Craiova

OGARCA Radu, University of Craiova

The Journal is printed under the patronage of:

- University of Craiova
Department of Management-Marketing-Business Administration
- Romanian Academic Society of Management

The Journal is indexed in international databases:

- Cabell's Directories of Publishing Opportunities
- Central and Eastern European Online Library - CEEOL
- Directory of Open Access Journals - DOAJ
- EBSCO Publishing
- Research Papers in Economics - REPEC
- Romanian Editorial Platform - SCIPPIO

Editura Universitaria

Str. A.I. Cuza, nr 13, 200585, Craiova

Website: www.mnmk.ro

Contact person: Catalin Barbu

Tel. 0727-761287

Email: revista_management_marketing@yahoo.ro

The views expressed in these articles are the sole responsibility of the authors

ISSN 1841-2416

Scientific Council

Professor PhD BACHELARD Olivier
Ecole Supérieur de Commerce Saint-Étienne

Professor PhD BĂGU Constantin
Academy of Economic Studies Bucharest

Professor PhD BENSEBAA Faouzi
Université of Reims

Professor PhD BERÁCS József Corvinus
University of Budapest

Professor PhD BERNATCHEZ Jean-Claude
Université du Quebec

Professor PhD BIBU Nicolae
West University of Timișoara

Associate Professor PhD BLANAS George,
Technological Educational Institute of Larissa

Professor PhD BURLEA Șchiopoiu Adriana,
University of Craiova

Professor PhD CÎRSTEA Gheorghe
Academy of Economic Studies Bucharest

Professor PhD CONSTANTINESCU Dumitru,
University of Craiova

Professor PhD DUGULEANA Liliana
University Transilvania of Brașov

Professor PhD FOLTEAN Florin West
University of Timișoara

Professor PhD IGALENS Jacques IAE
de Toulouse

Professor PhD ILIEȘ Liviu, Babeș-Bolyai
University of Cluj-Napoca

Professor PhD IONESCU Gheorghe West
University of Timișoara

Professor PhD Jain Rajendra, Shri
Govind Ram Sakseria Institute of
Management & Research, Indore, India

Professor PhD KHAN Himayatullah
Institute of Information Technology,
Abbotabad

Professor PhD MEGHIȘAN Gheorghe
University of Craiova

Professor PhD MUNTEANU Corneliu A.
I. Cuza University of Iași

Associate Professor PhD NĂSTASE Marian,
Academy of Economic Studies Bucharest

Associate Professor PhD OCLER Rodolphe,
ESC Chambéry Business School

Professor PhD OLTEANU Valerică
Academy of Economic Studies Bucharest

Professor PhD PLĂIAȘ Ioan, Babeș-Bolyai
University of Cluj-Napoca

Professor PhD POPA Ion, Academy of
Economic Studies Bucharest

Associate Professor PhD TUFAN Ekrem,
Canakkale Onsekiz Mart University

Professor PhD VERBONCU Ion
Academy of Economic Studies Bucharest

Professor PhD WOODS Timothy
University of Kentucky

Professor PhD ZAHARIA Răzvan
Academy of Economic Studies Bucharest

Professor PhD ZENTES Joachim
Saarland University

Members of the Reviewers Body

AHMED Ishfaq, University of the Punjab, Lahore, Pakistan

AFSAR Bilal, Hazara University, Pakistan

ASHRAF Imam, Aligarh Muslim University
BAMORIYA Prerna, Govindram Seksariya
Institute of Management & Research,
Indore, India

BĂBUȚ Raluca, Babeș-Bolyai University
of Cluj-Napoca

BĂCILĂ Mihai Florin, Babeș-Bolyai
University of Cluj-Napoca

BĂLOI Cosmin Ionuț, University of
Craiova

BERTEA Patricia Elena, A. I. Cuza
University of Iași

BORDEAN Ovidiu Nicolae, Babeș-Bolyai
University of Cluj-Napoca

BOGDAN Elena, Universitatea din
București

BUDICĂ Ilie, University of Craiova

CRĂCIUN Liviu, University of Craiova

CONSTANTIN Cristinel Petrișor,
University Transilvania of Brașov

CORTINI Michela, University G.
D'Annunzio of Chieti – Pescara

CRIȘAN Cătălina Silvia, Babeș-Bolyai
University of Cluj-Napoca

CRIȘAN Emil, Babeș-Bolyai University of
Cluj-Napoca

CRIVEANU Ion, University of Craiova

DABIJA Dan Cristian, Babeș-Bolyai
University of Cluj-Napoca

DOGARU Tatiana Camelia, Școala
Națională de Studii Politice și
Administrative

DRAGOLEA Larisa Loredana, University
1 Decembrie 1918 of Alba-Iulia

GĂNESCU Mariana Cristina, Constantin
Brancoveanu University of Pitești

GÎRBOVEANU Sorina, University of
Craiova

HEMANT Bamoriya, Acropolis Institute of
Technology & Research, Indore, India

IODACHE Maria Carmen, Constantin
Brancoveanu University of Pitești

ISAC Claudia Adriana, University of
Petroșani

KHAN Naveed Rehman, Universiti
Pendidikan Sultan Idris, Perak, Malaysia

MEGHIȘAN Mădălina, University of
Craiova

MOISĂ Claudia Olimpia, University „1
Decembrie 1918” Alba Iulia

MOISESCU Ovidiu, Babeș-Bolyai
University of Cluj-Napoca

MUHAMMAD Ishtiaq Ishaq, Global
Institute, Lahore, Pakistan

NEȘTIANU Stefan Andrei, A. I. Cuza
University of Iasi

POPESCU Daniela, University of Craiova

POPESCU Ruxandra Irina, Academy of
Economic Studies Bucharest

PUIU Silvia, University of Craiova

RADU Cătălina, Academy of Economic
Studies Bucharest

SIMION – MELINTE Cezar Petre,
Academy of Economic Studies Bucharest

STANCU Ion, University of Craiova

SCRIOȘTEANU Adriana, University of
Craiova

SIMIONESCU F. Mihaela, Academy of
Economic Studies Bucharest

SITNIKOV Cătălina, University of Craiova

UDDIN Mohammed Belal, Comilla
University

VĂRZARU Mihai, University of Craiova

TOADER Cosmina-Simona, USAMVB
Timișoara

WEI-LOON Koe, Universiti Teknologi
MARA, Melaka, Malaysia

ZAHARIE Monica Aniela, Babeș-Bolyai
University of Cluj-Napoca

BRAND - PRODUCT INTERDEPENDENCE

Professor PhD Tudor NISTORESCU

University of Craiova

Email: tudor.nistorescu@yahoo.com

Lecturer PhD Cătălin Mihail BARBU

University of Craiova

Email: catarom@yahoo.com

Assistant PhD Claudia Cristina PLOSCARU

University of Craiova

Email: ccploscaru@yahoo.ro

Abstract:

In this paper we conceptually discussed the brands' role in the society, the dimensions of branding and the relationship between the brand and the products. We adhere to the main ideas expressed in the literature, that the brand is more than a product. However the product is needed to render the brand tangible. The product is the magic box that delivers the brand experience. Without the product, the brand meaning would have difficulties in attracting customers. More studies are needed to investigate the brand-product relationship.

Keywords: brand, branding, brand and product, product policy

1. Brand's place in today society

Purchasing products has become a process by which people assert their personality, their values. The product not only has certain functionality, it includes a load of symbols. Purchasing products can be regarded today as a therapeutic act through which people become content, happier, and more confident. Companies began to invest in the symbolic value of products. Consumption is a concrete act full of symbolic meanings. People buy products in order to refresh, update and reinvent themselves.

A young athlete can purchase a pair of Nike sports shoes, convinced that he will have better sports performance, but also as a fashion statement. The purpose of Nike shoes is both functional and symbolic. Most people buy branded sport shoes just to show off. Young people from developing countries want to assert membership in the rich world brightness (Olins 2006, page 19).

Brands have become a prosthesis, an extension of the ego. When we buy a brand, we buy a valuable statement to others and also an affirmation of our

personality. Thus, the demand for goods and services becomes unlimited, just as people's desire to assert their personality, to continuously reinvent and renew themselves through the acquisition of new brands (Kornberger 2010, 9). Brands are the instrument by which products are being delimited, detached from the limited functionality, and thus become the engine to satisfy unlimited, updated desires. With the advent of brands, enterprises have ceased to meet individual needs and focused on creating, fostering and management of wishes.

Brands have become part of the lifestyle. They are lifestyle. Big companies do not sell products and services: they sell and require a lifestyle. Those who do not adhere to this lifestyle, to the brand's symbolism, become a victim of public opprobrium. The finished product is just one of the many facets of the brand, i.e. the material expression of the brand. Because firms cannot sell brand's symbolism separately, it should be added to a finished product.

Large companies capture the cultural scene in the name of branding. For these organizations, branding not only

adds value to a product, but also absorbs cultural ideas and symbols that their brands reflect, projecting them back on the derivative culture of the brand. The effect of this advanced form of branding is that it sends the host culture into the background, and the brand becomes the star. At stake is not to sponsor culture but to be the culture. Brands polish and redesign cultural landscape and cultural scene (Klein 2006, pp. 43-44).

2. Areas of branding

The scope of branding has expanded broadly. Products, companies, nonprofit organizations, public entities, geographical locations appeal to branding to build their reputation and identity.

Tangible products

Branding managed to turn mundane items like water, into successful brands. Bottled water represents the ultimate manifestation of branding, i.e. the triumph of emotion over reason (Olins, 2009, p.41). Kapferer (2008, 32) states that in order to create a strong brand, we must make the transition from transparent products to opaque products. Transparent products are those for which only the functional attributes dominate: e.g. bread. Opaque products are those that have a set of invisible evocations among the basic functionality. In other words, in the case of an opaque product the distance between the complexity of the product and the base attributes is very large.

Business to business products

Even in the industrial sector branding asserted firmly. Reputation is one of the criteria underlying the purchase decision. Branding is difficult in this sector as invisible attributes are less relevant: in the industrial sector buying decisions are based primarily on rational arguments rather than on emotional ones. Corporate brand has an important role. It also must be emphasized expertise, reliability, ease of doing business as means to establish credibility, reputation and differentiation (Keller 2008, p. 14).

Corporate brand

The entire organization needs to be articulated around brands. Brand must provide organizations' leadership. In turn, organizations must establish a climate that ensures brands growth and affirmation. Other authors consider brands as a form of organizational identity. Thus the concept of organizational brand was imposed. Organization's brand is a form of corporate reputation, communication with stakeholders. Organizations need to create a soul of their own to help them interact better with stakeholders. Corporate brand consists of four elements: first a strategic vision that expresses the aspirations of top management, secondly, organizational culture expressing how employees adhere to the values of the organization, thirdly, stakeholders' image as perceived from the outside and finally an intersection of these three perspectives, brand identity as a reflection of how the organization perceives itself. Therefore corporate brand allows a happy synergy between marketing and strategy, between short-term operational issues and long-term aspects. Emphasis translates from product brand to corporate brand. CEO of the organization is concerned to generate meaning and content for his organization.

Services

The challenge for branding services is that services are intangible and benefits cannot be standardized. Therefore, the quality perceived varies from consumer to consumer. Brand symbols are relevant because they help to transform the tangibility of services. Strong brands belong to companies in the banking sector (ING, CEC Bank), telephone services (Vodafone, Orange), airlines (Lufthansa, British Airways). In the banking sector, the bank brand is a contract on the quality of services. In the services sector, the focus is on maximizing customer experience in touch points and interaction with the brand.

Traders' brands

Distributors and retailers have created their own brands to compete with manufacturers' brands. Distributors' brands generate consumer interest, loyalty, helps to position the respective stores. Retailers can sell those products under the company name or create other brands. These brands are often fighting for the selling space with well-known producers' brands, which creates conflicts in the distribution circuits.

Non-profit organizations

Red Cross, Greenpeace and other organizations turn to branding to strengthen awareness and attract higher income. Museums, theaters, opera houses focus intensively on branding. For example, museums in London have a great reputation. It is estimated that three out of ten tourists visit London for its museums (Popescu and Corboş, 2011, p 305). British Museum, Tate Modern and the National Gallery, three of the most popular museums in London attract over 15 million visitors annually. Another famous museum is Guggenheim. Sports organizations register the same fever of branding.

Personality brand

People, celebrities, artists, athletes, politicians seek to manage their reputation to attract large sums of money or to gain political capital. For example, tennis star Roger Federer, who won the most Grand Slam titles in history, has sponsorship contracts with Gillette, Rolex, Nike, etc.. Personal brand is about authenticity, not perfection (Bogdan, 2010, p.151). As in business, personality brands should speak about identity and not to solely rely on communication. Also, there must be a congruence between personality measures and the values that individual claims to promote. Regarding Romanian politicians, there is a discrepancy between the luxury displayed and the austerity measures that they promote.

Locations

Geographical locations' branding has grown with the increasing mobility of people and business, business growth in the tourism sector. Cities, regions, countries are heavily promoted through television stations, Internet, etc. The aim of these campaigns is to attract tourists and investors. Cities like Edinburgh have created specialized departments of brand management to attract the 3T (English tourism, trade, talent): tourism, investment and people (Kornberger 2010, p. 90).

The brand is the result of a location history (Italy) or the achievements of people in the area (Dubai). The brand of a location has great power of attraction, both in terms of visiting the area, desire to migrate or to purchase products made in that location (made in Germany).

The image of a location is a determinant factor of the attitude that citizens and businesses adopt towards that location. Image is a simplification of a large number of associations of ideas and information about that location (Kotler, Haider and Rein 2001, p.151).

3. The brand as the expression of the product

To produce is no longer a challenge now. Production is outsourced to low-wage countries. Currently, due to the flattening of consumption and fierce competition, creating desire is important. From this point of view branding is essential to an organization. Consumers no longer interact with products and services; they are essentially attracted to the emotions generated by brands.

The brand becomes the magnet that production needs to attract consumers (Kornberger 2010, p 21). Organizations are looking to maximize points of contact with the brand in order to generate customers' attachment.

The brand is the interface between producer and consumer (figure 1).

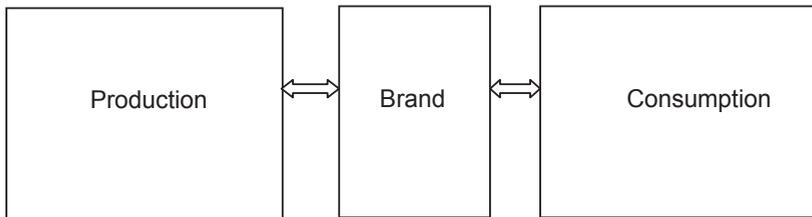


Figure 1. Brand as interface between production and consumption

Source: Adapted from Kornberger 2010

The brand is the driving force that can bring together the company's overall strategy, human resources, operational production, marketing policies. The strategy aims to achieve strategic objectives, among which we can also include increasing the brand awareness. Human resources are committed to the philosophy of the so-called *brand engagement*.

Walter Landor, president of the Landor advertising agency, believes that "products are made in the factory and brands in the mind" (cited in Klein, 2006, p. 181). In the new knowledge economy, brand creators have a central place. In this light the sphere of production is marginal. Production is relocated to low-wage countries. Big companies avoid production, at least if they are sure that this can be done safely, with quality standards in the developing countries. China is the largest producer in the world: computers, cars, electronics.

The focus in resource allocation goes to building brands: sponsorships, advertising, design, preparation, distribution channels, consumer experience. From this perspective, companies should not invest in factories that need physical maintenance, technology that will be worn and outdated (Klein 2006, p. 182).

Brands offer an organizational outside-inside perspective, forcing organizations to constantly innovate the interaction with the environment.

Brands represent the method to transform the cold, rational world of production in a world of desires and

diversity. Production is based on uniformity and standardization. Branding is based on diversity and differentiation. Branding gives every consumer the opportunity to customize the system of meanings. Symbolic content of each brand is enriched by the boundless possibilities of individual perception. Each difference that can be exploited is carefully investigated.

Brands are the link between consumption and production. Currently, the product is no longer defined by its functional attributes but by its symbolic load and nature of its associations. To stimulate the sale of a product is not necessary to change its utility, but only the emotional connotation that this product generates. It is therefore necessary to change public perceptions about the product and how the product is reinterpreted.

Brand transforms banal items into a cultural entity. From this point of view, the brand represents all symbols of a product. Let's take for example a famous soft drink - Coca-Cola. What are its evocations? What meanings does it have? How much does it cost compared to other brands? Here is the difference between a brand and a regular soft drink.

Brands are not functioning commodities but cultural and social icons. The product with a proven better quality is exceeded on the market by the product with a better brand image. Toyota engineers have created a model called Lexus, a great product in terms of technology, product proposed to the market for a price of \$ 36,000, compared

to 73,000 dollars, the cost of a Mercedes. Mercedes has responded by increasing the price of its products while increasing after - sale services, which led to a reinforcement of brand image (Kotler, 1997, p 618). Conclusion: stereotypes and brand presence are difficult to combat. The company with a strong brand is less affected by movements of competitors.

Blind tests proved that people taste what they expect to taste. If it weren't so, advertising would not achieve its goal. The aim of branding is to raise public expectations. To create the illusion that the product or service would fulfill the expectations that people have (Ries and Trout, 2004, p. 48).

The automotive manufacturers have understood that their purpose is not the production of cars but manufacturing brands. For example, if we think of Volkswagen, Seat, Skoda, Audi cars, there is a high probability that they have the same engine and be made on the same technical platform. What differentiates them is the design and the set of associations evoked. In the cosmetic field, how different shampoo formulas are between them? However each brand has a distinct set of evocation.

The brand may be the common denominator of limited production possibilities and limitless possibilities of diversity. Production cannot be replicated to the individual wishes. But material production and services can be improved in the symbolic associations.

The decline of production and branding affirmation reflects not only the status of brands as economic panacea, but the corresponding devaluation of the production process. In other words, branding consumed the whole added value (Klein 2006, p. 182).

Currently, creating brands rely increasingly on interactivity. The old model where brands were created by the center has no practical relevance. Attempts to prescribe consumers a content of meanings became obsolete. Brands scan continuously the consumers in order to get ideas and new meanings.

The question is whether the brand can sell only meanings without product, therefore without functionality? Can there be brand without product? There is, of course, the case of services or consulting companies. We could say that yes, if we think of human works in the cultural sphere. Product is brand's pretext. The product tangibles the brand and thus allows us to obtain a price that out of the product's existence would be hard to obtain. Few clients understand the symbolism of a brand and are willing to pay something for an idea. Customers need something tangible to reflect the idea of the brand, they search a justification for the money they spent.

4. Conclusions

Brand management is to define the core values of a brand and then the conversion of these essential values into visible aspects of the brand: name, logo, color, etc.

The key word of any strategy is to create competitive advantage. But any advantage is short-lived. Management practice has shown that it is more accurate to use the concept of temporary advantages.

Innovation outside the brand has much less chance of success. The brand is a very good mechanism to protect patents. Currently, any innovation is quickly copied. The product marketed under a brand is protected against competition in a much stronger way. Consumers tend to be loyal to the strongest. We recall here the dispute between Apple and Samsung in the smart phone industry. iPhone is about three times more expensive than the average competition product (Dumitriu 2012, p. 131).

Throughout the lifecycle of a brand, several products can be launched, some with greater success, others less successful. But what lasts is the brand and the content of its significations.

Brand leaves a strong impression, which allows a long-term structuring of perceptions. The brand creates a cognitive filter: less pleasant or dissonant

aspects are forgotten. The failure of brand extensions do not influence brand perception. BIC is a relevant example: a firm specializing in stationery products will have difficulties in launching a fragrance. The brand is more elastic than a product. Once atypical elements are removed, brand perception creates the illusion of permanence and consistency, hence the importance of defining the values of the brand. A brand is both memory and the future of the products it describes (Kapferer 2008, p. 37).

Firms do not have to remove their identity, which helped them to attract

consumers. Consumers' loyalty is created by following the brand elements that initially seduced consumers. If the product is no longer up to the expectations of customers, it is better to try to touch the original promise than to try to change those expectations. In order to have consumers' loyalty brands must be true to themselves.

We conclude by stating that products and brands live together in a symbiotic union. Regardless of its relevance, a brand need something tangible to address the public. The product is an excellent support for the brand.

REFERENCES

- Aaker, David (2006), *Strategia portofoliului de brand*, Editura Brandbuilders, București.
- Aaker, David (2005), *Managementul capitalului unui brand*, Editura Brandbuilders, București.
- Aaker, Jenifer (1997), "Dimensions of Brand Personality", *Journal of Marketing Research*, vol 34, no. 3, pp.347-356.
- Adamson, Allen (2010), *Brand Simple*, Editura Publica, București.
- Barbu, Mihail Cătălin (2010), *Marketing internațional*, Editura Universitaria, Craiova.
- Bogdan, Aneta (2010), *Branding pe frontul de est: despre reputație împotriva curentului*, Brandient Consult, București.
- Cateora, Philip (2006), *International Marketing*, Canadian Edition, McGraw-Hill.
- Deresky, Helen (2006), *International Management*, Fifth edition, Prentice Hall.
- Dumitriu Roxana Ioana (2012), "The Role of Branding in Marketing Strategy", *Management&Marketing*, volume X, issue 1, pp. 105-132.
- Fisk, Peter (2008), *Geniu în marketing*, Editura Meteor Press, București.
- Fournier, Susan (1998), "Consumers and Their Brands: Developing Relationship Theory in Consumer Research", *Journal of Consumer Research*, 24 (March), 343-373.
- Klein Naomi (2006), *No logo – tirania mărcilor*, Editura Comunicare.ro, București.
- Holt, Douglas (2004), *How Brands Become Icons: The principles of Cultural Branding*, Harvard Business Press.
- Jansen, Michael (2006), *Brand Prototyping – Developing Meaningful Brands*, Kluwer, Amsterdam.
- Jugănar, Mariana (2007), *Marketing internațional*, Editura Expert, București.
- Kapferer, Jean-Noel (2008), *The New Strategic Brand Management: Creating and Sustaining Brand Equity Long Term*, Kogan Page.
- Keller, Kevin (2008), *Strategic brand management*, Prentice Hall.