BRAND MANAGEMENT (BRANDING) IN THE CERAMIC SECTOR

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SYNOPSIS OF THE COMMUNICATION

Marketing researchers are increasingly concerned about studying the correct approach that companies need to adopt in their decisions regarding the brands they will use to designate their products. Brands are, nowadays, one of the main assets of companies that need to produce goods in countries where they can obtain favourable conditions for production.

1. INTRODUCTION.

Branding is an abstract concept that could be defined as the process of creation and management of brands, i.e. it consists of developing and maintaining the set of features and values of a brand such that they are consistent, appropriate, distinctive, susceptible of being protected legally, and appealing to consumers. In recent years the market conditions, globalisation and, in short, ferocious competition have caused brand management to receive greater attention, since competing in the closed or semi-closed economies of just a few decades ago is not the same as in today's economy. Thus, when a person identifies a brand, the person is identifying a set of features and values that he or she finds in it. Constructing a brand consists of developing and maintaining these characteristics which provide the product with its identity, making it unique. This factor, distinction, is critical in a process of brand management: the client must perceive the product as different from the others.

The Spanish ceramic sector is not foreign to these tendencies, and has been incorporating marketing strategies based on branding or brand management for several years. Thus, the strength of the Porcelanosa brand is unmistakable, which has featured in recent studies on ceramic consumers as the most recognised concept associated with the sector. Or the presence in the Famous Brand Forum, the national reference in which numerous companies from different sectors participate, of Keraben. In the same line, ASCER features on its Web site the different brands associated with each manufacturer, thus endorsing the multi-brand strategy of the manufacturers, and providing consumers with important information.

2. BRAND DEFINITION.

At the moment, the most distinctive trait of marketing professionals is considered to be their capacity to create, maintain, protect and reinforce brands. Marketing professionals state that 'putting a brand on a product is an art: the cornerstone of marketing'. Thus, the American Marketing Association, a worldwide authority in this area of knowledge, defines brand as follows: A brand is a name, a term, a signal, a symbol, a design or a combination of some of these, which identifies the goods and services of a seller or group of sellers, and distinguishes them from those of competitors.

However, this definition could be incomplete in view of the role that brands play nowadays. At the moment, they are used mainly by sellers and manufacturers as marketing tool to gain the confidence of consumers, and thus reach their objectives of sales and earnings.

A brand is essentially the promise of a seller to produce under certain characteristics, benefits and services consistent with the needs of the buyer. The best brands bear in themselves a quality assurance. But a brand is a much more complex symbol. It can have up to six meanings:

1. Attributes: a brand reminds us of certain attributes. An example is the attribute of durability, associated with certain brands in the sector.

2. Benefits: the attributes need to be translatable into functional or emotional benefits. The qualifier 'durable' could be translated into a functional benefit that meant something along the lines of 'I won't have to change the ceramic flooring for years'.
3. Value: the brand also makes a statement about the values of the producer. The leading companies in the ceramic sector usually represent social prestige.
4. Culture: the brand can represent a certain culture. The Spanish companies represent an own culture: original and based on fashion and design.
5. Personality: the brand can project a certain personality, associated with the values that the own brand represents.
6. Consumer: a brand refers to the type of consumer who buys that product. At the home of a top senior executive we expect to find ceramics from the most prestigious companies in the sector, but not as readily in the home of a young administrative assistant.

3. THE BRAND IN THE COMPANY MARKETING STRATEGY

The study of the decisions on brand management by companies has become one of the major lines of research in marketing studies in recent years. Thus, the brand has become a key aspect in company product strategy. This is due, on the one hand, to the fact that the development of a product under a brand demands a strong long-term investment, especially in advertising, promotion and packaging. Many brand companies subcontract the production to other companies. For example, the manufacturers of Taiwan make a great part of the clothes and the electronic devices that are sold in the world, but not under the brand of Taiwan.

The creation of strong brands and the improvement of their value constitute, nowadays, a high-priority line of performance for companies. Experts in business administration argue that the importance of the brand is greater than that of the tangible assets, since although consumers react when they identify this brand, it is quite likely that they are not interested in the machines, the facilities and the material elements that the company has [4]. A further reason is the fact that while tangible assets depreciate in use, using the brand for launching new products or introducing itself in new markets can increase its value (Barwise et al., 1990). From this standpoint it becomes readily understandable why Light [3] states that 'in the future it will be more important to own a brand than to own several factories. The only way of being recognised and influencing the market is by having brands that provide the product with added value'.

4. BRAND EQUITY

The importance of the brand name for a company has led to the concept of brand equity, which is the added value that a particular brand name gives a product, beyond the functional benefits it provides. This value has two distinctive advantages. In the first place, brand equity provides a competitive advantage. A second advantage is that consumers are often willing to pay a greater price for a product with brand value.

Brand equity, in this case, is represented by the surcharge that a consumer pays for one brand instead of another, when the functional benefits provided are identical [2].

As far as the creation processes of brand equity are concerned, it should be noted that this is not a matter of chance. Brand equity lies in the mind of consumers and is the result of what has been learnt, felt, seen and heard of the brand in time. Producers recognise that brand equity is not obtained easily or quickly, but that it is the outcome of a process of sequential construction that consists of four steps.

The first step consists of creating a raised awareness of the brand and an association of this in the mind of the consumers with a product class or a need, in order to provide the brand with an identity. Next, the producer must establish a meaning for the brand in the mind of consumers. The meaning comes from what a brand represents and has two dimensions: a functional dimension, related to performance and an abstract dimension, related to image. The third step is to arouse the appropriate responses in consumers to the identity and meaning of the brand. In this case, the attention focuses on how the consumers think and feel with regard to the brand. Thought is centred on the perceived quality, credibility and superiority of the brand with regard to others. Feeling refers to the emotional reactions of consumers before the brand. The last step, which is also the most difficult, is to make the brand resonate among consumers, evidenced by a relation of active and intense loyalty between the consumers and the brand. A deep psychological bond characterises brand resonance in consumers and their personal identification with the brand.

In regard to the evaluation of the foregoing, note that the value of a brand also provides the brand owner with a financial advantage. Successful and established brand names, like Porcelanosa, Keraben, Tau Cerámica, or Pamesa, have an economic value in the sense that they are intangible assets. The recognition that brands are assets is demonstrated by the decision to buy and sell brands. Brands, unlike physical assets that depreciate in use and time, gain in value when they are administered efficiently. However, brands lose value when they are not administered correctly.

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