

What makes a “good” brand? A good brand is not defined is not defined by the same good as in “good and evil.” While brands have values, there is a functional criterion that makes a brand good. A brand needs to be immediately recognizable, provides a consistent image of the company, clearly communicates the company’s persona, legally protectable, has enduring value, works well across the media and scale, and should be timeless. (10) To get a better sense of what these are and how they work, let’s look at some examples of good brands.

Example #1: Coca-Cola

Coca-Cola has been around since 1886 and daily servings of *Coca-Cola* are estimated at 1.9 billion globally. (9) Over the years the *Coca-Cola* brand has become synonymous with fun, friends, and good times. In 2016 they rolled out their “One Brand”; which globally unites the brand under the creative campaign of “Taste the Feeling.” The campaign underlines *Coca-Cola*’s commitment to choice, reinforces that *Coca-Cola* is for everyone, keeps the company’s core values in focus, and keeps up with the brand’s iconic visuals. (6)

Example #2: Nintendo

Nintendo is one of the biggest names in the video game industry and is even a house hold name. Even if you don’t play videogames, you know who *Mario* is. This is due to their “Lifestyle Brand” approach. The general concept of this is that it makes the brand feel like a person with their own values and goals. That go beyond just selling their products to you. It has the consumer associate the brand with positive, real world experiences. (2)

Example #3: Disney

Disney's approach to branding is that it tells stories first, develops and sells products second. (1) For example, the new *Star Wars* movies. They literally create the narrative first by making the movies. After hype was built for the first movie, they began to release toy lines. Then, following the movie's release they added books, comics more toy lines, direct sequels and spin off films. Then to better engage and immerse the consumer in the experience, *Disney* redid the *Star Wars* section in their theme parks and added a *Star Wars* themed hotel. This narrative focus has helped the brand stand out, maintain longevity, and have a positive association with the consumer.

Now that we have seen what makes brands successful, lets look at some examples of "bad" brands and how things went wrong.

Example #1: Sears

The *Sears* brand has been in a tail spin for decades now. Their decline started in 1981 when the company went outside their core as a retail business, into finance and real estate. (5) By focusing on business aspects outside their core, they left themselves open to their competitors. Then they restructured themselves in 2006, by dividing the company into several units and put inexperienced people at the helm. They then lost their scale advantage by selling off company stores and their big-name brands, such as *Land's End*. In 2013 their financial situation required them to sell off some of their high performing stores to steam their losses. This did not help as they continued to not update their retail model and in 2015, they were putting up an additional 200 stores for sale. (5)

Example #2: JC Penny

In 2011, Ron Johnson took over as CEO of *JC Penny*. (Mourdoukoutas) He had a stellar reputation at *Target* and *Apple*. (Kalb) As part of his rebranding process, Johnson switched the brand name from *JC Penny* to *JCP* and added the slogan “low prices every day.” This is similar to *Walmart*’s slogan “always low prices.” This makes it seem as though *Walmart* is their direct competition. But *JCP* is a chain of boutique stores and their competition are companies such as *Macy’s* or *Talbot’s*. Johnson also had the logo redesigned which is not on target with the brand.

“Putting the new name in the upper left corner of a square in lower case letters makes the logo appear off-balance. Centering it would be a better call. It may work for a modern art or architecture firm where off-balance is considered hip and cool. It is not likely to appeal to the middle class, middle-America segment that comprises the bulk of the JCP audience.” (Kalb)

But an even bigger problem was the change in pricing, where coupons were dropped in favor of everyday low prices. Coupons are important to most retail stores as they draw in new customers, promotes brand awareness, encourage spending, make the consumer feel smart, and exclusive coupons make the consumer feel valued. (Wong) Johnson was not looking at what the consumer wanted or need as he created his rebranding strategy and the results were disastrous. In the first quarter after the rebrand *JCP* had a loss of \$163 million. (Kalb) The recovery from this has been slow. Six years after the failed rebranding *JCP* stock was still trading in the middle single digits, unlike the upper thirties from before the rebrand. (Mourdoukoutas)

Example #3: Phillip Morris

Phillip Morris is the leading manufacturer of cigarettes in the United States. (8)

In 2019 the company is trying to merge with another cigarette producer, *Altria*. () While the company was popular in the early 1900's, it has been struggling with its brand for some time now. The links between cigarettes and multiple cancers, plus the anti-smoking campaigns of the 1990's have done much to harm the brand. It has also been losing its hold on being a major nicotine delivery system with the rise in *Vaping*. In just this past month *Phillip Morris* has dropped 5.4% on the stock market and with *Altria* also being down 5.4%, it doesn't look like the merger will do much to help. (8)

Resources:

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