

MARK VS. BRAND – TERM AND CONTROVERSIES

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Abstract

Starting from the new marketing paradigm, putting the buyer, and therefore his understanding of the products and services that meet his daily needs at the center of marketing actions, attracts more and more attention. Having in mind the latest advertising drive of “Coca-Cola” one can say that, so far, they have been engaged in the sale of “Coca-Cola”, and now sell Coca Cola "side of life."

The work compares two terms *mark and brand*, and provides the most common meanings of these terms, starting from the differences in the concepts of trade mark and brand.

The universal anglicanization not only in the language of marketing, but also in other languages, the term *brand* is more and more being used synonymously to the term *mark*, which we can not agree with.

Customers and consumers create a special relationship to the mark. There are different models of the evolution of the concept of branding. Corporate brand as a concept implies a coordinated portfolio of marks.

The practice of marketing is based on product quality, development of trademarks and a creation of a brand. Contemporary practice of marketing starts with the creation of brands which are given characteristics of trademarks and products.

Brand, in general, expresses a mission and values that the company nurtures, and must be incorporated in the vision of the company. Starting point for building a brand is a belief that must realistically indicate the value related to the client. This belief is particularly important in the process of communicating the brand, both with external and with internal factors.

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Introductory thought

When talking about brand, we usually do not refer to all the issues that arise from just one word, word which etymologically derives from the Anglo-Saxon language where it used to denote the verb „burn“, i.e. the 12th century, in which the current term brand, actually denoted glimmer and brand marking. Concurrently, the semantic term brand, or the ‘Croatianised’ term „marka“,

which is not the appropriate term to be used for the above terminology, as it does not comprise all the problematic issues, i.e. the scope of brand that the word encompasses in the English language, derives, at least in terms of etymology, from the Wild West cowboys who used to brand their cattle. As the term brand, in the older books on marketing, namely, according to the American Marketing Association, as well as according to Kotler (Kotler; 2006., 549) and Bennett (Bennett; 1995., 85), actually means name, term, sign, symbol or design, or their combination aimed at the identification of the goods or services of one producer, or a group of producers, and their distinction from the goods and services of the competitors. The definition of brand by the American Marketing Association dates back to the beginning of the 1960s. Nevertheless, it can still be found in numerous books on marketing, including the ones written by Croatian authors, although it is quite obsolete, and this paper will display the difference in mark vs. modern-day mark, i.e., brand terminology.

Theoretical propositions of mark and brand

The classic definition of mark can eventually be expanded by more contemporary concepts where it actually refers to a system of fundamental, visual, verbal and written features with the aim of identification and distinguishing of the product or service of one seller or supplier from the others. However, brand surpasses anything we can see, hear or touch; therefore, in the context of this statement we observe it as a phenomenon that behaves like a living organism, as in its definition it does not challenge the concept of the product, name, symbol or any other physical – contemplative characteristics. Thus, brand represents the quality of a company, the business management and communication within a company as well as interaction with the market. However, interaction with the brand itself gives rise to a series of emotional, rational, cultural and sociological images that bear association to the producer. When buying, buyers frequently do not purchase only the product, as was considered in the past, but its emotional significance as well, i.e. they buy a supplement for their unsatisfied needs. According to Pavlek (Pavlek; 2008. 92-94.) brand becomes the most valuable asset of a company and the assessment is that, nowadays, it accounts for an average of some 50 % of a company's balance structure in developed countries.

If we are to return to the very beginning and start with the product, then we may find that the history records the first signs of origin or authorship in Greco-Roman period and in China on the ceramic vessels. The ancient Romans placed symbols upon their stores, depending on the type of services they provided – a ham for a butchery and such. The noblemen and knights of the Middle Ages had done the same, so the analogy conveys the desire to distinguish and the

pride of the one who wears such symbols. This desire is in fact a desire for own identity. Gradually, such placement of symbols is given legislative formats in 19th century when the very first mark registration laws (trademark laws) are passed. These laws had a purpose: (1) to distinguish, identify; (2) of identity, owner and origin protection; (3) risk protection, that is fraud protection, of the consumer (Pavlek; 2008., 89).

The salesmen had then begun to mark their merchandise in order to increase product recognition and enhance diversification of different owner product. In this context, we find the term *mark* to be completely satisfactory. Later on, an immense budget and omnipresent media appearance, as well as the sheer emphasis on the product as the best, the strongest, the fastest and the most efficient one, were arguments enough to ensure the leverage in competition. Other producers began to offer the same and the superlatives proudly emphasized before became something that the user understands as given and, naturally, expects. Soon, all the producers began to add identity and character to their products, which led to mark value development.

The mark had then been considered principally as the means of identification of certain products or services that the producer or the owner guaranteed the promised performance or the so-called functional quality level (the structure, equipment, characteristics, usage, appearance, endurance and other).

The relation towards the mark and its creation was in accordance with the time and trends. In those days the term mark had been used to denote diversity, whereas nowadays the relation towards the term mark becomes dynamic to such extent that not even the many authors dealing with marketing manage to follow it (Pavlek; 2008., 120).

Presently, under the term mark one understands a number of significant qualifiers which include mark awareness, mark value, mark image, mark culture, mark attributes, mark strategy, mark expectations, mark management etc. (Mušura; 2009., 14). The term mark does not satisfy all these elements.

We may quote the American Marketing Association definition from the early 1960s, but which is still found in many contemporary marketing textbooks, and it is as follows: A mark represents a name, term, sign, symbol or design, or the combination of the aforementioned, with the purpose of merchandise or service identification of one producer or a group of producers and the differentiation of their merchandise and service from competition. That definition no longer satisfies the contemporary relations of consumer and modern-day mark. Such

an approach to mark definition mostly serves the purpose of differentiation, id est for identification and protection.

Brand is a promise, a belief

The modern-day mark represents a promise, a belief, and the consumers expect certain characteristics and uses from it. The designers of modern-day mark seal an unsigned contract with the consumers on its values. It represents a guarantee, trust, diminished risk and reputation, and we tend to imitate it, sometimes even identify with it, experience it, personify it, and create an entire collection in our minds (Pavlek; 2002., 94).

That is the reason why American Marketing Association definition may be considered static as a means of recognition, while modern-day life tells of the strategic desire to create specificity, mark superiority and value, identity creation and the relation towards the consumers, experience aspect and idea. In modern-day approach, mark is no longer considered as simply a result of the functional attributes, but of feelings, that is beliefs, as well.

Emotional relation, the way that the people sense mark, become the decisive element in its diversification and its significant value proposition. The higher the level of mark experience is, the higher the mark value because a circle of loyal followers gather around it. A step further from that classical marking is the idea behind which is the mark and its promise. Mark can no longer be simply a characteristic. In the context of the international communication, the term brand, as a code of understanding, denotes a mark accepted by the consumers, which they relate to on the basis of differential features and promises they must believe in, as well as its superiority or appropriateness for their lifestyle, status and purchasing power. Consequently, the marks become beliefs, ideas, the world which they relate to, and the term mark becomes brand. Nowadays, the distinction is clear. Trademark is a feature, and brand arises from the human mind as a mental map of associations and experiences. Also, it should be emphasized that the mark, that is trademark is to be viewed from producer aspect, whereas brand is to be viewed from the consumer aspect. Lately, the term brand is used in international communication as well in order to emphasize additional value superceding mark features. Mark is used more as a legal term (hallmark, sign, trace, imprint, product name), and it is present in numerous languages – German die Marke, Italian marca, French marque, and it originates from Greek marka, meaning a sign (Pavlek; 2008., 120).

Brands and emotions

The strength of a brand shifted from performance to trust, that is belief, and the buyers rewarded only those who have not sacrificed their trust in the name of profit. The true stars of today are only those brands that have managed to rise in the upper category and became emotional brands that the people like so much they would not change them for anything in the world. When the quality and functionality became expected categories, the innovative brands shifted their values from performance to emotions, experience and the relationship with the consumer. Brands are based on emotions and not on abilities (faster, more, stronger). They do not aim simply at the mind of the consumer, but their heart (Bilopavlović; 2008., 18).

Emotional component may be seen through loyalty the buyers in Croatia display towards the homemade brands after the global ones had entered our market. Many had expected that the homemade brands will loose the battle with stronger ones like Milka, Lindt, Nescafe, Knorr... but the consumers remained loyal to homemade brands that incite positive emotions in them for years on (Vranešević; 2008., 42).









We have to decide whether we want to treat our buyers as one night stands and risk the chance that we may never see them again, or as a lifelong companion worth the additional effort. Sometimes, it is enough to offer the buyers just a little more than what is expected to win them over for life (Bilopavlović; 2008., 19).

Brand value

A successful brand has faithful consumers, which in the end reflects on the sales value and the market value of the owner company (Antić et al.; 2008., 200). Today, the emphasis is on the creation of emotional relations which increases the mark value, so that the terms brand, branding and brand equity are ever more assumed in the international plain (Pavlek; 2008., 89).

Several studies attempted to evaluate the brand contribution to the company value. The Interbrand study for 2008 (see Table 1) from which one can conclude that the brand contributes more than a one third of the company value.

Table 1 Top 10 Global Brands

BEST GLOBAL BRANDS						
2008 rankings					Contract All Expand All Print	
2008 Rank	2007 Rank	Brand	Country of Origin	Sector	2008 Brand Value (\$m)	Change in Brand Value
1	1		United States	Beverages	66,667	2%
2	3		United States	Computer Services	59,031	3%
3	2		United States	Computer Software	59,007	1%
4	4		United States	Diversified	53,086	3%
5	5		Finland	Consumer Electronics	35,942	7%
6	6		Japan	Automotive	34,050	6%
7	7		United States	Computer Hardware	31,261	1%
8	8		United States	Restaurants	31,049	6%
9	9		United States	Media	29,251	0%
10	20		United States	Internet Services	25,590	43%

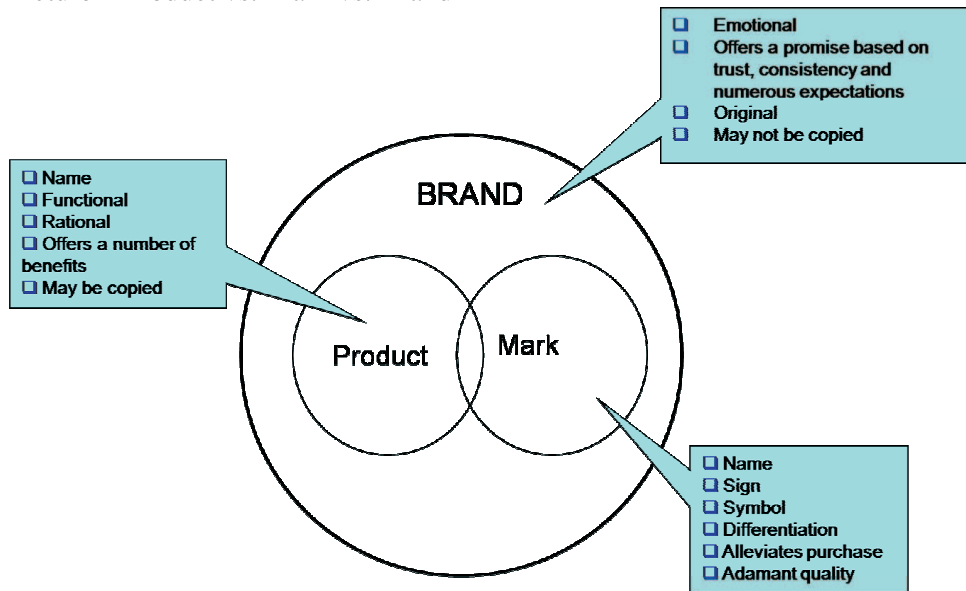
Source: http://www.interbrand.com/best_global_brands.aspx?langid=1000
(Accessed 19th of March 2009)

In the evaluation process, Interbrands viewed brands as the company's financial assets, attempting to evaluate the contribution of the brand to sales and profit, the stability of that contribution in the future and the future profit worth today. The criteria are rather strict. For instance, to enter the list of Top 100, each brand must realise at least one third of the entire profit outside the domicile country, must be recognized by buyers not using the product / service behind the brand, and the marketing and finance data must be public.

The various researches in brand value show the superiority of the brand over the mark, that is trademark, and its higher level, because no mark (name, design...) can measure to the emotions and beliefs that the brand offers. Consequently, Kotler cites that the brand value measure is the level up to which the clients are willing to pay more for the brand, which is backed by the

research results according to which 72 % of clients would pay 20 % higher price for their chosen brand (Kotler; 2006., 556). The higher price that may be added to a generic product because of the brand is justified exactly through rational and emotional additional value that the company employees and the clients feel due to brand (Vranešević; 2007., 11).

Picture 1 Product vs. Mark vs. Brand



Source: authors

Picture 1 depicts the basic brand features used in contemporary approach to mark definition, which expresses the dynamic relationship with the consumers, while mark (trademark) is related to the classical approach of feature identification.

As is shown in the Picture 1, brand is superior to mark. It contains all the elements of the mark, and more, with the presence of the emotional component that cannot be copied, because emotions are unique, original and with a promise, trust and consistency are offered based on the brand strength.

If we are to view the product, mark and brand from fraud aspect, then the significant brand characteristic in relation to product and mark is that in the eyes of the consumer, brand reflects a perception of originality and authenticity; that is, a brand cannot be copied, it is original and unique. Brand is the answer to the fact that the value the buyers seek is for the most part a combination of functional and psychological uses or features, often presupposed through

functional product features and psychological brand features (Vranešević; 2007., 12).

Instead of a conclusion

Brand is an experience is the mind of the buyer. Brand is a promise. Clearly, we are talking about terms no longer defined by the material, tangible values, such as quality, but emotions and perceptions, hope and belief.

The strongest brand in 2008 according to Interbrand is the untouchable, omnipresent Coca-Cola, which out of the 100 billion dollars of its market capital can thank its brand for the 67 billion. If we want to be mean, we will say that it is a combination of sugar and water sold 2000 times its value. In the Coca-Cola world, it is about being together, uniqueness, recognition, family, warmth and other social values and attitudes, which, realistically seen something that a fizzy drink could not produce – that is the current top brand of the world.

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