

# Topic: The Role of Design in Establishing a Brand

## 3 in-depth case studies

*Proposed by:* **Rucha Humnabadkar**, MDes, Carnegie Mellon University, May 2003

*Co-authors:* **Prof. Craig Vogel**, Director of Graduate Studies, School of Design, CMU and **Prof. John Mather**, PhD, Executive Director, MBA Program; Principal Lecturer in Marketing, CMU

### 1.0 INTRODUCTION

The user-centered approach often used by designers has value in developing a brand. However, the field of branding today lacks a thorough understanding of user-centered design principles. There also exists a communication gap between design and brand development teams. Previous experience in business and present understanding of design helped me see the value of design in marketing, specially branding. To illustrate this-three brands ABSOLUT Vodka, Intel and Starbucks-market leaders in their respective industries have been studied to emphasize the role of design in branding.

### 2.0 DEFINITION OF TERMS

#### *Marketing*

A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others<sup>1</sup>.

#### *Brand*

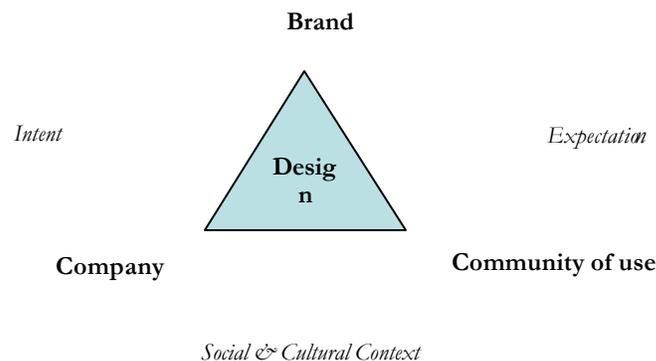
A brand can be defined as a value proposition and a contract between user and product experience. A brand is also a name, term, sign, symbol or design<sup>2</sup>.

#### *Brand Equity*

Consists of 5 asset categories: Brand Awareness, Brand Personality, Brand Loyalty, Perceived quality and value, Perceived quality and value, Brand Associations<sup>3</sup>.

#### *User-centered design*

This approach takes into account user feedback to make better product and brand decisions, as opposed to decisions solely based on intuition and market research.



## 2.1 HYPOTHESIS

The value of employing the user-centered approach to developing a brand, maybe inferred from previous experiences in business and current understanding of design. Design can strengthen a brand by adding value to the experiential and perceptual levels of a brand. To test the hypothesis, three brands have been selected—*ABSOLUT VODKA*, *Intel* and *Starbucks*—as they represent diverse brand situations and are market leaders in their respective product categories. No primary information regarding the process applied to their brand development is available.

However, close investigation of these brands reveals the role of design in making them successful. The three brands have been chosen on two criteria: extent of product visibility and consumer interaction with the brand.

## 3.0 RELATIONSHIP BETWEEN DESIGN AND BRANDING

The design process aims to deliver and fulfill user needs by providing user-centered product attributes and service features. The result of this process is embodied in a brand. The Brand is communicated to the consumer through a value proposition. Design helps communicate the value proposition by building a strong user experience around the brand. Also, content design, tone of the advertisements and promotion fall into the realm of design.

For a brand to succeed, the product offerings a result of the design process must be effective and consistent. The product attributes must perform and deliver to reinstate the value proposition. Design and brand work synergistically to create a strong value proposition, which a customer can associate with.

Brands, which manifest a strong relationship with design, are some of the most successful in their product categories and respective industry. Examples of such brands are *ABSOLUT VODKA*, Starbucks and Intel. Design has played a significant role in making these brands successful. Also, a well conceived brand strategy has helped position the products in the appropriate market segment and target the right customer base.

To demonstrate the role of design in establishing a brand two methods—Value Opportunity Analysis (design perspective) and the Case Study method (business perspective)—are to all three brands. The two diverse methods provide results that validate the role of design in creating a brand.

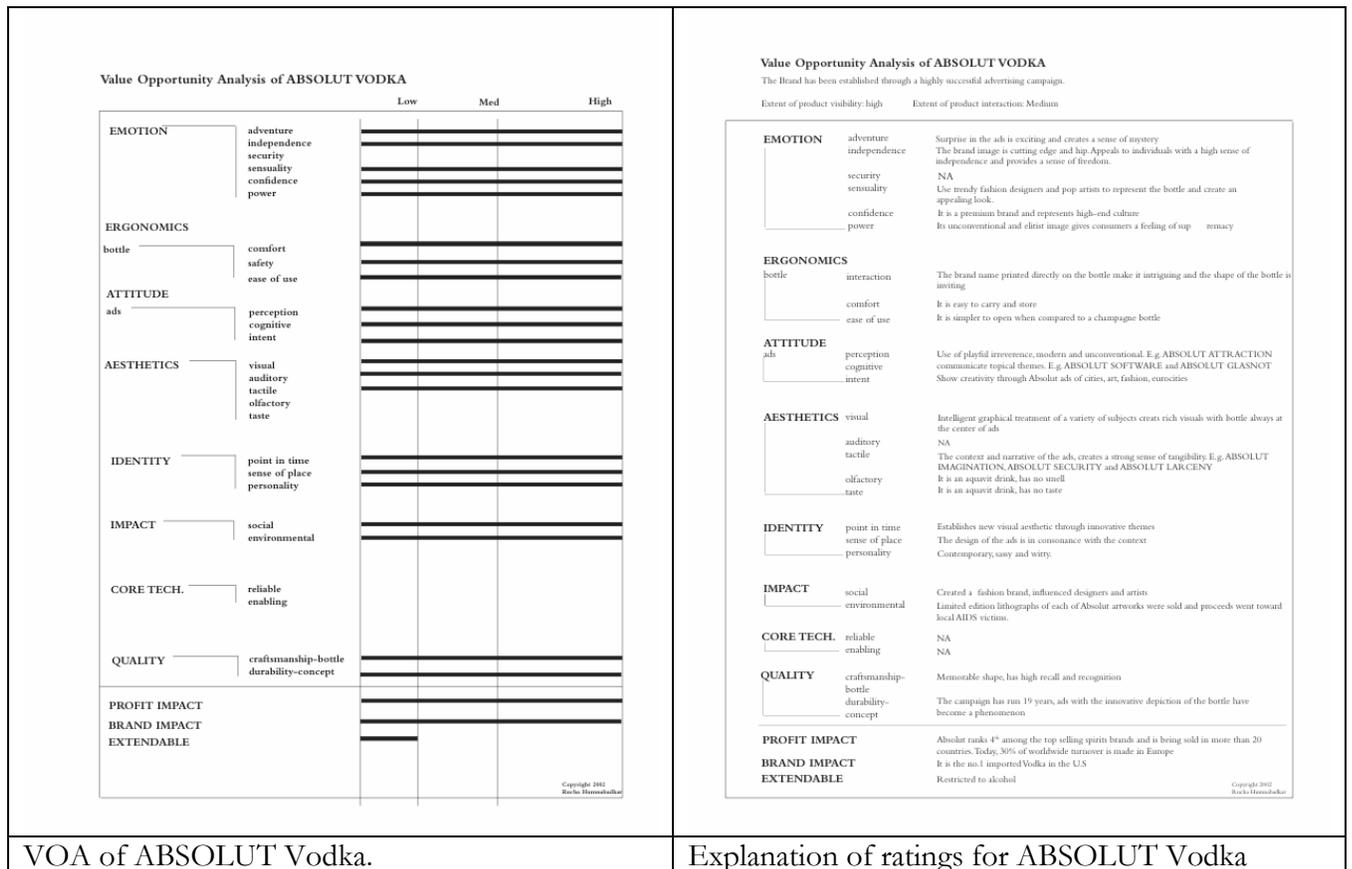


### 3.1 DEFINITION OF METHODOLOGIES

#### Value Opportunity Analysis

To establish the relationship between design and branding the three brands have been mapped on the Value Opportunities chart<sup>4</sup>. Value Opportunities are qualitative measures relating to a product or mapped on a chart. Each attribute is expressed as low, medium and high. If a product did not meet (or target) any level of that attribute, no line is drawn. There are originally seven classes of Value Opportunities: Emotion, Ergonomics, Aesthetics, Identity, Impact, Core Technology and Quality. Each contribute to the overall experience of the product and relate to the value characteristics of useful, usable and desirable. Below the chart are listed Profit Impact, Brand impact and Extendibility. Although not VOs, they are included as they indicate overall success of the product.

The chart has been adapted with its existing classes to map brands. Since brands have experiential and perceptual layers, an 8<sup>th</sup> class 'ATTITUDE' is added to the existing seven. The new class consists of three attributes: perception, cognitive and intent. This was done to better analyze brands. VO's define the semantics of the product and its associated brand characteristics, resulting in that value proposition. A successful brand must connect with the personal values of the customer. The initial impression of the brand stimulates short-term purchase. The long-term comfort, performance, interaction and satisfaction are the forces that build brand loyalty. The following are the Value Opportunity Analysis charts for all three brands:



VOA of ABSOLUT Vodka.

Explanation of ratings for ABSOLUT Vodka

**Value Opportunity Analysis of INTEL**

		Low	Med	High
<b>EMOTION</b>	adventure			
	independence			
	security			
	sensuality			
<b>ERGONOMICS</b>	chips			
	comfort			
	safety			
	ease of use			
<b>ATTITUDE</b>	ads			
	perception			
	cognitive intent			
<b>AESTHETICS</b>	visual			
	auditory			
	tactile			
	olfactory taste			
<b>IDENTITY</b>	point in time			
	sense of place personality			
<b>IMPACT</b>	social			
	environmental			
<b>CORE TECH.</b>	reliable			
	enabling			
<b>QUALITY</b>	craftsmanship			
	durability			
<b>PROFIT IMPACT</b>				
<b>BRAND IMPACT</b>				
<b>EXTENDABLE</b>				

Copyright 2012  
Roché Heemstra/Intel

**Value Opportunity Analysis of INTEL**

The Brand has been established through a brilliant marketing strategy built on a program and the advertising campaign "Intel Inside".

Extent of product visibility: **High**      Extent of product interaction: **Low**

<b>EMOTION</b>	adventure	Continuity of the quality of experience derived from interaction of chips with higher processing power.
	independence	Effort and to system without any impediment on external resources.
	security	Familiarity and consistency of high performance.
	sensuality	The role of the blue star logo, group name, a sense of unique brand as a premium and high quality brand that brings profitability. Knowledge of product under consumer confidence of purchase decision.
<b>ERGONOMICS</b>	chips	Bring Intel chips under consumer feel they are working with the world's best chip manufacturers and give a feeling of supremacy and control.
	interaction	No direct interaction with the chips, but overall product experience can be felt through high processing speed by computer users.
	comfort	High quality performance makes it an enjoyable experience.
	ease of use	The chip is embedded in the computer. The product is made for.
<b>ATTITUDE</b>	ads	Discontinuous in time or continuous in time.
	perception	Using the word "chip" in the "Intel Inside" campaign created a playful image followed the usage of computer technology.
	intent	Through the "Intel Inside" of drawing the blue star logo grabs consumer attention. The star is the main focus and continues eye-catching.
<b>AESTHETICS</b>	visual	The blue star logo is an available product, an easily appealing.
	auditory	The signature tone at the end of the "Intel Inside" TV ads has high recall.
	tactile	NA
	olfactory taste	NA
<b>IDENTITY</b>	point in time	The presence of creating unique name and chips with higher processing power as competing with others.
	sense of place	The high performance of the chip makes use as working with the computer and standard with performance.
<b>IMPACT</b>	social	Coming edge, modern and fun.
	environmental	Intel Back to the Future Program also to raise 400,000 dollars in 2008 to support technology by the end of 2011, in collaboration with Microsoft.
<b>CORE TECH.</b>	reliable	Intel is actively developing technologies and products that conserve energy and also saving PC makers around the globe.
	enabling	Consistent quality and high performance of the chips.
<b>QUALITY</b>	craftsmanship-chips	Image of technology with a high processing, reliable, extensive global among people.
	durability	Maintain the integrity of built reputation as the leading chip manufacturer.
<b>PROFIT IMPACT</b>		Keep research and development that boost performance of its chips and make the process more profitable and efficient.
<b>BRAND IMPACT</b>		Rank 1st among top 100 global brands. The brand has created an iconic and powerful (in its available product). Capable of extending chip technology across different product categories.

Copyright 2012  
Roché Heemstra

**VOA of Intel**

**Explanation of ratings for Intel**

**Value Opportunity Analysis of STARBUCKS**

		Low	Med	High
<b>EMOTION</b>	adventure			
	independence			
	security			
	sensuality			
<b>ERGONOMICS</b>	in-store			
	comfort			
	safety			
	ease of use			
<b>ATTITUDE</b>	in-store			
	perception			
	cognitive intent			
<b>AESTHETICS</b>	visual			
	auditory			
	tactile			
	olfactory taste			
<b>IDENTITY</b>	point in time			
	sense of place personality			
<b>IMPACT</b>	social			
	environmental			
<b>CORE TECH.</b>	reliable			
	enabling			
<b>QUALITY</b>	craftsmanship			
	durability			
<b>PROFIT IMPACT</b>				
<b>BRAND IMPACT</b>				
<b>EXTENDABLE</b>				

Copyright 2012  
Roché Heemstra

**Value Opportunity Analysis of STARBUCKS**

The Brand has been established through interaction with the store and in ambience. The people who work there, act as brand ambassadors. Starbucks uses minimal advertising to create brand awareness.

Extent of store visibility: **Medium-High**      Extent of store interaction: **High**

<b>EMOTION</b>	adventure	An avant garde ambience, poetry readings and cultural events, creates an anticipation for future activities.
	independence	Customers can freely move in the store, interact with each other and the space.
	security	The familiar interiors of the stores across the Starbucks chain are reassuring and calming.
	sensuality	Feeling of warmth, aroma of coffee and jazz music is inviting.
<b>ERGONOMICS</b>	in-store	Patrons interact with the products, space, other customers and the atmosphere encourages socializing.
	comfort	It is a space to relax, read and work in as well. Also, there is net connectivity.
	ease of use	Located in areas where people live and work. It provides quick service and is time saving.
	perception	The store and its people are the ads for Starbucks. Communicates avant garde, hip and friendly culture.
<b>ATTITUDE</b>	in-store	Product quality connects with people's values and stimulates brand loyalty.
	cognitive	Interiors of store, furniture, lighting, the Starbucks logo on the neon board are designed to make it eye catching and easy to identify even as one drives by.
	intent	The store design is unique and chic. The visuals are modern, playful and create an avant garde atmosphere.
	visual	Assorted jazz music and special collections of Starbucks CDs have become signature tunes, which patrons have grown accustomed to in Starbucks Coffee shops.
<b>AESTHETICS</b>	auditory	Starbucks is a lifestyle brand and has a rich user experience.
	tactile	The rich aroma of coffee attracts customers.
	olfactory	Refreshing taste of freshly ground and roasted Starbucks coffee.
	taste	Creates a new and exciting atmosphere to relax and drink coffee.
<b>IDENTITY</b>	point in time	The store design reinforces the stylistic and contemporary atmosphere of Starbucks. Creates a space for all to visit.
	sense of place	Contemporary, hip, sophisticated and friendly.
	personality	The Starbucks foundation funds inner city literacy programs.
	social	It does not support genetically engineered coffee or tea.
<b>IMPACT</b>	social	The Starbucks foundation funds inner city literacy programs.
	environmental	It does not support genetically engineered coffee or tea.
	reliable	The machines used to make the coffee are standardized across all Starbucks stores and provide coffee that is tasty, aromatic and hot.
	enabling	Fulfills value proposition of providing finest coffee in the world, and meets customer expectations.
<b>CORE TECH.</b>	reliable	The interior design of the Starbucks store is highly aesthetic, reflects brand personality and acts as the brand's vehicle.
	enabling	Starbucks is thought of as a lifestyle brand and has become successful through word of mouth and not advertising. It is novel and unique.
	craftsmanship-store	Has 5,700 outlets in 28 foreign markets. The largest coffee company in the world.
	durability	No. 1 premium coffee brand in the U.S. Ranks no.88 among top 100 global brands.
<b>QUALITY</b>	craftsmanship-store	Product offerings range from coffee to ice cream. It is capable of generating a variety of brand extensions.
	durability	
	concept	
	concept	
<b>PROFIT IMPACT</b>		
<b>BRAND IMPACT</b>		
<b>EXTENDABLE</b>		

Copyright 2012  
Roché Heemstra

**VOA of Starbucks**

**Explanation of ratings for Starbucks**

## 3.2 CASE STUDY

Case analysis will discuss the role of design in establishing three highly successful and powerful brands-ABSOLUT VODKA, Starbucks and Intel. Design adds value to a brand by contributing to the 5 asset categories of: Brand Awareness, Brand Personality, Brand Loyalty, Perceived Quality/Value, Brand Associations. In turn, these asset categories empower a brand to command a premium price in the market, establish market share, leadership and distribution coverage. The above are measures to determine brand equity<sup>5</sup>. The case studies will bring forth design's contribution to the major asset categories and how this has helped establish high brand equity for the three brands.

### Case Study - ABSOLUT VODKA

ABSOLUT faced big challenges during launch in the U.S market in 1979. It had an insignificant brand name, association with a country that has no vodka producing tradition, an old-fashioned bottle and market research warned against introduction. Today ABSOLUT commands 70% market share<sup>6</sup>. Design was a major factor in this success. Design contributed to the 5 asset categories of brand equity in the following ways:

**1.Brand Awareness** Two characteristics unique to the product were used as a basis to create brand awareness: the name and the crystal-clear bottle without the paper label. ABSOLUT's uniqueness was evident in its name, by the style and design of the bottle. For more information about the product one could read the fine print engraved on the front of the bottle.

**2.Brand Personality** ABSOLUT's identity is perceived as cutting edge, cool, yet playful and irreverent. In stores and on bar shelves the minimalist clear bottle, with its short, wide neck and the words ABSOLUT VODKA spelled out on the glass in evenly sized capital letters, stands out. It was Michel Roux, director of marketing for ABSOLUT at the time of its launch who redesigned the bottle, giving it a short neck, contemporary look, and a silver blue label, and had the label printed directly on the glass. The brand personality attracts consumers and creates loyalty.

**3.Brand Loyalty** The consistent look of ABSOLUT ads has made it recognizable amongst its consumers. The success of ABSOLUT'S advertising is curious. Vodka is aquavit, and aquavit is the most unsophisticated of alcohols. No taste no smell. There are no Vodka connoisseurs, no Vodka sampling parties. In other words, the taste is not in the product. When consumers see the bottle they associate it with past experiences. The taste evidently is in the packaging and the semiotics that surround it<sup>7</sup>.

**4.Perceived Quality and Value** The use of powerful design elements like shape and color has helped the brand build a distinct identity. ABSOLUT has been able to command a price premium by delivering on value proposition. This has created a high sense of perceived value for the brand.

**5.Brand Associations** ABSOLUT'S imaginative ads have influenced artists and designers like Andy Warhol. The ABSOLUT campaign revolutionized liquor marketing through its aesthetic strategy. On one occasion limited edition lithographs of each of ABSOLUT artworks were sold and proceeds given to local AIDS victims.

## Case Study- INTEL

From the beginning Intel's strategy was to push highly effective product design and introduce the newest devices in the market. In 1970, a Japanese firm Busicom contracted with Intel to make a set of chips for an electronic calculator. Intel scientist Ted Hoff responded with an innovative design that represented the first semiconductor 'central processing unit, or CPU. It was a few years before Intel executives recognized the true potential of the microprocessor as the "brains" for a microcomputer<sup>8</sup>.

Today, Intel has become the best known brand in the high tech Industry. It is a definitive model for successful "ingredient" branding<sup>9</sup>. The 'Intel Inside' program has changed the way advertising is perceived in high tech companies. Design contributed to the 5 asset categories to build brand equity in the following ways:

**1. Brand Awareness** By branding microprocessor and creating a strong position for itself, Intel built brand awareness of an otherwise little known product. It has succeeded in clearing doubts and fears consumers have of complex products. The "Intel Inside" logo, appears on all the PCs and laptops, reinforces the fact that regardless of the brand of the computer, it is powered by an Intel Pentium chip. The brand name Pentium was the result of synergy between design firm Lexicon, and Intel's marketing department<sup>10</sup>.

**2. Brand Personality** Consumers who bought PCs with Intel chips are those who stay with products on the cutting edge of technology. They are considered modern, high-tech and 'in the know of things.' The message in the ads was designed to give face to an invisible product and create a distinct brand personality. The blue man group's unique commercials for Intel's Pentium processor created a fun and playful image. It was an unconventional way to communicate a message about a complex technological product.

**3. Brand Loyalty** By talking to end-users (user-centered approach), via ads, Intel built brand loyalty. Consumers want a brand that brings predictability. Also, the processor is one of the most important parts of any computer, and today's consumer wants information and guidance in choosing that processor. Intel successfully created customer loyalty.

**4. Perceived Quality and value** The Intel brand is successful today as the Pentium chip is marketed to the end user and not just the OEMs (Original Equipment Manufacturers). Product attributes like performance, technological superiority and reliability were communicated to the user. Intel's association with computer chips became synonymous.

**5. Brand Associations** By 1991, Mr. Dennis Carter, VP and Director of Sales and Marketing Intel, had developed a model for "Intel Inside." DSW designed the logo and in April 1991, IBM Corp., became the first "personal computer" to carry the "Intel Inside" logo<sup>11</sup>. Other big players in the market like Dell and Compaq also followed suit. The "Intel Inside" logo appears on all PCs and laptops made by them. This led to consumers demanding for PCs powered by Intel chips.

## Case Study- Starbucks

Starbucks opened its first location in Seattle's Pike Place Market. The Coffee Company was founded in 1971. On his trip to Italy, in Milan, Howard Shultz saw the prevalence of espresso bars and was impressed with its popularity. It made him realize the potential of developing a similar coffee bar culture in Seattle. He introduced to the world the coffee bar culture of Milan. Today, Starbucks, named after the first mate in Herman Melville's *Moby Dick*, is the world's leading retailer, roaster and brand of specialty coffee with coffeehouses worldwide. More than 11 million customers visit a Starbucks coffeehouse each week<sup>12</sup>. Design contributed to the 5 asset categories to build brand equity in the following ways:

- 1. Brand Awareness** The Starbucks brand embodies the spirit of the company and is a lifestyle brand. The Starbucks logo-the Mermaid-creates immediate recall and recognition. The store design, logo and trendy settings appeal to professionals, youth and families. The phenomenal brand awareness is a result of word of mouth and not advertising. Starbucks spends not more than \$20million in advertising. The user experience is particularly emphasized upon.
- 2. Brand Personality** The Starbucks brand is perceived as outgoing, hip, friendly and warm. The space is designed to make one feel comfortable and relaxed. This greatly enhances the user-experience.
- 3. Brand Loyalty:** Why do people pay 3 dollars for a Starbucks coffee? Because, Starbucks provides an experience, not just coffee. It's the design of the customer experience and interaction with the brand, which people pay for. The quality and quick service, a place to unwind and enjoy the atmosphere makes it attractive to people. The people who work at Starbucks are the brand's ambassadors and ensure customers get excellent service. This has led to strong brand loyalty.
- 4. Perceived Quality/Value** The hot aromatic coffee and a variety of other confectionaries have added to the perceived value of Starbucks brand. Customers receive value for their money. Furthermore, all chains of Starbucks stores across the world deliver consistent quality and value. It also promotes cultural events and community activities.
- 5. Brand Associations** Starbucks is associated with environmentally friendly products and social contributions to the neighborhoods it exists in.

## 4.0 CONCLUSION

It can be inferred from the above discussions that brands function at multiple levels in a consumer's mind and in diverse market segments in the present day. The use of different media to disburse a brand's message further leads to varied interpretations by the receiver of the message. However, from the 3 case studies, it is evident that different approaches have been used to establish meaning and identity to the respective brands, which give them a distinct identity and personality.

The case studies include communication and information design (ads), graphic design, product design, user-centered design and identity design as important design elements that create a brand. The important thing to note is that the mix of these design principles will vary depending on the product and brand. Also, one has to understand the nature of the product and service to apply design principles. Hence, the mix of various types of design used will change depending on the

brand image aspired for. The two methodologies discussed above have been tested on all three brands and results prove that design adds value to the brands in the following ways:

- :: Elements of design create a brand experience
- :: Strengthens differentiation; sustains competitive advantage
- :: Design helps in acquisition and retention of consumers

Companies today wish to build relationships with their customers and create a brand bond. The brand experience has become a critical factor in establishing brand strategy. Companies can achieve this by pursuing experiential branding, which means to approach a brand as a user experience. This would entail creating a relationship of trust and belief with the consumer. Belief drives behavior and by influencing behavior, brands create relationships. Experiential branding requires new tools and methods many of which are owned by design. User centered methods of the design process can assist in experiential branding and help build powerful brands.

A product needs to connect with qualities that people value. Good ads and brand campaigns are successful when they appeal to a customer's sense of value. A competitive price point alone will not motivate today's intelligent customer to purchase any product. Design can contribute to building a brand by conducting user research and testing of brand concept. The user-centered approach increases the acceptability and appeal of the brand; helps achieve the appropriate brand image.

Consolidation of test results led to the following conclusions: User-centered approach creates a brand bond between consumer and brand. Thus, incorporating the user-centered approach in brand development, would lead to long-term market dominance of the brand. Since the user-centered approach is compatible with how designers work, it will help design and marketing work effectively to create a brand. Design also aids in shared creation of brand equity between design and marketing. Initiating a dialogue between design and branding teams can further realize these benefits.

### **Application of findings**

If the user-centered approach to brand development is adopted it will lead to long-term market dominance. Also Partnership of marketing and design in brand equity increases brand value. Lastly, further investigation of brand equity provides literature to establish the relationship between design and marketing for educational purposes.

### **End Notes**

1. Philip Kotler / Gary Armstrong 5<sup>th</sup> edition, Principles of Marketing (Part VI, Ch.10)
2. David A. Aaker, "Building Strong Brands"
3. David A. Aaker, "Building Strong Brands"
4. Creating Breakthrough Products: Innovation from Product Planning to Program Approval, by Jonathan Cagan and Craig M. Vogel
5. David A. Aaker, "Building Strong Brands"
6. ABSOLUT Book: The ABSOLUT VODKA Advertising Story, Richard W. Lewis
7. James B. Twitchell, Twenty Ads that shook the world.
8. Adam Brandenburger; Barry J. Nalebuff, Harvard Business Review, Inside Intel (article), Pub. Date Nov. '01, 1996
9. Tom Blackett / Bob Boad, Co-branding, The Science of Alliance, (pg 12,70).
10. Marketing Aesthetics, The Strategic Management of Brands, Identity and Image, Bernd H. Schmitt / Alex Simonson.
11. Intel Inside (article) on Denis carter
12. Pour Your Heart Into It: How Starbucks Built a Company One Cup at a Time, by Howard Schultz and Dori Jones Yang