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EVOLVEMENT OF TRADE MARK TO BRAND

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ABSTRACT
In the recent years numerous theoreticians and analysts focused onto the importance of branding – its creation and management. However, it is questionable whether a trade mark could evolve into a brand. The purpose of this article is to explain the relationship between trade mark and brand. In this sense, definitions, such as trade mark, value of trade mark, personality of trade mark, brand, and branding, are explained in details. The article analyzes all the complexity of interrelationship of brand with the other elements of the product mix: product design, product quality, packaging, post-purchase servicing, and some other elements of the chosen strategy of a company to behave on the market. There are some "pros" and "cons" in creation of trade marks. Thus, the pivotal thesis is that there should be a detailed analysis of all factors, which contribute to the decision whether a trade mark should be registered, or not.

Key words: trade mark, brand, brand loyalty, brand personality

The underlying concept of contemporary marketing is providing high customer value and satisfying the needs of consumers more effectively than competitors. The application of this concept is not limited to attracting new clients, but also to keeping those clients coming back, i.e. achieving consumer loyalty to the company as a whole, and to the company's trade mark in particular. With this in mind, in the process of adding value organizations increasingly focus on the building and management of a 'strong brand'.
But is it possible to make the strong brand a long term competitive advantage, and, is small business able to build a big brand?

Some authors claim that 'the size of the business doesn't matter' as long as creating a big trademark is concerned (1); others tell stories about the 'legendary brands'; third draw up set of rules for 'creating a brand winner' (3), 'Business Survival' (4), 'adding more value to business' (5), fourth endorse '22 immutable laws of branding' (6)…

Obviously, there is no copy-paste model for building a strong brand (the opposite sounds unserious) and this entails a need for a closer study on the trademark phenomenon (of course, without making any pretense of being exhaustive).

1. For and against brands.
More often than not, brands are seen in one of the two extremes: they are absolutized (the phenomenon of 'markomania'), or totally rejected. Among 'pro-marketing' oriented authors are Al and Laura Ries, who consider brand building or the so-called branding, as the primary goal of marketing (6). However the evolution in setting marketing goals is related to the development of marketing as theory and practice, and in their parallel development, the marketing concept shifts the focus of the companies from production to consumers and their needs and wants. This concept has been elaborated by the socio-ethical approach known as 'human concept', 'wise use concept'.

Indisputably, we are witnessing a tendency towards widening the scope of marketing goals, rather than narrowing it, as is the case with branding.

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Laurence Vincent claims that marketing experts are not doing enough to meet the needs of new consumer culture. In fact, consumers seek for brands which represent a solid value and help them find meaning and order in their lives (2). Hence, purchasing not-branded raw materials, basic and secondary products dooms industrial consumers (the ones who make the decision of the purchase) to fail in finding meaning and order in their lives. Sergio Zyman goes even further by condemning traditional marketing as not working. In his view, the marketing of the future will create brands through finding a common language between the consumer and the product (7).

Among the opponents of uncontrolled trade globalization are Klaus Werner and Hans Weiss. They hold that that concerns invest a great deal of money to sustain the image of their brands, cutting down the funds for improving working conditions at the same time. As a result, we have disastrous working relations, poverty and violation of human rights. The social engagement of such companies is nothing more than a publicity stunt (8).

In her book "No Logo" Naomi Klein attempts to track out the growing opposition to globalization. She identifies branding with 'balloon economy'. In her vision, producers are driven to feverish madness, drawing on cultural space and usurping every corner of non-market territory in search of the oxygen that pumps up the brands. The interest toward swelling the identity of a brand is motivated primarily by making sponsorship agreements, finding new segments of brand expansion, continuous probing in the zeitgeist to ensure that the "essence" selected for someone's brand will receive a karmic echo in its target market. The majority of branded multinational companies are currently struggling to overcome the need of identifying with their earthly products. They yearn for deeper meanings of their brands, for the way they will capture the spirit of individuality, athletism, wild nature or community. Marketing departments responsible for managing the brand identity see their work as something not related to manufacturing, but rather as being in direct competition with it (9).

2. Trademark and brand.

Usually, the terms 'trademark' and 'brand' are used synonymously in Bulgarian theory and practice. The reasons are of different nature, the most evident being 'lost in translation' where translators fail to distinguish between the legal and the economic aspect of the trademark. In English literature 'trademark' is a legal entity, whereas 'brand' is an economic tool of a company's marketing mix.

The terms 'brand' and 'branding' (5, 6, 10, 11) are increasingly being used in translated texts and Bulgarian authors are increasingly able to distinguish between the terms 'trademark' and 'brand'. R. Abadzhimarinova for example, holds that while the notion of 'brand' has a much wider meaning and includes all that consumers think or feel in relation to a particular product or service, the 'trademark' can be part of the brand only when it attains an important distinguishing feature in the mind of the consumer and affects his purchase choice (12). Hence, not every registered trademark can become a brand because the transition is to a large extent determined by the subjective condition of consumer awareness.

Unrealized/unsuccessful brand can be identified with the category which Philip Kotler (13-19) defines as 'superficially developed brand', and the brand as 'profoundly developed brand'. The process of brand development and brand management can be defined as branding. Its primal goal is to create long-term relationship with the customers.

Another important aspect on the topic is that trademark has 'brand value' and/or 'brand equity' (13, 14, 15, 16) because the difference between the two is rather delicate. The value of trademark is determined by the price of its acquisition and/or its market value as a fixed tangible asset of the enterprise. On the other hand, the brand value is identified with the added value to a given product and is considered as part of the brand's capital. Brand value can influence cash flow increase in the following directions (15):

- Strengthens the impact of the strategies for attracting new consumers and keeping the existing ones;
- Provides less elastic reactions to price increases;
- Ensures increased demand and ability to increase the number of distribution channels;
- Increases the efficiency of communication activities in the company;
- Provides strategic advantage for launching new products and licensing;

- A strong brand can endure critical situations, periods of weak corporate support or change in consumer tastes;
- A dominating brand can be a barrier to launching on a particular market.

Along with the barriers of entering into the segment, the barriers for switching over consumers to the competitors should also be considered. If the client is likewise satisfied by other analogous products, then a strong brand will not be a sufficient condition to keep him.

Hypothetically, if there is no dominant brand on the market, consumers will most probably switch over to competitors. However, it is interesting how trademarks are gauged and ranked in the mind of the consumer. Among switch-over barriers in clients are:
- High cost of transition – penalties for terminating contractual relationships; losses from free services; losses from incentive programmes (rewards, club membership, discount VIP-cards) etc.;
- High satisfaction with particular company/product/brand.

Since expenses can be reduced or compensated by lower (aggressive) competitive pricing, the only chance for companies remains consumer's loyalty to the company/product and to the brand in particular.
D. Aaker and E. Joachimsthaler define brand loyalty as one of the forth parameters characterizing the capital of the brand (14-32):

- Awareness of the brand – a frequently underestimated asset.
- Perception of quality – a specific association because it partially affects brand associations, and partially - the profit of the company due to its impact.
- Brand associations – everything that the consumer relates to the brand.
- Loyalty to the brand – the basis of brand value.

In the process of strengthening the relationships between the consumer and the brand, branding experts go further and further off humanizing trademarks and promoting the concept of 'brand personality' (12, 17). Thus the brand name is attributed with a set of human features such as character, virtues, flaws, gender, age, nationality, education…even mental abilities and sense of humour. This immediately raises the following questions:

- In there a connection between brand personality (identity) and brand loyalty?;
- Is it possible to create a brand personality for both consumer and industrial products;
- What particular IQ does a product have? (instant adhesive with a brand name 'Intelligent')
- What characteristics of the factors of external and internal environment are necessary to create brand personality expediently?

3. The brand and the other components in the product mix

Certainly, the adequate answers are important for the development of theory and the correlation of its constructs and concepts, but their uppermost significance is in their application in practice. For this reason we will go back to the companies with the conclusion that, in relation to trademarks, they are faced with at least three crucially important decisions.

The first is whether or not to register a trademark**.** What seems most logical is that the notion of 'trademark at any price' is not an axiom. Sometimes, the generic model is a better option, i.e. – the absence of a trademark. The field of generics is ubiquitous. It refers to both the consumption of goods for daily use, and industrial production, yet, one of the generic segments gaining popularity recently (worldwide at that) is pharmacy. Among the reasons for the production and supply of generics for medicines are: expiration of patents, expansion of the global generic market; the pressure from national governments demanding for increased usage of this lower price versions in view of cutting healthcare expenditures, etc. In fact, when answering the question whether to register a trademark or not, the company should consider objective and consequential trends, outlined by Philip Kotler back in the last century (18):
- With consumer goods concentration of distribution is significantly increased – a large part of fast moving consumer goods is in the hands of gigantic and multinational corporations. Chain hypermarkets and supermarkets control significant share of consumer purchase capacity.
-The number of competitors is decreasing due to the heavy pressure of big retailers, however, the number of registered trademarks is increasing;
- Product life cycle has dramatically decreased. Companies find it easier to "create" new brands, especially when they have spare production capacity;

- It is cheaper to replace than to repair;
- Digital technology revolutionized a number of markets;
- the number of reserved trademarks and patents is increasing;
- the length of production lines is increasing;
- Market hyperfragmentation. In search of a differentiation, producers resort to satisfying the needs of multiple microsegments (individually developed products for example).
- Advertising saturation reached high levels and media fragmentation complicates the process of launching new products on the market;
-The ability of the company product to gain place in the mind of the consumer is increasingly weakening

The second important decision is to determine who will finance the brand – the producer (production brand), or the mediator (trade mark), or a combination of the two.

Third – to determine the approach in relation to the products – individual trademark for each product or one principal trademark for the entire product range.

Certainly, as regards trademarks, companies can be faced by more decisions to make, in addition to the three important decisions mentioned above. But no matter how many they are, one should also consider the elements related to the product mix as a whole – package, quality and design…Each tool of the marketing mix is subject to the combined influence of the other tools. They are in a relation of interplay and interdependence. Focusing entirely on the trademark is not only impossible but also ineffective for the success of the marketing activities. The goals and the strategies of the brand correspond to its strategic goals, corporate strategy, functional strategies (as represented by marketing), the planning system within the company. Some of the strategies in relation to the components in the product mix which companies must consider are:

- Quality strategies: product functional characteristics; warranties, building trust in the product; durability, maintainability; patent and legal level of the product, etc.;
- Packaging strategy: type and material; colour; information on the package; eco-friendliness, etc;
- Design strategies (package): harmony; stylishness; compositional completeness, etc.

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