

Chapter 31 Branding, Packaging, and Labeling

Section 31.1 Branding

Review Key Concepts

1. A brand name, or product brand, is a word, group of words, letters, or numbers that represent a product or service. A trade name, or corporate brand, identifies and promotes a company or a division of a particular corporation. The trade name is the legal name of the business.
2. Brand extension is a branding strategy that uses an existing brand name to promote a new or improved product in a company's product line. Brand licensing is a legal authorization by a brand owner to allow another company (the licensee) to use its brand, brand mark, or trade character for a fee. The agreement explains all the terms and conditions under which the brand may be used.
3. A mixed brand strategy offers a combination of manufacturer, private distributor, and generic brands to consumers. A co-branding strategy combines one or more brands in the manufacture of a product or in the delivery of a service.

Practice Academics

English Language Arts

4. Students' papers should point out that large companies have traditionally attempted to build brand equity in different countries by addressing advertising and promotions based upon the unique culture of the country. With the rise of a global economy, however, many companies see the advantage of having a single brand.

Mathematics

5. Company A's brand value is 1.5 times greater ($1.95 \div 1.3$).