

## The Impact of Commercial Brand on Furniture Industry

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### Research Abstract:

The research paper sheds light on concepts of marketing identity and brand building and the extent of impact on different marketing plans and mechanisms, as well as the benefit of the added value of the product through the confirmation of the brand identity, which helps to raise and enhance the product's marketing position, price and competitiveness. The research also sheds light on one of the major international companies working in the manufacture and distribution of furniture around the world.

### Here we will spot on two main topics: -

#### First: about branding

- **Brand identity:** through Brand Identity, we will know how a company seeks to convey its individuality and distinctiveness to all its relevant publics.
- **Brand Equity:** through brand equity, we will know what is Brand Equity as the added value with which a brand endows a product.

#### Second: Branding & Value

- **Reputation Value:** through Reputation Value, we will know how Brand Cultures Shape Perceived Product Quality from an economic point of view, brands serve as containers of reputation.
- **Relationship Value:** through Reputation Value, we will know how Brand Cultures Shape Relationship Perceptions. Brands also communicate that the firm producing the product can be trusted to act as a long-term partner that will flexibly respond to future customer needs.

### And finally we will put a spot on a real case of an important study:

In this part the researcher spots on IKEA as a case study of the importance of branding.

### Key Words:

Branding – How to build a Brand – Brand Identity – Furniture Industry.

### ملخص البحث:

تخلص الورقة البحثية الى القاء الضوء على مفاهيم الهوية التسويقية و بناء العلامة التجارية و مدى الأثر على خطط وآليات التسويق المختلفة و كذلك النفع العائد بالقيمة المضافة للمنتج من خلال تأكيد الهوية التجارية و الذى يساعد على رفع و تعزيز مكانة المنتج التسويقية و السعرية و

القدرة على التنافسية, كما يتطرق البحث للالقاء الضوء على أحد الشركات العالمية الكبرى العاملة فى صناعة و توزيع الاثاث و المفروشات حول العالم.

و هنا سوف نتناول بالتفصيل عن موضوعان اساسيان :-

الاول : حول العلامة التجارية :

- الهوية التجارية : من خلال الهوية التجارية , سوف نتعرف على كيف تسعى الشركة إلى نقل أفرادها وتميزهم لجميع الجماهير ذات الصلة.

- القيمة المالية : من خلال القيمة المالية , سوف نتعرف على كيف القيمة المضافة التى تمنح العلامة التجارية بها المنتج.

- صور العلامة التجارية: من خلال صور العلامة التجارية , سوف نتعرف على كيف صورة العلامة التجارية هى بقعة من المعتقدات التى عقدت حول علامة تجارية معينة.

ثانيا : العلامة التجارية و القيمة :

- قيمة الشهرة : من خلال قيمة الشهرة , سوف نتعرف على كيف تشكل ثقافات العلامة التجارية جودة المنتج من وجهة نظر اقتصادية , تكون العلامة التجارية بمثابة حاويات للشهرة.

- قيمة العلاقات : من خلال قيمة العلاقات , سوف نتعرف على كيف تشكل ثقافات العلامة التجارية كيف تقوم ثقافات العلامات التجارية بتشكيل العلاقات تصورات العلامات التجارية أيضاً أن الشركة المنتجة للمنتج يمكن الوثوق بها لتعمل كشريك طويل الأجل يستجيب بمرونة لاحتياجات العملاء المستقبلية.

و اخيرا يلقي الباحث الضوء على "ايكيا" كدراسة حالة عن اهمية العلامة التجارية

### كلمات المفتاحية:

(العلامة التجارية – بناء العلامة التجارية – الهوية الجارية – صناعة الاثاث )

### The Research:

Here are two different research approaches: deductive and inductive reasoning. Deductive reasoning deduces a conclusion based on general statements. Inductive reasoning, on the other hand, generates a new theory from specific cases. In other words, deductive reasoning is testing the theory whereas inductive reasoning builds a new theory.

### Problem:

The problem of the research is the ignorance of branding issues & brand building, which is directly affecting the marketing & pricing policies related to the furniture industry.

### Objectives:

Research aims to shed light on the importance of branding & its reflection on marketing strategies related to the furniture industry.

### 1- Illustration of branding:

The word “brand” is very commonly used. When used by nonmarketers, the word seems to have an imprecise meaning. Brand can refer to an idea, as in “The brand name is well-known”. It can represent an item – “I am carrying a branded handbag”, or even “That is a good brand” –

referring to the product maker's reputation. Unsurprisingly, this varied use increases the confusion surrounding "brand". This murkiness surrounding the concept is called, brand appears to have been around for more than a century, and persists as the use of the word continues to evolve in English language. It is due to the concept of brand still evolving. The ongoing relevance of the concept of brand, and the redefinition of the meaning ascribed to brand attests to the concept's importance and longevity.

### **1-1 Brand Identity:**

Brand identity originates from the company, to a company is responsible for creating a differentiated product with unique features. It is how a company seeks to identify itself.

Through brand identity, a company seeks to convey its individuality and distinctiveness to all its relevant publics. It is through the development of this identity that managers and employees make a brand uniqueness. Brand identity is made up of the following components:

- brand vision.
- brand culture.
- positioning.
- Personality.
- Relationships.
- Presentations.

These components are all briefly discussed below. Brand vision embodies the core purpose for a brand's existence. It represents a set of values that, along with brand culture, provide direction and guidance. A brand's positioning seeks to emphasise the characteristics and attributes that make it unique. It seeks to convey to consumers the benefits that are being offered. Personality represents the emotional characteristics of the brand. It is influenced by positioning as well as the core values and culture of the top management. Vision and culture are also responsible for the evolution of relationships among employees, consumers and other stakeholders. Presentation styles are developed to present the brand identity. This should take into account consumers' needs and aspirations.

### **1-2 Brand Equity:**

Brand equity as the added value with which a brand endows a product. From a firm's perspective, a successful brand enables it to maintain a high level of consumer acceptance, often in the face of considerable competition. For instance, Coca-Cola, the world leader in cola drinks, has been able to maintain its strong presence in the soft drinks market because the trademarks Coca-Cola and Coke denote values that go beyond mere physical attributes and product labelling. In addition, brand equity can:

- Provide a solid foundation for new products launch and for licensing.
- Offset a decline in market share during price and promotional wars.
- Help provide resistance to competitive attacks.

### **1-3 Brand Image:**

Brand image relates to the consumer's perception of the brand. Brand image is 'the set of beliefs held about a particular brand'. Some definitions proposed that brands may have an overall character or personality that may be more important to the consumer than the mere technical facts about the product.

Brand image is the sum total of impressions that consumers receive from many sources, all of which combine to form a brand personality. Brand image is also described as the way in which a particular brand is positioned in the market, is how the consumer perceives the product.

“Keller” outlines three dimensions of brand associations: attributes, benefits and attitudes. Attributes could be both specific and abstract. Attributes such as size, colour and weight are specific, whereas ‘brand personality’ such as ‘youthful’, ‘durable’ and ‘rugged’ are abstract in nature. Attributes could also be categorised as product-related and non-product related. While product related attributes would be unique to the type of product and service, non-product-related attributes would include packaging and user imagery as well as usage imagery. Benefits refer to the consumer perception of the needs that are being satisfied.

**Difference between Brand Identity and Brand Image:**

Differences between brand identity and brand Image:	
Brand identity	Brand image
Source/ company focused. Created by managerial activities. Encoded by ‘brand originator’. Identity is sent.	Receiver/target audience focused. Created by perceptions of the consumer. Decoded by ‘brand receiver’. Image is received/perceived.

**2- Branding & Value**

Brand cultures can greatly enhance customer value. If we conduct a thought experiment, we can imagine the value of a brand as the difference between what a consumer will pay for a branded product? (a product experienced through the lens of its brand culture) and a physically identical product without the culture? This difference can be decomposed into four dimensions, which, together, constitute the value added by the brand. The four components each have a strong base of research in academic disciplines that inform marketing. Each of these four components accumulates through the stories, images, and associations of the brand culture.

**2-1 Reputation Value:**

Brand Cultures Shape Perceived Product Quality from an economic point of view, brands serve as containers of reputation. Products have tangible features that deliver on utilitarian goals: Flights are on time, fabrics are cleaned easily, and tools never break down. Customers take on risk when they purchase products, particularly products that will be used into the future and products for which quality cannot be reliably evaluated upon inspection before purchase. Sometimes the risk is huge: for consumers, consider the purchase of an automobile or an HMO policy; for business to business (B2B), consider the purchase of a mission-critical software program. Customers, to varying degrees, get added value from products that lower the risks of future performance failures. So when there is risk inherent in a product, customers are usually willing to pay to reduce risk. The brand operates as a signalling mechanism to increase customers’ confidence that the product will provide excellent quality and reliability on important functions. The history of product experiences—both successes and failures—is spread in stories and aggregates to form part of the brand culture.

### **2-2 Relationship Value:**

Brand Cultures Shape Relationship Perceptions Brands also communicate that the firm producing the product can be trusted to act as a long-term partner that will flexibly respond to future customer needs. For many products, especially in B2B and in services, customer uses and needs cannot be fully anticipated (and so built into a contract) at the time of purchase. For these products, research in economic sociology has demonstrated that a significant aspect of product value is the perception that the firm will respond as desired to uncontract future contingencies. The brand is, once again, the material marker that “contains” stories conveying that the firm can be trusted to deliver on these future contingencies. Relationship value accumulates as particular stories, images, and associations that circulate around the product become conventional, taken for granted. For example, if a story that “IBM consultants would rather miss their own wedding than fail to respond immediately to IT failures” becomes a widely accepted part of IBM’s brand culture, social value increases. Customers assume, a priori, without any particular evidence, that IBM will go the extra mile to make sure that its IT solutions always function as desired.

### **2-3 Experiential Value:**

Brand Cultures Frame Consumer Experiences, from a psychological perspective, the brand acts as a perceptual frame that highlights particular benefits delivered by the product. This framing guides consumers in choosing products and also shapes their product experiences. The heuristic value of the brand provides for considerable savings in search costs and in the need to continually process information to make effective choices. Hence, firms often seek to brand their products as particularly effective in delivering on a single benefit desired by customers. A classic example comes from Procter & Gamble’s lineup of detergents brands, each of which is framed to consumers as designed to solve a particular cleaning problem (alltemperature cleaning, removing tough stains, etc.).

Experiential framing relies upon consumers who are cognitive misers, uninterested in investigating the technical supporting evidence for how brands are framed. As a result, branding efforts that frame benefits can sometimes tread in a grey area between adding customer value and manipulating customers’ uses of heuristic thinking. For example, Winston cigarettes were effectively reframed by removing a few chemicals used in processing the tobacco and then pronouncing via advertising that the cigarettes were “100% natural.” While the removal of the chemicals used to process the tobacco did nothing to the cigarette’s carcinogenic properties, the framing of the brand as 100% natural made a dangerous product seem a little less dangerous, and sales shot up. Similarly, consider how Intel’s “Intel Inside” campaign was able to create the perception that CPUs were the most important component of the computer and also that there were significant differences in performance and reliability across chips.

### **2-4 Symbolic Value:**

Brand Cultures Express Values and Identities, brands also act as symbols that express values and identities. Historically, humans have depended upon their material culture (clothes, homes, craft goods, public monuments, and religious icons) to serve as concrete markers of values and identities. In contemporary market economies, consumer goods now dominate in serving this function (hence the term “consumer culture”). In particular, brands have become powerful markers to express statuses, lifestyles, politics, and a variety of aspirational social identities.

Consider, for instance, how Nike became a powerful marker for American ideals of achievement and perseverance in the 1990s. Or how Apple became a symbol for the rebellious, creative, libertarian values associated with New Economy professionals. When symbolic value becomes conventionalized in a brand culture, it often exerts a powerful halo effects on the other dimensions of brand value. For example, when Budweiser's Lizards ad campaign created powerful symbolic value for the brand, bud drinkers reported that the beer tasted better.

Customers get three types of symbolic value from brands: they viscerally experience desired values and identities when they consume the brand (what anthropologists call ritual action); they use the brand symbol to create social distinction, to make status claims; and they use the brand symbol to forge solidarity and identification with others. On rare occasions, brands serve as the centre of communities. This extreme case of the solidarity effect has been considerably overstated and glamorized in marketing circles of late. Imitating Harley-Davidson is not a good idea for the vast majority of brands.

### **3- Case study:**

In this part the researcher spot on IKEA as case study of importance of branding

#### **3-1 The History of Brand:**

Ikea was founded in 1943 by Ingvar Kamprad, the brand name was created using the founders initials (IK) as well as (EA) to represent the names of the farm and village where he grew up, Elmtaryd and Agunnaryd. The focus of the company was to meet customer needs with products at reduced prices. The original products included pens, wallets, jewelry and nylons. It was not until five years later did they add furniture, which they are now most known for.

In the 1950's the first furniture showroom was opened in Almhult, Sweden, this allowed Ikea to demonstrate the function and quality of its low priced products. The 1950's also brought the idea of flat packs and self-assembly. This idea came when a worker removed the legs from a table to fit in a car and avoid damage during transport. Later the first Ikea store opened in Sweden and was the largest furniture display in Scandinavia. As the company grew they began expanding outside of Sweden in the 1960's they opened a store in Norway, as well as opening a self-serve warehouse, which is a key part of Ikea's concepts. It was here in the 60's and 70's that the company really began to take shape and we saw some of the popular Ikea products such as POÄNG, KLIPPAN and BILLY bookcase. Ikea also made its way to Canada in 1976, opened a store in Vancouver. It was not until 1985 that Ikea made its way to the US.

In 1986 Ingvar Kamprad retired from Group Management to become an advisor to the parent company INGKA Holding B.V. Anders Moberg then became President and CEO of the IKEA Group. The company continued to grow and thrive till in 1990 the IKEA Group has developed an environmental policy to ensure that the company and its co-workers take environmental responsibility for all activities conducted within the business.



Pic (1), IKEA store

In 1997 [www.IKEA.com](http://www.IKEA.com) was launched. This same year Ikea launched children's furniture. Ikea made the claim that they view children as the most important people of the world and work with experts to create products to help support children's development such as coordination, social skills and creativity. These same children's products are still offered today and Ikea even aims to accommodate children in its stores offering play areas, baby areas and special meals in its restaurants. Ikea has been very busy in the 2000's, they have been focusing a lot on environment acts and sustainability, while still expanding the brand. They made partnership with UNICEF, initiating a broad community programs in northern India to address the root causes of child labor. The project includes 500 villages and will benefit more than 1 million people, providing more than 80,000 children with an opportunity for an education. At present, the project covers a range of initiatives, such as providing alternative learning centers, health and nutrition, education, empowering women and forming women's self-help groups. They also join in forest protection and issued their first environmental report in 2004.

### 3-2 Customer Targeting:

Ikea's focus on offering quality products at affordable prices leads them to focus on a few different factors when segmenting the market. The basic that Ikea chooses to focus on are income level, age, family life cycle, and lifestyle. Ikea furniture is better known for its cheap prices rather than its quality. This is why Ikea focuses on the demographic of age, income level, and family life cycle. Ikea is basing their stores strategy around bringing in young, lower income individuals. Both college students and young adults are a large target for Ikea. These are often the individuals who are looking to buy furniture for the first time, they are looking to save money while getting a product that will work for the time being. They are unsure of their futures and don't want to make large investment. The other big demographic Ikea focuses on is family life cycle. Ikea is aware that young families starting off in a new home need furniture, but don't have a lot of money. Ikea not only offers low priced quality products for every room in the house, but they also offer kid friendly stores, with supervised play rooms, parents can check upon their kids while they shop in peace.

Lastly, Ikea looks at lifestyle. Ikea targets people with a “do it yourself and save money doing it” attitude. These are the people who don’t mind traveling to find an Ikea store and assembly the furniture in order to save money. The customer relationship with the brand seems to be strong, Ikea is a customer centric company. Their products are designed to make the lives of its customers better while saving their money. Even the stores are set up to make the customers shopping experience the best it can be. Ikea also aims to show its customers that they care about our world, they are a green company being environmentally friendly and focus on sustainability. Ikea also shows support for people around the world, being a charitable organization, showing support for communities and outreach for those in need. Ikea works hard to let its customers know they appreciate them and will continue working hard for them.

### 3-3 Brand Potential:

Ikeas main focus is to help more people live a better life at home. They aim to accomplish this by being a customer centric company. All products are designed with a customer need in mind. The concepts started with offering affordable products to all. By combining function, quality, design and value, always with sustainability in mind. The Ikea concept exists in every part of their company, from design, sourcing, packing and distributing through to our business model.

### 3-4 Brand Characteristic:

The Ikea brand prides itself on offering quality products at affordable prices, as well as always keeping their customers as their primary focus. With being a customer centric company, Ikea customers feel happy and comfortable when shopping with them. They know they will be receiving a quality product at a great price as well as enjoying their shopping experience, with fun stores, kids play areas and even food courts. Ikea has such loyal customers it has become known as Ikea Culture. Ikea also connects with its customers by giving back, other people with likeminded goals appreciate Ikeas efforts to remain earth friendly, sustainable and charitable. Customers want to buy products from a company that they can feel good about giving their money to, because they know Ikea is doing good for our communities. Some points of differentiation for Ikea are their large stores, set up for families to enjoy the shopping experience, including food courts. Their flat pack packaging and unassembled furniture.

The Ikea logo has remained virtually unchanged since 1967, and is well recognized around the world. Ikea has upheld its brand image and goals to bring customers great products and cheap prices since its beginning, and this is what it is mostly known for. They are also well recognized for their flat pack packaging and products you must put together on your own.



Ikea has done several campaigns to bring awareness to their commitment to being a sustainable and earth friendly brand. Advertisements such as the second hand campaign, where Ikea selected used Ikea furniture donated by customers to be resold and raise sustainability awareness on a national level.

### **3-5 Current brand strategies:**

Ikea has always kept its traditional catalog printed in 17 different languages. They also have website for convenient ordering for those who are not near a store. Stores are set up with displays to act as selling points while helping customers choose design and function. Key marketing element used by Ikea marketing communicators:

- The Ikea concept.
- The Ikea product range.
- Home furnishing specialist.
- Low price.
- Function.
- The right Quality.
- Convenient shopping.
- Day out for the family.

### **4- Conclusion:**

- 1- Branding for furniture companies is one of the most important marketing tools.
- 2- Branding is an added value for products & places it in high level of competition.
- 3- Putting a spot on the importance of relation between market positioning & branding.

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