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The importance of brand in the corporate identity business

Key words: brand, image, holding, energy, power industry

S u m m a r y: A strong brand supports the main business strategy and increases efficiency of a company's operations. A brand affects profits. Influencing clients' preferences it allows achieving a competitive advantage. A consistently managed brand reflects needs of the environment and responds to challenges and ensuing changes. A well managed brand supports internal harmony as regards the vision of a company. The existing image of the power industry in common awareness makes use of symbols rooted in the 20th and 21st centuries. Defining the correct message of a brand, one should avoid meanings which may confirm common awareness of the society that energy generation has contributed to interference with the natural environment. This image has been commonly applied to brand creation on the power industry market for over one hundred years. The article presents an example of creating a new brand strategy in Tauron Group.

1. Introduction

Changing market realities and increasingly higher requirements of investors and clients mean that creating and offering increasingly high added value to customers is essential. This assignment can be performed through actions based on a precisely programmed brand. It consists of describing a brand in such a way, attributing it with features and values plus placing it in the strategy of an enterprise so that the brand can support these aims, not only distinguish a product. A brand, in order to be efficient, must also exist as a planned and the best set of associations due to its individuality—obtain its personality. A brand must carry an individual promise, better than others on the market. It means: more valuable for the client, difficult to falsify by competitors and—what matters most—real. A brand should also build relationships with consum-

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ers and have features of a magnet—not only pull closer, but also hold. Then a brand, apart from being named and given a logo, will begin to exist on the market. Naming it itself is but marking, distinction, identification. Brand creation is the art of building its relations with the environment.

The purpose of this article is to outline the importance of brand image building as well as visual identification of a company. Mark may have a significant impact on the company gain competitive advantage in a specific, well-functioning power sector.

2. Brand in entrepreneurial operations

Changeability of market conditionings in which enterprises operate makes them search for new sources of a competitive advantage. Such attributes as a low price, innovative technologies or a well built distribution network are quite easy to equalise by competition. For this reason attributes which are more difficult to copy by rivals and simultaneously allow achieving a durable competitive advantage, are in greater demand (Waśkowski, 2002, p. 57). Creating a strong brand is many managers' aim, because a strong brand is a brand which several buyers purchase, a brand which makes a consumer forget about the price for a moment, also a brand which offers more to buyers than an average one (Kall, 2001, p. 42). A brand is a strategic asset of an enterprise, i.e. direct brand management translates to financial results and, as it follows, to value of an enterprise (Urbanek, 2002, p. 46).

In the modern economy a properly created and promoted brand often proves to be the source of an advantage over competition. Cruel rules apply to the world of brands—the strongest wins. Therefore brand creation as such is not sufficient, it should be managed. Brand management is a complex process including development, protection, application of its capabilities and, if need be—brand modification. Only owing to effective brand management its potential can be wholly made use of (Cheverton, 2006, s. 61). Standard elements of the brand building strategy, market research, advertising campaigns, price reductions and quality improvements not always appear efficient. Raising brand value is connected with learning about its character and undertaking only such activities which are in line with the message sent to the present and potential clients by the brand (Joachimsthaler et al., 2006).

Brand is a very complex notion. Despite numerous attempts at brand definition standardisation experts have not agreed yet which is the most appropriate one. An overview of theoretical positions of the term brand is presented in Table 1.

Analysing the definitions of the term brand presented in Table 1 one can notice that a brand is perceived from the perspective of the name, term, symbol, pattern or their combination created in order to identify a seller's assets or services and distinguish them from competition. In reality, however, brand is perceived in a much wider way. Brand is of special significance on the market of services where what matters above all is trust and security; it is more difficult to refer to the financial side of

a product. Brand triggers off more or less strong emotional relations in a consumer's mind. Therefore what matters in the process of brand building is its emotional content (Witek-Hajduk, 2001, p. 97).

Table 1

Brand notions defined in literature

Definition	Author
The name, term or their combination created in order to identify the seller's assets or services or their group and distinguish them from the competition.	Philip Kotler
The name, notion or a combination of these elements created in order to mark a given manufacturer's product (or services) and distinguish them from the offer of competitors, where a brand can consist of the brand name (a brand's wordy part which can be recreated verbally) and the brand logo (a brand's recognisable part which cannot be recreated verbally such as a symbol, typeface, characteristic colouring—a combination of colours, an artistic element).	Henryk Mruk Ireneusz Rutkowski
A product which ensures functional benefits plus added values which some consumers value sufficiently in order to make a purchase. It stresses the fact that in marketing an approach combining three brand meanings is of fundamental importance (as marking of a particular assortment position, as a synonym of a trademark in legal literature and deeds and as a mental shortcut with a clearly valuing shade, marking the market image of a product).	Jerzy Altkorn
A combination of a physical product, brand name, packaging, advertising and accompanying activities within the field of distribution and price, a combination which, distinguishing a combination of a given marketer from competitive offers, provides consumers with distinctive functional or symbolic benefits, owing to which it forms a loyal circle of buyers and, as it follows, allows reaching a leading position on the market.	Jacek Kall
The name, symbol, pattern which make it possible to distinguish the offer of an enterprise from competitive products.	Trevor Watkins

Source: Altkorn, 2001; Kall, 2001; Kotler, 2004.

The name and trade mark do not suffice for a brand to be successful on the market. A brand must have its own personality, convey a promise being unique and attractive for potential buyers. The aim of a brand is to attract consumers and build relations with them. It is a prerequisite for a brand to be able to be successful on the market.

The beginning of brand and development of a company's visual identification, as understood nowadays, took place over 100 years ago. At the end of the 19th century a Berlin entrepreneur Emil Rathenau, as one of the pioneers of the power industry, noticed chances connected with mass application of electric energy, obtaining a license for Thomas Edison's patents. In 1883 he established a company which was transformed in AEG¹ enterprise four years later. Producing on a mass scale the equipment: from light bulbs to power plant appliances the company soon became one of the biggest German enterprises.

Brand is a living organism that is subject to changes influenced by clients, the environment and development of a company or organisation. The most frequent cause

¹ Allgemeine Elektrizitäts-Gesellschaft.

of brand refreshing or transforming its image is the fact that the conditions in which a brand functions evolve, e.g. peculiarity of a given area, development of new technologies, economy or changes to consumers' tastes and needs, lifestyle. Another reason can be a change to a company's business profile. As companies grow, they often change or extend their assortment, improve products and services. Yet another cause of brand changes are takeovers and mergers. In a new situation faced by a company an important role is played by message standardisation, creation of common communication channels and a uniform strategy of brand development for the consumer not to feel confused, because then it is very easy to lose even the most loyal client.

An example of a complete brand transformation: the logo, name and company structure can be an enterprise within the power industry—Polski Koncern Naftowy Orlen SA. The reason for brand transformation was a merger of CPN petrol stations (Centrala Produktów Naftowych SA) and Petrochemia Płock SA. Building a new brand was connected with the concern's going public. Logo change means also indispensable modernising of a petrol station chain—the most recognisable element of the company's offer. Décor was designed according to the rules of the prepared visual identification. PKN Orlen is one of the biggest petroleum industry corporations in Central and Eastern Europe, it has the biggest network of petrol stations in Central Europe. It is also one of the best known brands in its field.

Brand management in the power industry in the era of strong market competition acquires a new meaning (Skłodzień, 2009). It is a tool of building a competitive advantage and reaching projected aims. The Tauron brand strategy consists in creating added visual value for the companies making up the Group and using it for business purposes. Elements of the common visual presentation ensure communication coherence and efficiency, guarantee better recognition on the market and acceptance building for company's activities, in particular those concerning plans connected with going public.

Company Tauron Polska Energia SA was established on the 6th December 2006 in connection with execution of the governmental Programme for the Power Industry (Ministerstwo Gospodarki, 2006). The programme provided for founding four big business entities which were supposed to consolidate both energy distributors and manufacturers. The aim of consolidation was to create entities competing efficiently with other European enterprises on the energy market. On 9th May 2007 the State Treasury contributed shares of Południowy Koncern Energetyczny (PKE) SA from Katowice, Cracow Enion SA, EnergiaPro Koncern Energetyczny SA from Wrocław and Power Plant Stalowa Wola SA to Energetyka Południe SA. The holding, apart from the above-mentioned four companies, is also comprised of other entities: within the area of energy traffic it is Enion Energia sp. z o.o., Pierwsza Kompania Handlowa Polska Energia sp. z o.o. and EnergiaPro Gigawat sp. z o.o., within the area of energy generation from renewable sources: Jeleniogórskie Elektrownie Wodne sp. z o.o. and Zespół Elektrowni Wodnych Rożnów sp. z o.o., within the area of coal mining: Południowy Koncern Węglowy SA. Furthermore, Tauron Polska Energia SA

has taken over control over Elektrociepłownia Tychy SA and Przedsiębiorstwo Energetyki Ciepłej Katowice SA, with PKE SA heating assets the companies form the basis for building the holding Tauron Ciepło SA.

Tauron Polska Energia is one of the biggest business entities in Poland, having at its disposal capital of PLN 14 billion. The holding employs 28 thousand people, sells electric energy of the value exceeding PLN 9 billion. In 2008 a corporate strategy was prepared for TAURON Group for the years 2008–2012 until 2020 in perspective.

Designing a new logo for the brand of Tauron Polska Energia closed the stage of brand strategy formation for the Group. A presentation of the logo initiated implementation of a new development strategy within the public dimension (Gnat, 2009). The new logo was supposed to be a communicative dot above the 'i' of the strategy. Its aim was to announce a new view of the company's future. Acceptance of the new logo was preceded by a few-month process of brand strategy building and the choice of the optimum graphic solution, based on a series of marketing researches. The time span during which the new brand identity of Tauron Group was being prepared, was marked by several questions about the future of the power industry in Poland and abroad plus a discussion on the subject of the impact of energy generation on the natural environment and greenhouse effect. Works were started in October 2008; development strategy and attempts at consolidation were the most important, but not the only conditionings taken into account. A crucial aspect of the new brand was its debut on the stock market, determining the investment processes being planned. It is the brand that is responsible for trust being built in the consciousness of potential shareholders. A new brand has to communicate the basic benefits connected with energy. Breaking into the Polish market of foreign brands, connected with liberalising the energy market, changes the Poles' awareness and habits within the area of delivery choice opportunities and, as it follows, it makes the brand a tool supporting market competitiveness. A condition of building a strong brand is its distinction from competition. During works on the brand strategy and logo design the brand was given features taking into account the group's growth direction, including plans for extending production from renewable sources and energy from nuclear power plants.

The functioning image of the field connected with energy production uses symbols rooted in the 19th and 20th centuries in common awareness. Defining an appropriate brand message, meanings which could confirm common awareness of the society that energy generation contributes to interference with the natural environment were avoided. No one wanted to show shafts, chimneys and light bulbs. This image has been commonly used in brand creation on the market of electric energy for over one hundred years. Energy has been shown as an everlasting source of power which affects both the functioning of the smallest living cell, growth of plants and appearance of new stars. Energy, comprehended in this way, is the driving force of all progress and the condition of overcoming their weaknesses by human beings, which gives them strength and joy. Energy is needed, because it is a natural component of life and nature.

During works on the brand it was attributed expectations concerning the latest technologies making it possible to produce and use energy in symbiosis with the nature. The Group's competence, based on a chain of values which it has in mining, production and sales of energy, allows adding Tauron to the circle of natural allies of the human being in realising their dreams and desires about a better world. Such assumptions were taken into account in defining subsequent stages during works on the criteria which a new logo was supposed to satisfy. The following assumptions were strictly defined for graphic designers: the mark which was to become a new symbol of the group had to have the power of conveying the strongest premises. Above all it had to be positively energetic and embody a new perception of the safe future of the power industry. The designing process involved five experienced graphic designers supported by the strategic panel. Over twenty proposals meeting the correctness criterion were prepared. Out of these six were selected for examinations.

In the course of designing works a series of marketing researches was carried out, under which concepts were being assessed by means of deepened and focused interviews with invited employees, contractors, institutional clients as well as end clients plus potential shareholders. 11 meetings were held and over 12 thousand surveys were carried out, providing the representation of associations and statements the occurrence of which was pinpointed during the qualitative research. The logo selected owing to the research is supposed to communicate the required features of the brand, but, simultaneously, it will not convey possible unwelcome associations. The shapes, their connotations and the level of meaning coherences of the logo with the assumptions of the brand were being analysed. Tests for shape adjustment to given colours of the logo were carried out. The research included alternative forms of brand name record, with the help of different types. The logo which communicated energy and great joy was chosen—the key notions identifying the brand. In a test for open associations, without clues, the most respondents identified a four-arm symbol as a flower, a fan, a small fan, a turbine and the sun. All these scopes of associations were welcome and overlapped with the intention of the logo's author. In a test for colour adjustment, the respondents, seeing a colourless logo—greyness—referred to the colour of magenta, as the most natural one for this shape, which had also been assumed by the author of the logo.

The new logo consists of a flower symbol transforming into a blade of a fan and a logotype, i.e. the full brand name record. The research being carried out confirmed that the chosen type is associated with modernity. The colour of magenta used in the symbol is not neutral, it has a big energetic potential, it dazzles with joy of life and strongly distinguishes the brand Tauron from the domestic and European competition. Figure 1 presents the individual stages of works on the logo.

In the process of logotype remembering a significant role is played by impressions accompanying reading it; the bigger impression the logotype makes on us, the bigger chances of remembering it. Logotype designing is the art of maintaining proportions;

marketing efficiency of a logotype is assessed not on the basis of aesthetic criteria which can be relative and highly subjective, but by means of four purely pragmatic parameters: logotype uniqueness, emotional charge that it carries, its ageless message and universality.

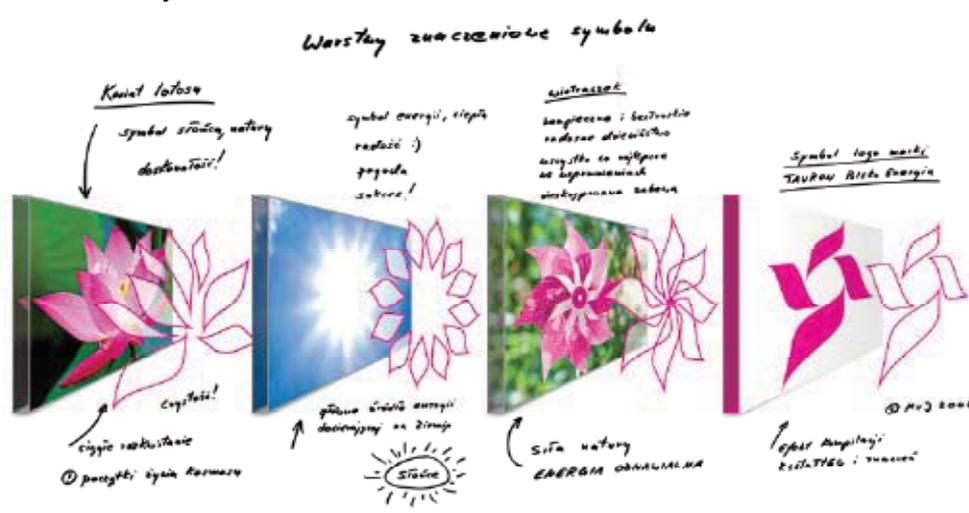


Figure 1. Stages of research on Tauron logo

Source: author's own study based on: Fasięcka, 2009.

Applying a new logo by Tauron Polska Energia SA plus a new system of visual identification initiated the process of corporate identity ordering in Tauron Group, as a consequence of the implemented strategy aimed at forming a uniform operational holding. One of the assumptions is striving to consolidate all the components of the holding also in the dimension of the communicated corporate identity. Building coherent identity within a scope of companies will allow communicating the structure and, in this way, it will influence the clarity of perceiving elements which build its potential.

Strong corporate identity affects both internal and external processes of the holding, it deepens consolidation processes within the group, building the awareness of employees' membership, influences their feeling of stability and safety, outside, in the conditions of market competitiveness, demonstrating a strategic position, and it also influences image building of the entire holding and particular companies, it should confirm potential of the group for potential shareholders.

One of the factors which influence decision making in building corporate identity are activities of competitive energy holdings. Implementation of the uniform corporate identity is conditioned by designing clear brand architecture within a holding, demonstrating the place and role of each and every company.

What is important is implementing a monolithic model of corporate identity which assumes a complete and anonymous identity of all components of a holding on the

lexical and visual level. On the lexical level, concerning name-calling of companies, it is important to standardise names, the principle of building names based on the two elements: Tauron Polska Energia brand name and competence determination which expresses the role of the company in the chain of values of the group. On the visual level the element building the corporate identity is Tauron Polska Energia brand logo. The time horizon of implementing the target brand architecture model depends on performance of consolidation tasks of companies in line with the business strategy being implemented.

The monolithic model treated as the target one determines the choice of the interim concept of visual identity within the area of companies in Poland and other European countries. In order to maintain its present market position and improve it efficiently in the future, communication and marketing activities which might rival those of the competition, must be carried out. Architecture of brands which are not clearly connected with Tauron brand makes it impossible to use effects of communication synergy and rules out fast construction of the uniform visual identity. Different possible concepts of implementing visual identity on the level of companies were analysed. During concept evaluation and selection the assumed assessment criteria proved useful:

- Coherence level of the indirect model with the assumed target model;
- Scale of costs indispensable for the indirect and target model to be implemented;
- Clarity level of changes on the visual level for employees and clients.

The new visual identity is based on the notion of fundamental identity, with regard to Tauron Group companies, building corporate identity on the fundament of the chain of values which constitutes the competence scope of Tauron Polska Energia brand. The model provides for using the main assumptions of the visual identification system of Tauron Polska Energia brand and Group Tauron logo by companies on the visual level, simultaneously retaining names of the companies. An advantage of the concept is the possibility of obtaining communication synergy effects on the visual level fast and building membership awareness among employees. According to the principle of building Tauron brand on the fundament of the components of the chain of values, using Tauron Group logo by entities from outside the chain of values (medical companies, leisure centres et cetera) is excluded. Each and every company of the Group is an element of the holding structure, great attention is paid to the process of informing employees of individual companies about projects being implemented. Technical implementations of a new corporate identity mean coherence of visual communication principles of each company and designing own systems of visual communication, taking into account communication situations and needs of the companies. In practice the logo is never presented on a big chart. It is usually placed against a background of other logos or photos which can sometimes give it an unwanted meaning. It is important to prepare the principles of brand visual communication which—by imposing the framework of logo use—ensure its proper recep-

tion. The system of brand visual identification is a tool of every-day work of people responsible for the company's communication.

3. Conclusion

Brand management brings a company the following measurable benefits: an increase in marketing efficiency. A brand helps to distinguish itself from competitors, not to compete with them by lowering prices, raising marketing and advertising expenses. A brand, along with appropriate protection (trademark registration) provides security against unfair competition. A company can use its brand knowledge in order to take marketing decisions, develop new products or expand geographically. A strong brand increases a company's value significantly, which is important when taking decisions about selling an enterprise or taking over and merging with another entity.

A strong brand supports the main business strategy and improves efficiency of a company's operations. A brand influences profits by affecting clients' preferences, it allows obtaining a competitive advantage. A consistently managed brand reflects needs of the environment, responds to challenges and ensuing changes. A well managed brand supports internal harmony as regards the company's vision. If all people in an enterprise understand its promise and essence, they will become loyal and efficient employees who comprehend the philosophy of the company. Communication through brand, advertising of the company, the brand and the industry supports the company's existence—it has a positive effect on knowledge about it and loyalty.

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Znaczenie marki w identyfikacji wizualnej

Streszczenie: Mocna marka wspiera główną strategię biznesową i podnosi skuteczność działania firmy. Marka ma wpływ na zyski, poprzez wpływ na preferencje klienta umożliwia zdobycie przewagi nad konkurencją. Konsekwentnie zarządzana marka jest odwzorowaniem potrzeb otoczenia, odpowiedzią na wyzwania i zachodzące zmiany. Dobrze zarządzana marka wspiera wewnętrzną harmonię odnośnie do wizji firmy. Funkcjonujący wizerunek sektora elektroenergetyki w powszechnej świadomości posługuje się symbolami zakorzenionymi w XIX i w XX wieku. Definiując właściwy komunikat marki, należy unikać znaczeń mogących potwierdzać powszechną świadomości społeczeństwa, że wytwarzanie energii przyczynia się do ingerencji w środowisko naturalne. Taki wizerunek jest powszechnie wykorzystywany w kreowaniu marki na rynku energii elektrycznej od ponad stu lat. W artykule wykorzystano przykład tworzenia nowej strategii marki w Grupie Tauron.

Słowa kluczowe: marka, wizerunek, holding, energia, energetyka
