UNIT 2

The Business of Branding

In this unit, you will

- read about the branding of products and its importance for business.
- review previewing and predicting.
- increase your understanding of the target academic words for this unit.

READING SKILLS Finding the Main Idea; Finding Details

Self-Assessment

Think about how well you know each target word, and check (✓) the appropriate column. I have...

TARGET WORDS (AWL)	never seen the word before	seen the word but am not sure what it means	seen the word and understand what it means	used the word, but am not sure if correctly	used the word confidently in *either* speaking *or* writing	used the word confidently in *both* speaking *and* writing
consume						
contradict						
convert						
corporate						
equate						
finance						
label						
medium						
presume						
register						
revenue						
subsidy						
symbol						
theme						

Oxford 3000™ keywords

Outside the Reading What do you know about branding?
Watch the video on the student website to find out more.

LIVEWORKSHEETS

Before You Read

Read these questions. Discuss your answers in a small group.

1. Think about some basic products you buy (toothpaste, soft drinks, etc.). What brands are they? List at least five products for which you usually choose the same brands.
2. Why do people often buy the same brand?
3. In your opinion, what is the highest-quality brand of car in the world? Why do you think so?

MORE WORDS YOU'LL NEED

blog: a Web log, a personal website on which someone expresses opinions or gives personal information

subculture: a set of activities, objects, and beliefs associated with a group within a larger culture

REVIEW A SKILL **Previewing and Predicting** (See p. 2)

Look at the headings and the pictures in Reading 1. From the headings, which topics do you think the reading will cover? Why do you think the reading has pictures of a car and motorcycles?

Read

This magazine article is about the influence that a brand can have on its customers and their culture.

The Power of Branding

Let's say your company has been making athletic shoes for 50 or 60 years. They are good shoes. Nevertheless, other companies have sped past you in the race for fame and the **revenue** that goes with it. Products with the logos of the other companies are status **symbols**. Products with your logo make people think of basketball stars from the 1980s. To turn things around, you have to **convert** your product's old-fashioned image into something new, and make sure **consumers** get the message. They must **equate** your product with some larger idea that has nothing to do with[1] shoes—beauty, wealth, or even world peace. In other words, you have to build a brand.

FROM THE RANCH TO ROLLS-ROYCE

The term *brand* comes from the practice of using a hot iron to burn a distinctive mark into the skin of a cow or a horse. For example, the owner of the Double Jay Ranch might brand a "JJ" mark on his or her stock. This brand helps the rancher distinguish his or her animals from others. The brand is a kind of **label**, a device for creating recognition. Branding of products is also all about recognition.

People **equate** the name *Rolls-Royce*, for example, with classic luxury. The recognition value of this brand is enormous. It even **registers** with people who have never seen one of the company's cars. When the German

[1] *has nothing to do with:* is not related to or connected to

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company BMW bought the Rolls company in 1998, they were careful to change nothing. They continued to build cars in Greenwood, England, because Rolls-Royce is thought of as British. Not even BMW—a powerful brand itself—has the same aristocratic image. Rolls-Royce turned 100 years old in 2004, and the brand continues to use the **themes** of integrity, dependability, and even Britishness in its advertising.

ROLLS-ROYCE DRIVERS AND NASCAR

As the story of Rolls-Royce shows, an extremely successful brand may become a lasting part of a culture. When that happens to a brand with a worldwide presence, the company may get **contradictory** results. In its home culture, the brand may benefit from being a sort of national treasure; however, it may suffer overseas from being a **symbol** of foreignness. The McDonald's restaurant franchise offers just one prominent case of a **corporation** fighting to guide its brand through these difficult situations.

Subcultures can form around a certain brand. NASCAR (the National Association for Stock Car Auto Racing) is in business to organize auto races and sell related products, but its brand is about much more than that. NASCAR was founded in the late 1940s and originally built its image around beachside racing in Daytona, Florida. It revised its brand through the 1980s and 1990s to appeal to a broader audience. Nearly 75 million Americans now consider themselves part of a NASCAR subculture.

Because NASCAR has a connection to such a large segment of the population, it is a **medium** in itself. It can **finance** many of its operations by, for instance, allowing its name to appear on products and selling advertising space alongside its racetracks.

MY BRAND, MYSELF

Among some strong brands, the line between promotional and personal image is unclear. Some customers may adopt a brand's image as their own image. The ads for Nike shoes show no-nonsense athletes. A customer might buy Nike shoes because she considers herself a no-nonsense athlete—and she wants others to **presume** this, too.

Biker subculture in the United States owes a great deal to the branding success of the Harley-Davidson motorcycle company. Its American-manufactured motorbikes are promoted as a **symbol** of patriotism. Harley has also managed to turn its motorcycles into **symbols** of opposition to mainstream[2] cultural values. In a radio interview, Harley-Davidson's CEO, Jim Ziemer, points out one way his brand—and its black-and-orange logo—has become very personal.

> **Interviewer:** When business school students study branding, one of the names that's always at the top of that list is Harley-Davidson. I'd like you to tell me, first of all, in your mind, what is it that makes a brand?
> **Ziemer:** A brand is made when a person really feels a connection with that brand. I mean, we've taken it to the ultimate, where a lot of our customers have a [Harley-Davidson] tattoo on their body so they really feel very special and connected with the brand.

The origins of branding, the hot irons and the Double Jay, seem not so far away. ■

[2] *mainstream:* representing the way most people in a culture think or behave

THE LIVEWORKSHEETS

Reading Comprehension

Mark each sentence as *T* (true) or *F* (false) according to the information in Reading 1. Use the dictionary to help you understand new words.

___ 1. Branding is the process of equating a product with an idea or image.

___ 2. Ranchers brand animals by burning marks into their skin.

___ 3. Rolls-Royce is no longer a British corporation.

___ 4. The Rolls-Royce brand has lost revenue because it is associated with old things.

___ 5. In many countries, people don't like to buy products with foreign brand names.

___ 6. NASCAR is a political organization that has created a brand.

___ 7. People often presume a person fits the image of a brand because he or she uses the brand's product.

___ 8. Harley-Davidson motorcycles are manufactured outside the United States.

___ 9. The Harley-Davidson brand is associated with classic luxury.

___10. Some people have Harley-Davidson symbols tattooed on their skin.

READING SKILL Finding the Main Idea

LEARN

The main ideas in Reading 1 appear as "chunks," and the different chunks are separated by headings. A chunk may consist of one paragraph or several paragraphs. Recognizing these chunks can help you see relationships between main ideas and details.

APPLY

Use the list of phrases to identify the main idea of each chunk in Reading 1. Then circle the paragraph number(s) to indicate which paragraph(s) make up the chunk.

- branding as a tool for recognition
- brands and self-image
- brands as part of culture
- why companies build brands

Chunk 1 *why companies build brands* (1) 2 3 4 5 6 7 8

Chunk 2 _____ 1 2 3 4 5 6 7 8

Chunk 3 _____ 1 2 3 4 5 6 7 8

Chunk 4 _____ 1 2 3 4 5 6 7 8

LIVEWORKSHEETS

Vocabulary Activities STEP I: Word Level

A. **Read these excerpts from another article about branding. For each excerpt, cross out the one word or phrase in parentheses with a different meaning from the other three choices. Compare answers with a partner.**

1. Research has found that the (*symbols / revenues / logos / labels*) of popular brands activate parts of the brain linked to positive emotions.

2. The researchers used fMRI machines (functional Magnetic Resonance Imaging) to monitor brain activity while 20 people looked at the logos for several brands of companies and products. The scientists (*converted / compared / matched / related*) the fMRI data to what neurologists already know about different parts of the brain.

3. They discovered that easily recognized brands caused activity specifically in the areas of the brain that are active when people have positive feelings. The lesser-known brands, however, (*registered with / made an impression on / had an effect on / harmed*) many parts of the brain, including some associated with negative feelings.

4. Many neurologists who have read about the study agree that the brain has to work harder when shown the unfamiliar brands, and this effort is unpleasant. (*Companies / Corporations / Departments / Firms*) can learn a lesson from this: expose people to your brand over and over again, so it becomes familiar.

5. The study also confirms a belief common among both advertisers and neurologists. Good advertising should not necessarily give information. Rather, it should create emotions, so people (*associate / equate / connect / reward*) a brand with feeling good.

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As an adjective, the word *medium* refers to anything that is not large and not small, but somewhere between, as in "a person of medium height."

As a noun, however, *medium* has a completely different meaning. It refers to a way to convey or send something. The plural form is *media*.

*Some chemical reactions require a **medium** to help them take place.*

*Television and radio are popular **media** for getting the news.*

B. **What is each of these things a medium for? List as many things as you can. Discuss your ideas with a partner.**

1. a newspaper: _____
2. the telephone system: _____
3. a letter: _____
4. the postal service: _____
5. the Internet: _____
6. gossip: _____

The verb *subsidize* means "to give money to someone or an organization to help pay for something." The noun is *subsidy*.

*The city **subsidizes** ambulance companies in order to keep the price of their services low.*

*These companies could not continue to operate without **subsidies** from the city.*

C. **Read these pairs of items. With a partner, write down some ways that the first item might subsidize the second. Then, in a small group, discuss whether you think the subsidies should exist or should continue. Give reasons for your opinions.**

1. parent / child's education: _____
2. government / students: _____
3. government / small businesses: _____
4. employer / employee's healthcare: _____
5. employer / employee's education: _____
6. local government / rent: _____

LIVEWORKSHEETS

Vocabulary Activities STEP II: Sentence Level

Word Form Chart			
Noun	**Verb**	**Adjective**	**Adverb**
consumption consumer	consume	consumable	_____
corporation	incorporate	corporate	_____
presumption	presume	presumable presumed	presumably
symbol symbolism	symbolize	symbolic	symbolically
theme	_____	thematic	thematically

D. Read these excerpts from an article about branding. Then restate the essential information in your notebook, using the words in parentheses. Focus on main ideas and leave out unnecessary details. Be prepared to read aloud or discuss your sentences in class.

1. Your first big decision should be: How will you get your brand out to the public? (*consumer*)

   The first thing you have to decide is how to let possible ***consumers*** *know about your brand.*

2. If you decide to advertise, first decide what role the ads will play in your business development plan. (*corporate*)
3. What idea do you want your products to represent? How will they represent it? (*symbolize*)
4. Is your goal in advertising to promote name awareness? One way is to use memorable images that are not specifically related to your product. One insurance company in the United States, AFLAC, used a duck in many of their ads. The duck quacked "AFLAC" in different situations where a person might need insurance. At the time, 90% of Americans recognized the company's name. (*theme*)
5. Test your ad ideas before you spend money on them. Teens are especially hard to target. They go through images in a few weeks and go on looking for the next new thing. (*consume*)
6. To illustrate this point, a government agency once spent $929 million on an anti-drug campaign targeted at teens. They thought the ads would be very powerful, but they didn't test them on teens. After the ads started running, they discovered that kids ignored them. (*presumed*)

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Some verbs *collocate* with, or often occur with, certain prepositions. These sets of words are called *collocations*. Here are some examples of collocations for target words in this unit:

convert to/into	*A transformer* ***converts*** *one type of electric current* *into* *another.*
equate with	*Teenagers often* ***equate*** *unusual clothes* *with* *personal freedom.*
register with	*I don't like this ad. The images just don't* ***register*** *with me.*
finance by/with	*Youth sports programs* ***finance*** *their activities* *by* *selling tickets.*
	They ***finance*** *their activities* *with* *the revenue from ticket sales.*

CORPUS

E. Answer these questions using the verb in parentheses. Be sure to use a preposition that collocates with it. Refer to the chart above and Reading 1 for information. Compare answers with a partner.

1. Why are symbols like the Rolls-Royce badge or the Harley-Davidson logo so powerful? (*register*)

   _____

   _____

2. Why does a weak brand harm the sales of a product? (*equate*)

   _____

   _____

3. How do the license fees for NASCAR's name help the organization? (*finance*)

   _____

   _____

4. Why would a stronger brand help the shoe company mentioned in Paragraph 1 of the reading? (*convert*)

   _____

   _____

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Before You Read

Read these questions. Discuss your answers in a small group.

1. When you are watching TV and an advertisement comes on, what do you do? Do you watch it, or do you do something else?
2. Name two or three movies that you really like. Think of some products that the characters use—cars, clothing, food, etc. Can you recall the brands of any of these products?
3. Are you more likely to buy a product if you see it being used in a TV show, a movie, a video game, or some other form of entertainment? Why or why not?

REVIEW A SKILL Previewing and Predicting (See p. 2)

Look at the headings and the pictures in Reading 2. From the headings, which topics do you think the reading will cover? The picture of cartoon characters is from a TV show, and the picture of the car is from a movie. Why do you think they are in a reading titled "Product Placement"?

Read

This magazine article looks at the way advertisers get their products into TV shows, movies, and other forms of entertainment.

PRODUCT PLACEMENT

The Japanese television series *Tiger and Bunny* started in 2011 as an advertiser's dream. Cartoon superheroes do good deeds partly so they can wear costumes with company names on them. A character named Wild Tiger wears a suit bearing the names of S.H. Figuarts (a Japanese toy company) and a **media** company named SoftBank. Other characters wear suits with **labels** for the Bandai game company, Pepsi soft drinks, and the food company Calbee. Each **corporate** sponsor of the show is assigned to one of the heroes. No sponsor is linked with any bad guy, because that would **contradict** the branding message.

The sponsors of *Tiger and Bunny* depend not on commercial breaks but on product placement— inserting products into the show's plot[1] and setting. A brand is the set of images that arise when the name of a company or product is mentioned. In *Tiger and Bunny*, a company name **symbolizes** the doing of good deeds, and this builds a great brand image. The sponsors believe that they can generate **revenue** by linking their brands to likeable characters. For TV networks and movie companies, product placement is great because it costs very little while earning significant income to help **subsidize** their shows and films.

[1] *plot:* the story in a TV show, movie, book, etc.

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THE IMPORTANCE OF PLACEMENT

Product placement can take many forms. In *Tiger and Bunny*, it is readily apparent. In other cases, it is more subtle. The product doesn't even have to fit the **theme** of the show. A movie or TV character might check email on an Apple computer and then sit at a breakfast table with a box of Kellogg's Corn Flakes. He gets into his car, a Honda, and then answers his Nokia cell phone. Each product is part of the background, not a featured part of the movie. In the viewer's mind, the product **registers** as the normal thing to use.

Companies may turn to product placement to reach **consumers** at unusual times. A business cannot stop a movie at a theater to show commercials. To a company, this is a wasted opportunity. Hundreds of potential customers are sitting together, all their eyes focused on a screen for nearly two hours, and no one is thinking about the company's products. How can the company **convert** that film into a **medium** that carries product messages? The logical way is to put a soft drink, or car, or refrigerator into the movie. If the film is good, viewers will **equate** its high quality with that of the product.

In any case, viewers are unlikely to shut a placed product out of their consciousness. This helps solve a longstanding problem for advertisers—getting **consumers** to watch. Since the early days of television, viewers have walked away from their TVs during commercials, and newer technologies have made ad-skipping even easier. With digital video recorders (DVRs), people can record TV shows to watch later and can fast-forward through the commercials. A survey in 2010 found that 53% of households in the United States with DVRs really do skip commercials. Many viewers now watch TV on their smartphones, which have a lot of "distraction **media**" like music and games. One study showed that when a commercial came on, 73% of people watching the show online switched to some form of distraction **media.**

AN EFFECTIVE STRATEGY

Showcasing products is not free. In 2009, spending on product placement was $6.25 billion worldwide. More than half of that—$3.7 billion—was by U.S. companies. **Financing** product placement may be a better use of money than buying ordinary advertising. The average cost of a 30-second commercial on a U.S. TV network is $175,000, so 10 minutes of exposure for a product would cost $3.5 million. For that amount of money, a product could get placement in an average TV show for three or four years.

The yellow Camaro featured in the 2007 movie *Tranformers*

Evidence suggests that product placement can really work. The first *Transformers* movie (2007), about robots that could change into cars and trucks, featured a yellow sports car called the Camaro. Sales of Camaros had fallen off, and the Chevrolet car brand was not sure whether to keep producing them. Then came the *Transformers* movie. David Caldwell, an official at Chevrolet, says that Camaro sales have been increasing since the movie came out, and 10% of buyers have purchased yellow ones. Product placers, however, should not **presume** that viewers will always react positively. In Australia, the first season of a TV series called *The Block* helped increase the sales of Black & Decker tools, which are often used in the series. However, the second season had too much placement. It lost many viewers who then perceived the show as just one long commercial.

TARGETS IN NEW MEDIA

Product-placers have to adapt to new **media,** and many companies have placed products in video games. For example, in the game *Super Monkey Ball* by Sega, every banana has a Dole company sticker on it. Finding the right **medium,** however, is hard. Online videos often

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include placements, but most videos have short lifespans. Even if a video goes viral[2], it will probably be mostly forgotten within three or four weeks. Furthermore, a product placement online could expose your company to ridicule[3], because Internet videos are often copied and changed to create joke videos. That is not at all helpful in your efforts to build a brand.

Still, the future of product placement, even online, is bright. Companies may eventually collect enough data about individual Internet users to target them with product-filled content that fits their tastes. If you like boats, your online weather report might show a boat in the background while a friend of yours sees a hotel with the same report. The best an advertiser can hope for is that people walking away from a movie or TV show have discussions about a character's clothing, cars, or furniture as much as about the story itself. Conversations like this about video games, smartphone applications, and popular websites are the next great advertiser's dream.

[2] *goes viral:* spreads very fast online
[3] *ridicule:* make unkind jokes about someone or something

Reading Comprehension

Mark each sentence as *T* (true) or *F* (false) according to the information in Reading 2. Use the dictionary to help you understand new words.

___ 1. Characters in *Tiger and Bunny* wear clothes with company names on them.

___ 2. S.H. Figuarts and SoftBank are characters in the *Tiger and Bunny* show.

___ 3. Product placement occurs mostly during commercial breaks in a TV show.

___ 4. DVRs are a problem for advertisers because they let viewers skip commercials.

___ 5. Products are often placed in the background of a show.

___ 6. Producers of shows pay companies for the right to place their products.

___ 7. Spending on product placement in the U.S. is about five times higher than spending worldwide.

___ 8. The first *Transformers* movie included a yellow Camaro car.

___ 9. Placing products in video games is dangerous because someone could make your product's image into a joke.

___10. Internet marketers may soon know enough about your tastes to place the things you like in content on the Internet.

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READING SKILL Finding Details

LEARN

In most pieces of writing, specific facts, processes, and other small points support the main ideas. To understand the author's claims, decide which details match with which main ideas.

APPLY

Read the details from Reading 2 in the box. Write each detail under the main idea that it is related to in the reading. Look back at Reading 2 if necessary. Discuss answers with a partner.

30-second commercial	Camaros	fast-forwarding
$3.7 billion	distraction media	DVRs less of a threat
Wild Tiger	links to superheroes	promotion during a movie
less than one fifth of the U.S. amount	walking away during commercials	associating brands with good guys

examples of product placement

Wild Tiger

_____

_____

problems advertisers have

_____

_____

_____

the cost of product placement

_____

_____

_____

advantages of product placement

_____

_____

_____

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Vocabulary Activities STEP I: Word Level

A. Complete the sentences about Pokémon products by using the target vocabulary in the box. Use each item one time. Use the synonyms in parentheses to help you.

consumer	equates	presumed	symbols
contradicts	media	registers with	themes
convert			

1. A fad is anything—usually a product or a behavior—that _____ (gets the attention of) the public very strongly, but for only a short time.
2. Clever branding practices can intentionally _____ (turn) an ordinary product into a fad.
3. One of the biggest fads of all time, Pokémon, originated with a Japanese video-game designer who used to collect insects when he was a child. When he created Pokémon, Satoshi Tajiri drew on _____ (recurring ideas) familiar to insect collectors.
4. Most of all, a collector like Tajiri _____ (thinks they are the same) the size of a collection with its quality. The more varieties in your collection, the better it is.
5. Pokémon first appeared in Japanese video games in 1996 and quickly branched off into other _____ (information channels), from films to books. Pokémon card games were a huge fad in the United States in the late 1990s and early 2000s.
6. The Pokémon brand was strengthened by its presence in these many forms. It also grew because Pokémon's marketers _____ (had a basic belief) that buyers would be like insect collectors, wanting to get bigger and bigger collections. One of Pokémon's slogans in North America was, "Gotta catch 'em all."
7. The basic idea of Pokémon is that a person can capture a number of "pocket monsters," fictional animals with certain powers and abilities. The appearance of a Pokémon may involve _____ (signs) of its abilities. For example, the Pokémon known as Pikachu, which can generate electricity, has a tail that looks like a lightning bolt.
8. The original Pokémon fad had faded by 2004. However, in a situation that _____ (opposes) the normal expectations of a fad's short lifespan, the 649 kinds of Pokémon became popular again in 2011. A new Pokémon movie came out that year, and a new generation of kids began trying to catch 'em all.

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B. **Read the sample sentences that feature forms of the word *convert*. Then answer the questions that follow. Use your dictionary as suggested in the directions. Compare answers with a partner.**

a. In a process called friction, mechanical energy is **converted** into heat energy.
b. The Environmental Coalition supports the **conversion** of old coal-burning power plants into modern plants.
c. At first Professor Davis opposed the new transportation system, but he became a **convert** when he realized how convenient it was.
d. If you attach a set of wheels to the blade, this ice skate is **convertible** into a roller skate.

1. In the sample sentences in the box, what is converted in each case? What is it converted into?

   a. _____ into _____
   b. _____ into _____
   c. _____ into _____
   d. _____ into _____

2. Look at the sample sentences in your dictionary for *convert* and its forms. What is being converted in each of those samples? What is it converted into?

   _____
   _____
   _____

3. Does *convert* have any forms that are not used in the sample sentences in the box above? If so, what are they? Consult your dictionary.

   _____

Vocabulary Activities STEP II: Sentence Level

Word Form Chart			
Noun	**Verb**	**Adjective**	**Adverb**
contradiction	contradict	contradictory contradicting	_____

C. **Answer these questions in your notebook, using the forms of *contradict* in parentheses. Use each form of the word at least once. Refer to Reading 2 for information. Discuss your answers in a small group.**

1. Why don't the producers of *Tiger and Bunny* link corporate sponsors to bad guys in the show? (*contradict*)
2. Why does the author of Reading 2 mention product placement in an Australian TV show called *The Block*? (*contradict* or *contradiction*)

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3. Some people believe that product placement is not an effective strategy. They think it's entertaining but doesn't really improve sales. How would you argue against this position? Use information from Reading 2. (*contradict* or *contradictory*)
4. Imagine that your company has placed a product in an online video, and someone has stolen it and turned it into a joke video. Why would this be bad for your brand? (*contradiction* or *contradictory*)

D. Imagine that a financial institution is trying to find images that might help it build its brand. Which symbols would be most likely to register with potential clients? Rank them from 1 (most appealing) to 6 (least appealing).

___ a field of spring flowers in the sunshine

___ big buildings in a city center

___ a strong mother or father protecting a family

___ a large ship sailing calmly on rough waters

___ a fortress or castle

___ a young couple, smiling and relaxed

As a class, make a chart on the board and tally everyone's answers. Write a summary of the results using some of the target vocabulary from this unit. Include answers to these questions: Which symbol does your class think is the most effective for a bank to use? Least effective? Why?

E. Look at these arguments for and against common branding practices. Restate each idea in your notebook, using some form of the word in parentheses. Then write a paragraph that expresses your own opinion. Try to use as many target words as possible. Be prepared to discuss your paragraph or debate the issue in class.

For	Against
People shouldn't think that branding is something new. Even in ancient Rome, businesses had slogans. (*presume*)	The use of branding in modern life is huge. The number of channels for advertising and image-building has multiplied many times since home computers became common. (*medium*)
People are eager to buy an image along with a product. Branding satisfies a need for belonging and self-definition. (*consume*)	For some people, brand images register too strongly. They have a hard time separating their own personalities from the image a product presents. (*equate*)
Businesses operate in a crowded marketplace. They have to find a way to distinguish their products from competing products. (*corporate*)	Products should distinguish themselves by quality, value for money, or other traits that are really part of the product. Using brand images to entertain and distract people from these product-related qualities is dishonest. (*theme*)

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