

## HOW TO CHANGE CUSTOMER MIND – THE DIFFERENCE BETWEEN BRAND AND TRADEMARK IN TOURISM INDUSTRY

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### Abstract

*The contemporary tourism industry is developing in an extremely dynamic environment, influenced by a global pandemic, hyper-competition, globalization and implementation of digital technologies. This heterogeneous in nature, but extremely structuring factor, motivates marketers to find new concepts, methods and models, through which to attract the attention of tourism consumers. Tourism companies face two significant challenges – how to understand customers' needs and how to differentiate themselves from other tourism market competitors. The answer to these questions is in the understanding of the fundamental difference between the functioning and perception of a tourism company as a brand or as a trademark.*

**Keywords:** brand, trademark, tourism industry, tourism company

**JEL:** M37, L83

### Introduction

With the advent of the global pandemic of COVID 19 in 2019, a number of sectors of the world economy have experienced significant periods of recession, with undoubtedly the tourism industry being most significantly affected. In these completely unfamiliar economic and social conditions, marketing managers are looking for new methods, principles and platforms through which to bring to the fore the most optimal business strategies for communication with consumers of tourism goods and services. In this regard, it can be reasonably argued that travel companies will have the opportunity to operate and develop their activities at the levels of 2018 – 2019 only by changing their overall economic and social policy and raising it to a higher strategically positioned level. Many of them will have to build a new image in relation to their real and potential consumers, determined precisely by their market positioning as a brand or trademark. Because of that the present study aims to reveal the significant differences between the concepts of brand and trademark in terms of their understanding and application. As well as their fundamental importance for the modern tourism industry since the existing

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trends defines them as concepts with same meaning. The Only the awareness of the differences between these two concepts would lead to the emergence of business strategies aimed primarily at caring for the customer and his physical and psychological needs. While financial results should be a function of successful market positioning, determined by the amount of customer satisfaction.

Analysing the information for this subject shows the lack of in-depth research, as there are only studies that partially define the difference between the concepts of brand and trademark, without presenting an in-depth analysis of their nature and in particular their impact on the modern tourism industry.

The expected results of the present study are aimed at revealing the fundamental differences between the concepts of brand and trademark. As well these differences as a consequence, lead to informed management decisions by modern tourism enterprises in choosing a development strategy embodying the essence of their organization and defining their way of positioning on the domestic and international tourism market.

### **Literature review**

A review of the literature on the subject shows that there are various studies aimed at the difference between a brand and a trademark as concepts and business characteristics, mainly performed by foreign authors. Regarding the Bulgarian contribution only one scientific research can be noted.

The existing research developments of Kenarova-Pencheva (2019), Mitrovic, Raičević (2018), Gillett (2013), Barbu, Nistorescu, Dumitriu (2013) and Medic, Pancic, Pancic (2009) to a large extent provide an opportunity for analysis of the views and theoretical formulations presented by the authors and related to the subject of this research. Analysing the information by the presented scientific researchers, it can be argued that attempts are made to define the essential differences between these two concepts, but there is no full study of their nature and specifics in the context of the tourism industry, which in turn allows the appearance of new research to fill this gap in academic knowledge.

### **Methodology**

The methodological approaches used in the creation of scientific developments are extremely diverse, which greatly complicates the choice of the appropriate set of methods based on the specifics of the current research. To achieve the objectives of this study, a methodological apparatus was used, including a set of methods such as: observation, analogy, comparative analysis and synthesis. In their entirety, they are subject to an inductive-deductive and systematic approach to issues related to tourism marketing and in particular the impact on consumers

of tourism products and services. The general methodological framework is based on a literature review on the subject, including the search and review of information sources, using a multi-attribute approach. The overall logical construction is based on the opinion that each study contributes to the emergence of new conclusions and statements, which in turn lead to new knowledge and opportunities for informed management decisions.

### **Theoretical definitions of brand and trademark**

As mentioned above, this report aims to reveal the essential and fundamental difference between the concepts of brand and trademark, which in themselves have a fundamental impact on the perception and implementation of principles and approaches to the functioning and positioning of modern tourism companies. In order to clarify and present the essence of these two concepts, which subsequently gives the opportunity to highlight the essential difference between them, the definitions for brand and trademark, which are the basis of scientific knowledge for them will be presented.

#### ***Brand***

In the modern tourism industry, the term brand is widely used, and its application is generally aimed at highlighting a particular company or its products or services, which create a certain amount of competitive advantage over other participants in the tourism market. In this regard, various definitions will be presented, which, according to the author, correspond most closely to the present study, in order to draw the relevant conclusions regarding the purpose of this report.

Undoubtedly the most important definition of the term brand is presented from the American Marketing Association, according to which “A brand is a name, term, design, symbol or any other feature that identifies one seller’s goods or service as distinct from those of other sellers” (American Marketing Association, 2017a). Also of the study interest is a definition of the term presented by Dr Bobby J. Calder, Chair of ISO technical committee ISO / TC 289 on brand evaluation. According to which “Brand entails distinctive images that include names, terms, logos and / or signs to help a company distinguish itself from others in the market. The brand can be commercial or not-for-profit, but the function of all brands is to create a recognizable entity in the market that, in the mind of consumers, adds value to the product” (ISO, 2020). In 2009, Seth Godin also derived his definition of the term brand, saying that “A brand is the set of expectations, memories, stories and relationships that, taken together, account for a consumer’s decision to choose one product or service over another. If the consumer (whether it’s a business, a buyer, a voter or a donor) doesn’t pay a premium, make a selec-

tion or spread the word, then no brand value exists for that consumer“ (Seth’s blog, 2009). Of interest in the present study is the opinion of Heidi Cohen, in 2011 she presents her definition of a brand, characterizing it as follows: “Brands are shorthand marketing messages that create emotional bonds with consumers. Brands are composed of intangible elements related to its specific promise, personality, and positioning and tangible components having identifiable representation including logos, graphics, colors and sounds” (Cohen, 2011). Another definition is presented by Brian Lischer, who states his position defining the brand, through the following statement: “A brand is the way a product, company, or individual is perceived by those who experience it. Much more than just a name or a logo, a brand is the recognizable feeling these assets evoke” (Lischer, 2021). Tom Goodwin also derives his definition according to which “Brands are essentially patterns of familiarity, meaning, fondness, and reassurance that exist in the minds of people” (Dandu, 2020). The last definition of a brand presented in this report is by Philip Kotler, also known as the father of modern marketing, according to whom “A brand is a set of associations linked to a name, brand, or symbol associated with a product or service” (Tybout, Calkins and Kotler, 2005).

Although not clearly defined, several opinions of researchers in the field are of interest for the present study. In this regard, *The Branding Journal* (Marion, 2015) has a position that “You can consider a brand as the idea or image people have in mind when thinking about specific products, services, and activities of a company, both in a practical (e.g. “The shoe is light-weight”) and emotional way (e.g. “the shoe makes me feel powerful”). It is therefore not just the physical features that create a brand but also the feelings that consumers develop towards the company or its product. This combination of physical and emotional cues is triggered when exposed to the name, the logo, the visual identity, or even the message communicated” (Marion, 2015). Another opinion is expressed by David Taylor, who states that the brand is “a name and a symbol associated with a familiar, trustworthy experience that is appealing to both the head and the heart” (Taylor, 2008, p. 23). Kevin Lane Keller also expresses his position, stating that: “The brand is present in a product that possesses dimensions that somehow differentiate it from other products designed to meet the same need” (Keller, 2012, p. 17). The opinion of D. Bezos should also be noted, according to which “It has always seemed to me that the brand is formed not only from what the company says about itself but from what the company actually does” (Repiev, 2007, p. 8).

### ***Trademark***

The most important definition deriving the essence of the trademark for our country is presented by the “Law on Trademarks and Geographical Indications”, according to which “A trademark is a sign that is able to distinguish the goods or

services of one person from those of others and can be represented graphically. Such signs may be words, including names of persons, letters, numbers, drawings, figures, the shape of the goods or their packaging, a combination of colors, sound signs or any combination of such signs” (Law on Trademarks and Geographical Indications, 2019). Another important definition is given by the International Trademark Association (INTA), according to which a registered trademark is “any word, name, symbol or device that identifies and distinguishes the source of the goods of one party from those of others” (International Trademark Association, 2020). Another organization that derives a definition of a trademark is the “World intellectual property organization”, which defines it as “A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises. Trademarks are protected by intellectual property rights” (World intellectual property organization, 2019). The definition defined by the “American Marketing Association”, is also important for the study and should be presented: “the point of a trademark is to identify a specific product as coming from a specific source” (American Marketing Association, 2017b). Also, according to the Legal Information Institute of Cornell law School, “a trademark is any word, name, symbol, or design, or any combination thereof, used in commerce to identify and distinguish the goods of one manufacturer or seller from those of another and to indicate the source of the goods” (Legal Information Institute, 2016). The study also presents the Internet platform “Law Insider”, which also derives its definition according to which “Trademark means any word, name, symbol, color, designation or device or any combination thereof that functions as a source identifier, including any trademark, trade dress, brand mark, service mark, trade name, brand name, logo or business symbol, whether or not registered” (Law Insider, 2019). The last definition that will be presented about the essence of the term trademark is by Carla Tardi, according to which “The term trademark refers to a recognizable insignia, phrase, word, or symbol that denotes a specific product and legally differentiates it from all other products of its kind. A trademark exclusively identifies a product as belonging to a specific company and recognizes the company’s ownership of the brand. Trademarks are generally considered a form of intellectual property and may or may not be registered” (Tardi, 2021).

### ***Statement of limitation***

The present study, despite its merits, definitely has some weaknesses, mainly expressed in the presentation of only some basic and popular definitions of the two concepts. Undoubtedly, in the public and scientific space there are several other definitions and opinions that expand the debate about the essence of the brand and trademark concepts. However, the present study provides a significant

number of definitions that allow to draw specific conclusions and take certain positions in the process of clarifying the nature of the brand and trademark in the tourism industry. Which in turn supports the making of informed management decisions, defining strategic and positional policies in relation to existing tourism companies.

### **Conclusion**

As stated above in this report, the main aim is to present the essential differences between the concepts of brand and trademark in terms of their understanding and application, in relation to their fundamental importance for the contemporary tourism industry.

Undoubtedly, several valuable and complete definitions of the two concepts are presented, fully revealing their essential specifics. In this regard, the analysis of the presented information reveals the existence of significant differences between the two concepts, characterizing their nature, meaning, features and form of practical application in terms of business relations and strategic development. It should also be noted that without the trademark existing as the initial law basis, the brand cannot subsequently exist as an evolutionary form of the same trademark. It is also noteworthy that the two concepts have several common characteristics that can be found in the definitions presented above, but at the same time the same definitions reveal the fundamental differences between them. As a summary feature we can present the opinion of one of the doyens in marketing, namely Stephen King, according to which “The product is what is produced in the factory; the brand is what the consumer buys. The product can be copied by competitors; the brand is unique. The product can age quickly; a successful brand is eternal” (King, 1971, p. 3).

Here is the place to present the opinion of the author of the current study according to whom the difference between the two concepts consists in their transformation based on evolutionary processes. In other words, a trademark becomes a brand only when in the minds of its real and potential consumers associations are formed about a specific product or service offered by the respective trademark. It is the formed associations that change and influence the consciousness of real and potential tourists, shaping their preferences for commercial brands that are successfully positioned as tourist brands. In this regard, it can be reasonably argued that a brand is more than a trademark that can be defined as part of it. Not coincidentally, according to Kotler, considered the father of modern marketing, the difference between a trademark and a brand is that a trademark doesn't have associations in customer minds. A trademark becomes a brand when people connect or link it to other things.

Based on all that has been said so far, it can be reasonably argued that awareness and understanding of the fundamental difference between brand and trademark as concepts and business models in the tourism industry is paramount. In this regard, destinations that offer specific and satisfying tourist experiences are successfully positioned in the tourist market and can also be considered as brands, since specific associations are created in the minds of tourists in relation to them. It is these facts that contribute to the formation of certain understandings on the part of marketing managers and hotel managers, about the business benefit of the strategic development of a certain tourism company as a brand. Because of that in the modern digital world defined by processes of globalization and ubiquitous competition, new concepts, methods and models are sought to attract the attention and model the desires of real and potential users of tourist products and services. Precisely because of this, in conditions where a brand can be successfully positioned on the market as a brand, a change is achieved in the minds of real and potential tourists. Who, based on their perceptions and associations, direct their preferences to a specific tourist brand. The fact that the modern tourism industry is in one of the critical stages of its development is indisputable. As only a change in the value system, the way of communication with consumers and above all an understanding of concepts such as satisfaction and personal experiences will lead travel companies through this difficult period. It is for these reasons that it is of fundamental importance to understand the essence and specifics of these two concepts, as a difference between them will shape the new strategies and sustainable policies for the development of the tourism industry.

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