**ANNAMACHARYA INSTITUTE OF TECHNOLOGY & SCIENCES::TIRUPATI**
**(AUTONOMOUS)**

**Year II** **Semester** III **Branch of Study: MBA**

| Subject Code | Subject Name | L T P | Credits |
|---|---|---|---|
| 22MBA0317 | **PRODUCT AND BRAND MANAGEMENT** | 4 0 0 | 4 |

**Course objectives**

CO1: Understand the importance of Product Planning
CO2: Familiar with the Product management strategies
CO3: Obtain knowledge on Branding decisions
CO4: Analyze the brand equity and its strategies
CO5: Identify the various sectors in Branding

**Unit 1: Product Planning:–**Product concepts – product classification – product mix, product line, product characteristics, responsibilities of product manager, product strategies.

**Unit 2: Product management**: Product differentiation, stages in new product development, product positioning,package management

**Unit 3: Branding Decisions:** Essentials of good brand name, types of brand, advantages of branding, brand loyalty, brand revitalization Brand Identity, personality and Associations: Brand Awareness – Building a strong brand: The Four steps of Brand building, Brand performance, brand image.

**Unit 4: Creating and managing Brand equity** – brand equity brand building strategies, measuring brand equity – Managing Brand equity, brand extension, new brand failures

**Unit 5: Branding in different sectors:** Branding in industrial sector, retail sector, service sector and insurancesector

**Text Books:**

1. A.K.Chitale, Ravi Gupta, ―Product Policy and Brand Management, Text and Cases‖, Second edition, PHILearning Private Limited, 2013
2. Kevin Lane Keller, M.G.Parameswaran, Isaac Jacob, ―Strategic Brand Management‖, Third edition, 2011, Pearson

**Reference Books:**

1. Marc. A. Annacchino, P.E. ―New Product Development, From Initial idea to product management‖, 2003, Elsevier
2. U.C.Mathur, Product and Brand Management, First Edition, 2007, Excel Books

| **List of Cos** | **PO no. and keyword** | **Competency Indicator** | **Performance Indicator** |
|---|---|---|---|
| CO1 | PO1: Management theories and practices | 1.3 | 1.3.1 |
| CO2 | PO2: Data based decision making | 2.1 | 2.1.1 |
| CO3 | PO1: Management theories and practices | 1.5 | 1.5.1 |
| CO4 | PO1: Management theories and practices | 1.4 | 1.4.1 |
| CO5 | PO2: Data based decision making | 2.1 | 2.1.1 |

# Unit- 1

# Product Planning

# UNIT-1
# PRODUCT PLANNING

## 1. PRODUCT CONCEPT

Product concept is the understanding of a dynamics of the product in order to showcase the best qualities and maximum features of the product.
Marketers spend a lot time and research in order to target their attended audience marketers will look into a product concept before marketing product towards their customers. While the product concept is based upon the idea that customer prefers products' that have the most quality performance and features.
Every company can have different ideas or philosophy.

**FOR EXAMPLE:**

A Particular Company. A customer purchases on both dimensions. As cited earlier an avocado pear is similar the world over in terms of physical characteristics, but one the label CARMEL for example is put on it the products physical properties are enhance by the image CARMEL creates.
This may involve organizations producing symbolic offerings represented by meaning laden products that chase stimulations-loving consumers who seek experience producing situations.
So for example selling mineral water may not be enough it may have to be Antarctic in sources and flavored.
This opens up a wealth of new marketing opportunities for producers. Can have idea or philosophy that if the production is done on a large scale the cost would be less and the product would be sold automatically.

**BASIC CONCEPTS:**
A product can be defined as a collection of physical, service and symbolic attributes which yield satisfaction or benefits to a user or buyer.

- **Local products-** seen as only suitable in one single market.
- **International products –** seen as having extensive potential into other markets.
- **Multinational products** – products adapted to the perceived unique characteristics of national markets.
- **Global products –** products designed to meet glob all segments.

**1. PRODUCTION CONCEPT:**
Keeping in mind the same philosophy these companies put in all their marketing efforts in reducing the cost of production and strengthening their distributing system. In order to the minimum level, these companies indulge in large scale production.
It helps them in effecting the economics of the large scale production. Consequently, the cost of production per unit is reduced.

The utility of this philosophy is apparent only when demand exceeds supply. Its greatest drawback is that it is not always necessary that the customer every time purchases the cheap and easily available goods or services.

**2. PRODUCT CONCEPT:**

The basis if this thinking is that the customers get attracted towards the products of god quality. On the basis of the philosophy or idea these companies direct their market efforts to increasing the quality of their product.

It is a firm belief of the followers of the product concept that the customers het attracted to the products of good quality. This is not the obsolete truth because it is not the only basis of buying goods.

**3. SELLING CONCEPTS:**

This concept offers the idea that by repeated effort one can sell-anything to the customers. This may be right for some time, but cannot do it for a long time. If you succeed in enticing the customer once he cannot be won every time. On the contrary, he will work for damaging your reputation. Therefore, it can be asserted that this philosophy; offers only a short term advantage and is not for a long term gains.

**4. MARKETING CONCEPT:**

Those companies who believe in the concept of the opinion that success can be achieved only through consumer satisfaction. The basis of this thinking is that only those goods/services should be made available which the consumers want or desire. In short it can be said that it is a model concept and by adapting it profit can be earned on a long term basis.

**5. SOCIETAL MARKETING CONCEPT:**

This concept stresses not only the customer satisfaction but also gives importance to consumer welfare societal welfare. it is believed that more satisfaction of the consumers would not help and the welfare of the whole society has to be kept in mind.

For example if a company produces a vesicle which consumers less petrol but spreads pollution it will result in only consumers satisfaction and not the social welfare.

## 1.2. PRODUCT CLASSIFICATION

There are three fundamental types of product classification which are durable and no-durable products and pure services. Durable products are those products, which are used for longer period of time such as freezer, car, mobile phones, shoes, and TV etc.

Non-durable product is those products which we need to use quickly as these products are those products.

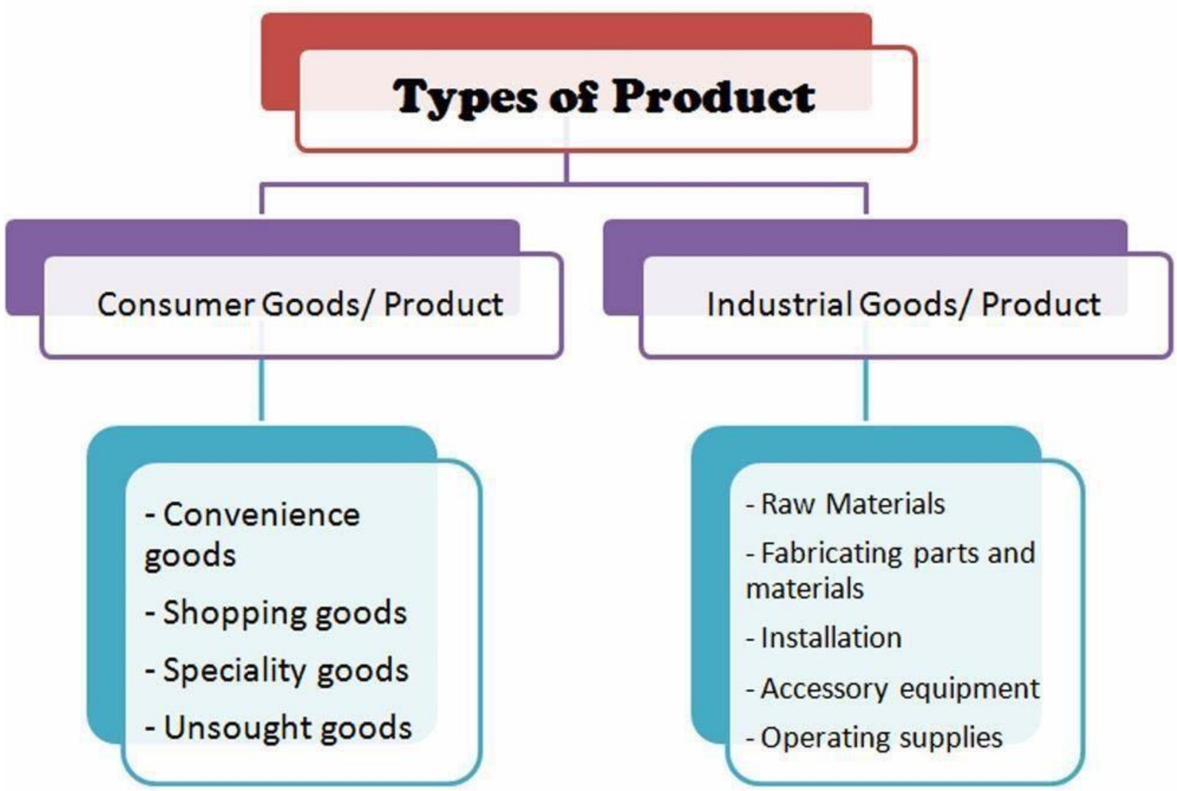
Expired after some specific period of time such as all the vegetables fruits and juices etc.Pure services included those benefits that are intangible or inseparable in nature and are offered for sale to customer. Ownership of nothing is transferred because these products are experimental in nature. Accountant, doctors, lawyer, and teaching etc. are the best examples that indicate the term pure services. These all products are purchased by either industrial buyer or final consumer. The consumer products are purchased by final consumers for personal consumption. The industrial products are purchased by the organization for their usage in processing operations & administration.

Product classification that is also known as different types of products. These types of products or product classification are as below in three different forms.

**Consumer products**

**Industrial products**

**Persons, organizations, ideas & places.**




**CONSUMER GOODS/ PRODUCTS CLASSIFICATION:**

Those products that are purchased by final consumers for personal consumption are called consumer products. The way of purchasing these products provides the basis for the marketer to further classify these products. The following is an classification of these consumer products on the basis of the manner of purchase & manner of marketing.

**1. CONVENIENCE PRODUCTS:**

Those consumer products that are purchased immediately & frequently with little efforts and comparison are called convenience products. Example of convenience products includes the following. Candy, Newspapers, Soap, Fast food etc.

The convenience products are placed at the front location of the stores in abundance quantity so that are easily available to the customers. The price of these products is kept lower.

**2. SHOPPING PRODUCTS:**

This type of product is purchases less frequently & careful comparison is made by the customer on the price, quality, sustainability &style. In case of purchase of shopping products, increased time & effort is made by the customers in collection of information & comparison making.

**Example:** Clothing, Furniture, Major applications, Used cars Hotel & motel services.
These products are distributed in fewer outlets by the marketer along with the strong sales support services that assist customers in their comparison.

**3. SPECIALTY PRODUCTS:**
Specialty product are those consumer products that have brand identification or unique characteristics and an important group of customers are happy to purchase these products
**Examples:** Specific brand & kinds of cars ,Photographic equipment with high price. Designer clothes, the services of legal or medical specialist.
The customers of such products can make enough effort with them for reaching relevant dealers. However they do not compare the specialty products normally.

**4. UNSOUGHT PRODUCTS:**
Those consumer products that are either not known to the customers or they are known, but customers do not usually consider them to purchase. The important innovations area usually included in the category of unsought products because the customer gets the awareness through advertisement.
**Examples of unsought products**: Life insurance, Blood donation to Red Cross.
A lot of personal selling, advertising & marketing efforts are required for unsought products.

**INDUSTRIAL GOODS/PRODUCTS:**
Those products that are purchased that area buying for further processing or for use in operating a business are called industrial products. So the main difference between industrial and customer product is based on the purpose of purchase of the product.

For example, if a lawn mower product is purchased for use around the house then this lawn mower is categorized in the consumer product. But If the same lawn mower is purchased for use in land scalping business, then this is categorized as an industrial product.

**Following are some of the three product classification of industrial products.**

**1. MATERIAL& PARTS:**
Raw materials, natural products & manufactured materials are included in the categories of material & parts. Farm products & natural products are included in raw material part like cotton, wheat, vegetables, fruits, fish, crude petroleum, iron, etc. component materials & component parts are included in the manufactured area like yarn, wire, cement, iron, tire, small meters, etc.
Manufactured materials & parts are mostly sold to the industrial users directly. Major marketing factor employed in this category are price & service. L the advertising & branding is not so much important. Also the demand of the industrial products is derived demand, which is derived from the consumer demand.

**2. CAPITAL ITEMS:**
Industrial products that assist the production and operation of customer are called capital items like accessory equipment's and installations. Building and fixed equipment's are included in the installations.

Office equipment's and portable factory equipment are included in the accessory equipment. Accessory equipment's have much shorter life times and they are only helpful in the process of production.

**3. SUPPLIES & SERVICS:**

Supplies contain repair & maintenance items and operating supplies like nails, paint, lubricants, pencil, paper, coal etc. the supplies are regarded as the industrial convenience products because they are purchased with little effort &time. Business advisory services and repair & maintenance services are included in business services category. These services are given under some contract.

**4.2 PERSONS, ORGANISATIONS, IDEAS & PLACES**

The marketing entities named persons, organizations, ideas and places area also included in the category of products recently.

The organization sells itself by carrying out certain activities like creating, maintaining and changing the behaviors and attitude of customers for an organization similarly people also perform certain activity for development maintenance and change of behavior and attitude towards certain people through person marketing similarly the ideas and places area also regarded as products.

## PRODUCT LINE:

A product line denotes the group of closely linked products which the organization offered. These products are linked together as they operate it an identical manner, used by same group of customers, have similar price range, or sold via same types of retailers.

**For example,** ITC is a major brand producing several products line including personal care, lifestyle, retailing, education and stationery etc., product line is very different from product bonding where few items combine to form a single product. The fundamental basis of all the products in a product line is same.

Therefore, a good marketing plan is sufficient to improve the sales of all the product in a product line. Generally, different products with different prices are offered in a product line. In this way, the organization makes sure that all its product line is picked up by every type of customer.

The act of introducing a new product in the present product line is called as product line extension. Primarily the idea of product extension of used to avert competition. The motive behind launching products similar to that of competition.

The motive behind launching products similar to that of competitors, is keeping the customers attached to the brand they are loyal with. A special plan of action is required for marketing different predicts in a product line.

A marketer should always know about the competitor and their products so as to offer suggestions to organizations regarding inclusion of new products in the current product line. Along with this the marketing firm should also be able to identify popular and unpopular products in the market.

**PRODUCT LINE DECISIONS**

Marketers encounter several difficult decisions on product line featuring and product line length while establishing product line strategies. These product line decisions are discussed below, one objective may be to enhance the sales. For example the famous brand BMW tries to encourage its customers to shift from the current BMW 3 series to next level of BMW 5 or BMW 7 series. Another objective may be to promote the selling for example, computers as well s printers are provided by Hewlett-Packard.

Protection against economic uncertainties may also be the objective of an organization for example the popular brand GAP has several outlets under its flagship like old NAVY, GAP, banana republic, etc. which offer products of various price ranges to absorb the economic changes taking place globally.

**A product line can be expanded by two methods namely line stretching and line filling.**

**I. PRODUCT LINE STRETCHING DECISIONS:**

The product line offered by all companies includes specific variety of items out of the complete range of products furnished by the entire industry for example; Maruti deals with automobiles of the most economical or moderate price range in the automotive industry.

If a business entity expands its product line over and above the present array it is termed as line stretching. Line stretching can be exercised in the following three ways.

**a. DOWNWARD STRETCH:**

Several organizations start with offering most expensive products in the market and gradually try to extend at lower levels. For example TATA MOTERS deals into midsize and high end utility car segment it has extended its product line downwards by venturing into the small vehicle segment through launching TATA NANO.

**The key reasons for downward stretch are following**

The organization involved in serving high end market faces tough competition and decides to cater low end market to deal with competitors. Presence of poor growth rate in the high end market. The organization includes a low end division to avoid the entry of new competitors. It was a huge opportunity it is a fascinating fact that automobile market pioneers like- Honda and Toyota are venturing into the smaller car segment offer appreciation of Suzuki's success in that segment.

**B.UPWARD STRETCH:**

Organizations serving low end market may intend to move into high end market. An opportunity to feature as a full-time producer may be few reasons which may tempt organizations to enter the high end market.

**C.TWO-WAY STRETCH:**

The organization belonging to the mid-level of the market can extend their product line in any one way out of the two options available their upwards or downwards.

## II.PRODUCT LINE FILLING DECISIONS:

Product line extension is also possible by including new products in the current product line to achieve gradual increase in profit levels, to persuade the agents with regards to the elitism faced due to decrease in sales because of the product not being present in the current product line, to make use of the surplus capacity available to became market leader in the full time segment to block the loopholes to control the competitors are the few reasons behind product line filling excessive product line filling may confuses the consumers and consequently reduce the sales of others product.

Each item needs to have a distinctness of each product should be thoroughly significant. The new product recommended should have an advantage in terms of increased market acceptance and should not be included to reassure the internal requirements of the company.

## PRODUCT LINE MODERNISATION DECISIONS:

Here the product a part of the product line is revised and re-launched to meet the contemporary styling requirements and preferences. Product lines should be undated as per the latest trends in the market.

This process of modernization can be in terms of the technology used for the production of the product or the appearance of style of the; product many companies have adopted the modernization process. For example new look of 800cc car developed by Intel, launch of splendor plus in place of the older splendor model by hero Honda, etc.

Are the significant example of the examples of the; modernist ion decisions. It is a strategy where the company introduces new item implicate old ones dropped out product line modernization is a constant processing today’s for transforming product market.

The consumers are inspiring to shift their preferences towards expensive and high-end products due to constant improvements formulated by the companies.

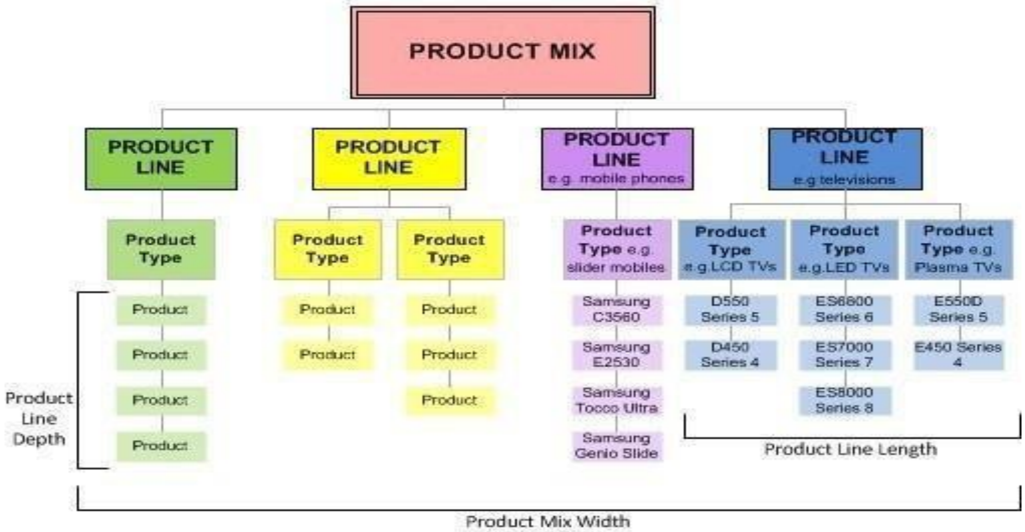
## PRODUCT LINE FEATURING DECISIONS:

This is all about deciding which product to features in the organizations product line. The manager deciding the product line strategies pick-up one or more products from the product line to represent as a flagship product or a prominent item of the line to increase the demand. This kind of decision is taken in case of presence of several non-profitable items in the; product line. Thus line featuring is helpful in elevating the sales volume of the organization for example dream service is the current focus of marketing campaigns of Honda.

## PRODUCT LINE PRUNING DECISIONS

This strategy finds outs the product which are poor performers in terms of earning potential in the product line and removes them from the line to increase the earning potential of the company.

This process is adapted by the company when it is unable to earn the expected profit levels or when a specific pattern is not well received by the customers or not being beneficial for the growth of the organization pruning decisions can be taken to make physical or human resources available for other capable models which are being utilized by the un productive model.




## PRODUCT MIX

Product mix is a combination of total product lines within a company. A company like HUL has numerous product lines like shampoos, detergents, soaps etc. The combination of all these product lines in the product mix.

**a. PRODUCT MIX:**
The product line is a subset of the product mix. The product line is generally refers to a type of product within an organization. As the organization can have a number of different types of products.

It will have similar number of product line. Thus in nestle, there are milk based product like milk made food products like magi, chocolate, products like kitkat and other such product lines. Thus nestle product mix will be a combination of the all the product line within the company.

**b. LENGTH OF THE PRODUCT MIX:**
If a company has 4 product lines ad 10 products within the product line than the length of the product mix is 40. Thus the total number of product lines from the length of the product mix. This equation is also known as product line length.

**c. WIDTH OF THE PRODUCT MIX:**
Where product line length refers to the total number of products lines and the products within the product lines the width of the product mix is equal to the number of product lines within a company.
Thus taking the above example there are 4 product lines within the company and 10 products within each product line, that the product line width 4 only thus product line width is a depiction of the number of product lines which a company has.

**d. DEPTH OF THE PRODUCT MIX:**

It is fairly easy to understand what depth of the product mix will mean. Where length and width were a function of the number of product lines the depth of the product mix is the total number of products within a product line.

Thus if a company has 4 products lines and 10 products in each product line, that the product mix depth is 10. It can have any variations within product for form the product line depth.

**e. PRODUCT MIX CONSISTENCY:**

The lesser the variations between the products, the more is the product line consistency. For example- Amul has various product lines which are dairy related. So that product mix consistency is high.

But Samsung as a company has many product lines which are completely independent of each other like air conditioners, televisions, smart phones, home applications so on and so forth. Thus the product mix consistency is low in Samsung.

## PRODUCT CHARACTERISTICS:

A product is the item that is developed and refined for sale in the market. It aims to meet the customer's needs and wants. The concept of product can be categorized into two narrow concept and wide concept.

Its narrow concept a product is a combination of physical or chemical characteristics which has some utilities. It is not just a nonliving object or a physical substance a product also has other functions than its utility like satisfying customer needs and wants.

EXAMPLE: fan, table, pen, cooler, etc. in its wider concept, a product having a variety of colors, designs, packaging and brand is said to be a different product. For example, if a shampoo is made then these are three products, as they are fulfilling needs of customers with varied choices hence product is defined as a complete package of benefits received by a customer.

**DEFINITION:**

According to **WA.ALDERSON** a product is a bundle of utilities consisting of various features and accompanying services.

It is the sole responsibility of product managers to manage the products the product management activates comprise of planning. Fore-casting and marketing of products or services' at all stages of the product lifecycle. Broadly it is a wide range of activities carried-out to deliver particular product in the market.

**The key characteristics of a product are as follows;**

**A. TANGIBILITY:**

A product can be perceived by sense of touch. It also has features like to be felt etc.

Example- car, computer, t-shirts etc.

**B. INTANGIBLE ATTRIBUTES:**

Intangible products lack physical substance they cannot be touched it is in the form of services egg- repairing, services, insurance services, etc., intangibility can also be an associated feature of tangible products.

For example, if a person proved free servicing for a refrigerator is a tangible product. Whereas after sales services are an intangible attribute. This means that the product offered is both tangible as well as intangible in nature.

**C.ASSOCAIATED ATTRIBUTES:**
The associated features of a product consists of packaging, warranty, brand, etc. for example Hindustan lever's Vanaspathi ghee is best known by the customers with its brand name DALDA and its packaging.
Moreover it has created such an image that all types of vanspathi ghee are commonly known as DAlDA ghee.

**D.EXCHANGE VALUE:**
A product either tangible or intangible in nature must have an exchange value. It should be exchangeable between the seller and buyer at a commonly acceptable price.

**E.CONSUMER SATISFACTION:**
A product should be capable of satisfying the customers. The type of satisfaction experienced by the customer can be real or psychological. For example when a consumer purchases branched cosmetics, one also purchases beauty.

## RESPONSIBILITY OFL PRODUCT MANAGER

A product manager is responsible for managing a set of products or product lines over the life of the product from ideation through development launch sale and finally discontinuance.
They interface between the market and the product team during development representing the voice of the customer. And they manage the portfolio of product they are responsible for to maximize sales and profitability.
We have noted that two types of product manager roles across companies. We describe these at lightweight product managers and heavy weight product managers. The following is a distinction in these two roles.

**1. LIGHT WEIGHT PRODUCT MANAGERS:**
These product managers access the market and identify opportunities for new products. The effort to understand the customer needs and define requirements for new products. They manage the activates to support the commercial launch of a new product line. They do not have overall profit and loss responsibility for the product line. Light weight product managers operate more as a peer on the product teams.

**2. HEAVY WEIGHT PRODUCT MANAGERS:**
These product managers lave all of the responsibility described for the light weight product manager in addition they have more authority and responsibility to manage the product line profit and loss. They act as the general manager for the product line. They have a more significant role on determining which products to produce and in portfolio planning for the product line.

**Specific product manager responsibilities are the following;**

**A.IDEATION:**
The product manager solicits ides for new products from others and contributes ideas for new products. He/she collects information on new products ideas analyzes new product ideas, and helps evaluate new product ideas.

**B.MARKET ANALYSIS:**
The product manager maintains constant surveillance and awareness of the market and has been able to effectively identify customer needs and trends.

**C.COMPETITIVE ANALYSIS:**
The product manager maintains awareness of competitive products, potential competitive products competitors and helps to organize this data into meaningful information. He/she organizes or affectivity use competitive information in the development of a new product. He/she is able to identify.

Strengths and weaknesses of proposed products relative to the competition can anticipate competitive responses, and can consider competitive actions in the development of sales projections.

**D.PREPARATION OF VOICCE OF THE CUSTOMER PLAN:**
The product manager pre actively develops a plan for collecting voice of the customer (VOC) data early in the development cycle. The plan addresses methods to be used definition of the customers to be talked to resources required and the schedule for the investigation effort.

**E.CUSTOMER NEEDS DEFINITION:**
The product manager develops an effective understanding of the customer needs balancing the information collected with risks of not fully understanding customer needs and assessing market potential and with cost and schedule of the investigation.

**F.PORTFOLIO PLANNING:**
The product manager provides needed analysis to support product portfolio planning. If the product manager participates in portfolio planning with management he/she provides useful insights and perspectives to prioritize development programs.

**G.ANALYZE AND RATIONALIZE PRODUCT PROTFOLIO:**
The product manager regularly conducts a critical review f his/her product line or product portfolio to identify needed action to discontinue poor performing products, overlapping products or products they require repositioning or re-launching.

**H.COMMUNIACTE PRODUCT PALNS & STRATERGY WITH MANAGEMENT:**
The product manager effectively communicates product plans and strategy with management to obtain required decisions resources or management support and minimize surprises.

**I.PRODUCT LINE PLANNING &STRATEGY:**
The product line manager appropriately contributes to the development of an overall product line and strategy.

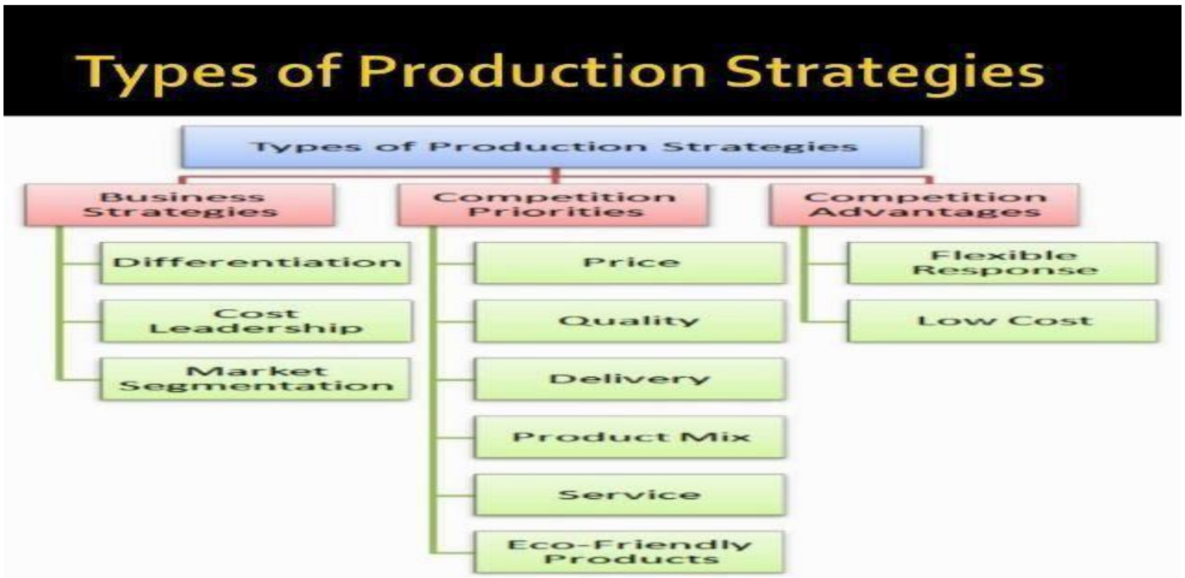
**J.PRODUCT LINE ROADMAPS:**
The product manager contributes to develop and maintains product roadmaps and other representations of the product line plan and strategy road maps and related documents are up to date.

**K.PROJECT MANAGEMENT:**
The product manager works effectively with the project manager helping to plan the project provide guidance and monitor the project results.

## TYPES OF PRODUCT STRATEGIES

**DEFINITION:**
A product strategy is a plan to develop a new product or improve results from an existing product. It is a marketing activity the after include the following type of strategy.

**1. ADOPTION LIFE CYCLE: Strategy** for achieving your first few customers for a new product and building momentum from there.
**2. BACK WARD INTENTION: Removing** features from a product for introduction at a tower price point.
**3. COST: Costs**, both fixed and variable are an important product strategy element in many cases. A firm may try to establish cost leadership for a particular product.
**4. CUSTOMERSERVICE: Customer** services such as sales delivery customer experience support, feedback and complaint handling
**5. BRANDIDENTIFY: The** unique character of a brand in the eyes of customers.
**6. DESIGN: Design** such as architecture. Functional design user interfaces an do esthetics.
**7. DISTRIBUTION: How** you will sell and deliver the product. A distributing strategy may include channels such as ecommerce retail wholesale selling and partners.
**8. DIVERFICATION: Creating** diverse products to reduce the risk of concentrating on a particular industry, business model product category or product.
**9. EXITSTRATEGY: A** plan that's designed to minimize impact if the product fails on the market
**10. FEATURE: Features** that add value to a new or existing product.
**11. FEATURED EDUCTION: A** new product that avoids unpopular features that are common amongst the competition.



1. Differentiation strategy

   Under a differentiation strategy, the company tries to be different and unique from its competitors. It may offer better quality, quantity, pricing, appearance, and after sales-service, when compared to its competitors. It may offer more features and facilities in its product. It may be more flexible while dealing with its customers. It may also offer quick and better delivery of its products. So, there are many ways, in which a company can remain different from its competitors. If it maintains this uniqueness and difference in its product quality and customer service, then it can charge higher prices.

2. Cost leadership strategy

   Under a cost leadership strategy, the company tries to reduce its cost of production. This is done by producing goods on a very huge scale. By doing so, the company will get the benefits of economies of large scale. Higher the scale of production, lower will be the cost of production. This is because per unit cost of raw materials, labour, advertising, sales promotion, R & D, etc. will decrease.

3. Market segmentation strategy

   In market segmentation strategy, the company divides the market according to the type of customers it has to focus and target. It sells different products and services to different types of customers. To achieve this goal, it produces and sells goods and services as per the needs of the customers. Therefore, market segmentation strategy is also called Focus Strategy.

4. Price or cost strategy

   Under price or cost strategy, the company sells its product at a very low price. This strategy is used when the products are homogeneous (same) in nature. That is, when the customers cannot distinguish the company's product from the competitors' products. In this case, the company will fix a low price. So, the customers will purchase the company's product and not the competitors' products.

5. Quality strategy

   Under quality strategy, the company produces and sells high-quality goods and services. The prices of such goods and services are naturally very high. However, this strategy attracts those customers who prefer top quality products and are ready to pay necessary appropriate prices. The company must pay special attention to the design of its products. It must upgrade product design and add new product features to satisfy the current needs and demands of its customers. Products which are designed badly will naturally fail in the market. To gain success in the market, the company must smartly invest to make quality innovative products that are free from any defects.

6. Delivery strategy

   Here under delivery strategy, the company delivers its product and services to their customers as early as possible that too within a fixed time period. The company gives top priority to fast delivery of products and providing quickest accessibility of services. Speed delivery of products and fastest accessibility of services removes the problem of scarcity and unnecessary delays in the market. Delivery strategy is used as a selling tactic to fight cut-throat competition.

7. Product mix or flexibility strategy

Under this strategy, the company produces and sells a product mix. A product mix is a group of products, which are sold by the same company. Here, the company does not depend only on one product for its survival and growth. It uses a product mix because it offers many advantages to the company. However, only large companies with huge production capacity can use this strategy.

8. Service strategy

Under this strategy, the company uses a service to attract the customers. It gives quicker and better after-sales service. It gives around the clock, i.e. 24-hour customer service. It may render this service directly via the company or through the network of call centres. Service is required for both consumer goods as well as industrial goods.

9. Eco-friendly products

Under eco-friendly strategy, the company produces and sells environment-friendly products also called as Green Products. For e.g. producing and selling lead-free petrol to reduce pollution, manufacturing mercury-free television panels, etc., are some good steps to preserve nature. This is a new type of production strategy. It is used to reduce pollution and protect the biosphere. Companies may also recycle certain materials like plastic, metals and papers. The properly recycled products are later used for manufacturing new products and in packaging. Companies use biodegradable packing material to reduce the problem of waste disposal. Recycling reduces continuous demand cycle of natural resources and hence somewhat minimize the exploitation of environment. The company informs the public about their environment-friendly manufacturing approach through advertisements.

10. Flexible response strategy

Flexible response strategy is said to be used when a company makes necessary changes in its production plans that too in accordance with the emerging changes in the market. Here, importance is given to speed and reliability. That is, the company must make quick changes as per the arising changes in the market demand. It must also be reliable. That is, it must give a regular supply of goods to its customers. There must not be any shortage of goods in the market. To achieve this, the company must follow a strict production schedule.

11. Low cost strategy

Under low cost strategy, the company fights massive market competition by selling its products at very lower prices. Simultaneously, it must also maintain the quality of its products. A company can only sell its goods at minimum prices if it maintains a low cost of production and distribution. This can be done by producing and distributing goods on a large scale. That is, company must take advantage of economies of large-scale production.

# UNIT-2
# PRODUCT MANAGEMENT

## UNIT-II
## PRODUCT MANAGEMENT

### 1. PRODUCT DIFFERENTIATION:

Product differentiation (or simply differentiation) is the process of distinguishing a product or service from others, to make it more attractive to a particular target market. This involves differentiating it from competitors' products as well as a firm's own products. Product differentiation is the process of making your product or service more appealing to your target audience or consumer than other competitive products

- Product differentiation is a specific kind of business and marketing strategy. It focuses on a target market in which competitors already offer similar products or services.
- A company that uses product differentiation tries to create the perception among certain target customers that the company‘s version of this product or service is somehow different and thus has added value that is not available from competitors.
- Product differentiation is extremely important to running any kind of business. This is due to economic principles that have been demonstrated time and time again in nearly every market place.

  Product differentiation is the introduction of unique, distinctive characteristics or features to a product to ensure a USP (unique selling proposition) of the product. The differentiation enables a company to achieve a competitive advantage over other companies offering similar product substitutes. It is an essential marketing process that is of vital economic importance to a business.

IMPORTANTANCE OF PRODUCT DIFFERENTIATION:

- Our world is noisier and more crowded than ever. You want customers to understand exactly what you are offering and not cause confusion between yourself and your competitors.
- This comes only after careful consideration and study of what your consumers are looking for, what their problems are, and how your product is uniquely positioned to solve them.
- All of this may seem straightforward, but it's helpful to go back to ground zero occasionally and really evaluate the "why" behind the "what." In this case, why is your product different from all others in the same segment?
- By answering this fundamental question, you'll be able to see your product differentiation strategy as part of the bigger picture for your product launch and brand strategy.
- Product differentiators are the key elements to how consumers perceive your product’s benefits and features over those of your competitors.

At the end of the day, you want them to select you over all other offerings on the market.

- Product differentiation often acts as a barrier to entry of new firms into the industry. It may also be noted that advertising enables a firm to achieve product differentiation.
- Profitable product variation may go in various directions. A producer might find that a costly change in his product would increase demand for his output.
- A good product differentiation strategy may gain brand loyalty, which is paramount to any successful business.

- This strategy focuses on a buyer's perception of value. As long as the seller continues to provide high quality, the customer base will remain strong.
- The seller must have a thorough understanding of the buyer's expectations and how the product will be used. For example, a car's purpose is for transportation, but if it also provides a feeling of accomplishment and self-worth, then the seller will have a competitive advantage over cars that are more basic.

1.3 TYPES OF DIFFERENTIATION:

1. SIMPLE DIFFERENTIATION:
   - Simple product differentiation is based on a number of different characteristics that very clearly set your product apart from the rest. This is the most basic level of differentiation and the easiest for a consumer to spot.
   - Think coffee pot vs. an espresso maker. They are both in the coffee-maker family, but each has very different features, and it's obvious to see where the two products differ.
2. HORIZONTAL DIFFERENTIATION:
   - Horizontal differentiation is based on a single product feature or characteristic, but consumers are not clear on quality because prices typically tend to be the same.
   - Going back to coffee makers–consider two coffee pots. They function the same way and their prices are pretty similar, but one might offer the option for automatic brew while the other may offer a cold brew option.One isn't necessarily superior in quality–they just offer two different functional features.
3. VERTICAL DIFFERENTIATION:
   - Vertical product differentiation is based on a product's single characteristic. Consumers are very clear on its quality and where similar products differ in quality. Prices will also vary greatly in vertical differentiation.
   - Think of the difference between a Mr. Coffee coffee pot and a Cuisinart coffee pot. Both are drip pots, they will both brew you coffee, but there is a very clear distinction in perceived quality and prices vary greatly between the two.
   - It's easy to get excited about a new product internally, but it's so important to slow down and think through about your product's differentiators as early as possible.
   - With a clear picture of what, why, and how product differentiation works, you're fully prepared to take your differentiation strategy to the next level.

**Factors of Product Differentiation**

Now that we've looked at the categories of product differentiation, let's look at the specific factors that can differentiate products. A product's unique selling proposition (USP) can be literally anything that makes it unique or different from others out there. Here's a few examples of ways companies can differentiate their products from others in the market.

Quality: How does the quality, reliability, and ruggedness of your product compare to others on the market?
Design: Have you done something different with your design? Is it minimalistic and sleek? Easy-to-navigate?

Service and interactions: Do you offer faster support than anyone else on the market? Does your team provide custom onboarding? How are your customers' interactions with your team different from those of your competition?
Features and functionalities: Does your product do something the competition does not? Is it faster than anything else out there? Is it the only one to offer a certain integration?
Customization: Can you customize parts of the product that competitors cannot?
Pricing: How does your product's price or pricing model differ from that of the competition? Cheaper is not the only differentiating factor to consider with product pricing.

How Do You Develop a Product Differentiation Strategy?

Ready to start focusing on product differentiation but not sure where to start? Here are a few steps to get you headed in the right direction.
Know your market. Take note of the market your product serves. Who are the competing organizations and what do they offer? What types of key customer needs are not being met with existing options?
Work with your entire team to establish ways you can potentially distinguish your product from others in the market. Take inventory of the benefits and values your product brings to customers and establish how important those values are.
Identify opportunities to further differentiate the product from others. Assess where they may belong in your organization's strategic product roadmap.
Our examples above have only scratched the surface on what different factors can differentiate a product. And it's worth noting that there is no right way to approach product differentiation. The ideal process is different for every product, team, and organization.

Benefits of Product Differentiation
A differentiated product can increase brand loyalty and even survive a higher price point. If a product is perceived to be better than its competitors, consumers will consider it worth the higher price.

Differentiation marketing can help companies stand out when a product isn't perceived to be much different from a competitor's, such as bottled water. The strategy might be to focus on a lower price point or that it's a locally-owned business. When functional aspects of the two products are identical, non-functional features can be highlighted. The strategy can be merely an appealing change in design or styling.

<u>"A successful product differentiation campaign raises consumer interest and gives them a reason to believe they need their product versus another."</u>

Examples of Product Differentiation
Companies introducing a new product often cite its lower costs to buy or use. If Company X produces a coffee maker virtually identical to that of Company Y, Company X may offer a version at a lower cost. If it comes with a reusable filter, the savings on paper filters are highlighted in packaging and advertising it.

For example, product differentiation is vividly on display among the many coffee maker brands on today's market. KitchenAid coffee makers have a hefty, substantial feel, and a premium price to match. Keurig differentiates itself with the ease of use of coffee pods. Amazon Basics, as always, sets an unbeatably low price point.

Advantages of Product Differentiation

1. Provides economic benefits
Product differentiation is economically advantageous to a company. It provides a reason for consumers as to why their product is worth investing in, as opposed to all the other substitute products available in the market. A successful differentiation campaign boosts sales for a company by a significant margin and gives it a competitive advantage in the market as to why they deserve a consumer’s investment more than the others.

2. Helps achieve a higher price point
In addition, product differentiation helps a company operate at a higher price point just because of that additional benefit or feature introduced in a product. When that one distinct feature or difference introduced in the product makes it better than its substitutes, consumers more often than not perceive it to be worth the increased price.

3. Promotes brand loyalty
Another implication of product differentiation is that very often, it brings brand loyalty into the picture. When a company efficiently differentiates its products, and a few essential products stand out, it usually brings out brand loyalty on the consumer’s part.

This is because once a consumer is satisfied with a few products of a brand, they tend to just start buying other products from that one particular brand. The consumer believes that the company’s other products are as good and stand out just as much as the ones they use.

## 3. STAGES IN NEW PRODUCT DEVELOPMENT:

: INTRODUCTION:
New product development (NPD) is a process of taking a product or service from conception to market. The process sets out a series of stages that new products typically go through, beginning with ideation and concept generation, and ending with the product's introduction to the market. Occasionally, some of the stages overlap or vary depending on the nature of the business.

- The goods and services that vary considerably in terms of the attributes or intended usage in contrast with the goods manufactured previously by the same firm are termed as new product. It is a difficult and new for the customer.
- Moreover the relative view is considered highly useful in defining new product as the potential consumers who will be using the product; for the first time may identify opportunities or problems for consideration.

ACORDING TO MUSSELMAN AND JACKSON -
A product is said to be a new product when it serves an entirely new function or makes a major improvement in a present function.

NEW PRODUCT DEVELOPMENT PROCES:

New product development is an eight steps process which involves all the key elements required for Developing a product.

1. Idea generation
2. Screening of the idea
3. Concept development and testing
4. Marketing strategy and development
5. Business analysis
6. Product and marketing mix development
7. Test marketing
8. Commercialization launching the product


1. IDEA GENERTATION:

The most vital and first step of a new product development is gathering and evaluating new ideas to reach the new potential product options. Idea generation is considered as an ongoing process for many companies involving the assistance from internal and external resources of organization.

The new product development process starts with idea generation. Idea generation refers to the systematic search for new-product ideas. Typically, a company generates hundreds of ideas, maybe even thousands, to find a handful of good ones in the end. Two sources of new ideas can be identified:

Internal idea sources: the company finds new ideas internally. That means R&D, but also contributions from employees.

External idea sources: the company finds new ideas externally. This refers to all kinds of external sources, e.g. distributors and suppliers, but also competitors. The most important external source are customers, because the new product development process should focus on creating customer value.

2. SCREENING OF IDEAS:

In this step all the ideas generated in the first step are analyzed and the best possible one is selected for new product development.

Idea screening means nothing else than filtering the ideas to pick out good ones. In other words, all ideas generated are screened to spot good ones and drop poor ones as soon as possible. While the purpose of idea generation was to create a large number of ideas, the purpose of the succeeding stages is to reduce that number. The reason is that product development costs rise greatly in later stages. Therefore, the company would like to go ahead only with those product ideas that will turn into profitable products. Dropping the poor ideas as soon as possible is, consequently, of crucial importance.

3. CONCEPT DEVELOPMENT AND TESTING:

Once the marketer has finalized few ideas, he initiates towards the attainment of initial feedback from the customer, its employees, and distribute. These ideas are then represented to the focus groups through story boards, board presentations etc.

To go on in the new product development process, attractive ideas must be developed into a product concept. A product concept is a detailed version of the new-product idea stated in meaningful consumer terms. You should distinguish

A product idea à an idea for a possible product

A product concept à a detailed version of the idea stated in meaningful consumer terms

A product image à the way consumers perceive an actual or potential product.

Let’s investigate the two parts of this stage in more detail.

Concept development

Imagine a car manufacturer that has developed an all-electric car. The idea has passed the idea screening and must now be developed into a concept. The marketer’s task is to develop this new product into alternative product concepts. Then, the company can find out how attractive each concept is to customers and choose the best one. Possible product concepts for this electric car could be:

Concept 1: an affordably priced mid-size car designed as a second family car to be used around town for visiting friends and doing shopping.

Concept 2: a mid-priced sporty compact car appealing to young singles and couples.

Concept 3: a high-end midsize utility vehicle appealing to those who like the space SUVs provide but also want an economical car.

As you can see, these concepts need to be quite precise in order to be meaningful. In the next sub-stage, each concept is tested.

Concept testing:

New product concepts, such as those given above, need to be tested with groups of target consumers. The concepts can be presented to consumers either symbolically or physically. The question is always: does the particular concept have strong consumer appeal? For some concept tests, a word or picture description might be sufficient. However, to increase the reliability of the test, a more concrete and physical presentation of the product concept may be needed. After exposing the concept to the group of target consumers, they will be asked to answer questions in order to find out the consumer appeal and customer value of each concept.

4. MARKETING STRATEGY AND DEVELOPMENT:

After concept testing a primary marketing strategy plan is developed. A marketing strategy is used to launch the product ideas in the market. For this a comprehensive plan is laid down including the marketing mix strategy, segmentation and positioning strategy with the expected sales and profit.

When a promising concept has been developed and tested, it is time to design an initial marketing strategy for the new product based on the product concept for introducing this new product to the market.

The marketing strategy statement consists of three parts and should be formulated carefully:

A description of the target market, the planned value proposition, and the sales, market share and profit goals for the first few years
An outline of the product's planned price, distribution and marketing budget for the first year
The planned long-term sales, profit goals and the marketing mix strategy.

5. BUSINESS ANALYSIS:
In this stage, the large number of ideas is condensed for one or two ideas by the marketer. During this stage market research is used extensively to analyze the viability of product ideas.
management can evaluate the business attractiveness of the proposed new product. The fifth step in the new product development process involves a review of the sales, costs and profit projections for the new product to find out whether these factors satisfy the company's objectives. If they do, the product can be moved on to the product development stage.
In order to estimate sales, the company could look at the sales history of similar products and conduct market surveys. Then, it should be able to estimate minimum and maximum sales to assess the range of risk. When the sales forecast is prepared, the firm can estimate the expected costs and profits for a product, including marketing, R&D, operations etc. All the sales and costs figures together can eventually be used to analyse the new product's financial attractiveness.
6. PRODUCT AND MARKETING MIX DEVELOPMENT:
A prototype of the product is produced at this stage. Before launching the prototype in the market it must clear all the tests and then finally the product is offered to the target audience. While closing business analyses the suggestions and ideas are given due consideration.
The new product development process goes on with the actual product development. Up to this point, for many new product concepts, there may exist only a word description, a drawing or perhaps a rough prototype. But if the product concept passes the business test, it must be developed into a physical product to ensure that the product idea can be turned into a workable market offering. The problem is, though, that at this stage, R&D and engineering costs cause a huge jump in investment.
The R&D department will develop and test one or more physical versions of the product concept. Developing a successful prototype, however, can take days, weeks, months or even years, depending on the product and prototype methods.
Also, products often undergo tests to make sure they perform safely and effectively. This can be done by the firm itself or outsourced.
In many cases, marketers involve actual customers in product testing. Consumers can evaluate prototypes and work with pre-release products. Their experiences may be very useful in the product development stage.
7. TEST MARKETING:

The word test refers to examination or trial. Test marketing is defined as the process of testing a product before it is commercialized in the market at large scale. Here test marketing is also known as field testing.

The last stage before commercialisation in the new product development process is test marketing. In this stage of the new product development process, the product and its proposed marketing programme are tested in realistic market settings. Therefore, test marketing gives the marketer experience with marketing the product before going to the great expense of full introduction. In fact, it allows the company to test the product and its entire marketing programme, including targeting and positioning strategy, advertising, distributions, packaging etc. before the full investment is made.

The amount of test marketing necessary varies with each new product. Especially when introducing a new product requiring a large investment, when the risks are high, or when the firm is not sure of the product or its marketing programme, a lot of test marketing may be carried out.

8. COMMERCIALISATION – LAUNCHING THE PRODUCT/SERVICE:

Once the product passes the test marketing stage then the product goes for national launch. However few factors are considered before finally launching the product in the market such as time and place of launching it will be launched nationally or regionally how it will be launched etc.

Test marketing has given management the information needed to make the final decision: launch or do not launch the new product. The final stage in the new product development process is commercialisation. Commercialisation means nothing else than introducing a new product into the market. At this point, the highest costs are incurred: the company may need to build or rent a manufacturing facility. Large amounts may be spent on advertising, sales promotion and other marketing efforts in the first year.

Some factors should be considered before the product is commercialized:

Introduction timing. For instance, if the economy is down, it might be wise to wait until the following year to launch the product. However, if competitors are ready to introduce their own products, the company should push to introduce the new product sooner.

Introduction place. Where to launch the new product? Should it be launched in a single location, a region, the national market, or the international market? Normally, companies don’t have the confidence, capital and capacity to launch new products into full national or international distribution from the start. Instead, they usually develop a planned market rollout over time.

In all of these steps of the new product development process, the most important focus is on creating superior customer value. Only then, the product can become a success in the market. Only very few products actually get the chance to become a success. The risks and costs are simply too high to allow every product to pass every stage of the new product development process.

## 4. PRODUCT POSITIONING STRATEGIES:

INTRODUCTION:

Positioning is where your product or service fits in the marketplace. It is a strategic exercise that defines what makes your product unique and why it is better than alternative solutions. Distilling the truth of your product in this way informs your messaging so you can effectively explain the value of your offering to potential customers.

Product is anything that can be offered to a market that might satisfy a want or need. There are two concepts of product narrow concept and wide concept. In its narrow concept, a product is a bundle of physical or chemical properties which has some utility. A product is not a non-living object it is not a mere assemblage of matter physical and chemical utility alone is not the function of the product. A product means an object which satisfies the need of the customer. Thus fan, table, pen, cooler, chain, etc… are products. In its wider concept, all the brands all the colors all the designs of a products.

DEFINITION:

ACCORDING TO KOTLER Positioning is the act f designing the companies offering and image to occupy a distinctive place in the target markets mind.

Why is positioning important?

Product positioning is a crucial ingredient in the buying process and should never be left to chance. It's your opportunity to influence the market's perception of your products. Failure to proactively address product positioning is unlikely to end well. With or without your input, customers will position your product—probably based on information from your competitors, which will not flatter you.

Clear, concise, meaningful product positioning also helps you cut through the relentless advertising and marketing noise of the marketplace. In your customer's mind, product positioning gives your messages some context so they can be better heard and accepted.

Positioning characteristics

The goal of product positioning is to keep your product on top of your customers' mind when they're considering a purchase.

To be successful, product positioning must achieve three objectives:

• Differentiate your product from the competition's
• Address important customer buying criteria
• Articulate key product (or company) characteristics

Marketing messages and positioning have a lot in common, During the process of generating product positioning strategies, periodically review each one against the following list of characteristics.

Is your product positioning strategy:
• Single-minded—does it convey one primary message at a time?
• Meaningful—will it connect with the target audience?
• Differentiating—does it contrast your strengths against the competition?
• Important—is it pertinent and significant to the target audience?
• Sustainable—will it resonate with the target audience well into the future?
• Believable—will it ring true with the target audience?
• Credible—can you clearly substantiate your claims?

Positioning strategies

The following is a list of some established product positioning strategies. Think about your product in terms of each one and see how they fit.

1. Against a Competitor: Positioning your product directly against a competitor's typically requires a specific product superiority claim. A memorable example is Avis Rental Cars' We're #2. We try harder.

• Away from a Competitor: Positioning yourself as the opposite of your competitor can help you get attention in a market dominated by some other product. A famous example is 7-UP calling itself the Uncola.

• Benefits: This strategy focuses on a benefit your product provides to your target audience. Examples include Volvo's emphasis on safety and Crest toothpaste's focus on reducing cavities.

• Product Attributes: Highlighting a specific attribute of your product can also be compelling. For example, Ritz Carlton hotels focus on luxury; Motel 6 focuses on economy.

• Product Categories: Comparing your product to a product in a different category can be an effective way to differentiate yourself. In a soap-compares-itself-to-lotion example, Palmolive dishwashing liquid claims that it softens you hands while you do the dishes.

• Usage Occasions: This kind of positioning stresses when or how your product is used by your target audience. Jeep's focus on off-road driving is an excellent example.

• Users: Focusing on the unique characteristics of specific users can also be effective. The …For Dummies series of instruction books are attractive to people who want to learn about a topic from a source that doesn't assume any prior knowledge on the reader's part.

Let's get into position

Recall that successful product positioning strategies should differentiate your product, address important customer buying criteria, and articulate key product attributes. To achieve all three objectives, you must have an in-depth understanding of:
• How your target market makes purchasing decisions
• How your competition positions their products
• What your product has to offer

These three interrelated elements of the Positioning Triangle must be in balance for you to attain competitive advantage.

If you only understand two of the three, you still don't know enough.

Conducting the following Positioning Triangle Analysis will help you develop much more effective product positioning strategies.

Step 1: Understand your target market

Use the Target Audience Profile (TAP) template to gather and interpret this information. Learn which buying criteria your target audience uses:
• Which product features (i.e. size, speed…), if any, do they emphasize?

• Which product benefits (i.e. safety, comfort…), if any, do they emphasize?

List their buying criteria, in order of priority; if you can assign a quantitative weight to each criterion, do so. Target market buying criteria example (prioritized and weighted)

40% - Color selection
30% - Length of warranty
20% - Service reputation
5% - Makes me happy/feel good
5% - High tech gadgetry

Uncovering this information typically requires primary research. If gathering data directly from your target audience is not feasible, consult with your sales force and industry experts to generate best-guess assumptions.

Step 2: Understand your competition

Conduct primary and secondary research (see On The Mark's Market Research tools and articles) to determine how your competitors are positioning themselves, the strategies they're using, and how successful they've been.

Step 3: Map buying criteria against competitive positioning Add a column to the right of your list of buying criteria to note each competitor that positions its product against thatcriterion.

Target market buying criteria (prioritized and weighted) Competitive positioning

40% - Color selection Company C
30% - Length of warranty Company B
20% - Service reputation
10% - Makes me happy/feel good Company A
5% - High tech gadgetry Company B and D

Don't be surprised to discover that:

• Two or more competitors are battling for the same position
• A competitor is trying to position itself on multiple buying criteria (thereby risking muddy product positioning)
• One or more buying criteria are not being addressed by any competitor
• The market share leader is strongly positioned within the top priority buying criteria

Step 4: Assess your product's strengths against the buying criteria

Now add a column to the left of your buying criteria list to write your product's relative strengths. Ask your customers how they rank your various strengths. Otherwise, just use your best judgment. Your product's strengths Target market buying criteria (prioritized and weighted) Competitive positioning

40% - Color selection Company C
#2 30% - Length of warranty Company B
#1 20% - Service reputation
#3 10% - Makes me happy/feel good Company A
5% - High tech gadgetry Company B and D

Step 5: Analyze the gaps

Review the completed Positioning Triangle analysis to determine if there are any vacant positions in the market. Is there one your product satisfies effectively? Would successfully positioning yourself there yield the returns you seek?

If there are no unfilled positions (or there are but you're not interested in any of them), then you will have to decide which competitor to battle and which position you can most effectively win.

Positioning Triangle Analysis: let's get specific The above table reveals a variety of positioning opportunities.

1. Company C has positioned itself as having the best color selection, which is not your strong suit. Best bet is not to compete there (even though it is the primary criterion for purchase selection). However, you might consider improving your color selection over the long-term.
2. No one has claimed the best at customer service position yet. This is an attractive situation and one that aligns with your strength.
3. Company B holds the higher priority length of warranty position and the high tech gadgetry position. Are they vulnerable to attack? Have they muddied their position by focusing on two areas? Could you prevail in a head-to-head battle for length of warranty supremacy? Is it worth changing your warranty policies to do so?

Once you have determined where you want your product to be positioned, use all the elements of marketing (communications, pricing, distribution, product features, etc.) to make it happen.

: IMPORTANCE OF PRODUCT POSITIONING:

1. PLACING THE PRODUCT IN CUSTOMER'S MIND:
Positioning and differentiation are the marketing activities which help the marketers to place the product in the minds of the target customers.
2. CONNECTS PRODUCT OFFERINGS WITH TARGET MARKET:
The process of target market selection helps to determine the actual target audience for whom the offering is proposed and the marketing mix assists in bringing 4Ps in line with the intended target market.
3. PRODUCT CONNOT BE EVERYTHING TO EVERY ONE:
A product cannot be everything for everyone but a little or more to some. This may define the need to differentiation and positioning of a product. For this some distinctive features of the product or some unusual requirements of the market, or some visible gaps in the competitors products area identified and on the basis of these specifications the product is positioned for a specific target markets.
4. GRETEA A LOCUS IN CUSTOMERS MIND:
A customers mind can be viewed as geometric perceptual space which is occupied with diverse products and brands having specific positions. A new product can take hold of the space by replacing the existing brands from their positions.
5. PROVIDING COMPETITIVE ADVANTAGE:
Positioning of a product is the finest method for providing a competitive advantage to a product or service. This helps the marketer to determine the competitor's potential moves and responses so that appropriate steps can be taken such as providing the target markets the motive to buy the services and then plan the entire strategy. Providing the guidelines to device, the marketing mix, such that every element is aligned with the positioning.
6. BETTER SERVING AND COVERING THE MARKET:
Here the market indentifies that every consumer or group of consumer or group of customers has different requirements and belong to different market categories. In this approach, the main aim of marketer is to recognize the potential market segments, to monitor the market in those segments and offer the customer with their desired needs and wants.

PRODUCT POSITIONING STRATEGY:

There are various tasks to be handled in positing only when these tasks are handled in an integrated manner, can the markets came up with a positioning takes the form of following stages:

1. COMPETITORS IDENTIFICATION:
This steps requires broad thinking competitors may not be just those whose products and/or brands fall into our product class our with which we complete directly. The marketer must consider all likely competitors are well as the various effects of use and situations on the consumer.
Competitor's identification
Determining the competitor's position
Analyzing customer's preferences
Making the positioning decision
Monitoring the position
Determining how competitors area perceived and evaluated

2. DETERMINING HOW COMPETITORS ARE PERCEIVED AND EVALUATED:
- Once we define the competitors we must determine how they are perceived by consumers.
- Which attributes are important to consumer in evaluating a product and/or brand? As we might expect, for many products a wide variety of attributes or product benefits may be considered most if not all of which are important much of marketing firm's research is directed at marketing such determinations.

3. DTERMINING THE COMPTETITOR'S:
Position having determined the relevant attributes and their relative importance to consumer. We must determine how each competitor is positioned with respect to each attribute.

4. ANALYSING CUSTOMERS PREFERENCE:
Segmentation distinguishes among groups of consumers including life style, purchase motivations demographic differences and so on. Each of these segments may have different purchase motivations and different attribute importance ratings.

5. MAKING THE POOSTIONING DECISION:
After going through the first four steps the final positioning decision is to be made such a decision may provide only limited input in that case the marketing manager must make some subjective judgments.

6. MONITERING THE POSITION:
Once a position has been established, it is necessary to monitor how well the position is being maintained in the market place. Tracking studies measure the image of the product or firm over time.

## 4. PACKAGING MANAGEMENT:

Packaging is the general group of activities which concentrate in formulating the design of a package, and producing an appropriate and attractive container or wrapper for the product. Packing refers to the wrapping and crating of goods before they are transported or stored.

Packaging means the wrapping or bottling of products to make them safe from damages during transportation and storage. It keeps a product safe and marketable and helps in identifying, describing, and promoting the product.

"Packing is the preparation of product or commodity for proper storage and/or transportation. It may entail blocking, bracing, cushioning, marking, sealing, strapping, weather proofing, wrapping, etc."

- Packaging also refers to the process of designing, evaluating, and producing packages. Packaging can be described as a coordinated system of preparing goods for transport, warehousing, logistics, sale, and end use.
- Packaging contains, protects, preserves, transports, informs, and sells.
- Packaging is the science, art and technology of enclosing or protecting products for distribution, storage, sale, and use.
- Packaging also refers to the process of designing, evaluating, and producing packages.
- Packaging can be described as a coordinated system of preparing goods for transport, warehousing, logistics, sale, and end use.
- Packaging contains, protects, preserves, transports, informs, and sells. In many countries it is fully integrated into government, business, and institutional, industrial, and personal use

Packing and packaging are basically done to protect the product. During the present days however these two functions have assumed several additional objectives in addition to protection.

The following are the objectives of packing and packaging:

1. To Provide Physical Protection:

Packaging of objects insures that they are protected against vibration, temperature, shock, compression, deterioration in quality etc. Packing and packaging also protect the products against theft, leakage, pilferage, breakage, dust, moisture, bright light etc.

2. To Enable Marketing:

Packing and packaging play an important role in marketing. Good packing and packaging along with attractive labelling are used by sellers to promote the products to potential buyers. The shape, size, colour, appearance etc. are designed to attract the attention of potential buyers.

3. To Convey Message:

There is so much of information about the product that a manufacturer would like to convey to the users of the product. Information relating to the raw materials used, the type of manufacturing process, usage instructions, use by date etc. are all very important and should be conveyed to the users. Manufacturers print such information on the packages.

4. To Provide Convenience:

Packing and packaging also add to the convenience in handling, display, opening, distribution, transportation, storage, sale, use, reuse and disposal. Packages with easy to carry handles, soft squeezed tubes, metallic containers, conveniently placed nozzles etc. are all examples of this.

5. To Provide Containment or Agglomeration:

Small objects are typically put together in one package for reasons of efficiency and economy. For example, a single bag of 1000 marbles requires less physical handling than 1000 single marbles. Liquids, powders, granular materials etc. need containment.

6. To Provide Portion Control:

In the medicinal and pharmaceutical field, the precise amount of contents is needed to control usage. Medicine tablets are divided into packages that are of a more suitable size for individual use. It also helps in the control of inventory.

7. To Enable Product Identification:

Packing and packaging enable a product to have its own identity. This is done by designing a unique and distinct package through the effective use of colours, shapes, graphics etc. Such identification and distinction are very essential in the present situation of intense competition and product clutter.

8. To Enhance Profits:

Since consumers are willing to pay a higher price for packaged goods, there will be higher profit realization. Moreover packaged goods reduce the cost of handling, transportation, distribution etc. and also cut down wastage and thereby increase profits.

9. To Enable Self-Service Sales:

The present trend in retailing is effective display and self-service sales. Products require effective packing for self-service sales.

10. To Enhance Brand Image:

Attractive packing and packaging in a consistent manner over a long time enhances the brand image of the product.

In developing the marketing plan for a product, in international market, packaging is an important element. Packaging should be viewed from its promotional and protectional aspects.

(1) Promotional Aspect of Packaging:

Packaging of a product plays an important role in promoting the product in the international markets. With the advent of self-service starts and super markets, the package of a product serves as a 'silent sales man'. It is capable of performing many of the salesman's tasks.

When there is no salesman to promote the product in the stores, the package as kept on the shelf must attract the attention of the consumer, describe the product's and producer's features, project the confidence and make a favourable overall impression. Good packaging thus leads to improved consumer acceptance because it carries and projects various qualities of the product as well as the manufacturer.

Good packaging must reinforce the integrated marketing concept. Brand names occupy a dominant role in marketing which is popularised through advertisement. But the reminding of brand names and making brands acceptable to customers are achieved through proper packaging.

Packaging must, therefore, support and reinforce the brand identity the company is trying to build. In this way, good packaging creates demand for the product and brings large-scale production and distribution gains.

(2) Protectional Aspect of Packaging:

The second important aspect of packaging is its protectional aspect which it provides to the product, consumer packaging intends to offer better convenience to consumers in use and in storage.

It protects the product from:

(a) Pilferage and adulteration – It cannot be adulterated with any other product unless repacked.

(b) Product loss – Oil, petroleum products etc. are lost if remain exposed.

(c) Contamination by dirt or dust, e.g., clothing, food products.

(d) Moisture gain or loss, e.g., cement or sugar,

(e) Chemical change.

(f) Insect attack, e.g., moth in woolen garments.

It has been estimated that good packaging increases the unit value realisation approximately three times if we are able to develop and bring about retail packs for a large number of exportable items. It also increases the popularity of the product.

(3) Transport Packaging Protection during Transit:
The basic function of transport packaging in international marketing is to ensure that the goods will reach safely in the hands of consumers. To ensure the goods is no excuse for not bothering for damages or pilferage in transit. Good packaging is essential irrespective of the fact whether the goods are insured or not.

Improvements in packaging are needed to avoid transit losses due to environmental hazards, i.e., climate, moisture, etc. and to achieve greater speed in handling and deliveries. The materials used in packaging should be such that protect the goods from the ill-effects of moisture, gas, light, air, etc. so that goods may preserve its attributes, shape, weight, stability, fragility, rigidity, surface finish and durability etc. Thus packaging plays an important role in the storage, preservation, protection and distribution.

The type of packaging which ensures that the goods will be delivered in a good condition to the foreign buyer will vary depending upon the various factors such as-

(a) The product,

(b) The poor of destination,

(c) The length of the journey,

(d) The climate of the place of delivery and place of destination,

(e) Eat and measure to which the goods are subjected during the voyage,

(f) The loss of the importing and exporting countries regarding packaging of goods,

(g) Mode of handling the goods etc.

In many cases, the packaging conditions are specified in the contract itself and therefore the exporter should not be bothered about. He must adhere to the conditions laid down in the contract. Even when the importer has not laid down any condition as to packaging, it is the prime duty of the export to provide transport packaging of the type which may ensure the safe arrival of the shipment in merchandise condition and must adhere to the above factors.

(4) Legal Provisions:
The mandatory provisions as to packaging of the goods imported also have important bearing on the packaging of goods. Most developed countries have enacted comprehensive legislation on the type of containers, both bulk and consumer especially for food items. For example, exports of food products to the USA must conform in all respects to the provisions of the U.S. Foods and Drugs Act.

Similarly, Australia bans the imports of any packing material containing vegetable matter in order to check insect contamination of the country’s wood resources large consignments of Indian goods were repacked at the Australian Port of entry at the exporters’ cost. In 1978, the

USA directed that all Indian export consignments in wooden packing's be first fumigated before they are unloaded at U.S. ports.

The laws of the importing countries may also specify the labelling requirements to be shown on the packages imported. However, these rules may vary from country to country.

These rules require the following information to be shown in the label:

(i) Name and address of the manufacturer/importer;

(ii) Clear description of the product's composition;

(iii) Net weight or volumetric measurement;

(iv) Duration of the product's life;

(v) Storage conditions required after the package has been opened;

(vi) Manufacturer's instructions for use or preparation, if any. Factors to be considered for Package Designing.

Essentials/Qualities of Good Packaging
1. Attractive Appearance – That is, attracts customers attraction, creates his interest in product and creates positive image of product.
2. Convenient for Storage and Display including storage in lesser space.
3. Safety of Goods, that is, security or protection of goods from damage, spoilage, breakage, insects, rodents etc.
4. Product Description be shown on Package.
5. Recognizable – Package must be recognizable.
6. Eye-Appeal of package.
7. Transport Economies – Packaging should allow economies in transport.
8. Uniformity and Consistency.
9. Convenience in Transport Handling e.g., provided with hooks, handles, grippers etc.
10. Able to withstand hazards of transport e.g., tilting, throwing, pulling, pushing, rolling etc.
11. Amenable to quick examination of contents; for example in case of export, import by customs authorities.
12. Easy to dispose off after opening of goods.
13. Proper and Adequate Marking.
14. Proper instructions like – 'This side up', 'Fragile' 'Handle with Care'
On the basis of nature, packaging is classified into the following:

i. Family packaging – A package of a particular manufacturer, packed in an identical manner is known as family packaging. The shape and colour, the materials used for packaging will be similar for all the products in such cases.

ii. Reuse packaging – Packages that could be used for some other purposes after the goods have been consumed is known as reuse packaging.

iii. Multiple packaging – It is the practice of placing several units in one container. This helps to introduce new products and increase sales.

iv. Transport packaging – The product entering into the trade needs to be packed well enough to protect against loss or damage during handling, transport and storage, for example, fiberboard, wooden crate, etc.

v. Consumer packaging – This packaging holds the required volume of the product for ultimate consumption and is more relevant in marketing, for example, beverages, tobacco, etc.

**Types (With Package Forms and Material Used)**

Type # 1. Consumer Package:
It holds the required volume of a product for ultimate consumption and is within the means of a buying household. In other words, the consumer has the option to purchase the pack size which he considers adequate for the consumption of his family over a length of time and which does not involve extra investment during that period.

Type # 2. Bulk Package:
It is the opposite of consumer package. It is either for the industrial consumer's use or for loose dispensing. The bulk package also often requires an outside package in which it is transported and which is sometimes referred to as a transit package or an outer container.

Type # 3. Industrial Package:
This packaging provides protection to the spare parts, semi-finished and finished products during each phase of the manufacturing process, and also during transportation and storage.

Type # 4. Dual use Package:
It has a secondary usefulness of a package after its original contents have been used. For example, plastic bottles, sacks in which groceries are packed, etc.
Package Forms and Materials Used:
Packages are often selected on prima facie grounds of cost, common industrial practices, type of the product, quality of product, conditions of display, likely consumer appeal.
Packages may be in the form of tin plate cans, cardboard containers, polythene bags, paper or cloth or gunny bags, wooden boxes, teak chests, squeeze bottles, collapsible tubes, aerosol cans, aluminium foils, clear film wrappings, plastic container, etc. Colour may be used to identify sizes, models, flavours and qualities.
The true economy of packaging lies in the total packaging operation—filling, sealing, storing, handling and distribution. The most common packaging materials are metal, glass, wood, paper, cardboard, plastic, cloth, jute and cellophane.

# UNIT-3
# Branding Decisions

# Unit 3
# Branding Decisions

**ORIGIN OF BRANDING:**

Brands have been around for many years since business began. The managers thought about branding once the product was developed, priced and packaged. Branding a product was a decision in the end and was never given any significance as they felt that good product will generate sales automatically.

The word ‘brand’ has been originated from the word ‘brande’ which means ‘to burn’. In the 16th to 18th century, branding was merely an identity creation and was used by Greeks and Romans to identify their offerings to their sacred Gods. The farmers used it for identifying their livestock, and distillers put a heat embossing on their wooden casks to differentiate it from the spurious brands. In England, heat embossing symbols were put on the cheeks of the slaves in order to ‘brand’ them for a particular owner.

Brands have come a long way from identity to building relevance in the early 19th century. Brands were to differentiate and position themselves to avoid the clutter from the competition in the early 20th century. Brands started conversations with their customers to connect with them permanently. Today brands are all about co-creation, customer engagement, and loyalty and reward programs to build relationships with their customers.

Brand is an identification mark, symbol, name, design or a combination of all these to uniquely identify a product that differentiate itself from others.

MEANING:

A brand is a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellersBrands ar e used in business, marketing, and advertising for recognition and, importantly, to create and store value as brand equity for the object identified, to the benefit of the brand's customers, its owners and shareholders.

DEFINITIONS:

- The American Marketing Association defines a brand as “A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller.

- Branding is the art of aligning what you want people to think about your company with what people actually do think about your company. And vice-versa. -Jay Baer.

- A brand is a reason to choose. Cheryl Burgess – Blue Focus Marketing

- A brand symbol as “anything that leaves a mental picture of the brand’s identity. -Leo Burnett

- “A brand is a singular idea or concept that you own inside the mind of a prospect.” - Al Ries

Brand elements: Brands typically comprise various elements, such as:

Name: the word or words used to identify a company, product, service, or concept
logo: the visual trademark that identifies a brand
tagline or catchphrase: "The Quicker Picker Upper" is associated[by whom?] with Bounty paper towels
graphics: the "dynamic ribbon" is a trademarked part of Coca-Cola's brand
shapes: the distinctive shapes of the Coca-Cola bottle and of the Volkswagen Beetle are trademarked elements of those brands
colors: the instant recognition consumers have when they see Tiffany & Co.’s robin's egg blue (Pantone No. 1837). Tiffany & Co.’s trademarked the color in 1998.[83]
sounds: a unique tune or set of notes can denote a brand. NBC's chimes provide a famous example.
scents: the rose-jasmine-musk scent of Chanel No. 5 is trademarked
tastes: Kentucky Fried Chicken has trademarked its special recipe of eleven herbs and spices for fried chicken
movements: Lamborghini has trademarked the upward motion of its car doors

Brands have certain recognizable elements that differentiate a brand from its competitors.

(i) Brand Name:
Brand name is the verbal part of a branding strategy because of which customers recall and remember a product. Company uses this name in all promotional events and communications.
(ii) The Logo:
A ‘logo’ is a recognizable word, graphic element or symbol that represents a company. It is usually in a distinctive way to create uniqueness.
(iii) The Trademark:
A trademark is any distinctive sign, word, picture used by retail to uniquely identify the source of provider. Usually a trademark is a legally protected brand mark that gives the producer exclusive rights for its usage such as ‘Reliance’, ‘Big Bazaar’, ‘Microsoft’ etc.
(iv) Packaging:
Packaging is an extremely important in maintaining brand identification. For instance, the packing of Cadbury chocolates, Pepsi, Nestle products, which represent the company and therefore vital part of product identity.

Brand Name

Brand name is one of the brand elements which helps the customers to identify and differentiate one product from another. It should be chosen very carefully as it captures the key theme of a product in an efficient and economical manner. It can easily be noticed and its meaning can be stored and triggered in the memory instantly. Choice of a brand name requires a lot of research. Brand names are not necessarily associated with the product. For instance, brand names can be based on places (Air India, British Airways), animals or birds (Dove soap, Puma), people (Louise Phillips, Allen Solly). In some instances, the company name is used for all products (General Electric, LG).

The following are the main features of a good brand name:

1. It must be Easy to Pronounce and Remember – For instance, “HOECHST” is difficult to pronounce. On the other hand, “Murphy Baby” and ‘Click’ are fine examples.

2. It should be Short and Sweet – The name must be short yet sweet, appealing to eyes, ears and brain. Mukund and Mukund, Panama, D.C.M., Bombay Dyeing, Bata, Tata, etc., are of such kind.

3. It should Point out Producer – The name or symbol should be given connotation of the product, producer, etc. The best examples are NELCO, MICO, LT. AMUL, B.T. INDAL etc.

4. It should be Legally Protectable – The brand name must lend, themselves for legal protection. A brand name, legally recognised, is known as trade mark. Normally, it depends on the will and discretion of a producer, middlemen than on brand name.

5. It should be Original – The brand name selected must not be general but specific. It must be such that it is not easily copied by others. Hardly does one finds the use of brand “Philips” by imitators. On the other hand, “Glucose” and “Glucose” biscuits are different. There is difference in “Upkar” and “Upchar” Supari. But for a common man, it is more difficult to identify and differentiate.

6. It should Reflect Product Dimensions – A good brand name is one which reflects directly or indirectly some dimensions say product benefit, function, results and so on. For instance EZEE of Godrej Company is really easy to use for better results; another brand GOOD•NIGHT of a mosquito repellant pad implies the user says ‘good-night’ to mosquitoes as he is going have good and sound sleep at least eight-hours. PUMA brand shoes are the symbol of speed as panther is shown.

ESSENTIAL CRITERIA OF SUCCESSFUL BRAND NAMES:

Very few brands make an impact in the market and there are varied reasons for this. Some common criteria/characteristics shared by successful brands are as follows:

1. Superior Product Quality:
Examples are Sony and BMW, which have developed a very strong brand image in the market because their products are known worldwide for their excellent quality.
Similarly, Apollo Tyres conducts a free check up for all its customers for the first year and even replaces the tyres, if required. This type of service instills confidence in consumers about the accountability and longevity of the company's products. Not all companies can match the same level of service. Such service accompanying a product is one of the characteristics of a successful brand.
2. Differentiation from Competition:
Organizations need to differentiate their offerings from that of competitors, to develop successful brands. The distinction must be clear in the minds of customers. If this is accomplished, customers will recognize and appreciate the unique aspect of the product. The quality of service provided by a brand over a period of time will become a hallmark of the brand. Volvo designs all its vehicles with the utmost safety standards.
3) Pioneers in a Way:
Dell pioneers a new distribution channel for PCs and servers. Dell provided a channel through which customers could order PCs, notebooks, etc, independent of time and place; it also pioneered the concept of individualized customization in the PC market. Similarly, innovated the Walkman and miniaturized electronics. Sony is known to bring out products which are very small using miniature technology.
4) Meaningful:
A strong brand is relevant and compelling to the customers. So having a meaningful personal brand means we offer something of valve that these people want.
5) Being Transcendent:
A strong brand conveys valve beyond the specific job or role. For example, the waitress who genuinely cares whether her gusts are satisfied with their meal, the co-worker who always gets job done regardless of what it takes, the manager who takes personal responsibility for developing and nurturing those around him.
6) Adding "Business" Value:
Strong brand products "Business" results. The personal brands are not limited to business situations – yet, in all situations, one should be seeking to deliver tangible, measurable results.
7) Being Operationalized:
A strong brand must be more than a vision of who we want to be – it must be what we do and what we deliver. Operationalising a brand involves the deliberate and systematic management of the business around brand – in the same way, operationalising a personal brand means identifying prioritizing, and implementing the things we do to deliver our brand values and attributes.
8) Consistently Experienced:
A strong brand is a consistent one. That is, we do what we say and we say what we do. We all know people who present themselves one way when they first meet someone (on a date, in an interview, etc.) But turn out to a totally different person once you get to know them. Surprises

are great for parties, not for relationships did the first time. Restaurants and their food and service quality are a great example of this. No one wants to deal with a company they cannot rely on for consistency. With so many industries being saturated with competitors, inconsistency is often enough of a reason for consumers to take their business elsewhere. That is why it is so important to adhere to a certain quality standard with a product or service. An example of a brand who offers amazing consistency is McDonald's. This powerhouse of the fast-food world provides patrons with a menu that is consistent across the world.

9) Being Sustainable:

A strong brand enables us to be successful now and in the future. Instead of allowing ourselves to be defined by our current circumstances, we should be developing a big enough platform to sustain us beyond our next gig or job.

10) Audience Knowledge:

The best brands have a thorough understanding of the demographics of their target market, what their interests are, and how they communicate. Unless it is a mega chain like Wal-Mart, most businesses have a specific target audience they are pursuing.

11) Passion:

While it is certainly possible to build a brand in the short-term without passion, it is almost impossible to –sustain it in the long run. When one examines massively successful people like Steve jobs, they all have a serious passion that keeps propelling them to work hard and continually deliver greatness.

12) Competitiveness:

Gaining an edge in today's business world is not easy. For a brand to make a name for itself, team members should thrive on competition and constantly strive to improve.

13) Exposure:

Another big part of being recognized as a distinctive, successful brand is the ability to reach consumers through multiple channels. Obviously, larger companies have an advantages gaining exposure because they usually have a bigger marketing budget and more existing connections.

Features of a Good Brand Name

The following are the main features of a good brand name:

1. It must be Easy to Pronounce and Remember – For instance, "HOECHST" is difficult to pronounce. On the other hand, "Murphy Baby" and 'Click' are fine examples.

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Process of Selecting a renowned and successful Brand Name

- Define the objectives of branding in terms of six criterions - descriptive, suggestive, compound, classical, arbitrary and fanciful. It Is essential to recognize the role of brand within the corporate branding strategy and the relation of brand to other brand and products. It is also essential to understand the role of brand within entire marketing program as well as a detailed description of niche market must be considered.
- Generation of multiple names - Any potential source of names can be used; organization, management and employees, current or potential customers, agencies and professional consultants.
- Screening of names on the basis of branding objectives and marketing considerations so as to have a more synchronized list - The brand names must not have connotations, should be easily pronounceable, should meet the legal requirements etc.
- Gathering more extensive details on each of the finalized names - There should be extensive international legal search done. These searches are at times done on a sequential basis because of the expense involved.
- Conducting consumer research - Consumer research is often conducted so as to confirm management expectations as to the remembrance and meaningfulness of the brand names. The features of the product, its price and promotion may be shown to the consumers so that they understand the purpose of the brand name and the manner in which it will be used. Consumers can be shown actual 3-D packages as well as animated advertising or boards. Several samples of consumers must be surveyed depending on the niche market involved.

On the basis of the above steps, management can finalize the brand name that maximizes the organization’s branding and marketing objectives and then formally register the brand name.

Types of brand

Brands can be classified as follows:

1. According to Ownership:
Here, ownership determines the type of brand.
Based on ownership there are two brands which are as follows:
i. Manufacturer's Brand – When the name of the manufacturer of the product is used for branding the product, it is called manufacturer's brand. For example, using name of Samsung for branding its products like smartphones, TV, AC etc.
ii. Middlemen's Brand – In this type of branding, instead of the manufacturer it is the middlemen whose name is used as brand. The middlemen may be wholesalers, retailers, etc. For example, wholesale stores such as Wal-Mart, Best Price, Metro, etc.

2. According to the Market Area:
Based on target market area there are 5 types of brands.
i. Local Brand – In this, the brands are decided keeping the local markets in mind. Thus, there are different local brands for different markets.
ii. Provincial Brand – In this, the brand name is decided for a particular State or province. Therefore, for a single product, different brand names exist in different provinces.
iii. Regional Brand – In this, the brand name is for a particular region. Different regions will thus have different brand names. The entire country may be divided into regions like North, South, East, West, Central, etc.
iv. National Brand – When a particular product is available with the same brand name throughout the country, it is referred as national brand. The product is only being nationally distributed and marketed. Moreover the national brands are owned and advertised by a manufacturer. National brand also can differ from the local brand or regional brand. In marketing side, this type of brand is more difficult than the local brand. In order to market their product they have to know their consumer very well but it may take a long period of time.
v. International/Global Brand – When a particular product is available with the same brand name throughout the world, it is known as international brand. Nowadays there are many of the global brands that are sold in international markets. For example, Coca Cola, Starbucks, apple, McDonald's, Sony etc. These brands are selling the similar product in the international market (different countries).

3. According to the Number of Products:
A brand can also be classified on the basis of the number of products it covers.
On this basis brands can be of following three types:
i. Family Brand – When all the products of a company are marketed with the same brand name in different market segments, it is called family brand. For example, the Reliance Group uses its parent name to brand various product lines like Reliance Petro•chemicals, Reliance Communications, Reliance Retail, etc.
ii. Product Line Brand – When a company decides to give different names to different product lines then it follows product line branding. For example, Hindustan Unilever uses this strategy to brand its various product lines like soaps, beverages, detergents, etc.

iii. Individual Brand – When the company uses different names for the products in the same product line, it is called individual branding strategy. For example, different individual brands of soaps are used by HUL like Lifebuoy, Rexona, and Vivel etc.

4. According to Use:

Brands can also be categorised according to use.

This can be as follows:

1. Fighting Brand -These brands are launched in the market with a significant difference from the brands that are already being offered by the competitors of the company. In other words, these brands try to get a distinct positioning in the market vis-a-vis the competition. For example, ITC has launched a cigarette brand names "Now."
2. Competitive Brand – Competitive brands on the other hand fight for the same positioning in the market and do not have any significant differences. For example, Rexona, Lux, etc., are all examples of competitive brands.

Introduction to Branding

Branding is a process which involves creating a specific name, logo, and an image of a particular product, service or company. This is done to attract customers. It is usually done through advertising with a consistent theme.

Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers. A brand is a name, term, symbol, or other feature that distinguishes an organization or product from its rivals in the eyes of the customer. Brands are used in business, marketing, and advertising.

Concept of Branding:

In management context, branding is a symbolic representation of information associated with a product or service. The term 'branding' is a very board concept. It comprises of the entire effort in creating a unique space in the mind of the consumers for the product of the company, through consistent advertising and promotion campaigns. It can also be considered as the art of creating a brand. The very first motion of branding is to attract and retain potential customers through developing and maintaining a unique position in the market. In this, the means of identification of the company is recognized and established. Branding includes giving a name to the product, as parents name a baby.

branding process consists of an advertising campaign based on a consistent concept which forms a distinct identify and image of the product (goods or services) in the minds of the customers. Organizations develop and maintain unique identification in the market through branding.

It helps in fascinating and retaining loyal customers. The act of naming a family member is quite similar to branding. Here producers have children in the form of products or services similar to parents having their own children. As the biological parents are anxious to understand the personality traits of their children, similarly, producers are anxious to find out the nature and scope of their products not on the names but based on the launch of the product. Therefore, a managerial process of deciding a particular name for a given product is called as 'branding'.

DEFINITION:
According to Jared Spool, "Branding means creating an emotional association (such as the feeling of success, happiness, or relief) that customer from with the product, service or company".

Features of Branding:

1. Targetability
   Branding should be planned according to the targeted audience. No business firm can target the entire population. Business owners should identify the type of people who are buying their products and services. Research should be done on the basis of age, gender, income, the lifestyle of their customers, etc.
2. Awareness
   The percentage of people who are aware of a brand is known as brand awareness. Well established companies have the benefit of a high level of brand awareness. Brand awareness can be increased with the help of advertisement on TV, radio, newspaper or social media marketing and advertising. Logos also help companies build brand awareness, as people often recognize brands by these symbols or diagrams.
3. Loyalty
   Brand loyalty is the highest achievement or apex of any company. A customer who buys the product of a particular company extensively is known as a brand loyalist. Many consumers prefer using certain brands of clothing, deodorants or tubes of toothpaste, for example. They like how these brands benefit them. Brand loyalty can be build by staying in touch with the customers, asking them for their reviews.
4. Consistency
   Consistency is necessary for a brand. A brand must remain consistent. Small businesses make numerous promises in commercials and ads about their brands, and consumers expect companies to continue living up to these promises. Their products should also be effective.

ADVANTAGES OF BRANDING: Branding has the following advantages for different categories:

1) For Consumers:
i) Easy to Recognize:
The existence of the brand name allows the consumers to identify the brand in the market clutter. This is because the brand has a distinctive packaging, color, design, etc.
ii) Availability of quality products:
A brand is an assurance of quality. Even the producers have to make constant efforts to invest in R &D etc., so that they offer quality product and fulfill the brand promise. Consumers therefore get an assurance of quality when they buy a brand.
iii) Minimum Fluctuations in Price:
It has been seen that price fluctuation do not occur in brands. Consumers therefore get assured prices.

iv) Improved Packing:
The packaging of the brands is given lot of importance. The name of brand and other details are included in the brand packaging. The packaging itself has to undergo a constant innovation in terms of look and feel so that the quality perception of the brand is maintained.
v) Mental Satisfaction:
The use of brands by consumers also gives lot of satisfaction to the consumers as it gives them a feeling that they are using a superior product. For many consumers it can often be the feeling of pride like owners of Mercedes and Harley Davidson.

2) FOR PRODUCERS:
i) Easy to Advertise:
Having a Proper brand helps the organization to develop advertising strategies as the brands vision, target markets and value propositions are clearly defined. The name of the brand can be used by the organization in its advertising campaigns.
ii) Easy to Identify the Products:
The brand name helps consumers to identify the products. This helps in advertising the products easily.
iii) Creation of Separate Market:
The brand helps the company to develop a value proposition for a particular market. This also helps it to develop a separate market for its products.
iv) To Get More Price:
Branding attracts and retains customers. They become loyal to the brand and are ready to pay any price for the brand.
v) Easy to Expand the product Mix:
The existence of a successful brand helps the company in expanding the product mix. The company can add new products to the products mix and also add to its product lines. Getting the customers to buy new products is not a problem as the new products can rely on the positive image of the existing brands.
vi) Personal Contracts with Consumers:
The brand also helps the company to establish a direct link with its customers and to eliminate the activities of all middlemen who have vested interests. This reduces the cost of distribution immensely.

## BRAND LOYALTY

Meaning and of Brand Loyalty:

The term brand loyalty is used to describe the behavior of repeat purchases, as well as those that offer good ratings, reviews, or testimonials. Brand loyalty describes the tendency of a customer to choose one business or product over another for a particular need. In the packaged goods industry, customers may be described as being “brand loyal” because they tend to choose a certain brand of soap more often than others.

Brand loyalty is where a person buys products from the same manufacturer repeatedly rather than from other suppliers.When consumers become committed to a brand and make repeat purchases over time.

Note the use of the word "choose" though; brand loyalty becomes evident when choices are made and actions taken by customers.

Customers may express high satisfaction levels with a company in a survey, but satisfaction does not equal loyalty. Loyalty is demonstrated by the actions of the customer; customers can be very satisfied and still not be loyal.

Definition:

According to Bloemer and Kasper, "Brand loyalty implies that consumers bind themselves to products or services as a result of a deep-seated commitment".

Importance of Brand Loyalty:

Brand loyalty is very essential for the growth of organization because:

1) Assets for an Organization:

Loyal customers are the assets of an organization. Loyal customers play six important roles, and through each role they contribute effectively towards the betterment of the organization.

2) Self-Reinforcing System:

It is a self-reinforcing system in which the company delivers superior value consistently to find and keep high-quality customers. The economic benefits of high brand loyalty are measurable.

3) Power of "Buzz Word":

Brand loyalty is building –up the power of a "buzz word". People see what it can do. They see people willing to spend a hack of a lot more for a Gucci handbag rather than the exact same purse (quality and design-wise) made by another company.

4) Closer Relationship with Products:

The importance of striving to develop brand loyalty cannot be overestimated. In the digital age people expect a closer relationship with the products they buy, not a lesser one.

5) Ease of Communication:

The ease of communication and access can either make a company's brand loyalty or break it. If these visitors are treated properly and leave with warm regards for the company as a whole.

6) Exposure to Company:

Brand loyalty is not always developed in a single watershed moment. Usually it is developed through long and repeated exposure to a company's message and products.

Types of Brand Loyalty:

There are four types of brand loyalty, which are:

1) No Loyalty:

For varying reasons, some customers do not develop loyalty to certain products or services. For example, a manager of a travel agency who goes anywhere in town to get a haircut, so long as it costs him $ 50 or less and he does not have to wait. He rarely goes to the same place two consecutive times.

2) Inertia Loyalty: A low level of attachment coupled with high repeat purchase produces inertia loyalty. This customer buys out of habit. It is the "because we have always used it" or "because it is convenient" types of purchase.

3) Latent Loyalty:
A high relative attitude combined with low repeat purchase signifies latent loyalty. If a customer has latent loyalty, situational effects rather than attitudinal influences determine repeat purchase.
4) Premium Loyalty:
Premium loyalty, the most leverageable of the four types, prevails when a high level of attachment and repeat patronage coexist. This is the preferred type of loyalty for all customers of any business.

Levels of Brand Loyalty:
Five levels of brand loyalty can be distinguished, extending from committed buyer at one extreme to switcher or indifferent buyer at the other extreme.
1) Brand Switchers/ Indifferent Buyers:
At the lowest level, the indifferent buyer does not attach any importance to the brand. The buying is done on a basis other brand, like availability or price. These buyers are switchers and are indifferent to the brand.
2) Habitual Buyers:
The second category of buyers comprises the ones satisfied with the brand (absence of dissatisfaction). These buyers have no reason to switch but may actually switch given the stimulations from the competitors.
3) Switching-Cost loyal Customers:
The third category of buyers is satisfied with the brand, though they have switching costs in terms of time, money, and risk.
4) Affect Driven Loyalty Customers:
The fourth category of loyalty implies that the buyers like the brand. They tend to have some sort of emotional attachment to the brand.
5) Committed Customers:
At the next level of loyalty, the customers tend to be committed to the brand. The commitment is "an enduring desire to continue the relationship and to work to ensure its continuance".

BUILDING BRAND LOYALTY

1. Keep quality high.
Depending on the price of the product there is an expectation of a certain level of quality from the marketplace.
Stay consistent in the quality of goods or services. Else people will go back to what they know they can count on, don't let them down.
2. Engage customers.
Keep in touch with your target market on a frequent and consistent basis.
Let the customers know about the new and exciting developments within the company and what to expect next, build momentum through communication and let them feel involved in the happenings of the company.
3. Focus on your best customers
Building business around the best customer called Brand Lovers—instead of trying to aimlessly drive sales.
Over time, return on marketing and innovation efforts will rise.

Apple is masterful at creating products especially for customers who love style, creativity, and simplicity.

4. Offering returning customers a discount on services.

Everyone loves a good deal. Therefore, when a customer returns to a company, it is a good idea to reward them for coming back.

It can be a huge discount; or can just be a percentage off of their bill. However, simply acknowledging and to appreciate their business and are thankful they are coming back is a great way to encourage loyalty.

5. Giving rewards for references.

Giving current customers rewards for referring other customers is yet another way to show current customers to appreciate their business. It also helps build up customer database quickly.

6. Offering updates.

A company can post updates on Facebook or Twitter page, about their business.

This will make customers feel like they know the company well.

They will have the inside scoop, a behind-the-scenes look at what company is dealing with on any given day.

As a result, business suddenly become more human to them. This is important because appearing as a human in their eyes instead of a big, cold, heartless company is key to relationship building. Consequently, it’s crucial to personal branding as well. Updating your social-media accounts or website is a great way to create brand loyalty.

MEASURING BRAND LOYALTY

1. PURCHASE BEHAVIOUR PATTERNS

Consumer behaviour captures all the aspect of purchase, utility and disposal of products and services. In groups and organization are considered within the framework of consumer. Failing to understand consumer behaviour is the recipe for disaster as some companies have found it the hard way.

For example, Wal-Mart launched operations in Latin-America with store design replicating that of US markets. However, Latin America consumer differs to US consumer in every aspect. Wal-Mart suffered consequences and failed to create impact.

Social, cultural, individual and emotional forces play a big part in defining consumer buying behaviour.

Consumer buying behaviour is influenced by individual’s own personality traits. These personality traits do not remain the same but change with the life cycle.

The choice of occupation and corresponding income level also play part in determining consumer behaviour.

A doctor and software engineer both would have different buying pattern in apparel, food automobile etc.

Consumers from similar background, occupation and income levels may show a different lifestyle pattern.

An individual buying behaviour is influenced by motivation, perception, learning, beliefs and attitude. These factors affect consumer at a psychological level and determine her overall buying behaviour.

Maslow's hierarchy, Herzberg Theory and Freud Theory try and explain people different motivational level in undertaking a buying decision. Perception is what consumer understands about a product through their senses.

2. SWITCHING COST ANALYSIS

The negative costs that a consumer incurs as a result of changing suppliers, brands or products. Although most prevalent switching costs are monetary in nature, there are also psychological, effort- and time-based switching costs.

Switching costs are incremental expenditures, inconveniences, and risks incurred when a customer changes from one supplier to another.

Sustainable companies usually try to employ strategies that incur some sort of high cost in order to dissuade customers from switching to a competitor's product, brand or services.

For example, many cellular phone carriers charge very high cancellation fees for canceling a contract. Cell phone carriers do this in hopes that the costs involved with switching to another carrier will be high enough to prevent their customers from doing so.

3. SATISFACTION MEASUREMENT

A satisfied customer is one who will continue to buy from you, seldom shop around, refer other customers and in general be a superstar advocate for the business.

The customer satisfaction can be measured by : Perceived quality, Loyalty ,Attributional satisfaction and Intention to repurchase.

## **BRAND REVITALISATION**

INTRODUCTION:

To recover and reposition brand in mind of customer when it is not working successfully is known as Brand Revitalization. A brand may lose its share/image on the market, when the value it provides, the functions and benefits it delivers, are no longer in demand. A brand would always have a market angle to it. Its success lies in its connection with customers, its value, and its favorability. The market forces like competitive advancements, shifts in consumer tastes and liking, technological and legal developments impact the brand market fit.

Brand Revitalization refers to the set of activities a brand undertakes to stay relevant in changing the environment. As a process of Brand Revitalization, these changes might be only restating the brand promise with more clarity OR by taking a completely new positioning altogether.

Definition:

I. The Brand Revitalization is the marketing strategy adopted when the product reaches the maturity stage of product life cycle, and profits have fallen drastically. It is an attempt to bring the product back in the market and secure the sources of equity i.e. customers.

II. Brand revitalization is a strategical process initiated for improving the existing product, process or brand to meet the changing demands and requirements of the consumers in the evolving market. It is a corrective measure applied when the business or the product is at the maturity or decline stage (alarming phase) of its life cycle and is on the verge of becoming obsolete.

Need of Brand Revitalization:
A brand might need to revitalize itself because of one or more of the following reasons:

1. Changes in consumer tastes and preferences
Changing consumer preferences might make the current brand positioning stale in the mind of consumers. They look for brands that talk about their language and understand their current needs.
e.g. PepsiCo's lays is one of the highest-selling potato chips in India. However, as the consumers started turning their preference towards healthier products, it opened up a completely new category of healthy snacks. A new brand 'Too Yum' capitalized on the opportunity roping in a celebrity endorsement.

2. The emergence of new competitors
New competitions pose fresh challenges. Brands may have a bigger stronger core competency and existing players will need to tweak their positioning and communication.
e.g. A indigenous car brand might need to tweak positioning when a global competitor with stronger competency enters the market. Maruti Suzuki might need to change the positioning around safety when Volvo enters the market.

3. The emergence of new technology
Failing to evolve with technology is one of the most common reasons why a brand might need revitalization.
e.g. Nokia failed to evolve with changing technology and vanished for years before making a comeback with fresh products with new technology. Other brands, like Kodak, could never make an impactful comeback.

4. Any new development in the marketing environment
In a changing market environment, new products might take a completely new positioning with an existing product and gradually expand base to capture a bigger market share.
e.g. Oneplus Smartphones were launched as a niche segment product for the tech enthusiast. The product was even made available only by invite in a closed community. However, with time the brand has emerged as worthy competition to mainstream smartphone brands.

Methods of Brand Revitalization:
1) Increasing Usage:
i) Make the brand more convenient to use – easy to cook (Maggi), instant breakfast (Kelloggs).
ii) Reduce doubts associated with more or frequent use –no harmful chemicals (Vatika).
iii) Provide incentive to use frequently – honored guest (Ritz, Carlton), frequent flier benefits (British Airways), Privilege Card (Snowhite).
iv) Consumers use more quantity – more toothpaste per application (Colgate).
v) New uses – Mosquito Mat for good fragrance (Jet).
2) New Markets:

i) Reach to new markets not targeted so far – rush to Asian countries (McDonald's), rural areas (HUL),
ii) New segments – cover unattached segments (tine extensions, e.g., shampoo pouches).
3) Image Change:
i) Add new associations when existing associates become obsolete – Dalda Vanspati to Daida Active.
ii) When associates wear out because of frequent use (ciich6) – claim that a detergent washes whitest or it has dirt blasters.
iii) Commoditization – brand needs differentiation (e.g., Xerox does not mean photocopying, it's a brand).
4) Brand Enhancement:
i) Add new valued differentiators – service (Electrolux) (Sony), availability (HUL), and guarantee (Daewoo Matiz).
ii) Value disciplines – innovation (Sony), intimacy (Marriott), operational excellence (Southwest Airlines).

The brand has to be revitalized because of the following reasons:


- Increased Competition in the market is one of the major reasons for the product to go under the brand revitalization. In order to meet with the offerings and technology of competitor, the company has to design its brand accordingly so as to sustain in the market.
- The Brand Relevance plays a major role in capturing the market. The brand should be modified in accordance with the changes in tastes and preferences of customers i.e. it should cater the need of target market.
- Nowadays Globalization has become an integral part of any business. In order to meet the different needs of different customers residing in different countries the brand has to be revitalized accordingly.

- Sometimes Mergers and Acquisitions demand the brand revitalization. When two or more companies combine, they want the product to be designed from the scratch in a way that it appeals to both and benefits each simultaneously.
- Technology is something that is changing rapidly. In order to meet with the latest trend, the companies have to adopt the new technology due to which the product can go under complete revitalization.
- Some Legal Issues may force a brand to go under brand revitalization such as copyrights, bankruptcy, etc. In such situations, the brand has to be designed accordingly, and the branding is to be done in line with the legal requirements.

In order to overcome the problems mentioned above following are some ways through which Brand Revitalization can be done:


- The Usage of a product can be increased by continuously reminding about the brand to customers through advertisements. The benefits of the frequent use of a product can be communicated to increase the consumption, e.g., the usage of Head & Shoulders on every alternate day can reduce dandruff.
- The untapped market can be occupied by understanding the needs of the new market segment. The brand revitalization can be done to cater to the needs of new customers, e.g.; Johnson n Johnson is a baby product company but due to its mild product line the same can be used by ladies to have a soft skin and hair.
- The brand can be revitalized by entering into an entirely New Market. The best example for this is Wipro, who has entered into a baby product line.
- Another way of getting the brand revitalized is through the Re-positioning. It means changing any of the 4 P’s of marketing mix viz. Product, price, place and promotion.The best example of re-positioning is Tata Nano. On its launch, it was tagged as the “cheapest Car” that hurt the sentiments of customers, and the sales fell drastically. To revive the sales, the new campaign was launched “Celebrate Awesomeness” that re-positioned its image in the minds of the customer.
- A brand can be revitalized by Augmenting the Product and Services. The company should try to give something extra along with the product that is not expected by the customer. Some additional benefits can revive the brand in the

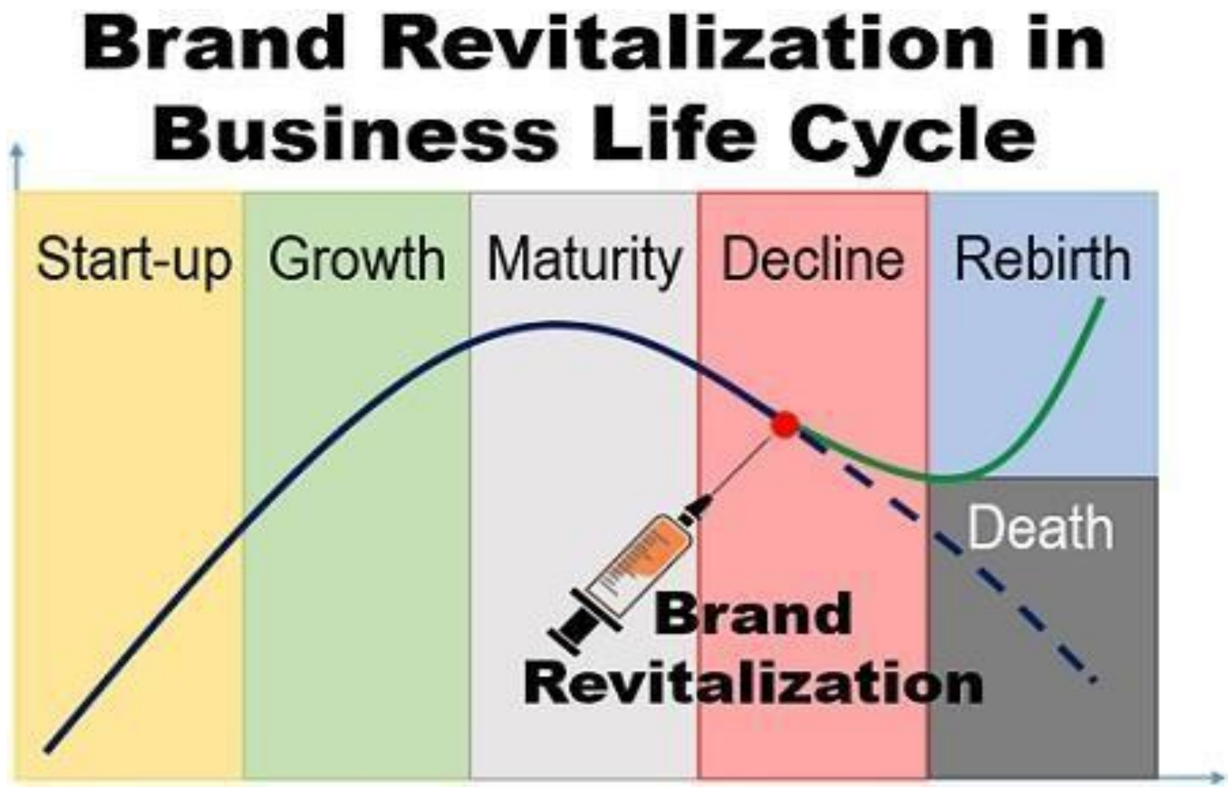
market e.g. A plastic container comes with a surf excel 1 Kg pack that can be used for any other purpose.

- The brand can be modified through the Involvement of Customer The feedback about the product and services can be taken from ultimate consumer and changes can be made accordingly. Customer's involvement is best seen in service sector wherein feedback forms are filled in at the time of availing the services such as hotels, restaurants, clubs, flights, trains, etc.

This shows that brand revitalization is an essential to the success of any product. The firm takes all the necessary steps to keep its product very much alive in the market.

Brand Revitalization

Definition: At the decline phase, the company experiences a downfall in the sales, customer turnover, reduced profitability and falling market share. All these symptoms point towards adopting a suitable brand revival strategy.




Brand Revitalization Example

Harley-Davidson Motor Company, USA has one of the best brand revival stories. It is a subsidiary of Harley-Davidson Inc., which is recognized for providing the best quality motorcycles in the world.

In the year 1982, Harley-Davidson was burdened with a debt of $90 million. The business was in havoc due to declining profit and hefty interest payments; even after having a strong consumer base. The company experienced fierce competition from the Japanese companies which were providing a similar quality product at a better price.

At this stage, the company invested money in brand revitalization. The company learned the Japanese quality standards and control strategies to apply it to develop a better engine. This helped the entity to overcome all the quality issue faced by its consumers earlier.

Now, was the turn to reach out to its prospective as well as existing customers. However, the company had a shortage of sufficient funds for advertising. It, therefore, adopted another tactic for promotion.

A ‘Harley Owners Group‘ was introduced for the Harley fans in the year 1983. HOG flourished as a sponsored club initiating community marketing. With this strategy, Harley-Davidson made a grand comeback in the business and is a well-known brand even today.

Reasons for Brand Revitalization

Why do companies go for brand revitalization? Is it just a problem-solving method for the companies?

Brand revitalization is a transformational strategy where the companies aim at overall business growth. To know the various reasons for which reviving of a brand is necessary, read below:


- Globalization: The company need to revive the brand before selling its product in international markets, to make it universally adaptable.
- Technology: With the evolving technology, the companies generate a need for constant upgradation of the brand and the products.
- Competition: In a competitive market, brand revitalization helps to break the stereotype and attract the target audience.
- Reputation: Brand revival becomes necessary to resolve specific issues which harm the company’s goodwill; or unnerves employees or consumers.
- Rationalization: It is a suitable strategy to handle situations like product complexity, cost inefficiency, consumer turnover and dip in profits.
- Pertinence: Brand revival becomes essential when the company no longer serves the purpose of the consumers and tends to go old-fashioned for them.
- Expansion: The company has to go for brand revitalization for fulfilling the requirements of a larger organization while restructuring the business.
- Legal Obligations: It is a vital practice to deal with specific copyright problems like two or more brands having identical names, logos or design for their products.

- Mergers and Acquisitions: A corporate merger requires restructuring and rebranding to please the existing consumers of both companies. Also, in the acquisition, the acquiring company is a dominant player revives the target company's brand to aim a larger market share.

Brand Revitalization Advantages

Brand revitalization is the key to present a company like a king in the market. Following are some of its benefits:


- Feasible Strategy: If compared to the failure of a brand (in the decline stage of the business or product life cycle), it is expedient to revive it on time.
- Enhances Brand Equity: The renaissance of a brand can prove to be an efficient tool in attracting and engaging the new consumers.
- Improves Profitability: With an increasing number of loyal and satisfied customers, the company avails the opportunity to generate higher profit than its competitors.
- Appreciates Market Share: The companies which go with the flow of the market and makes constant improvements can secure more significant market share.

Brand Revitalization Disadvantages

Brand revitalization is a hectic task which lacks the certainty of success. Let us now discover other such limitations of this strategy:


- Customer Turnover: The improvisation of the brand or the product, may result in dissatisfaction of some existing customers.
- Resistant to Change: The people associated with the brand, i.e., the employees, customers, shareholders, etc., remain accustomed to the old ways.
- Involves Cost: The designing of the new project as well as the promotion, advertising and marketing of the revived brand or product is an expensive affair.
- Creates Confusion: A revived product or brand may distract the buyers; however, this temporary drawback can be overcome through massive brand awareness programs.

Conclusion

A brand is not just a name but its the identity of the whole company. Brand revitalization brings about a considerable transformation in the way the outer world perceives the company and its products.
Therefore, it must be carefully planned such that the essence of the entity remains intact even though its products are modernized.

## Brand Identity

Brand identity is the visible elements of a brand, such as color, design, and logo, that identify and distinguish the brand in consumers' minds. Brand identity is distinct from brand image. The former corresponds to the intent behind the branding and the way a company does the following—all to cultivate a certain image in consumers' minds:

- Chooses its name
- Designs its logo
- Uses colors, shapes, and other visual elements in its products and promotions
- Crafts the language in its advertisements
- Trains employees to interact with customers

Brand image is the actual result of these efforts, successful or unsuccessful.

Understanding Brand Identity

Apple Inc. consistently tops surveys of the most effective and beloved brands because it has successfully created the impression that its products are sleek, innovative, top-of-the-line status symbols, and yet eminently useful at the same time. Apple's brand identity and brand image are closely aligned.

Consistent marketing and messaging leads to a consistent brand identity and, therefore, consistent sales.

At the same time, it is possible to craft a positive brand identity that fails to translate into a positive brand image. Some pitfalls are well known, and attempts by legacy brands to appeal to a new generation or demographic are especially treacherous. An infamous example is a 2017 ad by PepsiCo, Inc., which depicted a non-specific protest that appeared to allude to Black Lives Matter, a movement protesting police violence against people of color. The brand identity it wished to project, as a spokesperson subsequently described it, was "a global message of unity, peace, and understanding."

Instead, the ad was widely disparaged for "trivializing" Black Lives Matter, as The New York Times put it. The moment in the ad, when a white actress hands a Pepsi to a police officer and seems to resolve all of the fictional protesters' grievances, instantly became the focus of heavy criticism. Dr. Martin Luther King, Jr.'s daughter Bernice King tweeted, "If only Daddy would have known about the power of #Pepsi," accompanied by a picture of Dr. King being pushed by a police officer in Mississippi. Pepsi pulled the ad and apologized.

Pepsi's sales do not appear to have been directly affected by this gaffe, but in some cases, a negative gap between brand identity and brand image can affect financial results. The teen apparel retailer Abercrombie & Fitch suffered a severe downturn when its once-popular brand became associated with garish logos, poor quality, oversexed advertising, and plain meanness. The company refused to sell women's clothing size XL or larger, for example, because, "We go after the attractive all-American kid with a great attitude and a lot of friends," the chief executive officer (CEO) said. "A lot of people don't belong, and they can't belong."

By the same token, building a positive brand image can bring in consistent sales and make product roll-outs more successful. An example of the benefits of brand loyalty is seen in the introduction of two new subscription-based music streaming services in 2015. Tidal and Apple Music had to make very different choices in the marketing and roll-outs of their services because of brand loyalty. Apple, an established brand with very loyal customers, didn't have to invest in the type of celebrity-oriented marketing that Tidal used to promote its new service.

Nike, Inc., for example, owns one of the world's most instantly recognizable logos, the "swoosh." In Forbes "The World's Most Valuable Brands 200" 2018 ranking, the Nike brand ranked 18 with an estimated value of $32 billion, even though, in a world devoid of brand perception, taking the swoosh off of Nike's shoes and apparel would change nothing about their comfort or performance. The top brand on the list was Apple, with an estimated value of $182.8 billion.

Brand Identity History

National, religious, guild, and heraldic symbols, which we might see as analogous to modern branding, go back millennia. The modern practice dates to the industrial revolution; however, when household goods began to be produced in factories, manufacturers needed a way to differentiate themselves from competitors.

Thus, these efforts evolved from simple visual branding to advertisements that included mascots, jingles, and other sales and marketing techniques. British brewing company Bass Brewery and the food-processing company Tate & Lyle both claim to have the oldest trademarked brands. Other brands that emerged in that period include Quaker Oats, Aunt Jemima, and Coca-Cola.

<u>Brand Identity Perspectives and Brand identity Prism, Identity Levels</u>

Brand Identity Perspectives

Brand identity is how a business presents itself to, and wants to be perceived by, its consumers.

Brand identity is distinct from brand image. The former corresponds to the intent behind the branding: the way a company chooses its name; designs its logo; uses colors, shapes and other visual elements in its products and promotions; crafts the language in its advertisements and trains employees to interact with customers — all with the goal of cultivating a certain image in consumers' minds. Brand image is the actual result of these efforts, successful or unsuccessful.

Brand Identity and Value

Beyond saving a company money on promotion, a successful brand can be one of a company's most valuable assets. Brand value is intangible, making it difficult to quantify, but common approaches take into account the cost it would take to build a similar brand, the cost of royalties to use the brand name, and cash flow of comparative unbranded businesses. Nike, Inc., for example, owns one of the world's most instantly recognizable logos, the "swoosh." Forbes estimated Nike's brand to be worth $29.6 billion in 2017, despite that fact that, in a world devoid of brand perception, taking the swoosh off of Nike's shoes and apparel would change nothing about their comfort or performance.

Building Brand Identity

The steps a company needs to take to build a strong, cohesive and consistent brand identity will vary, but a few points apply broadly to most:

Analyze the company and the market: A full SWOT analysis that includes the entire firm — a look at the company's strengths, weaknesses, opportunities and threats — is a proven way to help managers understand their situation so they can better determine what their goals are and the steps they need to take to achieve them.

Determine key business goals: The brand identity should help fulfill these goals. For example, if an automaker is pursuing a niche luxury market, its ads should be crafted to appeal to that market and should appear on channels and sites where potential customers are likely to see them.

Identify its customers: Conducting surveys, convening focus groups and holding one-on-one interviews can help a company determine who its offerings appeal to.

Determine the personality and message it wants to communicate: What does the company want its market to perceive? A company needs to create a consistent perception, rather than trying to combine every conceivable positive trait: utility, affordability, quality, nostalgia, modernity, luxury, flash, taste and class. All elements of a brand, i.e., copy, imagery, cultural allusions, color schemes, etc., should be in line with each other and deliver a coherent message.

Building a brand identity is a multi-disciplinary, strategic effort, and every element needs to support the overall message and business goals. It can include a company's name, logo, design; its style and the tone of its copy; the look and composition of its products; and, of course, its social media presence. Steve Jobs, Apple's founder, famously obsessed over details as small as the shade of gray on the bathroom signs in Apple stores. While that level of focus may not be necessary, the anecdote shows that Apple's successful branding is the result of intense effort, not serendipity.

Brand identity Prism, Identity Levels

The brand identity prism therefore applies human traits to a brand to recognize what consumers actually think of the brand. The brand identity prism, as the name suggests comes in the form a prism with 6 different traits at each end of the prism. These 6 traits are

1) Physique – Physique is the basis of the brand. It may include product features, symbols and attributes.

2) Personality – Personality defines what personality will the brand assume if it were a person. Personality includes character and attitude.

3) Culture – Culture takes a holistic view of the organization, its origins and the values it stands for.

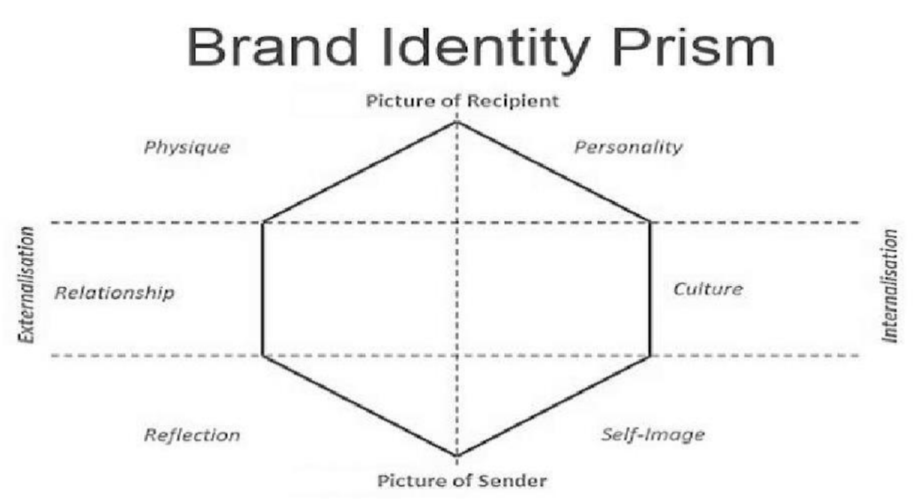
4) Relationship – The strength of the relationship between the brand and the customer. It may represent beliefs and associations in the human world.

5) Reflection – What does the brand represent in the customers mind or rather the customer mindset as reflected on the brand

6) Self image – How does the customer see himself when compared to the brand. Example – A customer might see himself capable or incapable of buying a BMW car.

Below is a detailed brand identity prism for the brand Pepsi

Pepsi's brand identity has transformed over the years, but primarily it has remained as a youthful brand which empowers people to enjoy their youth. The external and internal indicators of Brand Identity have been modified many times. Its logo, trademark, etc have undergone many changes over time but the distinct identity of Pepsi has been maintained. We also see a consistency in brand positioning for Pepsi as a Youth oriented brand. Its tagline in India "YEH HAI YOUNGISTAN MERI JAAN" exemplifies that essence. Pepsi's brand identity using Kapferer's Identity prism is as follows




Brand Personality

Brand personality is a set of human characteristics that are attributed to a brand name. A brand personality is something to which the consumer can relate; an effective brand increases its brand equity by having a consistent set of traits that a specific consumer segment enjoys. This personality is a qualitative value-add that a brand gains in addition to its functional benefits.

Understanding Brand Personality

Brand personality is a framework that helps a company or organization shape the way people feel about its product, service, or mission. A company's brand personality elicits an emotional response in a specific consumer segment, with the intention of inciting positive actions that benefit the firm.

Brand personality is nothing but personification of brand. A brand is expressed either as a personality who embodies these personality traits (For instance - Shahrukh Khan and Airtel, John Abraham and Castrol) or distinct personality traits (For instance - Dove as honest, feminist and optimist; Hewlett Packard brand represents accomplishment, competency and influence). Brand personality is the result of all the consumer's experiences with the brand. It is unique and long lasting.

Brand personality must be differentiated from brand image, in sense that, while brand image denote the tangible (physical and functional) benefits and attributes of a brand, brand personality indicates emotional associations of the brand. If brand image is comprehensive brand according to consumers' opinion, brand personality is that aspect of comprehensive brand which generates it's emotional character and associations in consumers' mind.

Brand personality develops brand equity. It sets the brand attitude. It is a key input into the look and feel of any communication or marketing activity by the brand. It helps in gaining thorough knowledge of customers feelings about the brand. Brand personality differentiates among brands specifically when they are alike in many attributes. For instance - Sony versus Panasonic. Brand personality is used to make the brand strategy lively, i.e, to implement brand strategy. Brand personality indicates the kind of relationship a customer has with the brand. It is a means by which a customer communicates his own identity.

Brand personality and celebrity should supplement each other. Trustworthy celebrity ensures immediate awareness, acceptability and optimism towards the brand. This will influence consumers' purchase decision and also create brand loyalty. For instance - Bollywood actress Priyanka Chopra is brand ambassador for J.Hampstead, international line of premium shirts.

Brand personality not only includes the personality features/characteristics, but also the demographic features like age, gender or class and psychographic features. Personality traits are what the brand exists for.

How to Define Your Brand Personality – 3 Frameworks

There are two main approaches to defining your brand personality, and a third method that combines the first two. There is no right answer — choose the one that makes the most sense for you.

Personally, I use the first method but many of my branding colleagues use the second.

The important thing to remember is your goal: to create a consistent tone of voice in your messages and to create a visual identity that's in alignment with your personality. If you can do that, how you approach it doesn't really matter.

Framework #1: Aaker's Brand Personality Dimension Framework

I always find it's helpful to use a framework and luckily for us, a Stanford researcher named Jennifer Aaker in her paper Dimensions of Brand Personality created one for us and it's a great starting point.

Brand Personality Framework

Brand Personality Framework

Aakers' model groups brand personalities into five broad categories:

- Sincerity
- Excitement
- Competence
- Sophistication
- Ruggedness

You want to pick 3-5 adjectives (personality traits) you want to “own” when somebody thinks about your brand.

The adjectives (traits) you choose will fall under one of these five personality dimensions. For example, daring or adventurous go under excitement. Charming and feminine fall under sophistication and so on.

This simple framework can help you distinguish you from your competitors

For example, if you’re a virtual assistant, your main competitors may focus on competence — they’re all about reliability, hard work, and responsibility.

You might position yourself as the one who’s sincere – cheerful, casual, and relatable.

Yes, of course, you’re also reliable, hard-working and responsible… it’s about choosing specific traits you’ll put forward and lead with.

Choosing specific qualities to focus on (rather than every trait you possess, the complex human creature that you are), allows you to create a powerful value proposition.
Framework #2: Brand Archetypes Framework
Another way to personify your brand is to choose an archetype. This is a model based on Carl Jung’s theory that people tend to use symbolism to understand concepts. He defined 12 archetypes that represent different groupings of characteristics, aspirations, values, and attitudes.

The question to ask yourself is, which one of these identities will YOUR dream clients relate to most?

Brand Personality Archetypes
Goal: To fit in
Wants their customers to feel a sense of belonging
Traits: Casual, down-to-earth, folksy, guy/gal next door, supportive, solid virtues, real, democratic, equality, community, lack of pretense
Famous examples: IKEA, Visa, Levi’s

THE LOVER
Goal: Intimacy
Wants their customer to find love and connectionTraits: Romantic, sensual, passionate, warm, intimate, giving
Famous examples: Chanel, Victoria’s Secret

THE JESTER
Goal: to enjoy life
Wants their customers to have more joy and laughter in their daily lives
Traits: Fun, light-hearted, quirky, zany, irreverent, humorous, enjoyment, never boring
Famous examples: M&Ms, Skittles

The Order Types
want to give the world structure
THE CREATOR
Goal: To innovate
Wants their customers to believe in what's possible
Traits: Imaginative, creative, artistic, entrepreneurial, inventive, non-conformist, visionary, innovative, non-conforming
Famous examples: Adobe, Crayola Lego

THE RULER
Goal: Control (in order to lead)
Wants their customers to feel more organized, stable, secureTraits: Organized, leader, role model, responsible, controls the chaos, boss
Famous examples: Microsoft, Mercedez-Benz, Rolex

THE CAREGIVER
Goal: To serve others
Wants their customers to feel understood and protected
Traits: Maternal, generous, compassionate, caring, nurturing, parental, empathy, selfless
Famous examples: UNICEF, Johnson & Johnson, Heinz

The Ego Types
want to change the world
THE MAGICIAN
Goal: Power (to make magical things happen)
Wants to make their customers' dreams come true
Traits: Inspirational, idealistic, charismatic, visionary, imaginative, spiritual
Famous examples: Apple, Disney

THE HERO
Goal: Mastery (in order to make the world a better place)
Wants to help their customers: by rescuing them from their troublesTraits: Bold, honorable, confident, strong, courageous, inspirational
Famous examples: Nike, FedEx

THE REBEL
Goal: Liberation
Wants to help their customers break free from the status quo, overturn what's not working Traits: Wild, change-maker, rebellious, rule-breaker, revolution, edgy, misfit, outrageous, radical, free, disruptor, shocking

Famous examples: Harley Davidson, Virgin

The Freedom Types
want to find paradise
THE INNOCENT
Goal: Happiness Wants to help their customers feel great on the inside
Traits: Positive, kind, good, pure, simple, young, loyal, optimistic, trustworthy, moral, reliable, honest, good virtues, nostalgic, sees the good in everything, faith, does the right thing
Famous examples: Coca-cola, Dove

THE EXPLORER
Goal: Freedom
Wants to help their customers have new experiences, adventures, discoveriesTraits: Adventurous, independent, pioneering, individualism, wanderlust
Famous examples: REI, Corona, The North Face

THE SAGE
Goal: To understandWants to help their customers by sharing knowledge
Traits: Wise, visionary, knowledgeable, intelligent, trusted source of information, thoughtful, mentoring, advisor, guru
Famous examples: Oprah, Google, NPR, Quora
Framework #3: Combo of Personality Dimensions & Archetypes Frameworks
By now you're probably wondering if you can combine these two methods. It just so happens that some researchers set out to do just that! In Advertising between Archetype and Brand Personality, the authors combined Aaker and Jung's work and the result turned out like this:

Archetypes and brand personality
Licensed under Creative Commons Attribution 4.0 International Bechter, Clemens & Farinelli, Giorgio & Daniel, Rolf-Dieter & Frey, Michael. (2016). Advertising between Archetype and Brand Personality.
The personality traits and dimensions they chose were subjective, so this means if you want to use an archetype and combine it with some brand anchors, you can create your own framework to follow. Just use your best judgment when choosing the traits that fit your archetype.

Embrace Your Brand Personality
An important thing to remember is that these exercises intend to help you create a consistent voice and style so people can understand what you're about and connect with you on a deeper level.

But it's not about strategizing ways to trick people into believing something about you that's just not true and that's not necessary anyway. Your greatest competitive advantage is there's only one YOU. It's just that people tend to see their personality traits as "flaws" and they downplay them.

Want a winning brand personality? Be who you actually are.

What do they do instead? They look around at what everyone else is doing and copy it. This tendency is called social compliance and you must resist following what everyone else is doing if you want to stand out. (See: What This Experiment About Murder Teaches Us About Branding).

Maybe you're…

Adventurous and spirited but you're a financial planner, so you think you need be corporate, responsible, dependable.
Sophisticated and feminine but you work in tech so you think you need to be tough and masculine.
Down-to-earth, warm, and laid-back but you're in fashion so you think you need to be glamorous and refined.
Branding is not trickery. It's about showing up as authentically as you can so people know what to expect.

Now let me ask you this:

Who do you think adventurous and spirited people would rather work with when they need a financial planner?
Who do you think sophisticated women will want to work with when they need technical expertise?
Who do you think laid-back people will choose when they need fashion advice?
The beautiful silver lining about having so much competition these days is that you have a huge opportunity to get narrow and worry only about finding your people. They notice us when we're showing them exactly who we are.
How To Communicate Your Brand Personality
Now that you've chosen your personality traits, you need a strategy to communicate that personality with consistency. You'll do that in three ways:

Visual Identity: This is your logo, your fonts, your color palette, and the image and design style used in your marketing materials.
Brand Voice: This is your tone of the language you use–how you say things; the words you use and the ones you don't.
Actions: Basically, everything you do contributes to your customers perceiving you in one way or another, make sure your actions are intentional and in alignment with the personality you define.

## Brand Association

Brand Associations are not benefits, but are images and symbols associated with a brand or a brand benefit. For example- The Nike Swoosh, Nokia sound, Film Stars as with "Lux", signature tune Ting-ting-ta-ding with Britannia, Blue colour with Pepsi, etc. Associations are not "reasons-to-buy" but provide acquaintance and differentiation that's not replicable. It is relating perceived qualities of a brand to a known entity. For instance- Hyatt Hotel is associated with luxury and comfort; BMW is associated with sophistication, fun driving, and superior engineering. Most popular brand associations are with the owners of brand, such as - Bill Gates and Microsoft, Reliance and Dhirubhai Ambani.

Brand association is anything which is deep seated in customer's mind about the brand. Brand should be associated with something positive so that the customers relate your brand to being positive. Brand associations are the attributes of brand which come into consumers mind when the brand is talked about. It is related with the implicit and explicit meanings which a consumer relates/associates with a specific brand name. Brand association can also be defined as the degree to which a specific product/service is recognized within it's product/service class/category. While choosing a brand name, it is essential that the name chosen should reinforce an important attribute or benefit association that forms it's product positioning. For instance - Power book.

## Brand associations are formed on the following basis:

- Customers contact with the organization and it's employees;
- Advertisements;
- Word of mouth publicity;
- Price at which the brand is sold;
- Celebrity/big entity association;
- Quality of the product;
- Products and schemes offered by competitors;
- Product class/category to which the brand belongs;
- POP ( Point of purchase) displays; etc

Positive brand associations are developed if the product which the brand depicts is durable, marketable and desirable. The customers must be persuaded that the brand possess the features and attributes satisfying their needs. This will lead to customers having a positive impression about the product. Positive brand association helps an organization to gain goodwill, and obstructs the competitor's entry into the market.

### Types of Brand Association:

A customer does not simply buy a branded product. He tries to recall the brand or product in his mind with something else. That association of the brand with the customer which forms a mental image of the product in his mind is called brand association.

It is often agreed that brand associations are mostly caused by visual impressions. It is the sensory impressions that relate to more than two-thirds of stimuli which reaches the brain and causes thoughts which allows a person to relate a product or a brand to a picture in his mind.

The other one-third factor is taken care by taste, sound, smell etc. what's the customer associated with the brand he forms an emotional bond with it and any change in the brand may influence the emotions of the customer in either positive or negative way.

Brand associations help the buyers to recall your brand on account of its unique properties. it also differentiates you from the competitors and provides a reason for the customers to purchase the product. Brand associations also help to create positive and impactful feelings towards your brand or a product.

1) Association based on attributes

A descriptive feature of a brand or a product or service which characterizes it is called an association based on attributes. It is this feature or attributes that the company promotes heavily and stands out against the competition. This, in turn, helps the customers in brand recall and helps them to associate with the product in the market which further, in turn, has an upper hand in making the purchase decisions.

The attributes may be the physical composition of the products or external aspects or maybe even appearance or price or packaging combination of one or more of these attributes. Many brands are associated because of the high discount offered by them example IKEA. The attribute can also be the taglines which are helped to promote the brand.

For example, the slogan of M and M which is “It melts in your mouth and not in your hand.” Or “Take Care” of Garnier. The description of the specifics helps customers to associate with the brand with its primary characteristics and creature long-lasting association in their minds. if the brand association is successful the customers remember and recall the specific brand quality even years after this login was popularized in the market.

2) Brand Association based on benefits

As the name describes it is the benefits of the product or the brand that associates customers with it. These benefits can be functional which relate to specific product or service or they can also be experimental in nature which is describing feelings of customer wise using the product or service.

The benefits can also be on a symbolic level, for example, the brand which helps the customers to achieve the social goal. Cosmetic industry heavily relies on association based on benefits. This is use primer easy to entice customers who are more women than men.

While they do not focus on how a woman would look after wearing a product but they also focus on how she would feel after wearing are using that product. When a woman standing in front of an aisle full of cosmetics deciding which cosmetic to go ahead with it is the association with the brand that she remembers and which helps us to make a decision.

While major contribution in that decision making will be of the advertisements and product placements a substantial part of it also depends on the mood of the customer at that particular moment and while the earlier part is in control of the companies, they do not have any influence whatsoever in the latter part.

3) Attitudes based Brand Association

The brand attitudes are determined by customers after the overall evaluation by them. This association is quite abstract and more often than not, can be related to the product attributes including the benefits. these attitudes can also be linked to a specific lifestyle such as fitness oriented, environmentally conscious or a celebrity in sports or entertainment.

The best example would be Nike which is a fitness-based apparel company that uses endorsements from celebrities to establish a brand association for the different product lines in the minds of the customers. they work with athletes in various areas of the sports landscape and help the customers to delete the product with performance.

It is for this reason that the company has created best associations with most of the sports celebrities and top performers in their field. The image that company projects in the mind of the customers are that by using this particular product they have a chance of winning and being best in the choice of their sport, mirroring and replicating the celebrities in the advertisements. The attitudes of the winners and celebrities are passed on to the customers via the products of the brand.

4) Brand Association by interest
Interest is used as an association factor by many companies for their customers. It is the basic parameter that is used and appeals intellect or consciousness of the customers. the primary objective of the company is used to generate interest in the minds of the customer and position the brand accordingly which in turn would mean that the brand is of interest for the customer.

The association can be established by celebrity endorsements or by placing it movies wherein the lead actor uses a particular product out of interest, thus connecting the potential customer and the product. For example, a writer in a movie would drink a Starbucks coffee thereby relating Starbucks with productivity and creativity in the mind of the customer.
5) Brand association by celebrity
This is the most common type of brand association used to promote the products. the image of a celebrity is used to push the products in the minds of the customer and thus it helps to sell your product. Careful selection of celebrities is done to associate with a particular brand.

For example, a beauty brand would always be associated with a female actress of a younger age while a product like a wrinkle lift creams would be associated with a celebrity who is relatively older. Similarly, a sports brand would be associated with sports person or a fitness celebrity or some other model. on the other hand, brands like Rolex would be associated with business tycoons or celebrities who are in the business field for a long time.

Celebrity brand association helps in faster conversion of prospects to customers and materializes faster sales. However, the biggest drawback of celebrity endorsement is if the customer does not like a particular celebrity associated with the brand, he would not buy the product even if the product is of excellent quality.

1. BRAND AWARENESS

Brand awareness is the extent to which a brand is recognized by potential customers, and is correctly associated with a particular product.

Brand awareness is related to the functions of brand identities in consumers’ memory and can be reflected by how well the consumers can identify the brand under various conditions.

Expressed usually as a percentage of the target market, brand awareness is the primary goal of advertising in the early months or years of a product's introduction.

Brand awareness is an important way of promoting commodity-related products. This is because for these products, there are very few factors that differentiate one product from its competitors.

Therefore, the product that maintains the highest brand awareness compared to its competitors will usually get the most sales.

For example, in the soft drink industry, very little separates a generic soda from a brand-name soda, in terms of taste. However, consumers are very aware of the brands Pepsi and Coca Cola, in terms of their images and names. This higher rate of brand awareness equates to higher sales and also serves as an economic moat that prevents competitors from gaining more market share.

STRATEGIES OF BRAND AWARENESS:

1. Brand recognition
It refers to the ability of the consumers to correctly differentiate the brand they previously have been exposed to. This does not necessarily require that the consumers identify the brand name. Instead, it often means that consumers can respond to a certain brand after viewing its visual packaging images.

2.Brand recall
It refers to the ability of the consumers to correctly generate and retrieve the brand in their memory.
A brand name that is well known to the great majority of households is also called a household name.

MEASURES OF BRAND AWARENESS:

1. Aided Awareness-
This type of awareness is generated in a consumer. When asked about a product category, if the consumer is aided with a list of company names and he recognizes the company from the given set it is categorized as aided awareness.Spontaneous awareness --- When asked about a product category, the consumers are asked to list brands they know without any cues.

2. Top of the mind Awareness-
When the name of the company is automatically recollected because the consumer very promptly associates the brand with the product category, it is called a top of the mind awareness of the product. It’s the first brand name listed by the consumers when asked to name brands they know without any cues.

CHANNELS OF BRAND AWARENESS:
1. Advertising
It is the activity or profession of producing information for promoting the sale of commercial products or services.
Advertising is used through various media to generate brand awareness within consumers.
They can be aired as radio ads, television commercials, internet etc.

2. Guerrilla Marketing
Creative campaigns allow every small firm to compete with bigger firms by carving out narrow but profitable niches.

Nowadays, big firms also use guerrilla marketing to catch consumers’ attention at low cost. These tactics include :

(1) Extreme specialization,
(2) Aiming every effort at favourably impressing the customers.
(3) providing service that goes beyond the customers' expectations,
(4) fast response time,
(5) quick turnaround of jobs, and
(6) working hours that match the customer's requirements.

It is an out of the ordinary way of marketing a product. Low-cost channels can be utilised to generate a high level of interest in the product and create brand awareness.
Utilisation of personal contacts is the most popular way of guerrilla marketing.
Product Placement is an advertising technique used by companies to subtly promote their products through a non-traditional advertising technique, usually through appearances in film, television, or other media.

Strong Brands
A brand is strong when it condenses the peak performances of a company and makes them tangible over a long period of time, and credibly presents its uniqueness at all brand touchpoints. For instance, BMW conveys "Joy (of Driving)" in every interaction – whether in the car itself, on the web site, or in the company's own BMW museum.

Strong brands have clear brand core values, an unequivocal positioning, and a long-term brand strategy. Consistent brand management with the help of brand rules ensures that the brand strategy is consistently applied in operative business. This helps to prevent a brand from overstepping its credibility limits.

A brand strategy always has a content component and a style component that both have to be implemented so that the brand can always be clearly recognized by its brand messages and its brand style. In short: Strong brands give consumers a clear image of the brand and what it stands for.

**STRONG BRAND**

Strong brands are therefore desirable and highly attractive. This has diverse positive effects on corporate success:
The customer's price sensitivity is substantially lower, so the brand strength is reflected in profitability and profit margin.
They attract the right employees and ensure that the company has an excellent position in the crucial fight for the best talent.
They are beacons for all relevant decisions. In ever more complex market environments, they provide logical orientation.
A strong brand always has an impact internally as well as externally. It is not only the foundation for success in marketing and communication – rather, it is often a powerful and enthusiastic leadership and management instrument, which provides a clear action framework with defined brand limits, both internally and externally.
Thus, a strong brand is always a support pillar for the company's business success.

# Why is it important to build a brand?

The way a company builds its brand will determine how the public perceives the business and its products. Successful brands can influence the way people perceive a company's name, story, logo and marketing campaigns. In many cases, the brand is just as important as the quality and price of a product. When people buy a product, they are also buying into the lifestyle that product represents.

If a company creates an exciting and memorable brand, the public will recognize its products or services more easily and have a clear understanding of the value that the goods can add to their lives. Branding is also one of the most effective ways to gain the trust of customers.

# How to build a brand

If you are part of a marketing team tasked with building your company's brand, you can follow these four steps:

1. Determine your target audience
2. Position your product and business
3. Define your company's personality
4. Choose a logo and slogan

**4 Steps to Building a Strong Brand:**

Over 90% of small-business owners believe that having a unique brand that differentiates themselves from the competition is very important.1 Over half of them also report branding as being critical to attracting new business.2 What secrets do strong brands like Apple and Coke hold? And how can small-business owners use them as a source of inspiration? Here are four steps to building a successful brand.

1. Define how you want to be perceived
When your customers have finished using your product or service, how do you want them to describe their experience? If you own a restaurant, for example, what do you want them to say?
"Wow, this restaurant has the largest portions in town. It's great!"
"You really feel as though you've been invited for a traditional Italian family dinner. The dishes are simple but so delicious!"
"The service is quick and the food is OK, but the price is unbeatable!"
See your brand as your promise to your customers – a promise that's different from your competitors'.

2. Organize your business based on this promise
Keeping the promise that sets you apart from your competitors implies that you're doing something more than what they're doing. The restaurant that wants to be recognized for its unbeatable prices, for example, will have to find a way to maximize the number of customers

served per table in one evening. The margin per individual customer will be less, but the number of customers will make up for it.
In other words, your brand will greatly influence the winning formula that you'll base your business on.

3. Communicate your promise
All of your marketing material – from the colours of your logo to your website text – must be developed as a function of this promise. What you say on Facebook or LinkedIn must be aligned with this message, as must the decoration of your premises. It's at this stage that your brand becomes central to your advertising campaigns. What's more, your ads will be even more effective, since you'll have a clear message to convey.

4. Be consistent

After defining how you want to be perceived, then organizing your business based on this perception and communicating this promise, you must be consistent. Apple, for example, is recognized for making products that are both elegant and innovative: it can't afford to launch a new phone that's unattractive, or a new tablet that's technologically behind, because that would mean breaking the promise it has made to its customers.

The idea here is to develop trust. Your customers must no longer see your brand as a promise but as a reality. Consistency is often the hardest part, but the one with the greatest rewards.

Over time, a well-managed brand stops becoming a company promise and increasingly becomes a customer expectation. There may be 10 Italian restaurants in the neighbourhood, but only one where customers expect to experience a traditional Italian family dinner. That restaurant's brand is no longer its name or logo – it's the expectation of its customers.

**What is Brand Performance?**

**Brand performance definition:** brand performance is the measure of a brand's resultsagainst the goals initially set.
Brand performance is highly personal and can vary drastically from one brand to thenext.
Brand performance is typically measured using a combination of the following metrics:

- Audience growth
- Audience interactions
- Brand penetration
- Brand knowledge
- Brand awareness
- Sales figures

If these metrics have improved favorably brand performance has improved. If the metricshave move unfavorably, brand performance has stagnated or worsened.

Since the idea of branding came into existence and settled in practice, some brands such as Nike, Coca Cola, Nivea, Amazon, etc., have been ruling the marketplace as successful ones. They were novice and had started as ordinary names with some innovative products or services at some point of time. With the efforts required for growing in the contemporary market, these brands became leading, exemplary, and powerful.

In this chapter, we see what makes a brand successful over a long frame of time and how to asses brand performance.

Launching a Brand: Brand launching is not the same as product or service launching. Products change but a brand is to stay. Brand launch is a long-term project unlike productlaunch.

When a brand launches a product say P, and advertises for it, the competitors copy it aftersome time. Since all products go obsolete after some time, the brand chooses to replace the product P with some new product NewP, advocating its benefits and upgrading its quality to the consumer. This NewP often gets the benefit of the previous known product
P. This is how a brand comes into life.

From this point onwards, the products under the brand are sold by brand itself and not by mere advertising. Here, the product name (common noun) becomes a brand name (Propernoun). Over a time, brand gets more unique, builds its way of communication, and develops a rich meaning. Thus, a brand starts with a product and continues growing with multiple products.

This was all about how a new product is converted to a brand. But launching a new brand is different. A successful brand launching needs treating a brand as a large entity than asa product. Right from the start, a new brand is considered as a complete entity in itself endowed with functional and non-functional values and presenting as if it is well- established.

**Steps for Launching a New Brand**

Take the following steps while launching a new brand in the market −

Step 1 − Draft the brand program. Try to get the answers for the following questions −

Existence − Why is the brand necessary? What will the consumers miss if the brand doesnot exist?

Vision − What is brand’s vision in some X product category? Ambition −

What does the brand want to change in its consumer’s life?

Values − What will the brand never compromise on?

Know-How − What are brand’s capabilities?

Territory − Where is the brand providing its lawful benefits? What are its productcategories?

Style, Tone, and Language − How a brand is going to communicate?

Reflection − What image the brand wants its consumers to render about itself?

Step 2 − Define brand identity prism.

Step 3 − Create brand positioning.

Identify potential added values for the brand based on its image, identity, and heritage.

Explore four major scenarios: Why? Against whom? For whom? When?

Test the above scenarios, redefine or eliminate them if required. Conduct consumer studies, ideas and formulations.

Conduct strategic evaluation of potential sales and profits in the marketspace.

Step 4 − Determine flagship product of the brand. Carefully choose which product or service you think you should introduce as a first campaign. This star product is going to form the brand’s identity subsequently.

Step 5 − Choose a strong brand name. Choose it by estimating the future changes the brand can undergo. Look for meaningful, short, and easy to pronounce names. Do not choose a deceptive or descriptive name.

Step 6 − Create brand slogan and jingle that is easy, meaningful, and memorable by consumers.

Step 7 − Reach out to opinion leaders (people who are influencers) and conduct brand advertisements in various media to create awareness among the consumers.

Sustaining a Brand in the Long Run

Many brands have been with us for a long time and many are still struggling for survival. Why do some brands sustain by escaping the effects of time and why do some brands vanish?

There are many reasons why brands start performing low and eventually lead tovanishing −

A brand not being able to withstand market changes and competitors.

New cheaper entrants in the market, which destabilize added value of the establishedbrand.

A brand not able to suffice consumer's needs, or customized requirements.

A brand not able to attract upcoming generation of consumers all over again when current consumers grow old.

A brand marketing and management team lacking foresightedness.

These are few most common facts why brands start to decline. To last for a long term, the following vital points a brand must adhere to −

Keep on innovating on the fronts of product quality, design, and consumer'sconvenience.

Always keep its reputation good.

Always remain contemporary with the changes in the consumer's culture, preferences, economic and technological changes, and new market openings in the world.

Always keep itself noticeable to the target market.

Work on not to lose its market share for cheap copies of the products.

Work on acquiring superior image and then keeping it.

Price its products appropriately depending upon the target market's income.

Present itself in the quality environment which is as high as its product offers.

Control the relationship with the opinion leaders and distribution of products.

Defend its intellectual properties against theft or sneaking intrusion.

Adapting the Brand to Suit Various Markets

A brand cannot survive if it does not change according to the market changes. Brand management needs to cater to different branding policies to introduce the product in different countries around the world.

The market is not the same worldwide. First, the growth takes place in developing countries, then in underdeveloped countries, and finally in developed countries.

In developing countries such as India, the economic growth rate is fast and there are favorable business conditions. It is also revealed that the customer in developing countries is more brand cautious than that of in the developed countries.

In developed countries of USA and Europe, the market is matured. There is not much significant growth and innovation taking place. In such matured markets, brand needs to stimulate the new desires and new experiences of the consumer.Brand managers need to work by considering changes in the domains of politics, economics, evolution of society, technology, consumer behavior and fads, all of which play an important role while branding in different markets.

Handling Brand Name Changes

When it comes to brand name changes, some examples flash such as Anderson → Accenture, Datsun → Nissan, Pal → Pedigree, and Phillips → Whirlpool, Backrub → Google, to name a few.

Brand Name Changes

Brand transfer is a lot more than brand's name change. A brand's established name has links with emotional associations, empathy, and preference in its consumers' mind. The loyalty and trust of the customers cannot be transferred easily to just one entity: the brand name. The brand image is required to be transferred.

When to Change a Brand Name

A brand's name is changed in the following scenarios −

When the existing name sounds weak or is not able to establish its position in the market.When a brand wants to present its upgraded product or service.
When a brand wants to introduce more clarity in its name.
When a brand needs to distant itself from negating effects of the existing name.
When a brand wants to get instant recognition in the market while expanding globally.

What to do Before Changing a Brand Name

There are few estimations the brand managers need to work on −
Estimate and quantify the costs
It includes the costs required for changing −
Promotional properties such as banners, hoardings, website ads, business properties suchas letterheads and business cards.
Company literatures such as white papers, data sheets, and presentations.
Electronic properties such as website, newsletter, blogs, etc.
Other in-house properties such as templates, folder names, network node names, etc.
Judge the benefits and losses
Try to find out answers for the following questions −
How long the existing name is in use? How much goodwill has the existing name built?
How would it affect the consumers?
How would it affect the market share of the brand?
Analyze target audience and market
Consider the target audience, culture, language, symbols, and preferences.
Consider the average purchasing frequency of the customer.
Identify the characteristics the customer associates with the brand.
Handling Brand Transfer
To handle actual brand transfer, follow the given steps −
Chalk out a plan of brand transfer.
Let every department know, that it is going to be a combined effort of all departments inthe company.

Warn the employees, retailers, opinion leaders and prescribers well in advance.
Communicate clearly to the customers about the brand change.
Invest time for all customers to know about the brand transfer.Keep the transitional period of the brand transfer minimal.
Brand Image Transfer

The following three factors facilitate brand image transfer −

Product Resemblance

When consumers consider source brand's product and target brand's product or product category similar. For example, it is more likely for a pasteurized milk brand to boost a lowcalorie cheese brand than a soap brand.

Target Group Resemblance: If the target brand aims for the same target group as the source brand, there are high chances of target brand succeeding as the initial purchases ofa target brand will mainly be made by consumers of the source brand. When the target brand tailors to another target group then initial sales will not be significantly high.

Family Resemblance

Family resemblance means that the look and feel of the source brand and the target brand have to be largely the same. The consumers are perceived by symbols and colors while assessing the brand hence a similar style can transfer their associations with the source brand to the target brand.

## Brand Image

Brand image is the current view of the customers about a brand. It can be defined as a unique bundle of associations within the minds of target customers. It signifies what the brand presently stands for. It is a set of beliefs held about a specific brand. In short, it is nothing but the consumers' perception about the product. It is the manner in which a specific brand is positioned in the market. Brand image conveys emotional value and not just a mental image. Brand image is nothing but an organization's character. It is an accumulation of contact and observation by people external to an organization. It should highlight an organization's mission and vision to all. The main elements of positive brand image are- unique logo reflecting organization's image, slogan describing organization's business in brief and brand identifier supporting the key values.

Brand image is the overall impression in consumers' mind that is formed from all sources. Consumers develop various associations with the brand. Based on these associations, they form

brand image. An image is formed about the brand on the basis of subjective perceptions of associations bundle that the consumers have about the brand. Volvo is associated with safety. Toyota is associated with reliability.

The idea behind brand image is that the consumer is not purchasing just the product/service but also the image associated with that product/service. Brand images should be positive, unique and instant. Brand images can be strengthened using brand communications like advertising, packaging, word of mouth publicity, other promotional tools, etc.

Brand image develops and conveys the product's character in a unique manner different from its competitor's image. The brand image consists of various associations in consumers' mind - attributes, benefits and attributes. Brand attributes are the functional and mental connections with the brand that the customers have. They can be specific or conceptual. Benefits are the rationale for the purchase decision. There are three types of benefits: Functional benefits - what do you do better (than others ),emotional benefits - how do you make me feel better (than others), and rational benefits/support - why do I believe you(more than others). Brand attributes are consumers overall assessment of a brand.

Brand image has not to be created, but is automatically formed. The brand image includes products' appeal, ease of use, functionality, fame, and overall value. Brand image is actually brand content. When the consumers purchase the product, they are also purchasing it's image. Brand image is the objective and mental feedback of the consumers when they purchase a product. Positive brand image is exceeding the customers expectations. Positive brand image enhances the goodwill and brand value of an organization.

How to build brand image
To build a strong brand image, you'll need to start with understanding who your brand is and what it stands for. This foundational work that helps you to position yourself in the market and win the hearts of your target customers.

Determine your mission, vision, and values

It’s important to start with defining your mission, vision, and values because everything your company does (and every experience you deliver) should line up with your mission and values. Inconsistency in values will hurt your brand image, so you must define your purpose before promoting your brand.

In addition, not only will your values attract customers but it will drive employee engagement as well. Mission-driven employees stay at a company longer and are more likely to be higher performers. Understanding your mission, vision, and values (and practicing what you preach) can go a long way in retaining happy, productive employees and customers.

Create a brand positioning statement

A brand positioning statement can set you apart from the competition and tells consumers exactly how you solve a need for your target audience. To create this, research your competitors and understand what makes your brand unique. Perhaps you have a strength in an area that one of your competitors is weak in. Once you understand what makes you different, create a one to two sentence statement that communicates your unique value to your customers.

Create a brand personality

Just like a person, each brand needs a crafted personality, voice, and characteristics. Start by choosing the tone and write at least 10 attributes of your brand. You can also make a list of things your brand is and is not. Defining a brand personality will bring consistency to your marketing and brand image.

Identify your key audiences using persona research

If you don’t know who your potential customers are, you can’t craft a marketing message specifically for them. First, you must research you audience and gather demographic and psychographic data on them. Then, you segment them to create three to five fictional representations of your target customers. Understanding your buyer personas and audiences is key to portraying the right image for your brand.

How to measure brand image

There are multiple ways you can measure brand perception and how consumers feel about your brand.

Surveys

There are many types of surveys companies use to monitor their brand image, but the most common is a Brand Perception Survey.

These help you understand how your brand is perceived in the mind of customers, prospects, employees and other stakeholders. They paint a picture of the mental real estate your brand owns and how it is considered against competitive brands.

Examples of companies with successful brand images

Apple

Apple is number one on Forbes “The World’s Most Valuable Brands” list and has created a strong brand image. They’re known for being innovative, sleek, and dynamic and have created brand loyalty by creating an emotional connection with their audience. Their customers are fanatics and line up to get the latest products on release day. They’re also more expensive than their competitors, proving that consumers will pay more to align with a specific brand.

Zappos

Zappos is known for having superior customer support and a great employee experience. Their CEO, Tony Hsieh, has promoted the brand and built their culture through an exceptional customer experience that allows them to spend less on marketing because a majority of their sales are from repeat customers. Even though they're not the largest brand in America, they have one of the most positive brand images.

Coca-Cola

Coca-Cola is one of the most recognized brands in the world and this is partially due to the consistency they've had over the years. They promote their brand over their products and create a connection with consumers by describing their drinks as vehicles that bring people together and drive happiness. They sell a lifestyle and not just a product.

Building a strong brand image and brand identity isn't something that happens overnight. It's measured in strategic interactions, knowing who your customers are, and understanding your competition. If you're looking to measure your brand image, contact us today to check out our Online Reputation Management Software and get actionable insights across all digital channels.

# UNIT-4

# CREATING AND MANAGING BRAND EQUITY

# UNIT-IV
# CREATING AND MANAGING BRAND EQUITY

**MEANING AND DEFINITION OF BRAND EQUITY:**

Period of 1980s witnessed the extensive use of brand equity concept by the advertising professionals. Different valuable academic contributions concerning the brand equity were offered by scholars like Srivastava and Shocker, Kapferer, Keller and Aaker throughout the 1990s. There was, however, no universal definition and explanation of the concept of brand equity. Today, a common description of the brand equity is possible and it says that brand equity is the value assigned to a particular brand by customers as per their perception about it.
The idea behind the concept of brand equity is the value attached to the brand, which is more than value attached to its tangible attributes. Therefore, brand equity comes under the category of intangible assets of an organization. Additional revenues or cash flows brought by a particular brand to the firm describe the brand equity of that brand. Products with higher brand equity are generally priced higher.

Brand Equity is a qualitative measure of the brand's positive recognition or goodwill in the minds of the consumers considering the brand as an independent entity. Brand Equity is the tangible and intangible worth of a brand. The degree of premium that a brand can charge on its offering is a direct measure of the equity it possesses with its customers. Brand Equity is kind of power that the brand has over its competitors or the generic brands and is developed over time.

**Definition:**
**According to Biel, "**Brand equity can be thought of as the additional cash flow achieved by associating a brand with the underlying product or service".

Brand equity can be said to be coming from the aggregate worth of the following constituents in the minds of its consumers:

## Importance of Brand Equity

Brand Equity is quite important in the fact that it helps one brand gain importance and additional revenue as when compared with the competitor. Brand Equity is a complex parameter which takes into account a lot of parameters like brand image, brand identity, brand awareness, brand loyalty, brand association etc. It is mainly subjective and qualitative but can be represented quantitatively.

Brand Equity is driven by marketing strategy & efforts over the years and consistency which results in customer perception & brand knowledge which may be positive or negative. Positive perception would result in increase in brand equity. Effectively communicating the product benefits to the customers helps in brand building. Companies spend huge sums of money in advertising using integrated marketing communications (IMC) channels to promotes its goods & services.

## Example of Brand Equity

Some examples of brand equity are as follows. Consumers pay more for a Garnier beauty product than an Ayur product. A brand can also have negative equity in cases where it does not fit well with its consumers. As an example, Tata Nano users reported some fire incidents with the product which led to its negative equity for a while.

Since brand equity is based on several parameters like brand image, brand identity, customer perception etc, it is primarily a qualitative parameter for a brand or company.

## Elements & Components of Brand Equity

Brand equity is a function of several other qualitative parameters which a customer can associate with a brand. Some of the main components or elements of brand equity are as follows:

1.Brand Image

2.Brand Identity

3.Brand Awareness

4.Brand Loyalty

5.Brand Association

6.Customer Perception

Since brand equity gives a qualitative outlook, it is quite complicated to define it through numbers or a value.

## BRAND BUILDING STRATEGIES:

Strategies for building brand strength and sustaining that strength for the brand portfolio require attentions to the implementation of brand identification in brand-building strategies, revitalizing brands in the later stages of their lifecycles, and recognizing the strategic vulnerabilities of core brands, since brands may be vulnerable to competitive attack of changing market conditions. When brands are effectively managed, they acquire “value” and become “assets” with “goodwill”. Effective brand building strategies involves having right concerns and taking appropriate actions as given below:

**1) PROTECTING BRAND IDENTITY:**

A marketer has to depend on semiotics and mnemonics to protect brand identity. The dictionary meaning of semiotics is the study of signs, symbols and their interpretation. Semiotics primarily works best for products that require low involvement at the time of purchase and have very frequent usage FMCGs such as soap, shampoos, tyres and tea are the ones that fit the bill best.

**2) ESTABLISHING BRAND PERSONALITY:**

Like a person, a brand is a psycho-social being having an appearance, emotional feelings and rational behaviours. Brand personality can, therefore, be described at three levels:

i) Sensory:

How would the brand see, smell, taste, touch and hear if it is a person? What are its 'demographics"? Does it have an attractive and socially acceptable personality?

ii) Emotional:

If a brand were to become an emotion, what would it be? What are the underlying subjective, non-functional emotions of the brand? Is it trustworthy? Is it a desirable companion?

iii) Rational:

What would the brand, as a person, do? What would it achieve? What are the functional benefits? Is it a person with expertise?

**3) STRENGTHENING BRAND LOYALTY:**

Brand loyalty is an emotional product of two psychological attributes – satisfaction and relationship**.** Marketers have to strive to create these attributes. Confidence in a product can be created by offering product warranty and service support. Elaborate arrangement for service are to be made to keep up the promises.

**4) VALUE ADDITION BY COMMUNICATION:**

Large corporate entities need to effectively communicate their brand proposition to rural consumers. To make brands memorable and native, sometimes names have to be changed. For example, "Dabur Lal Dant Manjan"( red toothpaste in Hindi) was rechristened "Dabur Sivappu Pal Podi" (red toothpaste in Tamil), the local language for the south Indian market.

**5) BRAND ASSOCIATION:**

Association can be used as part of an organization's brand building strategy. Initially, brands are conveyed using simple words and pictures. Organizations then use advertising and, increasingly, product placement to transform these words and pictures into specific symbols or logos. These symbols generate certain associations in a person's mind.

**6) BRAND IMAGE:**

This method is usually driven by advertising agencies in a leading brand development role and linked to creative execution of various ad campaigns. Marketers and their agencies closely link the brand to imagery driven by the latest trends and fads in the culture, and expressed through art directors, photographers and commercial directors.

**7) Brand Equity:**

Brand building, as a key element in strategy to develop sustainable competitive edge, is equally emphasized by most of the companies. It is also considered as an important means for getting a dominant position in the chosen market segments, as well as for attracting the best talent in the organization.

ADVANTAGES OF BRAND EQUITY :

1. Greater customer loyalty,
2. Less vulnerability to competitive marketing actions,
3. Less vulnerability to marketing crises,
4. Larger price margins,
5. More inelastic consumer response to price increases,
6. More elastic consumer response to price decreases,
7. Greater trade cooperation and support,
8. Increased marketing communication effectiveness,
9. Possible licensing opportunities, and
10. Additional brand extension opportunities.

**CREATING BRAND EQUITY**

Brand Memorability : Companies can create brand equity for their products by making them memorable, and superior in quality and reliability.
Mass marketing campaigns can also help to create brand equity. If consumers are willing to pay more for a generic product than for a branded one.
Brand Recognition - The brand is widely known and recognized, and consumers know what it provides in relationship to the competition.

**MANAGING BRAND EQUITY**

STRATEGIES TO MANAGE BRAND EQUITY :

1. BRAND REINFORCEMENT
Brand Reinforcement is an activity associated with getting consumers who have tried a particular brand to become repeat purchasers and with attracting new users. Brand reinforcement is a primary objective of the development stage of the product's life cycle.
Reinforcing a brand is commonly explored by creating more or greater brand awareness. Marketers study and expand buyer's established brand recall and recognition, with the aim to improving the strength, favorability, and uniqueness of their customer's brand associations.
Brand Reinforcement can be done by :
Maintaining brand consistency.
Protecting sources of brand equity.
Fortifying brand equity.

2. BRAND REVITALIZATION :
A strategy to recapture lost sources of brand equity and identify and establish new sources of brand equity.The marketing strategy employed when a brand has reached maturity and profits begin to decline. Approaches to revitalisation may include one or all of market expansion, product modification or brand repositioning.
A brand revitalisation programme involves approaches to reclaim lost avenues of brand equity. It also seeks to identify and establish new sources of brand equity.
Examining changes in the marketing environment, competitors' strategies, consumer behaviour, evolutions of cultures and many other factors can help determine brand erosion and aid brand development.

BRAND REVITALIZING CAN BE DONE BY

1. Expanding Brand Awareness.
2. Improving brand image.
3. Entering new markets.

3. BRAND EQUITY MANAGEMENT SYSTEM

A brand equity management system is a set of organizational processes designed to improve the understanding and use of the brand equity concept within a firm. IT IS DONE USING -

1. Brand equity charter -

--Provides general guidelines to marketing managers within the company as well as key marketing partners outside the company.

--Should be updated annually.

BRAND EQUITY CHARTER COMPONENTS :

1. Define the firm's view of the brand equity.
2. Describe the scope of the key brands.
3. Specify actual and desired equity for the brand.
4. Explain how brand equity is measured.
5. Suggest how brand equity should be measured.
6. Outline how marketing programs should be devised.
7. Specify the proper treatment for the brand in terms of trademark usage, packaging, and communication.

2. Brand equity report

--Assembles the results of the tracking survey and other relevant performance measures.

--To be developed monthly, quarterly, or annually.

--Provides descriptive information as to what is happening with the brand as well as diagnostic information on why it is happening .

--In particular, one section of the report should summarize consumer perceptions on key attribute or benefit associations, preferences, and reported behaviour as revealed by the tracking study. Another section of the report should include more descriptive market level information such as:

1) Product shipments and movement through channels of distribution.
2) Relevant cost breakdowns.
3) Price and discount schedules where appropriate.
4) Sales and market share information broken down by relevant factors, e.g., geographic region, type of retail account or customer, etc.
5) Profit assessments.

3. Brand equity responsibilities

--Organizational responsibilities and processes that aim to maximize long-term brand equity.

--Establish position of VP or Director of Equity Management to oversee implementation of Brand Equity Charter and Reports.

--Ensure that, as much as possible, marketing of the brand is done in a way that reflects the spirit of the charter and the substance of the report

**MEASURING BRAND EQUITY**

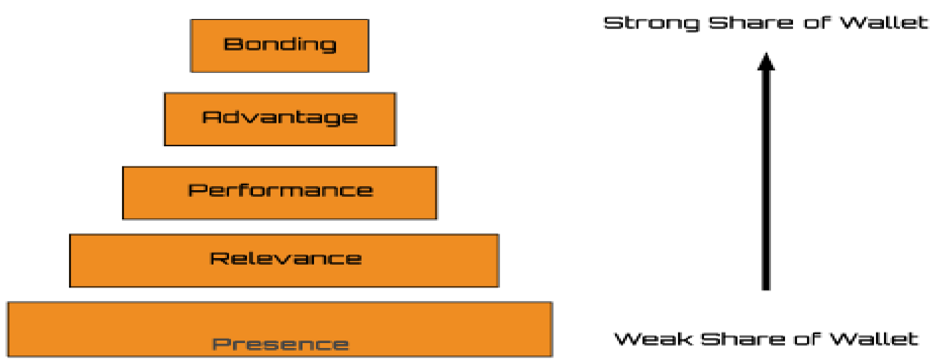
Brand equity can be measured by :

1. QUALITATIVE APPROACH
There are many different ways to uncover and characterize the types of associations linked to the brand.
Qualitative research techniques are often employed to identify possible brand associations and sources of brand equity.Qualitative research techniques are relatively unstructured measurement approaches whereby range possible consumer responses are permitted.
1. Free Association –
The simplest and often most powerful way to profile brand association.
It involves free association tasks whereby subjects are asked what comes to mind when they think of the brand without any more specific probe or cue than perhaps the associated product category (e.g. “what does the Relox name mean to you?” or “Tell me what comes to mind when you think of Rolex watches.”)
2. Projective Technique –
Uncovering the sources of brand equity requires that consumers’ brand knowledge structures be profiled as accurately and completely as possible. Unfortunately, under certain situations, consumers may feel that it would be socially unacceptable or undesirable to express their true feelings.
Projective techniques are diagnostic tools to uncover the true opinions and feelings of consumers when they are unwilling or otherwise unable to express themselves on these matters.
3. Ethnographic and Observational Approaches –
Fresh data can be gathered by directly observing relative actors and settings.
Consumers can be unobtrusively observed as they shop or as they consume products to capture every shade of their behaviour.
Marketers such as Procter & Gamble seek consumers’ permission to spend time with them in their homes to see how they actually use and experience products.
2. QUANTITATIVE APPROACH
Quantitative research techniques are used to understand brand awareness in respect to recognition and recall and also through scaling precise measurement for source of brand equity is done.
Quantitative techniques are much prevalent as a research alternative. In quantitative techniques consumer are usually given option to rank a direct question. Quantitative techniques are used to check brand awareness part of brand knowledge and try to dig deep in understanding consumer perception of the brand.
1. The incremental cash flow
It is done from associating the brand with the product. Incremental cash flow also results from premium pricing and reduced expenses.
Brand valuation is a relatively new phenomenon. Many different methods have been proposed because financial accounting standards for valuing intangible assets vary across countries.
2. Conjoint Analysis :
A classical method for estimating brand equity is to include the brand name as a factor in the full-profile method of conjoint analysis performed at the individual level.

By estimating brand equity at the individual rather than aggregate or segment level, brand managers can aggregate the individual-level measures to quantify both the mean and standard deviation of brand equity for any segment of interest.
In addition, starting with individual-level measures difficult aggregation problems encountered in estimating the market share premium and price premium attributable to brand equity can be avoided.
A difficulty with the conjoint analysis method in the context of brand equity measurement is that the conjoint card-sort task can lead to unrealistic product profiles.
Another important concern with conjoint analysis is that it does not provide an understanding of the sources of brand equity and suggested directions for enhancing it.
3. Financial Brand Equity Metrics
While financial metrics are always the first thing that executives want to see to confirm that a brand is profitable and should live to see another day, financial metrics should actually be the last part of the brand equity measurement process.
That's because financial metrics result from the brand strength and consumer metrics described below. With that said, financial brand equity metrics should gather the following data:
Market share , Price sensitivity ,Profitability , Revenues, Marketing investments , Growth rate
Cost to acquire new customers , Cost to retain customers
Quantitative measures are often the primary ingredient tracking studies that monitor brand knowledge structures of consumers overtime. These are used to measure -

1. Brand Awareness - the extent to which consumers are familiar with the qualities or image of a particular brand of goods or services . Recognition and Recall.
2. Brand Image : Brand image is the current view of the customers about a brand. It can be defined as a unique bundle of associations within the minds of target customers. It signifies what the brand presently stands for. It is a set of beliefs held about a specific brand.
3. Recall – Brand recall relates to consumers' ability to identify the brand under a variety of circumstances. With brand recall, consumers must retrieve the actual brand element from memory when given some related probe or cue. Thus brand recall is a more demanding memory task than brand recognition because consumers are not just given a brand element and asked to identify or discriminate it as one they had or had not already seen.

**What is Brand Equity Model?**



Brand equity is nothing but the value of a brand. But the concept of attaching a value to a brand is very interesting and has a deeper meaning to it. In general terms, good brand equity is believed to give better pricing and thereby a better revenue to a company. But there are numerous ways in which the brand value is calculated. Numerous ways and extensive studies have been conducted to understand the concept of brand value.

Based on numerous research studies, it has been established that the brand is one of the most important intangible assets of a company which helps to improve the financial performance of a company. Out of many different types of research and tools developed, the Brand equity model is a significant one.

Based on the various brand equity models, it is evident that brand equity is controlled by different components such as quality, performance, brand awareness, and loyalty.

Brand equity models are designed to establish the way in which brand value is created for a brand. Each of the brand equity models offers a deep insight into the brand value concept and the ways to evaluate it.

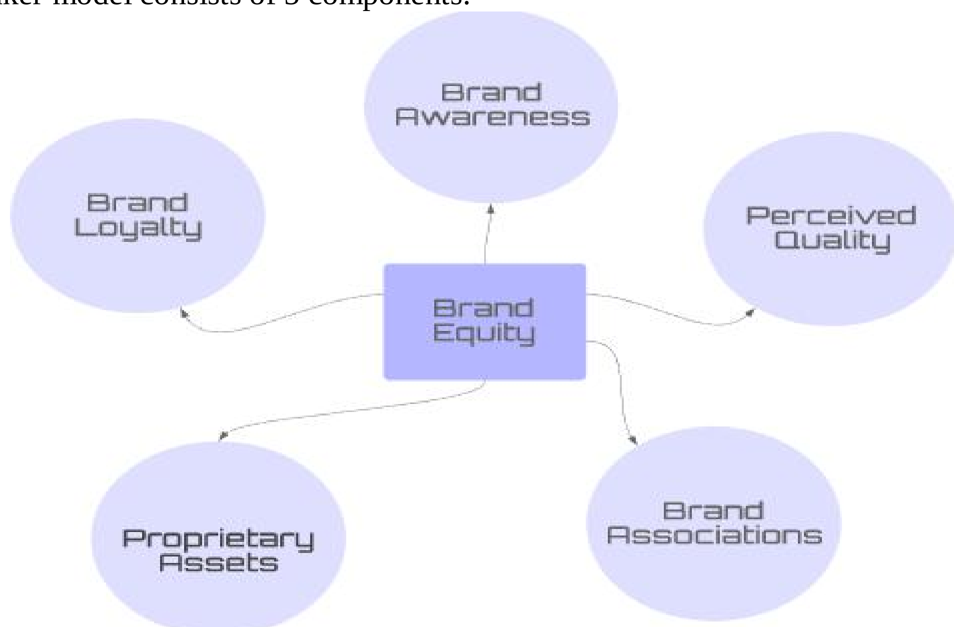
Brand equity models are used to design marketing strategies at various stages. Some of the significant actions that can be taken by using these brand equity models are to improve the perception of a product, to get more loyal customers, to get a competitive edge, etc.

Types of Brand Equity Models

**1. Aaker Model**

David Aaker has defined brand equity in his Aaker Model. He defines brand equity as a group of assets and liabilities that can be directly associated with the brand and that which adds value to the product.

Aaker model consists of 5 components:




*Brand Loyalty*

This explains the level of loyalty that a customer shows towards a brand

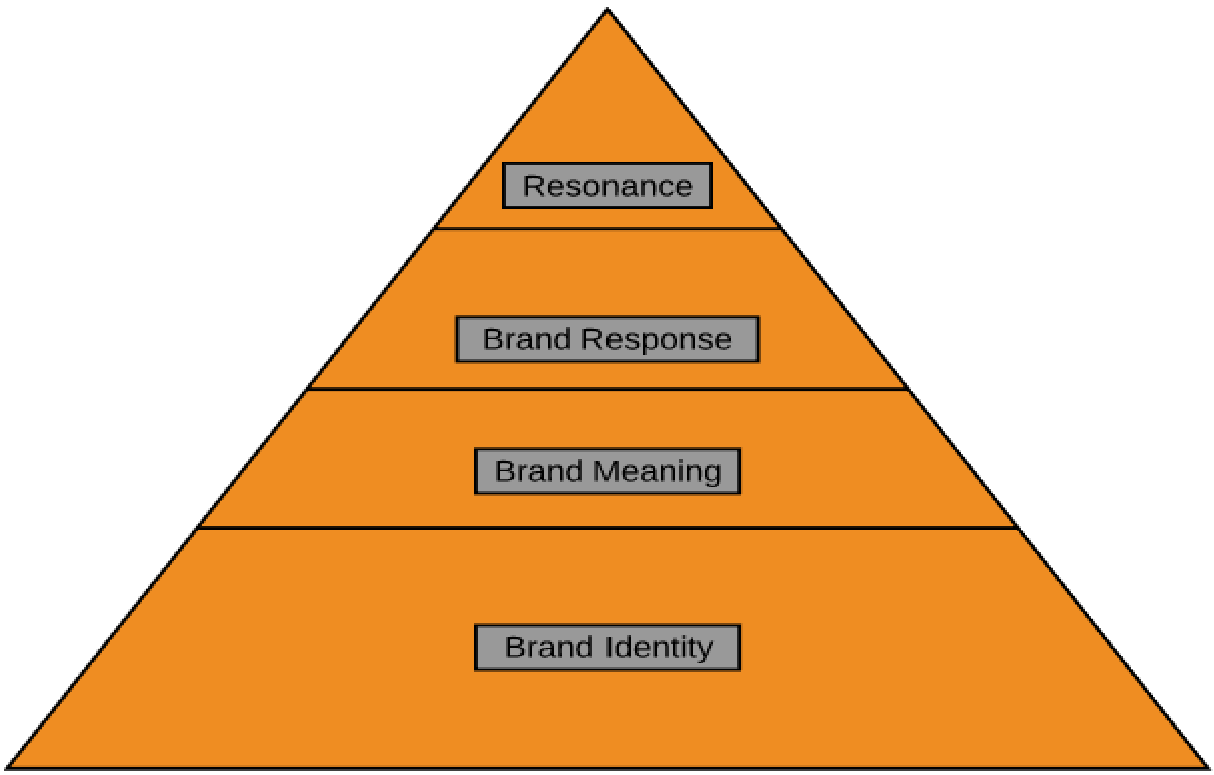
*Brand Awareness*

This is the extent to which the brand is popular in the market

*Perceived Quality*
The image of a product and its quality in the eyes of the customers
*Brand Associations*
The level of recognition that a brand has in its product category
*Proprietary Assets*
The number of patents, intellectual property rights, trademarks, etc. that a brand owns.
These components of the Aaker model help to influence the customer's choice. A customer will be willing to associate with a brand that offers higher quality and satisfaction.

**2. Keller's Model**

Kevin Keller has made a signification contribution to the branding theory and has rolled out the concept of customer-based brand equity. Keller defines brand as an effect that emerges out of a favorable association with a brand.
Keller's model seeks to get answers to 4 questions:




*Who are you?*
The first step is to create awareness about the brand and build a strong identity. When people have not heard or seen a product, it is difficult to sell the product.
It is important to know your customers and what they expect from a brand. When you start building a brand identity, it becomes easier to catch the attention of the consumers.
You should ensure that your brand stands out, and customers are aware of your brand can recognize your brand.

***What are you?***
The next step is to communicate to the users about what your brand means and what does it do. You should explain the performance of your product, which means that your brand should be

reliable, should offer good service, it should be durable, should have service effectiveness, good style, and design and reasonable price.

It is important to explain how your brand is able to meet the needs of the customers and connect with them on a social and psychological level. This can be done using a variety of marketing strategies such as direct promotion, by sharing customer experiences or by using social proof.

***What do I think about you?***

In this stage, the brand response is obtained. The brand response can be either a feeling or a judgment about a product. Consumers always have a feeling or judgment about a product.

When a product meets the expectations of users, it evokes a positive feeling about your brand. A product has to be attractive, satisfy the needs of the consumers, and should be unique when compared to the competitor products.

***What is the association with you?***

In this step, the relationship between the brand and the customer is strengthened. The brand response that came from the earlier stage is now converted into an intense and emotional bond between the brand and the customer. This is the final stage and the most difficult to achieve.

When the customer is in a good relationship with the brand, they often make repeated purchases and become loyal customers.

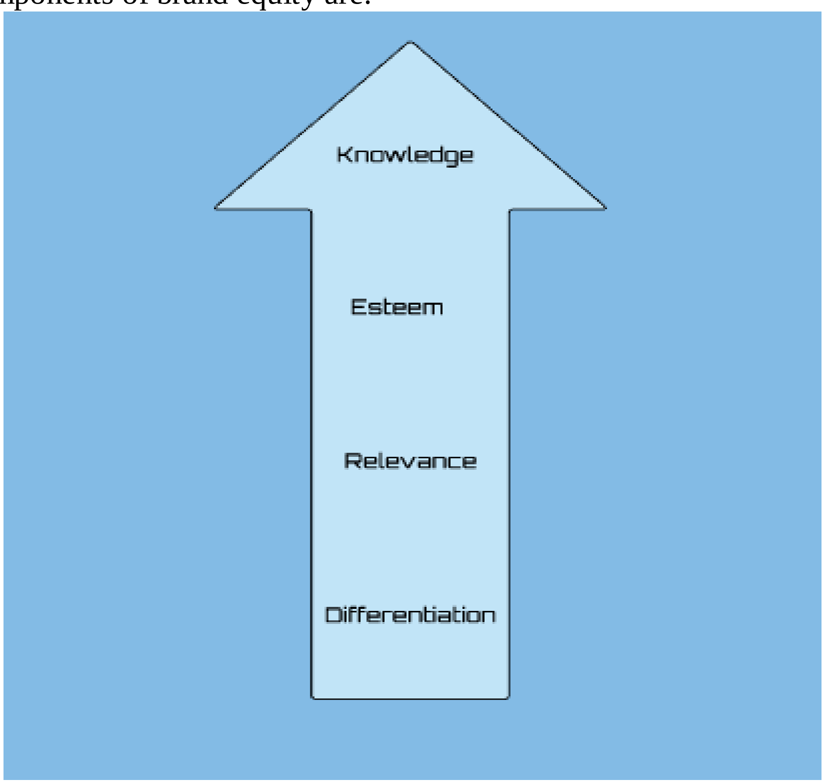
These steps in Keller's brand equity model provides direction to build and measure brand equity.

**3. Brand Asset Valuator (BAV) Model**

BAV is a brand equity model that gives the brand equity value of many brands and helps to compare brand equity across many brands.

As per the BAV model, collecting consumer insights will help to improve brand health and the future of a brand.

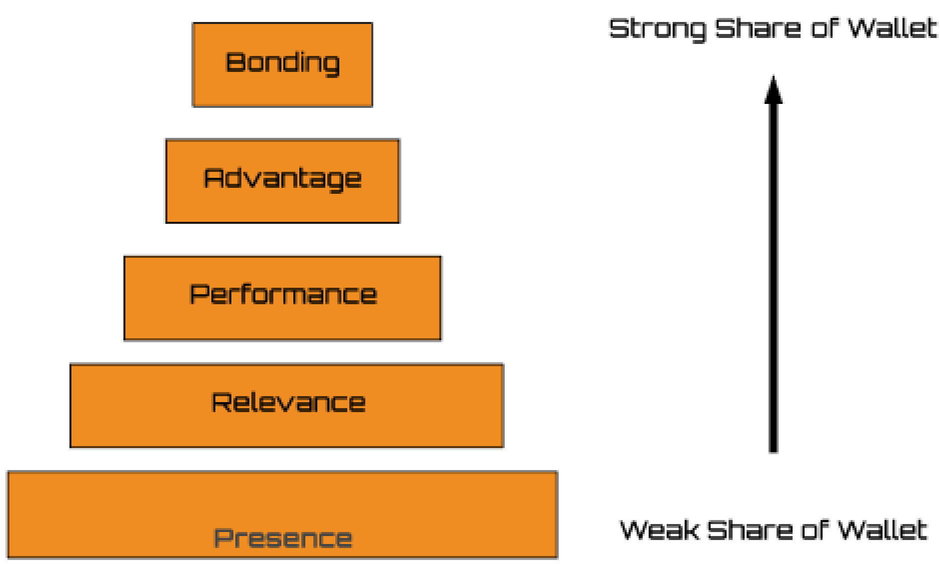
The four key components of brand equity are:



*Differentiation*
This is the extent to which the brand is different from another brand. A brand should be unique and stand apart from its competitors.
*Relevance*
This is a measure of how relevant your brand is for consumers. It is important to know if your brand is relevant to consumers in terms of its cost, needs, and convenience.
*Esteem*
This is a measure of how well a brand is perceived and respected for its quality and performance. This depicts the response of the consumers to the growing popularity of the brand or the decline of the brand.
*Knowledge*
This measures the level of understanding of the consumers relating to identifying the brand. Knowledge can be built by brand building exercise.
The BAV model tries to ascertain how the differentiation, relevance, esteem, and knowledge are related to each other for the determination of the brand strength.

**4. Brandz Model**

Brandz model was developed by the marketing research consultants, Millward Brown and WPP. BRANDZ is a tool the is used to diagnose and predict brand equity. In this model, data is collected with the help of interviews and publicly available data. Consumers of different brands are asked questions about the brand that they know.
This model is developed based on five steps that are in sequential order. Each of the steps in this model is a continuity of the previous steps and should be conducted in the same order.




*Presence*
Do I know about it?
This is a stage of building familiarity with the product based on past trials and brand promise.
*Relevance*
**Does it offer me something?**

Once people know about a product, the next step is the question about relevance. Does the product offer what they want? Is the product relevant to consumer needs?

*Performance*

**Can it deliver?**

When the product is found to be relevant to consumers, the next step is to check if the product delivers what it promises. Is the product performance as expected or as promised?

*Advantages*

**Does it offer something better than others?**

Once the product is known to deliver what it has promised, the next step is to check if the product has any special bonding or preference over all the other similar products in the market.

*Bonding*

**Nothing else beats it.**

This is the last step where the product has proved to be excellent and has built a strong bond with the user. This will eliminate all other competing products as the customer is now emotionally and psychologically bonded with the product and is not ready to compromise with any other product.

Importance of Brand Equity Models

With the evolving marketing strategies, the most common factor was that customers became the center of all strategies. Companies soon realized that the customer is the king, and they can flourish only when the customer is happy. The customer can be made happy by offering unique and quality products that in turn, build a strong brand. When customers are able to identify the brand, they start connections and slowly build a strong bond with better performing products. All this comes under brand building exercise, which ultimately increases brand equity for the company.

Brand equity models have been designed and prepared by various researchers to study and understand consumer behavior. Brand equity models have proved to be a tool that helps in diagnosis and to predict the strength of a brand.

In today's world of the internet, there is a huge amount of data that is available about consumers. But not many know how to convert the data into information that can be used to understand consumers and their needs. The brand equity model helps to know the most important components of consumer behavior and also helps to eliminate the unnecessary noise from the data.

Ultimately the focus of every brand equity model is to increase the brand equity of an organization.

- **BRAND EXTENSION:**

Brand extension is a part of brand management to diversify and leveraging the existing brand by entering into new product category by new product development. Positive images and strengths of existing brand / parent brand are leveraged to bring another success story for new product. Brand extension is increasingly used by companies as a part of strategy for product developments. It is viewed as one of means to attain integrated brand architecture.

According to Phillip Kotler, " A brand extension strategy is any effort to extend a successful brand image to launch new or modified products lines".

NEED FOR BRAND EXTENSION:
The need for brand extension is explained below:

1) Cost of New Launches:
The marketing environment of today is characterized by ups and downs. These shifts necessitate frequent introductions in the marketplace both as a defence against competition and desire to grow.
2) PROMOTIONAL EFFICIENCY:
When a company needs to support a larger number of individual brands, its promotional cost structure goes up. Also, investments in one brand does not help the other brands. When the Dettol brand of soap is advertised, it indirectly benefits other brands which share the same name.
3) CUSTOMER BENEFITS:
From the customer's point of view, brand extensions offer a less risky route to a new product category. The customer knows what to expect from the brand and can easily conclude the likely make-up and performance delivery of the brand.
4) FEEDBACK EFFECTS:
Brand extensions are justified not only for what they deliver in terms of promotional efficiencies and consumer benefits, they also help the parent brand in many ways, the first benefit being the clarity in brand meaning that an extensions can bring. Extension can broaden the product meaning.
5) RETURNS:
Overtime, many brands, from being initially mono-product or mono-activity have evolved into a diversified structure. For example, Walt Disney was focused on animation films for children during the fifties, but now it has branched into highly heterogeneous businesses.

TYPES OF BRAND EXTENSIONS:
Brand name can be extended in three ways:
1) Extended to Other Items in the Same Product Line:
Line extension is the simplest form of brand extension. The idea is to make some additions to the line and cater to different segments of users of the product. In line extensions, the key criteria are whether the core strength of the parent brand can be leveraged for the new items.
2) Extended to Items in a Related Product Line:
Here, the brand name is extended over difference products, but the products are related in some way. In other words they belong to a category.
3) Extended to Items in an Unrelated Product Line:
Here, the brand name is extended across completely new and unrelated products, failing under altogether different product categories.

Advantages of Brand Extension

- It makes acceptance of new product easy.
- It increases brand image.
- The risk perceived by the customers reduces.
- The likelihood of gaining distribution and trial increases. An established brand name increases consumer interest and willingness to try new product having the established brand name.

- The efficiency of promotional expenditure increases. Advertising, selling and promotional costs are reduced. There are economies of scale as advertising for core brand and its extension reinforces each other.
- Cost of developing new brand is saved.
- Consumers can now seek for a variety.
- There are packaging and labeling efficiencies.
- The expense of introductory and follow up marketing programs is reduced.
- There are feedback benefits to the parent brand and the organization.
- The image of parent brand is enhanced.
- It revives the brand.
- It allows subsequent extension.
- Brand meaning is clarified.
- It increases market coverage as it brings new customers into brand franchise.
- Customers associate original/core brand to new product, hence they also have quality associations.
-

Disadvantages of Brand Extension

- Brand extension in unrelated markets may lead to loss of reliability if a brand name is extended too far. An organization must research the product categories in which the established brand name will work.
- There is a risk that the new product may generate implications that damage the image of the core/original brand.
- There are chances of less awareness and trial because the management may not provide enough investment for the introduction of new product assuming that the spin-off effects from the original brand name will compensate.
- If the brand extensions have no advantage over competitive brands in the new category, then it will fail.

LIMITATIONS OF BRAND EXTENSION:

A poorly managed brand extension can bring several limitations to the marketers' brand as given below:

1) Cannibalization:

Aaker states that the extensions can cannibalize the existing products of the brand when they are positioned in a close market. It means the extensions sales are increasing while those of the existing brand's products are following the opposite curve.

2) Disaster can Occur:

Aaker explains that a disaster which cannot be controlled by the firm – e.g., that Firestone tyres used for the Ford Explorers were potentially unsafe – can happen to any brand. The more extensions the brand made, more important the damage will be.

3) Diminish Identification with Any one Category:

The risk of linking multiple products to a single brand is that the brand may not be strongly identified with any one product. Thus, brand extension may unclear the identification of the brand with the original categories, reducing brand awareness.

4) Company Abstain from the Chance to Develop a New Brand:
One easily overlooked disadvantages to brand extension is that by introducing a new product as a brand extension, the company abstains from the chance to create a new brand with its own unique image and equity.

- **NEW BRAND FAILURES:**

Brand failures refers to inability of a brand to realize the required market share to sustain its presence in the market. Brand failures occur on an ongoing basis to varying degrees within most product – based organizations. This is the negative aspect of the development and marketing process.

TYPES OF BRAND FAILURES:
Types of Brand failures are as follows:
1. IDEA FAILURE:
The key to a successful business is research; however this is often overlooked when a "great" idea comes along. Many brands have been burnt by not thoroughly researching a seemingly fantastic product idea.
For example, Kellogg's in the late nineties Kellogg's launched their Cereal Mates range. The product was a small box of cereal pre – packed with a carton of milk and spoon. The concept seemed sound and they intended to target the growing number of people who were too busy to eat breakfast at home.
2. EXTENSION FAILURE:
When brands reach an iconic status it is tempting to cash in on consumers loyalty by adding new product categories. These extensions ignore the brands focus creating a diluted identity.
For Example, Harley Davidson, Harley is built on a foundation on exclusiveness, mystique and rugged strong mascutine values. This is one of the most powerful brands with exceptionally loyal followers.
3. CULTURE FAILURES:
While technology and trade agreements have made it easier to enter these international markets, we need to remember different cultures have different needs. Each company also has its own unique culture created from its aims and values. The culture becomes part of the brand and helps to establish a bond with users.
For Example, Gerber, when Gerber expanded into Africa it used homogeneous approach, keeping with its western packing. The label featured a picture of a baby.
4. TIRED – BRAND:
All brands eventually reach the decline stage in their lifecycle. As society adopts new values our much loved brands will start to disappear. Even legends like Coca – Cola and McDonalds will eventually lose their stronghold as the world shifts to a healthier lifestyle.
REASONS FOR BRAND FAILURES:
Some of the most common factors that attribute to brand failure as follows:

1) BRAND AMNESIA:
When the brands core values are forgotten. For old brands, as for old people, memory becomes an mereasing issue When a brand forgets what it is supposed to stand for, it runs into trouble. The most obvious case of brand amnesia occurs when a venerable, long – standing brand tries to

create a radical new identity, such as when Coca – Cola tried to replaced its original formula with New Coke.

2) BRAND EGO:

Where brands over – estimate their importance. Brands sometimes develop a tendency for overestimating their own importance and their own capability.

3) Brand Megalomania:

When brands extend to as many product categories as possible ultimately weakens them all. Egotism can lead to megalomania. When this happens, brands want to take over the world by expanding into every product category imaginable.

4) Brand Deception:

When the company tries to hide its true purpose or identity. 'Human kind cannot bear very much reality' wrote T.S. Eliot. Neither can brands. Indeed, some brands see the whole product.

5) Brand Fatigue:

When the brand has been around for a long time sometimes people become bored with it. Some companies get bored with their own brands.

6) Brand Paranoia:

It happens when a brand does not trust itself or its worth. This is the opposite of brand ego and is most likely to occur when a brand faces increased competition.

7) Brand Irrelevance:

When market evolves can become obsolete. When a market radically evolves, the brands associated with it risk becoming irrelevance and obsolete.

GUIDELINES FOR AVOIDING BRAND FAILURE:

Some of the ways to avoid brand failure are as follows:

- One cannot really control a brand. Brands are not created in the boardroom but in the minds of the customers. So listen to what they have to say and build on the strengths.
- Do not water down the brand. If one is known for a particular service or product, it shoud resist the natural urge to expand the offerings.
- The organization can only build a loyal following if people notice it. It should make sure they offer something fresh so that their business will stand – out in the crowd.
- Make the employees of the organization a living brand ambassador. If they are enthusiastic about the brand, so the clients will be too.
- The world is filled with marketing chatter. Simplify the message so that people quickly can grasp what organization does and how it is different.

# UNIT – 5

# BRANDING
# IN
# DIFFERENT SECTORS

# UNIT – 5
# BRANDING IN DIFFERENT SECTORS

**Introduction**

The terms 'brand' and 'branding' can be integral to a business' success - but what exactly do they mean? Does your business have a brand, and does it need one?
Branding gets right to the core of your business' values. It is about discovering and communicating the essence of your business and what it delivers to your customers. In effect, your brand creates your business' reputation and its 'personality'. A strong brand can make your business stand out from the crowd, particularly in competitive markets.

What is branding?
Branding is a way of highlighting what makes your offering different to, and more attractive than, your competitors'.
A brand goes much deeper than just your company logo. Your brand is a customer's overall experience of your business. It includes your business values, personality and customer promise. You can influence your business' reputation through marketing and corporate identity. Branding affects every interaction you have with your customers and suppliers. This can include everything from your packaging to how you communicate on the phone.

You can create a good impression of your business through:

- design
- advertising
- marketing
- service proposition
- corporate culture

Branding is your attempt to use this perception to help your business perform better. Any business can benefit from creating an accurate brand, ie one that represents their true values. Therefore, it is important to always be clear about what your business stands for.
Your brand values
Successful branding is about promoting your strengths. You need to be sure that you can always deliver your promises using these strengths, sometimes referred to as 'brand values'. You can start by thinking about what your business is good at and what you believe in as a business. For example:

- the particular skills your business has
- your high-quality customer service
- the best value for money you provide in your marketplace
- your innovative approach

Every business wants to be a customer's first choice. Building and managing a brand can play a significant part in making that happen.

Branding for different sectors
The basic branding principle of being clear about what you stand for applies to all market sectors. You should consider how you should tailor your branding for your specific business type and audience.
Start-up businesses
At the start of a new business you can launch your product with a brand that challenges the conventions of the sector - often called a 'challenger brand'. This is much harder to do once you're established as you have more to lose. You must think carefully about how brave and 'disruptive' your product or service can be by: assessing the market sector from the outside

- looking at the different competitors
- spotting opportunities or gaps in the market

Start-up businesses benefit from being small and more responsive and adaptable. They have no existing processes that have to be changed to create a new brand.

Business to business (B2B)
The principles of effective branding apply to the B2B sector in the same way as they do in customer-facing businesses. B2B businesses market products and services directly to other businesses rather than the public. They too need to use branding to differentiate and create a distinct personality. They may opt for a personality that is more corporate and business-like in its tone than a consumer facing brand.
Service businesses
You should consider how your brand is reflected in how your service is provided and how your staff interact with customers.
Service brands are built on the people who deliver them, so staff need to be trained to understand the company's culture, its 'promise' to customers and how they will put this into practice.

Your brand and your customers:
Knowing what your customers want and how you can deliver it is an integral part of the branding process. You need to know what drives your customers, and what makes them buy. In most cases, it's not only about price or performance.
Researching what customers want
Ask existing customers what they like about doing business with you and ask potential customers what they are looking for.
If your brand values are in line with what customers look for when they're buying, you have the beginnings of a useful brand. This means you're ready to start building on it. If they're not, you'll need to reconsider:

- the benefits you offer to your customers
- whether you're targeting the right people

Communicating your brand to customers
Once you have defined your brand values and your customers' needs, you can start to build your brand by consistently communicating your brand values.
Remember that every possible contact you have with a customer or potential customer needs to reinforce your brand values. This may include your logo, business name, staff uniforms and product packaging.

## BRANDING IN INDUSTRIAL SECTOR

### MEANING OF INDUSTRIAL BRANDING

Industrial goods/services are those goods/services which are used (mostly commercially) in the production/rendering of goods/services. They include such goods as capital goods, raw materials, intermediates and MRO supplies.

According to the Industrial Marketing Committee Review Broad, “industrial marketing consists of all activities involved in the marketing of product and services to organisations (i.e., commercial enterprises, profit and non-profit institutions, government agencies, and resellers) that use products and services in the production of consumer or industrial goods and services, and to facilitate the operation of their enterprises.

In sum, business markets are “markets for products and services, local to international, bought by businesses, government bodies, and institutions (such as hospitals) for incorporation (e.g., ingredient materials or components), for consumption (e.g., process materials, office supplies, consulting services), for use (e.g., installations or equipment), or for resale The

only markets not of direct interest are those dealing with products or services which are principally directed at personal use or consumption, such as packaged grocery products, home appliances, or consumer banking.

### CLASSIFICATION OF INDUSTRIAL GOODS

| Industrial Goods | | | | | | |
|---|---|---|---|---|---|---|
| Capital Equipment and Investments | Manufactured Materials and Component Parts | MRO supplies | Process materials | Business services | Raw materials | Overlap categories |

On the basis of how people buy, consumer goods are classified as convenience goods, shopping goods, speciality goods and unsought goods. Such classification does not, however, suit the business goods as there is no such conspicuous variability in the buying behaviour of business goods. An appropriate classification of the business goods would be on the basisof how the goods are used. Based on such criterion, business goods may be classified as follows:

Capital Equipment and Investments

Single purpose machines (SPMs) are made specifically for performing exclusive operations in only one company or industry. SPMs are often meant for mass production. Piston turning lathe, camshaft grinder and gear generator are examples of SPMs.

Industrial Sector:

The fact that the term Industrial Marketing has been traditionally used to refer to Business Marketing indicates the preponderance of the industrial sector in the business market.

The industrial sector, obviously, is one of the most important constituents of the business market. Industrial marketing encompasses all the input supplies (including capital goods, technology, consultancy and finance) to the numerous units of an enormous variety of this sector.

The industrial sector generates about one-fourth of the GDP of India. The industrial sector consists of the following three important sub-sectors according to Government classification:

- Manufacturing
- Mining and quarrying
- Electricity, gas and water supply

Manufacturing is the largest sector, accounting for over 80 per cent of the income generation in the industrial sector. Electricity, gas and water supply contribute about 10 per cent of the industrial sector's share of the GDP.

Industrial goods marketed to the industrial units range from very high value machinery and equipment to items of relatively insignificant value like certain supplies and consumables, technologically highly sophisticated to very common items, and very specialised items to general items.

In short, the industrial sector is a market for all types of the goods described under the section Classification of Business Goods — capital equipment and investments, manufactured materials and component parts, MRO supplies, process materials, business services, and raw materials.

## COMPONENTS OF INDUSTRIAL MARKET

A very brief account of the major sectors of the economy constituting the business market is given below.

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Agricultural Sector

Agricultural inputs and bulk of the traded agricultural produce fall within the ambit of business market.

Business marketing encompass agricultural produce sold to processing units (including hotels and restaurants). Unprocessed agricultural produce sold to ultimate consumers also involve business marketing when marketing middlemen are involved in the process.

The agricultural sector is a very diverse one consisting of fishery, animal husbandry, poultry, etc., besides plants and vegetation.

The share of the agricultural sector has been steadily declining in India — a common phenomenon associated with economic development although, the aggregate value of the output of this sector has been rising. The agricultural sector still generates over one-fifth of the GDP of India and is the livelihood of a majority of the population.

Purchased inputs, like seeds, nutrients/feeds, etc., have grown in importance in the agricultural sector. The popularity of the high yielding varieties of seeds has also helped increase the demand for nutrients like fertilizers and plant protective items like pesticides and insecticides. Demand for agricultural equipment, like tractors, trillers, pump sets, etc., and implements has been on the increase.

The development of infrastructure in the agricultural sector, like irrigation systems, storage and transportation facilities, naturally creates considerable demand for several industrial products like construction materials and equipment. The development of irrigation facilities would increase demand for high yielding varieties of seeds, plant nutrients and protectants, and farm equipment and implements. This would, in turn, help the growth of the service sector related to the agricultural sector like repair shops, shops selling spare parts and supplies, etc. The business of the financial sector to the agriculture would also grow.

The development of fisheries, poultry, animal husbandry and floriculture are more business oriented, in respect of both the inputs and outputs, than the traditional agricultural sector.

Service Sector

The service sector is the largest sector in most of the economies. It is also the fastest growing sector in many economies.

The service sector is an enormously wide spectrum. Following are some of the important classes within this sector:

Service Booths

These are shops equipped to sell certain types of services like telecommunication (like STD/ISD/local calls, fax, internet, etc.), DTP, photocopying, etc. There has been a very fast growth of this segment in India. This is an important market segment for a number of equipment and accessories. The scale of operation of most of them is small.

Repair and Maintenance Service

As the industrial market expands, this segment also grows. Repairs and maintenance service rendered to business units are business products. The capital goods and other goods needed to run the repair and maintenance business are industrial goods.

Rental Service

There has also been a growth of rental services. More and more products are entering this segment. Products commonly found in this segment include, furniture, computers, T.V., VCR, printers, several other equipment and implements, cassettes, publications, etc.

Hotels and Restaurants

The hotel and restaurant business is growing fast. An increasing trend of eating out is often associated with economic development. While small hotels and restaurants, generally, depend almost entirely on the consumer market, large, particularly star hotels may have significant sales to business and organisations. All purchases by all types of hotels and restaurants are part of the business market.

Transport

Commercial transport is a very important segment of the industrial market. There is an enormous potential for further development of this sector in India. The new policy of Government of India, which even allows foreign investment in this sector, the expressways and other transport infrastructure development programmes should accelerate the development of this sector.

As pointed out elsewhere, the outsourcing trend in the automobile industry increases the scope of industrial marketing. Relationship marketing has an important place here.

The development of the transport sector will spur the growth of several ancillary services.

The present transport system of the country comprises several modes of transport including rail, road, coastal shipping, inland water transport, air transport, etc. Transport has recorded a substantial growth over the years both in areas of network and in output of the system.

The railways and a significant part of the passenger road transport are in the public sector.

Firms marketing to the transport sector have to select their segments and devise appropriate strategies for the different segments.

Trade

Almost the entire trade sector is a business market. As pointed out earlier, even marketing of consumer goods to the marketing intermediaries is business marketing. The place of the trade sector in the business market is obvious from the fact that most of the goods, consumer and industrial, pass through intermediaries.

Finance and Insurance

This sector is also an important market for several business goods. More importantly, a considerable part of the business of this sector is to the business market. There are specialised institutions to cater to the various needs of the business sector.

Health Service

Health service is a sector with enormous growth potential. This is also a market with very diverse buyer characteristics. There are different systems of medicines with their own unique characteristics. Organisational types vary from one man clinics/consulting to very large and full fledged hospitals, general types to high speciality ones, health resorts, organisations run on charity to corporate firms and so on. The marketing environment in respect of each type would be different.

Non-Business Organisations

The non-business organisations sector forms a significant segment of the business market. It buys both industrial and consumer goods. This sector encompasses government departments and organisations and non-government organisations (NGOs). A variety of organisations exist in this sector like hospitals, schools, orphanages, organisations like Red Cross and other social service organisations.

International Market

Although, the international market for business goods falls within above-mentioned sectors of the national economies, it deserves a special mention because the growing importance of this large market.

Business products (both industrial products and consumer products undergoing business marketing) dominate the global trade. Even industrial goods taken alone make up a major part of the world trade.

According to Phillip Kotler "The industrial marketing consists of all the organization that acquire goods and services that are sold, rented or supplied to others".

GROWTH OF BRANDS IN INDUSTRIAL SECTOR

The growth of brands in the industrial sector can be explained by a combination of several factors:

- To differentiate the products and services offered by the companies to give new status to products.
- The need to more clearly present the products and services offered, explaining and introducing technology.
- The maturity of end – customers, whose field of action, experience and know – how are growing all the time.
- The internationalization of industrial groups, which has meant building a global image.

PURCHASEABILITY AND VISIBILITY OF INDUSTRIAL BRANDS

Unlike consumer brands, industrial brands are generally not seen or are never purchased by end – users. Concerning essentially professional customers, industrial brands can differ greatly depending on "purchaseability" and "visibility" by end – consumers.

- Industrial Brands : Reach the Final Consumer: The difference between consumer brands and industrial brands is clear enough, except in the areas of office supplies and small do – it – yourself appliances.
- Industrial Brands : Reaching customers through the product: The first low cost way for industrial brands to reach consumers is to be identified through the product itself.
- Entering Goods: End – users can get the industrial products without knowing it when they buy consumer goods such as beverages or clothes.
- Intermediary Equipment Goods: End – users can 'discover' the product which is a part of the bought or hired cars or house.
- Equipment Goods: End – users can see the industrial brands of equipment goods when using a service such as transportation system.
- Production Goods: The people walking around can simply see them on a building site – Mack trucks or Fenwicik forklift trucks.
- Industrial Brands : Reaching Consumers through Communication: The main way for industrial brands to reach end – users is communication. Word – of – mouth is often the first type of communication allowing end – users to learn about industrial brands.
- Industrial Brands: Reaching Consumers through a Change in Strategy: Industrial product suppliers may decide to launch a product – line for customers. These products may or may not be the same as those used by their professional customers.
- Purchaseablilty : For an industrial brand, "purchaseability" can be defined as the ability of end consumer to buy the products and services separately from the final product purchase.
- Visibility : Industrial brands can be visible by end - consumers thanks to communication actions and the visibility strategy on the product itself.

# INDUSTRIAL CUSTOMERS

There are a number of categories of business buyers. The purpose of buying and their buying behaviour may differ widely. It is important to understand the characteristics of these different types of business buyers because these characteristics have marketing implications. The buying process, quantity of purchase, purchase timing, buying channels, responses to different marketing stimuli, etc., may vary between the different categories of buyers. They would also represent different markets.

At a very broad level, there are two types of business buyers, viz., commercial enterprises and non-commercial organisations.

Commercial Enterprises

There is a vast variety of commercial buyers ranging from one-man enterprises to giant corporations. Profit is an essential motive of their buying.

Ownership Types

On the basis of the type of ownership of the enterprises, business buyers may be classified as public sector, private sector, joint sector and cooperative sector units. The ownership pattern has important bearing on the buying behaviour. For example, in the public sector enterprises, decision-making, generally, is more bureaucratic. The classification of enterprises on the basis of the nature of the ownership does not, however, mean that purchase behaviour of different enterprises within a category are similar. The decision-making environment, however, may vary widely between the public enterprises. The navaratnas, for example, have more autonomy among the public enterprises. Within the private sector, the decision-making style may very widely, depending on size of the enterprise, ownership pattern, extent of professionalisation of management, etc.

The growing trend of outsourcing by original equipment manufacturers (OEMs) has significantly contributed to the growth of the industrial market. Nearly 1200 of the total of about 1500 items which make up the Indica car are outsourced, in contrast to the traditional strategy of Telco of manufacturing most of the components in-house. Relationship marketing, explained elsewhere in this book, assumes great significance here.

Another very important component of the business market is the reseller segment consisting of distributors, wholesalers and retailers. This broad segment of the business market also includes the marketing intermediaries of consumer goods. In other words, this category includes resellers of industrial goods and consumer goods.

Non-Commercial Organisations

The business market also consists of a variety of non-commercial organisations, i.e., organisations whose activities are not commercial in nature. They may be grouped into two broad types, viz., governmental and non-governmental. These include Central and State government organisations (including departments) and corporations, municipalities and panchayats and non-commercial organisations under them.

There is a wide spectrum of non-government organisation (NGOs) engaged in a variety of activities, like the Red Cross, charitable societies, trusts, etc. Many of them make sizeable purchases for in-house consumption, free distribution, or for supply at subsidised or reasonable prices.

**BRANDING IN RETAIL SECTOR**

RETAIL BRANDING

Retail marketing is the process of promoting products and services to customers through various channels of distribution in order to drive sales.

Definition:

Retail refers to the sale of goods or services from individuals or businesses to the end-user. Retailers are in the business of buying goods from wholesalers, manufacturers, or other retailers and then selling them to consumers for a profit.

Successful retail branding can help your brand stand out from its competitors and also increase footfall, both leading to increased sales of your product. By building and maintaining a strong retail branding it helps you make a memorable impression on consumers and increase brand value, whilst also allowing your customers and clients to know what to expect from your company. Without a doubt, effective design as part of your retail marketing strategy helps to boost customer understanding and enjoyment of the products and the brand itself – and therefore sales! Retail branding design helps to narrate the brand and product story, educate consumers about the pieces, and – ultimately – make the items displayed more desirable as a result. This helps to establish a strong brand personality which can develop consumer trust which is one of the key challenges many brands online and in store face in the retail sector.

IMPORTANCE OF RETAIL BRANDING

Retail branding is an essential part of any retail business. It aims to make sure that retail brands leave a memorable impression on customers, keeping them coming back again and again. It's important because not only does it leave a memorable impression on customers but it allows your customers and clients to know what to expect from your retail brand. The retail industry is a very competitive and customer-based sector and where the most successful real companies ensure that they have a sustainable retail branding strategy.

CUSTOMER ENGAGEMENT

Customer engagement is the emotional interaction between the consumer and the business, both online and offline. The competitive nature of the retail environment means it's crucial to repeatedly engage with customers as this will draw their attention, and hopefully business, to your brand. A highly engaged customer will buy more, promote more, and show more loyalty, which is exactly what any business wants. Personalised experiences are vitally important for today's consumers with the most successful branding strategies generating perceptions that truly focus on customer experience.

BRAND IDENTITY

Brand identity is how a company portrays itself to consumers, this relates to all of the visual aspects of the brand - colours, logos, design, packaging. The visual identity of a brand is also made up by reputation and customer service, all of which contribute to building the customers image of your brand.

Your aim should be to distinguish your brand from the rest, through distinctive print marketing to an established online presence - the more unique and personal it is, the more recognizable.

## BRAND AWARENESS

It goes without saying, but you need to get your brand out there! Brand awareness is a term that describes how familiar consumers are with a brand or its products. You want your brand to be recognisable and memorable to your target audience, ensuring to distinguish yourself from the competitors and clarifying what it is you offer that makes you the better choice. In order to increase footfall and encourage consumers to choose you over competitors you need to get yourself out there.

## CONSISTENCY

Consistency is key! A consistent brand is essential because the more consistent you are, the more familiar you will become, which over time builds trust and loyalty. In-store design and layout, POS, promotions, your product range and your social and other online channels all need to demonstrate a similar look, feel and tone so consumers become familiar with your business and subsequently build trust.

## BRAND MARKETING

Brand marketing is the process of establishing, maintaining and growing a relationship between the brand and consumer. Rather than focusing solely on the products of services, brand marketing promotes the entirety of the brand itself.

## Advantages of Retail Branding

No matter the size of the retailer, an effective retail branding strategy can be put in place. To fully focus your company's strategy, it is important to know the advantages and best practices of retail branding.

- Your brand is on top of global trends: Our world, especially in the age of social media, is more influenced by outside parties than what's outside in our backyard. As the entire digital landscape makes way for new voices, that leads to new trends. For retailers to stay ahead of the curve, they must pay attention to retail business models with and within their industry. If your team is proactive with retail branding, industry awareness is one of the touchpoints to establish brand positioning for your company.
- Your brand will understand decision journeys: A fundamental stage of retail branding is understanding your target audience and their journey. Your brand needs to establish key points of that journey – which is easier said than done. Many factors go into this process because not every consumer (depending on your business mission and product) is the same.
- Your brand is strategic with personalization: With many choices out there, especially when it comes to retail brands, it is important for your company to showcase how you're better than other competitors. Whether this is through a unique social media aesthetic or experimenting with a high level of technology, successful brands and retailers need to provide an experience that is unique to their offerings. With strong personalization, consumer engagement will remain consistent for businesses as long as the service meets their needs.

A sustainable retail branding strategy for businesses involves direct communication, proactivity, personalization, and transparency.

Key Challenges of Retail Branding

In today's world, retail branding is the key to success for a lot of businesses but does present its own set of challenges.

- Your brand has to deal with online and offline expectations: When consumers are shopping online, they expect different expectations from what they experience in-store. For example, when shopping online for clothes, consumers are looking for as much detail as possible about the products since they can't physically see, touch, or try the product on. To counteract this, retailers must think ahead with their overall in-store and website branding strategies. An in-depth evaluation of your overall services is required to combat this challenge.
- Your brand needs strategic personalization: While an advantage to an overall retail branding strategy is having a personalized approach, this can be challenging for some businesses and retailers breaking into the market. The successful implementation of a retail branding strategy correlates with the provided retail experience – your business must think critically about what you offer as a service and how it stands out. Be innovative and creative when possible.

- Your brand must be technologically equipped: It is incredibly important for your business to be experienced in various online channels – consumers are looking for accessible brand experiences. This is a key expectation of consumers relying on the online world for a variety of tasks. Your business must be able to adapt your services to the online space, if not, it might continue being lost in the shuffle.

Technology and sensory driven expectations: When engaging with brands in online channels, consumers are looking for brand experiences that seamlessly transition between platforms and technologies (desktops, laptops, tablets, smartphones, etc.). Superior functionality and ease of use of online channels is a key expectation of consumers, which leads to the need for impressive visual features. In the physical world, consumers are expecting to be impressed by holistic brand experiences. This has been the trigger behind retail stores morphing into experience centers – think Samsung Experience Stores – or even places where you only experience brands (and not having the need to buy them).

These diverse, and sometimes contrasting, needs have defined the evolution of retail branding as a discipline. The successes of brands like Apple, Starbucks, Hermes, Samsung and Disney are largely driven by the superior retail experience they provide. Premium and luxury brands design physical retail touchpoints that have the ability to propagate the same exclusivity perception that the brands stand for. This is not only true for single-brand retailers (like the examples above) but also for multi-brand retailers.

Multi-brand retail is a massive segment, which includes all supermarket and grocery chains. Branding in this segment has also evolved beyond the mundane, but there is still a significant scope for improvement. Multi-brand retail is predominantly a 'price-tier' driven segment, but those who have been successful have evolved their branding beyond price-based positioning. Opening more stores as a strategy for growth is increasingly becoming a thing of the past, with pressure from e-commerce and the rising costs of maintaining an expansive physical presence. The focus has now moved to aspects of trust, community, sustainable sourcing, honesty, choice and value for money.

Best practices for successful retail branding

Regardless of whether it is single-brand or multi-brand retail, strong branding in the retail industry requires a comprehensive understanding and appreciation of the following key aspects:

Keeping on top of global trends: We live in a world where our lives are influenced more by events and people living thousands of miles away from us, rather than our next-door neighbours. The emergence of social media platforms has magnified the pace at which remarks become opinions, opinions become thought-pieces, thought-pieces become voices and voices become trends. Retailers need to stay on top of these trends to be relevant shopping destinations for consumers. The age old positioning of Zara as the doyen of fast fashion is increasingly under threat from startups that have disrupted traditional fashion retail business models. Trends will impact the lines that a retailer should carry. Branding needs to be strong enough to encompass these changes and keep a retailer relevant as its product lines evolve.
Embracing technology driven capabilities: As retailers look at creating and delivering experiences, embracing technology as an enabler of a strong brand is important. The use of digital signs is now commonplace in retail stores, but there is far greater potential. In special Starbucks Reserve stores, arty images are projected on to walls. Each Starbucks Reserve store in the world is designed differently to provide a "coffee theater" experience. Luxury brand Hermès created a virtual e-store to showcase its silk squares, shawls, twills, scarves and stoles collections. Technology is becoming a core element of branded experiences and retailers need to embrace more of it in their branding strategies.

Retail branding is different from just branding. In case of branding, companies build the brand name on the basis of what they want to communicate about what the brand stands for.

TYPES OF BRANDS IN RETAIL SECTOR

The type of merchandise brands of a store carriers plays a major role in improving the image of the store and in attracting customers.

1. National Brand/Manufacturer's Brands: A national brand is a brand which is distributed throughout the nation, instead of across a small region only by the producer or distributor. Some national brands are also sold on an international scale in addition to being widely available in their home nations.

2. Local Brands: Local brands refers to the brand that is sold and marketed in a relatively small and restricted geographical area. A local brand is a brand that can be found in only one country or region.

3. Private Label Brands: Private label brands are the products that carry the brand of the retailer rather than the producer. Private label brands are those product s that are designed, developed and marketed by the retailer.

ROLE OF BRANDING IN RETAIL SECTOR

1. Improved Sales: The retail branding solutions is very effective and has been found to increase the sales and the revenue of the company by about fifty percent.
2. Higher Price: A strong retail brand diminishes the price sensitivity of consumers. Because there is an emotional bond between the retailer and its customers they are not will immediately go to a competitor if there is a price promotion.

3. Higher Profitability: Strong retail brands show better financial results that weaker brands. Strong brands results in strong profits because consumer s make more frequent visits, fill larger than average shopping baskets.
4. Barriers against Competition: A strong retail brand takes, as it were, a monopoly position in the consumer's mind. The customer experiences a clear differentiate from other stores, and it is difficult for competitors to attack such a brand.
5. Higher Customer Loyalty: A strong retail brand builds up a loyal customer base. In the process, success comes not only from actual behavior but also more importantly from the emotional connection the customer has with a retail brand.

BRANDING STRATEGIES IN RETAIL SECTOR

1. Integrated Branding: In this, the retailer is in direct link with the manufacturer. He is required to possess complete knowledge about the possible developments in the product in the future.
2. Contract Branding: In this, the retailer outsources from an existing supplier of the product and does not play any part in product development.
3. Independent Branding: Here, the retailer simply procures from the supplier at the lowest possible cost and the entire branding investment is his own.

GUIDELINES FOR BUILDING A STRONG RETAIL BRAND

Brands are developed or build over a period of time they are not made in a day. The process of brand building is continuous.

1. Clearly Articulate the Brand Identity: Brand identity means what the brand means to the customer. Brand identity sets the customer expectations.
2. Establish a Customer Value Proposition: Customer value proposition is the natural outcome of the brand identity. It is what the customers think of the brand.
3. Define the Optimal Customer Experience: Identity all contact points where the customers interact with the company. To create a holistic brand experience individual needs to create a consistent and compelling experience at each of these touch points.
4. Cultivate Relationship with Customers: Relationship with customer must be treated carefully. Never assume anything about what the customer thinks of the company
5. Strengthen the Brand over Time: Enhancing the level of customer – brand relationship will have a direct impact on the brand.

Conclusion: A step change in branding for retail is essential

There has been a rapid evolution in category dynamics, consumer behaviour and need constructs in the retail industry. Consumer engagement with retail is constantly evolving and is being strongly influenced by technology (retail platforms and how consumers access those platforms). Any retailer interested in building or strengthening its brand needs to look beyond the number of stores it has, the number of products it sells, whether it has online capabilities, or the price points it sells at, to the overarching purpose and the reasons behind its existence.

# BRANDING IN SERVICE SECTOR

**Definition:**

According to American Marketing Association,“Services are activities, benefits or satisfactionwhich are offered for sale are provided in connection with the sale of goods”. Some of the services sectors are Airlines, Banks, Communication Industries, Housing loancorporations, Hotels, Financial institutional and many more.

Branding in marketing refers to the process of building a positive perception of your company, products and services, using marketing communications such as email, social media, print, advertising and more.

Branding creates and builds trust. Building a strong brand with loyal clients is of crucial importance as it provides considerable competitive and economic benefits to a firm. People are a lot more likely to do business with a company that is well polished and presented.

Service branding can also identify different services offered by the same business. For example, a car wash business may offer three different packages to their customers. They may brand each service option by describing what extra benefits each level of car care service provides.

STEPS TO BE FOLLOWED WHILE BRANDING FOR SERVICES SECTOR

1) Choosing Brand Elements: Because services are intangible and because customers often make decisions and arrangements about them away from the actual location itself.

2) Establishing Image Dimensions: Given the human nature of services, it is no surprise that brand personality is an important image dimensions for services.

3) Devising Branding Strategy: Finally, services also must considered developing a brand hierarchy and brand portfolio that permits positioning and targeting of different market segments.

STRATEGIES OF SERVICES BRANDING

There are many ways in which existing service products can be developed.

1) Brand Extension: An existing brand can be used as the vehicle for introducing new or modified products. It can work even for corporate branding; HDFC, HDFC Bank, HDFC Standard Life Insurance etc.

2) Multibranding: In a fragmented market, a service marketer can introduce multiple brands to sweep as much of market share as possible. If not then business would have gone to competing brands anyway.

3) Cannibalization: This retrograde development takes place when due to multibranding; one brand eats into the current and potential market of another of the same services firm.

4) Co – branding: Different brands can be bundled together as a form of additional benefits and promotions. Car dealers are co – branding their sales with consumer finance companies.

5) Private and Generic Brands: Retailers and franchisees are bringing out their own brands called ‘private label brands’. These brands are giving distinctiveness to the retailer and the franchisees and preventing customers from comparing the brands.

PROBLEMS IN BRANDING OF SERVICES

When it comes to building and maintaining a strong and distinctive brands in any category, the marketing terrain has never been more challenging.

1) Intangibility: Relative to products that we can hold, use and consume people find it far more challenging to attach meaning to an intangible service offering such as a checking account, an internet connection or life insurance.

2) Commoditisation: Sustainable points of difference based on unique benefits are especially rare in service categories. With today technological advances , competitors can copy a service offering just weeks.

3) Complexity: To battle the commodity problem, service brands often seek to differentiate themselves by adding complexity annuance to their core offering.

4) Inconsistency: A service brand is by definition an " experience based" brand which illuminates what may be the key challenge there is almost no way to replicate the exact same experience each time for each customer.

5) Real – Time: Thousands of times a day service brands face moments of truth – real time consumer interactions that are opportunities to strengthen the brand by exceeding expectations orweaken it by under – delivering.

**Sservices** provide additional benefits which are:-

- Lessens Price Comparisons with competitors for your quality services.
- Increase sales of your services.
- Increase in repeated sales.
- Boosted **brand identity**.
- With our **service branding** your business will get an easy penetration power in the marketplace for your services.
- It will also build a strong relationship between your business services and your clients too.
- Any new service of your business will get a quick response from clients as because of your boosted **brand identity**.
- A superior visibility on different channels for instance, in Radio Ads, Tv Ads, Social Media, Search Engines etc.
- Provides an authentication to your business in the eyes of consumers.

On these terms when you are having a business which needs, **branding** in the **service sector**, then do not hesitate to interact with us. We are always here for you to solve your queries and to provide the best solutions for your problems.

Reasons for service branding:

Developing a brand that has a level of fame or fluency amongst your target audience helps to build strong customer recognition. This is important when developing your marketing materials as you want your product and services to be the automatic choice amongst your customers. Having a recognisable brand means that consumers are far more likely to opt for your products in comparison to a less recognisable brand. Having strong foundations of branding for your business is vital. This is how your customer will begin to recognise and associate with your brand.

***a.) Brand Messaging:***

It's important to focus on your brand messaging, as these messages communicate who you are and what your purpose is in order to speak to your ideal clients. Ensuring that you have a consistent brand message and voice so new and existing customers immediately relate to what your business values are, and how engaging with your business can benefit them, is the ultimate goal here. That recognisability and emotional connection assists in communicating to your customers and it is what separates you from your competitors.

***b.) Brand Identity:***

In order to grow your brand's recognition, it is essential that you have a strong brand identity. Having a distinguishable and cohesive brand identity means that your customers can automatically identify your brand at first glance. This visual representation that your brand identity (Logo, Tagline, Font etc) illustrates is important as it is a way to effectively communicate your business' values and messaging to your customers. Think of these as a visual cue that will help customers to recall your business. Implementing it consistently throughout your marketing materials will improve the likelihood that your brand will be remembered by your audience, but also that your marketing is consistent. Brand consistency aids in developing customer brand recognition.

Having a strong brand identity is the key to unifying behaviours, actions and communications amongst your customers. Each plays a role in communicating competitive advantages, product/services quality, competitive advantages, and operational efficiencies. So, it is of great importance that your business has a consistent brand identity as it resonates with your audience, guides your marketing, and enables your sales force to sell more.

**Branding & Competitive advantage**

Having a strong, recognisable brand which has a consistent identity throughout your marketing activities, helps you to differentiate yourself from competitors within the marketplace. This is advantageous when penetrating the market and lends a sense of credibility, as well as a competitive edge to your company. In order to do this it is important that you implement the same brand guidelines throughout your marketing materials both online and offline. If your branding consists of the colours white and teal green, and you use Lato, size 12 in white font, with a crown logo, you should implement this throughout your marketing. This credibility and recognition increases your brand awareness and in turn will differentiate your business from other competitors in the market, giving you that competitive edge to boost your sales.

**Branding and Customer loyalty & Shared Values**

Your customers are your best allies when it comes to fortifying your brand. In today's world where perception determines your brand's value, creating a brand that has recognisable features and delivers upon their values instills brand loyalty amongst consumers. According to the Harvard Business Review, 64% of consumers say that sharing the same values with a brand is the primary reason they have a relationship in the first place.

**Branding and Customer Retention**

When you have grown your brand to a relatively recognisable point amongst your target audience, your marketing practices become increasingly more beneficial in terms of generating sales leads. It's important to realise that branding aids the retention of existing customers as it keeps customers engaged with your brand and marketing materials. This customer experience influences customer retention. Effectively implementing a brand strategy means that you can manage your customer's experience and journey, keeping them intrigued and engaged, so that they repeatedly return to do business with your brand. A strong brand brings customers back around to the purchase funnel after an initial interaction with your business.

**Branding and Trust within the marketplace.**

We have seen above how branding can benefit your business in terms of generating interest and conversation around your marketing and business as a whole. However, it is really important to note that a strong brand also evokes a sense of trust within the marketplace as well as amongst your consumers. Building a strong brand helps to determine how your customers perceive the quality of your products and services and the likelihood that they will purchase from you. Through implementing your business's brand strategy throughout your marketing activities, you enhance the level of credibility of your brand amongst your customers, along with your competitive edge, and recognition within the marketplace. The practices go hand in hand. And with this, as customers begin to trust your brand's offerings the ease of purchase becomes increasingly more likely.

**Branding and Brand Equity**

Brand Equity refers to value that a company generates from a product with a recognisable name when compared to a generic equivalent. Through marketing activities, businesses can increase their brand equity by making their brand more memorable and recognisable.

**Conclussion:**

Branding creates and builds trust. Building a strong brand with loyal clients is of crucial importance as it provides considerable competitive and economic benefits to a firm. People are a lot more likely to do business with a company that is well polished and presented.

# BRANDING IN INSURANCE SECTOR

MEANING:

Insurance branding is about building a connection with your target audience while separating your venture from industry competitors. Unfortunately, it can be difficult to make your company's identity seem intriguing and appealing in the insurance world.
The objective of insurance marketing is to generate demand, increase leads and drive revenue through sales.

The insurance sector in India governed by Insurance Act 1938, the Life Insurance Corporation Act 1956 and General Insurance Business Act 1972, Insurance Regulatory and Development Authority (IRDA) Act 1999 and other related Acts. With such a large population and the untapped market area of this population Insurance happens to be very big opportunity in India. Today it stands as a business growing at the rate of 15 – 20 percent.

Importance:
A brand is associated with its own colors, designs and logo. All these visual elements make a brand unique and help an insurance agency stand out from its competitors. Insurance agents can use the power of their brand to grow their agencies.

Branding in insurance company helps in differentiating it with other brands:

1. It separate an insurance company from its competitors in a unique way.
2. It enhance the insurance companies perceived valule thereby supporting premium pricing.
3. It provides resilience in times of negative press.

Purpose of insurance
Its aim is to reduce financial uncertainty and make accidental loss manageable. It does this substituting payment of a small, known fee—an insurance premium—to a professional insurer in exchange for the assumption of the risk a large loss, and a promise to pay in the event of such a loss.

**Marketing Mix for Insurance**

The insurance organizations in general and the public sector insurance organisatoins in particular need to assign due weightage to the formulation of marketing mix for the insurance business. The emerging trends indicate that if the insurance organizations delay the process of formulating a sound marketing mix for their business, there would be a sharp fall in their market share in the future, which would bring down the rate of profitability. It is against this background that we go through the problem of marketing mix for the insurance services. This makes it essential to study the different submixes of marketing such as the product mix, the promotion mix, the price mix, the place mix, the people, the process and the physical evidence, in relation to the marketing of insurance.

**Insurance Product**

The insurance organizations produce or generate services in different forms. A product is both what a seller has to sell and what a buyer has to buy. thus any enterprise that has something to sell, tangible goods or not is selling products. In the insurance business, the insurance organisatoins are found selling services and therefore, services are their product. Thus a product is also called a bundle of utilities consisting of various product features and accompanying services. When an individual or a company

Promotion Mix

In the formulation of marketing mix, the promotion mix occupies a significant place. In the promotion mix, a number of submixes, such as the advertising, public relations, sales promotion, word-of-mouth promotion, personal selling are included.

Advertising

Advertising a paid form of persuasive communications is found important to promote the insurance business. The advertising professionals bear the responsibility of making the advertisement slogans, appeals, campaigns creative so that the process of sensitizing the prospects is found proactive. The insurance companies advertise through telecast media, broadcast media and the print media. Among these, telecast media is found to be more effective in sensitizing process. With the help of audio-visual exposure, the rate of acceptability of the messages can be increased sizeably. If the advertising professionals are well aware of the messages creative. The broadcast media can also be used for that very purpose. Through the available big transmission network and a well developed system, the insurance organisatoins are supposed to use even the broadcast media. Another benefit of this media is to reach the messages even to the remotest parts of the country. The print media can also be used for promoting the insurance business. Being economic in nature and impressive in expression, the print media of late, has been found gaining popularity. The sophistication in the print technologies has made the media more attractive. It is against this background that now almost all the organizations assign due weightage to this. The insurance organizations need to promote the print media since this would simplify their task of making the appeals effective by using regional languages.

Publicity

In addition to advertisement, the insurance/ professionals also need to think in favour of publicity since this component of promotion if used in a right fashion makes our promotional efforts proactive. The advertisements may be insensitive, but we find publicity effective since the messages, views, opinions, facts, figures are publicized by media or the vocal leaders. It is a device to promote business without making any payment and therefore it is called as an unpaid form of persuasive communication bearing high rate of sensitivity. Strengthening the public relations activities is another dimension requiring due attention and the public relations officers shall beat the responsibility of projecting a positive image of the organisatoin. The PRO is considered to be professional having the world class excellence in influencing the prospects, users, others. He/She bears an important responsibility of informing, sensing and persuading. He/she is found responsible for managing the sales dialogues. This makes it essential that we find selection of suitable persons for the said purpose and in addition also intensify training programmes, refresher courses, capsule courses to educate and train them in tune with the changing business conditions. The receptionists, secretaries, front-line-staff publicize the business with their gesture and posture. They are supposed to know-how to talk, how to initiate, how to impress and how to conclude.

Sales promotion

Sales promotion is a temporary device which is adopted only for a particular period. In the insurance business, the incentives to the policy holders users or to the agents, rural career agents or even to the insurance personnel for promoting the business are the sales promotion tools. Incentives to the end users for taking a policy play an incremental role in promoting the insurance business.

BRANDING STRATEGIES IN INSURANCE SECTOR:

1) Create an Attractive Logo: A distinctive, visually appealing logo attracts attention, but noteveryone has the skills to create one. The insurance company can consider outsourcing this project.
2) Creating Brand Voice and Message: The insurance company should write out what their brands want to say. The company should also ensure that the employees understands the brandsand that they communicate that brand online and offline affectively.
3) Tagline: An attractive tagline plays a major role in branding. The insurance companies should make efforts in creating a short memorable statement that illustrates the core of their brand.
4) Integrating Your Brand: The insurance brand needs to influence everything from the e-mails signature and advertising to how it interacts with customers.
5) Being True to Your Brand: Consistently delivering what the brand promises is the most essential requisite for successful branding. If not, customers will not return to the business norwill they refer other clients to it.

GUIDELINES FOR BRANDING IN INSURANCE SECTOR
1) Commitment: The insurance companies should be ensure that they are fully committed towards their customers and fulfill all that they have promised their customers under mostconvenient ways.
2) Smooth Delivery System: In the case of insurance the delivery system is more complicated than in most other services. Hence, at the time of buying the policy of insurance, the coveragehas to be clear, complete and specific.
3) Authenticity/ Genuineness: It is to be ensured that the product bought by the customer is the same as the product sold by the agent of the insurer.
4) Market Penetration: Better penetration of insurance products into rural areas and marketsegments of urban and rural areas that were hitherto inadequately explored.
5) Improve Customer Satisfaction: Improving customer satisfaction by:
i) Ensuring need – based selling.
ii) Evolving standards of performance for different aspects of servicing.
iii) Devising appropriate procedures and systems and
iv) Enhancing the commitment to service on the part of agents and employees.

Challenges of Insurance Branding:
Today’s insurance marketing solutions require more than just persuading new customers to choose your company for their life, health, auto or home insurance policies. You can no longer set up a new policy for a customer and move on without further thought. Instead, the challenge lies in improving the customer’s experience, starting with the first time they begin pricing policies at your agency and continuing each time you send a statement.

Changing Demographics
The demographics of people who need certain types of insurance have changed. For instance, the number of single parent households has more than doubled since the early 1970s, with more women making insurance decisions than ever before, according to PWC. In addition, people are waiting longer to get married, and this affects their need for life insurance policies.

Changing Healthcare Laws

As healthcare laws go through drastic changes due to ObamaCare, confusion is likely to reign. This affects the insurance business as you try to explain what actions new clients need to take to get and keep coverage. To make matters more challenging, many uninsured households do not have access to a bank account from which to pay for an insurance policy. This means insurance agencies must scurry to find suitable payment methods in order to provide coverage.

Acquisition Cost

The cost of marketing to find new high-quality customers poses a challenge for a small agency. The Internet and strong competition makes it easier than ever to price shop, forcing customer loyalty to take a back seat to price in many cases. Finding customers who need insurance to tackle life events such as buying their first car or starting a family means changing your target market. You also need to find ways to compete with price. For instance, offer different types of policies to meet all of a customer’s needs, as people with multiple policies are willing to pay more if they can go through one agency for all their needs, says PWC.

Delivery of Messages

Finding new ways to get your message to clients is another challenge. One option requires using invoices and online billing to marketing your agency. Since billing statements are often the main form of communication between your agency and customers, offer electronic payment options and ebilling of statements. Going digital helps eliminate the number of cancellations that occur when print statements are used, as the lag time between receiving the invoice and making the payment gives customers too much time to cancel or to request revisions to a policy, all costly processes for your agency.