Institute of Management & Information Technology, Cuttack

MBA

4th Semester

Product and Brand Management

(18 MBA 402A)

Lecture Notes

(As per BPUT syllabus)

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MODULE- I

PRODUCT MANAGEMENT

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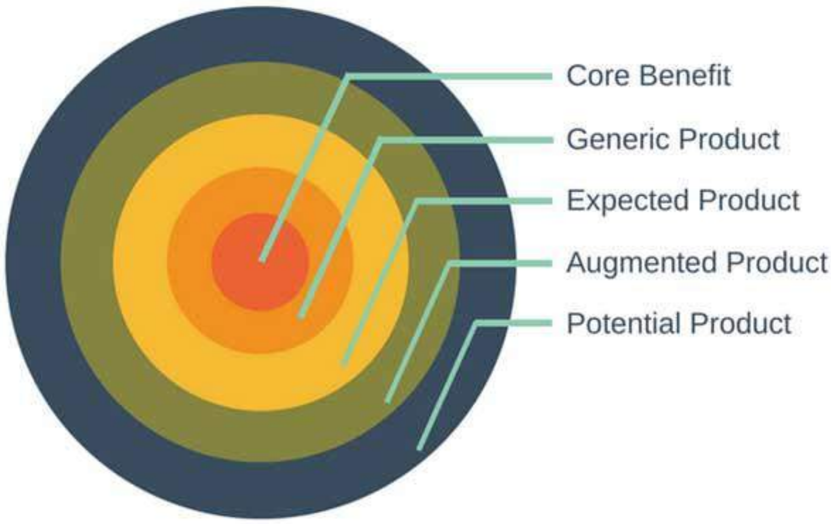
What is Product?

- Product is a bundle of satisfaction that consumer buys. It represents a solution to customer's problem.
- **Philip Kotler:** "A product is anything that can be offered to a market for attention, acquisition, use or consumption. It includes physical objects, services, personalities, place, organizations and ideas."
- Product is a set of tangible and intangible attributes, including packing, colour, price, manufacturer's prestige, retailer's prestige, manufacturer and retailer's services, which the buyer may accept as offering satisfaction of wants, or needs.
- Product is anything, which can be marketed in terms of physical goods, services, experiences, events, persons, places, parties, organizations, information, and ideas.

KOTLER'S FIVE LEVELS OF PRODUCT



1. Core Benefit

- The core benefit is the fundamental need or wants that the customer satisfies when they buy the product.
- For example, the core benefit of a hotel is to provide somewhere to rest or sleep when away from home.

2. Generic Product

- The generic product is a basic version of the product made up of only those features necessary for it to function.
- In our hotel example, this could mean a bed, towels, a bathroom, a mirror, and a wardrobe.

3. Expected Product

- The expected product is the set of features that the customers expect when they buy the product.
- In our hotel example, this would include clean sheets, some clean towels, Wi-Fi, and a clean bathroom.

4. Augmented Product

- The augmented product refers to any product variations, extra features, or services that help differentiate the product from its competitors.
- In our hotel example, this could be the inclusion of a concierge service or a free map of the town in every room.

5. Potential Product

- The potential product includes all augmentations and transformations the product might undergo in the future. In simple language, this means that to continue to surprise and delight customers the product must be augmented.
- In our hotel, this could mean a different gift placed in the room each time a customer stays. For example, it could be some chocolates on one occasion, and some luxury water on another. By continuing to augment its product in this way the hotel will continue to delight and surprise the customer.
- **<u>Product hierarchy</u>**

1) Core product-A bundle of tangible or intangible features that serve the basic purpose for which the product is created.
2) Actual product-The size model features technology etc.

3) The augmented product-it is the value addition to a product by packaging, advertising the reputation the after sale and all other intangible benefits.

CLASSIFICATION OF PRODUCT

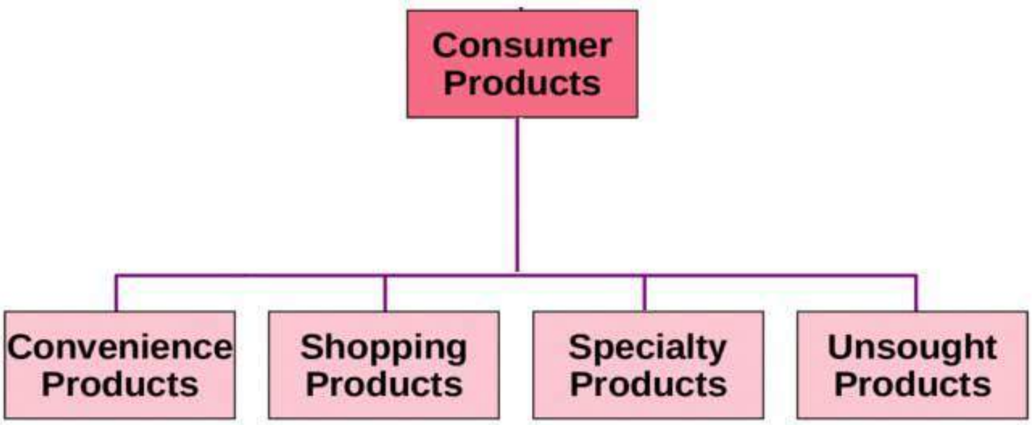
CONSUMER GOODS/PRODUCTS

- Consumer products are goods and services destined for the final consumer for personal, family or household use.

Consumer Products are classified into four types-

1. **Convenience Products**
2. **Shopping Products**
3. **Specialty Products**
4. **Unsought Products**

1. **Convenience Products**-purchased by the consumer frequently with minimum of efforts (food products, candy, soft drinks etc.)
   They can be subdivided into three categories
   - **Staple Products**- purchased with little planning, purchased frequently
   - **Impulse items**- rarely plans purchases but enter the store and buy on impulse. The desire to buy staple products may cause to go to shopping but the desire to buy the impulse goods is a result of shopping.
   - **Emergency goods**- purchases are made because of urgent and compelling needs.



2. **Shopping Products/ goods**-More expensive than convenience goods. Consumers buy these items only after comparing styles, suitability, and price.
   Example: furniture jewellery etc.
   - Purchase less frequently at a medium price
   - Commonly compared among other products.
   - High degree of differentiation.
   - These are the products which are purchased on the basis of quality, Price, and Style.
   - They are durable in nature.
3. **Specialty Products/ goods**- Consumers make special efforts to buy specialty products.
   - These are the products with unique characteristics or brand identification.
   - These are high priced products.
   - For example:- Sports Cars, Luxury watches, Exotic Perfumes.
4. **Unsought Products/ goods**- Those goods which potential buyers do not know that they exist or do not want to purchase. (Life insurance, dictionary etc.
   - These are the products that consumers do not normally buy.
   - These are not known by the consumers or even if they are known the customers do not want to purchase them.
   - These are purchased due to danger or the fear of danger.
   - Example:- Fire extinguisher, Insurance, Medical checkup.

INDUSTRIAL GOODS/ PRODUCTS

- The Products which are used for production of other goods is referred as industrial goods.
  i) Raw Materials- The production or manufacturing process requires materials input. Such inputs are called Raw Materials.
  ii) Tools/ Equipment- These are different tools and machines used by the firm for production and operation process. Ex- Lathes, Cranes
  iii) Accessory Equipment- Used during production process but they are not a part of manufactured product. Ex- Printers, Calculators
  iv) Process Materials- Directly used for producing another product. Ex- Chemicals.
  v) Supplies- Non durable items like pens, office stationaries.

Product classification based on Social benefit:-

1. Pleasing Product-
   - Creates immediate satisfaction.
   - No long run benefits.
2. Deficient Product
   - Neither immediate satisfaction nor long run benefits.
3. Salutary Product
   - Long term benefit
   - No immediate satisfaction
4. Desirable Product
   - High immediate satisfaction
   - Long term benefits.

Product classification based on Durability:-

- Durable Goods
- Non-Durable Goods

Product classification based on Tangibility:-

- Goods (Tangible)
- Service (Intangible)

Product management is a process that focuses on bringing a new product to market or developing an existing one. It starts with an idea of a product that a customer will interact with and ends with the evaluation of the product's success.

Product management is led by a Product *manager*

- **The product manager** is the person who creates internal and external product vision and leads product management from scratch. The product manager develops positioning strategy while working with stakeholders and teams throughout the process.

The main responsibilities of the product manager are:

- Understand customer experience
- Develop vision
- Prioritize processes and activities
- Develop product pricing and positioning strategies
- Negotiate with stakeholders
- Build and follow a roadmap
- Arrange product testing groups
- Drive product launch
- Participate in the promotion plan development
- Build and maintain product awareness on all levels among product teams

- A product manager has to make sure that all members of a team work harmoniously to achieve the main goal.
- This person is also responsible for the outcome of a product launch. While there's no single set of KPIs and responsibilities for a product manager, they usually include monetization, user engagement, and the level of user satisfaction. The KPIs may vary depending on the company and industry.
- Some product managers focus mainly on development, writing specifications, and supervising development progression, while others display more focus on marketing and sales by developing a marketing plan and training a sales team.

The whole process of product management can be divided into four stages:

1. Vision
2. Strategy development
3. Product Development
4. Markrting and Sales

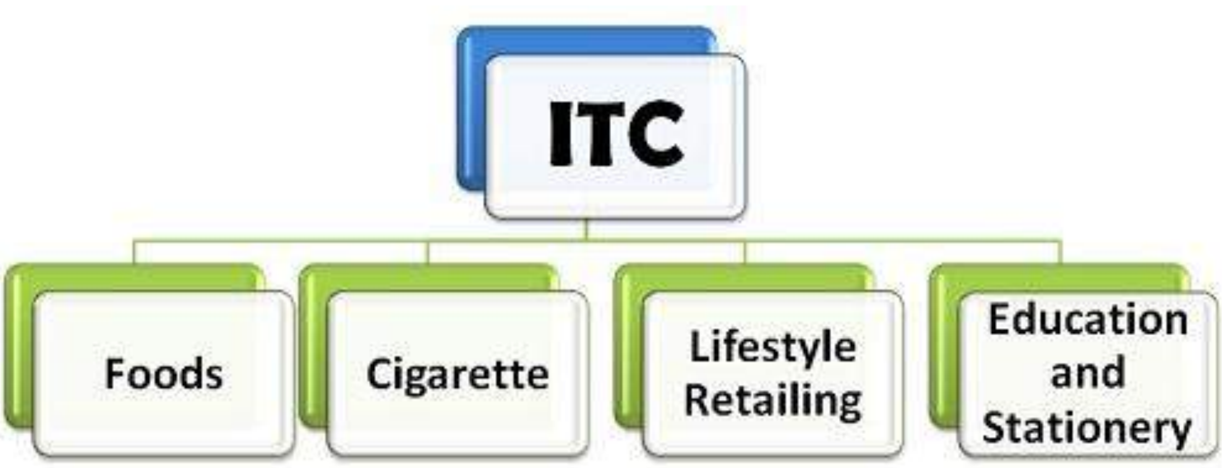
Parameter	Destination Brand	Product / Service Brand
Type of customers	Many (residents / non residents / tourists / traders / governments	Generally a single group of customers
Expectations from the brand	Different customer groups have different expectations from the destination brand	Uniform expectations from the brand
Comparison with other brands	Difficult	Easy - as there could be direct substitutes for the product / service brand under consideration
Communication strategy	Different messages for different groups of customers	Same message for all groups of customers
Pricing strategy	Not relevant	Can develop a unique pricing strategy
Positioning strategy	Can develop on one or more aspect of the destination brand - tourism / trade / investments	Unique positioning strategy
Distribution Strategy	Use various channels to attract customers to the destination brand	Use various channels to sell and make available the product / service brand.
Association of the customer with the brand	Very long term (for all customer types - for traders and investors it would be for their financial association, for tourists the memories that are associated with the destination)	Length of association depends upon many market ing variables like product / service quality, competition, quality of substitutes, perceived necessity, product / service category etc.

PRODUCT MIX

- Product mix is a set of total number of products lines that a seller offers in the market to its customers.
- It is also known as or product assortment.
- In other words, the number of product lines that a company has for its customers is called as product mix.
- A product line is a group of closely related products with similar functions, customer groups, outlets and same price ranges.
- The product line is a subset of the product mix. The product line generally refers to a type of product within an organization.
- A company like HUL has numerous product lines like Shampoos, detergents, Soaps etc.
- The product mix has four dimensions: **Width/ Breadth**, **Length, Depth**, and **Consistency**.

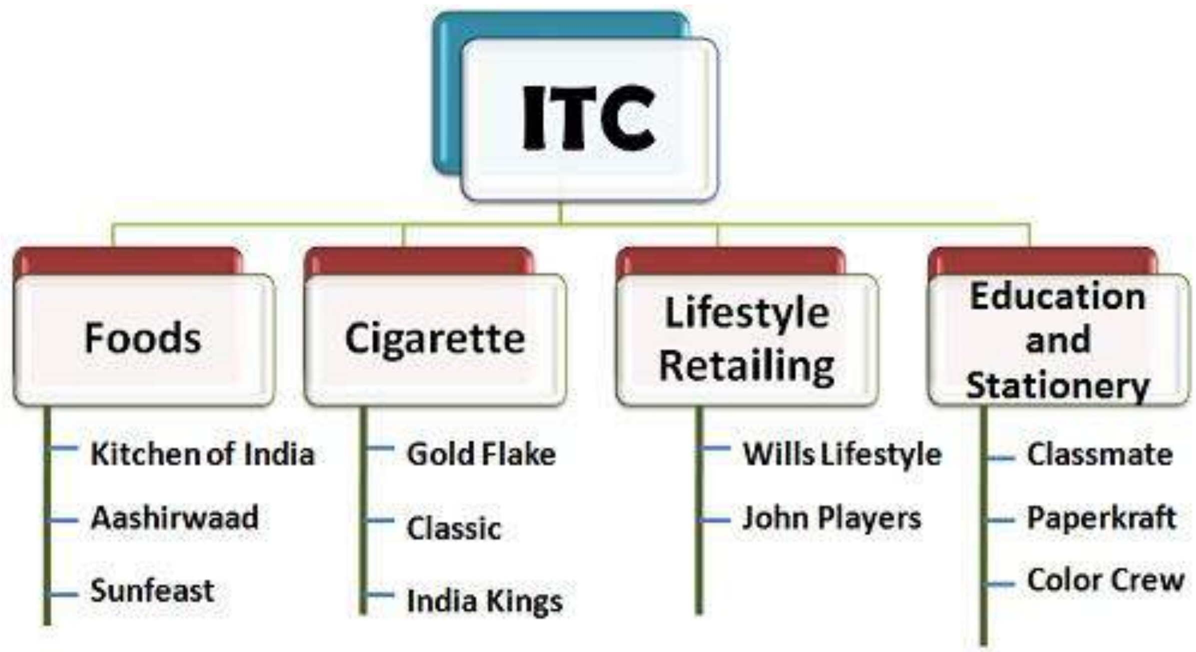
Product Mix – Breadth/ Width

- Width or breath is the company's product mix that means the total number of product lines that a company offers to sell.
- In the example below, there are 4 product lines that show the width of the ITC.
- In a cosmetic company manufactures four different types of products – jewellery, cosmetics, fashion and household items. Its product mix width is 4.



Product Mix- Length

- The Length of a Product mix refers to the number of items in the product mix.
- If a company has 4 product lines, and 10 products within the product line, than the length of the product mix is 40.
- In the example below the length is 11. As in the foods line, the number of items is 3, in cigarettes is 3 and so on. On adding all the items, we get the length of a product.



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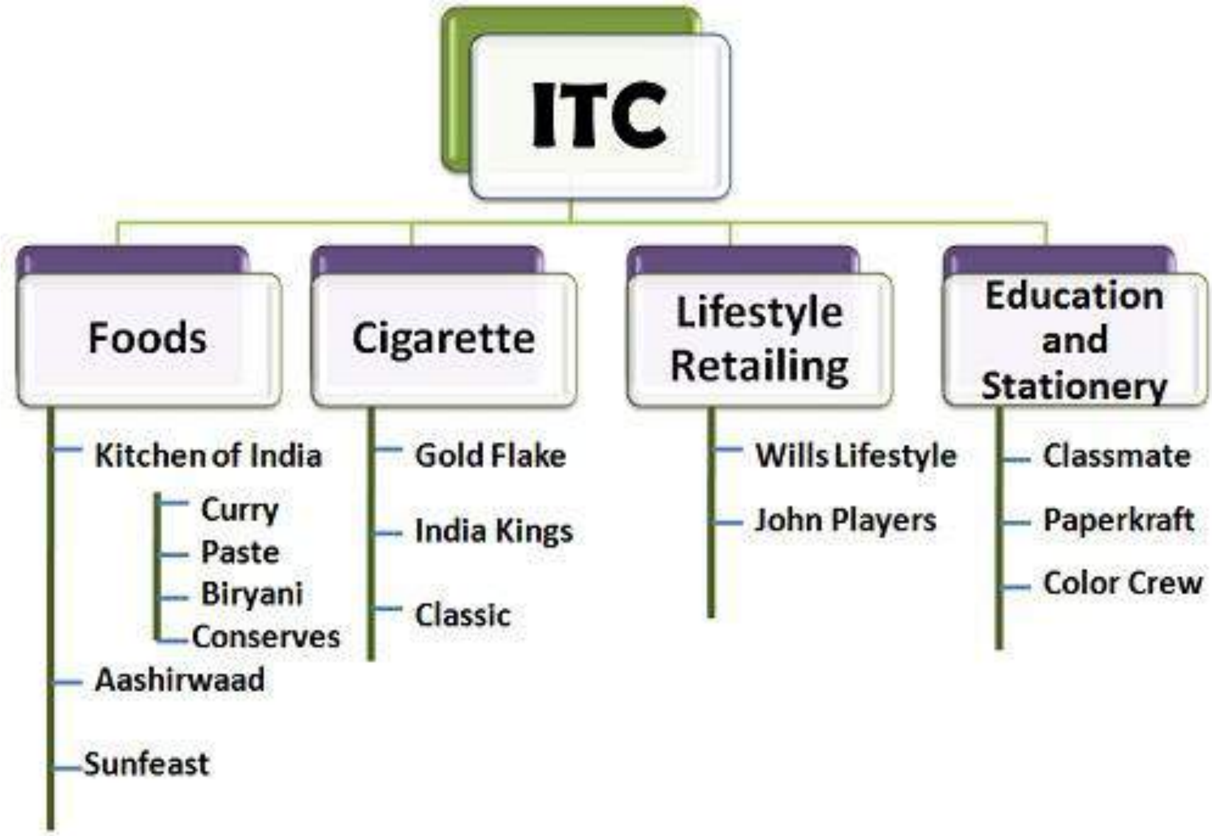
Product Mix- Depth

- Depth of product mix means the total number of products a company offers within a certain product line.
- If a company has 4 product lines and 10 products in each product line, than the product mix depth is 10.
- In the example below, curry, pastes, biryanis, conserves, etc. shows the depth of the foods product line.



Product Mix- Consistency

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

For Example-

- *Let us take an example of P&G as a company and understand products mix. This will be not be a precise example and all products of P&G might not be taken into consideration. But the example will help you understand products mix within an organization.*
- *Detergents – Arial, Arial oxyblue, Ariel bar, Tide, Tide naturals, Tide bleach, Tide plus.*
  Shampoos – Head and shoulders, Head and shoulders anti dandruff, Pantene, Pantene damage repair, Pantene pro-v
- *In the above example the following can be learned about the products mix of P&G*
  Products mix Length – 12
  Products mix Width – 2
  Products mix Depth – 7 in detergents and 5 in shampoos
  Products mix consistency – High as both are bathroom products.

PRODUCT LINE STRETCHING

Every company's product line covers a certain part of the total possible range. Line stretching occurs when a company lengthens its product line beyond its current range. Decisions pertaining to line stretching are taken whenever the marketer feels he can increase his profits by either adding or dropping items from the line. It can be stretched down market, up-market, or both ways.

Down market Stretch:

- A company positioned in the middle market may want to introduce a lower-priced line for any of three reasons:
  - (i) The company may notice strong growth opportunities as mass-retailers such as Wal-Mart, Best Buy, and others attract a growing number of shoppers who want value-priced goods.
  - (ii) The company may wish to tie up lower end competitors who might otherwise try to move up market. If a low end competitor has attacked the company it often decides to counter attack by entering the low end of the market.
  - (iii) The company may find that the middle market is stagnating or declining. A company faces a number of naming choices in deciding to move down market. Sony, for example, fated three choices.

Up-market Stretch:

- It occurs when a company enters the upper end through a line extension or companies may wish to enter the high end of the market for more growth, higher margins, or simply to position themselves as full-line manufacturers.
- Many markets have initiated surprising upscale segments: Starbucks in coffee, Haagen Dazs in ice cream, and Evian in bottled water.
- The leading Japanese auto companies have each introduced an upscale automobile: Toyota's Lexus; Nissan's Infinity; and Honda's Acura. Note that they invented entirely new names rather than using or including their own names.

Two-way stretch:

- Companies serving the middle market might decide to stretch their line in both directions. Texas Instruments 14 (TI) introduced its first calculators in the medium-price-medium-quality end of the market.
- Gradually, it added calculators at the lower end, taking market share away from Bowmar, and at the higher end to compete with Hewlett-Packard.

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- This two-way stretch won TI early market leadership in the hand calculator market. The Marriott Hotel group also has performed a two-way stretch of its hotel product line.
- Marriott International develops lodging brands in the most profitable segments in the industry. In order to determine where these opportunities lie, Marriott conducts extensive consumer research to uncover distinct consumer targets and develop products targeted to those needs in the most profitable areas.
- Examples of this are the development of the JW Marriott line in the upper upscale segment, Courtyard by Marriott in the upper mid-scale segment and Fairfield Inn in the lower mid-scale segment. By basing the development of these brands on distinct consumer targets with unique needs, Marriott is able to ensure against overlap between brands.

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NEW PRODUCT DEVELOPMENT

The concept of new product-The term “new "is used in a relative sense. A product may be new to the company but not new to the customers or the product may be new to customers but not new to the company. It may be

(a) New to the world

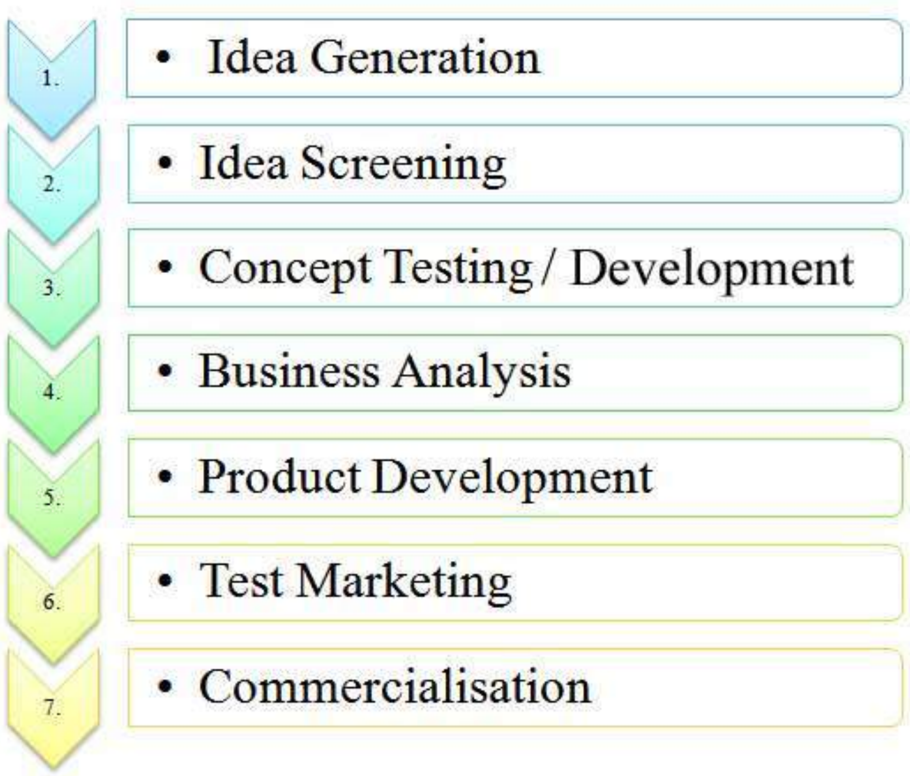
(b) New product lines

(c) New additions to the existing product lines

(d) Improvements or revision to existing products

(e) Repositioning

- New product development is the process of finding ideas for new goods and services and converting them into commercially successful products.
- It is a 7 step process which starts with generation of new idea and pass through screening, concept development and testing, business analysis, product development, test marketing and reach at commercialization.



Step-1 IDEA GENERATION

- Any new product has to start as the germ of an idea. Companies, therefore, require continuous flow of ideas from which it can select the best possible idea for converting it into a new product.
- Idea generation sources are

- Changing customers" needs and trends
- Competitors
- R and D
- Foreign markets and media
- Employees
- Trade channel
- Top management

- The most common source of ideas for new products lies within the company itself.
- A survey revealed that 60% of industrial and 46% of consumer new product ideas came from the research staff, engineers, sales people, marketing research personnel, and executives of the firm. Another 26% of industrial new product ideas and 30% of consumer new product ideas came from users.

Research and development-

R&D is the obvious source of new product ideas. After all, that is what an organisation's R&D staff is paid to do. In some organisations, the R&D department can be given a very tight brief, "Develop something that conforms to these specifications", and in others, they can be given freedom, "Do what you want, as long as you deliver something we consider commercially viable". The first approach has the advantage of making sure that R&D activity and expenditure are controlled, since it is problem or project driven and has defined aims and objectives. The second approach, however, allows R&D scientists full creative scope to do what they are good at, and it does throw up products that otherwise would never have been conceived.

Competitors-

Looking at the competitor's products and their marketing strategies may also give a company an idea for new product. Rather than create an innovation, a firm may find it expedient to imitate competitive offerings. In a survey, 27% of industrial new product ideas and 38% of consumer ideas came from the analysis of competitors. Actually, adapting an existing product created elsewhere is less expensive and time consuming than creating an innovation.

Customers-

The organisation is in business to serve the customer's needs and wants. Monitoring changing consumer attitudes and feelings about products and markets, and their usage patterns provide fertile ground for new ideas. Another important source of customer opinion is through analysis of complaints. This too can reveal inadequacies in the organisation's current provision and provide a basis for ideas.

Step-2 IDEA SCREENING

- The objective of screening is to separate ideas for new products with potential. It involves critically appraising the ideas generated in terms of market opportunity, profit potential, appeal to the consumers market. It should check the

- **Drop error**- It means that when a company drop a good idea, if a company dismiss many drop errors it standards are too conservative.

- **Go error**- It occurs when company allow a poor idea to move in development and commercialization.

- In this stage, a preliminary scan of ideas is conducted, in order to eliminate those that are unlikely to prove appropriate or successful. This means undertaking an assessment of an idea's potential, using information that is already available within the organisation. If nobody seems prepared to make out a case for the idea, there is little point in investing in more serious and costly external research and testing. It is better to drop bad ideas, after a fair hearing, as soon as possible, to allow concentration on better ideas.
- The screening purpose is to drop poor ideas, as soon it is possible.

Step-3 CONCEP DEVELOPMENT AND TESTING

- Once an idea has been accepted in principle at the internal screening stage, it needs to have some external endorsement. This is the third stage of new product development process, called concept development and testing.
- Customers buy concepts not just the tangible product. A product concept is an elaborated version of idea expressed in meaningful consumer terms. A product idea may be turned into several product concepts.
- As is clear from the above discussion that concept testing involves presenting the product concept to appropriate target consumers and getting their reactions. The concepts can be presented symbolically or physically. However, the more the tested concepts resemble the final product or experience, the more dependable the concept testing is.
- CONCEPT TESTING- It determines customer attitudes before product development.

Step-4 BUSINESS ANALYSIS

- After management develops the product concept and marketing strategy, it can evaluate the proposal's business attractiveness. Management needs to prepare sales, costs, and profit projections to determine business objectives.
- Business analysis involves the detailed review and projection of relevant market factors, revenues, costs and trends for a proposed new product
    a. Estimation of demand in the target market at different price level
    b. Forecasting sales based on demand estimation and competitive analysis
    c. Estimate the cost of serving the market segment
    d. Calculate the break even.

Step-5 PRODUCT DEVELOPMENT

- The product ideas now move from concept and design boards to R&D and manufacturing for physical development. After developing the product it should go through rigorous functional and consumer tests laboratory and field conditions.
- This stage is also called large jump investment.

Step-6 TEST MARKETING

- Test marketing is the stage at which the product and marketing programs are introduced into more realistic market setting. Test marketing involves placing a fully developed new product for sale in one or more selected areas and observing its actual performance under a proposed marketing plan. The test marketing process requires the decision relating to
  a. When-speed, timing
  b. Where-how many cities, which city
  c. How long-lead time over competitors
  d. What information-sales, consumer traits
  e. How to apply results-Product modification

Company usually select three ways for using test marketing

- **Standard Marketing.** A company finds a small number of representative test cities and conduct marketing campaign and uses different ways (consumers & distributors surveys etc.) to find the performance of new product.

- **Controlled Marketing.** Under this method a research firm manages a panel of stores that will carry new products for fee. The research firm deliver the product to specific stores and controls shelf position. Sales result can be measured through electronic scanner at checkout.

- **Simulated Cost Marketing.** In this marketing a research firm shows ads and promotion form a variety of products including new product promotion. Company gives some amount to customers and invites them at selected stores. The researchers observe how many consumers buy new product. Then they ask the reason of buy or not new product. The company keeps in touch with customers through phone and other resources and asks them about the use and qualities of new product.

Step-7 COMMERCIALIZATION

- At this stage, the company takes the decision to go in for large scale manufacturing and marketing of the product. It gets to this stage only when all the previous steps provide favorable signals.
- At this stage the company fully commits itself to commercialize the new product with the required investment in manufacturing and marketing.
- **Timing.** To launch a new product market entry time is very important. If another company is near to launch the product, company has three choices:
  - First enter his product
  - Parallel entry of the product
  - Late entry of the product.
- **Where (Geographic Strategy).** The company must decide to launch a new product in a single locality, a region, in a nation or launched it internationally.
- **To whom (Target Market Prospect).** Within the rollout markets, the company must target its initial distribution and promotion to the best prospects.
- **How (Introduce Market Strength).** The company should develop an action plan for introduction the new product into the rollout markets.

Booz, Allen and Hamilton have identified six categories of new product in the terms of their newness to the company and to the market place.

I. New to the world – New products that create an entirely new product.
II. New product lines – New Product that allows a company to enter an established market for the first time.
III. Additions to the existing product lines – New products that supplement a company’s established product line.
IV. Improvements in revision to existing product – New products that provide improved performance or greater perceived value and replace existing product.
V. Repositioning – Existing products that are targeted to new markets or market segmentation.
VI. Costs reductions – New product that provides similar performance at lower costs.

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STAGES IN PLC

- Like peoples Products have life cycles. The product life cycle is broken into four stages: introduction, growth, maturity, and decline.
- This concept is used by management and by marketing professionals as a factor in deciding when it is appropriate to increase advertising, reduce prices, expand to new markets, or redesign packaging.

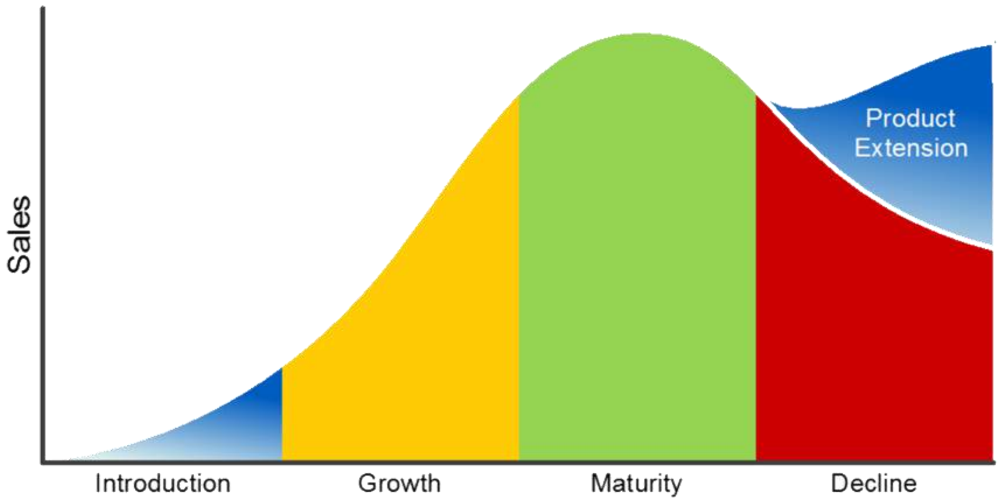
The PLC is normally presented as a sales curve spanning the product's course from introduction to exit. The stages are;

(a) Introduction

(b) Growth

(c) Maturity

(d) Decline



INTRODUCTION PHASE

- The stage is characterized by slow sales growth and negligible profit because of heavy expenses of product introduction and marketing
- Costs-High cost per customer
- Industry sales – low sales
- Competition- none or few
- Profit- negative
- Customers- Innovators

- **Robert Buzzell** identified several causes for the slow growth: delays in the expansion of production capacity; technical problems, delays in obtaining adequate distribution through retail outlets; and customer reluctance.
- Profits are negative or low in the stage. Promotional expenditures are at their highest ratio to sales because of the need to
  (i) Inform potential consumers, (ii) induce product trial, and (iii) secure distribution in retail outlets. Firms focus on those buyers who are the ready to buy, usually higher-income groups. Prices tend to be high because costs are high.

Marketing Objectives: - create product awareness and trial

STRATEGIES

- Product-Offer a basic product
- Price-Use cost plus price
- Distribution-Build selective distribution
- Advertising-Build awareness
- Sales promotion-Use heavy sales promotion to entice trial.

GROWTH PHASE

A period of rapid market acceptance and substantial profit improvement.

Characteristics

- Sales-Rapidly rising sales
- Costs-Average cost per customer
- Profits-Rising profits
- Customers-Early adopters
- Competitors-Growing numbers

Marketing objectives- Maximum market share

STRATEGIES

- Product-Offer product extension, service, warranty
- Price-Price to penetrate market
- Distribution-Build intensive distribution
- Advertising-Build awareness and interest in the mass market
- Sales promotion-Reduce to take advantage of heavy consumer demand.

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- The growth stage is marked by a rapid climb in sales. Early adopters like the product, and additional consumers start buying it.
- New competitors enter, attracted by the opportunities. They introduce new product features and expand distribution. Prices remain where they are or, fall slightly, depending on how fast demand increases.
- Companies maintain their promotional expenditures at the same or at a slightly increased level to meet competition and to continue to educate the market. Sales rise much faster than promotional expenditures, causing a welcome decline in the promotion-sales ratio.
- Profits increase during this stage.

MATURITY PHASE

A period of a slowdown in sales growth because the product has achieved acceptance by most potential buyers. Profits stabilize or decline because of increased competition.

Characteristics

Sales---------------- Peak Sales

Costs-------------- Low cost per customer

Profits---------------- High Profits

Customers--------- Middle majority

Competitors---------- Stable number beginning to decline

STRATEGIES

Product------------ Diversify brand

Price---------------- Price to match best competitors

Distribution--------- More intensive

Advertising ---------- Stress brand differences

Sales promotion---- Increase to encourage brand switching

- This stage normally lasts longer than the previous stages, and poses formidable challenges to the planners. Most products are in the maturity stage of the life cycle, and most marketing managers cope with the problem of marketing the mature product.

- **The maturity stage divides into three phases: growth, stable, and decaying maturity.**
- **In the first phase**, the sales growth rate starts to decline. There are no new distribution channels to fill.
- **In the second phase**, sales flatten on a per capita basis because of market saturation. Most potential consumers have tried the product, and future sales are governed by population growth and replacement demand.
- **In the third phase**, decaying maturity, the absolute level of sales starts to decline, and customers begin switching to other products.

DECLINE PHASE

The period when sales show a downward drift and profits erode. The PLC is influenced by the following factors.

a) The intrinsic nature of the product itself.

b) Changes in the macro environment.

c) Changes in consumer preferences, which are affected by macro and microenvironment.

d) Competitive action.

- Sales decline for a number of reasons, including technological advances, shifts in consumer tastes, and increased domestic and foreign competition.
- All lead to overcapacity, increased price-cutting, and profit erosion.
- The decline might be slow, or rapid. Sales may plunge to zero, or they may petrify at a low level. As sales and profits decline, some firms withdraw from the market.
- Kathryn Harrigan identified five decline strategies available to the firm:
  - (i) Increasing the firm's investment (to dominate the market or strengthen its competitive position).
  - (ii) Maintaining the firm's investment level until the uncertainties about the industry are resolved.

Decreasing the firm's investment level selectively, by dropping unprofitable customer groups, while simultaneously strengthening the firm's investment in lucrative niches.

(iv) Harvesting ("milking") the firm's investment to recover cash quickly. (v) Divesting the business quickly by disposing of its assets as advantageously as possible.

Characteristics	Introduction	Growth	Maturity	Decline
Sales	Low sales	Rapidly rising sales	Peak sales	Declining sales
Cost	High cost per customer	Average cost per customer	Low cost per customer	Low cost per customer
Profits	Negative	Rising profits	High profits	Declining profits
Customers	Innovators	Early adopters	Middle majority	Laggards
Competitors	Few	Growing number	Stable number beginning to decline	Declining number
Marketing objectives	Create product awareness and trial	Maximize market share	Maximize profit while defending market share	Reduce expenditure and milk the brand
Product	Offer a basic product	Offer product extensions, service, warranty	Diversify brands and items models	Phase out weak
Price	Charge cost-plus	Price to penetrate market	Price to match or best competitors	Cut price
Distribution	Build selective distribution	Build intensive distribution	Build more intensive distribution	Go selective: phase out unprofitable outlets
Advertising	Building product awareness among early adopters and dealers	Build awareness and interest in the mass market	Stress brand differences and benefits	Reduce to level needed to retain hard core loyals

FAST MOVING CONSUMER DURABLES

- Consumer Durables are mass market heavy goods like machines, televisions, furniture etc. These are expected to last 3 or more years.

The consumer durable product categories are:

- Consumer Electronics which are also known as Brown Goods.
- Consumer Appliances which are also known as White Goods.
- Consumer Electronics are products like Television, computer, Audio-video systems, Digital camera and electronic accessories.
- Consumer Appliances are products like Refrigerators, Washing Machine, Microwave oven, Ac and other household appliances.

FAST MOVING CONSUMER GOODS

- Fast-moving consumer goods (FMCG), also called consumer packaged goods (CPG), refer to products that are highly in-demand, sold quickly, and affordable.
- Such items are considered "fast-moving" as they are quick to leave the shelves of a store or supermarket because consumers use them on a regular basis.
- Fast-moving consumer goods include packaged food, toiletries, beverages, stationery, over-the-counter medicines, cleaning and laundry products, plastic goods, personal care goods
- FMCG sector can be classified into 3 categories

  I. Home Care
  II. Personal care
  III. Food and Beverages

  Home Care- These are things you use at your home like detergents, Mosquito coils.

  Personal care- These are things for personal use like soap, Hairoil, shampoo.

  Food and Beverages- These are things like chips, soft drinks.

Top Ten Players in FMCG Sector

1. Hindustan Unilever Ltd. 2. ITC 3. Nestle India 4. GCMMF(AMUL)

Institute of Management & Information Technology, Cuttack

MBA

4th Semester

Product and Brand Management

(18 MBA 402A)

MODULE- II

BRAND CONCEPT

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BRAND

CHAPTER- 1

BRAND

A Brand is defined as a name, term, symbol, design, or a combination of them, which is intended to identify the goods and services of one seller and to differentiate them from those competitors.

Characteristics of Strong, Successful Brands

- The brand drives shareholder value.
- It is a fully integrated part of the organization as a whole, aligned around multiple touch points.
- It can be bought and sold as an asset.
- Brands do not exist on the packages of products, they exists in the consumer's mind. They will exist only as long as the consumers want them, and find them useful.

Categorisation of Brands

Categorisation of Brands based on the type of value they offer

Based on this Brands can be categorized into 3 types:

1) Functional Brands
2) Image Brands
3) Experience Brands

Functional Brands:

- These brands emphasizes the functional value of their offers.
- The functional brands offer to do a good job, and serve the basic function for which they are bought.
- The Nano car offers to do only this- a four wheeler transportation for a lower middle class family. It is also made affordable to them.
- Maruti 800 is conceived as a functional brand. Its strong points are its ability to give very good mileage.
- Nirma and sunlight both are functional brands. Both offer good washing.

Image Brands:

- Image brands, as the very name implies, offer image value to user.
- In building image brands, marketing communications, especially advertising has a major role to play.

Parker fountain pen offers a particular image: you are in the group of people like Amitabh Bachhan, who is shown using Parker. Parker does not talk about its smooth writing or durability, it may possess all these features, but what is projected is the image it will confer on the user.

Another example of Image Brand is Coca- Cola and Pepsi too. These brands are projected as the favourite drinks of famous young sports stars and film stars. So users of these brands can feel elated that they share certain commonalities with their heroes.

Experience Brands:

- Experience brands emphasise the unique experience the user gets by interacting with the brand.
- Delivery of a personal experience is the brand promise.

Kingfisher Airlines is trying to become an experience brand. The Airline doesn't talk about its frequent flight schedules, or competitive prices, or the kind of celebrities who use its flight. Instead Kingfisher says: Fly our airline and enjoy a 5 star experience in the skies!

On the basis of Ownership

Middleman's Brand Name

- Some of the producers sell their products to middleman, wholesalers and retailers without branding. Wholesalers or Retailers sell such products giving seal of own brand name. This is called middleman's brand.

Manufacturer's Brand

- If the manufacturing firm itself gives brand name to its product. It is called manufacturer's brand. Ownership of such brand lies with manufacturer.

On the basis of Market area

Local Brand

- If supply of product is limited to local level, and the brand is only in local area. Such brand is called Local brand.
- This type of brand is also known as Regional brand.

National Brand

- This products which are sold or supplied to all over the nation with only one named seal, this is called national brand.

On the basis of number of Products

Individual Brand

- In this category each product company is given an independent brand name. HUL gives separate brand names to most of its products.
- HUL has gone for individual brands in most cases: - In its bathing soap line, HUL has several individual brand names like Dove, Lux, Pears, Lifebuoy, Liril, and Hamam.
- In detergents it has Surf, Rin, and wheel.

Family Brand

- In this category products of the company are marketed under one brand name. It becomes a case of family branding.
- Amul is a family brand. It has milk powder, ghee, and milk chocolates.

Key elements of Brand

1) Brand Name

- The first and foremost, it is very essential to have a name of the brand that goes with the nature of the business, aims and objectives of the company, features, and attributes of the products and services offered and should convey the true spirit of the brand.
- It is very important for the management and the branding department to christen the name of the brand that is quite distinctive, unique, catchy, and enticing but should not be ambiguous at the same time. It should not be similar to the ones of the competitor brands to avoid the copyright and plagiarism issues.

2) Tagline

- With the brand name comes the tagline working as the second most crucial element of the Brand Concept. The tagline is basically the slogan of the brand within the fulcrum of two to five words that convey the brand attributes and features in a short and crisp fashion.
- For example, the tagline of Nike that is one of the biggest and renowned sports brands is 'Just Do It' complementing the nature of its products i.e., sportswear along with the target audience that are sports personalities and fitness enthusiasts.

3) Creative Elements

- The creative elements of the brand include the logo, mascot, typography, fonts, and color palette. All of them in a combination should be designed in an aesthetic and creative way signifying the nature of the business and characteristics and strengths of the brand and its offerings.
- For example, taking the discussion of the Nike brand forward, the logo of the sportswear brand has the mascot of a right forward tick or a check sign in a curved manner signifying that the products of the brand are the best for the athletes and the sports personalities plus the creative elements depict the youthfulness and vibrancy.

4) Language

- The element of language is quite important for the Brand Concept as the brand should have a specific tonality and play of words depending on its objectives and types of products and services offered.
- The tone of brand language can range from sincerity, authoritative, helpful, or customer centric.

5) Messages

- The Brand Concept should encompass the important and crucial messages and information that the brand wishes to convey to its stakeholders that include employees, customers, vendors, sponsors, and investors.
- The messaging statements of the brand comprise of the mission statement, vision statement, and corporate guidelines.

6) Logo

- A logo is a symbol that makes communication more easy and user friendly and thus aids recall.
- Logo or the brand mark/ symbol too is an integral part of the product.
- For example:- The Amul Girl, the Air India Maharajah, Asian Paints Gattu and ONIDA devil.

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BRANDING

CHAPTER- 2

Branding

- **Branding** is a process which involves creating a unique name, design, symbol or an image which differentiate and identify of a product from others product.

  David Aaker, an authority on brand management says that "branding is ultimately about the creation of meaning".

- The purpose of branding is to differentiate your cow from other cattle on the farm. The reality is that cattle on the ranch do look almost like clones. "A successful branding programme is based on the concept of singularity. It creates in the mind of the prospect the perception that there is no product on the market quite like your product".
- Branding can be defined as the process involved in creating a specific and unique identity, name, and an image of the company or the product in the market and in the minds of the consumers through the various marketing, advertising, and promotional campaigns having a consistent theme and a message.
- The main objective of branding is to establish a significant and a distinguished presence in the market and the industry as a whole that attracts loyal customers and retains them.

Benefits of Branding

1. Competitive Advantage

- When the branding is done right by the management and the marketing department of the company taking care of the detailed and intricate factors such as what is the brand positioning and brand strength of the competitors in the market, what are their unique selling propositions, frequency of their branding, marketing, and promotional activities, and the tastes and preferences of the target market along with various other related studies and research; the rational and authentic branding plan and map is designed and executed that gives a competitive advantage to the company.

2. Customer Recognition

- The concept of branding involves participation in the various promotional events, exhibitions, trade shows, and various other occasions that work for the benefit of the brand and the company.
- Plus the other marketing activities such as hoardings and signage's displays, radio advertisements, print advertisements, and television commercial amongst others with a 360 degree marketing approach culminates a recall factor in the minds of the consumers with the constant and consistent messaging resulting in the fact that the consumer recognizes the brand after looking at the logo, tagline, brand colors, and other such creative elements that represent the brand and its offerings.

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3. Customer Loyalty

- The thumb rule of marketing says that the branding activities have to be consistent in nature and the process to mark and develop a market presence for the company and stay ahead of the competition.
- Once the brand and its elements gets registered in the minds of the consumer and he or she indulges into the repeat purchases and endorses the brand to his or her friends and family and plus experiences the excellent levels of customer service and witnesses the brand ruling the market with the marketing and promotional activities, there is an elevated level of loyalty and affinity developed in his or her mind.

4. Easy to introduce the new line of products

- When the brand is successful in capturing one specific market and its target audience through its branding and marketing techniques developing a name and fame in the industry with the competitive edge, it is easier for the company to launch the new line products in the same as well as the new and untapped markets as there a certain level of confidence and agility to the brand as it has now carved a niche in the industry.

5. Higher sales and profit margins

- As mentioned earlier, that branding is a continuous and consistent process as it is necessary to be present in the customer's sight as well mind and with the targeted activities and promotional tools.
- The consumers are well aware of the brand, its fundamentals, values, strengths, and the USP's that has a direct result on the consumers buying the products and services of the brand on the repeat mode thereby attaining the higher amount of sales and profit margins.

Different Types of Branding

1. Product Branding

- The concept of product branding is quite different from the corporate branding as here the main aim of the company is to promote the newly launched product in the market in the minds of the consumers creating an emotional connection so that the weekly, monthly, quarterly, and yearly sales targets are accomplished.
- The company indulges into the various marketing activities such as advertisements in the television, newspapers, magazines, periodicals, social media, hoardings, signage's, and host of other above the line and below the line campaigns are undertaken to create awareness in the market.
- Various FMCG and retail companies take the route of product branding to promote their products that are fast moving and have a limited shelf life.

2. Corporate Branding

- The concept of corporate branding can be described as when the company is new in the industry and wants to promote itself as a corporate firm with its values, objectives, fundamentals, business ethos, and objectives to curate a distinctive identity in the market and an industry as a whole.
- It has a direct benefit to the sales of the products and services offered by the company as once the objectives of corporate branding are established, the consumers will definitely wish to try out the offerings by the company.
- For the successful corporate branding, sponsoring various events related to the brand, social media promotions, and PR exercises are a must for the company. The concept is also applicable to the established companies as well that want to rebrand themselves in the market due to the changing business dynamics, evolving tastes of the consumers, and the growing competition.

3. Personal Branding

- The concept of personal branding is usually opted and followed by the politicians, movie stars, sportsmen, socialites, and any person who has and enjoys a celebrity status in the market.
- Right from the presence on the social media channels such as Facebook, Instagram, Linked In, Twitter, and others along with the right measures by the PR firms is quite necessary to create a successful personal branding.
- Once the celebrity is successful with his or her personal branding, he or she gets signed up as a brand ambassador for the various successful brands representing their company, products, and services.

4. Cultural Branding

- The theory of cultural branding is done by the travel and tourism companies when a specific culture of any city, region, or a country is to be promoted to the target market and the target audience. Similar is the case of the geographic branding, where a specific country, city, or region is marketed and promoted.

5. Co-branding

Co-branding is the case when there is a usage of two or more brands on one specific product with an objective to design a high quality and high-performance product.

Steps of Brand Building Process

1) Define the target audience:

- It is very important for the brand to figure out and define the target audience to whom it will cater and sell its products and services. Also, the nature of the offerings is determined or tweaked as per the taste and choices of the target market and audience.
- The brand building is should help you identify the problems faced by the target audience and meet their needs and requirements.

2) Work on the brand mission:

- The company's management, promoters, and other integral members of the team need to sit together, work, and arrive on the brand building mission statement defining on where they want to make the brand reach from the current standpoint and considering the long and short-term business aims and objectives.
- Upon the arrival of the brand's mission statement, the company needs to embrace it across all the channels and make the overall market and customers aware of the same through the promotional tools and tactics.

3) Conduct market research and study:

- Conducting the market research and study is one of the imperative steps to the Brand Building Process as it helps the brand building cynosures enrich their knowledge about the competition in the market, what are their offerings, strengths, values, and the set of customers.
- Plus this step enables to define the key differentiation factors as compared to the competitors and further facilitates to convince the customers on how the brand building is better than others in the market and what value it can provide through its products and services offered.

4) Create value propositions:

- In continuation to the above step of the Brand Building Process, it is necessary to create the value propositions of the brand building goals and its offerings that are unique in nature and are quite distinct from the offerings of the competitors plus the customers need to be enlightened about how the brand building can add value to their lives and work as a beneficial factor.

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5) Work on the brand guidelines:

- The next step involves working on the brand building guidelines that encompasses the crucial elements such as brand building strategy, visual elements, and the tonality of the brand building. The guidelines should complement the nature and objectives of the overall business.

6) Create a brand logo, tagline, and other elements:

- This step of Brand Building Process involves working on the brand architecture entailing working on the logo, tagline, mascot, color palette, fonts, and typography of the brand in tandem to its nature and offerings.
- They should be catchy and enticing, grabbing the instant attention of the customers. The logo, tagline, and other such brand elements should be planned and designed keeping the objective in mind that they will be used and incorporated into every marketing collateral and promotional material.

7) Outline the remarkable qualities and benefits of the brand:

- During the market research and the competitive study, the promoters and *brand building* managers arrive at the conclusion that that there are quite many brands in the market offering the similar line and nature of products and services as their brand building and hence, they need to outline the remarkable qualities, USP's, and the benefits that the brand offers to the customers as compared to its contemporaries gaining a competitive advantage.

8) Formulate the brand's voice:

The further step of the Brand Building Process involves formulating the brand's voice that can be professional, friendly, authoritative, service-oriented, technical, promotional, informative or conservational. It all depends on the objectives of the business, nature of products and services, and the type of target market and audience.

9) Market your brand:

Once the above-mentioned steps of Brand Building Process are accomplished, the management and brand managers need to take active steps to market the brand by participating in various promotional events, sponsoring the events, and integrating the brand in each and every aspect of the customer services, marketing, and all the business facets. The brand needs to stand out from the crowded marketplace and leverage on its USP's, qualities, and crucial distinguishing factors.

10) Be your brand's biggest advocate:

It is important for the management and the brand managers to stay true to the brand building promise and be the biggest advocates of the brand by endorsing it at each and every step. The internal staff and employees can be involved by enriching them about the brand's values and strengths.

As mentioned earlier, the Brand Building Process is an ongoing process and the brand needs to be present in the market amidst the tough competition and the evolving tastes of the customers.

NAMING A BRAND

CHAPTER- 4

BRAND NAMES

Brand names are not just plain words. They help build strong associations in the consumers mind space. So they have to be named correctly.

Different approaches in selecting brand names

Names communicating the functions / attributes of the product

- Most companies select brand names that communicate some key functions of the product.
- For example-
    1. GoodKnight, the mosquito repellant, offers a good night's sleep
    2. Boost is the energy booster drink.
    3. Aquaguard guards water.
    4. Fair& Lovely promises fair and lovely skin.
    5. A paint for wooden furniture was named as Touchwood.

Names communicating a speciality/ halo around the brand

- The name Taj given to the hotel chain of Indian Hotels is an attempt to recapture and reflect the Moghul Splendour.

Use of Acronyms

- Sometimes brand names are acronyms.
- For example-
    1. Amul originated from Anand Milk Union Ltd.
    2. MRF originated from Madras Rubber Factory.
    3. IBM from International Business Machines.

Use of the Company Name

- The temptation to use the company name as a brand name is also strong.
- For example-
    1. Coca Cola
    2. PEPSI
    3. LG
    4. sony

Branding Strategy

Individual Brand Name

- In this category each product company is given an independent brand name. HUL gives separate brand names to most of its products.
- HUL has gone for individual brands in most cases: - In its bathing soap line, HUL has several individual brand names like Dove, Lux, Pears, Lifebuoy, Liril, and Hamam.
- In detergents it has Surf, Rin, and wheel.

Family Brand Name

- In this category products of the company are marketed under one brand name. It becomes a case of family branding.
- Amul is a family brand. It has milk powder, ghee, and milk chocolates.

Company name as Brand Name

- In some cases the company name itself is used as a brand name.
- Some examples those who are using the company name as brand name are LG, VIDEOCON, and Philips.
- Products under Videocon like TVs, Refrigerators, Washing machines and air conditioners go under the Videocon brand.

Umbrella Brand

- Umbrella brand is essentially a substitute for both family brand and corporate brand.
- It only donates that different products are grouped under one brand name.

Middleman's Brand Name

- Some of the producers sell their products to middleman, wholesalers and retailers without branding. Wholesalers or Retailers sell such products giving seal of own brand name. This is called middleman's brand.

Characteristics of a Good Brand Name

A good brand name should possess as many of the following characteristics as possible

1) **It should be distinctive**: The market is filled with over-worked names and over-used symbols. A unique and distinctive symbol is not only easy to remember but also a distinguishing feature. “Northstar” shoes have a distinct name.

2) **It should be suggestive**:

- A well-chosen name or symbol should be suggestive of quality, or may be associated with superiority or a great personality. The name VIP Classic for travelers is suggestive of a superior quality for a distinct class of people.
- Promise is suggestive of an assurance of tooth health.

3) **It should be appropriate**:

- Many products are surrounded by a certain mystique in the minds of the consumers.

4) **It should be easy to remember**:

It should be easy to read, pronounce and spell. Tide, Surf, Gold Spot are examples of such brand names.

5) **It should be adaptable to new products**:

Videocon was a good brand name for TVs and VCRs but when it is extended to refrigerators and washing machines, some of the sales appeal is lost. Hotline was a good name for gas stoves, but definitely not a suitable name for TVs.

6) **It should be register able** under the Indian laws of Trade Marks and Copyrights.

BRAND ASSOCIATION

CHAPTER- 4

Brand Association

Definitions of Brand Association

- **Brand Association** is anything linked in memory to a brand like Slogan, Symbol, and Character.
- According to Aaker (1991), brand associations are the category of a brand's assets and liabilities that include anything ``linked'' in memory to a brand (Aaker, 1991).
- Keller (1998) defines brand associations as informational nodes linked to the brand node in memory that contain the meaning of the brand for consumers.
- Brand Association are the attributes of brand which come into customers mind when the brand is talked about.
- Marketers use brand associations to differentiate, position, and extend brands, to create positive attitudes and feelings toward brands, and to suggest attributes or benefits of purchasing or using a specific brand.
- Consumers use brand associations to help process, organize, and retrieve information in memory and to aid them in making purchase decisions (Aaker, 1991).

***For Example**, Four Seasons Hotel, one of the world's largest luxury hotels is immediately associated with luxury, comfort, and quality of service. It creates a positive brand association in the minds of consumers.*

- *Positive brand associations are good for creating a positive brand equity and is only possible if the product or services offered by the company is desirable and satisfies the needs of the consumer.*

A positive brand association is formed on these bases:

- Quality of the offered products and services.
- Targeted advertisements.
- Celebrity association.
- Customer's relationship with the company and its employees.
- Point of purchase displays.
- Word of mouth marketing.

- Qualitative: Feelings of happiness after having coca cola.
- Quantitative: Less amount of vim liquid to clean utensils.
- Relative: NIRMA does not provide whiteness like RIN.
- Negative: Tata Nano is less preferable in terms of security.
- Positive: Mountain Dew “Dar kea age jeet hai”
- Generic: Every detergent is called surf.

Types of Brand Associations

Mainly there are five types of Brand Associations.

I. Brand 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

II. Brand Association Based on Benefits

- As the name describes it is the benefits of the product or the brand that associates customers with it.
- Cosmetic industry heavily relies on association based on benefits.

III. Brand Association Based on Attitudes

- The brand attitudes are determined by customers after the overall evaluation by them.
- 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.

IV. Brand Association by Interest

- Interest is used as an association factor by many companies for their 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.

V. 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.

BRAND IMAGE

CHAPTER- 5

Brand Image

- Brand image is what its customers (Both existing and potential customers) think about it.
- It consists of the assortment of ideas, beliefs, and impression held by its customers, formed on the basis of their experience with the brand and various other sources.
- The brand image is eventually the mirror through which the company's key values are reflected.

In other words, it tells the way a customer thinks and feel when he/she hear about the brand, brand imaging can't be created in a day. It takes a long time to develop the image of a brand.

It can be built by a promotional campaign or by the direct interaction of customers with the brand. Brand image is an important thing that influences what a customer thinks about it and how he perceives it.

- Brand image is the set of beliefs, real and imaginary shortcomings about the brand developed over a time and held in the consumer's mind.
- Brand image is built using communication media such as advertising, publicity by mouth, packaging, online marketing programs, social media, and other ways of promotions.

For example, Colgate is a brand name known in every Indian household. The brand has been able to create an image that defines trust, hope and belief.

- ***The mindset of customers is set that using*** Colgate ***toothpaste will take care of their teeth and using the product will result in better health and oral care.***

- ***Thus, when in the market, the consumer will mostly buy Colgate, as the brand Colgate has been synonymous with trust.***

Advantages of building a strong brand image

- This image of a brand is ultimately a deciding factor that determines the product sales.

- The perception of a consumer towards a particular brand is in direct relation to the image of the brand.

- Having a strong brand image directly impacts the consumer buying behavior, and hence premium brands as well as top brands have a target of building a strong and positive image of the brand.

- A positive brand image can make the decision process easier, thereby promoting a lot of repeat purchases as well as primary purchases.

- A promising brand image conveys the success of the product and gives results with increased sales and revenues.

- A positive image gives confidence to the customers as they feel that the brand is sincere and clear in its vision to create the best.

- It is possible to build brand image with strong advertisements because of which companies are promoting their products through various famous personalities to enhance their image of brand.

- The main advantage is that a customer is secure in the knowledge that the brand is dependable and will provide him/her maximum benefits.

- The honor of a company is replicated by its brand image and it is this image that a person looks towards at. Hence, brand and its image are very important.

Problems of a good Brand Image

- The brand might fail in the short term itself if the brand image created is negative.

- The product is principally dependent on its brand image and unfavorable or negative image results in the disgrace of the company, and later on bringing the same brand becomes difficult.

- The main disadvantage of a brand image is that the brand and its products will always be identified with the image until further changes in the brand image are impelled.

- If in any circumstances the image is compromised, then sales and revenues will also be hampered and therefore it is necessary to gather a right team that will create and regularly maintain the brand image of a product.

BRAND IDENTITY	BRAND IMAGE
The Brand identity is a way that a company wants it to be perceived in the market by its consumers.	The Brand image is a way that consumers perceive the company and their perception about it.
The Brand identity is active in nature which means it is in your hand to establish it.	The Brand Image is passive in nature which means it is totally out of your control to establish it.
The Brand identity includes elements of a brand such as its logo, slogan, style, tagline, and tone, etc.	The Brand image includes both brand elements and brand association with its customers.
The Brand identify is known as the reality of a brand.	The Brand image is known as the perception of its existing and potential customers about it.
The Brand identity of a brand heavily depends on how a it is represented by the company.	The Brand image of a brand hugely depends on what kind of experiences customers had with the brand.
The focus of the brand identity is to look back.	The focus of the brand image is to look ahead.
The Brand identity represents the desire of the company.	The Brand image represents the views of others about the brand.
The Brand identity is enduring.	The Brand image is superficial.
The Brand identity represents the promises made by the company to its consumers.	The Brand image is the perception of customers about the brand after experiencing it.

BRAND RELATIONSHIP

CHAPTER- 6

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Brand Relationship

- A consumer brand relationship also known as a brand relationship, is the relationship that consumers, think, feel, and have with a brand.
- Brand relationship is the interactions between a brand and a customer.
- It reflect similar characteristics of relationships between people, such as love, connection, interdependence, intimacy, and commitment.

Different concepts of brand relationship

- Brand attachment: it is define as "the emotional connection between humans and brands."
- Thus, just as people can be attached to a person, they can also by and for a host of reasons become attached to a brand.
- Three elements into the forming of a brand attachment are: ¬
  1. Affection: (They got me with their names.)
  2. Connection: (with their sustainable practices)
  3. Passion: (for my favourite flavours)

Brand Community

- A brand community is a community formed on the basis of 9 attachments to a product.
- Recent developments in marketing and in research in consumer behaviour result in stressing the connection between brand, individual identity and culture.

HOW TO CREATE BRAND RELATIONSHIP

- Step 1 Differentiation finding the one who stands out among the rest
- Step 2 Relevance determining if there's a connection
- Step 3 Delivering on the promise making a commitment based on the strength of the connection
- Step 4 Energy investing effort in the relationship to maintain an upward trajectory
- Step 5 Loyalty finding a long-term bond

BRAND IDENTITY

CHAPTER- 7

Brand Identity

- Brand identity is what makes a company instantly recognizable to the eyes of target customers.
- The Brand identity is a way that a company wants it to be perceived in the market by its consumers.
- A brand has an identity when it is driven by a goal different from competing brands and is resistant to changes.

A strong brand identity can be built when you have answers to these questions

- What is the brand's unique aim?
- What is the brand's distinguishing feature?
- What need is satisfied by the brand?
- What are brand's values?
- What is the brand's field of competence?
- What is making the brand recognizable?

➢ It specifies that a brand has a goal that is different from the goals of other parallel brands in the same market segment and it has resistance to change. It is defined clearly and does not change over time.

➢ Brand identity is fixed in nature being tied to the fixed parameters such as brand's vision, objective, field of competence, and overall brand charter.

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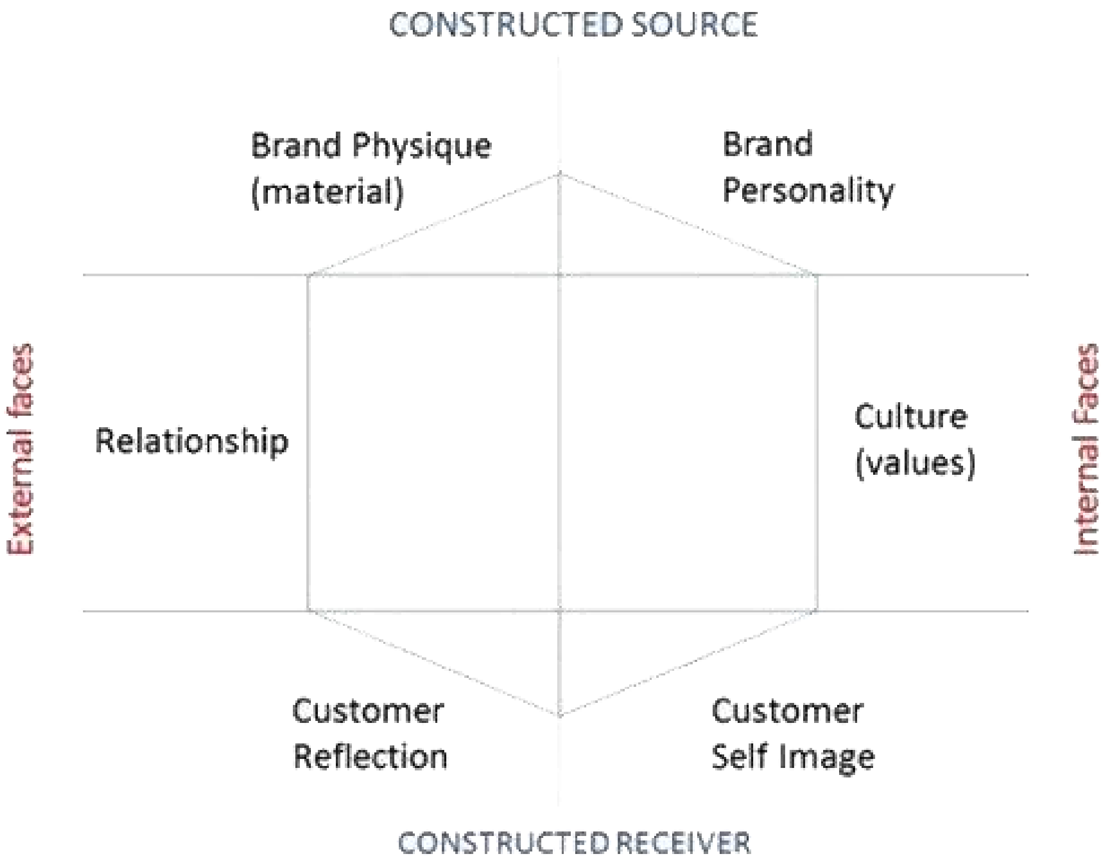
KAPFERER'S BRAND PRISM

Six Faces of Brand Identity

Brand identity can be represented by six faces of a hexagon or a prism as shown below

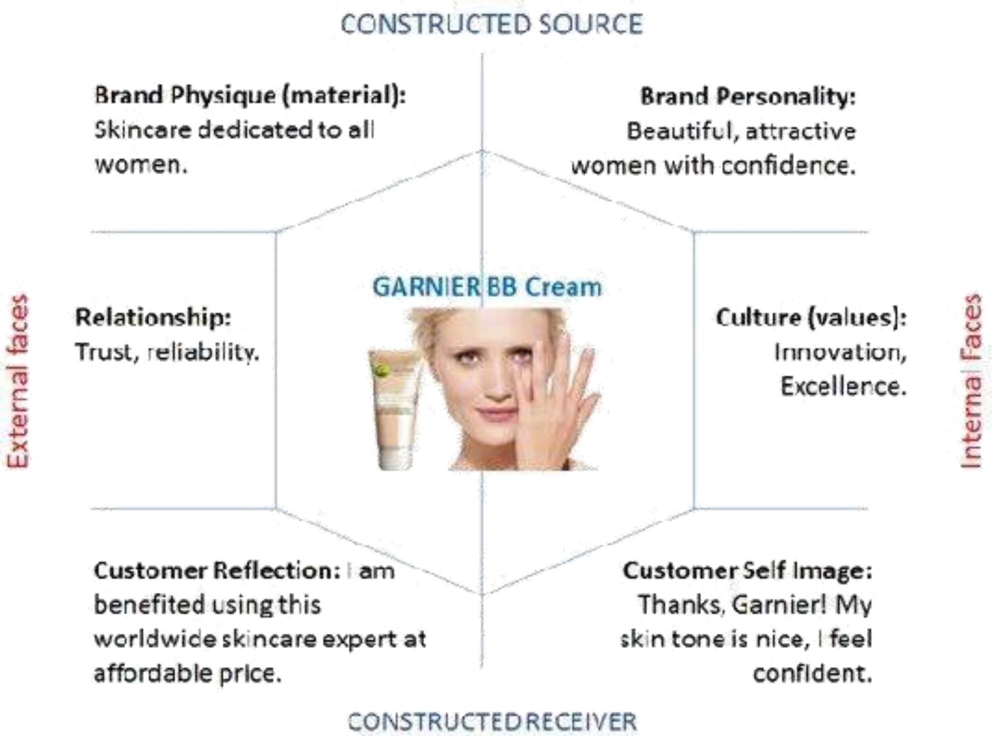


- **Brand Physique**
  - It is the tangible and physical added value, as well as the backbone of a brand.
  - It considers physical aspect of brand: How does it look, what does it do, the flagship product of the brand, which represents its qualities.
  - For example, the dark color of Coke and colorless Sprite.
- **Brand Personality**
  - If a brand were a person, what kind of person it would be? Would it be sincere (TATA Salt), exciting (Perk), rugged (Woodland), sophisticated (Mercedes), elite (Versace)? The brand has personality which speaks for its products and services.

- When a famous character, spokesperson, or a figurehead is used for branding, it gives the brand an instant personality.

- **Culture**
  - It is the set of values that governs and inspires the brand. Countries of origin, presence of brand over geographically diverse regions, changing society, etc., play an important role in building a brand's culture.
- **Customer Self-Image**
  - It is what the brand is able to create in the customer's mind and how the customers perceive about themselves after purchasing the product of a brand.
- **Customer Reflection**
  - It is the perception of a customer about the brand after using the brand. For example, "The Thunderbird I purchased is value for price. It is giving me pleasure of leisure riding. Thanks to Royale Enfield."
- **Relationship**
  - Brands communicate, interact, transact with the consumer. It is the mode of conduct that defines the brand. This factor is vital for service brands. For example, banking where the cordial relationship develops faith in the customers when it comes to handling their money with respect.

Let us consider the example of brand identity prism for Garnier's BB cream



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➢ Why Brand Identity is important?

Every brand in the market has an identity of its own depending on its offerings and the way of dealing with the customers, employees, vendors, and stakeholders. The main catch lies in the fact that having a good Brand Identity can work wonders for the business making it stand out from the competition.

1) Stability

It is always the survival of the fittest in the market facing the ever growing competition and the evolving tastes of the customers. Having a good Brand Identity showcases that the brand is stable in nature and is constantly progressing with the cyclic nature of the market and is continuously innovating its techniques and measures offering the best of products and services to its consumers

2) Tap new markets

Having a strong identity and ground in one market automatically gives the confidence to the brand and the company management to tap new markets by fathering the reach to the untapped locations and the new target market with the objective to establish the brand presence and identity.

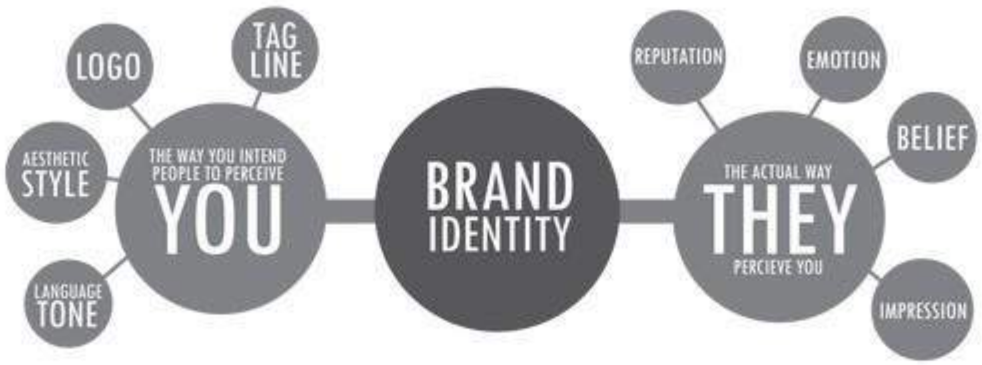
3) Improved Sales

With the enhanced customer loyalty and a strong brand image in the market, the main and crucial objective of the company to generate leads and attain closures is achieved.

4) Introduce new products

With the good Brand Identity goal achieved by offering a specific set of products and services gives the required thrust to the company to expand its operation by launching new products and services to the same as well as the new target market.

5) Differentiation



No two companies or brands have the same identity in the minds of the consumers and the overall market as there are always the unique factors that differentiate one brand from the other. When the company has a good Brand Identity, there is a clear distinction and perception to customers about which brand is good for them and which is not making the former reap all the merits such as customer loyalty, awareness, elevated profits, and much more.

6) Improved brand awareness

When the objective of a strong Brand Identity is accomplished by the company, there is a widespread awareness about the brand and its products and services offered on the national and international levels making the company make inroads to the new and untapped markets with the zeal and confidence.

Hence, having a strong and a good Brand Identity is quite vital for the business to make a distinguished presence in the market amidst the dynamic nature of the industry and changing preferences of the customers.

➢ Sources of Brand Identity

SYMBOLS

- Symbols help customers memorize organization's products and services.
- Symbols become a key component of brand equity and help in differentiating the brand characteristics. Symbols are easier to memorize than the brand names as they are visual images.
- These can include logos, people, geometric shapes, cartoon images, anything. **For instance**, Duracell has its bunny rabbit, Mc Donald has Ronald. All these symbols help us remember the brands associated with them.
- Brand symbols are strong means to attract attention and enhance brand personalities by making customers like them.

Duracell Bunny Rabbit

Mc Donald has Ronald

LOGOS

- A logo is a unique graphic or symbol that represents a company, product, service, or other entity.
- It represents an organization very well and make the customers well-acquainted with the company.
- It is due to logo that customers form an image for the product/service in mind. Adidas's "Three Stripes" is a famous brand identified by it's corporate logo.

Features of a good logo are:

a. It should be simple.
b. It should be distinguished/unique. It should differentiate itself.
c. It should be functional so that it can be used widely.
d. It should be effective, i.e., it must have an impact on the intended audience.
e. It should be memorable.
f. It should be easily identifiable in full colours, limited colour palettes, or in black and white.
g. It should be a perfect reflection/representation of the organization.
h. It should be easy to correlate by the customers and should develop customers trust in the organization.
i. It should not loose it's integrity when transferred on fabric or any other material.
j. It should portray company's values, mission and objectives.

TRADEMARKS

- Trademark is a unique symbol, design, or any form of identification that helps people recognize a brand.
- A renowned brand has a popular trademark and that helps consumers purchase quality products. The goodwill of the dealer/maker of the product also enhances by use of trademark.
- Trademark totally indicates the commercial source of product/service. Trademark contribute in brand equity formation of a brand. Trademark name should be original.
- A trademark is chosen by the following symbols:

TM (denotes unregistered trademark, that is, a mark used to promote or brand goods)

SM(denotes unregistered service mark)

® (denotes registered trademark).

Some guidelines for trademark protection are as follows:

i. Go for formal trademark registration.
ii. Never use trademark as a noun or verb. Always use it as an adjective.
iii. Use correct trademark spelling.
iv. Challenge each misuse of trademark, specifically by competitors in market.
v. Capitalize first letter of trademark. If a trademark appears in point, ensure that it stands out from surrounding text.

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BRAND LOYALTY

CHAPTER- 8

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Brand Loyalty

- Brand loyalty is defined as positive feelings towards a brand and dedication to purchase the same product or service repeatedly now and in the future from the same brand.
- The four patterns of behavior:
  a) Hardcore Loyals- who buy the brand all the time
  b) Split Loyals- Who are loyal to two or three brands
  c) Shifting Loyals- Who are moving from one brand to another brand
  d) Switchers- who has no loyalty

DIMENSIONS OF BRAND LOYALTY

There are three core dimensions of loyalty:

1. Attitude – consumer's attitudes toward the brand in general or attitudes towards the suggestion of switching brands.

2. Behaviour – consumer's tendency to buy the brand over others.

3. Price Sensitivity – consumer's tendency to be prepared to pay more for the brand they are loyal to.

How to build Brand Loyalty

1. **BE BETTER THAN ANYONE: -**
   - This is not to say to only have one product but more to focus on what you really do better than anyone else.
2. **Keep quality high: -**
   - Depending on the price of your product there is an expectation of a certain level of quality from the marketplace.
   - Stay consistent in the quality of your goods or services. People will go back to what they know they can count on, don't let them down.
3. **Give them a reason to come back:** -
   - Provide incentives for consumers to return to your company instead of the competition.

- Create programs that reward loyalty to your brand. Consider giving insider access, special status and other non-monetary driven incentives.
- Everyone wants something that can't simply be purchased, provide some privileges and create some cache!

4. **Show your appreciation:** -
    - So often companies forget to say a simple Thank You for your business. Wish your clients Happy Birthday, Happy Holidays and a great New Year.
5. **Point Based Loyalty:** -
    - By giving points on each shopping one can generate online conversion and in- shop experience.
    - This will increase the engagement of their customers with their brand and they would like to redeem points on their next shopping.

Benefits of Brand Loyalty

- Increases Brand Equity
- Reduce the cost of Promotional activities
- Increases Repurchase and Repeat
- Increases Revenue

BRAND PERSONALITY

CHAPTER- 9

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Brand personality

Brand Personality refers to human characteristics associated with a brand.

A Brand Personality is to which the customer can relate, and an effective brand will increase its brand equity by having a consistent set of traits.

Aside from the functional benefits this is an added value that a brand gains.

FIVE Core dimensions of Brand Personality

1. Sincerity (down-to-earth, honest, wholesome, cheerful)

- Sincerity is an attribute you'll see associated with many food, hospitality, and safety brands. Some favorite examples of sincere brands are: Campbell's Soup, Hallmark, Oprah, Pampers, Allstate, and TOMS.

2. Excitement (daring, spirited, imaginative, up-to-date)

- Exciting brands are often those that appeal to a younger demographic, with energetic advertising, high-octane design, and celebrity endorsements.
- These brands are daring, spirited, imaginative, cool, unique, contemporary, and anti-establishment.
- Lots of brands across nearly every category can fall under the umbrella of excitement, including: Monster Energy, Nike, MTV, T-Mobile, Vice, Tik Tok, and Axe.

3. Competence (Reliable, Intelligent, Successful)

We have never done a branding project where the client didn't object the first time they saw the word "competence" to claim that they were of course competent.

- And we don't deny that the clients we've worked with are qualified leaders in their field, but that is not what we mean when discussing the brand personality trait of competency. Here we mean brands whose ethos is reliability, responsibility, trustworthiness, intelligence, successfulness, and confidence.
- You will often see brands that deal with "important stuff" in the competence column, including banks, insurance companies, logistics firms, and medical brands. Some examples are: Chase, Verizon, UPS, New York Presbyterian, New York Yankees, Volvo, and Microsoft.

4. Sophistication (Upper class and Charming)

- Like competence before it, we often hear that the brands we work with are all sophisticated and complex – but again that is not definition at work here. Sophistication as a brand personality means luxurious, glamorous, upper class, and charming.

- And like excitement earlier, you will also frequently see sophistication cut across categories, though generally at the northern end of the price range. Sophisticated brands include: Hermes, American Express, Apple, Mercedes, Nescafe, Grey Goose, and Patek Philippe.

5. Ruggedness (Tough)

- Rugged brands are those built to last, the tough and outdoorsy types that will "take a licking and keep on ticking." These brands are hard-working, authentic, strong, muscular, and high-quality.

- You may see a lot of rugged brands in the verticals of construction and hardware, outdoors and sporting, and automotive. Some example brands include: LL Bean, Otter Box, Milwaukee Tools, Land Rover, Levis, Jack Daniels, and REI.

BRAND POSITIONING

CHAPTER- 10

Definition of Brand Positioning

- **Brand Positioning** can be defined as the positioning strategy of the brand with the goal to create a unique impression in the minds of the customers and at the marketplace.

  According to Philip Kotler, "Brand positioning is an act of designing the company's offering and image to occupy a distinct place in the mind of the target market."

- Brand Positioning has to be desirable, specific, clear, and distinctive in nature from the rest of the competitors in the market.
- Effective brand positioning enables a firm's brand to be readily distinguishable from competing brands in the marketplace.
- Distinguishing the brand from other brands can be in terms of associated brand attributes, benefits to users, and/or market segment emphasis, among other factors.
- Effective brand positioning further emphasizes elements of superiority along one or more distinguishing dimensions which are valued by consumers.

Steps involve in Brand Positioning

1) Identify the current positioning

- If the brand is new to the market, then this first step doesn't apply to the new entrants to the market
- If the brand is already an established player in the market and wishes to resurrect its Brand Positioning and the overall brand architecture, then it is vital for the management of the company and the branding department to carefully understand and identify the current positioning of the brand and have an analysis how is it working in the favour of the brand and its attainment of the overall business aims and objectives.
- If the answer is no, then the management of the company needs to figure out the loopholes in the current Brand Positioning and check if there is a need for the repositioning of the brand.

2) Identify the direct competition

- The next step in the line of creating the Brand Positioning is identifying the brands in the marketplace that pose a direct threat to the brand.

- The brand needs to analyze and understand the core value, brand strengths, nature of products and services offered, and fundamentals of the competitive brands plus spot their unique selling propositions and the factors that make them different and unique in the market and in the minds of the customers.

3) Understand the positioning of the competitor brands

- The further step involves understanding the positioning of the competitor brands, basically figuring out their vision statement, mission statement, core values, brand fundamentals, and the entire brand architecture.
- It is very important to study the positioning and brand strategies of the competitor brands in order to come up with the positioning that is unique and distinctive giving a competitive edge in the market.

4) Identify the uniqueness of the brand

- This step involves the in-depth introspection of the brand within and identify the core values, fundamentals on which the brand is formulated, strengths, value propositions, long-term vision, and the features and attributes that make the brand unique and different from the rest of the brands in the market offering the similar lines of products and services.

5) Develop the unique selling propositions

- In continuation to the previous step, the next stage to the Brand Positioning encompasses developing the unique selling propositions depending on the features, objectives, attributes, core values, and strengths of the brand that will give the brand a unique and distinctive identity in the market and in the customer's minds.

6) Formulate the messaging statements

- Next on the line is working on the messaging statements such as mission statement, vision statement, and the tagline or the brand slogan that is attached with the official logo of the brand. All the messaging statements should be clear, crisp, and unique in line with the attributes and inherent nature of the brand.

➢ Importance of Brand Positioning:

After knowing about the Brand Positioning Process now we will have to know what are the importance of BRAND POSITIONING ?

1) Market differentiation

- The unique and creative Brand Positioning not only clears the clutter from the market but also gives the factor of differentiation to the brand as compared to its direct and indirect competitors.
- It makes the brand stand out in the market as well as in the customer's mind with the unique selling proposition and the strong attributes of the brand getting ingrained in their minds working as a recall factor.

2) Justifies the pricing strategy

- Yet another benefit of the Brand Positioning is that it helps the management of the company to justify the pricing strategy.
- If the pricing of the products offered by the brand is high owing to the feature of quality and class, and the Brand Positioning is formulated in such a way that showcases the factors of quality and class, the pricing part gets automatically justified in the minds of the customers.

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- The same is applicable for the products that are reasonable and affordable in nature and the positioning strategy is planned and executed accordingly.

3) Competitive advantage

- A strong Brand Positioning that tactfully and strategically highlights the core values, strengths, attributes, and the unique selling propositions of the brand enjoys the facet of competitive advantage that results in accomplishing the objectives of higher sales, increased market share, customer loyalty, attracting the new set of customers, and elevated profits.

4) Makes the brand more creative

- There are quite many brands in the market offering the similar lines of products and services to the same target market and audience but it is the Brand Positioning that makes one brand different and unique from the other.
- If the brand is able to come up with the innovative and novel positioning strategy and execution, the brand is adorned with the tag of the creative brand.
- **Examples of Brand Positioning**

Once the Brand Positioning is in place, the tagline or the brand slogan is attached with the logo of the brand too that aptly conveys the attributes and unique selling proposition in a creative and strategic manner.

Here are some brands which are perfect examples of Brand Positioning as they are the brands with the highest TOMA (Top of the mind awareness) in their industry.

Automobile sector

BMW

Audi

BMW and Audi are the 2 companies which have the top brand positioning in the automobile sector.

Consumer electronics

LG	Sony
Panasonic	Samsung

In consumer electronics and white goods, the market is tough. However, these 4 companies are the ones which have the best brand positioning in the customer mindset.

Brand Positioning Strategies

1. Positioning by product attributes and benefits:

- It is to associate a product with an attribute, a product feature, or a consumer feature. Sometimes a product can be positioned in terms of two or more attributes simultaneously. The price/quality attribute dimension is commonly used for positioning the products.

- A common approach is setting the brand apart from competitors on the basis of the specific characteristics or benefits offered. Sometimes a product may be positioned on more than one product benefit. Marketers attempt to identify salient attributes (those that are important to consumers and are the basis for making a purchase decision).

2. Positioning by price/quality:

- Marketers often use price/quality characteristics to position their brands. One way they do it is with ads that reflect the image of a high-quality brand where cost, while not irrelevant, is considered secondary to the quality benefits derived from using the brand. Premium brands positioned at the high end of the market use this approach for positioning the product.

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- Another way to use price/quality characteristics for positioning is to focus on the quality or value offered by the brand at a very competitive price. Although price is an important consideration, the product quality must be comparable to, or even better than, competing brands for the positioning strategy to be effective.

Parle Bisleri — 'Bada Bisleri, same price 'ad campaign.

3. Positioning by use or application:

- Another way is to communicate a specific image or position for a brand to associate it with a specific use or application. Surf Excel is positioned as stain remover 'Surf Excel haina!' Also, Clinic All Clear – 'Dare to wear black'.

4. Positioning by product class:

- Often the competition for a particular product comes from outside the product class. For example, airlines know that while they compete with other airlines, trains and buses are also viable alternatives. Manufacturers of music CDs must compete with the cassette industry. The product is positioned against others that, while not exactly the same, provide the same class of benefits.

5. Positioning by competitor:

- Competitors may be as important to positioning strategy as a firm's own product or services. In today's market, an effective positioning strategy for a product or brand may focus on specific competitors.

- This approach is similar to positioning by product class, although the competition is within the same product category in this case. Onida was positioned against the giants in the television industry through this strategy. Onida colour TV was launched with the message that all others were clones and only Onida was the leader— 'Neighbour's envy, owner's pride'.

6. Positioning by cultural symbols:

- This is an additional positioning strategy wherein the cultural symbols are used to differentiate the brands. Examples are Humara Bajaj, Tata Tea, and Ronald McDonald. Each of these symbols has successfully differentiated the product it represents from competitors.

POPs and PODs

POPs- Points of Parity can be defined as similarities between you and your competition.

- It means equivalence.
- There is no unique Attributes.
- Compete within the Market Place.

For Example: - Dettol and Savlon

PODs- Points of Difference can be defined as what is different about you.

- It means uniqueness.
- There is a unique attribute.
- Create Competitive advantages.
- A point of difference is a something about the brand that makes it different from other competing brands.

For example iOs

DIFFERENCE BETWEEN PRODUCT POSITIONING AND BRAND POSITIONING

Product Positioning vs. Brand Positioning	
Product positioning is the process used to determine how to best communicate product attributes to the target customers based on customer needs.	Brand positioning refers to the rank in customers' mind the company's brand possess in relation to the competition.
Nature	
Product positioning is based on competitive differentiation.	Brand positioning is based on emotional experience.
Focus	
The focus of product positioning is to fill all the need gaps of the customer base.	Brand positioning is focused on catering to specific customer needs.
Measure	
The success of product positioning can be measured by market share.	The success of brand positioning is largely intangible in nature.

Institute of Management & Information Technology, Cuttack

MBA

4th Semester

Product and Brand Management

(18 MBA 402A)

MODULE- III

BRAND MANAGEMENT

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Brand Management

Chapter 1

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Brand management is a function of marketing that makes use of strategies and techniques to analyse and plan how the brand is perceived in the market.

Brand management includes managing the tangible and intangible characteristics of brand. In case of product brands, the tangibles include the product itself, price, packaging, etc. While in case of service brands, the tangibles include the customers' experience.

It aims to increase the overall perceived value of the brand in the long run and build a loyal customer base through positive brand associations.

Functions of Brand Management

Brand management forms a subset of marketing management. It deals with the overall brand development right from the birth of the brand until the time it ceases to exist. The functions of brand management include but are not limited to the following –

- Identifying the ideal target market, understanding what motivates them to choose one product over others and positioning the brand in the same domain.
- Developing an ideal brand message which resonates both with the needs of the target market and with the value proposition of the offering.
- Communicating the brand promise to the customers by making use of almost every possible touch point.
- Making efforts to build brand equity and measure it from time to time.
- Managing the brand architecture and making sure sub-brands structure and communication align with the master brand structure and communication policies.
- Building the brand identity and making sure that it aligns with the brand image in the market.
- Handling brand communication in the market
- Anticipating and accommodating new brand identity needs

Importance of Brand Management

- The main aim of brand management is to build, measure, and control brand equity – making a brand to have its own value which, when associated with the product, increases its overall value both monetarily and non-monetarily.

- In this era of extensive competition where different companies sell almost similar products, a brand is what makes a difference. It helps in positioning the offering in a unique way that provides the company with marketplace advantage and boosts the value of a product.

- Creating a brand out of the product not only personifies it, but it also creates an experience which stays in the mind of the customers. They recall the experience whenever provided with certain triggers related to the product niche or product usage. Creating such an experience around the product not only helps in increasing its sales but it also helps in extending the product line in future.

Responsibilities of Brand Manager

- Conduct consumer and market research
- Identify the current position of the brand
- Design a research-based brand strategy
- Develop and execute marketing campaigns aimed at communicating the brand message
- Communicate the brand personality internally and align company around foundational ideas
- Lead marketing team members through campaigns
- Measure and report on success of marketing campaigns
- Anticipate consumer trends and keep brand up to date

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Steps involved in Brand Development

1) Building Brand Development Strategies

2) Targeting Clients

3) Knowing Your Clients

4) Brand Positioning- Succinct Description

5) Approaching the Clients

6) Leaving an Impression

7) Marketing

8) Keeping Up With Times Consistently

Brand Architecture

Chapter 2

Brand architecture comes in play while presenting the brand efficiently. Let us learn more about brand architecture.

What is Brand Architecture?

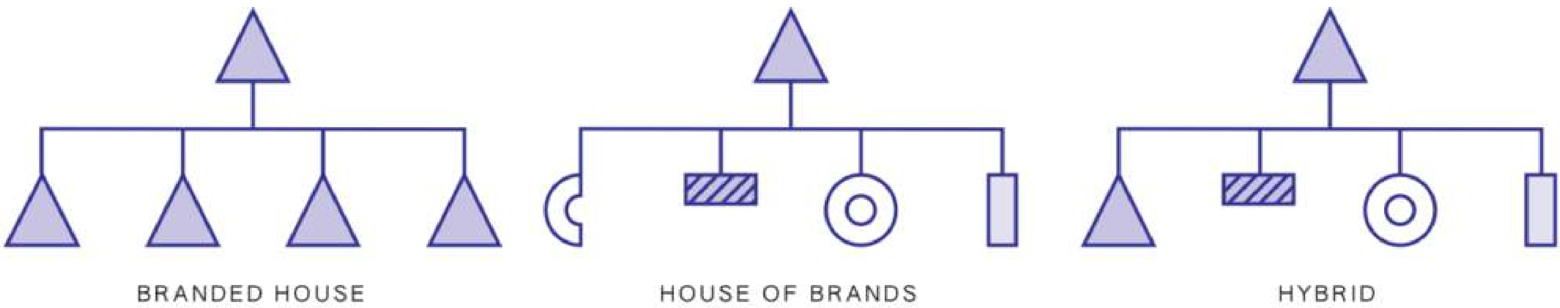
It is the structure of the brand in an organizational entity that defines how various brands and sub-brands in a company's portfolio are related to each other or are different from one another.

Brand architecture provides a hierarchy that depicts the roles and relationships within the products and services that make a company's portfolio and makes sure that the external stakeholders understand the value of what the brands offer.

Brand architecture is an arrangement of brands within an organization or company.

- Brand Architecture, is an important Brand Strategy tool that studies and defines the relationship of parent brand with its various child brands.
- There are 3 types of Brand Architecture.

I. BRANDED HOUSE
II. HOUSE OF BRANDS
III. HYBRID ARCHITECTURE



1. BRANDED HOUSE / MASTERBRAND / CORPORATE BRAND

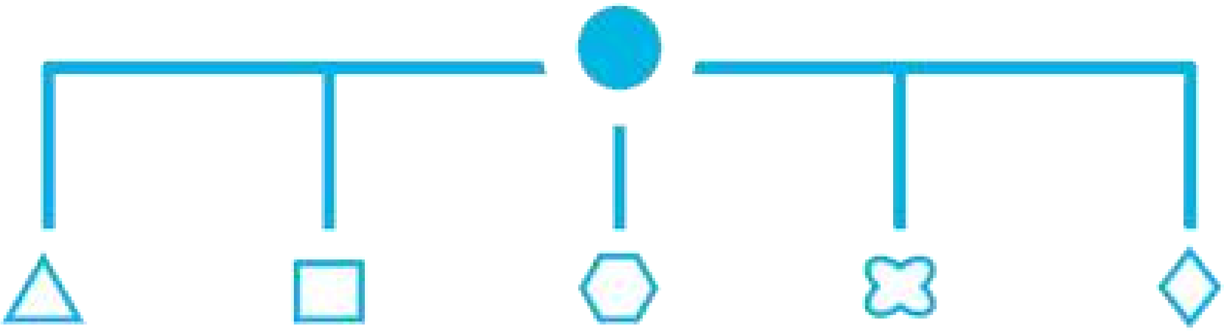
- This Brand Architecture type has the parent brand, which is always closely associated with the child brand.
- The names of the sub-brands are attached to its parent brand. We can also see the relationship in the logo, packaging, and brand communication — all are aligned to the parent brand.
- Virgin is an example of Branded House Architecture. Virgin airlines, Virgin café, Virgin digital etc.

BRANDED HOUSE

2. HOUSE OF BRANDS / PORTFOLIO

- House of Brands is a Brand Architecture Strategy where a parent brand owns and manages various sub-brands, each of those is a unique brand.
- Those sub-brands don't closely relate themselves to its parent brand. Their distinctive personalities are seen through Brand names, logos and communication style.
- Chevrolet, Hummer, Chrysler, Cadillac, Jeep, Mazda, Opel, Buick etc. You'd be surprised to know that the age old General Motors is their parent brand.

MASTER BRAND



HOUSE OF BRANDS

3. HYBRID ARCHITECTURE / ENDORSED / ENDORSEMENT

- This type of Brand Architecture Strategy uses merits of both Branded House and House of Brands. This is a combination model where all kinds of parent-child relationships can co-exist.
- Some of the sub-brands are associated closely with the parent brand while some other sub-brands dissociate or have a distant relationship with its parent.
- The classic example of this architecture is that of Volkswagen. VW owns brands like Bugatti, Seat, Audi and Skoda. But it also carries a brand on its own name.

HYBRID ARCHITECTURE

GUIDELINES FOR GOOD BRAND ARCHITECTURE

- Adopt a strong customer focus
- Avoid over branding
- Create broad, robust brand platform
- Selectively employ sub brands
- Do brand extensions to establish new brand equity

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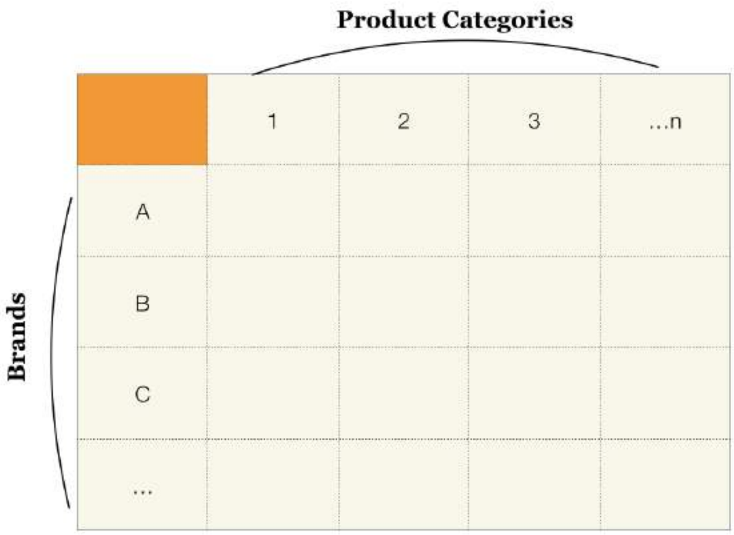
Brand Product-Matrix

- Brand product-matrix focuses on the overview of activities for each brand and helps businesses to assess what type of product category is available for consumers at the moment.
- All brands are represented in rows and the columns represent the product category as shown in the image below.



In the brand product-matrix,

- Each column represents each brand, the depth of the company portfolios within a single category.
- While the row represents the product categories, the breadth of each product category that the business covers.
- The depth in the brand product-matrix is useful in evaluating what kind of market segments and offerings that businesses have already covered in a category.

An example is Unilever and its four different deodorant brands: Axe spray, Dove, Rexona and Vaseline. Each sub-brand represents different 'personalities' for different target markets and segments.

- The breadth in the brand product-matrix is useful in giving an overview of the product categories covered. For example, Coca-Cola covers carbonated drinks, mineral water, juice and tea beverages. Each brand represents different types of products for consumers.

Brand Failure

Chapter 3

FIVE main Reasons for Brand Failure are explained below

1. **Breaking Your Brand Promise**

- If there is one rule in the branding game that stands above all others, it's probably this: make a promise to your customers and keep it.
- Brands who don't make good on their word are the first ones to fail. Those who foster trust by keeping their promise are those with cult-like followings.

2. **Losing Touch with Customer Perception**

- Our brand exists in the minds of your customers. That means that in order to properly manage your brand, you must have your finger continually on the pulse of customer perception, understanding your customer's ever-changing needs and motivations.
- The minute a brand becomes disconnected from or unconcerned with customer perception is the moment it has failed.

3. **Overconfidence**

- Sometimes, one of the most successful companies face the biggest brand failures because of their strengths and past victories, which resulted in over-confidence.

- Example of brand failure due to Icarus paradox (Overconfidence)
  Kellogs Brand Failure
  Kellogg's initial foray into the Indian market is generally agreed to have been a failure. Despite a high profile launch in 1994, consumers were not interested to repeat the purchase of Kellogs products. This brand failure shows the signs of Icarus Paradox as
  - The brand was overconfident because of its success in other countries
  - It overlooked many critical cultural insights of the Indian market.

  Here are the reasons which led to the ***failure of Kellogs in India***
  - The price was kept too high to convince Indian consumers to consider it as a daily meal and make a repetitive purchase. The product was bought just as a novelty.

- Kellogs overlooked the Indian habit of having boiled & sweetened milk which made the crispy flakes go soggy as the company designed their products to be accompanied with cold milk.

4. Position Amnesia

- Position Amnesia is when a brand forgets what it is and what it stands for and tries to experiment with its identity and positioning to an extent that it takes a totally different route. This route could result in that brand's failure as it might not be congruent to the existing image and positioning of the brand.
- Example of brand failure due to Position Amnesia

Coca Cola Brand Failure

One of the perfect examples of "Brand is as important as the product" theory.

With over a billion drinks sold every day, Coca Cola is surely one of the most loved brands in the world. But it also committed one of the biggest marketing blunders of all time. In the late 1970s and early 1980s, it was evident that Pepsi had better marketing campaigns planned to win the first position from Coca Cola. Many successful campaigns like "Pepsi Challenge" and "Pepsi Generation" made it clear that people preferred Pepsi's taste over Coca Cola. Hence Coca Cola, instead of modifying their marketing strategies, saw the only solution to this problem as the introduction of the 'New Coke' with better and improved taste.

5. Lack of Change

- The environment in which the brand functions is dynamic and requires it to change its marketing and branding strategies from time to time to keep up with the trend and to maintain and gain new consumers.

Nokia Brand Failure

Nokia sat on a wall, Nokia had a great fall.

This is the actual story of a brand which was once a market leader in the mobile phones industry. Today, it has just three percent of the global smartphone market (which is a fifth of what it was in 2007). Nokia had great research and innovation, the only place where it lagged behind was marketing. Nokia had a set of best hardware engineers but it overlooked the fact that the consumer preference was shifting from hardware to more of software. Hence, Apple (ios) and other companies like Samsung (Android) were able to crush Nokia and succeed in a comparatively short span of time.

Other Reasons of Brand Failure-

- Not delivering against the communicated brand promise.
- Confusion in between brand management with product management.
- Not linking brand planning to the business' strategic planning process.
- Defining your target consumer too broadly.
- Frequently changing your brands positioning and message.
- Launching when the market isn't ready.
- Not really understanding the consumer, his needs, and motivations.
- Choosing generic (non-proprietary) brand names.
- No brand identity standards and systems means inconsistent presentation and customer confusion.
- Decreased product or service quality, the cumulative result of gradual and incremental changes to reduce costs.
- Not keeping up with the industry on product or service innovation.
- Senior managers do not understand what the brand stands for.

Brand Equity

Chapter 4

What is Brand Equity?

- Brand Equity is the value of a brand built up over a period of time. It is composed of four components namely Image, Perception, Awareness and Loyalty.
- Brand equity refers to the marketing effects and outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name.
- Brand equity is one of the factors which can increase the financial value of a brand to the brand owner.
- Brand equity is an important intangible assets that has psychological and financial value to the firm.

Example of Brand Equity

Consumers are paying more for Garnier beauty products than Ayur products.

Also a brand have negative equity in some 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.

POSITIVE BRAND EQUITY

- The positive effect of the brand on the difference between the prices that the consumer accepts to pay when the brand known compared to the value of the benefit received

NEGATIVE BRAND EQUITY

- If consumers are willing to pay more for a generic product than for a branded one, however, the brand is said to have negative brand equity.

MANAGING BRAND EQUITY

- Requires consistency of marketing support (new offerings, new promotions)
- Example- Nivea from skin crème to skin care and personal care products.

Elements & Components of Brand Equity

Some main elements / components of brand equity are as follows:

1. Brand Image
2. Brand Identity
3. Brand Awareness
4. Brand Loyalty
5. Brand Association
6. Customer Perception
7. USP

Brand Image:-

The Brand image is a way that consumers perceive the company and their perception about it.

Brand Identity:-

Brand identity is what makes a company instantly recognizable to the eyes of target customers.

Brand Awareness: -

According to Aaker (1991), "brand awareness is the capability of the consumers where they are able to recognize or to memorize that the brand is the part of a certained product".

Aaker has divided level of brand awareness into four levels, alternately level of awareness described as pyramid of brand awareness.

These levels are mentioned below:

a. Unaware of Brand

b. Brand Recognition

c. Brand Recall

d. Top of Mind.

Brand Loyalty:-

Brand loyalty is defined as positive feelings towards a brand and dedication to purchase the same product or service repeatedly now and in the future from the same brand,

Brand Association:-

According to Aaker (1991), brand associations are the category of a brand's assets and liabilities that include anything ``linked'' in memory to a brand

Customer Perception:-

Customer perception refers to the customer's opinion of your business or products. It summarizes how customers feel about your brand including every direct or indirect experience they've had with your company.

USP:- Unique Selling Proposition

Why Brand Equity is Important?

- Increases market share: Good brand equity results in loyal customers who prefer one brand over the other and increases its market share.
- Price premium: Positive brand equity can charge more for its product than the actual market price.
- Asset: Brand equity is an intangible asset of an organization and like any other asset; this too can be licensed, leased or sold to others.
- Extension of product line: Having positive brand equity, it is easier to introduce new product lines. For example, Apple started with Mac operating systems and easily converted its equity with iPhones.

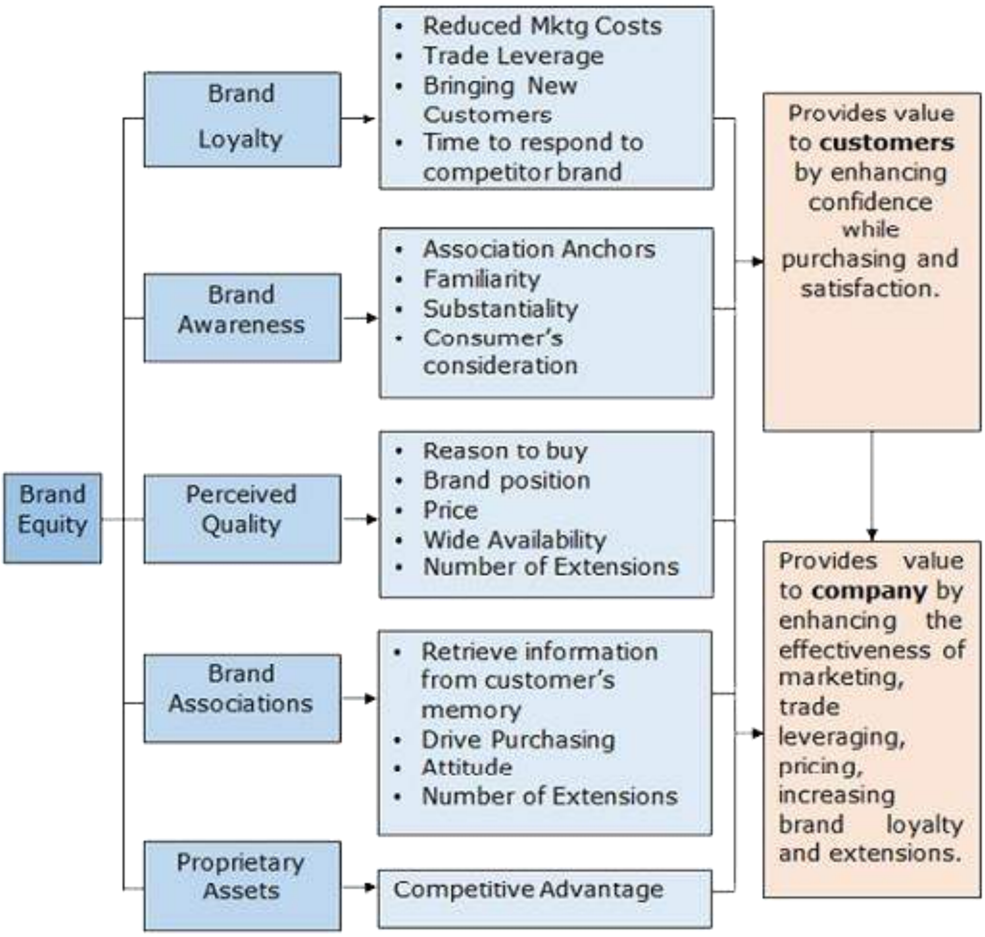
Aaker's Brand Equity Model

David Aaker defines brand equity as a set of assets and liabilities linked to a brand that add value to or subtract value from the Good or service under that brand. He developed a brand equity model (also called **Five Assets Model**) in which he identifies five brand equity components –

Brand Loyalty

The following factors depict the extent to which customers are loyal to a brand-

- **Reduced Costs** − Maintaining loyal customers is cheaper than charming new ones.
- **Trade Leverage** – The loyal customers generate steady source of revenue.
- **Bringing New Customers** − Existing customers boost brand awareness and can bring new customers.
- **Competitive Threats Response Time** − Loyal customers take time to switch to a new product or service offered by other brand. Hence this buys time for the company to respond to competitive threats.



Brand Awareness

The following measures depict the extent to which a brand is widely known among consumers −

- **Association Anchors** − Depending upon the brand strength, associations can be attached to the brand which influence brand awareness.
- **Familiarity** − The consumers familiar with a brand will speak more about it and thus, influence brand awareness.
- **Substantiality** − Consumers' review on brand brings substantial and strong commitment towards the brand.
- **Consumer's Consideration** − At the time of purchasing, consumer looks for a particular brand.

Perceived Quality

It is the extent to which a brand is believed to provide quality products. It can be measured on the following criteria −

- **Quality** − The quality itself is the reason to buy.
- **Brand Position** − This is a level of differentiation as compared to competing brands. Higher the position, higher is the perceived quality.
- **Price** − When quality of the product is too complex to assess and consumer's status comes into picture, the consumer takes price as a quality indicator.
- **Wide Availability** − Consumers take widely available product as a reliable one.
- **Number of Brand Extensions** − The consumers tend to take a brand with more extensions as a measure of product guarantee.

Brand Associations

It is the degree to which a specific product/service is recognized within its product or service category. For example, a person asking for Xerox wants to actually make true copies of a paper document.

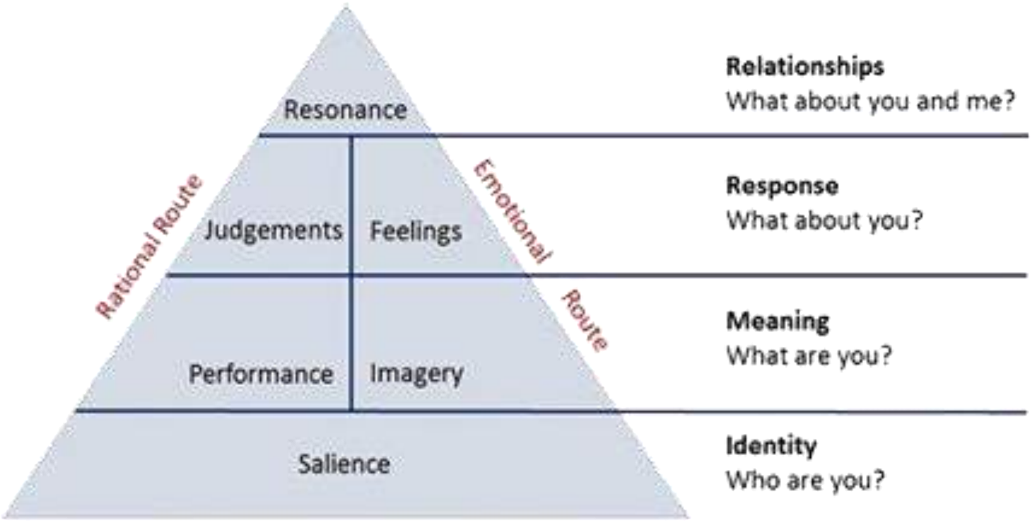
- **Information Retrieval** − It is the extent to which the brand name is able to retrieve or process the associations from consumer's memory.
- **Drive Purchasing** − This is the extent to which brand associations drive consumers to purchase.
- **Attitude** − This is the extent to which brand associations create positive attitude in the consumer's mind.
- **Number of Brand Extensions** − More the extensions, more the opportunity to add brand associations.

Proprietary Assets

They are patents, copyrights, trademarks, trade secrets, and other intellectual property rights. More the number of proprietary assets a brand has, greater is the brand's competency in the market.

Keller's Brand Equity Model

This model is developed by Kelvin Lane Keller, a marketing professor at Dartmouth College. It is based on the idea that the power of a brand lies in what the consumer has heard, learnt, felt, and seen as a brand over time. Hence this model is also termed as **Customer Based Brand Equity** (CBBE) model.



According to CBBE model, it takes answers to four basic questions for building brand equity starting from the base of the pyramid shown above −

- ***Who are you? (Brand Identity)***
- ***What are you? (Brand Meaning)***
- ***What do I feel or think about you? (Brand Responses)***
- ***What type and extent of association I would like to have with you? (Brand Relationships)***

Brand Identity

- This is how customers look at your brand and distinguish it from others.
- It explores the words and images buyers associate with when they hear a particular brand name.
- It's the most important level and must be strong to support the rest of the pyramid above it. Brand identity quantifies the breadth and depth of customer awareness of a brand.

- It is not only how often and easily the consumer can recall or recognize the brand but also where and when he thinks of the brand. The key is to create brand salience to acquiring correct brand identity.

Brand Meaning

- Once customers become aware of your brand, they'll want to know more about your product. They'll question its features, looks and style, reliability, durability, customer experience and value for money, to find its brand meaning.
- For the purposes of brand reputation, Level 2 is split into two categories:
- According to Keller, to make the brand meaningful it is essential to create a brand image and characteristics. Brand meaning arises out of brand associations, which can be **imagery-related** or **function / Performance - related**.
- The **imagery-related associations** depict how well the brand meets social and psychological needs of the consumer. The **function-related association** such as product or service performance is what the consumer looks for primarily.

Regardless of the type of product or service, developing and delivering the product that completely satisfies the customer's needs and demands is the prime objective of making the brand meaningful. A brand with the right identity and meaning creates a sense of relevance in the consumer's mind.

Brand Responses

The companies must cater for the consumer's response. Keller segregates these responses into consumer's judgments and consumer's feelings.

- **Consumer Judgments** − They are consumer's personal opinions regarding the brand and how he has put imagery-related and performance-related associations together. There are four types of judgments crucial for creating a strong brand −
  - Quality
  - Credibility
  - Consideration

  - Superiority

- **Consumer Feelings** − They are consumer's emotional reactions to the brand. They can be mild, intense, positive, negative, driven from heart or head. There are six important feelings crucial in brand building −
  - Warmth
  - Fun
  - Excitement
  - Security
  - Social approval
  - Self-respect

Brand Relationships

It is the level of personal identification the consumer has with the brand. It is also called **brand resonance**, when a consumer has a deep psychological bonding with the brand. Brand resonance is the most difficult and highly desirable level to achieve. Keller categorizes this into four types −

- **Behavioral Loyalty** − Consumers may purchase a brand repeatedly or in high volume.
- **Attitudinal Attachment** − Some consumers may buy a brand because it is their favorite possession or out of some pleasure.
- **Sense of Community** − Being identified with a brand community develops kinship in the consumer's mind towards representatives, employees, or other people associated with the brand.
- **Active Engagement** − Consumers invests time, money, energy, or other resources and participates actively in brand chat rooms, blogs, etc., beyond mere consumption of brand. Thus, the consumers strengthen the brand.

Brand Strategy

Chapter 5

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Brand strategy

- A brand strategy (or a branding strategy) is a long-term plan used by a business to establish its brand identity and find a unique position in the minds of the target audience.
- It includes specific and long-term goals, achieving which results in establishing a successful brand with high equity and credibility, which occupies a competitive position in the market.

Importance of Brand Strategy

- Create an identity for the company and the company's offerings.
- Differentiate the brand from the competition in the market.
- Position the brand in a desirable manner to create a favorable perception and drive more sales.
- Communicate more effectively, as it creates an identifiable product, defines a unique brand message, and helps develop the communication strategy.
- Develop a marketing strategy as it is a lot harder for the company to market the product without a brand.
- Develop a favorable image of the company in the minds of the customers.
- Develop brand equity – the value, over and above the usual product price, which the customer is willing to pay just because the product is associated with a particular brand.
- Establish the mission and vision of the company as a brand.
- Cultivate happier and strong relationships with the employees as they feel more motivated to work with an established brand.

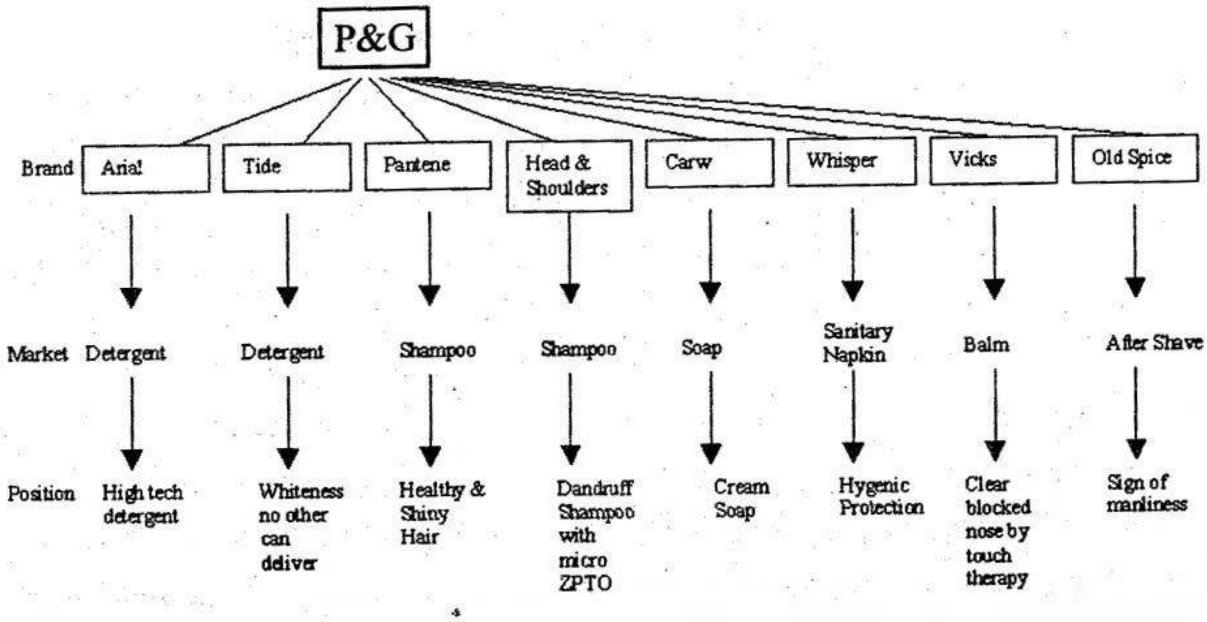
Components of Brand Strategy

A brand strategy is always developed with a holistic perspective of how the target audience perceives the brand and how the brand wants them to perceive it. A successful brand strategy always takes into consideration the following eight components –

- Target Audience: the target audience is the market segment which directly interacts with the brand and is usually the customer of the brand's offerings.
- Brand Promise: it's the promise made by the brand to the customers stating what they can expect from the brand and its offerings. It's the promise of trust which creates an unsaid emotional relationship between the brand and the customer.
- Brand Mission & Vision: it includes what the brand aspires to be in the long run, both monetarily and non-monetarily. It also consists of the means to achieve such goals.
- Brand Architecture: it's an organized structure of the company's portfolio of brands, sub-brands, and other offerings. It's just like the family tree of the brand and its sub-brands. Developing a brand architecture makes it easier to form communication strategies of the master brand as well as the subbrands.
- Brand Positioning: It's the unique space a brand occupies in the brains of the customers. Positioning helps customers associate emotions, traits, feelings, and sentiments with the brand and its offerings.
- Brand Message: it is the message communicated to the target audience through the brand's offerings and verbal and non-verbal communication messages that describe what it does and how is it different from others.
- Brand Associations: These are the recognizable aspects like images and symbols that are associated with a brand or a brand benefit
- Competitive Awareness: Competitive awareness refers to the knowledge of the competitor's brands' strategy and making efforts to create a higher value compared to them.

What is Product Branding?

- A brand represents a position, an idea, a concept and a product.
- In the product branding strategy the brand is promoted exclusively so that it acquires its own identity and image.
- Product branding allows a brand to acquire differentiation and exclusivity. The brand does not share other products and does not take on company associations.
- The greatest advantage in favour of product branding is that a brand can be targeted accurately to a distinct target market or customers because its positioning can be precise and unambiguous.



- P & G has been followers of the product brand strategy. A mega company like Hindustan lever also has been an adherent of product branding. It uses individual brand names to promote a product with an intention to provide it a distinct position. For instance, in the toilet soap category, HLL has brands like Lux, Lifebuoy, Rexona, Pears and Liril.

For Example: -

In terms of positioning, Lux has been a 'toilet soap of film stars, Lifebuoy has always taken the position of a soap that fights germs hidden in the dirt and promotes health. It has been the only soap exclusively directed at the male user. Rexona occupies the platform of a gentle soap with natural oils to have a good effect on skin. Liril enjoys the position of a 'freshness' soap. In HLL's portfolio there have been three brands of detergent powders- Surf has been positioned as an up market detergent, Sunlight caters to the middle rung and Wheel is the mass economy brand (Sunlight has been withdrawn from the market). The shampoo brands are Sunsilk and Clinic. Sunsilk occupies the position of a beauty shampoo, which makes hair soft, shiny and bouncy, while Clinic brand is a shampoo for vitamin nourishment or for preventing dandruff. In the last couple of years, HLL appear to have abandoned its pure product brand approach. The company instead has pursued the strategy of exploiting the power of its brands to the fullest scale by leveraging them. It aims to make most of the investments made in the preceding decades to cultivate some of the world's most powerful brands.

What is Line Branding?

- The Parent Brand is used to brand a new product that targets a new segment within a product category currently served by the parent brand.
- Line in the context of product mix refers to various product lines that a firm may have in its total portfolio.
- For Example- Philips has product lines like television, video and audio, personal care, communication and household appliances.

What is Range Branding?

- Range brands are the next best type of branding used especially in the retail industry.
- This concept is also used exclusively in the automotive industry too. Toyota has a series of models and cars under its Range Brand Lexus.
- Range brands encompass many products under a single banner.
- All the products share a common promise, which stems from the firm's or range brand's area of competence.
- The products are tied together by a single brand concept.
- For example- Nestle uses its Maggi brand for its range of fast foods- Maggi noodles, sauces, soups

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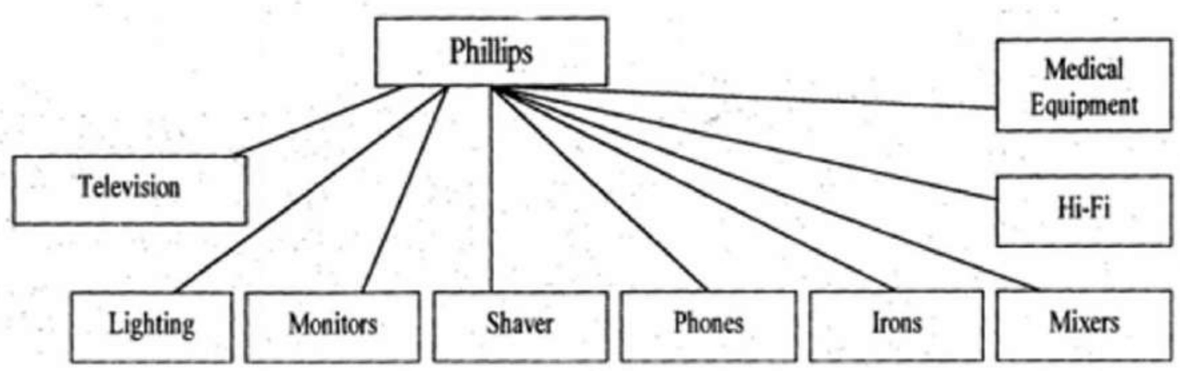
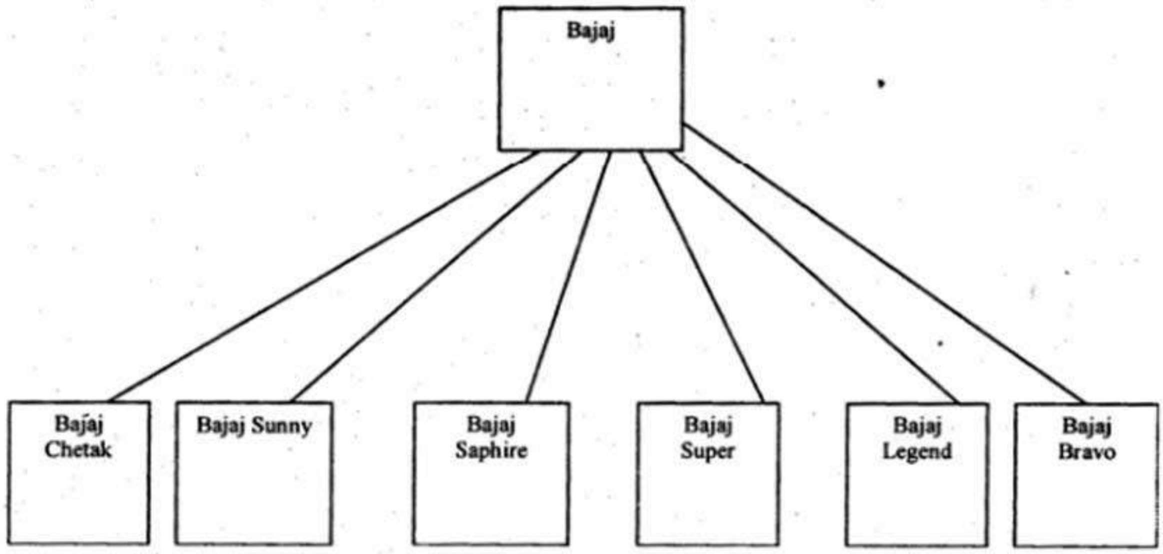
What is Umbrella Branding?

- Umbrella branding is referred to as a marketing practice which involves selling several related products under the name of a single brand.
- Umbrella branding (umbrella brand) also known as (family branding) involves creating good brand equity for a single brand.
- Umbrella branding is another highly successful methods of building different product lines under single brand image that emphasizes a standard core value proposition across the products under its brand.
- Nivea, Sony, Virgin are possible the most visible and successful global umbrella brands with several product lines developed under the strong brand image.



What is Source Brand Strategy?

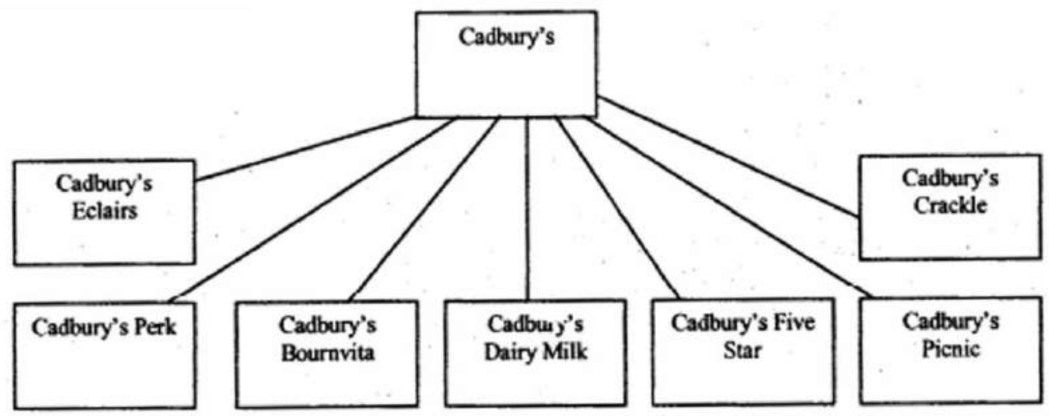
- Source brand strategy combines the firm's name with the product brand name. It is a hybrid of umbrella brand and product brand strategy.
- The product is given a brand name and it is combined with the name of the firm. This is also called double branding
- Source branding by combining a firm's name with product name seeks to achieve two objectives.
- First, the firm's name brings its equity to the product.
- The product stands to benefit from what the company has been able to cultivate in terms of awareness, expertise, and attribute and reputation associations.
- For example- Chetak is the name of the scooter and Bajaj is the company behind it, the brand 14 accordingly becomes Bajaj Chetak. Both the names enjoy equal importance and are given equal status in the brand's communication.



SOURCE/DOUBLE BRANDING STRATEGY

What is Endorsement Branding?

- Endorsement brand strategy is a modified version of double branding.
- It makes the product brand name more significant and the corporate brand name is relegated to a lesser status.
- The brand gets an endorsement that it belongs to specified company, Kit Kat gives a signal that it is Nestle's product. Cinthol's communication stresses that it is a Godrej product and Dairy Milk is Cadbury's brand.



Brand Valuation

Chapter 6

Brand Valuation

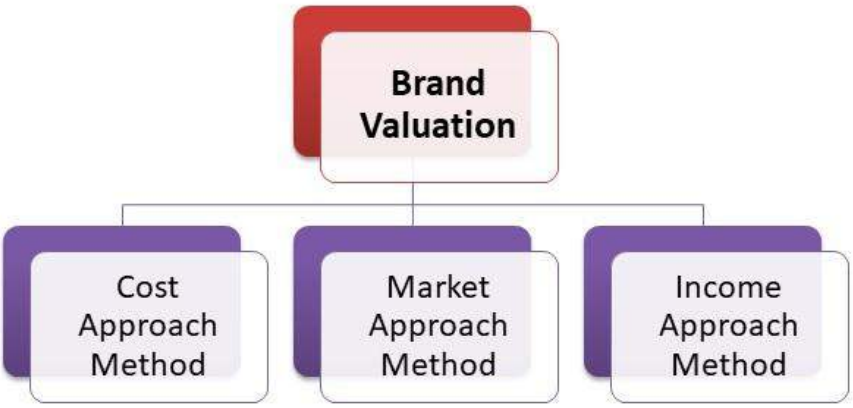
Brand Valuation as a concept is the net value of all a business' tangible as well as intangible assets. Brand valuation is a method to estimate of the overall value of the brand. Brand valuation is a technique to evaluate the brand value based on financial performance, brand equity, customer perception etc.

In 2005, after the International Financial Reporting Standards (IFRS), accepted that along with the tangible assets the intangible assets like **brands** and other acquired intangible assets would also be valued on the balance sheet of the company.

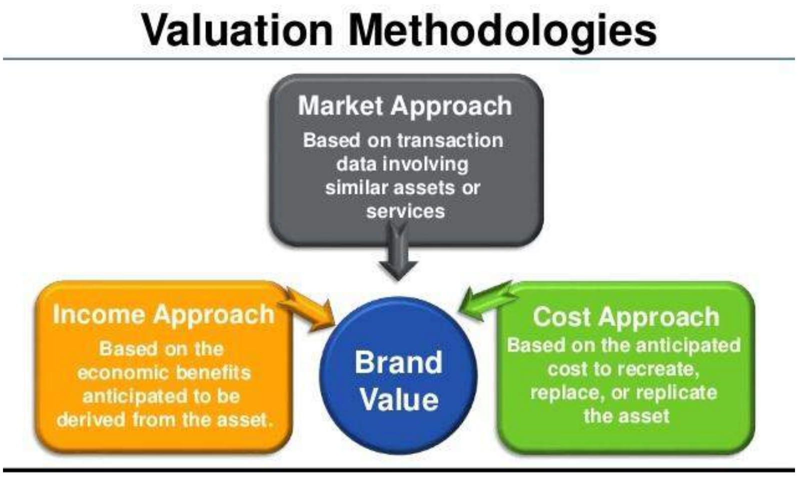
Brand Valuation Approaches

Brand valuation are three main approaches for brand evaluation and brand evaluation models are the same as the models for measuring Tangible assets. They are:

1. Cost Approach
2. Market Approach
3. Income Approach



These are the models/methods by which the brand is valued and in today's market a brand value carries great importance and there should be proper experienced people doing the brand valuation as that would talk about the Total Asset Value of the company.



Cost approach:

- Cost-based valuation means that how much amount cost has been incurred, or the amount of money spent on establishing and building the brand. It could also include things like;
  - History of expenses
  - License, registration and trademark cost
  - Promotional and advertising cost
- It tells you the list of expenses and the amount of money you incurred for the brand. It doesn't mean that this would also be the current value of the brand. It just gives you the estimate whether you're a new brand or an old one.
- In models using this approach the brand is valued by taking into account the various cost elements that went into the brand's development phase (R&D, testing, concept tests, product tests, any form of product improvements etc.)

Market approach:

- In this approach, more recent investments and transactions in the brand's lifecycle is considered. Examples of such type of investments / transactions include sales, acquisitions and licensing.

- Market-based valuation means that the worth of our brand compared to the price of competitive brands in the market. The contrast is usually done in some ways like:

    - Sale of similar brand in the market
    - Transaction of some competitive brand

Income approach:

- Income-based valuation means that how much money the brand has been producing; it could be the future estimated earnings of the brand. Or the current revenue, sale, and cash flow of the brand also fall in this category.
- This approach involves measurement or estimation of future income, cash flows and profits that can be attributed to a brand over the remaining period of its life. The second stage is discounting these future income and profits back to present value (the "Discounted Cash Flow" approach) or multiplied by a capitalization factor (direct capitalization approach)

Example of Brand Valuation

Some examples of brand valuation are:

1. Brand value of Amazon in 2018 is $150.8 billion. In terms of market capitalization and revenue, Amazon is the largest online business.

2. Brand value of Apple in 2018 is $146.3 billion making it rank 2 in terms of brand value with a 37% change from last year.

Hence, this concludes the definition of Brand Valuation along with its overview.

Importance of Brand Valuation

Brand valuation has been by far used for many purposes by companies.

1. Mergers and Acquisitions: Usually, a company or an organization does not pay the book value while acquiring another business entity. Now the difference between the paid acquisition price and book value is known as Goodwill. Goodwill can be defined as the value of a business entity which is not directly attributable to its tangible assets and liabilities. Estimating the financial value using brand valuation of a brand helps us to determine the premium over book value that a buyer should be paying.

2. Licensing: One of the approaches to take advantage of the value of a solid brand is by broadening or permitting the brand. It is feasible for both the licensor and the licensee to profit financially from an authorizing course of action. The licensor profits by another wellspring of income that requires minimal capital speculation. The licensee benefits by having a lower channel, publicizing and client obtaining costs.

3. Financing: While companies don't convey marks on their monetary records as long-term resources, money related markets perceive the commitment brands have on investor esteem. Organizations with solid brands consistently acquire preferable budgetary terms over organizations with poor brands. The higher the estimation of the brand through brand valuation, the better the terms.

4. Brand Reviews: Usually, brand investment reviews entail the comparison, across brands and against competitors of hard measures, such as sales and market share, and soft measures, such as reputation and awareness. For some brands, it is also important to determine financial value. Brand valuations allow companies to gauge their return on brand investment and to develop appropriate investment strategies across a portfolio of brands.

5. Budget Allocations: The marketing mix is utilized by advertisers who must settle on choices about the assignment of spending plan and assets. Organizations can now more precisely gauge the blend of promoting vehicles required to expand both spending proficiency and advertising viability. For a few organizations, brand valuations are a basic component of the marketing mix.

Advantages of Brand Valuation

Certain benefits of Brand Valuation for companies are:

1. Brand valuation changes the outlook of the firm and makes the executive's frameworks that initially recognize and afterward measure the key drivers of brand an incentive in the firm, from both the advertising and the money (investor esteem) perspective.
2. It builds up the frameworks that catch a past filled with these brand esteem drivers and hence loans validity to the valuation procedure sometime in the future while decreasing the cost.
3. It empowers the brand to be overseen against indistinguishable criteria from different interests in the firm.

Disadvantages of Brand Valuation

The drawbacks of brand Valuation are:

1. Nearly all models don't meet prerequisites, for example, dependability, undeniable nature and objectivity.
2. All buyer situated models don't think about money related qualities and accordingly are not appropriate for merger and securing, outside announcing, spending arranging, brand authorizing and encroachment of brand rights. Conversely, all monetary arranged models don't consider brand planning and brand the executives.
3. Only the brand valuation models consolidating both buyers' arranged and budgetary situated perspectives think about money related angles just as non-fiscal viewpoints. Subsequently, the brand assessment is very abstract concerning the change of non-fiscal qualities into money-related qualities by utilizing, for example, none experimentally tried scoring-models. Moreover, they are not straightforward because of their business foundation.
4. An unlimited, acknowledged model does not exist.
5. An extra and frequently ignored point is the comprehensive thought of the organization and its few corporate assessment approaches.

Ethical brand

A brand that represents a company, organization or person whose products, services and activities are:

1) morally correct
2) do not harm people, animals and the environment
3) contribute to society and public good in a responsible, positive, and sustainable way.

- Ethical branding and corporate reputation have close connection. Honesty, quality, respect, responsibility, accountability, diversity and integrity are attributes of ethical brand. An ethical branding enhances the firm's reputation at both corporate and product levels
- So in marketing the ethical branding is the key role player in the success of constant sale of goods for a long period.
- Many companies to differentiate themselves from their competitors.
- An ethical brand behaves with Integrity, Honesty, responsibility Accountability and respect

What are the benefits of behaving ethically of brands?

- Research shows that brands invest in becoming more ethical can boost their corporate image and strengthen their customer relationship.
- Increases Brand Value
- Strengthens Brand Image-

  Customers develop a brand image when they interact with brands.
  1. *Cognitive Associations (Personal thoughts, beliefs and evaluations)*
  2. *Emotional Associations (Feelings and emotions towards a brand)*
  3. *Sensory Associations (Physical senses such as smell and taste)*
- Increases Brand Equity
- Enhances Brand Loyalty

How it happens?

- They engage in corporate social responsibility and corporate environmental responsibility initiatives that are linked to the core of the business.
- They provide recognition benefits to their customers. This is when customers develop positive feelings and emotions, ego enhancement and group identification by purchasing of an ethical brand.
- They place ethics at the core of their corporate brand from the start.
- Younger brands can benefit more when their investments are perceived as being ethical.

Social Media Branding

Chapter 7

SOCIAL MEDIA BRANDING

The definition of brand building is to generate awareness about your business using marketing strategies and campaigns with the goal of creating a unique and lasting image in the marketplace.

Positive impression + standing out = brand success.

In 2020, the amplification of your brand image can be done effectively through various digital marketing activities:

- User Experience (i.e. your website)
- SEO
- Content Marketing/ Blogs
- Social Media Marketing
- Email Marketing
- Paid Advertising (PPC)

Together, these channels are fundamental to gaining brand awareness and growth.

PPC (PAY PER CLICK)

- PPC is an online advertising model in which advertisers pay each time a user clicks on one of their online ads.
- Essentially, it's a way of buying visits to your site, rather than attempting to "earn" those visits organically.
- PPC ads can be especially useful for specialized, time-sensitive campaigns (events, promotions, etc.), to go after your biggest competitors, retarget users that have already been on your site, or even hyper-focus your efforts on localized markets.
- For Example- In a PPC campaign with Google, you are paying Google to display your ads at the top or bottom of the traditional organic search results. Ads can also display across other sites through Google's display network, but we will get to that later. When a user clicks on one of your

ads, you pay whatever the current Cost Per Click (CPC) is, and that amount is taken from your daily budget.

Benefits to PPC:

1. **Speed:** Advertisers can quickly drive a significant amount of traffic to their website. If managed effectively, PPC marketing is one of the fastest digital marketing strategies to drive traffic and conversion growth.
2. **Precision:** Creating a highly-targeted audience to show your ads to is straightforward—especially on Search and Shopping Networks.
3. **Agility:** Performance data is available almost immediately, which makes it easier to quickly make adjustments to improve your chances for a successful campaign.
4. **Measurement:** With effective conversion tracking, advertisers can see the ROI of their ads.

CONTENT MARKETING

- Content marketing is a marketing technique of creating and distributing valuable, relevant and consistent content to attract and acquire a clearly defined audience.
- Content marketing is the creation and distribution of online material like blog posts, videos, and guides to boost interest in a company's products and services.
- Content marketing is the process of creating relevant and unique content intended to change the behavior of your target audience over time.
- "Content marketing is the creation and online distribution of educational, informative content delivered as a means of converting online information seekers into customers and current customers into repeat buyers."

TYPES OF CONTENT

- **Blogs**: Blogs are a popular way to share information with your audience. When you create a blog, you write and post content on a regular basis. It's a great way to drive traffic to your site. Every industry, from dentists to florists, can use a blog as a marketing strategy.

- **Videos:** As platforms like YouTube continue to rise in popularity, videos continually grow as a popular way for businesses to market online. Video marketing is an excellent medium for sharing an abundance of information quickly.
- **Ebooks:** Ebooks provide your audience with everything they need to know about a topic. This content is in-depth, so you'll cover all the bases of your topic to ensure your audience has a full understanding of the information. Many companies create ebooks and offer them to clients in exchange for contact information.
- **Infographics:** Infographics are visual images that present data and information in an easily digestible format. Many companies use infographics to present statistics and help users better understand them.
- **Site pages/SEO copy:** Site pages are crucial content pages you include on your site. This SEO website copy includes about us pages, pricing and product pages, and more.
- **Webinars:** Webinars are a great opportunity for you to spread your knowledge and expertise with your audience. This content marketing strategy allows you to share information with your audience through live video.

CONTENT MARKETING PROCESS

1. You create valuable content
2. You share your content online
3. People search online for information about your business, products, and services
4. People find and enjoy your helpful content
5. You boost brand awareness and trust with your audience
6. You earn more conversions and sales

SOCIAL MEDIA MARKETING

- Social media marketing is a powerful way for businesses of all sizes to reach prospects and customers. Your customers are already interacting with brands through social media.
- **Social media marketing**, or SMM, is a form of internet marketing that involves creating and sharing content on social media networks in order to achieve your marketing and branding goals.

BENEFITS OF SOCIAL MEDIA MARKETING

- Social media marketing can help with a number of goals, such as:
- Increasing website traffic
- Building conversions
- Raising brand awareness
- Creating a brand identity and positive brand association
- Improving communication and interaction with key audiences

Using Facebook for Social Media Marketing

- Facebook's casual, friendly environment requires an active social media marketing strategy. Start by creating a Facebook Business Fan Page. You will want to pay careful attention to layout, as the visual component is a key aspect of the Facebook experience.
- Facebook is a place people go to relax and chat with friends, so keep your tone light and friendly. And remember, organic reach on Facebook can be extremely limited, so consider a cost-effective Facebook ad strategy, which can have a big impact on your organic Facebook presence as well!

Using Twitter for Social Media Marketing

- Twitter is the social media marketing tool that lets you broadcast your updates across the web. Follow tweeters in your industry or related fields, and you should gain a steady stream of followers in return.
- Mix up your official tweets about specials, discounts, and news with fun, brand-building tweets. Be sure to retweet when a customer has something nice to say about you, and don't forget to answer people's questions when possible. Using Twitter as a social media marketing tool revolves around dialog and communication, so be sure to interact as much as possible to nurture and build your following.

Using YouTube for Social Media Marketing

- YouTube is the number one place for creating and sharing video content, and it can also be an incredibly powerful social media marketing tool. Many businesses try to create video content with the aim of having their video "go viral," but in reality those chances are pretty slim. Instead, focus on creating useful, instructive "how-to" videos. These how-to videos also have the added benefit of ranking on the video search results of Google, so don't under-estimate the power of video content!

Using LinkedIn for Social Media Marketing

- LinkedIn is one of the more professional social media marketing sites. LinkedIn Groups is a great venue for entering into a professional dialog with people in similar industries and provides a place to share content with like-minded individuals. It's also great for posting jobs and general employee networking.
- Encourage customers or clients to give your business a recommendation on your LinkedIn profile. Recommendations makes your business appear more credible and reliable for new customers. Also browse the Questions section of LinkedIn; providing answers helps you get established as a thought leader and earns trust.

Benefits of Social Media Branding

I. Improves Brand Awareness
II. Reduces Marketing Costs
III. Better Brand Recall
IV. Increases Conversion Rates
V. Improves Brand Credibility
VI. Provides Valuable Customer Insights
VII. Helps You Reach a Targeted Audience
VIII. Drives Quality Traffic
IX. Improves Content Visibility

Brand Rejuvenation

Brand Revitalization

Chapter 8

BRAND REJUVENATION

- Brand rejuvenation and Re-launch, brand development through acquisition, take over and merger-Monitoring brand performance over the product life cycle. Co-branding.
- Brand rejuvenation involves adding value to an existing brand by improving product attributes and enhancing its overall appeal
- It is intended to re-focus the attention of consumers on an existing brand
- Brand rejuvenation helps overcome the consumer's boredom in seeing the same product on the shelves year after year. It makes a brand 'new', 'super', 'special' 'premium,' deluxe, 'extra strong' and 'fresh',

OBJECTIVES

- Rejuvenation aims at revival of brand. The intention is to breathe some new life into a brand that may be showing signs of decline
- Even healthy, successful brands may need occasional rejuvenation because of competition. The brand has to be updated. It ensures the steady success of the growing brand.
- It helps keep the brand live and in focus.

BRAND RE-LAUNCH

Re-launching a brand means thinking beyond a new design or a new name. It means, "going deeper."

A successful example, they point out, is Lifebuoy. From being an economic and normal bathing soap it was repositioned in the health and wellness group

OBJECTIVES OF BRAND RE LAUNCH

- To bring it to a better level in terms of sales, market share and profit than what its current position reflects.
- To re-launch the brand and reposition it for faster growth and market share
- To re-launch a brand that has failed due to an inappropriate marketing mix.

BRAND RE LAUNCH: METHOD 1

- Keep all elements of the mix the same but reposition the brand in the minds and hearts of customers.
- Nothing is done to the product, the pricing or the distribution but the communication and the entire repositioning exercise changes the perceived value of the brand.

- The elements used would be in the area of the communication mix including the packaging.
- This approach is usually followed when consumers have accepted the product, found it affordable and available but do not want to use it because they feel it does not match their needs or aspirations, keeping the psychographics in mind.

BRAND RE LAUNCH: METHOD 2

- Change the channel and distribution strategy.
- Other elements may be working but the distribution channel may be ineffective due to the choice of inappropriate outlets or even ineffective trade margins and marketing strategy.
- This can be linked with the sales effort, sales organization and structure.
- This happens in cases where the product is accepted, its awareness is high but it is not available. There is, therefore, wastage of advertising money.

BRAND RE LAUNCH: METHOD 3

- Revamp every element of the marketing mix including the brand name, the product ingredients and pricing, and bring it out with a new price and bring it out as a new avatar.

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.

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Reasons for Brand Revitalization

- **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 up gradation 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 Strategies

Brand revitalization is a result of creative thinking, problem-solving and urge of making improvements. Let us now find out the different strategies which a company may adopt for reviving itself:

Product Improvisation: Any product that is leading the market today, maybe discarded by the buyers tomorrow. Therefore, the company should continuously research and improve product features and usage, to retain its customers.

Better Packaging: If the product looks unappealing to the customer or not available in user-friendly packaging, the chances of rejection increases.

Therefore, another useful strategy is to modify the product packaging such that it serves the customer’s demand competently.

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Associating a Storyline: In the present scenario, the product or brand can be backed by a story which relates to the public for creating an impact on the prospective customers.

Changing Consumer Perception: Even an excellent product fails if the consumer remains unaware or misperceives it or the brand. Thus, it becomes essential to develop customer understanding of the company or the product.

Innovation or New Product Development: The most exciting ways of brand revitalization is creatively inventing a new product or process. It will not only increase the consumer base but also beat the competition in the market.

Analyzing Price Point: The Company can also rework the product prices according to its value addition, quantity purchased, features, specialization, class and level of customization.

Brand or Product Renaming: If the product or brand name seems to be unpleasant or hurts the sentiments of any community or group of people, thus hampering the sales; it can be revived through a name change.

Transforming Distribution Channel: Some companies expand their business extravagantly, selling to almost everyone. But, through market segmentation company realizes that the target customers are just a handful.

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.