

APPLICATION OF PRODUCT AND BRAND RELATED STRATEGY: AN OVERVIEW

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ABSTRACT

Most of the knowledge about brands is derived from consumer products. From the author's own extensive experience in industry and knowledge of company decisions, it seems that brand strategies are not as well developed for making brand decisions that are relevant to diversified companies or industrial business to business (B2B) companies. These companies are often uncertain as to whether the consumer product brand strategies are applicable in their markets. The paper suggests that the most important variables of drivers for making brand decisions are the amount of fear, uncertainty and doubt (FUD) at the point of purchase consideration and decision, along with complexity of the buying decision. The paper also provides a model for making brand strategy decisions when entering partnerships and alliances.

Key Words: Brand Resonance, Brand Decision, Brand Loyalty, Brand Name

INTRODUCTION

The American Marketing Association (AMA) defines a brand as a "name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers."

The objectives that a good brand will achieve include:

- ❖ Delivers the message clearly
- ❖ Confirms credibility of company
- ❖ Connects your target prospects emotionally
- ❖ Motivates the buyer
- ❖ Concretes user loyalty

To succeed in branding company must understand the needs and wants of customers and prospects. The best way to do this is by integrating brand strategies through company at every point of public contact. The brand resides within the hearts and minds of customers, clients, and prospects. It is the sum total of their experiences and perceptions.

FUNCTIONS OF BRANDING

Customer Functions

1. An easy way to identify product.

Brand is the best way to identify the products. Brands are always unique but products can be same. This way, products can be identified in the markets and on the shops.

2. Branded Products Tend to Improve in Quality Over the Years.

Branded products are believed to deliver better quality. The rising competition also helps in improving the quality of the product. Consumer trusts on brands rather than product itself. Strong brand can sell any kind of product.

3. Make Shopping Easier.

Shopping is tough task and when consumer is not clear about the quality of product available in the market, confusion increase. This situation happens with anybody until consumer is very clear I which brand to buy.

4. Consumer protection.

The advantage of buying a branded product is its price. That remains almost same throughout that national geography. The slight difference can come due to the state taxes and logistics otherwise the basic price remain the same. The consumer need not to worry about the over pricing of the product and bargaining hassles with retailer.

5. Provides an Identifiable Piece of Information.

The branded product normally comes in attractive and protective packing. This packing provides the information about the right kind of usage of the product. The consumer relies upon which to and that helps in the next buying decision process.

6. Visible Representation of Differences between Products.

The brand makes a clear difference between two similar products. No other way this difference can be created in the mind of consumers. Only brand can do that. Product remains in the shelf but brand rules the mind.

Sellers Functions

1. Aid Advertising and Display Programs.

A good established brand is very easily accepted by the consumer. The good brand can be advertised and can be fit into the mind of consumer with strict reinforcement schedule using different media.

2. Increase Control and Share of the Market.

Brand creates distinctiveness in the mind of consumer. Brand can be advertised easily. Strong brand recall creates a strong consumer market. Brand is something that relates to the attitude of the consumer.

3. To Reduce Price Comparisons and Help Stabilize Prices.

Pricing is the crucial factor for the success of any product. Company always tries to maintain some stability in the pricing of the product. Stability is very essential for the long term image of the brand and company in the mind of consumer.

4. To Facilitate Expansion of the Product Mix.

An established brand works as an umbrella under which company keep on launching new products. Company tries to leverage the same brand to strengthen the product line and expand the product mix. Companies normally avoid establishing the new brand name. Most of the companies use the old brands.

5. Improves the Product Differentiation Effort.

Brands make the seller task very easy. The confused consumer can be converted into sales only with the help of brand. For the seller brands are important because.

“The market segmentation process more precise especially within the firms’ own product line”.

- Improves new product introduction.
- Once customers are established with a brand, they are fewer prices sensitive.
- Brand increases the efficiency of communications.
- A successful brand prompts wholesalers and retailers to carry and stock the item.

BRAND DECISIONS

“A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well”.

The brand decisions can be understood in following sequence. This sequence is well thought one and explain the decisions step by step.

- Branding Decisions
- Sponsor Decisions
- Brand Name Decisions
- Brand Strategy Decisions
- Brand Repositioning Decisions

Branding Decisions

The first step in deciding the brands is whether one should go for branding its products or not. Company thinks it on the basis of the nature and usage of the product.

Following are advantage of having a Brand name:

- ❖ Easier to process orders & track down problems
- ❖ Legal protection
- ❖ Brand loyalty
- ❖ Segmentation
- ❖ Build corporate image
- ❖ Easy acceptance of new brands

Sponsor Decisions

- ❖ Brand can be created or sponsored by manufacture like--Kelloggs, Colgate.
- ❖ The same way distributor can create its brand like-- Pantaloon's – John Miller, Bare.
- ❖ Another way of sponsoring the brand is licensed brand like – Gitanjali group- Nina Ricci, Miss Sixty, Roberto Cavalli, Egana- Espirit, Peirre Cardin.

Brand Name Decisions

The good brand name should carry following qualities:

- ❖ Suggest about the product's benefits
- ❖ Suggest the product category
- ❖ Suggest concrete, high imagery qualities
- ❖ Easy to spell, pronounce, recognize & remember
- ❖ Distinctive
- ❖ Should not carry poor meaning in other countries & language

Based on usage and end user perspective brand can be named on following basis:

a. Individual Names.

This method is widely used by FMCG companies. They keep separate products. Through this way they create distinct image in the mind of consumer. Example: Apple Fizz is product of Parle agro products. This is apple carbonated juice and can be used as basis of cocktails. But this product could not get that kind of success. But the impact of this was nowhere on other existing products of Parle.

b. Blanket Family Name.

This is one of the strategies that are available in brand name decision. In this strategy, every product the company offers to market bears the same brand name. Example: Wipro, Infosys, Sony, Hitachi.

c. Separate Family Names for All Products.

This type of branding is used by large organizations to create separate business identity in the market. In this method individual business line is given the distinct brand name. Example: Aditya Birla Group has following business lines:

- ❖ Grasim Industries Limited – Birla White
- ❖ Hindalco Industries Limited – Home Foil
- ❖ Aditya Birla Nuvo Limited
- ❖ Ultra Tech Cement

d. Corporate Name Combined with Individual.

These brand names are used to develop the company brand name with individual business or product. This way company establishes a unique pattern that covers all the businesses of company.

Example: Tata Group companies – Tata Motors, Tata Steel, Tata Chemicals, Tata Consultancy Services, Tata Tea, Tata Salt etc.

Brand Strategy Decisions

Branding approach, referring to different product identification strategies that can be developed to establish a product within the market. The purpose of these approaches is to build a brand that will exist for the long term. Making smart decisions up front is crucial since a company may have to live with the decision for a long time.

There are four major decisions that company take to design the strategy for the brand:

a. Line Extensions.

This strategy is good when manufacturer feel that consumer require a newer version of the same product, so it introduces the products with changed attributes.

b. Brand Extensions.

This strategy is adopted when company does not wish to introduce a new brand and want to leverage the advantage of already well-known brands. So it introduces the products with same brand name.

c. Multi Brand, New Brands.

This is the marketing of two or more similar and competing products by the same firm under different and unrelated brands. While these brands eat into each other's sales, multi-brand strategy does have some advantages as a means of

- ❖ Obtaining greater shelf space and leaving little for competitors' products,
- ❖ Saturating a market by filling all price and quality gaps,
- ❖ Catering to brand-switchers users who like to experiment with different brands,
- ❖ Keeping the firm's managers on their toes by generating internal competition.

Brand Repositioning Decisions

“If a brand does not reposition at the right time, it may not get a second chance.”

Brand repositioning is required because of several reasons:

- ❖ When new offerings flood the market, the superiority of the established brand has to be re-emphasized.
- ❖ The established brands may not be able to offer either the same features or the variants that are being offered by the new brands.
- ❖ When a contemporary image is required in some categories because of changing psychographics.
- ❖ When brands desire to change their target segment.
- ❖ When brands want to communicate improved offerings.
- ❖ When motivation to buy products in the category is low.

BRAND RESONANCE

Resonance refers to the relationship that a brand builds with its customers, and how the customers identify it.

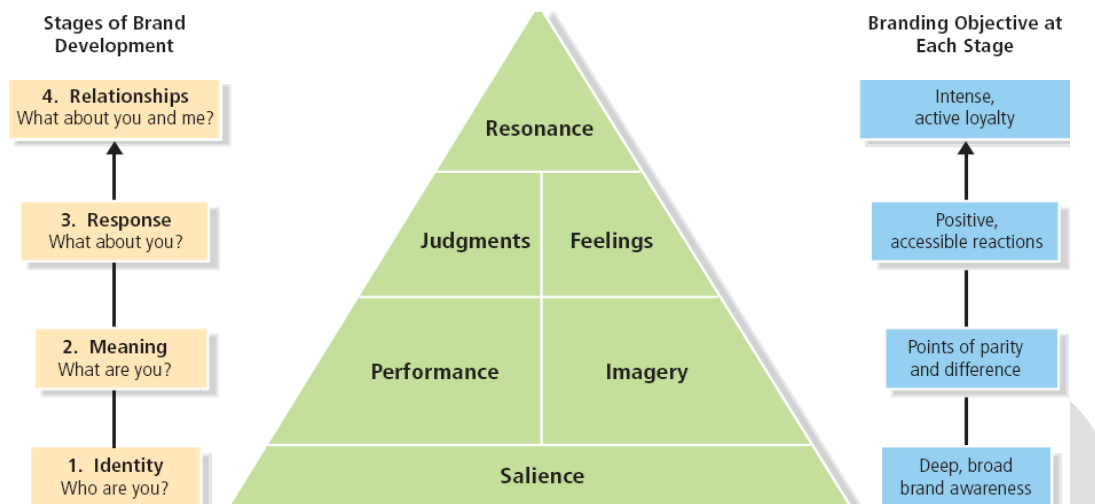
In strategic brand management: Building, measuring, and managing brand equity Keller outlines the four main steps:

- Establishing the brand identity to create brand awareness.
- Creating the right brand meaning through brand associations.
- Extracting positive and accessible brand responses.
- Building a strong loyal relationship with customers.

Steps in building brand resonance

- ❖ Brand salience
- ❖ Brand performance
- ❖ Brand imagery
- ❖ Brand judgments
- ❖ Brand feelings
- ❖ Brand resonance

Customer-Based Brand Equity Pyramid



Brand salience

- ❖ Breadth and Depth of Awareness
- ❖ Product Category Structure
- ❖ Strategic Implications

Brand performance

- ❖ Meets customers' more functional needs
- ❖ Rate on objective assessments of quality
- ❖ Satisfies utilitarian, aesthetic, and economic customer needs and wants in the product or service category.

Brand Imagery

- ❖ User profile/imagery
- ❖ Purchase and usage situations/imagery
- ❖ Brand personality and values
- ❖ Brand history, heritage, and experiences

Brand Judgements

- ❖ Quality
- ❖ Credibility

- ❖ Consideration
- ❖ Superiority

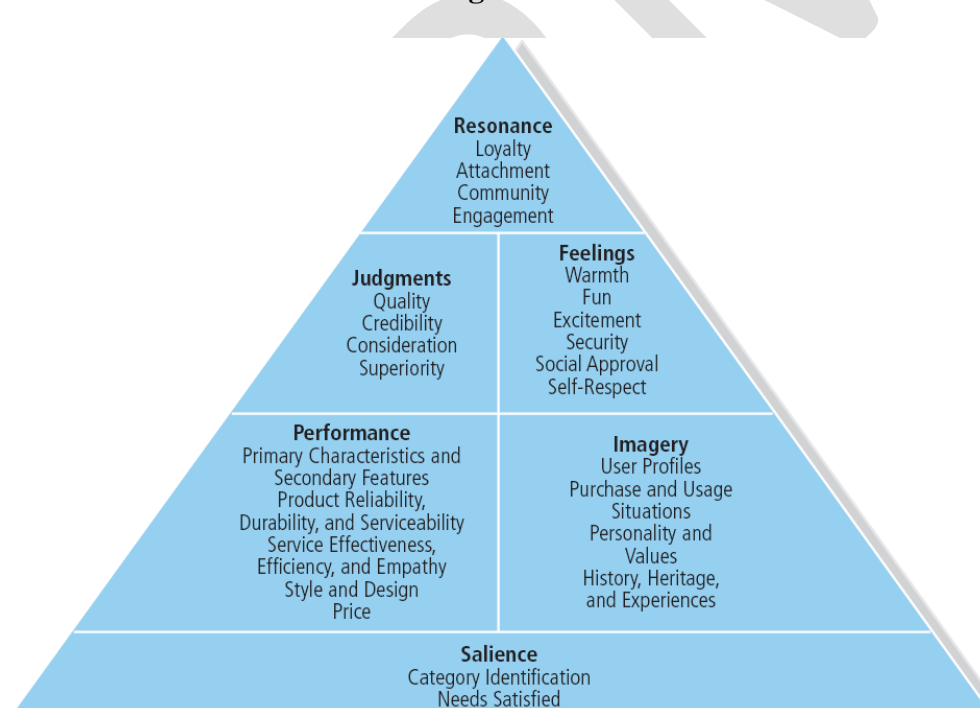
Brand Feelings

- ❖ Customers' emotional responses and reactions to the brand
- ❖ Relate to the social currency evoked by the brand
- ❖ Experiential and immediate, increasing in level of intensity
- ❖ Private and enduring, increasing in level of gravity

Brand Resonance

- ❖ Behavioural loyalty
- ❖ Attitudinal attachment
- ❖ Sense of community
- ❖ Active engagement

Sub-dimensions of Brand Building Blocks



CONCLUSION

One of the most important things in managing a brand is to be able to position it positively relative to competitors in the minds of consumers in target markets. The brand needs to communicate the key values of the products and the business.

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