

# “Brands and Brand Management”

A holistic overview

# Presentation Outline

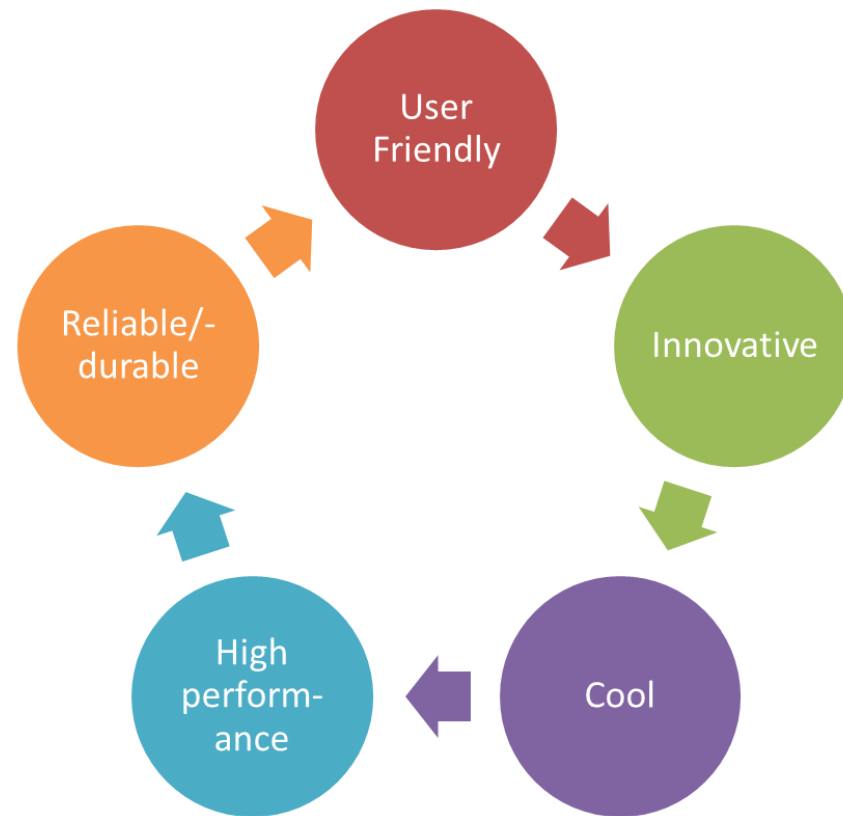
- ▶ Significance of the environment with the brand.
- ▶ What is a brand?
- ▶ Different types of brand names
- ▶ Why are brands important?
- ▶ Challenges & Opportunities of branding
- ▶ The brand Equity Concept
- ▶ Strategic Brand Management Process

# What is a brand?

American Marketing Association Defines Brand as:

**“Name, term, symbol, sign, 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 competition”**

# Brands are a collection of associations



# Does this Image portray the associations ?



Spring (Orange) 2011 Magazine Ad. Size: 7 x 9.5 inch.



# Products and Brands

## ▶ Levels of product

- ▶ Core product : Fundamental need or want that consumers satisfy by using the product
- ▶ Generic product: Basic version of product with attributes that are absolutely necessary with no distinguishing feature.
- ▶ Expected product: A set of attribute that buyers usually expect and agree to when they purchase the product
- ▶ Augmented product: Additional product attributes, benefits, services etc. that distinguishes own product from the competitor's
- ▶ Potential product: All the augmentations and transformation that a product might undergo in the future.

# What is Brand Equity?

**“According to Stuart (1956), “If this company were to split up I would give you the property, plant and equipment and I would take the brands and the trademarks and I would fare better than you”.**

# Different types of Brand Names



# How you brand shows how different they are...

Some companies use a “brand name” on generally all their products:




# The Law of contraction

**A brand becomes stronger when you narrow its focus.**

- ▶ **E.g.** Meril has narrowed its focus on “winter care”. It contributes to almost 20% of overall company revenue and is currently the market leader in the winter care category of Bangladesh.

**A powerful branding program always starts by contracting the category, not expanding it.**

- ▶ However, companies want to be very business oriented and do not want to invest to establish a new brand.

# Types of brand names # 2

Companies assign individual brand names that are unrelated to the company name:

- ▶ Square Toiletries Limited's: Whiteplus, Chaka, Kool, Magic.
- ▶ Unilever's: Pond's, Wheel, Sunsilk, Dove.
- ▶ P and G's: Tide, Head and shoulders, Pampers.



The Unilever Brand Wagon



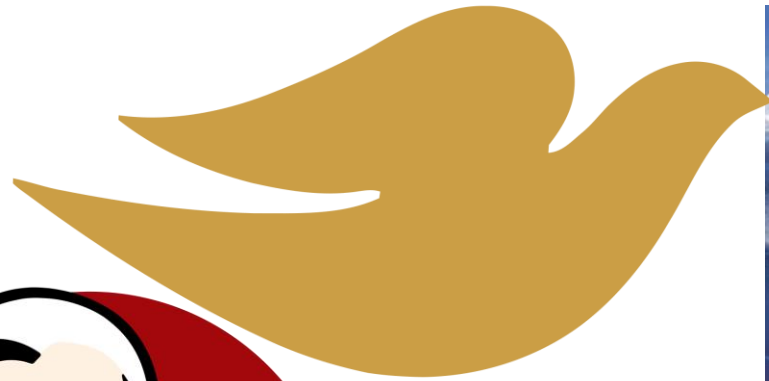
# Types of brand names # 3

- ▶ Brand names are assigned according to people's names:
- ▶ When brands names are of a specific celebrity name or endorsed by a celebrity, there is a sudden acceptance of the brand amongst the massive fan base the celebrity possesses.



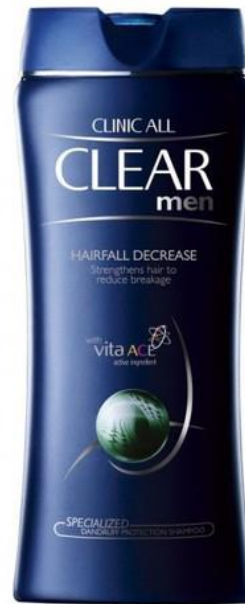
# Types of brand names # 4

There are brand names based on places and animals:



# Types of brand names # 5

Some brand names have inherent product meaning:





Why do brands matter?

# Customer needs, wants and demands

## Needs

- States of deprivation
- Maslow's hierarchy of needs.

## Wants

- Form that needs take as they are shaped by culture and individual personality - objects that satisfy needs.

## Demands

- Wants backed by buying power



# In terms of consumers

- ▶ Identifies sources of product
- ▶ Assignment of responsibility for manufacturer
- ▶ Search cost reducer
- ▶ A promise
- ▶ Symbolic device
- ▶ Signal of quality
- ▶ Risk reducer

# Why are brands important?

## For consumers:

- ▶ Identification of the source of the product in terms of the producer.
- ▶ *Risk Reducer* - due to previous experience with different brands, they can trust a specific brand to address their needs. Hence, simplifies purchase decision making.
- ▶ *Search cost reducer*: If consumer recognize the brand and have knowledge about it, then they do not have to engage in a lot of additional thought or processing of information to make a purchase decision. Hence search cost is reduced internally (in terms of how much they have to think) and externally (in terms of how much they have to look around).

# Risk reducer meaning..

- ▶ Functional risk
- ▶ Physical risk
- ▶ Financial risk
- ▶ Social risk
- ▶ Psychological risk
- ▶ Time risk

# Why are brands important?

## For firms:

- ▶ For firms, brands are the most valuable asset of the company. Hence, a trademark/copyright should be implemented so that others cannot sell the product under the brand name.
- ▶ As brands are a signal of quality to satisfied customers - repeat purchase occurs which secures demand and revenue for the company. Source of financial returns: Strong brands = better earnings = profitability.

# Why are brands important? [continued]



- ▶ *Source of bond with the consumer:* consumers become loyal to the brand provided that satisfaction has occurred from past purchases.
- ▶ *Symbolic device:* allow them to project self image. Example: Chanel 5 (classy image).
- ▶ Symbol of quality.

Conclusion: In short, a brand reduces risk and simplifies purchase decision making.



# How do you understand the Consumer?

- ▶ Focus group and other research studies
- ▶ Consumer immersion
  - ▶ **Customer immersion** is a process whereby staff - often in the higher reaches of a company - experience their business from a **customer** point of view; the actual form the **immersion** takes varies depending on the company



# What can be branded?

- ▶ Anything that needs to be differentiated
- ▶ Physical goods
  - ▶ B2B products like CISCO, Dell and FedEx
  - ▶ High tech products like TCS (Tata consulting services)
- ▶ Services
- ▶ Retailer/Distributers
- ▶ Online product services
  - ▶ Google

# What can be branded (cont)

- ▶ People and organization
  - ▶ Sanjeev Kapoor
  - ▶ Oprah Winfrey
  - ▶ Unicef
- ▶ Sports, arts and entertainment
- ▶ Geographic location
- ▶ Ideas and causes
  - ▶ Starbucks take the pledge
  - ▶ Tide Loads of hope





# Challenges and Opportunities of Branding

# Challenges and Opportunities of Branding

- ▶ **Savvy Customer**
- ▶ **Consumers Expectations** - the gap between performance and expectation is growing.
  - ▶ Companies need to continuously improve the quality of the product to keep up with the expectations of the consumers.
  - ▶ Brands need to be emotionally attached to the consumers. In other words, A brand should possess emotions. Once you make a brand possess emotions, you strengthen the brand and consumers will tend to like that brand.



# Challenges and Opportunities of Branding [continued]

## Brand Proliferation:

Different product ranges from different categories are being branded under an umbrella brand. As a result such an act violates the law of contraction and weakens the brand.

- ▶ Example1: Tibet has a wide range of products.

It's a big challenge for marketers to make sure that the brand is well sustained while entering other product categories.

- ▶ Discussion: How do you face this challenge?

# Challenges and Opportunities of Branding [continued]

## Media:

### Traditional advertising media is getting fragmented

- ▶ **Cost** - To get a reasonably good exposure of a new TVC - at least 70 lacs needs to be spent in Bangladesh now. To get that return of marketing investment it takes brands months to reach breakeven.
- ▶ **Clutter** - Too many adverts going on. Its getting harder to grab consumer's attention.
- ▶ **Fragmentation** - Variations of TV/Radio stations are growing. More and more people are subscribing various channels. Its difficult to reach the target consumers sometimes. However, fragmentation has also helped zero in on the target customers most of the times.
- ▶ **Technology factor** - which enables consumers to avoid commercials.
- ▶ **Buzz marketing, Guerilla marketing**, Non traditional media which is more interactive is emerging: e.g. outdoor branding and event sponsorship, market activations, superstore shelf branding etc.

# Challenges and Opportunities of Branding [continued]

## Increased Competition

Happens due to:

- ▶ **Globalization:** Threat of new entrants who want to enter your market as a source of more revenue.
- ▶ **Low Priced Competitors:** Chinese products, and their main bargain is low cost.
- ▶ **Brand Extensions:** many companies might extend their existing brand into a new category which is a threat.
- ▶ **Deregulation:** when government reduces its role and allows an industry a greater freedom in how it operates. More freedom will lead to more competition.

# Challenges and Opportunities of Branding [continued]

## Increased Cost:

- ▶ More Competition = More investment needed to establish a new brand or supporting an existing brand.
- ▶ Because of this factor many new brand eventually fail which is another reason why marketers decide to go for a “brand extension” to enter a new product category.

## Greater Accountability:

- ▶ There exists a pressure to meet short terms revenue and profit targets.
- ▶ This might create adverse long term effects on the brand.
- ▶ e.g. Shakti Toilet Cleaner - all eyes of Shakti and how much it is spending.

# The brand equity concept - simplistic form

