Brand Management

Introduction

In the present scenario of intense competition every company is competing with each other trying to create a unique identity for themselves. In the process we often come across several names of products given by the companies which we call brand. We use the term brand very often. But what is a brand? Brand is a name, term, sign, symbol, design or a combination of some or all of them to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors. According to Jean-Noel Kapferer, the brand is a complex symbol used for expressing seller's promise to deliver a specific set of features, benefits and services consistently to the buyers. Keller's Definition says that a brand is a product, but one that adds other dimensions that differentiate it in some way from other products designed to satisfy the same need.

- Rational and tangible
- Symbolic, emotional and intangible

The brand can convey up to 6 levels of meaning:

- Attributes: A brand brings to mind certain attributes. For instance, Sony suggests high-precision electronics goods
- Benefits: Attributes must be translated into functional and emotional benefits. Indian Oil provides better savings on usage (functional benefit) or Mercedes stands for prestige symbol (emotional benefit).
- Values: The brand also says something about the producer's values. Tata Steel stands for superior performance, safety, trust.

- Culture: The brand may represent a certain culture. GM Chevrolet Optra depicts its attachment with Indian culture like the ritual of *Karwa Chowth*.
- Personality: The brand can project a certain personality. Reid & Taylor by using Amitabh Bachchan as its brand ambassador projects an elegant personality.
- User: Brand suggests the kind of consumer who buys or uses the product. McDowell Celebrations project the camaraderie of relationships.

A Brand is like a human being. It has a ***Personality, Character, Feelings and Identity***. A Brand stands for core values. A brand is supposed to do 2 things.

1. Provide benefits and value to consumer
2. Benefit the Brand owner

In tangible terms, brand is a name, a symbol/sign, and typically a system of fundamental visual, verbal, and written characteristics; however, the true essence of a brand extends beyond what we can see and hear. The significance of your company's brand is also defined by the sum of its interactions with people. These interactions occur in a variety of ways. They can be local and personal, such as when a customer engages in a face-to-face conversation with a customer service representative (CSR). They can also be remote, such as when a customer contacts a CSR by phone. In both of these situations a human connects with another human who represents the business; however, in mediated interactions-those exemplified by communication channels including mass media advertising, product packaging, and Web sites—a human interacts with a non-human representative of the company i.e. the brand.

Each of these interactions represents a touch point that results in an experience. Consistently positive experiences form the foundation of an effective brand. The most powerful brands maintain interactions that repeatedly result in high-value experiences. Such brands allow organisations to capitalise on the strong, long-term customer relationships that result from these experiences. Think Microsoft, Nike, and IBM.

Branding Decision Hierarchy

The stages of branding decisions can be expressed in the form of hierarchy as shown below:

<u>Branding Decision Hierarchy</u>

Step 1 →	Step 2 →	Step 3 →	Step 4 →	Step 5
Branding Decision	Brand-Sponsor Decision	Brand-Name Decision	Brand-strategy Decision	Brand-Repositioning Decision
Brand	Manufacturer brand	Individual names	Line extensions	Repositioning
No brand	Distributor brand	Blanket family names	Brand extensions	No repositioning
	Licensed brand	Separate family names	Multibrands	
		Company-individual names	New brands	
			Cobrands	

Step 1: Branding Decisions

While deciding on the brand strategy, the companies should first decide whether they would go for branding or not. But, in today's marketplace, much emphasis is given on branding. To understand the rationale behind this, we have to find out why and under what conditions are people more likely to buy brand names than their generic counterparts.

In contemporary world, our lives are increasingly influenced by brands. We live in what the anthropologist John Sherry (1995) has referred to as "brandscapes". More often than not, the symbolic associations of brands are such that they tell us enough about an object that more description is unnecessary to conjure up the correct image in the mind of the person we are speaking to. We can talk about our favourite shoes, trousers, bikes or refrigerators. Branding affects many areas of our lives; major corporations like Reliance or Infosys often feature on news stories, movie stars are increasingly marketed as brands (Amitabh Bachchan for an example is one of the biggest mass communication brands who have endorsed ICICI, Pepsi, Parker Pens, Hajmola, Nerolac Paints, Reid & Taylor to name a few).

Branding gives the seller several advantages:

- The brand name makes it easier for the seller to process orders and track down problems

- The seller's brand name and trademark provide legal protection of unique product features
- Branding gives the seller the opportunity to attract a profitable set of customers.
- Proper branding may initiate repeat purchase of the customers generating customer loyalty
- Brand loyalty ensures a producer's share of that product market to achieve a certain level of stability and gives some protection from competition
- Brand loyalty can also command premium prices.
- Branding helps the seller to segment the markets and formulate the product to aim for each specific benefit-seeking segments
- Strong brands build the corporate image and make it much easier to launch new brands
- Branding can facilitate the introduction of a new product that carries the name of an organisation's existing products because buyers are already familiar with the firm's existing brands
- Branding expedites promotional efforts because the promotion of each branded product indirectly promotes all other products with a similar brand name.

Branding gives the buyer several advantages:

- Branding helps consumers identify the specific products they like or dislike so that they can purchase the products that satisfy their needs.
- Branding also helps consumers evaluate the quality of products, especially when they cannot judge any product characteristics.
- A brand that symbolises status can provide a psychological reward to consumers

- Branding benefits consumers Branding helps consumers Branding helps consumers

Step 2: Brand-sponsor Decisions

The second stage in branding decision is to decide who will spend for establishing and running the brand. In the entire market there can be many groups who pay for the branding. Accordingly the brands are named behind the sponsors of the brand. They are as follows:

- Manufacturer brand: Sometimes called national brands, these are what we normally see in the marketplace like LG, BPL, Lux or Bajaj Pulsar. A manufacturer brand is developed and owned by its producer, who is usually involved with distribution, promotion and pricing decisions for the brand. Manufacturer brands make it possible for consumers to identify products with their manufacturers at the point of purchase.

- Distributor brand: Also known as reseller, store, house or private brand or own label brand, this brand is developed and owned by reseller, such as wholesaler or retailer. Resellers enjoy private distributor brands to develop more efficient promotion, generate higher gross margins (between 25 to 30% more than those offered by a market leader) and improve store image. For example, Giant hypermarket has 9 such brands:

    - Giant Value: Staples, ketchup, jam, honey, salt, floor cleaners, bathroom cleaners, utensil cleaners, scrub pads, cotton wool, ear buds and garbage bags, tea and bed linen
    - Giant Choice: Herbs, and spices, speciality jams, honey and cookies.
    - Mr. Giant: Men's formal wear
    - G Casuals: Men's casual wear
    - Lady G: Women's apparel
    - Master Giant: Clothes for boys in 8-14 age group

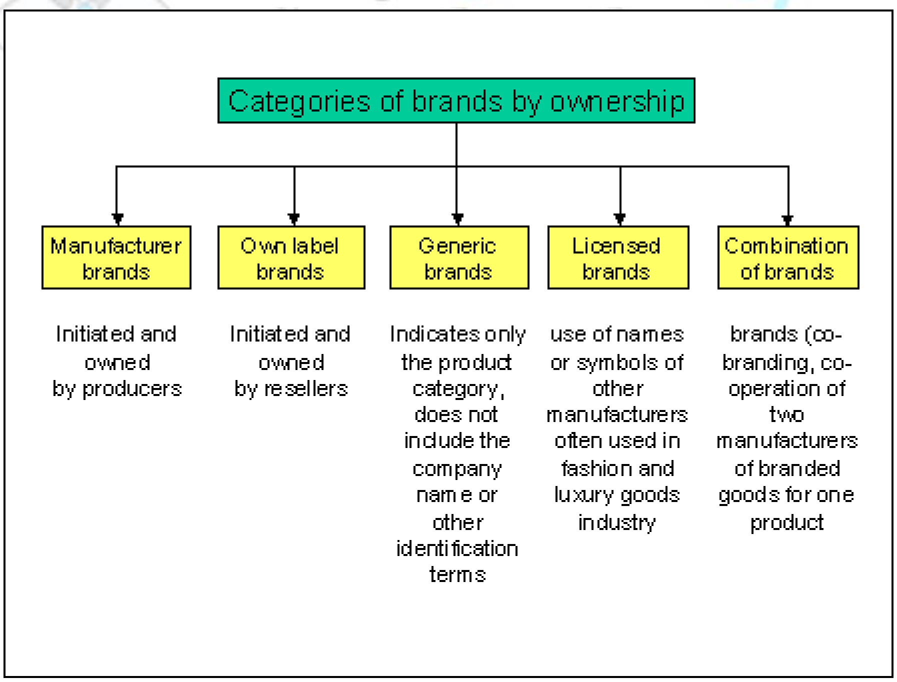
- Princess: Girls' wear for 8-14 year olds
- G Kids: Clothes for children in 2-8 age group
- Bumble Bee: Brand for infant clothes

- Licensed brand name: In this case, the owners provide license or authority to other sellers to use these brand names under some conditions. Domino's Pizza or Monginis are the examples of licensed brands.

- Generics or generic brand: These are unbranded, plainly packaged, and less expensive versions of common products such as paper towels, which do not list the manufacturer or any other distinguishing information on its label; only the product type can be identified. As the generic brands are rarely advertised, many grocery stores sell them at lower prices than they sell comparable branded items.

Apart from these there can be combination also shown in the figure with definition.

Categories of brands by ownership



A company, which has strong manufacturer brands, may decide to sell the same or similar products to retailers for use as their own label brands. If consumers become aware of this they might change their perception of the manufacturer brand:

- "I get the same product for a lower price under my retailers brand." or
- "They sell the same thing under another name very cheap. This product is not exclusive anymore. I go for another brand then."

Extensive permissions for the licensed use of a strong brand for other products can destroy the value of the brand. Pierre Cardin has lost lots of its luxury appeal since various goods with this name can be found in every department store.

As companies become more aware of the importance of the importance of brand power, they try to find out how they can strengthen their brands. There are 9 brand strengtheners required to build more brand awareness and brand preference:

1. Develop creative advertising. Depicting gum as a tool of fishing in Feviquick ad
2. Sponsor well-respected or regarded events. Manikchand sponsors Filmfare awards
3. Invite customers to join a club: Harley-Davidson club in USA or Yamaha RD350 club in Bangalore
4. Invite the public to visit factory or office
5. Create own retail units: Sony or Nike showroom
6. Provide well-appreciated public services: Educational scholarships given by many companies
7. Give visible support to some social causes: CIPLA organises 'Attack Asthma" programmes
8. Be known as a value leader. Times Of India in English newspaper market

9. Develop a strong spokesperson or symbol to represent the company. Gattu as mascot of Asian Paints or famous trident symbol for Mercedes-Benz

Step 3: Brand-name (and logo) Decisions

Selection of brand name and logo selection of good brand name is the prime task of brand management, and the name should be easy to pronounce, recognise and remember. It may denote something about the nature or function of the product and it should be appealing.

The brand naming issue always has four critical sides.

Character: What is this new thing? How and why does it work and why will it change or overcome a hurdle? What are its characteristics and possible personalities?

Customers: Who are they and why will they buy it? What are they thinking and how will you attract them? Why will they respond to your name and grasp this innovation?

Competition: How will they attack? What are the other confusing names in the market place? How do you get a unique and a distinct name identity to secure a market position?

Delivery: How will you tell your side of the story? How will you deliver this message? What must they remember in a name? Why should you protect the name?

Different approaches for selection of brand name:

a) Selecting the names, which communicate function or attributes of the product: Most companies select brand names in such a way that the name communicates its function. For example Aqua guard – which gives germ free water to protect our health.

b) Names, which communicate the specialty of the product: Companies at times select names which signifies something very special about the product. For example Mercedes indicates expensive, well-built well-engineered, durable high prestige automobile.

c) Use of acronyms: Sometimes companies use acronyms for branding. For example Amul- originated from Anand Milk Union Limited, and MRF Madras Rubber Factory.

d) Use of the company name: Some of the companies use brand name as the company which is manufacturing the product for instance, Cadbury's, Samsung, Sony etc.

There are 4 strategies available to name the brands:

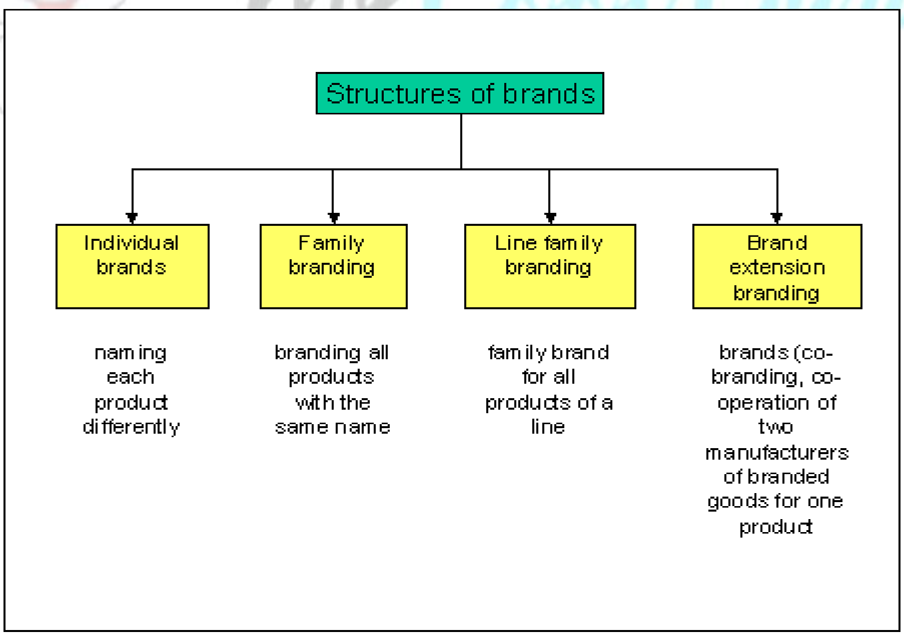
a) Individual names: In this policy, every brand has its own name. The major advantage is that the company does not to relate its name and reputation to the product and hence in case of product failure, the company’s image or name will not be tarnished. A good example is HLL that follows such a strategy for its several brands like Dove, Lux, Lifebuoy (bathing soaps), Sunsilk, Clinic Plus (shampoos), Surf, Vim (detergents) etc. P&G follows the same strategy for its shampoos (Head & Shoulder, Pantene, Rejoice), detergents (Ariel, Tide) and soap (Camay).

b) Blanket Family/Umbrella brand/Pillar brand names: When the group of products is given the same brand name such a type of branding is called as family/umbrella brand. For example, Amul is an umbrella brand for Gujarat Co-operative Milk Federation’s (GCMF) milk and milk related products. Johnson and Johnson is another family brand name; it sells many of its baby care products like Johnson's baby powder, Johnson's baby soap etc. using umbrella brand name of Johnson's.

c) Separate Family or House names: When any company has a portfolio containing several kinds of products (either in nature or the degree of quality), different family names for different categories of products are used. Eg: World's biggest consumer electronics maker, Japan's Matsushita uses various brand names like Quasar, Technics, JVC and Panasonic for products of different quality.

d) Company trade name with individual product names: There are some companies, which tie their company name to an individual brand name for each product. The company name legitimises and the individual name individualises the new product. Eg: Kellogg owns products like Kellogg's Rice Krispies, Kellogg's Raisin Bran and Kellogg's Corn Flakes. Other examples are Bajaj, Godrej, Cadbury's, Sony, IBM, Ford etc.

Structure of brands



Once a company decides its brand-name strategy, it faces the task of choosing a specific brand name. The company may adopt various ways to name:

- Person: Honda, Shehnaz
- Location: Kentucky Fried Chicken, Anand Milk Union Limited (AMUL)
- Quality: First Flight Courier
- Lifestyle: Stayfree Sanitary Napkins
- Object: Pataka 501 bidi
- Animal: Tiger biscuit
- Artificial name: Exxon

The brand name may possess following qualities:

- It may suggest something about the product's benefits: Eg: Desk To Desk Courier (DTDC) service
- It may suggest product qualities such as action or colour: Eg: Sunrise
- It may be easy to pronounce, recognise and remember. Eg: Lux
- It may be distinctive. Eg: 7Up
- It may be easy to use: Examples: Sony, Microsoft, Grasim
- It may be unique and powerful: Examples: INTEL Panasonic, 3M.
- It may be highly relevant: Examples: PlayStation of Sony
- It should not carry poor meanings in other countries and languages: Eg: Chevrolet faced problems after they introduced their Nova car in Mexico as in Spanish, nova means "no go".

Selecting the Logo:

Logo is a pictorial symbol intended to communicate with the customers it is an accompaniment to the brand name and two together identifies the company's product. Usually flags, mascots, pictures, graphics, designs or alphabets are used as logos.

Examples for brand name, logo and slogan

Brand Name	***Logo***	***Slogan***
AT&T	The globe	Connecting people anywhere any time
Onida	The green eyed devil	Neighbour's envy owner's pride
MRF Radial	The man with steel muscles.	India's answer to world class car

Step 4: Brand-strategy Decisions

A company has following 9 choices when it comes to brand strategy.

1. Line extensions: It consists of introducing additional items in the same product line in the same category under the same brand name such as new sizes, forms, colours, added ingredients or flavours. E.g.: Frooti Green Mango. But, Line extension involves risks of losing specific meaning of brand name, which is referred by Al Ries and Jack Trout as Line-Extension Trap.

2. Brand extensions: This is a strategy of using an existing brand name as part of a brand for an improved or new product that is usually in the same product category or the existing brand. Eg: Hero Honda Splendor+ or Tata Sumo Victa

   Brand Extension is of two types.

   First is the extension into related category like LUX launching Lux almond and milk cream soap.

Secondly it is extension into unrelated categories like Tata coming up with salt and then telecommunications.

- Brand extension involves risks of tarnishing image of the anchor brand as a result of disappointment of the buyers for the new brands.
- The brand name may lose its special positioning in the consumer's mind through over-extension
- Brand dilution occurs when consumers no longer associate a brand with a specific product or highly similar products.

3. Multibrands: New brand names are introduced in the same product category in order to establish different features or appeal to different buying motives. This strategy also enables the company to lock up more distributor and retailer shelf space and also to protect its major brand by setting up *flanker brands. E*g: P&G has 3 shampoo brands viz. Pantene, Head & Shoulder and Rejoice.

   - This strategy may result in gaining only a marginal market share by each brand so that none could be significantly profitable.
   - The company waste its resources over several average or low performing brands instead of building a few, but highly profitable brands
   - The brands may cannibalise each other

4. New brands: New brand name is introduced for a new category product. Eg: Living Media group had India Today in magazine. When they entered the area of television news they named the channel as Aaj Tak and then Red FM in FM radio categories which were both new brands names of an existing company.

5. <u>Overall family branding</u>: This is the strategy of giving all of a company's products the same name or part of the name. With this strategy, the promotion of one item with family brand promotes the firm's other products. Eg: all the GE brands from healthcare (GE Healthcare) to loan (GE Countrywide)

6. <u>Line family branding</u>: This occurs when an organisation uses family branding only for products within a particular line rather than for all its products, which means the same brand is used for all products within a line but not for products in different lines. Eg: Intel has Pentium (1,2,3,4 or Pro) series of high-end chips and Celeron series of low-end chips.

7. <u>Individual brands</u>: This is a strategy of using a different brand name for each product. This strategy allows an organisation to develop products for different segments of the same product market. Each product is given a separate, unrelated name and can be aimed at a specific segment. Eg: HLL has shampoos like Clinic Plus and Sunsilk, Surf and wheel in detergent powder segment.

8. <u>Brand Licensing:</u> A company may allow some organisations to use its trademark for their operation under some conditions. Eg: Monginis, Dominos Pizza and other companies that operate franchise network

9. <u>Cobrands or dual brands</u>: Brands bearing two or more well-known brand names are introduced. Each brand sponsor expects that the other brand name will strengthen preference or purchase intention. Cobranding can take several forms as:

   - *Ingredient Cobranding*: Volvo advertises that it uses Michelin tyres

- *Same company Cobranding*: Gillette shaving cream and after-shave
- *Joint venture Cobranding*: Domino's pizza and Coca Cola
- *Multiple sponsor Cobranding*: IDEA Cellular is a mobile services company promoted by AT&T, Aditya Birla Group and The Tatas

Step 5: Brand-repositioning Decisions

In changing market scenario, the companies have to take brand-repositioning strategies, which include brand rejuvenation, brand relaunch, brand proliferation and brand acquisition.

Too often companies perceive rebranding as a shallow cosmetic exercise. New colour, tweak of the logo and throw in some nice TV ads and that's it. But, it should not be so. Rebranding must be carried out at deeper level. As marketers, we too often jump straight onto the cart (the communication) without thinking about starting with the horse (our people). In order to compete, differentiate and sustain a competitive advantage, organisations need to push the brand much deeper to their internal core: their people. If you can't sell and motivate your own people on your new brand, how can you expect them to deliver it when it comes to that all-too important customer experience? People not only include employees, but also include your agencies, in-house print management, distributors and outsourcing partners. The way you treat them will also reflect and affect your brand and you can never underestimate word-of-mouth reputation.

The five most important tools to achieve deep and successful rebranding are:

- **CEO Backing:** Without it, you are doomed from word Go.

- **Organisation-wide Involvement:** Everyone must feel they have had their chance for input. Then they will support and own the process.

- **Communicate:** Do not go all-quiet on staff after they have given up their valuable time helping you. Tell them where you are at in the process and when they can expect to see deliverables.

- **Make your people feel no.1:** Who likes feeling second best? If you can achieve staff commitment to the brand, you have the most powerful force to take on the competition.

- **Don't jump straight to the external stuff:** We all know it's much easier to make a big splash above the line rather than win over your staff but if they are brand-aligned they will make your rebrand a genuine success.

Let us now discuss some of the brand repositioning strategies.

A. Brand relaunch

Many a time in marketing, there comes a stage in the life of a brand when it needs to be re-worked and relaunched to take it to a different level. This happens not only for brands, which may not be doing well but also for brands that are doing well but would like to do better. Is it shameful to relaunch a brand? Should one feel guilty and sad about this? In our opinion, the answer is a strong no! Brands go through various stages of evolution in their life and often may need to be restructured and repositioned, revitalised or rejuvenated to improve their sales and market share and profits. How does one go about re-launching a brand? There are many ways, which we would like to share with you and recommend that they be used with a mix of optimism and precision. Before getting into the methodologies and ways of launching a new brand, it is important to define the objectives for the relaunch.

- Is the objective to rejuvenate the brand as a contemporary one, as it is being perceived as dated and traditional?
- Is the objective to relaunch a brand that has failed due to an inappropriate marketing mix?
- Is the objective to relaunch the brand and reposition it for faster growth and market share?

Now let us come to the ways in which brands can be relaunched.

Repositioning: The first is to keep all elements of the mix the same but reposition the brand in the minds and hearts of customers. Thus, 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.

Change in channel and distribution strategy: Another method to relaunch the brand is to change the channel and distribution strategy. Other elements may be working but the distribution channel may be ineffective due to the choice of in-appropriate outlets or even ineffective trade margins and marketing strategy. This can be linked with the sales effort, sales organisation 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. In this case, revamping the distribution structure becomes necessary.

Revamption of whole marketing-mix: The third way to relaunch a brand is to 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.

Relaunching a brand is a normal exercise but should be dealt with cautiously. If the brand is doing well because it's positioning, distribution and pricing are accepted and it is growing as per the desired objectives, then it is recommended not to tamper with something, which is working. Finally, it is important to say that while relaunching a brand, the main objective should be to bring it to a better level in terms of sales, market share and profit than what its current position reflects.

Real Life Case Scenario

Godrej

When the Godrej launched Marvel in the year 1986, it failed to take off. It has been relaunched with the two colours with the support of new campaign. In this marvel picked-up and gained 4% share of the market segment.

B. Brand rejuvenation

It is the concept of adding new value, attributes to the existing product to enhance its overall appeal. This concept is intended to refocus the attention of consumers on an existing brand. This is commonly observed fact where in many of the brand names are added with the prefix like new, super, premium, extra strong etc.

Brand rejuvenation serves following purposes.

- Brand rejuvenation helps in revival of a brand, and ads breathe to the brand, which may be showing signs of decline.
- Even in case of healthy and successful brands may also require brand rejuvenation, because of competition, some reformulation and refinement becomes necessary from time to time
- It helps to keep the brand live and in focus

Real Life Case Scenario

Vicks Vaporub

Procter & Gamble's 100-year-old Vicks Vaporub has almost become a generic name for cold cure. Still P&G prefers not to keep quite. New packages appear; new promotion campaigns are launched and improvements in product formulation are also made and appeared as a New Vicks Vaporub. Britannia. Lakme are among many other brands, which do the exercise of brand rejuvenation.

C. Brand proliferation

Brand proliferation is the opposite of brand extension. In case of brand proliferation more items are brought in with new brand names. In other words, the firm has several brands in the same product or product category. It means that the list of independent brands increases.

Advantages:

- Brand proliferation may help to expand company market as well as the company's market share
- It may also increase the company's clout at the retail level by offering variety
- New brands may generate excitement for the sales team of the company.

Disadvantages:

- More brands from a company's stable enhances competition in the market
- Brand proliferation may create brand cannibalisation.

Real Life Case Scenario

HLL

HLL has many brands like Lux, Dove and Lifebuoy in bathing soap segment. We can say HLL has gone for brand proliferation.

D. Brand acquisition

Brand development is the activity of time-consuming task. To overcome this problem many companies adopt the process of acquisition or take over ongoing brands as an easy way to develop and manage the brands.

Real Life Case Scenario

Pepsi

When Pepsi has entered into the Indian market, it wanted to enlarge its brand portfolio and to ensure it without much gestation; it went in for buyout of ongoing brands. In this process Pepsi acquired the 105-year old Duke's and gained two powerful brands, i.e. Duke's soda and mangola, thereby it gained the strong position in the Mumbai market.

E. Brand portfolio rationalisation

As the business grows, it may accumulate more and more brands and the product lines become longer. At some point, the firm may recognize that it has too many brands, which constrains its resources and efforts. At that point, the firm may decide to cut short the product line and prune its brand portfolio by eliminating some of the brands. The idea is to have manageable brand portfolio by shedding some of the brands, the company strive to make the remaining brands stronger by giving them more focused inputs.

Real Life Case Scenario

HLL

HLL has decided to shrink its portfolio to only 30 'power' brands.

F. Brand extension

Brand extension is an effective tool in brand management and it deals with the extending a brand name to more products. There are three types of brand extensions one can consider any of the following three types:

a) Brand extension to other items in the same product line: In this case the same brand name is given to the product of same category i.e. in the same line. This has also been referred as line extension sometimes.

Example: Sunrise (brand name for coffee) brand name was extended to other offers from the company, sunrise premium, sunrise extra coffee, to cater to different segments, this can be done in three ways i.e. down market stretch, up market stretch, or two way stretch, in the above given example the stretch is of up market.

b) Brand extension to items in a related product line: In this case the brand name is extended to the products of same category but serve different purpose. Example: Maggi initially was brand of noodles. Later the brand name was extended to other product lines in the related category food – Maggi Ketchup, Maggi Soup etc.

c) Brand extension to items in an unrelated product line: Under this head the brand name is extended to the items, which are unrelated, each other. Example: The brand name Enfield, initially used for motorcycles was later extended to television and gensets. Tata has brands in Steel, Automobile and Salt.

There have been a lot of confusions regarding the concepts of brand extension. Subrata Sengupta suggests that brand extension means extending to a complete new category. Lifebuoy soap and Lifebuoy liquid soap is not a brand extension as per Kapferer and Subrata Sengupta. But this is a brand extension exercise in the sense that it tries to rope in up-market users for the brand. This is a category-related extension. On the other hand Al Ries and Jack Trout believe that line and brand extensions are synonymous. Aaker treats category-related extensions as line extensions and others as brand extension.

Advantages of Brand Extension

Launching a new brand may prove to be costly. Moreover there is no guarantee that a brand will succeed. So in order to play safe the marketers go for brand extension to same or different category. This is believed to be less risky. From consumers point of view they are also more comfortable with the brand names they know. Brand name ensures quality and when a brand extension is done the new products included in the existing brand name are automatically considered as quality products. Brand extension can also be defined as extending into more variants. This in turn increases the visibility of a brand. Through brand extension the brand comes out with new variants and thus is able to cater to such segments which were untouched. Many people who were not the buyers now become the buyers as the brand now has more products. Brand extension also helps companies to combat competition by covering as many niches as possible.

Disadvantages

Though brand extension seems profitable there are opposite views also. Some believe that extending into more variants might not increase visibility as well as sales because the retail owner might not be ready to give more shelf space to one brand only because it has variants. Also there can be some hidden costs of brand extension. If the parent brand and the extensions are very closely related then the parent brand might be exposed to the risk of failure. The risk decreases with image related extensions and further with extension into unrelated category.

Brand Creating

There are two main components of a brand viz.:

- Functional: This involves the technical capability to perform the task for which it is designed. For example, the functional component of LG TV brand includes the technical features like the picture quality, number of channels, sound quality.

- Non-functional: This includes social, psychological, symbolic, value-expressive and personality. For example, the non-functional component of Raymonds includes the psychological satisfaction arisen form the consumption of brand like warmth of relationship. ('Raymond man")

Brands have a number of strategic functions, enabling to:

- Differentiate the company and its products from the competition by creating clear and unambiguous identity
- Position the focused product message in the hearts and minds of target customers
- Persist and be consistent in the marketing efforts
- Customise the services to reflect the personal brand of the customers
- Deliver product message clearly and quickly
- Project credibility
- Strike an emotional chord
- Create strong user loyalty
- Provide the benefits, which are expected with a guarantee
- Provide more value than any generic product

Before creating a brand, we need to know the information about physical attributes, style and character.

- **The Physical Attributes:** How pretty is the brand? How engaging is its smile? How well does it perform? Physical attributes can be encountered in many areas like packaging, product performance or superior value. For instance, Domino's Pizza promises 30 minutes delivery. Information on physical attributes is necessary in the courtship of the consumer. But the consumer will continue purchasing only until a prettier product comes along. Brands sold for their physical attributes live with the permanent obligation of justifying themselves by performance or price. Attractive physical attributes are reason enough to date on a day-to-day (or purchase-to-purchase) basis. Alone, they are not enough to justify long-term commitment and marriage.

- **The Style.** Style is the way the brand presents itself. It can be serious, tongue-in-cheek, scientific, fun or down-to-earth. All those are style descriptors. Whether we like the style of a brand or not is essential in determining the kind of relationship we will have, at least initially. While relationships based on physical attributes rely on convenience to determine their duration, style adds the first step of emotional involvement, an incentive to take a good look at the product. If the consumer likes the style, he will look at a product a little closer. He might even overlook (temporarily) a prettier brand for one that has a style that entices him. It is like handsome physique enough for dating on a day-to-day basis, but attractive style can justify going steady.

- **The Character**. To create the long lasting bond of marriage we need more than handsome physique and attractive style: we need character. It is essential to a long-term relationship. But the communication of character is very difficult to achieve because:

  a) *Character Is Felt Rather Than Stated*. Assessing someone else's character is based on personal observations. Nobody can TELL his character- we must see it ourselves.

  b) *Building Character Takes Time*. While physical attributes take fractions of a second, and style a few minutes to impress, character takes time to discover. It is only after we form our own assessment that we may be impressed. And that takes time.

c) *Consistent Behaviour Is Essential To Building Character*. How often have we doubted our own assessment of someone's personality based on one trivial faux pas? Character is Marlboro, Coca-Cola (though the formula change may have changed some of this) or Apple.

Advertising that works long-term builds the character of brands and gets consumer wed to them. But advertising is seldom consistent for a long enough period of time to be able to communicate brand character. Changes in key marketing personnel or in ad agencies do hurt.

The main culprit, however, is the organisation: Copy decisions are too often influenced by lower marketing personnel who have short term goals, who occupy positions only temporarily (just on the way up), and, who must justify decisions with logical rationales. Character, easier felt than explained, seldom survives the rationale test. Big profits go to those advertisers who organize their brand copy-decision process to improve its chances of communicating character. Most other brands live out of wedlock.

Building Winning Brands

You will know that your brand is winning in the marketplace when:

- The brand is mentioned to customers and potential customers, and they brim with enthusiasm in their response.
- Your brand's external messages "ring true" with all employees.
- Employees are enthusiastic and consistent in recounting what makes their brand special.
- The brand's market share is increasing.

- Competitors always mention your brand as a point of reference.
- The press can't seem to write enough about your brand.
- Your CEO has a strong vision for the organisation and its brand. S/he talks more about the vision than financial targets.
- Your organisation's leaders always seem to "talk the brand" and "walk the brand talk."

The Benefits of a Strong Brand

- A strong brand influences the buying decision and shapes the ownership experience.
- Branding creates trust and an emotional attachment to your product or company. This attachment then causes your market to make decisions based, at least in part, upon emotion-not necessarily just for logical or intellectual reasons.
- A strong brand can command a premium price and maximize the number of units that can be sold at that premium.
- Branding helps make purchasing decisions easier. In this way, branding delivers a very important benefit. In a commodity market where features and benefits are virtually indistinguishable, a strong brand will help your customers trust you and create a set of expectations about your products without even knowing the specifics of product features.
- Branding will help you "fence off" your customers from the competition and protect your market share while building mind share. Once you have mind share, your customers will automatically think of you first when they think of your product category.
- A brand is something that nobody can take away from you. Competitors may be able to copy your products, your patents will someday expire, trade secrets will leak to the competition, your proprietary manufacturing plant will eventually become obsolete, but your brand will live on and continue to be uniquely yours. In fact, a strong brand name may be your most valuable asset. Brands help people connect with one another.

- Have you ever witnessed the obvious bond between people using the same brand of product? If a person wearing a Benetton T-shirt finds another person wearing a Benetton product, she will have instant rapport with her and immediately begin talking about their experiences with the brand. How is it that we can feel such a connection with complete strangers? The answer lies in the psychological connection people have with a particular brand.

- A strong brand signals that you want to build customer loyalty, not just sell product. A strong branding campaign will also signal that you are serious about marketing and that you intend to be around for a while.

- A brand impresses your firm's identity upon potential customers, not necessarily to capture an immediate sale but rather to build a lasting impression of you and your products.

- Branding builds name recognition for your company or product.

- A brand will help you articulate your company's values and explain why you are competing in your market.

Real Life Case Scenario

Nima Rose Soap

It was launched aggressively by Nirma as a flanking device in order to tap smaller regional markets and stop rivals in their tracks. In fact, the Nima brand name is now being used to sell detergent, both cakes and powder, as well as soap. The creation of a parallel brand name, a first for Nirma after years of dominating the marketplace through umbrella branding, has already paid dividends. In April 1998, Nirma turned the price-sensitive soap market on its head by launching Nirma Lime Fresh. In a month, 17 million cakes were sold and, as Karsanbhai himself says, "My strategy is very clear; I will not launch a product without test-marketing it. Further, I will not advertise till I launch the product. Remember that I am selling mass-based, competitively-priced products." A high-decibel advertisement featuring Ria Sen followed the Nirma Lime Fresh launch and the rest, as they say, is history. Nirma, with a 38 per cent market-share in detergents (cake and powder) decided to add value to its portfolio in 1992 by launching Nirma Beauty soap. Today it has an 18 per cent market share in the soap segment. Nima Rose is already a market leader just as Nirma Lime Fresh is. When Jai launched its lime variant, Nirma was quick to follow up its Nima Rose brand with a lime variant. Nirma is the perfect story of brand building. Karsanbhai says, "In the early 1980s, when television began to make inroads into rural and urban India, Nirma would be one of the advertisers for the Sunday evening Hindi feature film. But the positioning of the TV commercial was such that the majority of the populace thought the film was being sponsored by Nirma. This stood us in very good stead."

Failure in Building Brands:

If you look at Thums-Up, Kissan, or Captain Cook, they continue to do well despite having changed hands. But against that there are brands, which simply begin to fade for lack of nurturing and embellishment. If they are not made contemporary and their perceived value is not cranked up and concurrently the consumer's expectation level goes up a notch, they begin to get inundated. They begin to drift, then languish. Hugh Davidson says that most brands fail because they are me-too. Examples that come to mind are Promise.

Real Life Case Scenario

Promise Toothpaste

Promise toothpaste in 1990 had a sizable 12% market share, which was incidentally better than HLL'S. But as HLL turned on the heat, Promise lost focus. As the freshness market in toothpaste started growing with the advent of Close-Up, Balsara's Promise deviated from its given niche of being clove-dominated. It started targeting freshness, a folly in the ultimate analysis. Things went wrong when it was discovered that it was an under supported category in terms of advertising and marketing expenditure. Further, promise didn't have the ability to cross-subsidise in terms of surplus cash. Colgate too faltered, reacting too late, not changing its mix. Colgate

Dental Cream was not bolstered at this vital juncture. A simple marketing tenet is that, when you are battling for market share, the core business has to be protected at all costs.

Brand Communicating

Create brand messages and communication strategy linked to vision

Once the brand has been inventoried and positioned, it is essential to devise an effective brand communication strategy. A strong brand position is not easily copied and is best summed-up in a memorable word or short phrase. The wise business leader will further ensure that appropriate elements of the company vision and core values are also incorporated into the brand communication strategy. In true alignment, the brand message will reflect all or a portion of the company's vision and advance its principles. This is what builds great companies and great brands.

Communicate the message with consistency and clarity across all customer touch points

Carefully crafted messages about the brand communicated in the right way to the right people will tap emotion, fence-off the brand from the competition, and help the company shape the image of the brand. Messages about the brand must be communicated clearly and consistently and integrated into all marketing communications consistently over time and at every touch point at which markets come in contact with the brand.

Monitor and Measure

Successful brand management also involves constantly monitoring and measuring brand equity to ensure everything remains in alignment. Measurement can be made using a variety of qualitative and quantitative market research activities such as free association, projective techniques, awareness, and image studies.

Brand equity can and should be tracked on a continuing basis. Peoples' perceptions about the brand will change over time and the company will need to help the brand evolve to stay relevant.

This is accomplished by articulating brand statements that describe exactly what the brand is and what it is not in terms that continue to resonate with the market. This can only be achieved through periodic measurement, evaluation, and refinement.

Brand Managing

Brand is the Best Growth Strategy

Brand is an effective growth strategy because brand is the only standout strategy directed at the people who matter – the people who work for the business and those who buy from the business and continue to choose the same brand. Strong branding is how every great organisation defines its purpose, is known and remembered. It delivers top of mind and emotional connection. In fact, great branding does something that defies logic. It gives personality. It pushes them to commit to the company long-term because they understand, can relate, even like the brand. Not merely because it communicates and act relevantly, but because it delivers them what they're actually looking for and have been asking for.

Building brand tradition

Tradition is an important component of many cultures. The pleasure that many derive from religious, cultural and social essence of Durga Pujo, Onam, Pongal or Ganapati Puja in various parts of India are strong indicators that tradition can have a strong and enduring impact on people. As long as it is meaningful, enjoyable and is heart-warming, most people tend to appreciate tradition. Tradition offers marketers cues for creating enduring brand properties.

A brand tradition is a tradition created by a brand that adds a strong experiential element to the brand and that adds to the overall equity of the brand. Domino's guarantee of delivery within 30 minutes is a tradition that has become a strong brand property even if copied by others. The brand would not be the same without this tradition. A brand may have a set of existing practices that make for strong traditions or it can look at consciously creating practices that can become traditions for the brand. In order to elevate a practice to a tradition it is important for the practice to be implemented consistently over a period of time.

The tennis tournament Wimbledon is a good example of how tradition has become an integral part of a brand's identity. Arguably the most respected tennis tournament in the world, Wimbledon is a strong brand in its own right. Its brand equity is largely drawn from the fact that the tournament is steeped in tradition. At Wimbledon, unlike many other tournaments where the heights and depths of sports fashion are visible, the apparel worn by players is always white and as per the rigid dress code decreed by the tournament officials. The customary bowing of players to the royal box, the presence of the Duchess of Kent and the serving of strawberries and cream are traditions that add to the charm of Wimbledon. It is the tradition that makes Wimbledon so special to players and spectators alike and despite the fickle weather and the many restrictions, being at Wimbledon is perceived to be an experience to treasure.

Back in India, two examples can be cited where brand traditions has been as very effective tool of branding.

Real Life Case Scenario

Nilgiris

This is a popular confectionery chain in Bangalore that conducts an annual cake exhibition. Cakes designed in innovative shapes and large sizes are displayed at this festival. These cakes reflect contemporary as well as traditional subjects. The exhibition is very popular and is usually packed with families eager to see the exhibits.

MTR

A popular South Indian restaurant catering to the middle class serves food only in silver plates. Many middle class Indians like eating in silver plates as it is considered good for the health but cannot eat at their houses for non-availability and unaffordability. Despite an increase in the price of silver and the occasional pilferages, the brand continues to stick to this tradition that has become an integral part of the brand's identity and has become a part of customers' experiences.

Brand Loyalty

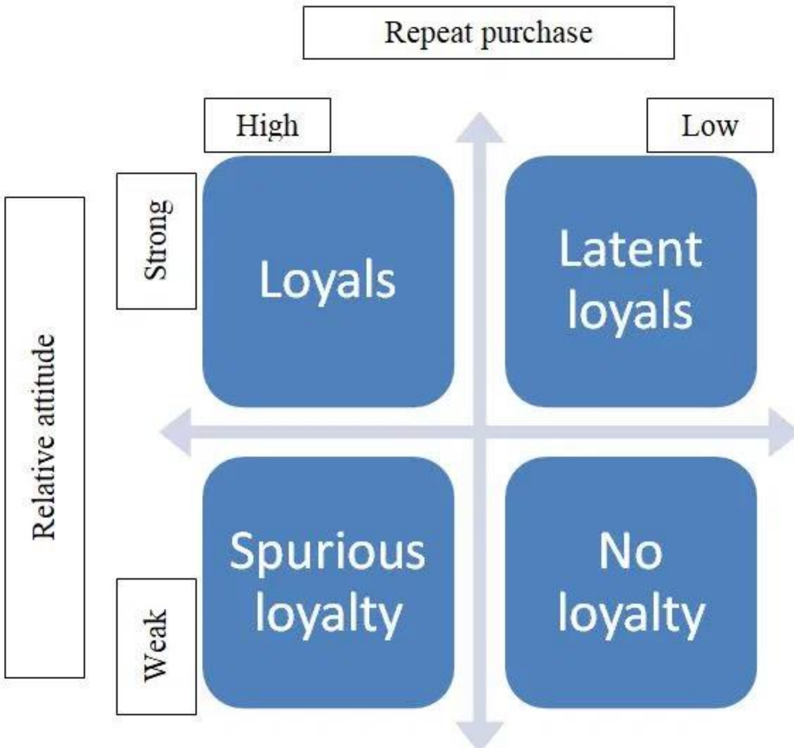
Brand loyalty has been a major focus of strategic marketing planning and offers an important basis for developing a sustainable competitive advantage that can be realised through marketing efforts. Wilkie (1994) defined brand loyalty as a *favourable attitude and consistent purchase of a particular brand*. Baldinger and Rubinson (1996) have validated that highly loyal buyers tend to stay loyal if their attitude towards a brand is positive. In addition, the ability to convert a switching buyer (i.e. a buyer who changes brands frequently) into a loyal buyer is much higher if the buyer has a favourable attitude toward the brand. The role of trust in building and maintaining brand loyalty has been researched extensively in both consumer and business-to-business buying situations by Cowles, Doney, Cannon, Chaudhuri and Holbrook. Trust plays a central role in enhancing both behavioural and attitudinal loyalty, which in turn influences marketing outcome-related factors like market share maintenance and price elasticity. But brand loyalty and customer satisfaction are not necessarily the same things. For example, even many of us are not very much satisfied regarding the nationalised banks, still they tend to remain loyal towards the banks. A lack of customer defections does not necessarily indicate satisfied consumers. Customers unhappy with the product or service may even remain loyal for a number of reasons like high cost, inconvenience, lack of alternatives or penalty clauses of brand switching.

At a general level, loyalty is shown by different propensities towards the brand, store or service. These propensities may be expressed in behaviour and attitude. In service marketing, work has focused on continuity of purchase, i.e. retention and advocacy of the brand. In many service and utility markets, retention can be measured by duration of time as a consumer. In grocery market research, where consumers use multiple suppliers, one behavioural criterion of loyalty has been the share of category expenditure devoted to a brand or store. Another measure is the number of stores or brands used in a period (the larger the number, the lower the loyalty).

Dick and Basu (1994) have offered an attitude-behaviour typology of loyalty that is shown below. This divides consumers into four segments using two levels of behavioural loyalty and two levels of attitude toward the brand. Dick and Basu viewed that customer loyalty is as the strength of the relationship between an individual's relative attitude and their repeat patronage.

Dick and Basu gave attention to the appropriate measure of attitude. To be chosen, a brand must be liked more than the alternatives and therefore the attitude measure should be relative. Supporting this, Mägi (1999) found that attitude to the store was more closely associated with store loyalty when it was measured as a relative concept. The practical value of a typology such as Dick and Basu's depends on whether the customers in the segments differ with regard to other loyalty behaviours. Dick and Basu's approach implies that, normally; the most loyal behaviour will be observed in the 'True loyalty' segment and the least loyal behaviour in the 'No loyalty' segment. The different types or categories of brand loyalty exhibited can be visualised in the form of a brand loyalty map.

Brand loyalty map



Spurious loyalty is very similar to the concept of inertia; where despite perceptions that choices are relatively undifferentiated, behavioural data suggest loyalty. In such cases repeat purchase may be based on the availability of deals, special offers, convenience or the influence of other people. As a result consumer may only temporarily display such loyalty, and is likely to be very open to competing offers. That is if another product comes along which is for some reason easier to buy (e.g. it is cheaper or the original product is out of stock), the consumer will not hesitate to do so.

Latent loyalty occurs when consumer has a high relative attitude towards the company or brand, but this is not evident in terms of their purchase behaviour. This is probably as a result of situational influences including inconvenient store locations, out-of-stock situations, and/or the influence of other people.

Sustainable or true loyalty exists when the customer exhibits high repeat and does so because they have a strong preference (high relative attitude) manifested in repeat buying, word of mouth it engenders among its consumers. Sustainable loyalty is therefore achieved when the company has developed and communicated a proposition that clearly has long-term benefits for the customers, and where the customer modifies his or her behaviour to remain loyal over time. Thus sustainable loyalty occurs where repeat patronage is accompanies by a favourable attitude i.e. where purchase is as a result of a conscious decision by the consumer. This is the most preferred among the four categories. This strong form of loyalty is due to attachment. In this case, e the customer desperately looks for the product, often out of deference to its role in a previous situation (e.g. it helped me in past to meet my needs) and sometimes in an almost ritualistic manner (e.g. buying a particular brand of strong drinks as the only way of quenching thirst). This level of loyalty insulates a brand from competitive pressures such as advertising and price promotions and leads to high margins and profits.

Brand awareness

Just as brand loyalty is important, so too is brand awareness. Certainly the former cannot be achieved without the latter; however, brand awareness does not of itself create loyalty. As with loyalty, organisations should aim to have the greatest number of people towards the top of the pyramid as shown in the following figure. This does not mean that consumers will inevitably purchase a brand that is, for them, 'top of mind'. Sellotape, for example, may enjoy that status as a brand, but a consumer may happily settle for an alternative.

<u>Brand awareness pyramid</u>

Brand Equity and Image Assessment

The most important assets of any business are intangible - including its base of loyal customers, brands, symbols & slogans - and the brand's underlying image, personality, identity, attitudes, familiarity, associations and name awareness. These assets - along with patents, trademarks, and channel relationships - comprise brand equity, and are a primary source of competitive advantage and future earnings. The brand is a distinguishing name and/or symbol (logo, trademark, or package design) intended to identify the origin of the goods or services - and to differentiate those goods or services from those of competitors. Brand equity is a form of wealth that is closely related to what accountants call "goodwill." A brand is a promise made to its customers and shareholders. Promises that are kept yield loyal customers and produce steady streams of profits.

Brand equity refers to the amount of power and value (worth) a brand has in the marketplace. It is defined as the unique set of brand assets and liabilities that are linked to a brand. The brand equity is the net result of all investment and effort that a marketer puts in to build a brand and the sources of brand equity include the product, its name, and its personification, logo, country of origin, advertising themes, and style and packaging approach. It bundles all the attributes together, which include usership of the brand, consumer loyalty towards it, perceived quality, positive (or negative) symbol and favourable associations around the brand.

Keller's Brand Equity Model – CBBE Model

Brand Measuring

While elaborating brand equity we have already given a snapshot of measuring the value of the brand. In this section we will check out the brand measurement in detail.

Brand audit

A brand audit is a comprehensive examination of a brand that will assess the health of the brand while uncovering its sources of equity. During a brand audit company will construct a snapshot of where the brand stands today and you will also discover possible new sources of equity to build upon in the future.

There are 4 steps in a brand audit.

- The Brand Inventory is a review that provides a complete profile of how all the products and services sold by the company are marketed and branded.

- The Brand Exploratory is next and it is a market research activity that often employs qualitative market research techniques designed to identity possible sources of brand equity and provides detailed information about how consumers think and feel about the brand.

- The Brand Analysis: It reviews the knowledge gained in the first two steps of the audit to ultimately determine the desired brand awareness, brand equity, and brand positioning.

- The Brand Positioning: It is the place brand holds in the minds of prospects. The best positioning for the brand is determined within the context of its position relative to competing brands. This 'position' held within the minds of consumers is defined by the brand's unique selling proposition and sustainable competitive advantage, as well as the brand's points of parity with other brands in the category. It has become common to analyse brands according to their positioning. The term applies to a process of emphasising the brands distinctive and motivating. Positioning refers to belongingness and difference: to what product segment does the brand belong and what is its specific difference? It is based on an analysis of response to the following four questions:

  Why, or for what: What is the specific consumer benefit or exclusive motivating attribute justifying the brand? Sony brings innovation, Bang and Olufsen design and sophistication.

  For whom: This indicates the target. For a long time Schweppes was the drink of the refined set, Canada Dry a soft drink for adults, and Seven Up for teenagers.

When: This indicates the occasion on which to use the product. After Dinner Mints makes a clear statement concerning this facet of it's positioning.

Opposed to whom: In today's context this question points to the main competition those brands from whom one aspires to capture clientele. Hence such well-known campaigns such as Pepsi Challenge or the Fresh up got to be good for you.

Positioning is a useful concept. It reminds us that a product is nothing unless it has been clearly positioned in people's minds versus the competition.