KARPAGAM ACADEMY OF HIGHER EDUCATION
(Deemed to be University)
(Established under section 3 of UGC Act 1956)
Coimbatore-641021

Department of Management

Syllabus

		LT P C
17MBAPM401A	**BRANDS AND BUSINESS**	**4 0 0 4**

Scope:
Branding of a product, concepts related to branding, its types, packaging, labeling, brand rejuvenations, success strategies are inculcated in this course.

Objectives:
To equip the students with the various dimensions of product management such as Brand Positioning and its Preference. To develop familiarity and competence with the strategies and tactics involved in building, leveraging and defending strong brands in different sectors.

Unit I
Products - Concepts - New Product Development – Strategies - Launching Strategies, Product Life Cycle - Portfolio Management - BCG, GE, Porter's Model, Competitor's Analysis, Customer Analysis, Market potential, Product Demand pattern and Trend Analysis.

Unit II
The Concept of Brands - The Economic Importance of Brands - The Social and Political Aspects of Brands - Difference between Marketing and Branding - Changing Rules of Marketing and Branding in India - Digital Dimension, Consumer Activism, Leveraging Technology.

Unit III
Introduction to Brand Positioning: The 4Ps – An Inherently Futuristic Model - 4Ps in the IT Age - Brand Positioning - Fundamentals of Brand Positioning - First Movers - Mistakes in Brand Positioning – Introspection - Gaining Brand Preference.

Unit IV
The Brand Relevance Model: The First Mover Advantage - Managing a New Category - The Different Levels of Innovation - Understanding Brand Relevance – Categorization - Creating New Categories or Subcategories — Four Tasks - How Categorization Affects Information Processing and Attitudes.

Unit V
Packaging – Labeling - Brand Rejuvenation - Brand Success strategies - Brand Resilience - Brand Equity - Brand valuation - Building global brands - Branding failures.

Suggested Readings:
Text Books:

1. Lehmann., & Winner. (2004). *Product Management.* New Delhi: Tata McGraw Hill.
2. Venugopal., K. (2010). *Product and brand management*. New Delhi: Himalaya Publishing House.

References:

1. Subroto Sengupta. (2005). *Brand Positioning*. New Delhi: Tata McGraw Hill Education Private Limited.
2. David Aaker. (2011). *Brand Relevance – Making Competitors Irrelevant.* Jossey Bass.
3. Hamel, G., & Prahalad, C.K. (1994). *Competing for the Future*. Boston: Harvard Business School Press.
4. Kartikeya Kompella, (2006). *Building Brands: A guide to increasing the financial value of brands.* Viva Books Private Limited.

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Department of Management

Name: **Dr.V. Gowtham Raaj** Department: **Management**
Subject Code: **17MBAPM401A** Semester: **IV** Year: **2017-19 Batch**
U Subject: **Brands & Business - Lesson Plan**

Unit I

S.No	Lecture Hours	Content	References
1	1	Introduction to the Products, concepts	T1 Pg 1-3
2	1	New product development, Strategies	T1 Pg 7-9
3	1	Launching strategies, Product life cycle	T1 Pg 11-13
4	1	Portfolio Management, BCG, GE Matrix	T1 Pg 16-21, R1 Pg 6-9
5	1	Porter's Model, Competitor's Analysis	R1 Pg 11-17
6	1	Market Potential, Customers Analysis	T1 Pg 36-45, T1 Pg 51-57
7	1	Product Demand pattern and Trend Analysis	T1 Pg 59-72
8	1	Recapitulation and discussion of Important questions	
		Total Number of hours planned for Unit 1	8

Unit II

S.No	Lecture Hours	Content	References
1	1	The Concept of Brands - The Economic Importance of Brands	T1Pg 79-82
2	1	The Social and Political Aspects of Brands	T2Pg 83-86
3	1	Difference between Marketing and Branding	T1Pg 87-91
4	1	Changing Rules of Marketing	T1Pg 99 – 102
5	1	Branding in India	T1Pg 99 – 102
6	1	Digital Dimension, Consumer Activism	R1 Pg 79-81
7	1	Consumer Activism, Leveraging Technology	R1 Pg 79-81
8	1	Recapitulation and discussion of Important questions	
		Total Number of hours planned for Unit II	8

Unit III

S.No	Lecture Hours	Content	References
1	1	Introduction to brand positioning	T1 Pg 69-90
2	1	The 4Ps – An inherently futuristic model	T2 Pg 119-126
3	1	4Ps in the IT age	T2 Pg 136-145
4	1	Brand positioning and fundamentals of brand positioning	R1 Pg 99-102
5	1	First movers	R1 Pg 116-181
6	1	Mistakes in brand positioning	R1 Pg 149-162
7	1	Introspection, Gaining brand preference	R1 Pg 169-173, R1 Pg 101-109
8	1	Recapitulation and discussion of important questions	
		Total Number of hours planned for Unit III	**8**

Unit IV

S.No	Lecture Hours	Content	References
1	1	The brand relevance model	T1Pg 227-229
2	1	The first moves advantage	T2Pg 292-311
3	1	Managing a new category	T1Pg 236-239
4	1	The different levels of innovation	
5	1	Understanding brand relevance	T1Pg 249-251
6	1	Categorization	T1Pg 256
7	1	Creating new categories or subcategories, Four tasks	T1Pg 311-336
8	1	How categorization affects information processing and attitude	T1Pg 339-341
9	1	Recapitulation and discussion of important questions	T1Pg 379-381
		Total Number of hours planned for Unit IV	**9**

Unit V

S.No	Lecture Hours	Content	References
1	1	Packaging	T1 Pg 119-123
2	1	Labeling	T1 Pg 132-137
3	1	Brand rejuvenation	T2 Pg 162-166
4	1	Brand success strategies	T2 Pg 171-179
5	1	Brand resilience	T1 Pg 141-149
6	1	Brand equity	R1Pg 86-89
7	1	Brand valuation, Brand global brands	R1Pg 99-102, R1Pg 116-121
8	1	Recapitulation and discussion of important questions	
9	1	Discussion of previous year ESE Question papers	
10	1	Discussion of previous year ESE Question papers	
11	1	Discussion of previous year ESE Question papers	
		Total Number of hours planned for Unit V	**11**

Suggested Readings:

Text books

T1. Lehmann., & Winner. (2004). *Product Management.* New Delhi: Tata McGraw Hill.
T2. Venugopal., K. (2010). *Product and brand management*. New Delhi: Himalaya Publishing House.

References:

R1-ICFAI Publications Himalaya Publishing House 2010
R2. Subroto Sengupta. (2005). *Brand Positioning*. New Delhi: Tata McGraw Hill Education Private Limited.
R3. David Aaker. (2011). *Brand Relevance – Making Competitors Irrelevant.* Jossey Bass.
R4. Hamel, G., & Prahalad, C.K. (1994). *Competing for the Future*. Boston: Harvard Business School Press.
R5. Kartikeya Kompella, (2006). *Building Brands: A guide to increasing the financial value of brands.* Viva Books Private Limited.

Journals : Journal of Brand Strategy

UNIT-I

SYLLABUS

Products - Concepts - New Product Development – Strategies - Launching Strategies, Product Life Cycle - Portfolio Management - BCG, GE, Porter's Model, Competitor's Analysis, Customer Analysis, Market potential, Product Demand pattern and Trend Analysis.

Product

A product can be defined as **"anything that is capable of satisfying customer needs".**

This definition therefore includes both:

• **Physical products** – e.g. trainers, games consoles, DVD players, take-away pizzas

• **Services** – e.g. dental treatment, accountancy, insurance, holidays, music downloads

A product is often said to have three main elements:

(1) Core benefits

What the product actually does - the main functions of the product

• E.g. washing machine – it cleans clothes

• Cinema ticket – it lets you see a film

(2) Tangible or physical elements

What the product is made of; what it looks like; dimensions or duration
E.g. 500g of ice-cream

A flat-screen, plasma television which is HDTV compatible

(3) Other product ("augmented") benefits

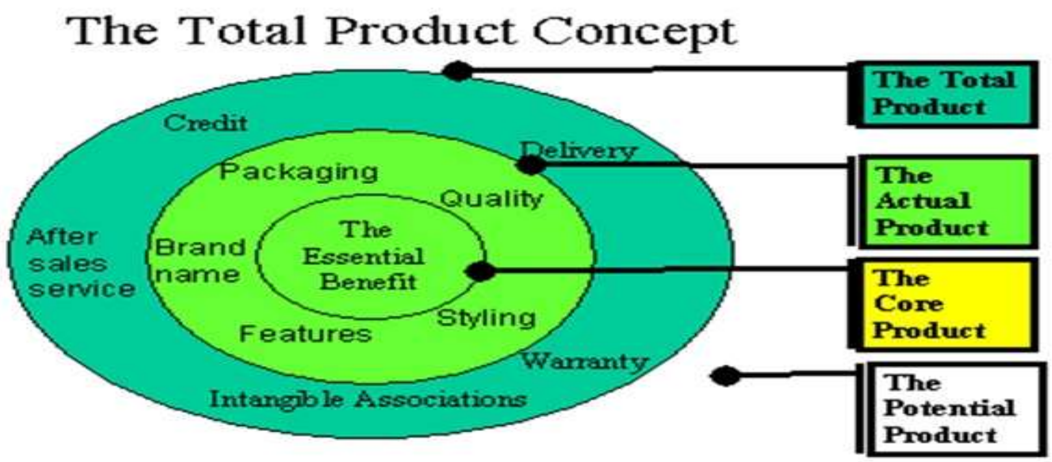
These are the extra elements which add to the perceived value of the product in the eyes of the consumer. Other product benefits can be tangible (e.g. materials, weight, extra features) or intangible (e.g. brand name, after-sales service, reputation for reliability)
E.g. free installation, full money-back guarantee

Definition: Product Concept

Before marketing any product marketers study the product concept to give the best product to the customer. It says that consumers will prefer a product which is high on quality, performance and features against a normal product.

Innovation helps to get new product concepts

Total Product concept:



Eight Simple Steps for New Product Development

Developing a new product shouldn't feel like you're fighting in the dark. There's an easier way. What you need is a structured road-map that gives your business a clear path to follow.

Actually developing the tangible product or service is only a small part of the new product development process, which includes the complete journey from generating the initial idea to bringing the product to market.

By setting out the steps involved, and sticking to them, your product development will become a more focused and flexible approach that can be adapted for all different types of products and services.

#1. Idea Generation

The development of a product will start with the concept. The rest of the process will ensure that ideas are tested for their viability, so in the beginning all ideas are good ideas (To a certain extent!)

Ideas can, and will come, from many different directions. The best place to start is with a SWOT analysis, (Strengths, Weaknesses, Opportunities and Threats), which incorporates current market trends. This can be used to analyse your company's position and find a direction that is in line with your business strategy.

In addition to this business-centred activity, are methods that focus on the customer's needs and wants. This could be:

- Under-taking market research
- Listening to suggestions from your target audience – including feedback on your current products' strengths and weaknesses.
- Encouraging suggestions from employees and partners
- Looking at your competitor's successes and failures

#2. Idea Screening

This step is crucial to ensure that unsuitable ideas, for whatever reason, are rejected as soon as possible. Ideas need to be considered objectively, ideally by a group or committee.

Specific screening criteria need to be set for this stage, looking at ROI, affordability and market potential. These questions need to be considered carefully, to avoid product failure after considerable investment down the line.

#3. Concept Development & Testing

You have an idea and it's passed the screening stage. However, internal opinion isn't the most important. You need to ask the people that matter – your customers.

Using a small group of your true customer base – those that convert – the idea need to be tested to see their reaction. The idea should now be a concept, with enough in-depth information that the consumer can visualise it.

Do they understand the concept?

Do they want or need it?

This stage gives you a chance to develop the concept further, considering their feedback, but also to start thinking about what your marketing message will be.

#4. Business Analysis

Once the concept has been tested and finalised, a business case needs to be put together to assess whether the new product/service will be profitable. This should include a detailed marketing strategy, highlighting the target market, product positioning and the marketing mix that will be used.

This analysis needs to include: whether there is a demand for the product, a full appraisal of the costs, competition and identification of a break-even point.

#5. Product Development

If the new product is approved, it will be passed to the technical and marketing development stage. This is when a prototype or a limited production model will be created. This means you can investigate exact design & specifications and any manufacturing methods, but also gives something tangible for consumer testing, for feedback on specifics like look, feel and packaging for example.

#6. Test Marketing

Test marketing (or market testing) is different to concept or consumer testing, in that it introduces the prototype product following the proposed marketing plan as whole rather than individual elements.

This process is required to validate the whole concept and is used for further refinement of all elements, from product to marketing message.

#7. Commercialisation

When the concept has been developed and tested, final decisions need to be made to move the product to its launch into the market. Pricing and marketing plans need to be finalised and the sales teams and distribution briefed, so that the product and company is ready for the final stage.

#8. Launch

A detailed launch plan is needed for this stage to run smoothly and to have maximum impact. It should include decisions surrounding when and where to launch to target your primary consumer group. Finally in order to learn from any mistakes made, a review of the market performance is needed to access the success of the project.

Product Development Strategy

Developing new products or modifying existing products so they appear new, and offering those products to current or new markets is the definition of product development strategy. There is nothing simple about the process. It requires keen attention to competitors and customer needs now and in the future, the ability to finance prototypes and manufacturing processes, and a creative marketing and communications plan. There are several subsets of product development strategy.

Product Development Diversification Strategy

This strategy is employed when a company's existing market is saturated, and revenues and profits are stagnant or falling. There is little or no opportunity for growth. A product development diversification strategy takes a company outside its existing business and a new product is developed for a new market. An example of this strategy is a company that has sold insurance products and decides to develop a financial education program aimed at college students. The new product is not revolutionary as there are other companies producing similar products, but it is new to the company producing it.

Product Modification Strategy

Product modification strategies are generally aimed at existing markets, although a side benefit may be the capturing of new users for the new product. An example of this strategy is toothpaste. Toothpastes that promote whitening ability or anti-cavity attributes are built on existing plain toothpastes that only promise clean teeth.

Revolutionary Product Development

Revolutionary products are those for which there was no real prior need. Computers and cell phones are good examples. Before these products appeared on the market, consumers did not know they needed them. But, the germ of an idea on how to better communicate resulted in products that have changed the world and have drastically changed the competitive landscape.

Benchmarking the Process

Whatever strategy is employed, the new product development process must be carefully thought through. It also requires a series of benchmarks along the way. These evaluate whether the process should be continued as new product development is usually expensive and time consuming. For example, if a company is in the process of developing a new product and a competitor beats that company to market with a similar new product, the company must make a "go/no go" decision about its own product development options.

Consumers Front And Center

Whatever product development strategy a company selects, consumers need to be front and center and involved in the process from start to finish. Set aside enough budget for consumer evaluation of the new product at the concept, prototype and the final product stage. Make sure you not only include those consumers who represent your primary market, but also those to whom your company might appeal to secondarily.

New Product Launch Strategy

A successful new product launch takes research, planning and a skilled and knowledgeable marketing team. The product must fulfill consumer needs and provide an emotional connection through its promise and brand. Businesses often make the mistake of presenting new products to consumers without adequate research or strategic planning. Today's savvy consumers demand products that satisfy them on many levels including quality, price, status and function. Prepare a new product launch strategy for the best chance of success with your new product.

Purpose

The primary purpose of a product launch is business growth. Businesses must master the concept and process of a product launch to enable growth through successfully introducing new products into the market. Product launches build sales and revenue through expansion of customer base. By introducing new products, a business can target previously untapped customer markets. The resulting growth allows businesses to hire additional sales and support staff.

Stages

A product launch strategy defines several stages of the launch including development, internal testing, external testing, objective and goal setting, positioning, excitement building and event timing. The design team must develop a product that fits a customer need and works to fulfill this need reliably. The objective and goal-setting stage involves setting sales and revenue goals for the launch event for a set future date. The marketing team positions the product relative to the competition and begins marketing tactics designed to build excitement. The launch event must take place at the ideal time for sales maximization. For example, swimming accessories should have a spring or early summer launch date, and new-technology snowboards should have fall or early winter launches.

Post Event

A comprehensive new product launch strategy provides a plan for maintaining the momentum gained during the pre-launch activities and launch event. This plan may consist of post-launch promotional campaigns and customer incentives, as well as informational vignettes about the history of the product's development, challenges overcome along the way and lessons learned. People often enjoy reading about the details of new product development and the anecdotes can gain consumer trust and loyalty.

Considerations

Consider if adding the product to the current line-up will augment brand equity or detract from it. Brand equity is an intangible asset governed by consumer perception of the overall company brand. Introducing products that do not align with business objectives and vision may detract from brand equity, causing customers to back off from the brand entirely. Make certain new products offer value in conjunction with current products or keep with the product theme.

Pitfalls

A poorly planned product launch may not have sales force support or adequate customer awareness to succeed. Avoid building false excitement in consumers about a poor quality product. This causes customers to lose trust and confidence in the business as a whole. A failure to maintain initial momentum can result in an unrecoverable decrease in product sales and positive brand influence.

Product Life Cycle Stages

As consumers, we buy millions of products every year. And just like us, these products have a life cycle. Older, long-established products eventually become less popular, while in contrast, the demand for new, more modern goods usually increases quite rapidly after they are launched.

Because most companies understand the different product life cycle stages, and that the products they sell all have a limited lifespan, the majority of them will invest heavily in new product development in order to make sure that their businesses continue to grow.

Product Life Cycle Stages Explained

The product life cycle has 4 very clearly defined stages, each with its own characteristics that mean different things for business that are trying to manage the life cycle of their particular products.

Introduction Stage – This stage of the cycle could be the most expensive for a company launching a new product. The size of the market for the product is small, which means sales are low, although they will be increasing. On the other hand, the cost of things like research and development, consumer testing, and the marketing needed to launch the product can be very high, especially if it's a competitive sector.

Growth Stage – The growth stage is typically characterized by a strong growth in sales and profits, and because the company can start to benefit from economies of scale in production, the profit margins, as well as the overall amount of profit, will increase. This makes it possible for businesses to invest more money in the promotional activity to maximize the potential of this growth stage.

Maturity Stage – During the maturity stage, the product is established and the aim for the manufacturer is now to maintain the market share they have built up. This is probably the most competitive time for most products and businesses need to invest wisely in any marketing they undertake. They also need to consider any product modifications or improvements to the production process which might give them a competitive advantage.

Decline Stage – Eventually, the market for a product will start to shrink, and this is what's known as the decline stage. This shrinkage could be due to the market becoming saturated (i.e. all the customers who will buy the product have already purchased it), or because the consumers are switching to a different type of product. While this decline may be inevitable, it may still be possible for companies to make some profit by switching to less-expensive production methods and cheaper markets.

Product Life Cycle Examples

It's possible to provide examples of various products to illustrate the different stages of the product life cycle more clearly. Here is the example of watching recorded television and the various stages of each method:

1. Introduction – 3D TVs
2. Growth – Blueray discs/DVR
3. Maturity – DVD
4. Decline – Video cassette

The idea of the product life cycle has been around for some time, and it is an important principle manufacturers need to understand in order to make a profit and stay in business.

However, the key to successful manufacturing is not just understanding this life cycle, but also proactively managing products throughout their lifetime, applying the appropriate resources and sales and marketing strategies, depending on what stage products are at in the cycle.

Portfolio Management

The art of selecting the right investment policy for the individuals in terms of minimum risk and maximum return is called as portfolio management.

Portfolio management refers to managing an individual's investments in the form of bonds, shares, cash, mutual funds etc so that he earns the maximum profits within the stipulated time frame.

Portfolio management refers to managing money of an individual under the expert guidance of portfolio managers.

In a layman's language, the art of managing an individual's investment is called as portfolio management.

Need for Portfolio Management

Portfolio management presents the **best investment plan** to the individuals as per their income, budget, age and ability to undertake risks.

Portfolio management **minimizes the risks** involved in investing and also increases the chance of making profits.

Portfolio managers understand the client's financial needs and suggest the best and unique investment policy for them with minimum risks involved.

Portfolio management enables the portfolio managers to **provide customized investment solutions** to clients as per their needs and requirements.

Types of Portfolio Management

Portfolio Management is further of the following types:

- **Active Portfolio Management:** As the name suggests, in an active portfolio management service, the portfolio managers are actively involved in buying and selling of securities to ensure maximum profits to individuals.
- **Passive Portfolio Management:** In a passive portfolio management, the portfolio manager deals with a fixed portfolio designed to match the current market scenario.

- **Discretionary Portfolio management services:** In Discretionary portfolio management services, an individual authorizes a portfolio manager to take care of his financial needs on his behalf. The individual issues money to the portfolio manager who in turn takes care of all his investment needs, paper work, documentation, filing and so on. In discretionary portfolio management, the portfolio manager has full rights to take decisions on his client's behalf.
- **Non-Discretionary Portfolio management services:** In non discretionary portfolio management services, the portfolio manager can merely advise the client what is good and bad for him but the client reserves full right to take his own decisions.

BCG Matrix

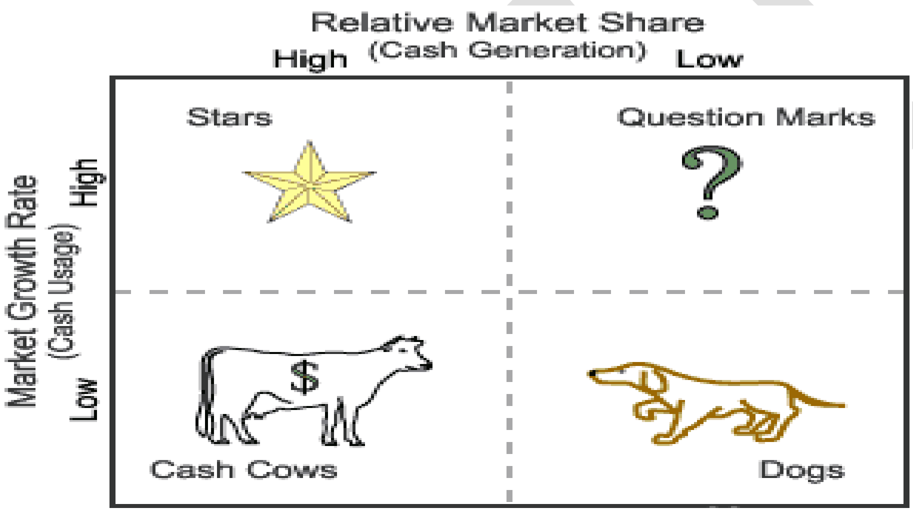


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Figure: BCG Matrix

1. **Stars-** Stars represent business units having large market share in a fast growing industry. They may generate cash but because of fast growing market, stars require huge investments to maintain their lead. Net cash flow is usually modest. SBU's located in this cell are attractive as they are located in a robust industry and these business units are

highly competitive in the industry. If successful, a star will become a cash cow when the industry matures.

2. **Cash Cows-** Cash Cows represents business units having a large market share in a mature, slow growing industry. Cash cows require little investment and generate cash that can be utilized for investment in other business units. These SBU's are the corporation's key source of cash, and are specifically the core business. They are the base of an organization. These businesses usually follow stability strategies. When cash cows loose their appeal and move towards deterioration, then a retrenchment policy may be pursued.
3. **Question Marks-** Question marks represent business units having low relative market share and located in a high growth industry. They require huge amount of cash to maintain or gain market share. They require attention to determine if the venture can be viable. Question marks are generally new goods and services which have a good commercial prospective. There is no specific strategy which can be adopted. If the firm thinks it has dominant market share, then it can adopt expansion strategy, else retrenchment strategy can be adopted. Most businesses start as question marks as the company tries to enter a high growth market in which there is already a market-share. If ignored, then question marks may become dogs, while if huge investment is made, then they have potential of becoming stars.
4. **Dogs-** Dogs represent businesses having weak market shares in low-growth markets. They neither generate cash nor require huge amount of cash. Due to low market share, these business units face cost disadvantages. Generally retrenchment strategies are adopted because these firms can gain market share only at the expense of competitor's/rival firms. These business firms have weak market share because of high costs, poor quality, ineffective marketing, etc. Unless a dog has some other strategic aim, it should be liquidated if there is fewer prospects for it to gain market share. Number of dogs should be avoided and minimized in an organization.

Limitations of BCG Matrix

The BCG Matrix produces a framework for allocating resources among different business units and makes it possible to compare many business units at a glance. But BCG Matrix is not free from limitations, such as-

1. BCG matrix classifies businesses as low and high, but generally businesses can be medium also. Thus, the true nature of business may not be reflected.
2. Market is not clearly defined in this model.
3. High market share does not always leads to high profits. There are high costs also involved with high market share.
4. Growth rate and relative market share are not the only indicators of profitability. This model ignores and overlooks other indicators of profitability.
5. At times, dogs may help other businesses in gaining competitive advantage. They can earn even more than cash cows sometimes.
6. This four-celled approach is considered as to be too simplistic.

General Electric Matrix (GE Matrix)

The general electric Matrix was developed by GE with the assistance of the consulting firm McKinsey & Company. The model identifies the market position and profitability of different business units based on their market attractiveness and business unit strength. This is more advanced form of Growth matrix model compared to BCG Matrix.

The main aims for GE Model

- Analyze the current portfolio of business units and their position compared to others
- Develop growth strategies for each individual business units by adding new products and businesses to the portfolio
- Decide the business units to be sold or invested more to exploit future opportunities

Here the two dimensions used are Market Attractiveness and Business Unit Strength. The market attractiveness refers to the attractiveness of the market or the industry in which the business units operate.

Factors affecting the Market Attractiveness

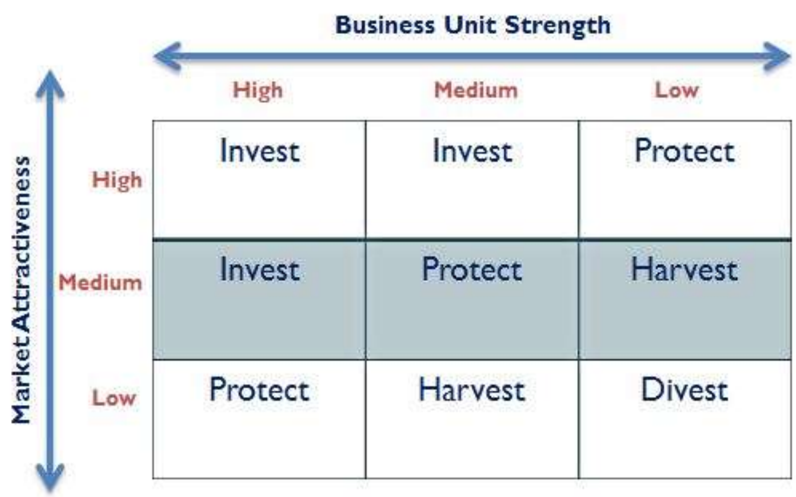
- Market Size
- Market growth and growth potential
- Market profitability
- Competition
- Market Predictability
- New Opportunities
- Macro environmental and economic factors

Business Unit Strength refers to the competitive position of each of the business units. It specifies the strength, market share, market position of the Business units.

Factors affecting the Business Unit Strength

- Assets and market under the Business Unit
- Relative brand strength compared to others
- Market share and growth in market share
- Brand Loyalty
- Distribution network and population reach
- R&D, Patents and Innovations
- More investment and access to capital

Based on these two dimensions, one 3×3 matrix is formed to be used as a GE Model. The matrix is shown below with the respective strategic decisions.



GE Model

It leads to four strategic decisions based on the outcome of this model.

- Invest
- Protect
- Harvest
- Divest

Investment is made in the market on the basis of the existing market attractiveness in terms of growth. Also it is affected by the respective market share of an organization.

Protect condition refers to the situation where a business doesn't want fresh investment rather it is willing to have the security of the given investment. So that it does not result in losses.

Harvest refers to the situation where the business wants to generate cash out of the given investment (i.e. it does not want stock accumulation).

Divest refers to the condition where a business organization has finally decided to sale an undertaking or a part of its undertaking. Divestment is the last option which a business organization can undertake.

Porter's Five Forces Model of Competition

Michael Porter (Harvard Business School Management Researcher) designed various vital frameworks for developing an organization's strategy. One of the most renowned among managers making strategic decisions is the five competitive forces model that determines industry structure. According to Porter, the nature of competition in any industry is personified in the following five forces:

i. Threat of new potential entrants
ii. Threat of substitute product/services
iii. Bargaining power of suppliers
iv. Bargaining power of buyers
v. Rivalry among current competitors

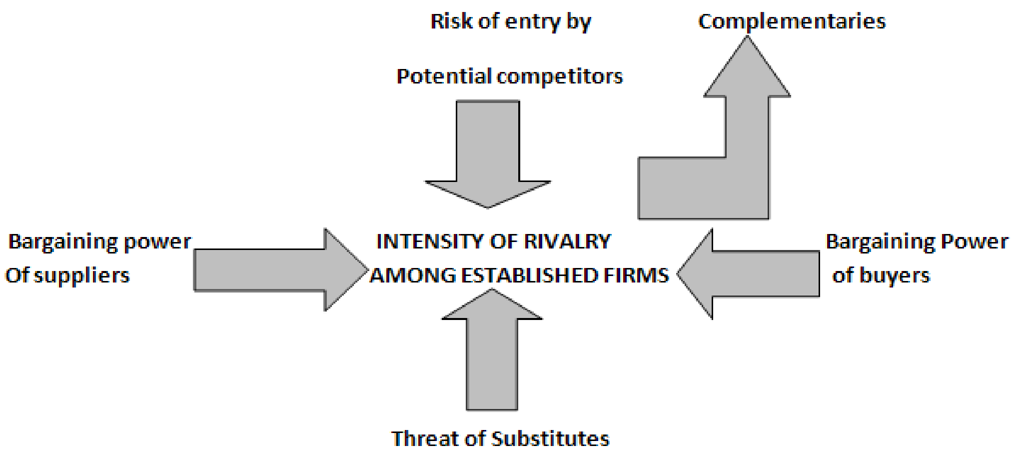


FIGURE: Porter's Five Forces model

The five forces mentioned above are very significant from point of view of strategy formulation. The potential of these forces differs from industry to industry. These forces jointly determine the profitability of industry because they shape the prices which can be charged, the costs which can be borne, and the investment required to compete in the industry. Before making strategic decisions, the managers should use the five forces framework to determine the competitive structure of industry.

Let's discuss the five factors of Porter's model in detail:

1. **Risk of entry by potential competitors:** Potential competitors refer to the firms which are not currently competing in the industry but have the potential to do so if given a choice. Entry of new players increases the industry capacity, begins a competition for market share and lowers the current costs. The threat of entry by potential competitors is partially a function of extent of barriers to entry. The various barriers to entry are-
    - Economies of scale
    - Brand loyalty
    - Government Regulation
    - Customer Switching Costs
    - Absolute Cost Advantage
    - Ease in distribution
    - Strong Capital base
2. **Rivalry among current competitors:** Rivalry refers to the competitive struggle for market share between firms in an industry. Extreme rivalry among established firms poses a strong threat to profitability. The strength of rivalry among established firms within an industry is a function of following factors:
    - Extent of exit barriers
    - Amount of fixed cost
    - Competitive structure of industry
    - Presence of global customers
    - Absence of switching costs
    - Growth Rate of industry
    - Demand conditions
3. **Bargaining Power of Buyers:** Buyers refer to the customers who finally consume the product or the firms who distribute the industry's product to the final consumers.

Bargaining power of buyers refer to the potential of buyers to bargain down the prices charged by the firms in the industry or to increase the firms cost in the industry by demanding better quality and service of product. Strong buyers can extract profits out of an industry by lowering the prices and increasing the costs. They purchase in large quantities. They have full information about the product and the market. They emphasize upon quality products. They pose credible threat of backward integration. In this way, they are regarded as a threat.

4. **Bargaining Power of Suppliers:** Suppliers refer to the firms that provide inputs to the industry. Bargaining power of the suppliers refer to the potential of the suppliers to increase the prices of inputs(labour, raw materials, services, etc) or the costs of industry in other ways. Strong suppliers can extract profits out of an industry by increasing costs of firms in the industry. Suppliers products have a few substitutes. Strong suppliers' products are unique. They have high switching cost. Their product is an important input to buyer's product. They pose credible threat of forward integration. Buyers are not significant to strong suppliers. In this way, they are regarded as a threat.
5. **Threat of Substitute products:** Substitute products refer to the products having ability of satisfying customers needs effectively. Substitutes pose a ceiling (upper limit) on the potential returns of an industry by putting a setting a limit on the price that firms can charge for their product in an industry. Lesser the number of close substitutes a product has, greater is the opportunity for the firms in industry to raise their product prices and earn greater profits (other things being equal).

The power of Porter's five forces varies from industry to industry. Whatever be the industry, these five forces influence the profitability as they affect the prices, the costs, and the capital investment essential for survival and competition in industry. This five forces model also help in making strategic decisions as it is used by the managers to determine industry's competitive structure.

Porter ignored, however, a sixth significant factor- complementariness. This term refers to the reliance that develops between the companies whose products work is in combination with each other. Strong complementary might have a strong positive effect on the industry. Also, the five forces model overlooks the role of innovation as well as the significance of individual firm differences. It presents a stagnant view of competition.

Competitor Analysis - Meaning, Objectives and Significance

Organizations must operate within a competitive industry environment. They do not exist in vacuum. Analyzing organization's competitors helps an organization to discover its weaknesses, to identify opportunities for and threats to the organization from the industrial environment. While formulating an organization's strategy, managers must consider the strategies of organization's competitors. Competitor analysis is a driver of an organization's strategy and effects on how firms act or react in their sectors. The organization does a competitor analysis to measure / assess its standing amongst the competitors.

Competitor analysis begins with identifying present as well as potential competitors.

It portrays an essential appendage to conduct an industry analysis. An industry analysis gives information regarding probable sources of competition (including all the possible strategic actions and reactions and effects on profitability for all the organizations competing in the industry). However, a well-thought competitor analysis permits an organization to concentrate on those organizations with which it will be in direct competition, and it is especially important when an organization faces a few potential competitors.

Michael Porter in **Porter's Five Forces Model** has assumed that the competitive environment within an industry depends on five forces- Threat of new potential entrants, Threat of substitute product/services, bargaining power of suppliers, bargaining power of buyers, Rivalry among current competitors. These five forces should be used as a conceptual background for identifying an organization's competitive strengths and weaknesses and threats to and opportunities for the organization from it's competitive environment.

The main **objectives of doing competitor analysis** can be summarized as follows:

- To study the market;
- To predict and forecast organization's demand and supply;
- To formulate strategy;
- To increase the market share;
- To study the market trend and pattern;
- To develop strategy for organizational growth;
- When the organization is planning for the diversification and expansion plan;
- To study forthcoming trends in the industry;
- Understanding the current strategy strengths and weaknesses of a competitor can suggest opportunities and threats that will merit a response;
- Insight into future competitor strategies may help in predicting upcoming threats and opportunities.

Competitors should be analyzed along various dimensions such as their size, growth and profitability, reputation, objectives, culture, cost structure, strengths and weaknesses, business strategies, exit barriers, etc.

Consumer Analysis

Consumer analysis is the process where information about the consumer is found out from market research like the needs of the consumer, the target market and the relevant demographics so that this information can be used in market segmentation for further steps of market research. It is very useful in predicting consumer behavior.

Objectives of consumer analysis are to find out information about:

• **Profile of the consumers:** This includes demographic, economic, social, geographical characteristics of the consumer and any other special interests of the consumer that are relevant. It also includes the buying process of the consumer i.e. factors like the decision making unit, time and frequency of purchase, how the consumer makes the purchase and the method of payment. The former is called demographic analysis and the latter is called behavioral analysis.

• **Benefit gained by the consumers:** These include functional benefits, psychological benefits, high and low involvement benefits depending on the products, and user & purchaser benefit depending on whether it is a B2B or B2C customer.

• **Market customer:** A market is the group of customers who gain the same benefit from a product. Market can be undifferentiated or differentiated. In case of differentiated markets, market segmentation can be based on geographic, demographic or psychological segmentation. Whichever the market is, it has to be homogeneous, consistent, executable and profitable.

Steps in consumer analysis:

Step1: Overview of the industry

Step2: Identifying and describing demographics of the customers

Step3: Project future changes

Step4: Determine and describe consumer buying behavior

Step5: Competitive analysis

Step6: Use information about industry, customer and competitors determined above to identify gaps in the market

Wheel of consumer analysis: It is a model describing the key factors in understanding consumer behavior and hence developing a marketing strategy.

Example: Nike shoes has a wide range of products designed for different segments of its consumers like shoes for sports persons, basic sports shoes for gym, walking or running, tougher shoes for football players, etc

Market potential product

A conceptual set of qualities or characteristics capable of development into an actual **product**. Typically a **product** definition is formed based upon market research and other information, and then a prototype is created. Once reviewed, the prototype is adapted or accepted as a **product** model.

Whenever we launch a new product or a service, we fear whether it has enough market potential. It is known very well that you need to **calculate market potential** before you launch a product or a service. This article will help you determine 5 basic factors which can give you an idea on whether or not you have a good Market potential.

Market potential, quite simply, is the total demand for a product in a given business environment. So if you were going to write a book on business, you will check all the books written on business and the sales they had. That is your market potential. Off course, determining the actual values are very difficult and that is where you need to use various tips and tactics.

Let us go through the 5 elements to determine market potential.

1) Market Size

The first and most important factor to consider while determining market potential is the market size of your product. Market size is the total market sales potential of all companies put together. So if i planned on launching a new soap or Shampoo, then all the different companies such as HUL and P&G are my competitors. And the combined sales of soaps, including branded and non branded products is my complete market size.

If you look at consumer level, the market size is generally huge. Market size would be in Millions or billions too. But as you go down to industrial level, Market size can be anything from a lakh to a thousand or even a hundred.

If you were a dealer of industrial ball bearings, then all the companies which are in manufacturing are potentially your customers. So if you find out the number of industries in your region, that is the ideal market size which you can target when launching a new Ball bearing product. Mind you, this is 100% market size. The market captured by you and who is going to be your future customer is a different story altogether.

The best way to get market size is to contact local research agencies if it is a small business. If it is a large business, it is better to take Market research data from companies like Nielson or IMRB. Determination of market size is the first step to determine market potential.

2) Market growth rate

The PC market as compared to the laptop market or the smartphone market is declining. So if you are a company which makes PC's, then you have to be aware that you are entering an declining market. Instead, if you have the potential, why not enter the Laptop market or the Smartphone market.

The ongoing trend in the industry is important as it can forecase the future of your product. Initially, books were all the rage, but now they have been replaced by Ebooks and there is hardly any need for the physical books (though people still love to read them).

When you study market growth, you have to forecast based on the differences between product line extensions and a completely new concept in the Market. Samsung has the Samsung galaxy series which is a pioneer series in Samsung. Naturally, whenever a new product line extension of Samsung Galaxy is launched, it will sell in the market. But will a new product line sell at the same pace? So the Market growth rate is subjective and it depends on the type of product you are going to launch.

Market growth rate can be determined by checking the facts and figures of the last 5 years of the industry that you are in. Many top websites will give you such data. In fact, even newspapers do frequent analysis of which are the industries that are growing and at what percentage. Today, if i were to enter the E-commerce industry, it will be a wise choice because the industry is growing by leaps and bounds. However, 10 years down the line, a new technology might be invented, which makes E-commerce buying obsolete.

3) Profitability

Going back to the E-commerce example, many small businesses have a mixed feedback for E-commerce businesses. Some say that the market is huge and there is a lot of potential. But others say that they have suffered huge losses because of the amount of packaging and the transport costs involved for shipping across country. These are both perspectives and both of them are correct.

Determining and forecasting your profitability is important to understand the market potential. If the business is going to give low profitability, then the volumes need to be high (ex – fmcgproducts) or if the business is going to give low volumes, then the profit needs to be higher (ex – industrial goods).

Calculation of profitability to determine Market potential can use three main elements

- ROI – Return on investment
- ROS – Return on sales
- RONA – Return on net assets
- ROCE – Return on capital employed

You can use any of the calculations mentioned above to calculate the likelihood of profitability and to determine how profitable the industry or product is going to be.

4) Competition

You need to know and understand the competition in an industry to determine the market potential for the product you are going to launch. If the industry has high competition, the entry barriers are going to be high and at the same time, establishing yourself will require deep pockets. You might have to lower the price of your products even though you are giving higher value. This requires that you have enough money to take hits till the time competition leaves the market.

This is exactly what happens when top brands enter industries which were dominated by Smaller players. Today, small retailers are suffering under the brunt of large multi national sellers. Nonetheless, this does not mean small businesses have stopped establishing themselves. They are using different strategies to attract customers to their businesses. One such strategy is good customer service, which is missing in large corporations.

When competition is low, market awareness will be low as well. An example can be taken of industrial refrigeration products, where the competition is low, but the product knowledge is low as well. So your competitor is equally likely to influence the potential buyer as you are. Differentiation will be minimal because there is no need of investing in differentiation. In such a market, the companies which actually differentiate, literally dominate the market they are in.

Determining market potential requires you to understand the market standing of various competitors and it also requires that you have the necessary plans up your sleeves to understand how to tackle these competitors when the time comes.

5) Product and consumer type

Is your product a repeat buying product or one time sale only? In the above examples, Soap and shampoo is a repeat buying product. But once you buy a refrigerator, i doubt you will need another for the next 10 years. So in your whole lifetime, you will buy 8-10 refrigerators at the max. But in a year, you are likely to buy 40-50 soaps individually. That’s 300-400 soaps per individual in their livelihood. Multiply that by a billion and you can understand the market potential of the soap industry.

So how frequently is your product going to be bought again? Many toothpaste companies actively push the consumer to brush twice in a day. One of the reasons is that your teeth will be better. But another reason is that the toothpaste will be consumed faster and you will buy another toothpaste soon. Hence the push for brushing twice daily!!

Is your product completely new in the market? How likely is the customer to accept and adopt the same and what are the hurdles to be faced in product adoption? Can you forecast them right now? Because that will help in determining market potential.

The above 5 elements will give you a very good idea about the market potential of your product, irrespective of whether the product exists in the market or you are going to launch a new one. Remember – this does not apply to innovative products because the market size and growth rate of innovative products is unknown.

Demand Pattern Analysis

Demand pattern analysis is an emerging area in supply chain management (SCM) that analyzes customer and demand data to better predict demand across multiple time horizons in a demand-driven value network (DDVN). For example, in the strategic time horizon (12 months to three years), companies can analyze macro changes in customer demand, macroeconomic indicators and corporate strategic business goals, such as reaching a target market share for an established product. Tactically (12 weeks to 12 months), companies can better analyze demand with increased collaboration with customers on marketing plans, including more alignment for new product introduction (NPI), seasonality or a promotional event. Operationally (one week to 12 weeks), companies can leverage frameworks like collaborative planning, forecasting and replenishment (CPFR) and causal forecasting, as opposed to relying on lagging historical demand data to determine downstream needs and opportunities.

Trend Analysis

A trend analysis is an aspect of technical analysis that tries to predict the future movement of a stock based on past data. Trend analysis is based on the idea that what has happened in the past gives traders an idea of what will happen in the future. There are three main types of trends: short-, intermediate- and long-term.

BREAKING DOWN 'Trend Analysis'

Trend analysis tries to predict a trend such as a bull market run, and ride that trend until data suggests a trend reversal, such as a bull-to-bear market. Trend analysis is helpful because moving with trends, and not against them, will lead to profit for an investor.

A trend is the general direction the market is taking during a specified period of time. Trends can be both upward and downward, relating to bullish and bearish markets, respectively. While there is no specified minimum amount of time required for a direction to be considered a trend, the longer the direction is maintained, the more notable the trend.

Trend analysis is the process of trying to look at current trends in order to predict future ones and is considered a form of comparative analysis. This can include attempting to determine whether a current market trend, such as gains in a particular market sector, is likely to continue, as well as whether a trend in one market area could result in a trend in another. Though an analysis may involve a large amount of data, there is no guarantee that the results will be correct.

Using Trend Analysis

In order to begin analyzing applicable data, it is necessary to first determine which market segment will be analyzed. An example of sectors can include a focus on a particular industry, such as the automotive or pharmaceuticals sector, as well as a particular type of investment, such as the bond market. Once the sector has been selected, it is possible to examine the general performance of the sector. This can include how the sector was affected by internal and external forces. For example changes in a similar industry or the creation of a new governmental regulation would qualify as forces impacting the market. Analysts then take this data and attempt to predict the direction the market will take moving forward.

Trend Following

Trend following is a trading system based on using trend analysis and following the recommendation produced to determine which investments to make. Often, the analysis is conducted via computer analysis and modeling of relevant data, and is tied to market momentum.

Possible Questions

2 Marks
1. Explain poster's 5 models?
2. Define Product?
3. What is BCG?
4. Explain the stages of product life cycle?
5. Define Market potential?

5 Marks
1. Explain GE matrix for market analysis.
2. Discuss the various steps in product development.
3. Discuss the Five force model to analysis the competition in business process.
4. Elaborate different product launching strategies.
5. Explain porter's model for competitive analysis.
6. Explain the trend analysis methods for business forecasting.
7. Discuss various stages of product life cycle for product development.
8. Explain the role of Consumer analysis and competitor analysis in product development process.
9. Elaborate new product development process.

10. Explain BCG matrix for business.

Multiple Choice Questions
UNIT I

Questions	1	Option 2	3	Option 4	Answer
_____ is the development of original products, product improvements, product modifications, and new brands through the firm's own R&D efforts.	Idea generation	Concept testing	Test marketing	New product development	New product development
New-product development starts with _____.	idea screening	idea generation	development and	strategy development	idea generation
Major sources of new product ideas include______.	internal sources, using company R&D	approaches, using both "method and madness" approach	watching and listening to customers	all of the above are sources of new product ideas	all of the above are sources of new product ideas
Some companies have installed a(n) _____ that directs the flow of new ideas to a central point where they can be collected, reviewed, and evaluated.	new-product development team	idea management system	computer system	satellite system	idea management system
A______is a detailed version of the idea stated in meaningful consumer terms.	product idea	product concept	product image	test market	product concept
A______is the way consumers perceive an actual or potential product.	product idea	product concept	product image	test market	product image
An attractive idea must be developed into a______.	product idea	product concept	product image	test market	product concept
_____ calls for testing new-product concepts with groups of target consumers.	Concept development	Concept testing	Idea generation	Idea screening	Concept testing

_____ entails testing new-product concepts with a target group of consumers to find out if the concepts have strong consumer appeal.	Concept development	Concept testing	Idea generation	Idea screening	Concept testing
_____ involves a review of the sales, costs, and profit projections for a new product to find out whether they satisfy the company's objectives.	Idea generation	Idea screening	Business analysis	Concept development and testing	Business analysis
If a product concept passes the______, it moves into______.	business analysis test; product development	development stage; product development	concept testing stage; product development	idea generation stage; product development	business analysis test; product development
Course of sales and profits of a product over its whole life is called	product life cycle	customer lifetime value	product management	marketing management	product life cycle
Computer giant Dell have an idea storming website used to ask customers for improvement suggestions is an example of	internal sourcing	crowd sourcing	off shoring	off sourcing	crowd sourcing
In product life cycle introductory stage, marketing objective is to	product awareness	maximize market share	market share and	reduce expenditure	create product awareness
PLC stage which experience increased marketing outlays is said to be	maturity stage	predictive stage	improved market stage	profit achieved stage	maturity stage
Customers in growth stage of life cycle of products are classified as	innovators	early adopters	majority customers	laggards	early adopters
Profits related to new product in its introductory stage are	negative	usly rising	higher	declining	negative
In PLC stages, stage in which company's investment costs mount is classified as	testing stage	development stage	buying stage	merger stage	development stage
_____ is the stage of new-product development in which the product and marketing program are tested in more realistic market settings	Business analysis	Idea generation	Test marketing	Marketing strategy development	Test marketing

Introducing a new product into the market is called______.	test marketing	new product development	experimenting	commercialization	commercialization
In the maturity phase of the PLC, a marketing manager should consider:	the product and moving on to the next	g the market, product, and marketing mix.	expanding R & D.	pricing to penetrate the market	modifying the market, product, and marketing mix.
To achieve the marketing objectives for the brand and satisfy the desires of consumers, the_________and functional components of packaging must be chosen correctly.	characters	logo	aesthetics	brand name	aesthetics
In order to get their new products to market more quickly, many companies are adopting a faster, team-oriented approach called______.	sequential product development	simultaneous product development	commercialization	introduction timing	simultaneous product development
Sales of market offering in growth stage of product life cycle are recorded as	low sales	rapidly rising sales	peak sales	declining sales	rapidly rising sales
According to PLC stages, stage in which profits are non-existent because of higher expenses is said to be	introduction stage	turbulent stage	innovation stage	non-profit stage	introduction stage
Question mark products in the Boston Consulting Group matrix are usually in which stage of their product life cycle?	Introduction	Growth	Maturity	Saturation	Introduction
In the Boston Consulting Group matrix, unsuccessful products move around the matrix in which order?	Question mark to star	Dog to question mark	Cash cow to dog	Question mark to dog	Question mark to dog
Strategic product management offers four principal objectives that a company might pursue in relation to a particular product, 1. Hold, 2. Divest, 3. Build and:	Promote	Harvest	Brand	Differenti	Harvest

According to the BCG Share-Growth Matrix a product with a high market share in a low growth market is called a:	Question mark	Dog	Star	Cash cow	Cash cow
The BCG Matrix allows product portfolios to be analysed based on market growth rate and _______	Competitive position	Profitability	Relative market share	Market dynamics	Relative market share
The process of managing groups of brands and product lines is called:	Portfolio planning	PLC planning	Marketing mix planning	Sales planning	Portfolio planning
Which of the following tools would a marketing manager use to look at new products, and markets for future growth?	PLC	BCG growth matrix	The MA-CP matrix	Ansoff Matrix	Ansoff Matrix
Which is the riskiest product growth strategy?	Market penetratiOn	Product development	ng development	Diversification	Diversification
BCG in BCG matrix stands for	Boston Calmette Group	British Consulting Group	Boston Corporate Group	Boston Consulting Group	Boston Consulting Group
The GE 9 cell model is based on	attractiveness & business strength	growth rate & business strength	attractiveness & relative market	growth rate & relative market	Industry attractiveness & business strength
In GE 9 cell matrix what is the label of the horizontal axis?	Relative market Share	Industry attractiveness	Industry growth rate	Market growth rate	Industry attractiveness
Another name for GE 9 cell model is	color matrix	light matrix	Strategic portfolio	light matrix	Stop light matrix
Which of the following is not a determinant of the threat of new entrants in Porter's Five Forces Model:	d level of product differentiation	brand equity	government policies	access to distribution	perceived level of product differentiation
According to Porter's diamond, the characteristics of the________play a central role in explaining the international competitiveness of the firm	customers	new market entrants	home base	product offer	home base
The value chain activities by which the firm is regarded as a better performer than any of its competitors are known as:	corporate competences	personal competences	core resources	core competences	core competences

What metaphor is used to describe the competitive space where products are not yet well defined, competitors are not structured and the market is relatively unknown?	red ocean	blue ocean	red sea	blue lagoon	blue ocean
Five forces model of Michael Porter determines attractiveness in long-run does not include	threat of new entrants	threat of rivalry	threat of substitute products	opportunity to alliance	opportunity to alliance
Which strategic management analytical tool has four quadrants based on two dimensions i.e. competitive position and market growth?	Internal-External Matrix	SPACE Matrix	Grand Strategy Matrix	QSPM	Grand Strategy Matrix
Which one of the following is NOT included in the Porter's Five Forces model:	development of substitute	Bargaining power of suppliers	Rivalry among stockholders	Rivalry among competing firms	Rivalry among stockholders
Porter's Five Forces framework is based on the principle of:	Resource-based view	Conduct - structure - performance	e - conduct - performance	Econometrics	Structure - conduct - performance
In Porter's Five Forces, the 'threat of new entrants' relates to:	Barriers to entry	Substitutes	Switching costs	Buyer power	Barriers to entry
Barriers to entry into an industry are likely to be high if:	Switching costs are low	Differentiation is low	ment for economies of scale is	distribution channels is high	Requirement for economies of scale is high
Competitive rivalry will be high if:	The industry is fragmentEd	a few strong players in the industry	a high degree of differentiation	The industry is in its infancy	There are a few strong players in the industry
Porter's Five Forces assumes a 'zero-sum game'. A 'zero-sum game' means:	wins at the expense of Firm	Firm A and Firm B both win	No firm wins	industries will win at the expense	Firm A wins at the expense of Firm B
Kind of advantage gained by offering greater value to customers as compared to competitors is classified as	competitive advantage	corporate advantage	branding advantage	premium advantage	competitive advantage
Strategies which position company on best possible strategic advantage against competitors are classified as	marketing strategies	corporate marketing strategies	marketing strategies	competitive marketing strategies	competitive marketing strategies

Analysis conducted to examine benefits that are seek by customers and how customers value offers of competitors is classified as	customer value analysis	corporate image analysis	strategic behavior analysis	benchmarking	customer value analysis
Process of assessing objectives, strengths, weaknesses, strategies and reaction patterns of competitors is classified as	branding analysis	premium analysis	competitor analysis	corporate analysis	competitor analysis
What does stars symbolize in BCG matrix?	Introduct Ion	Growth	Maturity	Decline	Growth
What does question mark (?) symbolize in BCG matrix?	diversified	Invest	Stable	Liquidate	Remain diversified
Firm uses any existing brand to introduce in market as a new product, brand is classified as	brand extension	sub-brand	parent brand	product extension	brand extension
Comparison of potential and current levels of market demand is called	market penetration index	target market index	potential market index	available market index	market penetration index
Market demand relevant to industry marketing expenditure show infinity is said to be	market potential	market demand	product potential	share potential	market potential
In graph of market demand, products resulting demand is written on	market equilibrium point	s equilibrium point	horizontal axis	vertical axis	vertical axis
Maximum number of sales of all firms in an industry for a given period of time is called	total market potential	production potential	total demand potential	current demand	total market potential

UNIT II

The Concept of Brands - The Economic Importance of Brands - The Social and Political Aspects of Brands - Difference between Marketing and Branding - Changing Rules of Marketing and Branding in India - Digital Dimension, Consumer Activism, Leveraging Technology

The Concept of Brand

What is Brand?

A brand is a product, service, or concept that is publicly distinguished from other products, services, or concepts so that it can be easily communicated and usually marketed. A brand name is the name of the distinctive product, service, or concept. Branding is the process of creating and disseminating the brand name. Branding can be applied to the entire corporate identity as well as to individual product and service names.

Brand Concept:

A **brand concept** is the general idea or abstract meaning behind a brand. A brand's concept is used to give consistency to a brand's identity. It can be described as the first thing you want to pop into your customer's head when they think of your brand.

Important of Branding:

1. Branding Improves Recognition

One of major components of your brand is your logo. Think of how we instantly recognize the golden arches of McDonalds or the simple, but powerful eagle of the USPS. As the “face” of a company, logo design is critical because that simple graphic will be on every piece of correspondence and advertising. A professional logo design is simple enough to be memorable, but powerful enough to give the desired impression of your company.

2. Branding Creates Trust

A professional appearance builds credibility and trust. People are more likely to purchase from a business that appears polished and legitimate. Emotional reactions are hardwired into our brains, and those reactions are very real influencers.

3. Branding Supports Advertising

Advertising is another component of your brand. Both the medium chosen and demographic targeted for advertisements builds a brand. Too narrow an advertising focus, and a company risks being "pigeon holed" and losing their ability to expand into new markets. Too broad a focus, and the company fails to create a definable impression of the company in the minds of would be customers.

4. Branding Builds Financial Value

Companies who publicly trade on a stock exchange are valued at many times the actual hard assets of the company. Much of this value is due to the branding of the company. A strong brand usually guarantees future business. Whether a company is in the position to borrow funds for expansion or rolling out to an IPO, being perceived as more valuable will make the process advantageous for the owner of the payday loans online company. The greater a company's devotion to build its brand value, the better the financial return from its efforts.

5. Branding Inspires Employees

Many employees need more than just work— they need something to work toward. When employees understand your mission and reason for being, they are more likely to feel that same pride and work in the same direction to achieve the goals you have set. Having a strong brand is like turning the company logo into a flag the rest of the company can rally around.

6. Branding Generates New Customers

Branding enables your company to get referral business. Would it be possible for you to tell a friend about the new shoes you love if you couldn't remember the brand? A large reason 'brand' is the word used for this concept is that the goal is an indelible impression. As the most profitable advertising source, word of mouth referrals are only possible in a situation where your company has delivered a memorable experience with your customer.

The most profitable companies, small and large, have a single thing in common. They have established themselves as a leader in their particular industry by building a strong brand.

The economic importance of brands

Reason 1: Brand and reputation protect the consumer

Let's remember that brands are used by consumers, guiding and protecting them, not exploiting them. Initially they were considered separate from the consumer, a visual badge which guaranteed a certain level of quality. Now they are understood to rest with the consumer.

Strong evocative brands today not only raise a particular level of expectation but often elicit a higher emotional, purpose-driven connection as companies seek to strengthen relationships not just with consumers but with everyone associated with their business.

In other words, branding (expression) and reputation (impression) increasingly intersect. This makes brands more responsive and vulnerable to criticism and bad news travels fast, amplified by social media. Thereby, brands encourage a type of 'market democracy' for citizens – allowing consumers to vote daily with their wallet.

And, as Phil Riggins of Leidar explains: "To allow disconnects between brand and reputation threatens not only reputation but also sales, employer attractiveness, community and government support." Further, the need to stay relevant in people's lives creates a constant cycle of higher quality innovation as companies try to stay ahead of the competition.

Given this, it is the brand that is at risk and not the consumer. Strong brands protect the consumer because, in striving to sustain them, companies must provide innovative, relevant products and services in the right way at competitive prices, in addition to a guarantee of quality.

Reason 2: Strong brands drive share performance and can be measured

Strong stock market performance benefits a range of constituents from the companies themselves to individual shareholders, employees, institutional investors, savings companies, pension funds and pensioners.

According to Brand Finance, a business valuation and strategy consultancy that has been tracking the values of the world's top branded companies for more than ten years, an investment strategy based on the most brand-focused companies (those where brand value makes up a high proportion of total enterprise value) would have led to a return almost double that of the average for the entire S&P 500.

While not the only guarantee of share performance, a strong brand will help to minimise investment risk, safeguarding investment portfolios. Less risk brings about a greater market confidence and increased support from financial audiences which in turn stimulate and encourage further investment.

Strongly branded companies are usually more resistant to economic stress, providing a higher level of predictability of demand and more reliable, stable forecasting. More certainty of revenue and profit allows greater confidence in predicting economic returns.

Given this, brands are increasingly treated as any other asset, measured and held accountable for a certain level of return and importantly, producing demonstrable results for shareholders. Since 2010, this has been supported by a global brand valuation standard (ISO 10668), which comprises a number of acceptable valuation approaches and methods.

Reason 3: Brands provide more choice and ensure a competitive economy

In regulated markets and planned economies brands are irrelevant if there is only one supplier to choose from. One supplier alone will be less incentivized to develop and commercialize new ideas if consumers cannot switch.

In liberalised markets, brands provide the means of competition by allowing those in the market to distinguish one competitor from another and helping them assess – quickly and efficiently – one offer against another.

Moreover, brands encourage and support competition on the basis of values other than price, such as quality, innovation or reputation. Indeed, competition may focus on all four and be the stronger for it.

As a result, most industries in liberalised economies offer ever more choice, better value and even better performance compared to 2004. Brands are essential in deregulated markets – efforts to liberalise markets would fail without brands.

Reason 4: Brands help the economy adapt quicker and grow faster

Markets are in a constant flux of adaptation, often accelerated through technological change. Brands help markets adapt more quickly as they allow a more dynamic response between buyers and sellers. New and innovative products normally get adopted by 'pioneers' and 'opinion leaders' first, while their benefits usually need more explanation to reassure the mass market.

So, brands not only simplify choice but can play an 'educational' role as well, as they help to overcome uncertainty of purchase. Often, brands get people interested and excited in new products and services, often leading to disruption in 'crusted' markets.

Overall, brands contribute significantly to the process of adaptation and growth, which is crucial to a competitive economy. Branded products that fail to deliver on what buyers want will disappear quickly, making space for new and more effective alternatives.

Reason 5: Brands accelerate growth across geographic and cultural borders

Brands help businesses cross geographic and cultural borders. Global brands are an enormous asset to their home country. This will become particularly relevant post Brexit when we aim to increase significantly trade with non-EU countries.

Brands aid exports of British products and services to foreign markets, supporting our trade surplus. They underpin jobs and provide stability for the British economy. Failure to create successful international brands creates a burden on the home economy, representing a lost opportunity.

Brands are vital in achieving success abroad and are a significant source of international competitiveness. They can help transcend cultural borders as they speak an 'international language'. On the other hand, strong domestic brands are helpful as they may provide an effective, consumer-centric response to foreign competition. At a local level, strong brands will draw employees and business partners to communities, stimulating the economy across local regions.

Reports by the World Intellectual Property Organisation (WIPO) indicate that developing economies appear to be over-investing in branding compared to developed economies to increase their competitiveness. Taking China for example: according to the latest Brand Z report in 2017, thirteen of the global Top 100 brands are based in China, up from only one twelve years ago. While some of the Chinese brands may not be truly globalized, they are certainly growing in value and will change the global competitive landscape.

Reason 6: Strong brands benefit all stakeholders

The role of brand has become more central to not only FMCG and retail companies but to a much wider range of business-to-business service providers and beyond. They also help define the cause of 'not for profits', charities, governments and tourism.

A clear brand strategy provides these entities with a foundation from which to communicate purpose and vision to all stakeholders: consumers, prospects, supporters, shareholders, legislators, business partners, regulators, employees and even competitors. The role of brand goes far beyond visual identities and is able drive business performance through many facets.

From an internal perspective, the last few years have seen a far stronger role for brands. They can help attract and maintain top talent and loyal employees.

Further, as Nader Tavassoli, Professor of Marketing at London Business School, explains: "Executives value being associated with strong brands and, therefore, accept substantially lower pay at firms that own strong brands." Other research indicates that employees who work for companies with strong brands enjoy a higher level of job satisfaction.

Reason 7: Brands ensure businesses are accountable for their actions

Brands ultimately provoke a higher level of exposure and engagement that may benefit sales but which also make a business more visible and vulnerable. Social media and other driving forces have urged businesses to become far more transparent as they seek to sustain their brand equity.

Brands help to ensure businesses are accountable for their actions. Well-known branded companies are scrutinised by consumers and journalists alike to judge whether they are following the letter of the law and the expectations of society, be it accounting standards, environmental protection or ethics.

Conclusion

The last few years have seen dramatic changes in brand building but the importance of brands for our economy has actually increased. To drive a successful knowledge-driven, innovation-led economy, particularly post Brexit, brands are essential and represent vital weapons in the state armory of our trading nation.

More so, they are a necessity for any liberal economy in which companies compete and consumers have the power to choose. Brands are integral to an effective, vibrant economy and their economic importance should never be taken for granted.

The Social and political aspects of Branding

Political branding is about how a political organisation or individual is perceived overall by the public. It is broader than the product; whereas a product has distinct functional parts such as a politician and policy, a brand is intangible and psychological. A political brand is the overarching feeling, impression, association or image the public has towards a politician, political organisation, or nation. Political branding helps the party or candidate to help change or maintain reputation and support, create a feeling of identity with the party or its candidates and create a trusting relationship between political elites and consumers. It helps political consumers understand more quickly what a party or candidate is about; and distinguish a candidate or party from the competition.

Political parties are brands, and they have to adapt to a new age of marketing.

When we think of brands, we normally think of products as diverse as toothpaste, cars, airlines or banks. However, with national elections looming large next year, there is yet another category of brands that will soon occupy centre-stage. These are political parties, of which we have several in India today. They will woo their target consumers, the voters of India, with huge marketing spends. They will create reams of advertising and wall paintings. Their leaders will travel from town to town in what will perhaps be the largest direct marketing campaigns ever mounted in the country.

Yet the name of this game is changing very fast. Much like brands in the FMCG or consumer durables categories, political brands also have to adapt to a new age, where so much has transformed dramatically over the past few years. Only a decade ago, the telecom revolution was not yet upon us. Today, virtually every voter possesses a mobile phone. Up until a few years ago, Facebook and Twitter had minuscule reach. Today, they drive public opinion and uprising. Look back two decades, and national political brands used to dominate most states in the country. Today, regional political brands with strong local affiliations have sprung up everywhere, which is quite similar to what has happened in many FMCG categories.

So what are the new-age themes that political brands must bear in mind, if they have to win votes? Here is an exploration, from a marketer's perspective.

Brand proposition: Every brand needs to be built on a strong, differentiated consumer proposition. Through their propositions, brands have to reflect points of parity for the category (for instance, every pack of noodles has to have the ingredients that will make a tasty dish), and also need to have compelling points of difference (Maggi differentiates itself as noodles which can be prepared within a couple of minutes). If we take this concept forward to political brands, we find that in today's context, the point of parity for every political brand is what the party can offer for economic development, attracting new investments, creating new jobs, redressing poverty. These are no longer points of difference, simply because they are a universal need of most voters, and a political brand that does not offer them, therefore, does not stand a chance. Hence, the point of difference has to arise from an entirely different dimension – which could be commitment to secularism, or championing the needs of a particular region or group, or a track record of excellent performance and administration.

Brand ambassador: Political brands need big and powerful brand ambassadors who can reach out to the masses. These ambassadors have to be smart, telegenic, gifted with the skills of oratory and repartee. This is even more important in today's age of instant television, where the reach of brand ambassadors is multiplied thousand-fold, and sound bytes rule the hour. Indeed, as points of differentiation between political parties narrow, many more people are likely to decide on their brand selection based on their perceptions of the brand ambassador. That is why no political brand can afford to be without a strong ambassador today. There was an earlier age when political parties could perhaps go into elections without a clear Prime Ministerial candidate, but in the new age this would be suicidal, because people have increasingly come to believe that a CEO is critical to driving the fortunes of the company he or she heads. No wonder there is such a clamour within the BJP and the Congress parties for Narendra Modi and Rahul Gandhi to be anointed, well before the elections are called.

Leveraging technology: Political brands that do not learn to powerfully leverage new-age technology can consider themselves dead, particularly in urban India. During the recent US Presidential poll, Barack Obama’s victory owed a lot to the very competent internal technology team that he put in place. This team leveraged an array of applications, including social media such as Facebook and Twitter to reach voters, Chartbeat and Google Analytics to collect and analyse voter data and thereby target specific voter groups. Consider this impressive statistic: a single Obama post on the social media Web site Reddit garnered 3.8 million page views!

Indian political brands have much to learn in this space. They not only need to build their base of social media fans, they also have to explore innovative methods of using the mobile telephone as a medium, given how ubiquitous the cell-phone is in our country. And they should begin fast, well before the run-up to the elections begins.

Youthful brand offering: A brand which retains its youth appeals to modern consumers for whom remaining youthful is an aspirational state. On the other hand, brands which age often fall by the wayside. Brands remain young by investing in innovative new products, contemporary design, attractive packaging and peppy communication. A good example of this is one of the world’s finest brands, Coca-Cola, which has remained perennially youthful for several decades now. This is a lesson that most of our political brands are yet to fully internalise. To remain young in the eyes of voters, they will need young and energetic leaders, fresh new ideas for the nation in at least one or two relevant areas, and communication that speaks in a youthful voice. A tall order, but one worth pursuing, given the potential impact it can have.

Brand slogan: Nike says “Just do it”, Tata Tea exhorts consumers to “*Jaago Re*”, and McDonald’s tempts children by declaring “I’m loving it”. These are winning brand slogans which are etched in consumers’ minds, and which have helped the respective brands to garner both mindshare and marketshare. Political brands also need equally evocative taglines or slogans, which can become rallying cries for their marketing campaigns and their supporters. Unfortunately, none of our national political parties appear to have such powerful brand taglines today. Several years ago, powerful slogans such as “*GaribiHatao*” or “*Jai Jawan, Jai Kisan*” reverberated across the country. Where have they gone, and will our political brands rediscover this art in the forthcoming elections? We must once again make reference here to President Obama’s campaign byline in 2008. His slogan of “Yes we can” carried the day, because it was so powerful, yet so simple and memorable.

Authenticity of brands: There is a growing body of research which shows that modern consumers are increasingly drawn to brands with an authentic story, with a sincere commitment to deliver what they promise. Such authenticity helps build enormous trust in an environment where markets are crowded, and where hyperbole is the order of the day. Consumers, therefore, feel safe when they purchase brands which have a clear ring of authenticity. Similarly, political brands will have to deliver an authentic story, built on their beliefs, their track records and clear, unambiguous statements of promise. In today’s world, consumers are often willing to tolerate imperfection or errors committed by the brands they buy, if they are offered total authenticity. Political brands would do well to remember this new-age truth.

Different Between Marketing and Branding:

Marketing and branding are two of the major buzzwords that we use in the industry. The confusing part is that non-industry professionals often mix up branding and marketing and use the terms interchangeably. There is a distinct difference between marketing and branding that can be easily explained. Before we jump into the differences we need to understand what each term means on its own. Both of them are powerful means of spreading information, but both have their own specific uses. Let's clear up some misconceptions about the terms before we delve any further into their inherent differences.

What is Branding?

Branding is the process by which you reduce a company's reputation to a single word. A brand is an easily recognizable representation of the particular company. Something that resonates with the user so that at a glance they know what they're dealing with. Branding gives personality to a company and attaches an attribute to the company that appeals to the demographic of its core audience. Thus, companies such as Toyota are known for their reliability or Volvo is known for their safety records. Each of these brands have built their brands into easily recognizable traits that allow them to appeal to their customers in a unique way. It makes their business into more than just another faceless entity.

What is Marketing?

Marketing is a blanket statement that covers all forms of interaction with the customer as well as utilizing models in order to develop targeted advertising to reach out to a specific type of consumer. Marketing incorporates all forms of advertisement. In addition to this, marketing also deals with understanding the consumer or the audience and developing ways to utilize this deeper understanding.

Where do Branding and Marketing Meet?

Because these two disciplines are concerned with getting information out to the customer, they must meet at some level. Marketing and branding are both different facets of the overall content development strategy for a company. Your marketing should incorporate branding into it in order for you to cultivate customer loyalty. Branding allows you to represent your company in a certain light and build off the information that is gained by marketing. On the other side of the coin, marketing allows you to build a rapport with your audience and introduce them to your branded theme. These concepts go hand in hand, but they are not interchangeable.

What is the Major Difference between Marketing and Branding Then?

In a word, marketing is tactical whereas branding is strategic. I know what you're thinking. "Isn't tactical and strategic the same thing?" No, they aren't, as Kissmetrics points out.

Marketing is where the brand is presented and it contributes to overall branding. However, long after the marketing campaign has been exhausted the brand loyalty will remain. This is where branding and marketing part ways.

When we say that marketing is tactical, we mean that it deals with getting its payload of information delivered. It doesn't try to shape the user's long-term feelings towards the product, it simply gets in and convinces the customer of the benefits. Branding, on the other hand, seeks to embrace a more long-term view of the customer. By strategic leverage of the brand, we can eventually call upon the customer's loyalty to the brand in order to close a sale. But this is something that requires you to give back to the customer. You need to cultivate your brand image in such a way that the customer associates an idea with your brand.

How Marketing Works Alongside Branding To Build Business

Do you remember those old TV shows where there would be a sleeper agent that needs a secret code to "activate" them? Marketing is a little like that. It discovers and "activates" buyers, encouraging them to close sales. Branding goes one step further by making those buyers into loyal customers. One of the most common examples of this is the market for Apple products. Apple has made an art out of branding and this has carried over into products in many different branches of the electronics industry.

Taking a look at the Apple target demographic, we see that their aim was to produce a product that was sold solely for its importance as a status symbol. Thus, their marketing spread the message that apple products are available, but the branded apple product was joined by its numerous sister products that fall under the brand. When the consumer sees Apple now, then it's understood that they are paying for Apple's reputation as something that the cool, the chic and the hip use.

Building brand loyalty is what branding does and by making loyal customers out of your one-time buyers, you develop a ready market and audience that are willing and eager to receive your content.

Which One is a Better Investment?

Both marketing and branding are good investments and have their own type of returns. Marketing can easily be done wrong and if so, it can become a money sink into which a lot of cash if poured but the returns are mediocre. Well-researched marketing gives great returns on investment but the success of the campaign depends as much on the amount of effort put into it as the amount of money. The returns are, of course, seen in conversions and sales. Branding, because of its status as a long-term investment, is usually easier to adjust as time goes by. Catastrophic failures in branding do occur, but these are usually due to bad planning as opposed a lack of funding. The return you get from branding is customer loyalty, something that can be leveraged over and over again. Marketing is necessary to make branding work, but your real benefit comes from having a loyal customer base to call on when releasing new products.

Development of a User Base

Not so far back, probably less than five years ago, a large volume of the marketing community was involved in "renting" their target demographic. They worked from the start of their campaign and then built it to the point where their customers would be converted through their methods. This method had middling success, but at the time was hailed as revolutionary. No need to hang around after the sale, no need to contact the client after the sale is done, and no follow up action to ensure that the client buys from the company again.

We have changed out outlook on how we interact with customers. Having a loyal following is far better for a company than simply renting an audience. Borrowing your audience means you have to return them to oblivion someday and that makes whatever effort you throw into a marketing campaign targeting these customers a moot point. Combining branding along with your marketing is how you retain these customers as a loyal following.

In addition to this, when you have a retained customer base, you create a series of customers that help to spread your brand. That's utilizing earned media to its fullest. When a customer makes a statement that you put onto your website or blog about a particular product, the consumer has learned to take these with a grain of salt. However, when such a statement is made directly to them, it carries a whole lot more weight and can even convince them to buy your product. What you're doing by cultivating a brand is creating a series of "brand evangelists" that spread the word about your products without you having to invest any extra time into getting the word out.

Giving Back To The User

The number one thing that you should be looking at from your branding and marketing perspective is to give back to the user. Recently, GE's blog, GE Reports, was featured as one of the leaders in branding because of their unique approach. What GE does is to provide information to the clients, thereby focusing on a target demographic of people interested in science. This ties in well with GE's vision of itself as a leader in technology and innovation. By providing content that appeals to their target demographic, GE is tapping into this set of users and cultivating them as a ready market for new, innovative products.

Interspersed with their scientific updates and news in the field of technology, GE Reports also allows GE to tap directly into their fan base with their advertising. GE has always been considered a leader in the world of technology and innovation, but it's only recently that the everyday person could look at GE and associate their brand with something like this. That's the power of what GE Reports does, and what targeted blogging in the name of branding can do for your business.

Branding Is the Way To Go

Marketing is necessary, we don't doubt that. However, marketing by itself can't develop an audience that is receptive to your message. Branding is what makes your audience interested in your message and prevents you from having to reinvent the wheel every time you develop marketing content. Use your marketing to develop your branding but don't ever forget the distinction between them. This difference is important to define both terms as well as to figure out what you plan to accomplish with each. There are many companies out there that are skilled in creating content for both marketing and branding purposes. If you intend to develop your branding professionally, this is the direction you should be headed.

Changing rules of marketing and branding in India

According to the census projections for the next round in 2011, 54 per cent of India is estimated to be under the age of 25 years. Marketers target this segment for their lifestyle brands. Youth is classified traditionally as people in the age group of 15-24 years. But this is certainly not a homogeneous group. Marketers divide the group into early youth (13-21 years), middle youth (21-29 years) and late youth (29-30 years).

Middle youth is the most powerful group with a spending power of Rs7, 000-40,000 per month. Less than 1.5 million youth aged 13-21 years are from the socio-economic class A where money is not an issue. However, Futurist Popcorn sees it as a global trend towards down-aging the tendency for older people to act and feel younger than they are. So 40 is the new 30, 30 the new 20.

Conversely 10 is the new 15. Typical age profile of Yahoo Messenger's 5 million users in India is 18-29 years and for MSN it is 18-24 years, and 50 per cent of whom are students. That is why Airtel tells them to express yourself and Hutch (now Vodafone) says where you go we follow you. Marketers are now increasingly spending time and money to research the like and dislikes of the youth. Figure 1.2 shows how Kingfisher Airlines positions its image among the youth with its tagline 'Fly the good times'.

In many situations, companies like Airtel, Vodafone, Idea, Spice telecom and Reliance Communications are speaking to the same mobile phone customers, analysing similar if not identical market research data, drawing up new schemes and new ideas from the same sources (like customer feedback) and benchmarking the same companies while competing in the same market space! As a result they are approaching markets with the same perspective and offering more or less the same value-added services/products that are competitively indistinguishable.

Tapping Youth Power for Brand Building

Figure 1.2: Kingfisher: fly the good times.

This lack of differentiation presents an important challenge to marketing. This is also true with banks in India. Hardly anyone understands why we need 21 nationalized banks and 7 subsidiaries of SBI in the public sector with almost the same financial products and similar personalities. Similar is the case with new-generation banks like ICICI and HDFC.

Even though they enjoy premium brand equity among investors and customers, they have very little differentiation in their basic product portfolio. As explained by a smart marketer it is ‘the same content in a different form! Only the name changes, like Internet banking becomes infinity banking. As a result of these peculiar phenomena, the marketing concept itself is evolving. The current view of marketing is that it is about ‘giving customers what they want’. Companies should learn what buyers want and devise efficient ways to deliver it. Marketing is essentially about discovery.

The core assumption is that buyers know what they want. That is why ICICI Lombard and MS Cholamandalam General Insurance companies came up with customized insurance for corporates and rural folks, respectively in early 2005. There are no basic policy descriptions in the beginning but consumers give the premium after compounding all their demands and risks associated with covering such demands.

This policy shift cannot be imagined in the early 1990s. Hence, this type of evolving marketing concept challenges traditional strategic marketing concepts and views. Increasingly, new marketing strategies are being created on the assumption that buyers at the beginning may not know what they want but once the company undertakes customer education, the market will respond favourably to the company's products and services with high brand loyalty and strong customer base.

It is about being market driven and 'market driving'. For example, Motorola, Nokia and Sony Ericsson are determining customer perceptions of cellular phones, the features customer value and how they choose a cell phone in the marketplace. Nokia concept centres in Delhi and Bangalore even display their pre-launch technologies and models for the customers to express their views and attitudes on those models and technologies before the actual product launch. Here brand strategies play a central role in defining the rules of the game.

A. Evolving a customer-centric marketing organization:

In the new millennium, many companies in India are trying to focus on the following:

1. Customer-driven marketing practices:

The commitment to innovation and customer- oriented business decision-making is only the first step in implementing the marketing concept. This commitment establishes the culture of customer orientation, which is the foundation of the marketing concept.

2. Profitability:

The next major shift is the focus on profitability as against profits and sales volume. As we know, declining profitability is a signal that the company's product offering is becoming less effective relative to substitutes and competitive product offerings in delivering value and satisfying customer needs.

3. Strategic marketing practices:

Market segmentation, targeting and positioning (STP) constitute third set of requirements for implementing the marketing concept.

4. Customer orientation-key challenges:

A key part of customer orientation and integrated marketing is the use of market research to analyse customer needs and wants and to provide feedback of the results to other parts of the business.

Beyond the conceptual problems with the marketing concept, there are a number of problems at the implementation level, including:

1. Failure to make customer orientation a primary goal

2. Under-investment in marketing activities

3. Weak performance by the marketing organization

4. Creation of customer-centric organizations and strategies

B. Consumer learning:

It is estimated that 50 million users are in the 24×7 mode and -India is the second fastest growing market for net service providers, after China. The total revenue from Internet access service in 2004-5 stood at Rs1, 368 crore and Average Rate Per User (ARPU) was Rs1, 067. It is estimated that in the next 7-8 years India along with China and the US will be the only three countries with more than 200 million Internet users in the world.

That is almost an eightfold growth of Indian users which is currently estimated at 28 million. According to Internet and Mobile Association of India (IAMAI), e-commerce touched Rs1, 180 crore in 2005-6. So consumer learning is happening instantaneously through this virtual medium. Launching new models, technologies, slashing prices, auctioning the handset and so on are taking place through virtual media.

Promoting a New Global Indian Culture

At the root of consumer learning are goals that motivate it. All individuals and organizations have goals that they seek to achieve. An individual goal might be ‘to look younger! a corporate goal might be ‘to be number one in the industry’ and so on. Individuals and organizations turn to brands to achieve those goals.

Now just turn to the Indian automobile industry, the second fastest growing market in the world which sells more than 16 lakh car every year. Car ownership is spreading rapidly beyond the top metros. Of the nine lakh households that acquired cars (both new and second-hand) in the last two years, 75 per cent were in markets outside the top eight metros.

The recent popularity of sport utility and multi-utility vehicles is illustrative to the point in focus. These provide their owners with valuable functionality: transportation that is safe and reliable in most weathers. They also satisfy other less obvious, though quite important goals. Sport utility vehicles provide a sense of independence, distinctiveness and ruggedness.

Buyers have learned that these goals, although not naturally linked to any car, can be achieved by owning an SUV or an MUV. The goals associated with brands differ from brand to brand in the same category. Among global SUV brands, Mercedes-Benz provides safety and prestige, Lexus provides peace of mind and better self-image and Toyota's Land Cruiser and GM's Phantom give a royal touch to owners anywhere in the globe.

This link between brands and goals is created and nurtured over time. Some are built inadvertently. The popularity of Harley-Davidson motorcycles through motorcycle clubs has enabled the company to link its brand with buyers desire to portray a rough, rebellious image.

The emerging view is that buyers seek many different goals and that within the same category some brands can be linked with multiple goals in unique combination. Volvo has successfully linked comfort, safety and luxury through its luxury coach and V70 station wagons (SUV cars), which combine a high-performance engine suitable for Indian road conditions.

By successfully linking safety, luxury and comfort Volvo has redefined long-distance bus journey even in state road transport corporations like KSRTC in Karnataka, BMTC in Bangalore and Kerala coaches like private carriages. No other automobile company has delivered such an impeccable service with such a high brand image as Volvo has done.

Incidentally private airbus category (passenger luxury class) also started using the name Volvo to woo passengers, which were later sorted out legally. A new customer category which Volvo created in turn generated a lot of compulsions to other private travel operators to shift to Volvo.

Look at the latest household survey (IRS Data Bank 2007) findings and ascertain how effectively companies have penetrated markets with their product portfolio:

1. Toothpaste use is not yet universally used in India, even in the metros. Only Bangalore has a user base of more than 90 per cent while in Mumbai, Hyderabad and Ahmedabad it is below 80 per cent. As many as ten states have a toothpaste user base of lower than 50 per cent. If one were to add both toothpaste and toothpowder users, only 12 states have more than 80 per cent of their populations using this form of dental hygiene.

2. The penetration of toilet soaps is below 90 per cent in only five states, Jharkhand, Gujarat, Assam, Madhya Pradesh and Chhattisgarh.

3. While washing powders/liquids and washing cakes/bars are used in 80 per cent or more households across India, utensil cleaners lag behind at 58 per cent and floor/ toilet cleaners at 12 per cent.

4. Apart from Bangalore, none of the top metros or states has a user-base of more than 5 per cent when it comes to baby goods. Indians obviously find disposable diapers either too expensive or easily dispensable.

C. Brand perceptions:

Initially, people have no perceptions of any brand. Slowly changes take place and companies invest in the manufacturing and production. Hence they offered products with a clear description of name, guaranteeing quality, price and performance. They invest heavily on product and promotions in the early phase of their company growth and PLC.

In other words, all the brand perceptions that we have been acquired from the market for own personal experience. Brand perceptions have a number of important properties. First, perceptions of brands in the same category are not necessarily equal. We may have a richer, more complex set of associations for ‘Tetley-Green tea’ or ‘iced tea’ than we do for ‘PDS CTC dust black tea’ or ‘orchid green tea!

Figure 1.3: Tetley positioning itself as a health drink.

Ginger Hotels positions itself in a new format; this time the emphasis is on tea/coffee making with the tagline of a 'Please help yourselves'.

Figure 1.4: Enticing customers with tea and coffee.

A richer set of associations can increase the ease with which we recall a brand, say Nescafe or Bru Coffee which influences our feelings towards the product category (motivation, energy, confidence) and affect our price sensitivity (Figure 1.5). It is hard to justify a price premium for a brand about which we know little.

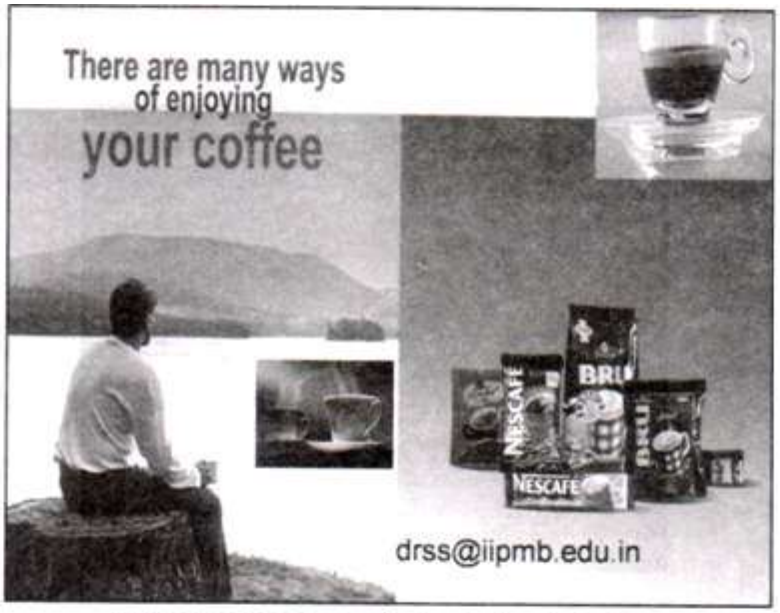


Figure 1.5: Increasing recall value for branded coffee.

Second, even brands with the same associations can be perceived differently because the vividness of those associations differ. Both Levis and Lee jeans are 'American', 'rugged' and similarly designed and priced. Yet perceptions of Levi's are likely to be more powerful and more vivid. These differences are the result of brand strategy. We are certainly not born with richer perception of Levi's or Coca-Cola.

In a sense, the image of PepsiCo, as a Cola Company is also in doubt as cola sales in 2006-7 contributed a meager 23 per cent to the company's turnover. But investors supported the company well and capitalized on Coca- Colas mistakes in the Asia-Pacific market. So the share price skyrocketed and even beat the price of Coca-Cola for the first time in its 136 years of existence.

The process of acquiring brand perceptions has important implications for the marketing concept and for the nature of competition. If consumers know what they want, then they can establish the perceptual dimensions along which they perceive and all brands are subject to them.

Incidentally during the cola-pesticide episode, most cola drinkers believed that the problem was only with Coke and not with Pepsi! The objective of strategy in that case is to discover and respond to the established perceptual criteria. Hence, Pepsi moved away from cricket and launched a fun campaign focused on film personalities and on based youth platform.

On the other hand, Coca-Cola launched a consumer confidence campaign through most trusted and non-controversial film stars like Radhika (Tamil), Aamir Khan (Hindi), Chiranjeevi (Telugu). The ad focused on educating the customers on pesticide levels and limits with open invitation to visit their bottling plants for cross-validation.

To take another example, IDBI bank is now perceived as a solution provider for all financial problems and supporter of all ventures. This couldn't have been possible without the ad campaign for Total Corporate Solutions with Working Capital, SME Financing, Carbon Credits, Underwritings, Cash Management, Derivates Managements and Supports and so on.

Generally, if buyer perceptions are learned and if that learning depends on the strategies of brands, then marketing has a completely different objective: to influence the evolution of perceptions in a way that competitors cannot effectively imitate.
This is what Maruti Udyog did for the small car segment with Maruti 800. There was no competition for its product but the company wanted to redefine its offering with Maruti Alto a car with a new, smart, modern look. The aim is to create vast inequalities—in the richness of perception—between a brand and its competitors.

D. Brand preference:

In every category, knowledge of how products or services satisfy different goals has to be learned over time. Take the case of Asianet—the first regional language channel telecast in India and consider a market for a paid cable TV and private network service over its life. Initially, viewers had no idea how to value service and programme attributes and thus no way of comparing alternative brands in the paid network.

Of course all viewers had Doordarshan networks which were devoid of any subscription charges and cable TV was their second choice. Subsequently the growth of Asianet attracted several players to the market. Now viewers could sample a number of channels like Surya, Kairali, Manorama, Jeevan TV, and Amrita TV. DD was now their optional choice.

This experience triggers the process of consumer inference: 'what are the programmes which I like and the ones I don't like?' in comparison with another 60 national and 20 international channels? Turn-around strategy can be seen in reflecting every sphere of activity. Now Tata sky is offering 400 satellite channels and the direct to home (DTH) service of DD plus brings another 40 channels to over a billion populations in 2007.

Obvious differences in brand or attributes are assumed to be the 'cause' of these differences. If you prefer Cafe Coffee Day coffee to other brands, you might judge that you do so because of the darker roast and particular blend of beans from specialty coffee estates. In reality, the source of a satisfactory outcome can never be precisely determined.

Many consumption experiences are largely or even entirely ambiguous and are reinforced by advertising and repeat purchase. In the process, preferences are formed and evolve, based on the interaction of buy experience and brand strategy as happens in organized retailing and shopping malls.

Ginger Hotels conveniently placed itself in the new experience and technology platform in the minds of aspiring global Indians. Here the emphasis is not comfortable and affordable stay but a new world of thrilling experience. Serve yourselves better with the magic touch of technology, international ambience in a royal way on an economy platform.

This suggests that what customers want depends on what customers have experienced. Brand strategy plays a defining role in this evolution and can have enduring consequences. Consider the case of Vaseline petroleum jelly. Introduced in 1880, Vaseline was advertised as a healing agent of unsurpassed purity. Competitors at the time offered healing agents based on black coal tar derivatives.

Sampling Vaseline, a translucent, highly pure gel, buyers learned that it is an effective healing agent and generalizing from this observation inferred that the effectiveness of petroleum jelly lies in its translucence and purity. Subsequent trials and advertising confirmed this conjecture, leading to translucence being favoured over opacity in the petroleum jelly market. That preference structure prevails even today, over 100 years later.

E. Decision-making:

Buyers learn how to choose brands. The conventional view is that buyers consider all the alternatives, evaluate their differences, make the necessary trade-offs and ultimately choose the brand that maximizes self-interest. It implies that buyers use only one decision strategy—maximize self-interest by considering all the alternatives along all the dimensions on every occasion.

This is not always true. Take the case of airline travel. Low-cost airlines like Spicejet are the most preferred alternative second to Jet Airways and Kingfisher is beyond any comparison in their preference for luxurious holidays. Now the strategic marketer is really worried how to segment and target the same audience for company promotions on different platforms.

In fact, people make decisions in many ways, responding to the situation and the need. If all brands deliver value with respect to the same goals (for example, plasma TV) and comparisons among brands like Sony, LG, Samsung and Panasonic are easy, buyers may simply exhaustively compare alternatives with screen size, picture clarity, audio, design and aesthetics. In more complex situations, buyers may resort to strategies to simplify matters.

For example, in a market with many brands, each with a complex goal structure (for example, shampoo or toilet soap), comparisons are difficult. Buyers may use simpler decision rules—buy the one on special offer or the one recommended by a friend. Look at the Godrej Interior ad campaign with the tagline ‘Furniture so desirable, you wouldn’t want to share’. (Figure 1.7) It attacks the traditional positioning of furniture to catch imagination of global aspiring youth desiring modern office settings.

In 2006 MasterCard took up a joint campaign with HDFC Bank for motivating VISA card customers and bank account holders to enroll for HDFC MasterCard Titanium for speeding up the change over, the bank offered added features like increased credit limits and cash withdrawal facility to the extent of 30 per cent over and above the existing limit and roll back of all their accrued loyalty points under the new card identity.

The card was marketed through the banks phone banking and CSP division and reinforced through POP displays in branch counters across states. The trick worked well for MasterCard and stopped its customer base erosion to some extent in early 2007.

Now organizations like Whirlpool are initiating or resuming a dialogue with rural and urban customers, scrutinizing market research, drawing on new ideas to improve products, building stronger customer relationships and re-organizing to speed new products launches.

Organizations are, in the classic definition of the marketing concept, seeking to 'give customers what they want! For many managers the need for strategic marketing has been highlighted by the way in which a series of fundamental changes have been taken place within domestic and global product markets which demand a new and possibly radical rethinking of marketing and product strategies.

Prominent among these changes are:

1. The decline of the mega brands as the result of attacks from low-branded, low priced competitors (e.g. airlines and courier services)

2. The surge in the demand for certain specialist data analysis skills, including technology-driven segmentation and targeting specific customers with specific loyalty programme and discount sales (e.g. retailers like Reliance fresh, Big Bazaar, Lifestyle and Shoppers stop campaigns in 2008)

3. The emergence of a 'new' type of consumer who demands a far higher value-added offer at cheaper or competitive price and

4. Markets which are characterized by infinitely more aggressive and desperate levels of competition with a variety of new and technology driven products and services.

Now enterprises which currently stay anchored in the first-generation systems and procedures, with second-generation perceptions and attitudes, soaked in third-generation concepts, using fourth-generation computers and trying to achieve fifth-generation aspirations are to undergo a transformation through streamlining and synchronization of all parameters of working systems, people, technology and strategy for making their presence felt and ensuring their survival in the marketplace in 2009. Hence, this book represents concepts and practices of new-order strategic marketing which will cater to the changing requirements of the fluid business environment of today.

Possible Questions

2 Marks

1. What is Digital Dimension?
2. Explain the concepts of Brands?
3. Mention differences between Marketing and Branding? two
4. State two importance of Brands?
5. What is Leveraging Technology?

5 Marks

1. "People have faith in brands rather than products" Critically analyze the statement with the role and importance of branding.
2. Differentiate branding and marketing.
3. Elaborate the various elements of branding.
4. Elaborate economic importance of Branding.
5. Explain different types of branding.
6. Elaborate the changing role of Brand management in the era of Digital marketing.
7. What do you mean by branding? Explain its importance.
8. Explain why some companies fail in using new media?
9. Explain strategic brand management process.
10. Explain the role of branding in marketing.

Multiple Choice Questions
UNIT 2

Questions	Option 1	Option 2	Option 3	Option 4	Answer
Word "brand" is frequently used as a	customers	marketing	advertising	metonym	metonym
Mainly, chief resource of authority throughout allocation channel is	company	brand	distributor	customer	brand
Firm buy either wholesale from other firms or directly from manufacturer on agreement or is	c 2 c	a 2 a	a & b	b 2 b	b 2 b
Clearness regarding proportions of brands is clarity in	functions of brand	aspects of differentiation	both of given options	either a or b	both of given options
Careful brand management look for to build product or services related to the	target audience	cost	profit	Product	target audience
Visual trade name that recognized brand is	logo	customer	sounds	slogan	logo
Recognize additional cash flow in a branded firm when evaluated to an unbranded, and equivalent, firm is a technique of	income split method	multi-period excess earnings method	a & b	incremental cash flow method	incremental cash flow method

In estimates messages for publicity, telling how good is best than challenging brands aspires at creating ad is	meaningful	distinctive	believable	remembered	distinctive
Observation of consumers that several brands are equal to	brand extension	brand parity	symbols	brand trust	brand parity
Identification and observation of a brand is extremely influenced by its	marketing	loyalty	visual presentation	a & b	visual presentation
Assess importance of a brand by volume premium it produce when evaluate to a alike but unbranded product or service is way of	income split method	multi-period excess earnings method	volume premium method	a & c	volume premium method
Thing that can be presented to a market for concentration, acquirement, utilize, or spending that may persuade a want or want, recognized as	brand	loyalty	need	product	product
When manufacturer, wholesalers, and retailers perform as a unified method, they encompass a	vertical marketing system	horizontal marketing system	power-based marketing system	conventional marketing system	vertical marketing system
Firm uses any existing brand to introduce in market as a new product, brand is classified as	brand extension	sub-brand	parent brand	product extension	brand extension
Branding strategy is also called	brand architecture	branding rate	brand earnings	brand responsiveness	brand architecture

When companies combine existing brand with new brands, brands are called	parent brand	product extension	brand extension	sub-brand	sub-brand
Parent brand if it is associated with multiple products in brand extension is called	family brand	product extension	sub-product	parent company	family brand
Brand which is result of extension in brand or sub-brand is classified as	brand extension	sub-brand	parent brand	product extension	parent brand
Good marketing is no accident, but a result of careful planning and	execution	selling	strategies	research	execution
At the center of a brand's characteristics is the following:	Identity	Image	Value	Parity	Value
Brands like to stay contemporary because of:	Others do it	Staying attractive	Upholding the contract	None of the given options	Upholding the contract
Features and attributes of brands translate into benefits and_____are also fulfilled along with these benefits.	Customer values	Brand values	Organizational goals	Brand associations	Customer values
The most important factor in brand management is to ensure that your ____________ must be matching with consumers' perceptions.	Brand pinnacle	Brand's persona	Brand associations	Brand value	Brand's persona
A good brand contract	Keeps customer perspective in view	Delivers promises made with customers	Unearths negative promises	Keeps customer perspectives & Delivers promises	Keeping customer perspectives & Delivering promises

One distinguishing factor between a brand name and a brand mark is that a brand name	creates customer loyalty.	consists of words.	identifies only one item in the product mix.	implies an organization's name.	consists of words.
___________ brands usually require a producer to become involved in distribution, promotion, and pricing decisions	Retailer	Manufacturer	Own label	Wholesaler	Manufacturer
Tobacco advertising is now virtually banned in all marketing communication forms in many countries around the world. This can be explained as an influence of:	technological environment.	legal environment.	economic environment.	ecological environment.	legal environment.
The six dimensions usually considered to constitute the external marketing environment include all of the following except:	political considerations.	global factors.	socio-cultural aspects.	economics issues.	global factors.
The phenomenon that customers are happy to work with companies and organizations to solve problems is referred as	crowd-sourcing.	communication-sourcing.	customer co-creation.	mass-sourcing.	crowd-sourcing.
The differentiation of a firm's products or services to promote environmental responsibility is referred to as:	social branding.	eco-branding.	me-too branding.	brand personality.	eco-branding.
Well known brand 'Apple' is related to brand personality trait of	ruggedness	competence	sophistication	excitement	excitement

_________ are incurred by brands because of failures and questionable business practices that may increase costs and liabilities	Brand assets	Brand liabilities	Brand equities	Market failures	Brand liabilities
Brand picture is based on which one of the following?	Brand value	Brand mission	Brand vision	Brand image	Brand image
Brand image has_______types	2	3	4	5	2
If two different brands are distributed by one company, it is considered under:	Wholesale	Co-branding	Joint venture	Merge	Co-branding
Mostly, the major source of power throughout the distribution channel is:	The company	The brand	The distributor	The customer	The brand
Brand identity is followed by __________, which is a reflection of what marketers planed to send to the public.	Brand value	Brand image	Advertising	Brand personality	Brand image
Right branding increases _ of the product, which should be more than that of the generic product.	Consumer revolt.	Market share	Profit	Value	Value
Introduction of more brands and extensions leads to with no new benefits to consumers.	Higher cost	Greater revenue	Brand proliferation	Increased competition	Brand proliferation

_______ occurs by maintaining the brand contract while undergoing innovations and modifications to stay current.	Sustainability	Fit	Uniqueness	Credibility	Credibility
When we keep the same brand name of new offerings so that customers may develop an immediate familiarity, the resultant phenomenon is known as:	Leveraging	Extension	Diversification	Stretching	Leveraging
Benefits of having different brands include all of the following except:	Quickly respond to retailers' need	Effectively compete in market	Save the actual brand image	Fill all the gaps in market	Fill all the gaps in market
When the same brand name holds several products in different markets, it is known as the	Umbrella brand	Source brand	Multi-brand	Range brand	Umbrella brand
___________ organization is customer-centric, and all the decisions it makes are based on involvement of all in the organization.	Brand based	Consumer based	Marketing	Competition based	Brand based
____________________ shows how consistent customers are in buying your brand, how long they have been buying and how long they may buy?	Customer loyalty	Brand loyalty	Product loyalty	Company loyalty	Customer loyalty
Estimation of total brand value in financial terms are classified as	brand audit	brand tracking	brand valuation	liabilities evaluation	brand valuation

Market multiplier includes	market dynamics	competitive reactions	channel support	distinctive ness	market dynamics
Series of procedures in which customer is focused, help to assess brand's health and leverage equity are classified as	brand audit	brand tracking	brand valuation	brand evaluation	brand audit
In value stages, customer mind-set should consider	association s	communica tions	cost structure	stock price	associations
Relatively high priced brands offer by company are classified as	low end prestige	high end prestige	open end prestige	close end prestige	high end prestige
Specific brand lines supplied to specific retailers is classified as	branded variants	product variants	sub-brand variants	line variants	branded variants
Marketers enter in to different product category with parent brand is considered as	category extension	company extension	company architecture	company earning rate	category extension
Low priced brands in brand portfolio of particular company are classified as	traffic builders	fighter brands	flankers	competing brands	traffic builders
All products in category and line extensions a seller makes particularly is classified as	brand line	sub-brand line	brand assortment	brand endorseme nt	brand line
When customers does not react favorably for specific brand under same circumstances, it is said to be	buyers equity	market share equity	positive brand equity	negative brand equity	negative brand equity
One of the disadvantages of branding is	It is negative	It is competitive	It is costly	It is risky	It is costly
A brand which bears the name of the seller or store where it’s sold is called as	Co-brand	Manufactur er brand	Private brand	Multi brand	Private brand

The image of brand is the ___________ with customer.	Actual association	Vision	Positioning	Personality traits	Actual association
Which of the following is an incremental process in which associations get strengthened through different phases?	Brand value pyramid	Brand association	Brand persona	Brand image	Brand value pyramid
The larger the ratio of brand assets to brand liabilities, the greater is the:	Brand Equity	Brand Power	Brand Value	Brand Ownership	Brand Equity

UNIT III

Introduction to Brand Positioning: The 4Ps – An Inherently Futuristic Model - 4Ps in the IT Age - Brand Positioning - Fundamentals of Brand Positioning - First Movers - Mistakes in Brand Positioning – Introspection - Gaining Brand Preference.

Introduction to brand positioning

Introduction to Brand Positioning and Alignment

What you'll learn to do: explain how marketers use brand positioning to align marketing activities and build successful brands

It is clear that brands are valuable assets that benefit organizations and their customers. Building brand loyalty is an important goal for marketers. But what does it take to build a brand?

Brands are shaped by many different activities. As a marketer, you can control some of these activities, but not others. For instance, you can put together an amazing product design, a fabulous brand name, memorable packaging, irresistible marketing promotions, and delightful customer service—those are all things within your control. But you can't control how customers actually react to and use the product, despite your best efforts to direct and influence them. You also can't control what they write in online reviews.

In order to optimize the success of your brand, you should become very good at aligning all the activities you can control, so that the brand experience you provide is consistent for the customers you care about. Consistency and alignment are essential for building strong brands.

Brand positioning is an ideal tool for creating this alignment. It's how you figure out what your brand really means to you. It's the yardstick you use to figure out which messages and activities will communicate that brand most effectively. It provides the pattern for helping customers understand what to think about your brand and decide whether it matters to them and they can trust it.

In the end, brand positioning is the clearest path toward creating brand-loyal customers.

Brand Positioning - Definition and Concept

Brand positioning refers to "target consumer's" reason to buy your brand in preference to others. It is ensures that all brand activity has a common aim; is guided, directed and delivered by the brand's benefits/reasons to buy; and it focusses at all points of contact with the consumer.

Brand positioning must make sure that:

- Is it unique/distinctive vs. competitors ?
- Is it significant and encouraging to the niche market ?
- Is it appropriate to all major geographic markets and businesses ?
- Is the proposition validated with unique, appropriate and original products ?
- Is it sustainable - can it be delivered constantly across all points of contact with the consumer ?
- Is it helpful for organization to achieve its financial goals ?
- Is it able to support and boost up the organization ?

In order to create a distinctive place in the market, a niche market has to be carefully chosen and a differential advantage must be created in their mind. Brand positioning is a medium through which an organization can portray it's customers what it wants to achieve for them and what it wants to mean to them. Brand positioning forms customer's views and opinions.

Brand Positioning can be defined as an activity of creating a brand offer in such a manner that it occupies a distinctive place and value in the target customer's mind. For instance-Kotak Mahindra positions itself in the customer's mind as one entity- "Kotak "- which can provide customized and one-stop solution for all their financial services needs. It has an unaided top of mind recall. It intends to stay with the proposition of "Think Investments, Think Kotak". The positioning you choose for your brand will be influenced by the competitive stance you want to adopt.

Brand Positioning involves identifying and determining points of similarity and difference to ascertain the right brand identity and to create a proper brand image. Brand Positioning is the key of marketing strategy. A strong brand positioning directs marketing strategy by explaining the brand details, the uniqueness of brand and it's similarity with the competitive brands, as well as the reasons for buying and using that specific brand. Positioning is the base for developing and increasing the required knowledge and perceptions of the customers. It is the single feature that sets your service apart from your competitors. For instance- Kingfisher stands for youth and excitement. It represents brand in full flight.

There are various positioning errors, such as-

1. **Under positioning-** This is a scenario in which the customer's have a blurred and unclear idea of the brand.
2. **Over positioning-** This is a scenario in which the customers have too limited a awareness of the brand.
3. **Confused positioning-** This is a scenario in which the customers have a confused opinion of the brand.
4. **Double Positioning-** This is a scenario in which customers do not accept the claims of a brand.

Brand Identity - Definition and Concept

Brand identity stems from an organization, i.e., an organization is responsible for creating a distinguished product with unique characteristics. It is how an organization seeks to identify itself. It represents how an organization wants to be perceived in the market. An organization communicates its identity to the consumers through its branding and marketing strategies. A brand is unique due to its identity. Brand identity includes following elements - Brand vision, brand culture, positioning, personality, relationships, and presentations.

Brand identity is a bundle of mental and functional associations with the brand. Associations are not "reasons-to-buy" but provide familiarity and differentiation that's not replicable getting it.

These associations can include signature tune (for example - Britannia “ting-ting-ta-ding”), trademark colours (for example - Blue colour with Pepsi), logo (for example - Nike), tagline (for example - Apple’s tagline is “Think different”),etc.
Brand identity is the total proposal/promise that an organization makes to consumers. The brand can be perceived as a product, a personality, a set of values, and a position it occupies in consumer’s minds. Brand identity is all that an organization wants the brand to be considered as. It is a feature linked with a specific company, product, service or individual. It is a way of externally expressing a brand to the world.

Brand identity is the noticeable elements of a brand (for instance - Trademark colour, logo, name, symbol) that identify and differentiates a brand in target audience mind. It is a crucial means to grow your company’s brand.

Brand identity is the aggregation of what all you (i.e. an organization) do. It is an organizations mission, personality, promise to the consumers and competitive advantages. It includes the thinking, feelings and expectations of the target market/consumers. It is a means of identifying and distinguishing an organization from another. An organization having unique brand identity have improved brand awareness, motivated team of employees who feel proud working in a well branded organization, active buyers, and corporate style. Brand identity leads to brand loyalty, brand preference, high credibility, good prices and good financial returns. It helps the organization to express to the customers and the target market the kind of organization it is. It assures the customers again that you are who you say you are. It establishes an immediate connection between the organization and consumers. Brand identity should be sustainable. It is crucial so that the consumers instantly correlate with your product/service.

Brand identity should be futuristic, i.e, it should reveal the associations aspired for the brand. It should reflect the durable qualities of a brand. Brand identity is a basic means of consumer recognition and represents the brand’s distinction from it’s competitors.

What is positioning?

Positioning (or product positioning) is how the product is designed to be perceived in the marketplace by the target market against its main competitors. In other words, it's basically how consumers understand the product offering and how it differs from similar competitive offerings.

Positioning is built by the organization designing and promoting their product by highlighting various product features, benefits, and/or other competitive advantages. Ideally, firms like to create a clear and distinct product positioning. If they can achieve this positioning goal, then their product becomes the 'product of choice' for certain target markets or consumer needs.

Positioning is the final main phase of the overall STP process (which stands for segmentation, targeting and positioning). Positioning is typically more important in cluttered and competitive markets, particularly for low-involvement purchase decisions.

Definition of positioning

Positioning was 'popularized' by Trout and Ries in the 1980s. The two authors are still considered experts in the areas of positioning and branding. The following quote was sourced from *Ries' Pieces*, a related website, which specializes in branding issues. The website quotes the following positioning definition from Al Ries himself:

- *"Positioning is not what you do to the product; it's what you do to the mind of the prospect. It's how you differentiate your brand in the mind. Positioning compensates for our over-communicated society by using an oversimplified message to cut through the clutter and get into the mind. Positioning focuses on the perceptions of the prospect not on the reality of the brand."*

As you can see, this view of positioning is strongly related to image and communication and its impact on consumer perception. However, it is important to recognize that a clear market positioning is achieved through combined effort of the entire marketing mix, not just via promotional activities. This is because it is difficult (in the long-term) to convince consumers of the quality, unique features and benefits, and competitive advantages of a product, unless the communication claim has some substance to it.

Other than that clarification, please note the essence of the definition from Ries: that positioning is a battle for the mind of the consumer. Let's now look at another definition of positioning as a point of comparison.

- *"Positioning can be defined as how a product or a company's offer appears in the mind of the target customer with respect to other brands in the market. Positioning is critical to brand building because it is responsible for projecting the brand identity and creating the perception and image of the brand in people's mind."* (Vashisht, 2005)

Note the important similarities of these two positioning definitions: that positioning is in the mind of the target market and that the consumers' understanding of the product is on a relative or differentiated basis (that is, some comparison to competitors.) Therefore, we can summarize the definition of positioning as being:

- *Positioning is the target market's perception of the product's key benefits and features, relative to the offerings of competitive products.*

The important aspects of this definition are:

- Positioning is the perception (their knowledge and understanding) of consumers,
- The focus is on the perceptions of the target market,
- Only the key features/benefits can be effectively communicated, and
- Perception, relative to competing products, is very important.

Positioning and the STP process

Positioning is the third and final major phase of the overall STP (segmentation, targeting and positioning) process. By this stage of the process, the firm would have a good understanding of the overall marketplace and have a sense of what positioning goals would work in this market. (This understanding would have been primarily achieved through the segmentation process and the evaluation and selection of one or more target markets.)

Also, as part of the target market selection phase, the organization would have considered the competitiveness of the various segments and thus would be aware of the competitive offers and their behavior. On the basis of this information, in conjunction with the firm’s strategy and competitive strengths, various positioning options would probably have been considered already. As a recap, the basic model for the STP process is shown below:

The 4ps

Marketing is simplistically defined as ‘putting the right product in the right place, at the right price, at the right time.’ Though this sounds like an easy enough proposition, a lot of hard work and research needs to go into setting this simple definition up. And if even one element is off the mark, a promising product or service can fail completely and end up costing the company substantially.

The use of a marketing mix is an excellent way to help ensure that ‘putting the right product in the right place,…’ will happen. The **marketing mix** is a **crucial tool to help understand what the product or service can offer and how to plan for a successful product offering**. The marketing mix is most commonly executed through the 4 P’s of marketing: **Price**, **Product**, **Promotion**, and **Place**.

These have been extensively added to and expanded through additional P’s and even a 4C concept. But the 4Ps serve as a great place to start planning for the product or even to evaluate an existing product offering.

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In this article, we will look at 1) the **four P's**, 2) **history of the marketing mix concept and terminology**, 3) **purpose of the marketing mix**, 4) **key features of the marketing mix**, 5) **developing a marketing mix**, 6) **key challenges**, and 7) **marketing mix example – Nivea**.

THE FOUR P'S

Product

The product is either a tangible good or an intangible service that is seem to meet a specific customer need or demand. All products follow a logical product life cycle and it is vital for marketers to understand and plan for the various stages and their unique challenges. It is key to understand those problems that the product is attempting to solve. The benefits offered by the product and all its features need to be understood and the unique selling proposition of the product need to be studied. In addition, the potential buyers of the product need to be identified and understood.

Price

Price covers the actual amount the end user is expected to pay for a product. How a product is priced will directly affect how it sells. This is linked to what the perceived value of the product is to the customer rather than an objective costing of the product on offer. If a product is priced higher or lower than its perceived value, then it will not sell. This is why it is imperative to understand how a customer sees what you are selling. If there is a positive customer value, than a product may be successfully priced higher than its objective monetary value. Conversely, if a product has little value in the eyes of the consumer, then it may need to be underpriced to sell. Price may also be affected by distribution plans, value chain costs and markups and how competitors price a rival product.

Promotion

The marketing communication strategies and techniques all fall under the promotion heading. These may include advertising, sales promotions, special offers and public relations. Whatever the channel used, it is necessary for it to be suitable for the product, the price and the end user it is being marketed to. It is important to differentiate between marketing and promotion. Promotion is just the communication aspect of the entire marketing function.

Place

Place or placement has to do with how the product will be provided to the customer. Distribution is a key element of placement. The placement strategy will help assess what channel is the most suited to a product. How a product is accessed by the end user also needs to compliment the rest of the product strategy.

An Inherently Futuristic Model

n certain quarters of the corporate sector as well as among academics, there is a strange alacrity to debunk time-tested models. Per se, the purpose of academia and research is not to be shackled by preconceived notions and strive to develop knowledge. However, mere challenging of logical notions without any substantiation is quite unfortunate.

Not long ago, people started finding fault with the (John Maynard) Keynesian school of economics before the global financial meltdown four years ago underscored its continued relevance. Many people have even questioned the wisdom of Harvard Business School doyen Michael Eugene Porter's Five Forces analysis, but any strategic consultant will vouch for the model's relevance three decades after Porter first wrote about it.

Similarly, there are some people who believe that the 4P model of marketing — which considers product, price, place and promotion as key elements of a marketing strategy — has outlived its utility. Again, they are wrong.

One of the reasons why models such as 4P and Five Forces continue to be relevant is their dynamic nature. These models are inherently futuristic. To those who point out that the 4Ps are irrelevant in the interconnected world, I give the example of e-commerce. Take e-tailing firm Flipkart, for instance. The reason that this venture has been able to upstage well-established brick-and-mortar book and music stores is because of price and place. Customers get their favourite entertainment at a price far cheaper than what is available in shops and they can order it from the comfort of their houses.

Similarly, when we hail Steve Jobs' legendary iTunes model, we need to remember that it succeeded partly because Jobs was able to democratise the monetisation of music, that is, each song had a fixed price. So the Apple co-founder's remarkable business was based on the idea of the first and second Ps — product (for the first time you could cherry-pick music without buying the entire collection) and, of course, price (the same price for each song).

Today, "products" such as information products and services have transformed dramatically. Accounting, legal and education services can now be offered in radically different ways. New technologies have facilitated new ways of creating products — such as involving customers in their creation. Prices can be changed at any time on the Internet and conveyed immediately to the purchaser. They can be more closely and dynamically related to promotions and product profitability. Not only can companies obtain better control over product price today, they can also understand the consequences of prices far better. Thus, while product and price remain critical components of a marketing strategy, how they are offered in the marketplace has to account for the evolving business context.

To suggest that the concept of "place" has become irrelevant is also fallacious. On the contrary, the concept of "place" has become wider than ever before. Recently, one of the better-known chains of Indian hospitals talked about a successful "Shatabdi strategy". The whole concept basically meant that the organisation had opened their successful hospitals in cities connected by the Shatabdi Express, which allowed them mobility of patients and doctors.

Then there is the whole cyber bazaar. The fact that the marketplace is not "tangible" any more only means that the place has become more competitive than ever before. The reason behind the fabulous success of travel portal Makemytrip or railway ticket reservation website IRCTC is because of the "place" factor. By their existence, they have allowed customers to escape the harassment and pain of standing in queue in front of ill-managed booking counters. Ditto for the fourth P — promotion, where promotional avenues are far wider than ever before. As US President Barack Obama's splendid Internet campaign showed (something that is being replicated to a limited extent by Indian politicians), the days when politicians could campaign merely by addressing some rallies and erecting billboards are gone. A young electorate seeks their active involvement. Use of social media for advertising and promotion is not only more effective but also costs less.

The changes we see around us are revolutionary and many of their consequences are yet to be felt. The challenge for companies is how to modify and translate the time-tested concepts to today's reality. The 4P model (and its variants) certainly remains relevant. The setting and managing of each P dynamically for the desired value proposition has become more difficult. While developments in data collection and analytics help, they also create a fast-paced competitive environment of operation.

We are indeed entering the era of "marketing on steroids" where the time for strategy formulation, implementation, evaluation and further development has compressed. Companies that understand the time-tested models and their new context of implementation will succeed while others will stumble.

It Is A Luxury In The IT Age .

The 4Ps continue to help formulate marketing plans and strategies. But there are some interesting changes taking place. Marketing is basically divided into two parts — behind-the-stage activities, which include market research, understanding the environment (competition, infrastructure, etc.) and on-the-stage activities, where the stage is the market. On-the-stage activities are popularly conceptualised as 4Ps. Earlier, there was sufficient time for the marketer to procure information, process it and leisurely devise his marketing plan. It was a cycle of one quarter to a year. Now, IT has changed the speed of information gathering and processing. Now more authentic information about customers and market is available reliably, economically and online.

Modern marketers can conceptualise and reconceptualise their markets using new tools, and formulate a large number of marketing strategies in no time. They can even implement them on experimental bases, refine them with feedback and perpetuate the process continuously. This has tranformed the concept of yesterday's 4ps into today's ‘Marketing Factories'.

The era of marketing was full of sermons on customer orientation. Still, the marketer was the key puppeteer. He had all the information and dominant access to market resources such as the media, channel, production and finance.

But today, there is a lot of horizontal flow of information among customers as well. This cross-customer communication democratises the market a lot. The truth of the marketer surfaces much faster, and that too in the words of users as they experience it, and not as it is communicated through ads. Because of these two forces, one cannot afford to make a marketing plan for an entire year, delegate it to people and revise it next year. But marketers have not adjusted to the new situation completely. Individual elements of 4Ps have also been impacted by the recent happenings in the environment. Let's check them out.

Product: Co-creation is a distinct possibility here. New streams of information coming directly from customers while interacting with peers in unobtrusive ways and marketers' abilities to reach to narrowly defined micro segments come handy here. Future marketers' responses shall be faster, more sensitive to consumer needs and, wherever possible, will share some of the responsibility with customers.

Price: Marketers can only ill afford to have a myopic view of MRP as the price. He has to take price as all the sacrifices a customer makes to search, buy, use and even dispose of the product. He will have to map the entire "sacrifice chain" of the customer from the need-feeling triggers till the end of the customer's physical or mental interaction with the product.

This may not be a new thing. But today's marketer will have to do this in the new information environment. This has usual opportunities and challenges. But due to the high level of sensitivity of pricing decision over business performance, the importance of this area is likely to get its due attention. Customers themselves will have access to much better information regarding all the sacrifices that different offers from marketers entail. He will be more sensitised about the areas that are truly important. He will also get specific information about the standing of different competing offers available in the market.

All these are likely to come from other customers like him or her and not necessarily from any consumer protection bodies like the government. Later, of course, marketers are also likely to incorporate these facts as part of their thinking about price within the 4Ps and actively communicate with customers about them.

Placement: In the present age, IT products can be categorised into two parts. We have products that are easy to digitise, such as information-based products (books, music, ownership certification, etc.). These can be easily distributed through the digital medium. In the second category are the non-digital "brick and mortar" material products. IT revolution is increasingly expanding the first category and various methods are being applied to transform non-digital products into the first one.

If the transformation of a product and its distribution is not possible, gradual changes are tried. For example, a beauty product marketer can complement (and even replace) with therapy and tips for beauty. While the generic need of the customer to become more beautiful remains the same, the product and the corresponding distribution channel get more digitised. The categories that were the easiest to digitise have already seen electronic channels taking over the distribution of their products first. Banking, telecom etc. have already seen a lot of digitisation. So, the future is where physical products will have to be converted into the digital medium. You have to adapt.

Promotion: The digital world not only springs new media and vehicles, but also opens up endless opportunities for addressing individual customer with fully-customised messages at affordable rates. The promotional part of the mass-customisation dream is a reality today. Marketers will have to adapt to this reality of almost infinite dialogues among customers taking place simultaneously. More than that, they have to manage this process.

Professional marketing is all about taking decisions for the 4Ps on the basis of relevant information. Therefore, the IT revolution hits marketing the most at the level of marketing research. The speed, access, cost, reliability, obtrusiveness, sampling issues, testing of marketing conclusions are always the cornerstones of marketing research. Interestingly, all of these have been greatly affected by changes in the information environment of today's marketers. Therefore, even if the marketer of today accepts the classic principles of marketing, he has to adapt the marketing technology to efficiently compete in today's markets.

4ps in the IT Age

Product

This first P in the 4 P's equation is your product.

Before you can determine price, choose promotion or find a placement, you have to have a product that has potential.

Now, used to be, a product was either a tangible good (something you could see, hold and physically use) or an intangible service (lawn care or carpet cleaning, for instance). While these definitions still generally hold true, the ways that products and services are delivered and experienced by consumers have drastically changed.

People used to go to brick-and-mortar stores and speak face-to-face with salespeople, far more often than they do now. The journey of finding a product, testing it and deciding to purchase was much shorter, and there were far fewer options to distract a consumer from deviating from a particular product or company.

The modern consumer has more choices, and can access them in the digital space with mind-blowing speed. There are millions of reviews, opinions and caveats to consider, all at the click of a button.

For brands on the verge of designing a product or service, there is more information on both their competitors' offerings and their customers' desires than ever before.

While this wealth of information is a benefit in that you begin the product-design process with more insight and education, it has its drawbacks, as well.

For starters, customers are harder to please. And if they aren't happy, they have more outlets to express that dissatisfaction. Companies, in many ways, are held more accountable for their shortcomings through the lighting-fast medium of the Internet.

Because consumers now have so many options, and because competition is so fierce, a company that fails to exhibit a keen sense of its customers' desires will fade into the digital background and ultimately fail.

In the digital age, "Product" is no longer just about meeting a demand among your customers. Every product and service has to first reflect the nuanced experiences and wishes of your customer and do it better than your competitor.

Placement

The second P stands for Placement and concerns how and where you position your product or service to the public.

In the digital age, Placement can be influenced by a number of sophisticated research techniques, **such as ethnography**, vast swaths of online research and stats on the changing tastes and trends in different geographical locations. There are several questions to consider when determing your product's placement:

- *Is your customer base more likely to visit a brick-and-mortar store or an online portal?*
- *Are they more likely to buy during summer rather than fall, or vice versa?*
- *How can you guarantee convenience for your target customer so they are more likely to find and purchase your product instead of your competitor's?*

Place is all about knowing where your customer is, and carefully inserting your product in that space so that they will find it, be interested and eventually buy.

For instance, if you have a software service for sale, good placement techniqe might be attending a tech roadshow and setting up a booth, making it simple for you to provide free trials or demos to attendees. If it's healthcare-based software, attending an annual healthcare summit or roadshow might work even better.

Put it this way: you wouldn't go to Wisconsin in January and try to sell a snow cone, would you? *That's because it's bad placement*.

Price

The third P stands for Price.

In the marketing mix, Price should encompass a variety of carefully researched factors.

- *How much is the average consumer spending for your product or service?*
- *How much is your average competitor charging?*
- *How much profit does your company stand to make from setting a product's price at a certain point versus another?*
- *Would your product or service benefit from strategic discounts or promotional offers?*

You have to consider more than just dollar amounts when determining your product or service's price, as well.

For instance, it's important to know your average customer's time investment will be when learning how to use your product or service.

- *How difficult will it be to ship the product to them?*
- *How many people are involved in teaching your customer to use a service?*
- *What will it cost them to change their former service, and how long will the transition last?*

It's a lot of questions, but the answers are invaluable when determining how much to charge for your offer.

These elements will help you arrive at the cost that is most attractive to your customer while also being optimally profitable for your company.

Promotion

Finally, we arrive at the last P of the Four: Promotion.

Promotion is another element that is heavily influenced and transfigured by the unique environment of the digital age.

Used to be, promotion dealt primarily with how and when to purchase newspaper, radio and television spots. It concerned whether or not you should produce a full-length TV commercial or how to word an advertisement in a magazine or a press release to local publications.

In the digital age, promotion is a little more involved, and companies have far more tools to tweak the path of their promotional campaigns. The rise of smartphones and cloud technology makes it easier than ever for consumers to access the eCommerce space, peruse a vast selection and read review after review. It's also easier (and more affordable) for small businesses to use social media to carefully target the customers they're after.

Whether you've built a reliable following on social media or have made contacts at viral online publications, you have to create a promotion plan that will target the customers you're after and deliver your "pitch" in a way that appeals to them.

When you've conceived a great product, determined the right price, placed it appropriately and promoted it well, the sky is the limit for your success. And that's a lesson 65 years in the making.

Brand Positioning

Put simply, brand positioning is the process of positioning your brand in the mind of your customers. Brand positioning is also referred to as a positioning strategy, brand strategy, or a brand positioning statement.

Popularized in Reis and Trout's bestselling Positioning: The Battle for Your Mind, the idea is to identify and attempt to "own" a marketing niche for a brand, product, or service using various strategies including pricing, promotions, distribution, packaging, and competition. The goal is to create a unique impression in the customer's mind so that the customer associates something specific and desirable with your brand that is distinct from rest of the marketplace.

Reis and Trout define positioning as “an organized system for finding a window in the mind. It is based on the concept that communication can only take place at the right time and under the right circumstances.”

Brand positioning occurs whether or not a company is proactive in developing a position, however, if management takes an intelligent, forward-looking approach, it can positively influence its brand positioning in the eyes of its target customers.

Positioning Statements versus Taglines

Brand positioning statements are often confused with company taglines or slogans. Positioning statements are for internal use. These statements guide the marketing and operating decisions of your business. A positioning statement helps you make key decisions that affect your customer’s perception of your brand.

A tag line is an external statement used in your marketing efforts. Insights from your positioning statement can be turned into a tagline, but it is important to distinguish between the two. (See examples of brand positioning statements and taglines below.)

7-Step Brand Positioning Strategy Process

In order to create a position strategy, you must first identify your brand’s uniqueness and determine what differentiates you from your competition.

There are 7 key steps to effectively clarify your positioning in the marketplace:

1. Determine how your brand is currently positioning itself
2. Identify your direct competitors
3. Understand how each competitor is positioning their brand
4. Compare your positioning to your competitors to identify your uniqueness

5. Develop a distinct and value-based positioning idea
6. Craft a brand positioning statement (see below)
7. Test the efficacy of your brand positioning statement (see 15 criteria below)

What is a Brand Positioning Statement?

A positioning statement is a one or two sentence declaration that communicates your brand's unique value to your customers in relation to your main competitors.

In Crossing the Chasm, Geoffrey Moore offers one way of formulating a positioning statement: For (target customer) who (statement of the need or opportunity), the (product name) is a (product category) that (statement of key benefit; also called a compelling reason to believe). Unlike (primary competitive alternative), our product (statement of primary differentiation). However, we provide a more simplified structure for formulating a Brand Positioning Statement in the following section.

How to Create a Brand Positioning Statement

There are four essential elements of a best-in-class positioning statement:

1. **Target Customer**: What is a concise summary of the attitudinal and demographic description of the target group of customers your brand is attempting to appeal to and attract?
2. **Market Definition**: What category is your brand competing in and in what context does your brand have relevance to your customers?
3. **Brand Promise**: What is the most compelling (emotional/rational) benefit to your target customers that your brand can own relative to your competition?
4. **Reason to Believe**: What is the most compelling evidence that your brand delivers on its brand promise?

After thoughtfully answering these four questions, you can craft your positioning statement:

For [target customers], [company name] is the [market definition] that delivers [brand promise] because only [company name] is [reason to believe].

Two Examples of Positioning Statements

Amazon.com used the following positioning statement in 2001 (when it almost exclusively sold books):
For World Wide Web users who enjoy books, Amazon.com is a retail bookseller that provides instant access to over 1.1 million books. Unlike traditional book retailers, Amazon.com provides a combination of extraordinary convenience, low prices, and comprehensive selection.

15 Examples of Taglines

Once you have a strong brand positioning statement you can create a tagline or slogan that helps establish the position you're looking to own. Here are 15 examples:

Mercedes-Benz: Engineered like no other car in the world
BMW: The ultimate driving machine
Southwest Airlines: The short-haul, no-frills, and low-priced airline
Avis: We are only Number 2, but we try harder
Wharton Business School: The only business school that trains managers who are global, cross-functional, good leaders, and leveraged by technology
Famous Footwear: The value shoe store for families
Miller Lite: The only beer with superior taste and low caloric content
State Farm: Like a good neighbor, State Farm is there.
L'Oreal: Because you're worth it.
Walmart: Always low prices. Always.
Nike: Just do it
Coca-Cola: The real thing
Target: Expect more. Pay less.

Volvo: For life.

Home Depot: You can do it. We can help.

15 Criteria for Evaluating Your Brand Positioning Strategy

An intelligent and well-crafted positioning statement is a powerful tool for bring focus and clarity to your marketing strategies, advertising campaigns, and promotional tactics. If used properly, this statement can help you make effective decisions to help differentiate your brand, attract your target customers, and win market share from your competition.

Here are 15 criteria for checking your brand positioning:

1. Does it differentiate your brand?
2. Does it match customer perceptions of your brand?
3. Does it enable growth?
4. Does it identify your brand's unique value to your customers?
5. Does it produce a clear picture in your mind that's different from your competitors?
6. Is it focused on your core customers?
7. Is it memorable and motivating?
8. Is it consistent in all areas of your business?
9. Is it easy to understand?
10. Is it difficult to copy?
11. Is it positioned for long-term success?
12. Is your brand promise believable and credible?
13. Can your brand own it?

14. Will it withstand counterattacks from your competitors?
15. Will it help you make more effective marketing and branding decisions?

Repositioning Positioning

The unfortunate reality is that no marketer has the power to position anything in the customer's mind, which is the core promise of positioning. The notion that positions are created by marketers has to die. Each customer has their own idea of what you are.

Positioning is not something you do, but rather, is the result of your customer's perception of what you do. Positioning is not something we can create in a vacuum—the act of positioning is a co-authored experience with the customers.

Behind your positioning statement or tagline is your intention—how you desire your business to be represented to customers. Once the real role of positioning is understood, having a tagline or a positioning statement can be useful by clarifying your brand's essence within your organization.

By examining the essence of what you are and comparing it with what your customers want, the doors open to building a business with a strong positioning in the mind of the customer. Why? Great brands merge their passion with their positioning into one statement that captures the essence of both.

Integrating Your Brand Positioning in Your Customer's Mind

To position your brand in your customer's mind, you must start from within your business. Every member of your organization that touches the customer has to be the perfect expression of your position. And, since everyone touches the customer in some way, everyone should be the best expression of your position.

Now comes the hard part: Put up everything that represents your brand on a wall. List all your brand's touch points—every point of interaction with your customer. With a critical, yet intuitive eye, ask:

- How can I more fluidly communicate my brand's desired position?
- Does every touch point look, say, and feel like the brand I want my customers to perceive?

Many marketers don't have the clarity and conviction of following through on their words. Without certainty, you default to the status quo. Turn everything you do into an expression of your desired positioning and you can create something special. This takes courage; to actively position your brand means you have to stand for something. Only then are you truly on your way to owning your very own position in the mind of your customer.

Fundamentals of a great Brand Positioning

Great Brands resonate with customers because they are designed around the customer. This requires brand owners to make several strategic choices and later have the discipline to adhere to

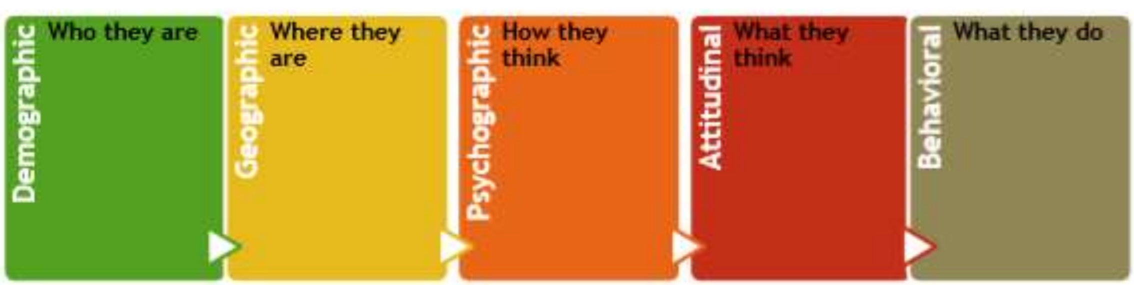
these during execution. These choices can be summarized in 5 core questions that need to be addressed

- Target: For whom is the Brand intended?
- Insight: What is the tension, frustration, or unmet need that is driving the opportunity?
- Competitive Framework: What other brands or solutions would the customer consider?
- Benefit: What is the unique promise the Brand offers both functionally and emotionally?
- Reason to Believe: What compelling proof supports the benefit?

THE 5 FUNDAMENTALS OF GREAT BRAND POSITIONING

Target the Right Customer while all the 5 steps are critical, this decision will also impact all the subsequent choices. Targeting is critical for 2 reasons: not all customers are equally valuable and financially, you just cannot afford to not to target.

For a long time, targeting was solely based on relative easy accessible criteria. They have since evolved to required deeper understanding and insights of the customer.



By detailing out these areas, slowly the ideal customer will emerge and visualize him/herself. All the various aspects of the target customer should be summarized into a Customer Persona who will be the reference for the Brand.

There are certain aspects to be considered while narrowing in on your target customer. ▪ Do all the individuals within the target segment behave the same? And differently from the other segments? ▪ Are there enough target customers to justify the focus? ▪ Are you able to access them and if so, are you able to influence their behavior?

Customer Insight

Theodore Levitt, late professor at Harvard Business School, coined the famous quote "People don't want to buy a quarter-inch drill. They want to buy a quarter-inch hole!"

Marketers can no longer afford to assume that the customer will make the logic leap from features to benefits. Hence the emergence of the FAB approach in the early eighties (Features-Advantages Benefits). Levitt's 1/4 inch diameter is the feature and the hole is the benefit.

The potential benefits of your Brand offer needs to be linked into a strong identified (and validated) customer insight.

Forget FAB and think more FABI:

▪ Feature: facts or characteristics about your Brand

▪ Advantage: are what the features actually do

▪ Benefit: the reason that matters to the customer or what they value

▪ Insight: the underlying customer tension that the Brand solution will release

In today's world where the competition is for customer attention, the process needs to be taken a level further. Why the customer needs a hole in the first place? Is it the add shelves to organize a garage? is it to hang a long overdue (and often reminded) painting on a wall?

Competitive Framework

There are two aspects to be considered.

THE 5 FUNDAMENTALS OF GREAT BRAND POSITIONING

The second reason is to drive sharper differentiation. Without the clarity of the framework, the temptation will be to try to differentiate from all competing solutions. Not only will this dilute the Brand positioning but it will also lead to a very confusing and ultimately less credible messaging.

The first is to actually understand who the competition actually is. This may sound simple but too often companies tend to focus on the industry segment instead of the customer. This leads to a narrow vision of competing products within the same sector. In reality though, a competitive framework viewed through the customer lens may lead to a completely different perspective.

Consider how Southwest defines the competitive framework as any point to point ground travel and how this has shaped their value proposition and communication strategy. The second reason is to drive sharper differentiation. Without the clarity of the framework, the temptation will be to try to differentiate from all competing solutions. Not only will this dilute the Brand positioning but it will also lead to a very confusing and ultimately less credible messaging.

Benefits

Benefits come in different forms and shape. As "rational" beings the temptation is to map out the Brands focusing on the tangible benefits. However, at the end of the day, the intangible benefits actually drive the purchase decisions (yes, even in business to business environments).

Tangible Benefits	Intangible Benefits
Functional: what the brand does for the customer	**Social:** how the brand allows the customers to connect with others
Economic: what the brand means in terms or money and time	**Psychological:** how the brand allows the customer express themselves or feel better.

A great brand positioning should always contain of a mix of tangible and intangible benefits.

"Stop telling consumers what you do and start telling them what they get and how it will make them feel." Graham Robertson

Reason to Believe

Emphasizing on few reasons is critical and the selection will ultimately need to be linked back to the target customer selected. Unless the corporate brand has created such an strong equity that it overshadows the product offering (think Apple), in most cases the customers need to create a degree of trust with the brand.

There are some obvious sources of reasons to believe.

Emphasizing on few reasons is critical and the selection will ultimately need to be linked back to the target customer selected.

Next Steps

Brand Positioning is the process of developing and ultimately owning a competitively differentiated space in our customers' minds that clearly fulfils an unmet need or resolves a tension they have. Positioning is the internal strategic guidance for the Brand, affecting all Brand decisions. A great Brand Positioning is more that just a statement. It should comprise of an entire tool kit (often bundled into a Brand Book) : ▪ Brand Persona ▪ Customer Journey ▪ Brand Character and Framework ▪ Brand Positioning ▪ Value Proposition ▪ Brand Guidelines

First Movers

What is a 'First Mover'

First mover is a term that describes a certain competitive advantage a business obtains by virtue of being the first to bring a specific product or service to market. Among other things, being first typically enables a company to establish strong brand recognition and customer loyalty before other entrants to the market arise. Another advantage is the additional time a first mover business has to perfect or improve its product or service.

Examples of businesses that obtained a first mover advantage include innovators such as Amazon.com and eBay. Amazon.com created the first online bookstore and was immensely successful. By the time other retailers established an online bookstore presence, Amazon.com had already achieved significant brand name recognition, and parlayed its first mover advantage into marketing a range of other products besides books. eBay established the first major online auction site in 1995. Other auction websites have followed, but none have anything close to the brand recognition of eBay.

First movers in an industry are almost always followed by competitors that attempt to capitalize on the first mover's success and gain a share of the market for themselves. However, it is often the case that the first mover has established sufficient market share, customer loyalty and other advantages to enable it to maintain the lion's share of the market.

Elements of First Mover Advantage

The first mover advantage is not usually a single advantage but rather a set of advantages that a company obtains by being first to develop and market a product.

Brand name recognition is one of the main first mover advantages. Examples of extremely strong brand name recognition established by first movers can be seen in the history of companies such as The Coca-Cola Company, auto-additive giant STP and boxed-cereal producer Kellogg's.

Brand name recognition not only engenders loyalty among existing customers but also draws new customers to a company's product even after other companies have entered the market.

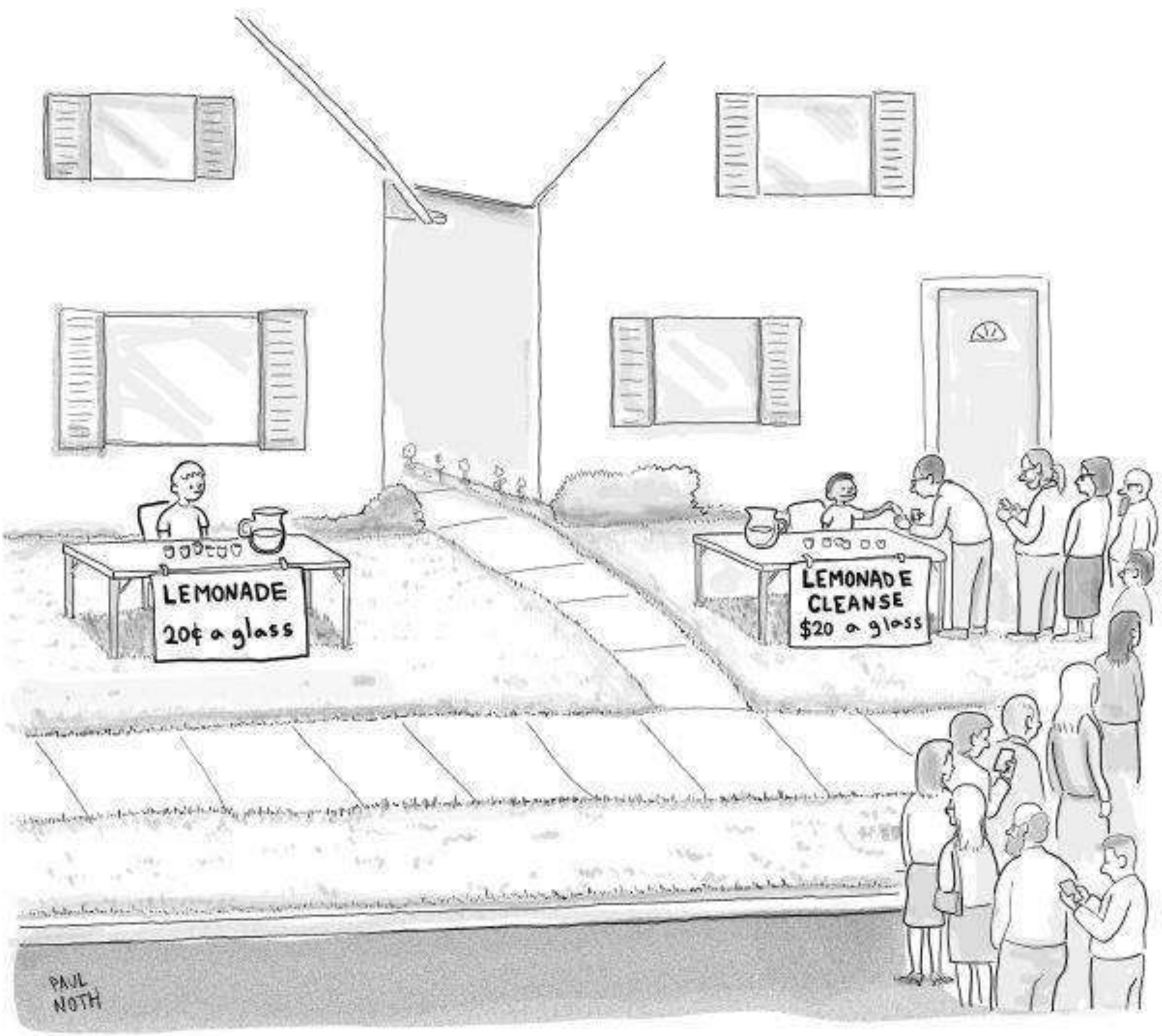
Economies of scale represent another first mover advantage. This is particularly true in regard to manufacturing or technology-based products. The first mover in an industry has a longer learning curve that frequently enables it to establish more cost-efficient means of producing or delivering a product.

Switching costs is another common first mover advantage. Once the first mover sells its product to a customer, the costs of switching to a rival product may be considered prohibitive by the customer. For example, a large company that uses computers with the Windows operating system is unlikely to change over to another operating system because of the cost required to retrain its employees in using the new system.

Being first enables a company to obtain a number of prime advantages that strengthen its position in the marketplace. A first mover often has the opportunity to lock in relationships with suppliers, leaving few necessary resources for potential rivals. First movers also have first choice in things such as location, website names and key personnel.

The 8 Most Common Mistakes When Positioning A Brand

First-The-Trousers helps organizations of all sizes and shapes in both Europe and the U.S. develop compelling brand positioning platforms and engaging brand stories. Along the way, I’ve come across the 8 most common mistakes organizations make when developing their brand positioning platforms. I hope you’ll find this list valuable and inspiring.



1. A poorly defined business problem to kick-off the project. We all know this quote by Charles Kettering, “a problem well-stated is half solved” and yet only few of us actually apply it systematically when developing a positioning platform. “We want to grow market share or grow the business” while being a relevant objective doesn’t provide the guidance on how to do it. Defining and then re-defining the problem on the other hand does (and there are several tools and techniques to help you do just that). In fact, each problem statement has some built-in assumptions that often limit the ability to identify a truly novel and relevant solution. Also, each problem is also usually stated within a specific context (market situation, corporate culture, etc.)

that also put a major constraint on your ability to identify novel solutions. I learned very early in my career that the single most important question you can ask in business is “what is the objective?” (you’d be surprised how often people aren’t able to answer this very simple question, try it in your next meeting).

2. An obsessive focus on what the audience wants. The “benefit” is obviously an important element of any brand positioning statement. And in some rare instances, a brand benefit is so compelling that it creates enough traction and appeal for the brand on its own. But this is usually the exception rather than the rule. What is often more important is for your audience to understand how the brand uniquely delivers on the benefit and why. A “great tasting product made with wholesome ingredients” will be described as being highly appealing by focus group respondents but it is generic and true to any food product. Including this in a brand positioning statement does not provide the guidance a brand positioning platform is supposed to provide.

Based on our analysis of over 1200 case studies of effective brand building, there are three ways to make a benefit statement more impactful:

By the way you frame it i.e. the context in which you present the benefit. I would argue that this is the single most important decision a marketer can make to grow a category and yet this step is often just skipped. Using your consumer segment as frame of reference (which is often the case) isn’t usually enough. Our research shows that there are 10 ways to effectively frame a brand.

By the way you connect the brand to its audience. The common practice consists in defining a benefit in terms of “rational” and “emotional”. Our research however shows that there are actually different 9 ways to talk about a benefit and connect with people, the right approach being usually determined by the context in which the brand operates.

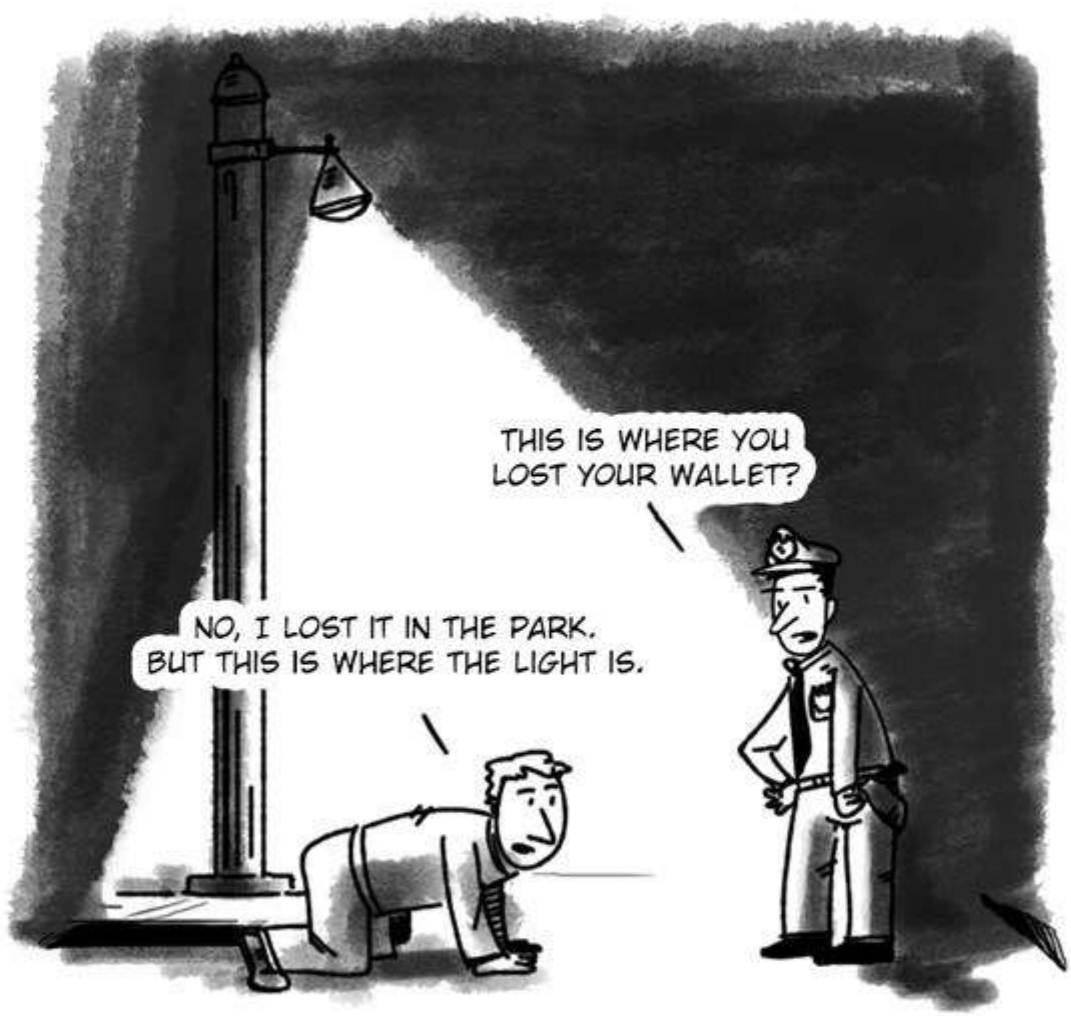
By the way you “support” the benefit, the story you tell to demonstrate how your brand uniquely delivers against the benefit. Here our research uncovered 10 relevant “angles” on how to “romance” the product in a way that enhances the appeal of your brand.

3. A focus on consumers, rather than "people" when creating your brand positioning platform. I once spent a whole afternoon in a focus group facility where the moderator's sole objective was to try to get consumers to decide whether "bright teeth" is a more appealing wording than "white teeth" (I have to add, I was attending as a guest and had nothing to do with the design of the research). You could literally see the pain in the respondents body language. People have a lot on their minds and the chances that your brand and product are part of their top priorities and concerns is almost equal zero. As such, it is important to understand the life circumstances people live in, the overall self-image they have of themselves and even the social and cultural context in which they use your category and brand when developing a brand positioning platform. This simple shift in perspective will enable you to speak about your brand in a way that connects and is relevant to people and their lives and will make a huge difference in your positioning. It will also allow you to identify ways to speak to your audience that actually resonate with them.

4. A lack of insight and a lack of an "idea" in your brand positioning statement. Good brand positioning statements capture an idea that is either based on a unique insight or that resolves an inherent tension (Brand, People, Culture). Weak positioning statements usually capture an "ideal" but boring summary of everything the consumer desires (that is often based on focus group learnings). Yes, moms want their kids to be happy and also eat their vegetables. Yes, moms have a chaotic life. And yes, Millennials want to do good. Those are not insights, those are generally accepted truths not specific to your brand that everyone has known ever since cavemen started to have babies and market researchers started to ask Millennials about "doing good". The concept of "insights" is often misunderstood so I've written a post about the "8 Immutable Truths About Insights!"

5. The expectation that "differentiation" will "happen" in the way the brand positioning platform is brought to life, i.e. in its execution. This is often the default answer to justify a weak and generic positioning platform (see the previous point) or positioning platforms that are the result of group compromise. It's lazy, because it delegates the responsibility and pressure onto the design or creative team while making their job so much more difficult. And frankly, it is irresponsible. And yet I've seen this often enough to add this to this list. A strong and powerful brand positioning statement captures an inherent tension that guides a creative solution and is already interesting, exciting and energizing in itself.

6. A lack of diverse and divergent perspectives or what is called "the Drunkard's Search effect": The "Drunkard's search effect" (also called "The Streetlight Effect") is a type of observational bias that occurs when people are searching for something and look only where it is easiest or the most familiar. Companies usually have their established models and frameworks (which are basically assumptions on how the world works) and more senior marketers usually have a couple of methods that have worked for them in the past that they use over and over again (which doesn't necessarily mean they'll also work in a changed environment). This behavior is completely normal but also extremely limiting as it leaves out a lot of relevant "perspectives" on how to solve your business problem. This problem is further amplified by the drive in the marketing world to always come up with new buzzwords that promise to make marketing easier. "Cultural branding" and "Brand purpose" are two such examples. And while both "perspectives" can be extremely effective in a specific situation they will be completely useless in many others. Our own research shows that there are 26 different ways to look at a business problem. Adopting the POV that "cultural" branding or "brand purpose" is always the cure for all business problems means that you'll be leaving out 96% of potential solutions to solve your business problem.



7. Ignoring the importance of creating alignment within the organization. Brand positioning statements are pointless if they are not embraced by the organization and by all the constituents and stakeholders within the organization. You can have a killer positioning platform but if your

R&D team, your sales team or your international (or local) marketing teams don't buy-into it and get excited by it, it's worthless and its implementation will fail. In "politically driven" organizations or organization with decentralized P&Ls the easy way-out (which I see a lot) is to try to 1. develop a brand positioning platform in a silo (away from all distracting influences), 2. get a senior officer to approve it and to 3. then try to socialize it within the organization. This approach is the path of least resistance but will fail 9 times out of 10. It is therefore way smarter and effective to allow for input from the different key constituents (and thus create a sense of collective ownership) that will have to implement this brand. The solution is not to settle for the lowest common denominator (that never works) and, we for example, use a set of tools and techniques to achieve the best possible outcome in environments with different and sometimes conflicting point of views. This has allowed us to align regional differences (for global projects) but also divergent internal perspectives (for organizations where engineering for example dominates).

8. Writing the brand positioning statement in a workshop. This last point is more executional but equally important. I've witnessed countless workshops where the facilitator tries to get the group to actually write the brand positioning statement and agree on every single world in the document before leaving the workshop. The hope, I guess, is that everyone involved can then be held responsible for the document ("Hey you agreed to to it, you helped write it"). At First The trousers, we never write the brand positioning document in the workshops we facilitate. Instead we get the group to agree on the core ideas and elements of the document and then finalize it with a smaller group (usually the project team) and often with the help of a writer after the workshop. Doing so saves you a lot of time and headaches.

Introspection

Introspection is the examination of one's own conscious thoughts and feelings.In psychology, the process of introspection relies exclusively on observation of one's mental state, while in a spiritual context it may refer to the examination of one's soul. Introspection is closely related to human self-reflection and is contrasted with external observation.

Introspection generally provides a privileged access to our own mental states, not mediated by other sources of knowledge, so that individual experience of the mind is unique. Introspection can determine any number of mental states including: sensory, bodily, cognitive, emotional and so forth.

Introspection has been a subject of philosophical discussion for thousands of years. The philosopher Plato asked, "…why should we not calmly and patiently review our own thoughts, and thoroughly examine and see what these appearances in us really are?" While introspection is applicable to many facets of philosophical thought it is perhaps best known for its role in epistemology, in this context introspection is often compared with perception, reason, memory, and testimony as a source of knowledge.

Brand Preference

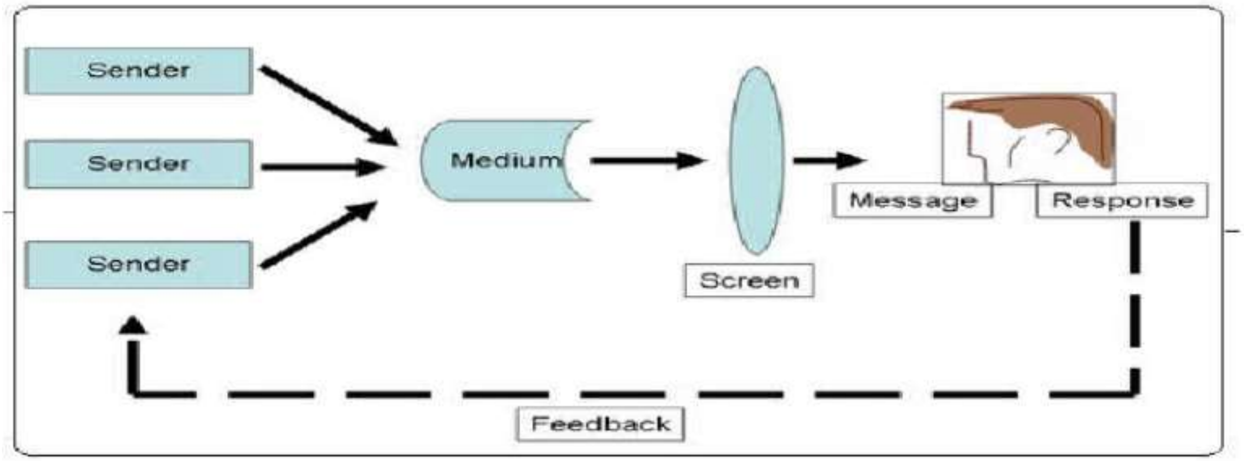
People begin to develop preferences at a very early age. Within any product category, most consumers have a group of brands that comprise their preference set. These are the four or five upmarket brands the consumer will consider when making a purchase. When building preference, the goal is to first get on the consumer's preference sets, and then to move up the set's hierarchy to become the brand consumers prefer the most – their upmarket brand. Gaining and maintaining consumer preference is a battle that is never really won. Definitions of brand preference are as follows:-

O Selective demand for a company's brand rather than a product; the degree to which consumers prefer one brand over another

O The percentage of people who claim that a particular brand is their first choice.In every product category, consumers have more choices, more information and higher expectations than ever before. To move consumers from trial to preference, brands need to deliver on their value proposition, as well as dislodge someone else from the consumer's existing preference set. Preference is a scale, and brands move up, down and even off that scale with and without a vigilant brand management strategy. Pricing, promotional deals and product availability all have tremendous impact on the position of our brand in the consumer's preference set. If all things are equal, the best defense is to make us more relevant to consumers than the competition. The brands potential can only be fulfilled by continually reinforcing its perceived quality, upmarket identity and relevance to the consumer. The same branding activities that drive awareness also drive preference. And, while awareness alone will not sustain preference, it will improve the brand's potential for building and maintaining preference. With a great story and a large enough investment, awareness can be attained rather quickly. It takes time, however, and constant revaluation to build brand preference. Aristotle professed, "We are what we repeatedly do. Excellence then is not an act, but a habit." Attaining and sustaining preference is an important step on the road to gaining brand loyalty. The ability to generate more revenue, gain greater market share and beat off the competition is the reward given by consumer toward particular brand. Brand preference is the Selective demand for a company's brand rather than a product; the degree to which consumers prefer one brand over another. In an attempt to build brand preference advertising, the advertising must persuade a target audience to consider the advantages of a brand, often by building its reputation as a long-established and trusted name in the industry. If the advertising is successful, the target customer will choose the particular brand over other brands in *Any* category.

Basic communications model for development of brand preference

To better understand the process of brand preference, let's first look at a basic communications model. The five components of this model are sender, medium, filter, receiver, and feedback. On adaily basis, we are exposed to messages (sender/medium) via our radio, television, billboards, Internet, mail, and word-of-mouth. Although these messages are pervasive, we continually screen out (perceptual screen) or ignore content that has little or no relevance to us. All messages are coded patterns and sensations – colors, sounds, odors, shapes, etc. Those messages deemed recognizable, or a basis for a relationship, are decoded and stored in our memory (filter/screen). A successfulconvergence between sender and receiver will result in some typ e of response to a brand's compelling message (feedback).



Stored experiences in our long-term memory are connected through a series of nodes and networks. An example could be all the associations you might have with the word Starbucks— including coffee, rich aroma, relaxing, sofa, earth tones, etc. As presented by Shultz and
Barnes," This node and connection process, called spreading activation, makes every persondiffe rent" (Strategic Brand Communications Campaigns, 1999). Since we all have differentexperienc es, connections, and relationships, this supports a theory that the consumer, not the organization, owns the brand.

Consumer prefer particular brand because they find it easier to interpret what benefits brand offers feel more confident of it and get more satisfaction from using it and get more satisfactionfrom using it. Because of such consumer preference, the brand
can charge a higher price, command more loyalty, and run more efficient marketing programmers (e.g. it can spend more retailer incentive and it cost less to launch brand extension) .The brand preference therefore command a higher asset value.

Possible Questions

2 Marks

1. Who are the first movers?
2. Explain the concept of 4 PS?
3. Define Brand positioning?
4. What is meant by Introspection?
5. Mention two fundamental of Brand Positioning?

5 Marks

1. Explain brand positioning process.
2. Discuss the factors influencing brand preference.
3. Elaborate the various positioning errors in branding.
4. Discuss the criteria’s to choose POD and POP in brand positioning.
5. What are the factors of brand positioning? Explain
6. Discuss the advantages and disadvantages of branding.
7. What is brand preference? Discuss the criteria for choosing brand preference.
8. Explain the Elements of brand positioning models
9. Explain the 4Ps of Brand marketing
10. Elaborate the fundamentals of brand positioning strategies.

Multiple Choice Questions
Unit 3

Questions	Option 1	Option 2	Option 3	Option 4	Answer
In brand mantra, process of defining category and setting brand boundaries is classified in dimension of	communication	inspiration	simplifying	straddling	communication
Company can create differentiation for its product with help of	channel differentiation	image differentiation	employee differentiation	image & employee differentiation	channel, image & employee differentiation
Brand association which can be made with personal relevance is classified as	differentiability	feasibility	desirability	deliverability	Desirability
Brands attributes associations that are not unique but similar to some other brands are classified as	points of disparity	points of parity	points of difference	similar attributes	points of parity
Value proposition in which customer is focused, is result of	targeting	positioning	extract target	segmenting	positioning
Brand which competes with other and to focus on competitive analysis is best classified as	competitive frame of reference	visual frame of reference	positioned frame of reference	extended frame of reference	competitive frame of reference
Branding is based on deep metaphors that are connected to associations, memories and stories are classified as	narrative branding	explained branding	potential branding	weak branding	narrative branding
Act of designing firm's offers and to occupies distinct place is considered as	segmenting	targeting	positioning	extract target	positioning
A change in positioning may cause___________________in price	An upward change	A downward change	Up or Downward change	No change	Up or Downward change

Measuring your brand's performance means you are:	Managing your brand right	Measuring your strategies	Maintaining your brand position	Maintaining your brand picture	Managing your brand right
Brand picture is based on which one of the following?	Brand image	Brand value	Brand mission	Brand vision	Brand image
The larger the ratio of brand assets to brand liabilities, the greater is the:	Brand Equity	Brand Power	Brand Value	Brand Ownership	Brand Equity
"The company should be able to clearly state brand positioning" relates to which of the following?	Awareness	Understanding	Direction	Inspiration	Awareness
If a brand of milk has a regular "tetra pack milk" and another with "higher calcium " then the brand has two_________.	Offerings	Lines	Extensions	Different categories	Different categories
Which of the following statements summarizes br and's commitment or promise to target consumers and actively communicates the advantage over competing brands"?	Positioning statement	Vision statement	Mission statement	Value statement	Positioning statement
Which one of the following options will be enhanced by delivering the key benefits of a brand that are important to the customers?	Positioning	Competition	Extension	Repositioning	Positioning
___________ is a reflection of what we projected to send to the public.	Brand identity	Brand function	Brand image	Brand positioning	Brand image
According to Scot Davis, how many years are required to change the brand positioning?	Three to five years	Two to five years	Three to six years	Two to six years	Three to five years

If a company introduce same brand name for several product in different markets then company is applying which one of the following brand strategy?	Product brand strategy	Line brand strategy	Rand brand strategy	Umbrella brand strategy	Umbrella brand strategy
Brands are diversified because:	brand survival	high awareness	Cost-cutting	survival, high awareness & Cost-	brand survival, high awareness & Cost-cutting
The brand association resulting out of distinctive and superior relevance to peers is stated as	Differentiability	Deliverability	Desirability	Relativity	Differentiability
The process of viewing brands as belief system that are complex is known as	Potential branding	Premium branding	Primal branding	Product branding	Primal branding
The brand association deliverability is based on	Internal resources	Feasible commitment	Both a and b	Offerings	Both a and b
As part of the strategic brand management process, each company and offering must represent a distinctive ________ in the mind of the target market	promotion	cell	big idea	ad	big idea
All marketing strategy is built on STP—segmentation, targeting, and______.	positioning	product	planning	promotion	positioning
________ are associations that are not necessarily unique to the brand but may in fact be shared with other brands.	Points-of-parity	Points-of-difference	Brand cells	Brand positions	Points-of-parity

To achieve a point-of-parity (POP) on a particular attribute or benefit, a sufficient number of consumers must believe that the brand is "________" on that dimension.	most excellent	neutral	marginal	good enough	good enough
The preferred approach to positioning is to inform consumers of a brand's membership before stating its ________.	point-of-parity	point-of-difference	point of conflict	point of weakness	point-of-difference
There are three main ways to convey a brand's category membership: announcing category benefits,________, and relying on the product descriptor.	overt publicity	industry trade press	buzz marketing	comparing to exemplars	comparing to exemplars
________ are typically the least desirable level to position a brand's points-of-difference, in part because competitors can easily copy them.	Benefits	Attitudes	Values	Attributes	Attributes
Marketers must decide at which level to anchor the brand's points-of-differences. At the lowest level are_________.	brand values	brand attributes	brand benefits	brand specifications	brand attributes

One common difficulty in creating a strong, competitive brand positioning is that many of the attributes or benefits that make up the points-of-parity and points-of-difference are ________.	negatively correlated	positive correlated	inversely correlated	unable to be correlated	negatively correlated
Brand identity is followed by _________, which is a reflection of what marketers planed to send to the public.	Brand value	Brand image	Advertisin g	Brand personalit y	Brand image
There are at least three key consumer desirability criteria for PODs (points-of-difference): relevance, distinctiveness, and ________.	believabili ty	presentati on style	economy	nontechno logical	believability
For a point-of-difference to possess_________, target consumers must find it unique and superior.	distinctive ness	communic ability	relevance	feasibility	distinctiveness
In a positioning statement, the case for the product rests on its ________.	product category	points-of-difference	target consumer	consumer need	points-of-difference
In brand dynamics, brand active familiarity based on trial and saliency of promising brand is classified as	presence	brand relevance	performan ce	advantage	presence
In brand dynamics, belief for delivering product performance on consumer's short list is classified as	presence	brand relevance	brand performan ce	advantage	brand performance

In brand dynamics, emotional and rational attachments of specific brands is considered as	bonding	brand relationship	brand evidence	brand existence	bonding
In brand dynamics, relevance to consumer needs within an affordable price is classified as	performance	advantage	presence	brand relevance	brand relevance
In brand dynamics, belief that brand has rational or emotional advantage over, all other brands is considered as	brand advantage	brand presence	brand performance	brand decline	brand advantage
All products in category and line extensions a seller makes particularly is classified as	brand line	sub-brand line	brand assortment	brand endorsement	brand line
Stage when customers think about a brand under consumption situation is classified as	brand salience	brand performance	brand imagery	brand feelings	brand salience
In value stages, brand performance must consider	price elasticity	associations	communications	risk profile	price elasticity
Quantitative tracking data which shows how marketing mix are performing its best are classified as	brand valuation	assets evaluation	brand audit	brand tracking studies	brand tracking studies
n element in defensive brand building does not include	transferable	unmemorable	adoptable	protectable	unmemorable
Extent in which value in created in customers mind and affects market performance is considered as	market multiplier	product multiplier	customer multiplier	program multiplier	customer multiplier

Extent to which value shown by market performance is shown in shareholder value is considered as	market multiplier	product multiplier	customer multiplier	program multiplier	market multiplier
Activities and steps that inform and engage employees in building a brand is classified as	external marketing	internal marketing	internal branding	external branding	internal branding
Parent brand if it is associated with multiple products in brand extension is called	family brand	product extension	sub-product	parent company	family brand
Situation when consumers stop associations with brands or start less thinking of brand is classified as	brand classification	brand association	brand dilution	brand prestige	brand dilution
When customers react favorably for specific brand and identify it differently, it is said to be	positive brand equity	negative brand equity	buyers equity	market share equity	positive brand equity
Technique which is not included in co-branding is	retail co-branding	wholesale co-branding	joint-venture co-branding	sponsor co-branding	wholesale co-branding
Plan to make an emotional relationship among products, firms and their clients and constituent are	brand name	brand culture	brand image	brand management	brand management
The brand association resulting out of distinctive and superior relevance to peers is stated as	Differentiability	Deliverability	Desirability	Relativity	Differentiability
Stage when customers think about a brand under consumption situation is classified as	brand salience	brand performance	brand imagery	brand feelings	brand salience
Brand equity related to worth of a	consumer	franchise	brand	Product	brand

Advantages of having diverse brands consist of each of following except	quickly respond to retailers	effectively compete in market	save actual brand image	fill all gaps in market	fill all gaps in market
Formed by management for customer and for firm through brands is	value	price	cost	rate	value
When BMW made a competitive entrance in the U.S. in the early 1980s, it positioned the brand as that offered ________	Luxury	Performance	Both a and b	Either A or B	Both a and b

UNIT IV

The Brand Relevance Model: The First Mover Advantage - Managing a New Category - The Different Levels of Innovation - Understanding Brand Relevance – Categorization - Creating New Categories or Subcategories — Four Tasks - How Categorization Affects Information Processing and Attitudes

THE BRAND RELEVANCE MODEL

Brand expert **David Aaker** examines the assumptions and resources required for two alternative growth strategies: concentrating on getting the brand preferred over competitors vs the more productive strategy of developing categories or sub-categories relevant to specific groups of customers

The most commonly used route to winning, what I term brand preference competition, concentrates on making a brand preferred over other brands in an established category or subcategory. It is a tough road. The second is to win the brand relevance competition by creating new categories or subcategories for which competitors are irrelevant.

Winning in this second competitive arena, with rare exceptions, is the only way to gain real growth. In most firms, way too much effort is spent on brand preference competition and way too little on brand relevance competition. It is not really possible or wise to forget brand preference, but at the margin, firms should shift their culture, strategy, and resources to brand relevance competition.

Brand Preference Competition

Brand preference competition aims to generate preference among the choices considered by customers. There is a single-minded focus on beating the competition with ‘my brand is better than your brand’ programmes. For example, a consumer decides to buy an established product category or subcategory such as SUVs. Several brands, perhaps Lexus, BMW, and Cadillac, have the visibility and credibility to be considered and thus will be relevant. Winning for the Cadillac brand, involves making sure that Cadillac is preferred to Lexus and BMW which usually means being superior in at least one of the dimensions defining the category or subcategory and being at least as good as competitors in the rest.

The brand preference strategy involves investments in making conventional brand building more efficient and effective – creating more influential advertising, more impactful promotions, more visible sponsorships, and more involving social media programmes. It also involves incremental innovation to make the brand ever more attractive or reliable or the offering less costly. Faster, cheaper, better is the mantra. The focus and commitment is on the existing offering, business model, target segment, and established category or subcategory.

This classic brand-preference model is an increasingly difficult path to success in today's dynamic market because customers are not inclined or motivated to change brand loyalties in established markets. Brands are perceived to be similar even if there is a real difference. As a result, customers are not motivated to locate or learn about alternatives.

"The brand relevance strategy involves transformational or substantial (as opposed to incremental) innovation to create offerings that define new categories or subcategories"

Further, even when the offering is improved or effective marketing is developed, competitors usually respond with such speed and vigour that any advantage is often short-lived. As a result a brand preference strategy is usually a recipe for stressed margins, unsatisfactory profitability, and, ultimately, a decline into irrelevance. It is so not fun.

Brand Relevance Competition

The second route to competitive success, brand relevance competition, is making competitors irrelevant by developing offerings so innovative that they become 'must haves' that define a new category or subcategory. This could involve characteristics beyond attributes or benefits such as a certain personality, organisational values, social programmes, self-expressive benefits, or community benefits.

Under brand relevance competition, the customer selects the category or subcategory, perhaps a compact hybrid, making the starting place very different. The customer then identifies brands that are visible and credible and thus relevant to that category or subcategory and evaluates and selects one of those brands.

Winning under the brand relevance model is based on creating a new category or subcategory context such that a brand is selected by customers because competitors are not relevant (rather than not preferred), a qualitatively different reason. The result can be a market in which there is no competition at all for an extended time or one in which the competition is reduced or weakened, the ticket to ongoing financial success.

In brand relevance competition, as opposed to brand preference competition, the category or subcategory and its associated relevant brand set is in play. The selection of the category or subcategory is now a crucial step that will influence what brands get considered and thus are relevant. It is not assumed to be given and static.

The brand relevance strategy involves transformational or substantial (as opposed to incremental) innovation to create offerings that define new categories or subcategories. The organisation needs to have the capability to sense changes in the marketplace and its customers, an ability to commit to a new concept and bring it to market, and a willingness to take risks by going outside the comfort zone represented by the existing target market, value proposition, and business model.

An organisation good at brand preference competition will not always support game-changing innovation. Changes in culture, structure, process, and resource allocation may be needed. There has to be a strategic commitment to introduce such changes. They will not happen by themselves.

Markets must be disrupted

As asserted at the outset, creating new categories or subcategories, with very rare exceptions, is the only way to create meaningful growth in sales. In general, there is no change in the relative share positions or profits of relevant firms unless there is an innovation that will define a new category or subcategory. The stability of brand positions in nearly all markets is simply astonishing. Even dramatic changes in marketing budgets, marketing programmes, and incremental offering improvements have little impact.

If market momentum is to be disrupted, it is necessary to generate offerings with 'must haves' that will define new categories or subcategories that will render competitors irrelevant for an extended time.

Numerous case studies provide empirical evidence that creating new categories or subcategories pays off. A McKinsey study is one of many financial studies of firm performance that supports this view. It showed that new entrants into a market, which usually involve a high percentage of new categories or subcategories, had a return premium of 13 points the first year sliding to one percent in the 10th year. Since new entrants are more likely to bring new business models than existing businesses, the implication is that those creating new categories or subcategories will earn superior profits in part because relevant competition will be low in the early years.

Some guidelines

The evidence is compelling. And the logic more so. It is econ 101. The goal of strategy should be to create a market in which there is little or no competition.

"Delivering the promise out of the box is indispensable to the creation of critical market momentum. Superior execution also generates a barrier to competitors"

When the opportunity to create and own a category or subcategory appears, it should not be squandered because it can be the only route to changing a brand's position in the marketplace. But the route to success can be difficult.

Here are some guidelines:

- First, make sure that the innovation really involves a 'must have' for the customers. Beware of the innovation that appears to be a market changer when it is only an incremental improvement. Innovation champions tend to be overoptimistic because of both psychological and professional reasons. But also be willing to commit even when faced with barriers and difficulties.
- Second, become the representative or exemplar of the subcategory. The goal is to be the only visible and credible brand. Toward that end there should be a singleminded focus on defining and building the subcategory rather than the brand. When possible, the brand should be perceived as the thought leader with not only new products but also visible comments on the subcategory and its future. BGI's iShares spent years with a well-resourced effort to project the value and future of ETFs (exchange traded funds) and their role in the investment world.
- Third, execute flawlessly. Delivering the promise out of the box is indispensable to the creation of critical market momentum. Superior execution also generates a barrier to competitors especially if it is based not only on what is done but the values and organization behind it. That was certainly the case with Zappos.com with its 10 values including Wow! experience and being a bit weird that allowed them to create a staff and processes that are hard to duplicate.
- Fourth, engage in innovation over time to provide a moving target to competitors and energy to the brand, and a sense of leadership to the firm. Chrysler's minivan enjoyed 16 years with no viable competitors in part because of a series of innovations such as the sliding driver side doors, removable seats, four-wheel drive and Easy-Out Roller Seats.
- Fifth, expand the subcategory definition beyond functional benefits to include characteristics such as self-expressive or social benefits, organisational values, or personality. A challenging subcategory can create a feisty underdog persona. SaleForce. Com, an early cloud computing software application firm, for example, positioning CRM software from Siebel and others to be old fashioned.

When the opportunity to create and own a subcategory appears, it should not be squandered. But it should be realised that, however good the strategic vision is, the implementation of that vision needs to be resourced and executed flawlessly. And there should be competitive barriers established in the form of execution ability, a moving target, a rich customer relationship, and an exemplar brand.

The First Mover Advantage

What is the First Mover Advantage?

The first mover advantage refers to an advantage gained by a company that first introduces a product or service to the market. The first mover advantage allows a company to establish strong brand recognition and product/service loyalty before other entrants.

It is important to note that the first mover advantage only refers to a large company that moves into a market. For example, Amazon was not the first company to sell books online. However, it was the first large company to do so.

Advantages of Being a First Mover

There are several advantages to being the first business to execute a strategy.

Companies that are first movers can often:

- Establish their product as the industry standard
- Be able to tap into consumers first and make a strong impression, which can lead to brand recognition and brand loyalty.
- May be able to control resources, such as basing themselves in a strategic location, establishing a premium contract with key suppliers, or hiring talented employees.
- Can gain an advantage when there is a high switching cost for consumers to switch to later entrants.

Benefits of Being a First Mover

Professors Marvin Lieberman and David Montgomery, in their 1988 award-winning paper, First-Mover (Dis)Advantages: Retrospective and Link with Resource-Based View, list three main benefits of being a first mover:

1. Technology leadership

First movers can make their technology/product/services harder for later entrants to replicate. For example, if the first mover can reduce the costs of producing a product (an "experience" curve effect), the first mover can establish an absolute cost advantage. In addition, applying for patents can protect and establish a first-mover advantage.

2. Control of resources

The second benefit is the ability to control strategic and/or scarce resources. For example, Wal-Mart was able to locate their stores in small towns and prevent others from entering the market.

3. Buyer-switching costs

The third benefit that first movers may enjoy is buyer-switching costs. If the first business is able to establish itself first, it may seem inconvenient consumers to switch to a new brand.

Disadvantages of Being a First Mover

Being the first business in an industry may not always guarantee an advantage.

- The first mover may invest heavily in persuading consumers to try a new product. Later entrants would benefit from these informed buyers and would not need to spend that much on educating consumers.
- Later entrants can avoid mistakes made by the first mover.
- If the first mover is unable to capture consumers with their products, later entrants can take advantage of it.

- Later entrants can reverse-engineer new products and make them better or cheaper.
- Later entrants can identify areas of improvement by the first mover and take advantage of it.

Examples of Successful Companies That Were Not First Movers

Listed below are 3 companies that were not first movers in their respective markets, but have now grown to become some of the biggest companies in the world:

1. Google

Before Google, there were search engines such as Yahoo and Infoseek. However, Google was able to customize their search engine to perform more effectively and efficiently. They now control over 65% of the search activity.

2. Southwest Airlines

Southwest Airlines entered the airline industry as a late entrant but was able to expand and become the second largest airline in the world in terms of the total number of passengers. The company focused on an area that other airlines were not looking at – short haul flights.

3. Starbucks

There were a lot of places to buy coffee before the establishment of Starbucks. However, Starbucks was able to establish a strong brand equity by placing an emphasis on making Starbucks the go-to place when you're not home or at the office.

Managing a New Category

Category management is a retailing and purchasing concept in which the range of products purchased by a business organization or sold by a retailer is broken down into discrete groups of similar or related products; these groups are known as product categories (examples of grocery categories might be: tinned fish, washing detergent, toothpastes). It is a systematic, disciplined approach to managing a product category as a strategic business unit.[1] The phrase "category management" was coined by Brian F. Harris.

Definition of a category

The Nielsen definition of a 'category', used as the basic definition across the industry, is that the products should meet a similar consumer need, or that the products should be inter-related or substitutable.[8] The Nielsen definition also includes a provision that products placed together in the same category should be logistically manageable in store (for example there may be issues in having room-temperature and chilled products together in the same category even though the initial two conditions are met).

However, this definition does not explain how the process often works in practical retailing situations, where demographic or marketing considerations take precedence.

The category management 8-step process (retail)

The category management 8-step process

The industry standard model for category management in retail is the 8-step process, or 8-step cycle developed by the Partnering Group.[9] The eight steps are shown in the diagram on the right; they are :

1. Define the category (i.e. what products are included/excluded).
2. Define the role of the category within the retailer.
3. Assess the current performance.

4. Set objectives and targets for the category.
5. Devise an overall Strategy.
6. Devise specific tactics.
7. Implementation.
8. The eighth step is one of review which takes us back to step 1.

The 8-step process, whilst being very comprehensive and thorough has been criticized for being rather too unwieldy and time-consuming in today's fast-moving sales environment; in one survey only 9% of supplier companies stated they used the full 8-step process.[10] The current industry trend is for supplier companies to use the standard process as a basis to develop their own more streamlined processes, tailored to their own particular products [11]

Market research company Nielsen has a similar process based on only 5 steps : reviewing the category, targeting consumers, planning merchandising, implementing strategy, evaluating results.

The Different Level of Innovation

1. Incremental Innovation. This consists of small, yet meaningful improvements in your products, services, and other ways in which you do business. These tend to be the "new and improved" innovations we are all bombarded with every day: new flavors, shifts to better or all-natural ingredients, packaging improvements, faster/slower functioning, just-in-time supply chain enhancements, bigger/smaller sizing, cost reductions, heavier/lighter weight. We see them every day and they help extend product, service, and business life cycles and improve profitablity. They can be easily visualized and quickly communicated and give you something new with which to grab consumer attention in an increasingly noisy marketplace.

2. Breakthrough Innovation. This is a meaningful change in the way you do business that gives consumers something demonstrably new (beyond "new and improved"). Breakthrough innovation produces a substantial competitive edge for a while, although the length of time anyone can maintain such an advantage is growing increasingly shorter.

3. Transformational Innovation. This is usually (but not always) the introduction of a technology that creates a new industry and transforms the way we live and work. This kind of innovation often eliminates existing industries or, at a minimum, totally transforms them. For this reason, transformational innovations tend to be championed by those who aren't wedded to an existing infrastructure. Transformational innovation is exceedingly rare. Think about it: how many truly new-to-the-world ideas happen in a year? In a lifetime? Not many!

Yet, in some ways, transformational innovation is easier to pursue because the change required to achieve it usually doesn't rely on an existing entity that is committed to the old way of doing things. That's why we often find transformational innovation coming from start-up companies. But no company can survive by pursuing only transformational innovation.

There are benefits and problems associated with focusing your efforts on any type of innovation. Incremental innovation is the oil that keeps the engine running, but it cannot be your only focus. You can only grow your business so much by adding aloe as an ingredient or offering a different color. Breakthrough innovation is expensive, messy and uncomfortable but it is becoming increasingly necessary to pursue if you want to remain relevent. Gambling on transformational innovation alone is too risky. Go ahead and try to hit those home runs, but remember the importance of having a high batting average too. You just can't afford to make any one type of innovation the sum of your innovation strategy.

Creating a New Categories or Sub Categories

All Signs Point to a New Brand Category

Traditional wisdom suggests that creating a new brand category is a massive undertaking. In our recent post on category change, we wrote about when it’s time to consider creating a new category. In that post we were clear: undergoing a category change is not something for the faint of heart. If you’re leading the effort, you’ll need thick skin, an iron will, and if you don’t have deep pockets, you’ll need to be extra resourceful.

Creating a new brand category requires big ideas that literally think outside the box — that's the whole point. You'll also need a team of decision makers who are comfortable with risk and ready to execute at a fast pace.

Resources, especially money, are another factor. Creating a new category does require an investment that may be exceed your business-as-usual marketing budget. And with that, comes more risk. It's inevitable that some new categories flop or are slow to show return on investment.

Moving Forward

Regardless, category change still may be the best move for your brand and business. But, it doesn't have to be a painful and scarily expensive process.

On the contrary, with a plan in place, tenacity, loads of creativity, and a clear vision, creating a new brand category is completely within reach. If there's been a shift in your corporate strategy, product offering or the market, or if your category is having its own crisis, it could be time to break out. Creating and branding your own category is a proven way to drive your business forward.

Creating a category is a multi-step process that involves defining the category, naming it, and developing a roll-out strategy. Look to the following steps to define your new brand category:

Defining a New Brand Category

1. Research and analyze:

Have a deep understanding of the category dynamics in the current market. What direction is the market going? What's the threshold for change amongst your target audience? Track the dynamics of existing category labels to determine when a window of opportunity will open up for a new category and give your company the best shot at succeeding. Use data to understand how customers are categorizing emerging brands to fine-tune your new category development.

2. Establish a budget:

Before getting too far down the road, make sure there's a budget in place for the work you're about to take on. Defining a new category also requires marketing the new category which can be a drain on resources. However, it certainly doesn't have to break the bank. In fact, being able to make the most of a modest budget means you know how to be resourceful, creative, and think about things differently. Once you have a budget in place, the strategy of developing the category becomes easier to determine.

3. Choose a category:

You need to strategically develop a category for Evaluate your business strategy, the competitive set, your own product roadmap, and where your industry is heading. Remember, people need a framework. Your brand needs to fit into the framework of a brand category that people understand and relate to in order to really ‘get’ your brand. To build groundswell around a new category, you’ve got to give people a frame of reference. Until your brand is established as the dominant leader of the category, most people will be reluctant to try something new. It’s human nature to play it safe. The more innovative and disruptive your offering is, the more it needs a frame that people can relate to.

4. Prove your brand is different:

When creating a new brand category, you need to engage your community in a consistent and meaningful way. It’s critical to demonstrate to the people important to your brand why your category matters, and how it offers something better than the existing category. Use the strongest parts of your brand to go beyond basic features and benefits. Prove your brand is poised to be the category leader because its purpose and promise are head and shoulders above the competition (and, there’s always competition). Your proof points will justify the new category and position your brand as the de facto leader, ready to take the stage.

Launching a New Brand Category

The decision to join an existing category, or to launch a new brand category is not an easy decision. Evaluating your product maturity, the product roadmap, and overall market maturity is critical. Once the decision is made, the strategy shifts to creating the right budget and plan to launch the new brand category. Building momentum is paramount to both the category’s success, and by proxy, your own brand’s position as the category leader.

As we’ve previously discussed, timing is critical for launch. You need to consider factors of competition, messaging, production and market forces. And when the light is green, launching a new brand category with your brand as the de facto leader means getting buy-in, quickly. Building momentum for your new category, attracting important users and creating buzz necessitates its own strategy, one that has to be developed concurrently with defining and naming the new category.

Why New Brand Category Launches Fail

Just because you have a brilliant name doesn't mean your category will be adopted. In fact, most fail. Lack of preparation, especially when it comes to budgeting, often results in categories that fizzle out. Businesses are often so focused on designing, manufacturing, and promoting their own product that they postpone the effort needed to market a newly developed category. And before they know it, it's too late. The new category launch needs to lead your brand into the arena, not the other way around.

Common mistakes for launch include not creating enough context for the category, making claims about the category that fall short, failing to create enough distinction from competitive categories, missing the mark on customer education (people just don't get it), or jumping the gun on timing. Creating a new brand category requires the same rigor as launching a new brand or new product.

When developing your strategy for launching a new category, these five tactics are key.

1. Be Consistent with Messaging

Just as you've developed and tested messaging around your brand, developing the messaging around your new brand category is equally important. Consistency is everything. In order to build traction, you'll need competition, influencers, and customers to grab onto a clear and concise message. Everyone needs to be on the same page about what the category is, why it's better than the alternative, and why it matters. It may be tempting to embellish the messaging with claims that make it sounds remarkable, but don't. You'll need messaging that is repeatable, authentic, and true to your brand in order to be picked up by your audience. Test the category messaging, and assuming it's working, stick to it.

2. Generate Competition

It may sound counterintuitive, but when you are creating a category, competition helps legitimize a market and increases the size of the pie. Your brand will actually benefit if others are spending their marketing dollars to help popularize the value of what you are doing. The key, however, is to be first to market (see #1: owning the messaging around the category) – and continue to find ways to elevate yourself above the crowd, while maintaining both a product and thought leadership position.

3. Tap Into Influential Early Adopters

The snowboard surpassed the snurfer as a category when Burton came onto the scene with a posse of well-known surfers and skaters who were early adaptors of the new sport. They were not only the target audience for snowboarding. They had enough cultural clout to make snowboarding popular. When launching a new category, finding ambassadors with strong reputations will help raise awareness for and substantiate your category.

4. Popularize

Otherwise known as PR. Keep in mind that the category is the focus of the PR efforts, not your brand. Focus on cultivating buzz around the category in an authentic way. This requires some restraint on behalf of your brand. Drawing too much attention to your brand right out of the gate is a misstep. This is because people won't yet have a way of talking about it. So create context first. Then, generate conversations around the category with a strong media presence (industry influencers, bloggers, press, and social media should all be activated). The buzz around your brand will follow.

5. Educate Customers

Host conferences and events – both in person and online – that use the category name. Educating customers about the category should be the central driver for marketing. Build your reputation without overselling yourself. Establishing industry user groups with digital meetups are powerful ways to spark conversations and create groundswell with a wide audience. With enough momentum, your brand's leadership will be in position as a thought leader. And further embedding the category and subsequently your brand in customer's minds.

The Rewards of a Strategic Category Launch

Identifying a new category and building it from scratch can serve as a powerful path to growth for your brand. And the effort involved pays off. Category creators experience fast growth and receive high valuations from investors. Creating a new category, your brand will be in a solid position to surpass the competition. Or break into a flooded market. On top of that, your brand will be positioned to own the category as the de facto leader. Category creation is nothing short of a game changer.

Possible Questions

2 Marks

1. Explain the concept of brand relevance model?
2. Explain the levels of innovation?
3. What do you mean by Categorization?
4. Mention two advantages of first movers?
5. How Categorization affects information processing and Attitudes?

5 Marks

1. Explain the challenges in creating new categories and sub-categories.
2. Explain Innovation Continuum in brand relevance.
3. Explain the challenges in creating new categories and sub-categories.
4. How categorization affects information processing and attitudes?
5. Discuss about the advantages gained by first mover.
6. What is brand? Explain the three tasks in creating new brand category.
7. How brand relevance is leads to competitive success.
8. Differentiate Brand Relevance and Brand Preference
9. Explain Brand relevance strategy.
10. Explain Innovation Continuum in brand relevance.

Multiple Choice Questions
Unit 4

Questions	Option 1	Option 2	Option 3	Option 4	Answer
In Brand Asset Valuator Model, __________measures how well the brand is respected and regarded.	Promotion	Relevance	Energy	Differentiation	Relevance
In Brand Asset Valuator model,______________ measures the degree to which a brand is perceived from others.	Promotion	Relevance	Energy	Differentiation	Differentiation
In Brand Asset Valuator model,____________ measures the breadth of a brand's appeal	Promotion	Relevance	Energy	Differentiation	Energy
The__________ emphasizes the duality of brands.	Brand resonance model	AAKER Model	Brand asset valuator model	BRANDZ Model	Brand resonance model
Brand association which can be made with personal relevance is classified as	differentiability	feasibility	desirability	deliverability	desirability
Brand association which can be made because of internal resources and feasible commitment is classified as	differentiability	feasibility	desirability	deliverability	deliverability
Brand association which can be made superior and distinctive relevance to competitors is classified as	differentiability	feasibility	desirability	deliverability	differentiability

Drivers that differentiate and identify brands are classified as	brand elements	brand emotions	brand conversation	brand judgments	brand elements
Holistic marketers achieve profitable growth by expanding customer share,_________, and capturing customer lifetime value.	undermining competitive competenciess	building customer loyalty	milking the market for product desire	renewing a customer base	building customer loyalty
________ is endowing products and services with the power of a brand	Brand image	The branding concept	Branding	Brand positioning	Branding
Consumers learn about brands through________ and product marketing programs.	the mass media	past experiance with the product	the sales force	shopping bots	past experiance with the product
strong brands process all of the following marketing advantage EXPECT	greater loyalty	larger margins	guaranteed profits	improved perceptions of product	guaranteed profits
When a marketer expences his or her vision of what the brand must be and do for concumers,they are expressing what is called________.	a brand promise	a brand mission	brand equity	a brand position	a brand promise
There are four key components or pillers of brand equity. Which of those components of pillers measures the breadth of a brands appeal?	Differenatition	Relevance	Esteem	Knowledge	Relevance
_______ can be defined as the differential effect that brand knowledge has on consumer response to the marketing of that brand.	Mission driven brand equity	service driven brand equity	functional driven brand equity	cosumer driven brand equity	cosumer driven brand equity
All of the following are considered to be among the "six brand building block" EXCEPT___	Brand Salience	Brand Performance	Brand imagery	Brand feeling	Brand feeling

With respect to the "six brand building blocks,"______focus on customers 'own personal opinions and evaluation.	Brand salience	Brand Performance	Brand imagery	Brand Judgments	Brand Judgments
___are those trademark able devices that serve to identify and differentiate the brand	Brand element	Brand Value	Brand perception	Brand image	Brand element
Six brand element assist in brand building.Which of the following would NOT be among those perferred brand elements?	Adaptable	Protectable	Memorable	Subliminal nature	Subliminal nature
If a brand element can be used to introduce new products in the same or different categories,the brand element is said to be____.	Memorable	Meaningful	Likeable	Transferable	Transferable
Brand elements and secondary associations can make important contributions to building brand equity; however,the primary input comes from____	The product or service and supporting marketing activities	Marketing research	the consumer	The distributors	The product or service and supporting marketing activities
_____is about making sure that brand and its marketing are as relevant as possible to as many customers as possible a challenge,given that no two	personalizing marketing	Segmenting marketing	Brand imagery	Emotionalizing brands	personalizing marketing
_____is the consumers' ability to identify the brand under different condititions,as reflected by their brand recognition or recall performance.	Brand awareness	Brand image	Brand alternation	Brand perception	Brand awareness
The main secondary sources of brand knowledge come from all of the following EXCEPT____	other brands	People	Things	Local,state,and federal governments	Local,state,and federal governments

Astructured approach to assessing the soures and brand equity and the manager in which marketing activities creates brand value is called________.	the brand value chain	the brand portfolio	the brand life cycle	brand partitioning	the brand value chain
________has the job of estimating the total financial value of the brand.	brand tacking	brand auditing	brand equity	brand valuation	brand valuation
companys major endursing asset is________.	its leadership	its brand	Its culture	its shareholder	its brand
_______is the set of all brands and brand lines a particular firm offers for sale to buyers in aparticular category.	brand partition	brand position	brand portfolio	brand concept	brand portfolio
Measures the degree to which a brand is seen as different from others.	Relevance	Differentiation	Essteem	Knowledge	Differentiation
______________ provide information about content, taste, durability, quality, price, and performance, without requiring the buyer to undertake time-consuming comparison tests with similar offerings or other risk reduction approaches to purchase decisions.	Brand personalities	Brand names	Brand positioning	Brand equity	Brand names
Brand name, marketing communications, packaging, price are examples of__________ that enable consumers to form associations that give meaning to the brand.	Brand anatomy	Intrinsic attributes	Extrinsic attributes	Brand value	Extrinsic attributes

Many brands are deliberately imbued with human characteristics, to the point that they are identified as having particular personalities. This is referred to as:	brand personalities.	brand names.	brand value.	branding pyramid.	brand personalities.
Cadbury brand is a good example of:	distributor brand.	manufacturer brand.	generic brand.	niche brand.	manufacturer brand.
The identities and images are developed by the wholesalers, distributors, dealers, and retailers who make up the marketing channel. This is referred to as:	manufacturer brand.	generic brand.	distributor brand.	luxury brand.	distributor brand.
Many retail brands adopt a single umbrella brand, based on the name of the organization. This is referred to as:	corporate brands.	family branding.	individual branding.	manufacturer brand.	corporate brands.
This branding policy requires that all the products use the organization's name, either entirely or in part, e.g. Microsoft, Heinz, and Kellogg's:	Family branding	Individual branding	Corporate brands	Manufacturer brand	Family branding
_________ is a strategic activity and is used to differentiate and distinguish a brand, so that a consumer understands the brand, not just remembers it	Brand heritage	Brand anatomy	Brand positioning	Brand extension	Brand positioning
This level of rebranding refers to the renaming of a whole corporate entity, often signifying a major strategic change or repositioning. This is known as:	corporate rebranding.	SBU rebranding.	product rebranding.	international rebranding.	corporate rebranding.

____________ are a way of capitalizing on the recognition, goodwill, and any positive associations of an established brand, and using the name to lever the brand into a new market.	Brand repositioning	Brand stretching	Brand extensions	Brand equity	Brand extensions
In return for a fee, one company permits another to use its trademark to promote other offerings over a defined period of time, in a defined area. This is known as:	brand stretching.	brand extensions.	brand licensing.	co-branding.	brand licensing.
When two established brands work together, on an offering to generate increased consumer appeal and attraction is called:	brand licensing.	co-branding.	brand extensions.	brand stretching.	co-branding.
Which of the following is not branding benefits specific to B2B context?	and product use benefits.	Self-expressive.	Ethical advantages.	Emotional advantages.	Ethical advantages.
__________ brand is sold across multiple country markets, and managed through decentralized management with local control.	Multidomestic	Global	Domestic	International	Multidomestic
With this type of brand scope, positioning, identity, image, distinguishing characteristics including attributes, associations, and identifiers of the brand virtually identical to the home market. This is referred to as:	multidomestic.	global.	international brand.	domestic.	international brand.
A measure of the value and strength of a brand, including an assessment of a brand's wealth is known as:	brand stretching.	brand heritage.	brand name.	brand equity.	brand equity.

Which of the following is not one of the core elements to develop business brands?	Communication	Services	Symbolic devices	Behaviour	Services
Which of the following is not associated with brand equity?	Brand value	Brand heritage	Brand strength	Brand description	Brand heritage
Brand assets include:	The name of the brand	Reputation, relevance, and loyalty	Less quality complaints	Preference	Reputation, relevance, and loyalty
Brands that are found completely unworthy of further consideration are members of the______.	evoked set	inept set	excluded set	inert set	inept set
Brands for which a consumer is aware but basically indifferent toward compose his or her _____.	evoked set	inept set	excluded set	inert set	inert set
Elaine is considering the purchase of a computer and is aware that Toshiba and HP are brands in this product category. However, she is basically indifferent toward them. These two brands represent Elaine's______.	evoked set	inept set	excluded set	inert set	inert set
In brand dynamics, belief that brand has rational or emotional advantage over, all other brands is considered as	brand advantage	brand presence	brand performance	brand decline	brand advantage
If points of parity and points of difference are not credible of both categories then brand is	legitimate player	not legitimate player	straddle player	category point of difference	not legitimate player
Communication, inspiration and simplification are criteria for designing	legitimate mantra	straddle mantra	visual mantra	branding mantra	branding mantra
In brand mantra, process of making it relevant and meaningful is classified in dimension of	communication	inspiring	simplifying	straddling	inspiring

In brand mantra, process of making it memorable is classified in dimension of	simplifying	straddling	communication	inspiration	simplifying
Representation of consumer preferences and perceptions in visual manner is classified as	perceptual maps	preference representation	feasible representation	desirable representation	perceptual maps
Type of competitive advantage which is used as springboard to create new advantages is classified as	leverage able advantage	non leverage advantage	announced advantage	inspiring advantage	leverage able advantage
Means of reconciling and conflicting customers goals and create best solutions for customers is considered as	straddle positioning	straddle segmentation	straddle targeting	straddle points of parity	straddle positioning
Collective measuring of heart and soul of brand and relating to brand's concept is classified as	visual mantra	branding mantra	legitimate mantra	straddle mantra	branding mantra

Unit V

Packaging – Labeling - Brand Rejuvenation - Brand Success strategies - Brand Resilience - Brand Equity - Brand valuation - Building global brands - Branding failures.

Packaging and Labeling

Packaging is the science, art and technology of enclosing or protecting products for distribution, storage, sell, and use. Packaging also refers to the process of designing, evaluating, and producing packages. Packaging can be described as a coordinated system of preparing goods for transport, warehousing, logistics, sale, and end use. Packaging contains, protects, preserves, transports, informs, and sells.[1] In many countries it is fully integrated into government, business, institutional, industrial, and personal use.

The purposes of packaging and package labels

Packaging and package labeling have several objectives

- **Physical protection** – The objects enclosed in the package may require protection from, among other things, mechanical shock, vibration, electrostatic discharge, compression, temperature, etc.
- **Barrier protection** – A barrier to oxygen, water vapor, dust, etc., is often required. Permeation is a critical factor in design. Some packages contain desiccants or oxygen absorbers to help extend shelf life. Modified atmospheres] or controlled atmospheres are also maintained in some food packages. Keeping the contents clean, fresh, sterile]and safe for the duration of the intended shelf life is a primary function. A barrier is also implemented in cases where segregation of two materials prior to end use is required, as in the case of special paints, glues, medical fluids, etc. At the consumer end, the packaging barrier is broken or measured amounts of material are removed for mixing and subsequent end use.
- **Containment or agglomeration** – Small objects are typically grouped together in one package for reasons of storage and selling efficiency. For example, a single box of 1000

pencils requires less physical handling than 1000 single pencils. Liquids, powders, and granular materials need containment.

- **Information transmission** – Packages and labels communicate how to use, transport, recycle, or dispose of the package or product.With pharmaceuticals, food, medical, and chemical products, some types of information are required by government legislation. Some packages and labels also are used for track and trace purposes. Most items include their serial and lot numbers on the packaging, and in the case of food products, medicine, and some chemicals the packaging often contains an expiry/best-before date, usually in a shorthand form. Packages may indicate their construction material with a symbol.
- **Marketing** – Packaging and labels can be used by marketers to encourage potential buyers to purchase a product. Package graphic design and physical design have been important and constantly evolving phenomena for several decades. Marketing communications and graphic design are applied to the surface of the package and often to the point of sale display. Most packaging is designed to reflect the brand's message and identity.

A single-serving shampoo packet

- **Security** – Packaging can play an important role in reducing the security risks of shipment. Packages can be made with improved tamper resistance to deter manipulation and they can also have tamper-evident features indicating that tampering has taken place. Packages can be engineered to help reduce the risks of package pilferage or the theft and resale of products: Some package constructions are more resistant to pilferage than other types, and some have pilfer-indicating seals. Counterfeit consumer goods, unauthorized sales (diversion), material substitution and tampering can all be minimized or prevented with such anti-counterfeiting technologies. Packages may include authentication seals and use security printing to help indicate that the package and contents are not counterfeit. Packages also can include anti-theft devices such as dye-packs, RFID tags, or electronic article surveillance tags that can be activated or detected by devices at exit points and require specialized tools to deactivate. Using packaging in this way is a means of retail loss prevention.

- **Convenience** – Packages can have features that add convenience in distribution, handling, stacking, display, sale, opening, reclosing, using, dispensing, reusing, recycling, and ease of disposal
- **Portion control** – Single serving or single dosage packaging has a precise amount of contents to control usage. Bulk commodities (such as salt) can be divided into packages that are a more suitable size for individual households. It also aids the control of inventory: selling sealed one-liter bottles of milk, rather than having people bring their own bottles to fill themselves.

Packaging types

Various types of household packaging for foods

Packaging may be of several different types. For example, a **transport package** or **distribution package** can be the shipping container used to ship, store, and handle the product or inner packages. Some identify a **consumer package** as one which is directed toward a consumer or household.

Custom packaging is an evolutionary use of modern materials. Thermoforming and vacuum forming allow for expanded capabilities for large trays, displays, and specialty needs. Thermoforming is a method which uses vacuum, heat, and pressure to form the desired material into a shape determined by its mold. This type of packaging is often used by the cosmetic and medical industry.

Packaging may be described in relation to the type of product being packaged: medical device packaging, bulk chemical packaging, over-the-counter drug packaging, retail food packaging, military materiel packaging, pharmaceutical packaging, etc.

It is sometimes convenient to categorize packages by layer or function: "primary", "secondary", etc.

- Primary packaging is the material that first envelops the product and holds it. This usually is the smallest unit of distribution or use and is the package which is in direct contact with the contents.
- Secondary packaging is outside the primary packaging, and may be used to prevent pilferage or to group primary packages together.
- Tertiary or transit packaging is used for bulk handling, warehouse storage and transport shipping. The most common form is a palletized unit load that packs tightly into containers.

These broad categories can be somewhat arbitrary. For example, depending on the use, a shrink wrap can be primary packaging when applied directly to the product, secondary packaging when used to combine smaller packages, or tertiary packaging when used to facilitate some types of distribution, such as to affix a number of cartons on a pallet.

Symbols used on packages and labels

A bar code on a tin of condensed milk

Many types of symbols for package labeling are nationally and internationally standardized. For consumer packaging, symbols exist for product certifications (such as the FCC and TÜV marks), trademarks, proof of purchase, etc. Some requirements and symbols exist to communicate aspects of consumer rights and safety, for example the CE marking or the estimated sign that notes conformance to EU weights and measures accuracy regulations. Examples of environmental and recycling symbols include the recycling symbol, the recycling code (which could be a resin identification code), and the "Green Dot". Food packaging may show food contact material symbols. In the European Union, products of animal origin which are intended to be consumed by humans have to carry standard, oval-shaped EC identification and health marks for food safety and quality insurance reasons.

Bar codes, Universal Product Codes, and RFID labels are common to allow automated information management in logistics and retailing. Country of Origin Labeling is often used. Some products might use QR codes or similar matrix barcodes. Packaging may have visible registration marks and other printing calibration and troubleshooting cues.

Shipping container labeling**[edit]**

"Print & Apply" corner wrap UCC (GS1-128) label application to a pallet load

Technologies related to shipping containers are identification codes, bar codes, and electronic data interchange (EDI). These three core technologies serve to enable the business functions in the process of shipping containers throughout the distribution channel. Each has an essential function: identification codes either relate product information or serve as keys to other data, bar codes allow for the automated input of identification codes and other data, and EDI moves data between trading partners within the distribution channel.

Elements of these core technologies include UPC and EAN item identification codes, the SCC-14 (UPC shipping container code), the SSCC-18 (Serial Shipping Container Codes), Interleaved 2-of-5 and UCC/EAN-128 (newly designated GS1-128) bar code symbologies, and ANSI ASC X12 and UN/EDIFACT EDI standards.

Small parcel carriers often have their own formats. For example, United Parcel Service has a MaxiCode 2-D code for parcel tracking.

RFID labels for shipping containers are also increasingly used. A Wal-Mart division, Sam's Club, has also moved in this direction and is putting pressure on its suppliers to comply.[23]

Shipments of hazardous materials or dangerous goods have special information and symbols (labels, placards, etc.) as required by UN, country, and specific carrier requirements. On transport packages, standardized symbols are also used to communicate handling needs. Some are defined in the ASTM D5445 "Standard Practice for Pictorial Markings for Handling of Goods" and ISO 780 "Pictorial marking for handling of goods".

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Flammable liquid

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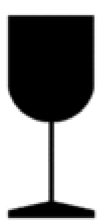
Explosives

- 

This way up

- 

Fragile material

Keep away from water

Brand Rejuvenation

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. A consumer's psychological desire for changing is one key factor behind brand rejuvenation.

Quite often, we see ongoing brands appearing as; 'new', 'super', 'special' 'premium,' deluxe, 'extra strong' and 'fresh',. They appear in new shapes, new pack sizes, new containers, new colors and flavors. Basically what happens here is an updating of brands. Corn Products reintroduced Rex jam with pieces of fruit in it and packed them in new containers. Cadbury's 5 star chocolate bar received a fill up through a new creamier and smoother version.

Given below points presents some example of brands reappearing with the tag "New":

* New Burnol: Burnol became 'New' and appeared in a new pack.

* New Horlicks : HMM its New Horlicks the New Horlicks claimed more nourishment through additional protein and calcium, eight essential vitamins and iron.

* New Nescafe: Nestle rejuvenated Nescafe and brought in the New Nescafe. New Nescafe was made using the new agglomeration coffee process, instead of the fine powder form and the coffee now came in small round goblets.

* New Bournvita: To give a push Bournvita, Cadbury's came out with New Bournvita, with extra glucose in a new packing.

* New Vicks Vapour: P&G's 100 year old Vicks Vaporub has almost become a generic name for cold cure. Still P&G does not keep quiet. New packages appear, new promotion campaigns are launched and improvements in product formulation area also made. In late 1990s, the brand received one such facelift and appeared as New Vicks Vaporub.

Objectives of Brand Rejuvenation

The main objectives of rejuvenation are:

1. Rejuvenation aims at revival of brand. The intention is to breathe some new life into a brand that may be showing signs of decline.

2. Even healthy, successful brands may need occasional rejuvenation. Because of competition, some re-formulation and refinement become necessary from time to time. The brand has to be updated. It ensures the steady success of the going brand.
3. It helps keep the brand live and in focus.

Four Strategies to Rejuvenate Your Brand

When your marketing goes stale, so does your business. The purpose of spring cleaning your online business is to clear away the cobwebs and stay relevant to consumers. So, what does it take to be relevant?

1. **Stay up with the times.** Take time every few months to read about new marketing tactics that can apply to your business.
2. **Be better!** Look at what your competitors are doing online, and see if you can do it better.
3. **Be social.** Don't leave your Facebook **FB +0.83%**, Twitter, or Pinterest accounts unattended for long periods of time or consumers will view you as stale, resulting in a loss of fans, followers and connections.
4. **Appeal to the masses.** Make sure the content you are posting appeals to the appropriate audience and remains cognizant of what's trending in your industry.

Strategize and Organize

Have you embraced the social media realm yet? Let's face it: Social media engagement is important for business success. However, you must be mindful of what you are posting and engaging in on social media. Social activity for the sake of activity is a waste of time. Part of spring cleaning is eliminating excess that doesn't benefit you.

If it's not relevant, appealing, or creating revenue for your company, it's not working for you. At the end of the day, your social interactions should bring a return on investment. There should always be a payoff, so there must be a sound strategy behind any social initiative. Here is one strategy you can follow:

1. **Pinpoint the ultimate goal.** What do we want from our visitors? What is our call to action? Once you have a goal in mind, you can commit and act to follow through and succeed.

2. **Look at your site's analytics.** What are you doing that's working? What is not working? What could work better? There is always room for improvement — find out what can and should be improved.

3. **Look at the social analytics.** What do Facebook or Twitter have to offer your business that you may not be taking advantage of? Social media continues to grow, so keeping up to stay relevant is critical.

Refine a Familiar Focus: Your Audience ADNC +0%

Whether you're sweeping up dust bunnies or brainstorming new business strategies, you can ask yourself these questions when reviewing your online marketing:

1. What will people think about these efforts?

2. How will they make people feel?

3. What will people do with this information?

Your content should give your audience something to think about, something to feel good about, and something productive to do. It can appeal to urgency with a limited-time offer or appeal to kindness with a charitable campaign.

No matter what you choose to do, you must focus on how the campaign and efforts will affect your audience. Rethinking or refining your marketing plans will give your business a renewed edge.

Refresh Your Brand

If you are an extreme spring cleaner, you won't stop at just the kitchen or attic. You're going to fix up the entire house, top to bottom. Consider adopting this mentality for refreshing your brand as a whole. Remember these tips for improving your online business brand:

1. **Define what your brand currently represents.** Apple **AAPL -0.45%**, Pepsi, and McDonald's have used a variety of different slogans over the years to tailor their brand messages and stay relevant to consumers. It's part of what makes them so successful. You can do this, too.

2. **Be consistent in your presentation**. Don't forget what you've defined from the beginning. Although your look or slogan may change, the heart of your business should remain the same.

3. **Be willing to grow and evolve** based on your vision, your audience, and your image (keeping consistency in mind).

4. Rinse and repeat.

BRAND SUCCESS STRATEGIES

1. Leverage the Testimonial Economy

We now live in the testimonial economy. We no longer listen to what others say about themselves. Instead, we go online to learn what people say about them. Influenced by their comments, we make a more informed buying decision. Want to build a successful brand? Leverage the testimonial economy by building a community of ambassadors ready to share their love of your brand online. - Mark S. Babbitt, YouTern.

2. Create Emotive Appeal

A key way to build a successful brand is to use emotive appeal by creating an association between the product or service and an emotion. When we understand the key desires and struggles of our target market, we can build a brand persona that shows how our product can help our target market achieve their desired state of feeling. Most buying decisions are emotional in nature. - CarolinSoldo, CarolinSoldoCoaching & Events

3. Focus on Generating Value for Others

People rarely remember what you said or did, but they remember how you made them feel. Trust is the most important currency in the 21st century, and the person you're serving must feel the genuineness of your character and experience your competence first hand. Generate value for others three times before asking for anything in return. If your service is unique, your brand will be solidified. - Michael S. Seaver, Seaver Consulting, LLC

4. Use the Internal Dialogue of Your Clients

Talk your prospects' language. We tend to use marketing words to define our brand. What is your prospect saying to their partner over the dinner table? Are they using words like "alignment, collaboration or engagement?" More likely they are saying, "We can't get things done, no one cares that we are behind, we are missing deadlines, again." Use what they say in your branding materials. - Debora McLaughlin, The Renegade Leader Coaching & Consulting Group

Forbes Coaches Council is an invitation-only community for leading business and career coaches. ***Do I qualify?***

5. Be Known For a Specific Niche

Don't muddy your message by telling prospects you are an expert in multiple things. For example, saying you are an image consultant for men and women is a much less powerful message than saying you are an image consultant specializing in women over 40 who are re-entering the workforce after being stay-at-home moms. Being specific allows you to be memorable and the best in your niche. - Barbara Safani, Career Solvers.

6. Identify and Target Your Ideal Client

To have a strong brand you need to know, see and appeal to your key demographic. The best way to do this is to create your ideal client avatar in crystalline detail. Consider geography, age, parental status, favorite tv shows, goals, online status, education level, fears, dreams, weaknesses, dislikes, etc. When you know who this person is, you can shift messaging to speak directly to this person. - Laura DeCarlo, Career Directors international

7. Be Consistent

A brand is a promise of an experience and is directly connected to trust. If you want to build a successful brand, first be clear on the brand personality. What are the ABC's: attributes, behaviors and characteristics of the brand? Then ensure that every interaction a client has with the brand infuses those ABC's into it. Consistency builds trust and solidifies the brand. - Michelle Tillis Lederman, Executive Essentials

8. Understand Branding Is Not About Positioning

Drop the belief that branding is about positioning. Your brand is the sum total of how people experience you. Experience goes beyond visual identity and marketing messages. Yes, dial in your messaging, but also look for ways to wow people in their encounters with you. See every touch point as an opportunity to uplift your customers and leave them feeling better about themselves, not just your brand. - Joseph Ranseth, JosephRanseth.com

9. Find the Intersection

A successful brand is the intersection between what you love to do, what you are amazing at, and what others want and need. If you love what you do but others don't need it, then it's a hobby. To build a brand, your gifts must resonate deeply and fulfill a need for your audience. Do this consistently over time and your brand will become successful. - Tara Padua, NextFem

10. Share Your Brand Assets in a Thought Leadership Campaign

You used to need a blog in order to market your brand successfully, but these days LinkedIn **LNKD +0%** makes that easy via their long-form post feature. By leveraging this feature, discussion posts, and status updates, you can gently promote your brand assets without appearing to be marketing yourself at all. Focus on sharing genuinely helpful content, experience and wisdom to attract your ideal market. - Cheryl Lynch Simpson, Executive Resume Rescue

11. Be Authentic

Don't try to be something you are not. Others see through that — and it stifles your confidence. Be who you are (the good and the bad) so you will attract others who "get" you. That's who you want in your tribe. Make sure your online visual representation matches who people see when they meet you in person. It highlights your confidence in yourself, your skills, and shows your authenticity. - Terra Bohlmann, BrightBound

12. Watch What Makes Your Heart Pound

When you tell others what you do, or share your best with a client or prospect, what makes your heart pound? What gets your juices flowing? What do you find yourself saying over and over again, because it's so central to who you are and how you (and your company) serve the world? That's your message. And that's the centerpiece for what will become your brand. It's you. Start there. - Wendy Pitts Reeves, C2C Consulting, PLLC

13. Define Your Brand's DNA

DNA is defined as "fundamental and distinctive characteristics/qualities of something" and "unchangeable." If your team can't quickly rattle off your brand's DNA by heart, put pen to paper, Create a list of benchmark brands from an aspirational perspective and find common themes. Identify key qualities that embody your brand. Whether it's price advantage or niche, define it's core and stay true to it. - Rachel Mestre, Rachel Mestre LLC

Brand Resilience

Resilience is the quality of bouncing back, the snapback in elastic bands and a baby's cheek. In people, it's the ability to survive failure or problems because their self-esteem and reputation have been honestly earned over time by repeatedly rising above challenges and working for their success.

When it comes to a brand, resilience is just as important to survival. Clients often ask us what the difference is between brand and reputation, and the answer is the degree of resilience. The better your brand's reputation, the stronger your brand, the better it can withstand the pressure of failures, missteps and even brand sabotage.

Volkswagen is a brand resilience drama unfolding right now. This crisis is severe and self-inflicted. On the positive side, Volkswagen as a brand has fallen on its sword, admitted wrongdoing albeit not systemically and is eager to make restitution to its customers and stakeholders. It is an old respected brand with high resilience. Time will tell, but I think they will survive and be the stronger for it.

So what does it take to build a resilient brand in the marketplace, one that has earned its good reputation honestly and can survive a crisis? While these seven suggestions won't guarantee you a resilient brand, they will go a long way in ensuring that your brand will carry on strong, trusted and believed.

Seven Ways to build brand resilience

1: Align your brand promise with your brand experience.

A thin brand promise that is no deeper than words on a webpage is flaccid and weak. Brands "happen" when they are delivered to the customer through every touch point and through every interaction. A resilient brand doesn't just say what it will do, it actually does it. If your brand promises to simplify your customer's network, then be about simplicity in everything that you do. If your promise is to provide the best customer service, then it must be the best, period. If you keep your promises, then you'll be trusted and forgiven when something goes wrong

2: If you make a misstep, own up and deal with it.

Like people, brands make mistakes. We could point to Volkswagen's recent problems or McCain's crisis several years ago as great examples of brands that acknowledged their mistakes, talked openly to customers and made it right. They had earned their reputation for excellence already, so forgiveness was easier. And by being forthright, they built up even more resilience.

You don't have to be that big and public though to build brand resilience. It grows from taking the time to respond to an angry customer, to saying sorry, to pulling a poor product, to making something right even if you're not going to get paid for it.

3: Listen to your customers and talk to them. Really talk to them.

Brands are at greater risk now than ever before because of the Internet's ability to increase transparency and reach. That means that one person's experience or opinion can reach everyone and quickly become everyone's experience and opinion. Build reputation and resilience by monitoring all touch points carefully and responding to emails, tweets, posts, comments, texts, phone calls and even letters with real answers by real people that acknowledge the issue and make an honest attempt to fix the problem or address a complaint. The personal touch is perhaps a brand's greatest resilience asset

4. You are the company that you keep. Choose brand partners carefully.

When Tiger Woods' brand crashed as a result of his poor choices, the brands that had supported him bailed as fast as they could. Brands no longer stand alone, but are linked to others through arrangements like co-branding and sponsorships. When one brand stumbles, then all the brands within its halo can stumble too. Build resilience and reputation by choosing your brand partners with care, and be ruthless if a brand partner no longer shines the right light on your brand.

5. Be true to your values and take the high ground.

CVS/pharmacy walked away two years ago from billions of dollars in business by removing all tobacco from their stores because the products did not fit with their promise of helping customers make healthy choices. While decisions like that will have an obvious affect on financial results in the short term, the loud statement it makes about CVS's values and their commitment to their brand promise will resonate for the long term and build even greater resilience over time.

6: Pay attention to your employees.

There are potential brand saboteurs everywhere and they probably work for you. Unhappy vocal customers can be a problem, but real brand sabotage is usually an inside job. It's the aggrieved employee who posts a video of himself peeing on the restaurant's crockery. It's the passenger who posts video of a flight attendant yelling at a difficult fellow passenger. It's the tech support guy who tweets on the company page that he's bored and his company is stupid.

Your employees are the people who have to deliver your brand promise. If they don't understand how to do that and how their behaviour affects that promise, it's a problem for your brand. If they are unhappy and you fail to address their concerns properly, that's a potential problem for your brand. If you don't monitor their online presence, then you're risking your brand.

7. Be patient.

Building resilience takes time. It's the result of consistent messages, consistent delivery, consistent quality delivered over time to build reputation and trust. So be patient.

Brand Equity

Brand equity refers to a value premium that a company generates from a product with a recognizable name, when compared to a generic equivalent. Companies can create brand equity for their products by making them memorable, easily recognizable, and superior in quality and reliability. Mass marketing campaigns also help to create brand equity.

Brand equity has three basic components: consumer perception, negative or positive effects, and the resulting value. First and foremost, brand equity is built by consumer perception, which includes both knowledge and experience with a brand and its products. The perception that a consumer segment holds about a brand directly results in either positive or negative effects. If the brand equity is positive, the organization, its products and its financials can benefit. If the brand equity is negative, the opposite is true.

Finally, these effects can turn into either tangible or intangible value. If the effect is positive, tangible value is realized as increases in revenue or profits and intangible value is realized as marketing as awareness or goodwill. If the effects are negative, the tangible or intangible value is also negative. For example, if consumers are willing to pay more for a generic product than for a branded one, the brand is said to have negative brand equity. This might happen if a company has a major product recall or causes a widely publicized environmental disaster.

General Example of Brand Equity

A general example of a situation where brand equity is important is when a company wants to expand its product line. If the brand's equity is positive, the company can increase the likelihood that customers might buy its new product by associating the new product with an existing, successful brand. For example, if Campbell's releases a new soup, the company is likely to keep it under the same brand name rather than inventing a new brand. The positive associations customers already have with Campbell's make the new product more enticing than if the soup has an unfamiliar brand name.

Specific Example of Brand Equity

Brand equity is a major indicator of company strength and performance, specifically in the public markets. Often times companies in the same industry or sector compete on brand equity. For example, an EquiTrend survey conducted on July 14, 2016, found that The Home Depot was the number one hardware company in terms of brand equity. Lowe's Companies, Inc. came in second, with The Ace Hardware Corporation scoring below average.

A large component of brand equity in the hardware environment is consumer perception of the strength of a company's ecommerce business. The Home Depot is an industry leader in this category. It was also found that, in addition to ecommerce, The Home Depot has the highest familiarity among consumers, allowing it to further penetrate the industry and increase its brand equity.

Brand Equity Development

Brand equity develops and grows as a result of a customer's experiences with the brand. The process typically involves that customer or consumer's natural relationship with the brand that unfolds following a predictable model:

- Awareness – The brand is introduced to its target audience – often with advertising – in a way that gets it noticed.
- Recognition – Customers become familiar with the brand and recognize it in a store or elsewhere.
- Trial – Now that they recognize the brand and know what it is or stands for, they try it.
- Preference – When the consumer has a good experience with the brand, it becomes the preferred choice.
- Loyalty – After a series of good brand experiences, users not only recommend it to others, it becomes the only one they will buy and use in that category. They think so highly of it that any product associated with the brand benefits from its positive glow.

Examples of Positive Brand Equity

Apple, ranked by one organization as "the world's most popular brand" in 2015, is a classic example of a brand with positive equity. The company built its positive reputation with Mac computers before extending the brand to iPhones, which deliver on the brand promise expected by Apple's computer customers.

On a smaller scale, regional supermarket chain Wegmans has so much brand equity that when stores open in new territories, the brand reputation generates crowds so large that police have to direct traffic in and out of store parking lots.

Examples of Negative Brand Equity

Financial brand Goldman Sachs lost brand value when the public learned of its role in the 2008 financial crisis, automaker Toyota suffered in 2009 when it had to recall more than 8 million vehicles because of unintended acceleration, and oil and gas company BP lost significant brand equity after the U.S. Gulf of Mexico oil spill in 2010.

Achieving positive brand equity is half the job; maintaining it consistently is the other half. As Chipotle's 2015 food poisoning crisis indicates, one negative incident can nearly eliminate years of favorable brand equity.

Brand valuation

There are a number of different brand valuation methods. There are pros and cons of all these methods of valuing brands. A brand valuation method that is appropriate for one brand may not be the best valuation method for another. Judgement should be exercised to ensure the most appropriate of brand valuation methods is used.

The main brand valuation methodologies are:

1. Income based brand valuation methods

- **Relief from royalty method:** this brand valuation method is based on how much the brand owner would have to pay to use its brand if it licensed the brand from a third party. It uses discounted cash flow analysis (DCF) to capitalise future branded cash flows
- **Excess-earnings method:** this brand valuation methodology calculates the earnings above the profits required to attract an investor – which uses the estimated rate of return based on the

current value of the assets employed. These excess earnings are assumed to be attributable to the intellectual property, or brand.

- **Price premium method:** this brand valuation method is based on a capitalisation of future profit stream premiums attributable to a business' brand above the revenues of a generic business, without a brand.
- **Capitalisation of historic profits method:** the brand valuation method is based on the capitalisation of profits earned by the brand.

2. Market based brand valuation methods

- **P/E ratios method:** the P/E (price to earnings) brand valuation method multiples the brand's profits by a multiple derived from similar transactions of profits to price paid based on the value of reported brand values.
- **Turnover multiples method:** this brand valuation method multiplies the brand's turnover by a multiple derived from similar transactions.

3. Cost based brand valuation methods

- **Creation costs method:** this brand valuation methodology estimates the amount that has been invested in creating the brand.
- **Replacement value method:** this brand valuation method estimates the investment required to build a brand with a similar market position and share.

Which brand valuation method to use?

It is generally best to value brands using all appropriate brand valuation methods and synthesise the results to arrive at a conclusion.

Uses of brand valuation

Common purposes are:

- value reporting
- business buying and selling decisions
- tracking Shareholders' value
- licensing
- dispute resolution
- legal transaction
- accounting
- strategic planning
- management information
- taxation planning and compliance
- liquidation
- litigation support
- Investor's presentation/ Shareholder's report
- Raising funds

Interbrand classifies these uses of brand valuation in three categories

1. Financial applications (e.g. M&A, balance sheet valuation, investor relations)
2. Brand management applications (e.g. brand portfolio management, resource allocation)
3. Strategic / Business case applications (e.g. brand architecture, brand repositioning)

Building global brands

n a globalized world where technology has brought everyone from across geographies closer, it is easier and makes much more sense to operate on a global scale. When I started Rategain, it was a conscious decision to make it a global brand. From day one I was clear that my company would be a global brand and it was not some random decision. For anyone looking to be a global brand and viewing the world as their market, the following can prove to be helpful.

Brand vision - The first step to being a global brand starts with the mindset. The vision and the mission of the company should be to operate on a global level and every activity it undertakes should be a step towards realizing that goal. Being a global brand should be ingrained in the DNA of the company and its culture and from its early days a company should constantly and consistently strive to achieve it. This would mean your product, services, processes and systems are configured in such a way that being 'Global' is a key phrase for the organization.

Get the board involved in developing strategy - Having a vision and mission is one thing and executing it is another. Lofty ambitions would be of little use if strategies and plans are not drawn to achieve it. To be a global brand clear, rational, actionable strategy is needed and each activity must be aligned to it. Merely getting your marketing and branding team to execute your plans is also not enough. To be a global brand an organization needs to get all the help it can and getting the board involved may be prudent. The collective wisdom of the board can always help enhance the strategy and at the same time ensure that everyone from the top to the bottom within the organization knows about the focus to be a global brand. Chalking strategy and getting the board involved means that actions are long term in nature and not ad hoc. Action a global implementation strategy: Brand building starts with a vision, but does not end there.

The same positioning - Strong brands are created when the positioning is the same throughout the world. This ensures customers across the globe relate to one company and can expect the same levels of standards. If you position your product or service in one country as premium and sophisticated, it will be of little help if it's positioned as a mass market product or service in another. Every successful and well known global brand has successfully managed to create one strong brand identity. This also has the added advantage that one marketing campaign can be used in multiple geographies, something the global car companies do very well.

Understanding Customers - Customers are always at the center of every brand or service and it would be impossible to be a global brand without understanding customers. Customers across countries will have similarities and some differences. For example, customers across countries want their product or service to be good, reliable and efficient. However, there will be differences on aspects like colour, fashion, importance, utility among others. For a brand to be global, a company has to look at each market very closely and understand what consumers want.

Understand the market - Understanding the customer is one part, but it is essential to know the market in each country. Consumers shop for things very differently in each country. For example, how we buy vegetables in India is different from that in the US. Similarly, a lot of products and services are made available to customers through different channels. In some countries e-commerce may be very popular and in other ecommerce can be frowned upon. To be a global brand, a company needs to understand the idiosyncrasies of each market and then develop its strategies.

Get the name right - Many do not realize, but the name is perhaps the most important thing when creating a brand. The name would be the identity of the company and every global brand created has managed to get its name right. Brands like Toyota, IBM, HP, Apple, Microsoft is the same across every country and people easily associate it with its line of business. If you want to create a global business, have a name that resonates across the world and does not have any different meaning in another language. For example, having your company name as "Paisa" may be fine in India, but would not have the same effect outside the Indian subcontinent.

Get local knowledge - To be a global brand and spread across geographies, it is always useful to get local help and knowledge. Someone from the country you want to expand to would have greater insights on the culture, what works and does not and how to implement things faster. To be a global brand, consider partnering with someone from the country and benefitting from local knowledge and expertise.

A basic premise and one of the core objectives of a board in any organisation is to build and sustain shareholder value. To fulfill these objectives on a continuous basis, a board must focus on making the equity of the organisation's brands a reputational asset in the minds of the consumer. With organisations rapidly expanding globally on one side and also rapidly consolidating via mergers and acquisitions on the other, the board has a stronger onus to lead the way for building and managing strong global brands.

No one can deny the fact that creating shareholder value has become increasingly challenging in recent times. Organisational growth, the primary catalyst for driving value, is extremely difficult to maintain over sustained periods of time. This is more challenging for organisations that have a wider geographic footprint as they are more exposed to the influences of broad economic, political, regulatory and financial factors.

In such challenging and uncertain environments, global brand building by the board needs to happen within a structured framework, should be pursued with discipline and should be aligned with the organisation's financial goals. Four steps a board should consider for implementation are:

1. **Create and develop the brand vision:** The board's involvement in brand building should not start as a random intervention in a brand's life, but should start at a very strategic level and at the top. The board should play a key role in the creation of a brand's vision and its sustenance. This should be made possible by having an individual on the board who is closest to building brands in the organisation or who has being tasked with this specific responsibility. In many instances it is the Chief Marketing Officer (CMO) or the Chief Brand Officer (CBO), but it could be anyone. This individual's role within the board is to get the board involved and enthusiastic about developing the brand vision.

2. **Action a global implementation strategy:** Brand building starts with a vision but does not end there. A vision on paper is just what it is, on paper. To have an impact on organisational growth, brand visions need to be translated into global strategies that are pragmatic, actionable and measurable. Global brand strategies have long been the property of marketing and branding functions, but it is high time the board starts to influence and enhance these strategies.

Implementing a global brand strategy driven by the board ensures that the strategy is truly global in nature and has the brand vision driving it on a long-term basis. Such strategies are free from global versus local push and pull, position the brand with both a present and future perspective and are in line with organisational values and shareholder expectations. Because of these aspects, such strategies have a stronger impact on brand building and also in terms of enhancing organisational growth.

3. Motivate, influence and align goals and objectives: A critical task for the board is to motivate employees and align their goals and objectives with those of the organisation. In this case, the role of the board changes to be able to influence individuals to align their personal goals and expectations with the global brand building strategies. This is easier when the board has an understanding of brand building and has representation of individuals who can finely balance the need for building strong brands with the need for short-term and medium-term profitability and healthy shareholder returns.

The process of motivating and influencing should be top-down with the board selecting the influential individuals, who can then take on the responsibility of percolating the vision and the associated strategies to the wider organisation. The selection of individuals, who have strong credibility, visibility and influence within the organisation, is the key here.

4. Sustain, enhance and sustain again: Brand building is a continuous effort and when practiced at a global level, can also be a long-term process requiring lots of persistence and focus. This requires the brand building process to be sustained through continuous board level support. But sustenance is only half the story. To survive and to maintain a competitive edge in any category, a brand needs to continuously evolve and strengthen its positioning. This also requires a continuous enhancement of the brand building process. With the emergence of digital channels, this has now become more of an imperative rather than being an option.

Consequently, the board should be involved in any form of enhanced brand building strategies globally. This also forces consistency of efforts and general direction the brand is taking when there are multiple regional and local stakeholders interested in developing the brand from their respective markets. The board should drive consistency in brand building efforts and should also ensure that none of the organisation's future direction for its brands is in contradiction with the mission and brand values.

Every level of enhancement in a brand building strategy is followed by a phase of sustenance. The role of the board, as highlighted earlier, should not be a sporadic one, but should ensure a continuous and close association with any form of brand building that is being implemented anywhere.

Brands for the long-term

In summary, a board needs to move out of its traditional mindset of being only interested in generating short-term and medium-term shareholder returns, to a more long-term perspective of building value through investing in brand building strategies. Easier to think than implement, the board involvement in brand building is a long-term one, which includes creating a brand vision, helping in its implementation, enhancing and broadening its aspects, supporting growth and sustenance initiatives and motivating employees. By following some of the best practices explained above, the board enhances its role as a success driver for the organisation's brands and also invests in their future.

Brand Failure

Gone are the days when products used to be everything for a company. People, today, buy a brand. There truly isn't much difference among the products sold in the market. It's the brand that makes the difference and makes the purchase decision easy for the customer.Brand success and brand failure both depend on the brand-consumer bond, brand image, brand promise and brand positioning as it's the customer who decides the fate of a brand. Bonds, once established, results in emotions being attached and a perception developed about the brand. This bond when distorted leads to a distorted perception of either the brand (brand failure), the competition or the market (if it's a new market).

REASONS FOR BRAND FAILURE

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.

Icarus paradox (Over confidence)

Sometimes, one of the most successful companies face the biggest brand failures because of their strengths and past victories, which resulted in over-confidence and lulled them into complacency that they feel reluctant in trying new strategies and sometimes even don't even care about their current and prospective competitors.

The Icarus Paradox refers to a Greek Tale of Icarus who burnt his feathers after flying too close to the Sun, even though he was warned against it.

Similarly, many big companies often burn their wings because of their overconfidence and extensive and unscientific use of some rule of thumb strategies (which helped them to reach the top).

Deception

When the marketing strategies are built to cover up the reality, the brand doesn't last very long. It's true that not everything can be told to the consumers but the product has to compliment the brand promise or the company could get a great fall. Deception, at today's digital age, would no longer result in the success of a brand as the consumers are much aware of the current scenarios and, with an increase in competition, aren't hesitant to switch over to a new brand. Such strategies may result in a decrease in brand equity and also affect the brand image of the business.

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. In this age of the digital world, if a brand still sticks with print media, it surely lags behind many of its competitors. Similarly, if a brand fails to infer the current and future needs, wants, and desires of the customers, there are greater chances that it may lose to its competitors.

Brand Ego

Sometimes, a successful brand, because of its ego, may get a feeling of ***megalomania*** and plans to spread its hands in every possible product category. This strategy might not work for every brand. Even Amazon faced losses when it launched its fire range of phones.

Brand Paranoia

This is the opposite of brand ego and occurs when a brand faces too much competition or starts to loose much of its market share. This condition is characterized by reinvention of brand strategies in short spans of time, imitation of competition, and distorted public relations.

Building a Product, Not a Brand

There are many companies that offer an exceptional product but fail to build the brand around it. The Management team that runs these companies invariably believes in the "we offer a great product at the right price" selling strategy.

Reality has proven the best product doesn't always win.

From a product perspective, Fage qualifies as *the* authentic Greek yogurt on the US market: the brand is owned by the same company that enjoys the leading market position in Greece.

However the undisputed US market leader is Chobani, a brand launched 9 years after the Fage brand.

Lack of Brand Communication

This is another common scenario: the marketing budget for building the brand is not nearly enough to achieve anything meaningful. In reality, management believes, just like in the above scenario, that marketing is purely ego-building and a waste of money, and what really sells is product and price.

Consistent communication of the brand message is key to getting into the minds of consumers. Brands that are not on the radar do not exist. In order to become a player, the brand communication budget has to be on par with the competitive brands you are trying to displace.

Being Stuck in the Middle

A brand is "stuck in the middle" when it holds no defined positioning in the marketplace. These brands usually struggle to remain profitable and eventually die.

Gap was launched in 1969 and quickly became synonym with cool, affordable American-style apparel.

In recent years Gap is struggling to define its identity, both internally (stuck between Old Navy and Banana Republic), and externally, facing competition from more focused brands such as H & M and Zara.

Brand Cannibalization

Changes in the marketplace require bold strategic moves that affect a company's brand portfolio. Such moves include launching new brands to fight newly emerged competition, or meant to capture a new market segment.

These strategic moves have to be carefully planned in order to avoid cannibalization of the existing brand(s).

Consider a common scenario: an established premium brand decides to launch a lower cost alternative to capture a new market segment consisting of consumers who currently cannot afford it. Many companies choose the shortest way to market: strip the existing product of some of its premium features, and market it under a very similar brand name, that would create an obvious connection with the premium brand.

Great strategy, at least on paper. In reality, these companies run the risk of alienating their core customers who currently pay a premium for the premium brand.

In order to avoid cannibalization, enough separation has to exist between the two brands in order to keep them both relevant to appealing to different consumer groups.

Not Keeping Up With The Competition

Competitive advantages are very difficult to preserve.

In her excellent book "Different: Escaping the Competitive Heard", Harvard Business School Professor Youngme Moon talks about "augmentation-by-addition": differentiated features are quickly copied by competition and become points of parity, something all consumers expect to get.

Brand survival requires constant innovation.

The first mistake companies such as Blackberry, and Blockbuster made is not acknowledging that the market is changing. Blackberry believed for a long time that the touchscreen phone is just a marketing fad. Management also failed to see the evolution of the smartphone from a communication device to a full entertainment hub.

Not being able to keep up with the competition (even if you invented the category) invariably leads to brand failure, especially in fast chancing categories, where it's almost impossible to catch up.

Purposely Deceiving Customers

At the time of writing this article (September 2015) the news just broke that Volkswagen has installed software in its cars equipped with TDI engines that activated emission controls only when being tested. Otherwise, the cars were exceeding the pollution levels by as much as 35 times.

Many car brands managed to survive crises caused by manufacturing defects. However, choosing to deceive your customers on purpose in order to gain market share causes irreparable damage.

No amount of money and PR can save a brand that has lost that much of its reputation. I just don't see how Volkswagen, a brand with a tiny 2% market share in the highly competitive auto market can maintain its North American presence.

There are usually a combination of factors that lead to brand failures. The situations above highlight the challenges and responsibilities brand managers have in making sure that brand survives and stays relevant long-term.

Possible Question

2 Marks

1. Define Labelling?
2. Define Brand Equity?
3. What is Brand Rejuvenation?
4. Define Packaging?
5. Explain Brand Success Strategies?

5 Marks

1. Explain the approaches for brand valuation.
2. What are the critical factors of a successful branding?
3. Explain the types of packaging strategies.
4. What are the causes of brand failures with examples?
5. What are the essential factors for strong brand equity?
6. Elaborate the strategies to build global brands.
7. Explain types and functions of labeling.
8. Explain brand rejuvenation strategies
9. Elaborate the objectives and functions of product packaging in Branding.
10. Explain Keller's Brand equity model.

KARPAGAM ACADEMY OF HIGHER EDUCATION, COIMBATORE
Class: II MBA **Course Name: Brands and Business**
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Multiple Choice Questions
Unit 5

Questions	**Option 1**	**Option 2**	**Option 3**	**Option 4**	**Answer**
The four levels of brands are the tangible product, the basic brand, the potential brand and the ------- brand.	targeted	augmented	aggregated	positioned	augmented
A secondary-use package can best be defined as one that	can be used as a promotional tool.	can be reused for purposes other than its initial use.	facilitates transportation, storage, and handling for middlemen.	is recyclable and environmentally safe.	can be reused for purposes other than its initial use.
In packaging a new line of fabric conditioner, Proctor and Gamble would be wise to avoid the use of which color?	Black	Yellow	Pink	Green	Black
Some of the major packaging considerations that marketers take into account include cost, consumer safety, size, shape, color, texture, graphics, consistency in package designs, environmental responsibilities, and	type of branding supplier.	competitor's packaging.	level of demand.	needs of middlemen.	needs of middlemen.
Which one of the following is NOT a benefit of multiple packaging?	Increases demand	Increases consumer acceptance of the product	Makes handling or storage easier	Provides an overall image of the firm	Provides an overall image of the firm

If Planters is concerned that acquiring a taste for its new product, honey-roasted macadamia nuts, takes time, it should use __________ packaging.	family	multiple	tamper-resistant	unlabeled	multiple
Labeling is important for three reasons, including promotional, legal reasons &	Marketing	Branding	Strategic	Informational	Informational
Labeling is important for informational, legal and ----- reasons.	marketing	branding	strategic	promotional	promotional
The label on a pack of frozen peas says, 'packed within an hour of picking'. These words are used to:	to encourage multiple puchases	to provide information	to satisfy legal requirements	for promotional reasons	for promotional reasons
The UPC is also known as the	price label	product code	bar code	product label	bar code
A carton of orange juice has no brand name on the package, only the name of the product 'orange juice'. This is an example of	A manufacturer's brand.	An own label brand	A no-frills brand	A generic brand	A generic brand
A firm may decide that all packages are to be similar or include one major element of the design. This approach to promote an overall company image is called ______	Family extension.	Family packaging.	Overall packaging.	Package extension.	Family packaging.

Activities carry by company to design and produce a differentiated container for particular product is classified as	guarantees	warranties	labeling	packaging	packaging
Formal statement by manufacturer of product regarding its performance is classified as	guarantees	warranties	labeling	packaging	warranties
______ is the activities of designing and producing the container or wrapper for a product.	Labeling	Packaging	Product support services	Product line decisions	Packaging
Traditionally, the primary function of the package was to:	promote the product.	introduce the product to a new market.	contain and protect the product.	describe the product and attract attention	contain and protect the product.
Strategy of using individual family brand names is referred as	house of brands	strategy house	house of products	extended strategy	house of brands
Branding strategies alternatively use by marketers does not include	individual brand names	company brand name	sub-brand name	variant brands	variant brands
Offering of all brands and brand lines by a particular company is considered as	company portfolio	brand portfolio	brand line portfolio	corporate portfolio	brand portfolio
In designing brand portfolio, focus is always on	maximum market coverage	minimum market coverage	categorize market coverage	brand house coverage	maximum market coverage
When bands are introduced to compete with competitors thus brands are classified as	flankers	competitive	variant brand	sub variant brands	flankers

The______identifies the product or brand.	Container	Label	Advertiseme nt	Warranty	Label
Number of acquisition and its prospect depends on	add-on spending	retention	visualization	acquisition	acquisition
value of well known brand is typically half of firm's	market finance	market capitalizati on	actual finance	asset total value	market capitalizatio n
Number of common and distinctive elements of brand are reflected as	brand earnings	brand responsiven ess	brand architecture	branding rate	brand architecture
Customer multiplier includes	customer size and profile	clarity	relevance	risk profile	customer size and profile
Particular brand's equity arises from consumer's response	similarities	differences	knowledge	equity	differences
Process of how effectively existing brand equity has leveraged to a new product is considered as	potential extensions	lifetime extensions	bait extensions	visual extensions	potential extensions
In BVA, degree through which brand is seen different with its perceived leadership and momentum is classified as	energized differentiat ion	energized similarities	perceived differences	perceived similarities	energized differentiati on
Overall brand discount rate is equal to sum of	brand risk premium	risk free rate	brand earnings	both a and b	both a and b
Brand_________is the added value endowed to products and services.	loyalty	equity	preference	satisfaction	equity

_____can be defined as the differential effect that brand knowledge has on consumer response to the marketing of that brand.	Mission-driven brand equity	Consumer-based brand equity	Product-driven brand equity	Service-driven brand equity	Consumer-based brand equity
________ is what drives the differences that manifest themselves in brand equity.	Brand image	Consumer income	Consumer purchasing power	Consumer knowledge	Consumer knowledge
Strong brands possess all of the following marketing advantages EXCEPT ________.	greater loyalty	larger margins	guaranteed profits	improved perceptions	guaranteed profits
There are four key components—or pillars—of brand equity. Which of those components or pillars measures the breadth of a brand's appeal?	Differentiation	Relevance	Esteem	Knowledge	Relevance
Two pillars that point to the brand's future value, rather than just reflecting its past, are differentiation and relevance. Differentiation and relevance combine to determine what is called brand________.	image	depth	knowledge	strength	strength

According to Aaker, a particularly important concept for building brand equity is_________—the unique set of brand associations that represent what the brand stands for and promises to consumers.	brand knowledge	brand preference	brand identity	brand vision	brand identity
'brand asset valuator' key pillars includes	relevance	esteem	energized differentiation	all of above	all of above
Assessment of actual impact of brand knowledge on differential aspect of marketing is called	internal assessment	external assessment	direct approach	indirect approach	direct approach
Way in which customers think and act in terms of prices and market share is classified as	branding	valuing	advertising	brand equity	brand equity
Assessment of brand equity potential sources by tracking consumer knowledge structure is called	direct approach	indirect approach	internal assessment	external assessment	indirect approach

Comparison of brand equity from thousand of different brands with several categories is called	brand preference valuator	brand asset valuator	brand similarities valuator	brand differences valuator	brand asset valuator
Indicator which determines future value and growth is classified as	brand value	brand strength	brand awareness	brand knowledge	brand strength
Retention, acquisition and some add-on spending together makes up	customer lifetime value	brand lifetime value	customer equity value	portfolio equity value	customer lifetime value
Value creation practices such as budging and documenting is classified as	impression manageme nt	community engagemen t	brand use	social networking	social networking
Stage which describes extrinsic properties to meet customers social needs is considered as	brand salience	brand performanc e	brand imagery	brand feelings	brand imagery
A strong brand commands	Intense consumer loyalty	Intense employer loyalty	Intense employee loyalty	None of the above	Intense consumer loyalty
There are___________key elements of customer-based brand equity	Four	Five	Three	Two	Three
What is more important in brand equity?	Quality	Quantity	Customer perception	Product	Quality
There are_______main bases to choose brand elements.	Four	Five	Six	Two	Six
The brand building components while choosing brand are:	Transferab le, adaptable and protectable	Memorable , likable and meaningful	Both a & b	either a or b	Memorable, likable and meaningful

Lux, Taj and LG represent which brand element?	Transferable	Memorable	Adaptable	Likable	Memorable
Amazon.com represents which brand element?	Transferable	Memorable	Adaptable	Likable	Transferable
Compared to local brands, a worldwide brand has this advantage.	pronunciation	marketing impact	connotations	quality variations	marketing impact
Compared to a worldwide brand, local brands have this advantage	marketing impact	brand taxation	travelers' brand recognition	advertising costs	brand taxation
Failure of product that increases likelihood of customer's purchasing products with warranty is an example of	anchoring heuristic	adjusting heuristic	availability heuristic	geographical heuristic	availability heuristic
Stages in brand development according to successive quadrants are considered as	brand grid	power grid	reporting grid	knowledge grid	brand grid
Attributes or benefits associated to overcome customer's perceived weakness are classified as	desirable points of parity	comparative points of difference	competitive points of parity	category points of parity	competitive points of parity
Brands used by retailers or distributors to attract large number of customers are classified as	extract brands	bait brands	retained brands	lifetime brands	bait brands
Net present value of forecasted brand earnings is classified as	brand value	brand discount rate	brand earnings	brand responsiveness	brand value