

**BLOCK II:**  
**PRODUCT POLICIES**

- Unit 1 : Product Policies and Product Differentiation,  
Challenges in New Product Development
- Unit 2 : Branding Strategies and packaging, Role of Brands,  
Brand Equity, Brand Loyalty
- Unit 3 : Brand Awareness, Brand Association, selection,  
creation and maintaining Association

# **Unit-1**

## **Product Policies and Product Differentiation, Challenges in New Product Development**

### **Unit Structure:**

- 1.1 Introduction
- 1.2 Objectives
- 1.3 Product- Meaning and Importance
- 1.4 Product Policy- Meaning, Types of Product Policies
- 1.5 Product Planning and Development-Meaning, features, Process of Product Planning and Development
- 1.6 Product Mix
- 1.7 Product Line
- 1.8 Product Branding
- 1.9 Product Packaging
- 1.10 Summing Up
- 1.11 Model Questions
- 1.12 References and Suggested Readings

### **1.1 Introduction**

Marketing has emerged as a powerful institution and an important discipline of learning in the modern world. It is not a one way process. It has become essentials for all types of organisation.

Marketing process is a process of setting goals, planning and controlling the market environment and leading the execution of any products to be sold in the market. Over the years marketing cycle has gone for many changes. In any business organisation marketing is considered to be the most important.

It is indeed not easy to give a precise definition of marketing. It differs from person to person. In a nutshell, Marketing can be defined as an art as it involves application of skills and it also termed as a science as it contains a systematic body of knowledge based on experiments and observation.

Philip Kotler: Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing

identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential.”

## 1.2 Objectives

After going through this unit, you will be able to–

- understand the meaning of Product
- understand the importance of Product and its policies
- discuss the concept of Product differentiation and strategy formulation
- analyse the challenges involved in initiating product differentiation

## 1.3 Product

Product can be defined as any goods or services which has some utility and the capacity to be used by a consumer. All the goods cannot be termed as a Product in business if they don't possess any utility. Product can be either in physical form such as goods as well as it can be a process in case of services.

### Importance of product

#### 1. **Product is the Core attraction of all Marketing Activities in a marketing environment**

Marketing activities includes actions such as advertising, sales promotion distribution, buying, selling etc. It is the product which is purchased, sold, advertised, distributed etc.

#### 2. **Marketing Planning starts with Product**

To any business firm and marketer, products are the main component through which market starts. Marketing planning is normally carried out based on the nature, quality and the demand of the product.

#### 3. **Product is the Key component for the success and failure of market**

Product is the key to market success. It is the duty of the marketing manager to emphasizes and insists on the need of the product for having success in the business.

#### 4. **Core of Consumption and Satisfaction**

From the consumers' point of view, the product is the Centre of their consumption and satisfaction. It is the element of modern marketing concept. Marketing management has to take various policy decisions so as to provide better consumption, benefits utilities and satisfaction to the consumers in case the product is not upto the demand of the consumers.

#### **1.4 Product Policy**

Product Policy is concerned with defining the type, volume and timing of products a company offers for sale. The product policies are general rules set up by the management itself in making product decisions. Good product policies are the basis on which the right products are produced and marketed successfully.

#### **Objectives of Product Policy:**

Product policy of any business firm has the following important objectives:

##### 1. Survival

The primary objective of a business firm is to stay in the market profitably so that the business is able to face the challenges and survive in the long run.

##### 2. Growth

Any product policy of a business firm are based on the long term goals of the the company. The policies are defined in such a way that it is targeted to have a good growth in the long run in the market.

##### 3. Flexibility

Another important objective of a product policy is to make the policies as flexible as possible so as to meet the changing needs of the customers, government policies ,global changes in technology and economy.

##### 4. Economies of scale

The business firms must make ultimate utilisation of resources available. The firms must also develop plans and policies to create economies of scale and improve profits.

### **Check Your Progress**

1. Product planning is the function of a Sales manager. (True or False)
2. The product concept of marketing dealt with the profit motive. (Correct/incorrect).
3. Define Product planning. How is it different from product development?
4. Critically examine the importance of a product in a product policy planning.

### **Types of Product Policy Decision**

Any business marketer must keep in mind certain product policy decision while introducing a product. A product policy generally involves four basic decisions. The following are the various product policy decisions:

#### **1. Individual Product decision:**

- i) **Product attributes:** It refers to the product's quality, style, features and design. If a product maintains quality the manufacturer can give the customers assured quality product in the long run. A well featured product helps in differentiating the product from other products. Style of a product helps to bring the attention of the customers towards the product.
- ii) **Product branding:** Brand name is essential for a product. It helps the customers in differentiating the product from the other products in the market. Branding facilitates the marketers in building customer brand consciousness.
- iii) **Product Packaging:** Packaging helps in making the product more attractive and it lays the outer cover for the product. Packaging helps in providing relevant information like knowledge about the product, quality, quantity, price etc.
- iv) **Product Labelling:** Labelling can be defined as the information of the product provided to the customers relating to the producers name, date of manufacture, expiry date, MRP, place of manufacturing etc.

2. **Product line decision:** Product line means those products which are closely related to each other . Product line concept is followed by the producer when there is the presence of excess production capacity. The product line may be short or it may be long product line depending on the profit. There are basically two ways of adopting Product line:
  - a) Product line stretching: It can be defined as the addition of a new product by stretching the product line by upward, downward or in both ways.
  - b) Product line filling: It can be defined as the addition of a new product when the producer add a new product within the existing range of products.
3. **Product mix decision:** It refers to those decisions which deals with the adding of a new product or eliminating any existing product from the product mix, adding a new product line etc.

#### **Check Your Progress**

1. Product branding is a part of .....product decision.(Individual/Positioning)
2. .... is a group of products that are closely related to each other.(Product line/ Product mix)

### **1.5 Product Planning and Development**

Product Planning means an attempt to create the product in line with market needs. The planning and development of new products , though a vital necessity for all enterprises, constitute a costly process. They involve risks and hazards also.

Product Planning has been defined by the American Marketing Association as “the act of making out and supervising the search, screening , development and commercialisation of new products; the modification of existing lines; and the discontinuance of marginal or unprofitable items.”

New product planning constitutes a very lengthy and complex process and includes the following changes:

- The varieties of goods or services offered by a marketer
- The volume of products, or different lines, which a company offers in various categories

- The level of quality or the acceptable levels to various classes of consumers

Competitive benefits may be achieved by making changes in the package, color, size, quality, innovation of a product. In a nutshell, the product is the soul and heart of all marketing activities.

Product planning means an attempt to establish the product in line with market needs. The planning and development of new products, though a vital necessity for all progressive enterprises, constitute a costly process. They involve risks and hazards also.

In order to minimise the risk, a few important steps need to be followed in a new product planning and development. These are as follows:

**Exploration:**

The initial step is the generation of new ideas. Ideas which relates to new products or development of old products or processes may come arise from:

- (a) internal sources which includes salesmen, non-marketing employees, middle managers and top management,
- (b) external sources which includes customers, distributors, advertising agencies, laboratories, private research centres, trade associations, government agencies.

Certain techniques have also been developed in the recent years which are useful in developing ideas. Among them are gap analysis, attribute listing and brain storming, forced relationships, morphological analysis, problem identification and synectics.

**Gap Analysis:**

Gap analysis attempts to look out for gaps in the market where there is a combination of unsatisfied consumer demand and opportunities for a new product.

**Attribute Listing:**

Attribute listing consists in preparing a list of the attributes of a product and formulating methods to modify them in order to check if a new combination of attributes can be evolved for the improvement of the product.

**Brain Storming:**

Brain storming in a formal group exercise like a stormy meeting of about six to eight creative personnel specially convened to stimulate new ideas.

**Forced Relationships:**

In this case several objects are listed and each product is taken into consideration in relation to every other object.

**Need/Problem Identification:**

Need or problem identification develops within the consumer. Consumers are asked about needs, problems and ideas. The various problems are rated for their seriousness, incidence and cost of remedying to determine which product improvements to make.

**Stop to Consider**

1. Idea Generation is the first step of product development.
2. Achieving of long term growth and profit are the main objective of product development.

**1.6 Product Line**

The product line is a collection of products which are closely related either because it satisfies a class of need or are used together or sold to the particular customer groups or marketed through the specific outlets or fall within given price ranges.

According to Stanton, A broad group of products intended for essentially similar uses and possessing similar physical characteristics constitutes a product line. For example, Bajaj Electricals turns out fans, electric lamps, cables, electric irons, heaters, transformers and so on.

**The important advantages are:**

- (a) It provides for full utilization of capacity with regard to production.
- (b) It facilitates entry into new items without having to bear extra marketing expenses.
- (c) It enables the marketer to consolidate his advertising and promotional strategy.
- (d) It facilitates consumer satisfaction.



- (e) It enhances the profit earning capacity of the company.
- (h) It lessens the probability of risk.

**Product Line Decisions:**

The decision with regard to adding a new product is similar to other managerial decisions. Taking decision of the product line depends upon a number of factors:

- (a) Company's objectives
- (b) Specialization of the product
- (c) Product influences
- (d) Elimination of unsought goods
- (e) Marketing strategy
- (f) Buying habits of the customers
- (g) Changes in market demand
- (h) The distribution net-work
- (i) The company's cost involved

**1.7 Product Mix**

It is a broad term which refers to the total assortment of different commodities marketed by a firm. It is, however, treated as a composite. According to Stanton, "The product mix is the full list of products offered for sale by a company". It may range from one or two product lines to a combination of several product lines or groups.

**Characteristics:**

There are four principal characteristics:

**(a) Length:**

Length of the product mix refers to the total number of items in its product mix.

**(b) Depth:**

Depth refers to average number of items sold by a company within a single product line.

**(c) Width:**

Width is judged by the number of different product lines dealt with by a company.

**(d) Consistency:**

Consistency means how many product lines are closely related in production requirements, distribution process, end use, etc.

**Advantages:**

1. Availability of more products mean unlimited choice for customers and thereby more consumer satisfaction levels.
2. The maintaining costs in the sales force are reduced if more and more products are distributed through the one outlet..
3. Advertising of a variety of products is likely to yield better outcome.
4. Production of any products with slightest of changes results in reduction of cost per unit of production.

**Factors Influencing Change in Product Mix:**

Product mix is affected by several factors and particularly changes in the product may be due to the following factors:

- (a) Goodwill of the company
- (b) Attitude of the competitors
- (c) Financial position of the business
- (d) Change in planning and development
- (e) The purchasing capacity of consumers
- (f) The change in demand of a product
- (g) The introduction of substitute products.
- (h) Advertising strategy and channel of distribution

**Stop To Consider**

1. Product line is one line of similar products sold within a company.
2. Product mix is the combined total of all the product lines sold in a company.

### **Check Your Progress**

1. A product line is a subset of .....
2. There may be various product lines in a company but only one Product mix. (True or False)

### **1.8 Product Branding:**

Branding is an important element in product strategy. Developing a branded product requires a great deal of long term investment spending, covering the advertising, promotion and packaging aspects. Branding is the process of identifying the name of the manufacturer with the product. The essence of branding is identification of particular product from amongst the competitor's products.

#### **According to American Marketing Associations:**

- i. Brand is a name, term, symbol or design or a combination of them which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors.
- ii. Brand name may be in the form of words, letters or numbers which may be localised.
- iii. A brand mark is that of a brand which appears in the form of a symbol or design or distinctive colouring or lettering.

In short, brand name refers to the product, trade name refers to the company, trade mark refers to the brand name with legal protection. In certain cases, brand name and trade name are combined. Trade mark should be registered with the authorities specified under the relevant law.

#### **Branding Objectives:**

The core aim of branding is to create an image about the product which is associated with the brand. A powerful brand name is said to have consumer demand. This is evident when a certain group of customers demand that brand and refuse a substitute product even if the price is lower. Customers want brand names to help them identify quality differences and shop more efficiently.

### **Types of Brands:**

**(i) According to their origin or nature, brand names may be classified as follows:**

- (a) Symbols—H.M.V's dog
- (b) Letters — I.T.C for India Tobacco Company
- (c) Name of the founder or family — Tata Steel
- (d) Company name — IBM Computers
- (e) Words having some relation to the product — quick fix (Resin)
- (f) Words or figures which have no relation to the product — 501 Bar Soap
- (g) Words which have originated as brand names — Aspirin

**(ii) Brand may also be classified as:**

- (a) Family brand — A firm adopts for a variety of products, i. e. Johnson and Johnson
- (b) Individual brand — A firm adopts for each of its products
- (c) Combination device — Products have individual name and company brand e.g. Tata's Taj.

### **Basic Requirements of Branding:**

- (a) There must be enough and more demand for the product.
- (b) There must be more and more supply of the product.
- (c) The quality of the products should be always given preference.
- (d) There should be effective distribution of the product.
- (e) The product should be distinctive as compared to other branded products.

### **Characteristics of a Good Brand:**

**A good brand should possess the following characteristics:**

- (a) A brand should suggest a few benefits about the product such as its use, quality, content and mode of action.
- (b) The brand should be neither descriptive nor deceptive.
- (c) The name should be easy to pronounce, spell and remember.

- (d) A brand name should be short and simple.
- (e) A brand name should be distinctive.
- (f) A brand name should be versatile so that it can be applied to new products.
- (e) A brand name should be adaptable to any advertising medium.
- (f) A brand name should be capable of being registered and protected legally.
- (g) A brand name should be selective so that it can be suited to the specific market.
- (h) It should not be obscene or offensive.
- (k) A brand should not resemble other brand name.

**Advantages:**

A brand is advantageous both for consumers and manufacturers.

**(i) To the Consumers:**

- (a) Consumers find it easy to identify the product from its competitors.
- (b) Producers look to maintain quality throughout so that consumers get quality goods.
- (c) Consumers are protected as the brand identifies the firm.
- (d) Branding ensures reliability, standardization and quality.
- (e) It saves time of the customers while shopping.

**(ii) To the Manufacturer**

- (a) It works like a cumulative force, promotes repeat sales and stabilizes the sales volume.
- (b) It establishes an image of the product and the company.
- (c) It helps in introducing the new products.
- (d) It enables a manufacturer to eliminate middlemen.
- (e) It assists him in withstanding price competition.
- (f) It helps in reducing selling cost.
- (g) It distinguishes products from rival firms.

**Disadvantages:****The disadvantages of branding are:**

- (a) The product price tends to go up.
- (b) It involves heavy expenditure and sustained effort to establish a brand.
- (c) It imparts a sort of rigidity to the product.
- (d) Manufacturers taking advantages of the popularity may reduce the quality gradually.
- (e) The selection of a proper brand name also creates problems.

**Product Categories:**

Products are generally categorised into consumer and industrial goods. The category of consumer goods is still too broad to formulate specific market strategy.

**So consumer goods may be further subdivided into:**

- (a) Convenience goods,
- (b) Shopping goods,
- (c) Speciality goods, and
- (d) Impulse goods.

**(a) Convenience Goods:**

Convenience goods are those goods which are bought with the maximum of convenience such as ready availability and satisfaction of immediate and frequent requirements, low unit price and more or less standard quality and uniform price.

**(b) Shopping Goods:**

Shopping goods are those goods which are bought by consumers after some shopping, i.e., making comparisons about their price, style and suitability in general in a number of shops.

**(c) Speciality Goods:**

Speciality goods are those goods to get which significant number of consumers is habitually willing to make special purchasing efforts. Examples of speciality goods are home appliances, wrist watches, automobiles, etc.

**(d) Impulse Goods:**

Impulse goods are those goods that are purchased by the consumers on the basis of sudden emotions or impulses.

**On the basis of benefits provided to the users, consumer goods may also be divided into:**

(a) Durable goods, and

(b) non-durable goods.

Durable goods are all those goods that last long or they can be used again and again. In the process of consumption, they suffer some depreciation. Examples are: motor car, furniture, clothing, etc. Non-durable goods are those goods which cannot be used for long. They get exhausted after one or few uses. Examples are food items, medicines, toiletries, etc.

**Industrial Goods:**

**Goods which are used for production or used in producing other products are industrial goods. The industrial goods are further classified into:**

**(a) Raw Materials:**

Raw materials are the basic materials entering physically into the final products. Examples are raw cotton, raw jute, oil seeds, etc.

**(b) Fabricated Materials:**

Materials of this category will enter physically into the final products, but some type of processing is already undergone. Examples are leather, yarn, bricks, etc.

**(c) Component Parts:**

Such type of parts are already undergone some processing and more or less the parts can be called as final products, that is, assembly of several component parts makes the final products. The components are visible in the final product such as tyres, speedometer, spark plugs and spare parts.

**(d) Installation:**

Machines, buildings, equipment's, etc. do not enter into final products and are durable for a long period. They are essential for production. Examples are gas, power installation, etc.

**(e) Accessories:**

They are light machines or tools which are used for the operation of a business. They are not used for manufacturing a product. Examples are hand tools, type-writers, calculators, etc.

**Stop to Consider**

1. Branding includes methods and techniques like use of logos, jingles, taglines etc.
2. Brand gives image to the product and differentiate from the competitors.

**Check Your Progress**

1. Define brand name. Is trademark and brand synonyms?
2. Labelling means providing information regarding the product.  
(Yes /No)

**1.9 Product Packaging:**

Packaging is an important tool for face lifting of a product. Packaging is intended to protect, identify, differentiate, improve handling, convenience, and promote the sale of the product. Package, therefore, has become virtually a part of the product. The package has been rightly described as the ‘silent salesman.’

According to Louis C. Baril, “Packaging may be defined as the protection of materials for all kinds of means of containers so designed as to prevent damage to contents by outside influences”. Stanton defines packaging “as the general group of activities in product planning which involve designing and producing the container or wrapper for a product”. According to the Indian Institute of Packaging, “It is the embracing function of package selection, manufacture, filling and handling.”



### **Kinds of Materials Used for Packaging:**

**The following materials are generally used for packaging:**

(i)	Paper —	Soap
(ii)	Tin—	Biscuits
(iii)	Plastic —	Oil
(iv)	Glass—	Medicine
(v)	Card Board —	Fragile articles
(vi)	Straw Baskets —	Vegetables
(vii)	Gunny Bags —	Grains
(viii)	Wooden Boxes —	Apple
(ix)	China Jars —	Products need protection against light
(x)	Earthenware —	Liquor

### **Functions of Packaging:**

**The following are the important functions of packaging:**

#### **1. Protection:**

**The packaging is intended to give protection to the product against the following:**

- (a) Damage by machine handling
- (b) Product loss from spilling and evaporation
- (c) Pilferage
- (d) Contamination
- (e) Moisture
- (f) Heat
- (g) Light exposure
- (h) Insect or fungus attack
- (i) Rain
- (j) Chemical transformation
- (k) Loss of freshness

## **2. Convenience:**

- (a) Convenience of storage in warehouses, shops and house-shelves
- (b) Convenience in use
- (c) Convenience in handling
- (d) Convenience in opening

## **3. Identity of the Product, Firm and Brand:**

Package helps to identify the products, through colour, lettering, size, shape, material and text.

## **4. Package acts as the Carrier of Message:**

It provides product information. Wherever possible some message or information is printed or embossed on the package.

## **5. Re-use or Scrap:**

Packages are prepared in such a way that can be used for storing other articles. Some packages are so designed that refills can be bought at an economic price and the same product can be used in the original container. Even if the package cannot be re-used very well, it can be used as a scrap.

## **6. Reduces Transport Cost:**

The most important factor in packaging is the cost. Bulky cotton or fabrics are compressed into bales. By the use of light weight and at the same time strong materials for packing, transport cost can be reduced. So package must be strong enough to undertake the strain of the journey.

## **7. Product Differentiation:**

Products with narrow differences can be differentiated easily with the help of packing. Washing soaps like 555, Rin, Wheel, Henko, etc. can be identified only with the help of the wrapper. Changing the package is the easiest and inexpensive way to practice product differentiation.

## **8. Sales Promotion:**

The use of package provides the product a prestige. Attractive package induces sales. Package provides an extra attraction to affluent buyers who may buy the product just to get its special package.

## **Characteristics of a Good Package:**

**The package to be effective should have the following characteristics:**

1. Attract attention

2. Clean and sanitary
3. Establish identity
4. Develop and sustain interest
5. Convenient to handle
6. Enhance the image of the product
7. Instil itself in the memory of the consumer.

**Stop to Consider**

1. Packaging helps to increase sales.
2. Packaging easily differentiate the product from its competitors.

**Check Your Progress**

1. Packaging attracts the customers and ultimately increases sales.  
Is the statement true always?
2. Packaging increases the cost factor of a product.(Yes/ No)

### **1.10 Summing Up**

The present chapter explains the role of marketing in a business. In today's business environment, marketing has become an integral part. It is rightly said that without marketing no business can succeed. It is rightly defined that product planning is an inseparable part of every product's implementation. It allows for safe product development as it helps to measure possible threats and risks. The stages of product development is a long process but it is designed to save wasted time and resources. Products are of different types based on the needs and demands of the public.

Product development is a chronological order of steps which includes generation of ideas, screening, making designs, development and marketing of newly produced product or services.

Product mix usually helps to examine in which direction the business is heading and the information accumulated by product mix helps the management to determine which path to follow.

Branding is basically more than just a design, logo etc. Branding is important to create loyal customers.

### **1.11 Model Questions**

1. What do you mean by Marketing? State its characteristics.
2. “Branding is important to target the consumers”. In the light of the statement, bring out the importance of Branding.
3. Explain the Product policy involved in a marketing cycle.
4. What do you understand by Product Planning and Product Development?
5. Differentiate between product planning and product development.
6. Explain the concept of product mix.
7. State the factors influencing the product policy.
8. What is a product? What are the different categories of products?.
9. What are the pre requisites of a good package? Bring out the recent trends of packaging.
10. Define packaging? What are the important functions of packaging products?

### **1.12 References and Suggested Readings:**

1. Gupta,S.L,Varshney, Marketing Management, Sultan Chand and Sons
2. Gupta.C.B, Nair Rajan .N, Marketing Management, Sultan Chand and Sons
3. Bhoumik Dipak, Principles of Marketing, Union Book Publication
4. Pillai R S N, Bagavathi V, Marketing Management, S. Chand
5. <https://www.timecap.com>
6. <https://en.m.wikipedia.org>
7. <https://www.economicdiscussion.net>

\*\*\*\*\*

## **Unit-2**

### **Branding Strategies and Packaging, Role of Brands, Brand Equity, Brand Loyalty**

#### **Unit Structure:**

- 2.1 Introduction
- 2.2 Objectives
- 2.3 Branding Strategy
  - 2.3.1 Successful Brand Strategy
  - 2.3.2 Types of Branding Strategies
- 2.4 Packaging
  - 2.4.1 Objectives of Packaging
  - 2.4.2 Aspects Relating to Packaging
  - 2.4.3 Functions of Packaging
- 2.5 Brand Role
  - 2.5.1 Role of brand for consumer
  - 2.5.2 Role of Brand for manufacturers
- 2.6 Brand Equity
- 2.7 Importance of Brand Equity
- 2.8 Brand Loyalty
- 2.9 Ways to Build Brand Loyalty
- 2.10 Summing Up
- 2.11 Model Questions
- 2.12 References and Suggested Readings

#### **2.1 Introduction**

Branding is a marketing approach that involves creating a distinguishing name, image, or logo for a product in order to capture buyers' attention. Its goal is to give a product a distinct identity that distinguishes it from other companies' offerings. It also aims to cultivate client trust and loyalty for the product. It not only generates a positive impression of the product in the minds of customers, but it also creates expectations for the brand. Companies

use branding as a marketing tactic to raise awareness of their products among their customers. A brand name is used to market all consumer-packaged goods. That is a fact that shows the inextricable link between packaging and branding, but not necessarily its strategic reach. Packaging, on the other hand, has a lot of potential as a brand-builder and should always be considered as part of a brand strategy. And, while packaging has been defined in a variety of ways in this and other publications, a brand definition may be necessary.

## 2.2. Objectives

This unit is an attempt to analyse the ideas of Brand strategies. After going through this unit, you will be able: -

- to understand the meaning and nature of branding and its strategy.
- to discuss the meaning and the role of packaging.
- to explain the deeper meaning of brand equity and brand loyalty.

## 2.3 Branding Strategy

*“Branding is endowing products and services with the power of a brand” (Kotler & Keller, 2015)*

Branding is the process of building and shaping a brand in the minds of consumers to give a meaning to a specific organisation, company, products, or services. It's a method used by businesses to help customers immediately recognise and experience their brand, as well as giving them a reason to choose their products over the competition's, by defining what the brand is and isn't. The goal is to attract and maintain loyal customers and other stakeholders by consistently delivering a product that meets the brand's promises. Branding is a marketing strategy that allows customers to distinguish your company's products or services from those of competitors. Branding frequently entails the creation of features such as a logo, mission statement, and design that are consistent across all marketing communication channels. A branding strategy (also known as a brand development strategy) is a long-term plan for achieving a set of long-term goals that lead to people recognising and preferring your brand. The brand's objective, its promises to customers, and how these are presented are all part of a successful branding strategy.

A branding strategy is not your logo, colour combinations, or website, despite the fact that these creative components are essential to a successful branding strategy. All of the intangible components that create brand awareness, brand equity, and brand sentiment over time are fundamental to a branding strategy.

### **2.3.1 What makes a brand strategy successful?**

The core purpose of a good branding strategy is to let the world know that the brand exists, what it stands for, and what distinguishes it. A branding strategy is a flexible, long-term approach that must be re-evaluated over time based on its effectiveness (or lack thereof). The success of a brand development strategy isn't always easy to determine. Intangible, difficult-to-quantify characteristics are typical in branding campaigns, therefore it's vital to determine how success will be measured from the start.

Every organisation will take a different method to measuring success, but all will incorporate the same aspects in their strategy. The first stage in developing an effective brand strategy is to answer the following questions:

- i. How do you figure out who your prospective customers are? - Who will the brand benefit? How do these customers feel now, and how do they want to feel in the future?
- ii. How do you find out who your competitors are and how they are providing what your potential customers want?
- iii. What methods do you use to engage potential customers? To fulfil its objectives, what personality and tone of voice would your brand need?

### **2.3.2 Types of Branding Strategies**

Depending on the target demographic, sector, budget, and marketing initiatives, there are numerous sorts of branding that might offer value to your firm. Here are seven different sorts of branding methods that might help your company establish brand equity.

- 1. Personal Branding:** Personal branding refers to branding that is applied to a single person rather than a company as a whole. This kind of branding is frequently used to create a person's personality, character, or job as a brand. This type of branding is frequently used by celebrities, politicians, thought leaders, and athletes to show the best version of themselves to the public.

Seth Godin, an entrepreneur and author of more than 20 marketing books, for example, has established himself as a business and marketing specialist. Seth has developed a distinct personal brand, and many people now associate him with his concise blog articles that focus on a single concept at a time. Because of the strength of his personal brand, people prefer to hear from Seth Godin rather than a company or organisation.

2. **Corporate Branding:** Corporate branding is a corporate value and philosophy that a company develops to market itself to the outside world and its own workers. In each point of interaction with prospective consumers, existing customers, and past customers, effective corporate brands often seek to display the company's mission, personality, and basic values. Nike's basic principles and mission, for example, can be recognised across all of its platforms and goods. "To deliver inspiration and innovation to every athlete in the world," says Nike's mission statement. In addition to their well-known swoosh check mark emblem, the company's slogan is "Just do it." Nike portrays itself as a brand for athletes, sports lovers, and everyone who is passionate about fitness as a business brand. They also state unequivocally that everyone can be an athlete.
3. **Product Branding:** This is one of the most common types of branding. The goal of product branding is to make a single product stand out and be remembered. Symbols or graphics are an important aspect of product branding since they help customers quickly recognise your goods. Monster Energy products, for example, have distinct packaging and emblems that set them apart from Red Bull energy drinks.
4. **Service Branding:** The customer's needs are leveraged through service branding. Companies that employ service branding aim to give world-class service to their clients. They want to add value to their consumers by providing exceptional customer service. Chick-fil-A, for example, is noted for its great customer service, which has become synonymous with the company's name.
5. **Online Branding:** The term "online branding," sometimes known as "internet branding," refers to the process of a company positioning itself as a participant in the online marketplace. A company's website, social media platforms, blogs, and other online material all



fall under this category of branding. In today's market, almost all businesses use some form of online or internet branding.

- 6. Co-Branding:** Co-branding is a type of branding that brings together businesses. Co-branding is a marketing collaboration between two or more companies. This allows businesses to have a beneficial impact on one another, which could lead to one strengthening its business, spreading brand awareness, and breaking into new markets. Frito Lay and Taco Bell, for example, collaborated to create the Doritos Locos Taco, which appealed to both populations.

### Stop to Consider

A brand is a name, picture, design, or symbol, or a combination of those elements, that a seller uses to distinguish and differentiate its offerings from those of competitors. Branding is a series of activities aimed at creating a brand and positioning it in the minds of consumers in comparison to other brands. The brand under which a new item will be sold is a crucial decision that organizations must make.

### Check Your Progress

1. What brands do you admire?
2. What are your core values and attributes your brand should express?
3. What makes a brand strategy successful?

## 2.4 Packaging

*“Packing is the preparation of product or commodity for proper storage and/or transportation. It may entail blocking, bracing, cushioning, marking, sealing, strapping, weather proofing, wrapping, etc.” – Business Dictionary.*

The wrapping or bottling of products to protect them from damage during transportation and storage is referred to as packaging. It aids in identifying, defining, and advertising a product while keeping it safe and marketable. Packing refers to the process of packing or wrapping things in order to make them look appealing while also ensuring their safety, i.e. (a) holding

the contents together and (b) protecting the product as it travels via distribution channels. Packaging refers to “all actions involved in designing and producing a product’s container or wrapping.”

Recently, the terms ‘packaging’ and ‘packing’ have been used interchangeably to refer to both ‘packing’ and ‘packaging.’ ‘Packaging’ used to refer to a retail or consumer container, whereas ‘packing’ referred to a transport container. Consumer packaging has a lot of marketing implications, but logistics-wise, transport containers are more crucial. The wrapping or bottling of products to protect them from damage during transportation and storage is referred to as packaging. It aids in identifying, defining, and advertising a product while keeping it safe and marketable. Different kinds of products need different kinds of packaging, for example, liquid products are packed in barrels and bottles; whereas, solid products are wrapped. The organizations use special containers for fragile products, such as glassware.

Although the phrases packing and packaging are sometimes used interchangeably, there is a distinction between the two. Packaging refers to the act of covering a product to protect it from damage, leakage, dust, pollution, and contamination. Chocolates wrapped in thin sheets, milk packaged in sachets, and so forth are examples.

Packing entails placing all of the packages in a large box, container, chest, or crate for storage, transportation, and handling. Furthermore, in the current setting, the functions of packing and packaging have gone beyond the basic requirements of product protection.

#### **2.4.1 The objectives of packaging**

The most essential reasons for the importance of packaging are:

- 1. To Provide Physical Protection:**Material packaging ensures that they are protected from vibration, temperature, shock, compression, and quality degradation, among other things. Theft, leakage, pilferage, breakage, dust, dampness, bright light, and other factors are all protected by packaging and packaging.
- 2. To Convey Message:**A manufacturer has a lot of information about their product that they want to share with their customers. Information about the raw materials utilised, the sort of manufacturing technique employed, usage instructions, and the use-

by date should all be provided to users. Such information is printed on the packets by the manufacturers.

3. **To Enable Marketing:**Marketing relies heavily on packaging and packaging. Sellers employ good packaging and packaging, as well as beautiful labelling, to offer their items to potential purchasers. The shape, size, colour, and appearance, among other things, are all intended to entice potential purchasers.
4. **To Provide Portion Control:**To monitor consumption in the medicinal and pharmaceutical fields, specific amounts of components are required. Medicine tablets are separated into packaging that are more appropriate for individual use. It also aids in inventory management.
5. **To Enable Product Identification:**A product's identity is determined by its packing and packaging. This is accomplished by using effective colour, form, and graphic design to create a unique and distinct package. In today's environment of fierce rivalry and product clutter, such identification and differentiation are critical.
6. **To Enhance Profits:**Because consumers are willing to pay a greater price for packaged goods, profit margins will be bigger. Furthermore, packed items lower the cost of handling, shipping, and distribution, as well as waste, resulting in higher profitability.
7. **To Provide Convenience:**Handling, display, opening, distribution, transit, storage, sale, use, reuse, and disposal are all made easier by packing and packaging. This can be seen in packages with easy-to-carry handles, soft squeezed tubes, metallic containers, and strategically placed nozzles, among other things.
8. **To Provide Containment or Agglomeration:**For the sake of efficiency and economy, little objects are usually packaged together in one packaging. A single bag of 1000 marbles, for example, requires less physical handling than 1000 individual marbles. Containment is required for liquids, powders, and granular solids, among other things.

### 2.4.2 Aspects relating to Packaging

Packaging is an important component in developing a marketing plan for a product in the worldwide market. The promotional and protective features of packaging should be considered.

1. **Promotional Aspect of Packaging:** A product's packaging is crucial in promoting it in international markets. With the introduction of self-service kiosks and supermarkets, a product's packaging acts as a "silent salesman." Many of the salesman's tasks can be performed by it. When there are no salespeople to market the goods in stores, the packaging on the shelf must draw the consumer's attention, describe the product's and producer's features, exude confidence, and leave a positive overall impression. Because it conveys and portrays numerous attributes of the product as well as the producer, good packaging leads to increased consumer approval.
2. **Protectional Aspect of Packaging:** The second key feature of packaging is the protection it provides to the product. Consumer packaging is designed to make it easier for consumers to use and store their products. It protects the product from:
  - i. Adulteration and pilferage - Unless repackaged, it cannot be contaminated with any other product.
  - ii. Product loss — If oil, petroleum products, and other products are left exposed, they will be lost.
  - iii. Contamination by dirt or dust, such as clothing or food.
  - iv. Moisture increases or loss, for example, in cement or sugar; (e) Chemical change.
  - v. Insect assault, such as a moth in woollen clothing.

If we are able to produce and bring about retail packs for a significant number of exportable commodities, it is predicted that good packaging boosts the unit value realisation by nearly three times. It also increases the product's popularity.

3. **Transport Packaging Protection during Transit:** In international marketing, the primary function of transport packaging is to guarantee that commodities arrive safely in the hands of consumers. The fact that the products are secure is no reason for ignoring the risk of damage or theft while in transit. Regardless matter whether the items are insured

or not, good packing is required. Packaging modifications are required to avoid this. Improved packing is required to reduce transit losses caused by environmental dangers such as climate, moisture, and other factors, as well as to improve handling and delivery times. The materials used in packing should protect the items from the negative effects of moisture, gas, light, air, and other factors so that the properties of the goods, such as shape, weight, stability, fragility, stiffness, surface finish, and durability, *are preserved. As a result, packaging is critical for storage, preservation, protection, and delivery.*

The sort of packaging that ensures that the items are delivered to the overseas buyer in good condition will vary depending on a number of circumstances, including:

- i. The product,
- ii. The port of destination,
- iii. The length of the journey,
- iv. The climate of the place of delivery and destination,
- v. The food and measure to which the goods are subjected during the voyage,
- vi. The laws of the importing and exporting countries regarding packaging of goods,
- vii. Mode of handling the goods, and so on.

In many cases, the packing requirements are spelled out in the contract, so the exporter doesn't have to worry about them. He is required to follow the contract's terms and conditions. Even if the importer has not stipulated any packing requirements, it is the exporter's primary responsibility to supply transportation packaging of the type that will assure the shipment's safe arrival in merchantable condition while adhering to the aforementioned parameters.

**4. Legal Provisions:** The obligatory requirements governing the packaging of imported goods have a significant impact on the packaging of items. The majority of developed countries have adopted detailed legislation on the types of bulk and consumer containers, particularly for food commodities. Exports of food goods to the United States, for example, must comply with the provisions of the United States Food and Drug Act in every way.

### 2.4.3 Functions of Packaging

The packaging has the following functions:

1. **Protection and Preservation:** Packaging's primary purpose is to protect and maintain the contents during transit from the maker to the final consumer. The handling process causes the majority of the damage. The higher the demand for protection, the more frequently products are handled throughout the distribution process. Damaged items must be replaced since they might result in financial loss and annoyance for both the seller and the buyer.
2. **Containment:** Packaging's containment role makes a significant contribution to environmental protection. A better package helps to keep the product's quality and reachability in the consumer's fingers without spilling. It improves the company's image.
3. **Communication:** The communication of the product is one of the most important functions of packaging. A package must clearly state what it is selling. When dealing with worldwide trade and several languages, the usage of unambiguous and easily understood symbols on the distribution package is critical. It aids in proper consumer communication about the product, how to utilise it, and other useful information.
4. **Convenience:** Properly packed goods take up less room, and simple techniques for removing items from a pack while keeping the rest intact could be proposed.
5. **Economy:** The package offers a variety of economies to both producers and consumers. Quantity loss is avoided, and so monetary loss is avoided as well. It allows customers to communicate with one another.
6. **Self-service Promotion:** The product must be capable of completing several of the sales responsibilities. It must draw attention, describe the features of the items, instil consumer confidence, and leave a positive overall impression. With the help of effective packaging, a product's prestige can be preserved. Good packaging is capable of projecting the product's as well as the manufacturer's qualities.

### **Stop To Consider**

The wrapping or bottling of products to protect them from damage during transportation and storage is referred to as packaging. It aids in identifying, defining, and advertising a product while keeping it safe and marketable. Liquid products are packaged in barrels and bottles, whereas solid products are wrapped. Fragile objects, such as glassware, are transported in special containers by the organisations.

### **Check Your Progress**

1. Are packing peanuts recyclable?
2. How can companies protect products in transit?
3. What are the various aspects relating to the packaging?

## **2.10 Brand Role**

A brand is a product or service that allows a company to distinguish itself from the competition. The role of brand is crucial for the organisation since it converts into long-term loyalty and higher margins. The role of brand can be categorised broadly into following headings:

### **2.5.1 Role of Brand for the consumer**

- i. Assist in Identifying the product:** It assists in identifying the product's source of manufacture while also assigning accountability for the branded product to an entity. Because brands reflect the product's initiator or inventor, they naturally project the identity of the producer and marketer.
- ii. Assigning Responsibility to Product Makers:** Brands provide consumers the authority to assign responsibility to a specific distributor or manufacturer. Above all, brands must make a strong impression in order to win over customers.
- iii. Risk Reducer:** When purchasing and using things, a customer may face a wide range of problems, including physical, financial, functional, social, psychological, and time-related concerns. Brands can assist in reducing the risks associated with product selection. They can be utilised as an effective risk management tool by organisations conducting business if the risks have serious long-term repercussions.

- iv. **Search Cost Reduction:** Branding helps consumers save money by reducing the amount of time they spend researching different products. At both the internal and external levels, i.e., in terms of evaluating other accessible possibilities in the market, brands assist in decreasing these expenses.
- v. **Promise, Bond, or Deal with Product Maker:** A brand and a customer have a relationship that can be described as a “bond” or “commitment.” Consumers who are loyal and dedicated to a brand have an implicit perception of the brand’s actions. They anticipate that a specific degree of performance, an appropriate product pricing, and appropriate advertising and distribution efforts will result in large utility. Consumers will continue to purchase a specific brand as long as they are pleased with the services and benefits offered by that brand.
- vi. **Symbolic Device:** A brand can serve as an illustrative device that allows customers to express themselves. Due to their identification with a specific class or type of people, a few unique brands imply different characteristics or ideals. Consumers can communicate to society as a whole or to themselves about the type of personality they have or hope to have in the future by using these brands.
- vii. **Better Experience:** Customer experience with similar brand products enables them to swiftly determine whether they want to proceed with their purchase decision or not, making their decision easier.
- viii. **Gives quality assurance:** Brands bring a certain amount of quality assurance with them.
- ix. **Brands serve as identification markers:** Brands’ most basic function is to inform the buyer about the product they are purchasing. In other words, they enable customers to recognise and identify things when they see them. This also permits customers to make purchases that have previously satisfied them.

### 2.5.2 Role of Brand for Manufacturers

- i. **Means of Identification to Simplify Handling or Tracing:** Essentially, trademarks provide the role of recognising, making it easier to handle and track down products inside an organisation. It makes inventory management easier and aids in the keeping of accounting records.



- ii. **Methods of Legally Protecting Unique Features:** Brands provide legitimate security to a corporation. Brands protect the unique appearance and features of items. A brand assists a corporation in maintaining its intellectual property rights while also providing legal status to the brand owner.
- iii. **Quality Factor Signal to Satisfied Customers:** Brands that communicate about the product's level of quality encourage regular and satisfied customers to buy it again. This promise ensures the company's demand probability and certainty. Due to the barriers generated by client loyalty, new entrants or other competitors find it difficult to break into the market.
- iv. **Methods of Endowing Products with Unique Associations:** Branding endows a product with unique qualities, associations, or reputation. As a result, it contributes to the product's uniqueness.
- v. **Competitive Advantage Source:** Branding is a competitive advantage source. In general, competitors may copy product designs or production/manufacturing procedures. However, recreating the same product experience or positioning in the minds of consumers that was generated through branding initiatives is difficult.
- vi. **Sources of Financial Returns:** The concept of branding could be beneficial in terms of generating financial returns. Because of this feature, branding receives a lot of attention from upper management. Intangible assets and goodwill, for example, account for a large amount of a given FMCG company's corporate value. Only a small percentage of a company's value is reflected by tangible assets. In this case, branding is responsible for almost 70% of the intangible assets.
- vii. **Brand generates profits:** Strong brands yield better profits while posing a lesser risk, The primary function of a brand is to produce profit. It is the single most important source of brand value creation. There will be no further benefits generated by the brand if there is no profit. Neither on the consumer nor the business side.
- viii. **Brands are legally binding contracts:** Brands serve as identifiers for customers and as legal instruments for businesses. That is, in addition to providing visual distinction, trademarks also represent legal ownership and safeguard intellectual properties from copycats through emulation and other infringements.

- ix. **Brands attract and retain talent:** Brands do not only communicate to customers; they also speak to a wide range of stakeholders. Employees are one example of people who live and breathe the brand.
- x. **Brands serve as a behavioural guide:** Finally, trademarks serve as a compass for the entire organization's behaviour. From the executive team at the top to the front-line staff at the bottom, everyone is involved.

## 2.6 Brand Equity

Brand equity refers to the amount of power a brand name has in the minds of consumers, as well as the benefit of having a well-known and well-recognized brand. Organizations build brand equity by providing great experiences that encourage customers to choose them over competitors that sell identical goods. This is accomplished through raising awareness through marketing that relate to target-consumer values, following through on promises and qualifications when customers use the product, and focusing on loyalty and retention. When compared to a generic alternative, brand equity refers to a value premium that a company generates from a product with a distinctive name. Companies can build brand equity by making their products distinctive, easily recognisable, and superior in quality and reliability. Brand equity is also aided by mass marketing campaigns. Customers are more likely to stick with the brand instead of switching to a competitor if you give loyalty incentives like points that can be traded for discounts or a free product on their birthday. Customers easily pay a high price for a company's products when it has favourable brand equity, even if they could buy the same thing for less from a competitor. Customers, in effect, pay a higher price to do business with a company they recognise and respect. Because the company with brand equity does not have to pay more to create and sell the goods than its competitors, the difference in price goes to their profit margin. Because of the company's brand equity, it may earn a higher profit on each transaction. The two main tenets of brand equity are awareness and experience:

1. **Brand Recognition:** Can customers quickly recognise the company? Even for a new product, the messaging and graphics surrounding your brand should be consistent so that consumers can always recognise it. What values do customers associate

with the company? Perhaps they consider issues like sustainability, quality, or family-friendliness.

2. **Brand Experience:** How have the brand's first-hand experiences gone? This could indicate that the product worked as expected, that interactions with brand representatives and customer service staff were pleasant and helpful, and that loyalty programmes were beneficial

## 2.7 Importance of Brand Equity

1. A company's brand equity is a valuable asset: Because it has a firm footing in the industry, Brand Equity is one of the company's most valuable assets, and it can be leased, sold, or licenced to other companies in the market. It leads to an increase in the company's goodwill.
2. Premium Price: According to market norms, the corporation can charge more for its products and services than they are worth. The business is in a position to charge a premium to customers.
3. Increased market share is a result of strong brand equity: Because of customer loyalty and affinity for the brand and its offers, having a solid and strong Brand Equity boosts the company's market share.
4. Launch a new product or service line: Due to the strong heritage that the company has established for its existing line of products and services, it is easier to present the new line of offerings to the same target market and group, as well as to unexplored markets and customers.

### Stop to Consider

Brand equity refers to the value a company gains from its name recognition when compared to a generic equivalent. Brand equity has three basic components: consumer perception, negative or positive effects, and the resulting value. Brand equity has a direct impact on sales volume and a company's profitability because consumers gravitate toward products and services with great reputations. Often, companies in the same industry or sector compete on brand equity.

### **Check Your Progress**

1. What is the role of a good brand?
2. Explain brand equity with the help of an example.
3. Why brand equity is important for successful businessmen?

## **2.8 Brand Loyalty**

Consumers' positive associations with a product or brand are referred to as brand loyalty. Customers that show brand loyalty are committed to a product or service, as seen by their repeated purchases despite attempts by competitors to entice them away. Corporations spend a lot of money on customer service and marketing in order to build and sustain brand loyalty for a well-known product. Despite Pepsi's products and marketing efforts, the Coca-Cola Company is an iconic brand that has resulted in customers expressing brand loyalty over time. Brand loyalty is a pattern of consumer behaviour in which customers become emotionally attached to a particular brand or product and purchase it repeatedly over time. Brand loyalty is defined as a consumer's emotionally charged decision to purchase a particular brand over and over again. The consumer believes that the brand has the traits that will suit their needs, and the brand identifies with the consumer on a personal level.

Customers who are loyal to a brand will purchase it regardless of convenience or price. These devoted clients have found a product that satisfies their requirements, and they have no desire to try another brand. The majority of well-known brand-name products compete in a crowded market with new and old products, many of which are scarcely distinct. As a result, businesses use a variety of strategies to build and retain brand loyalty. They spend their advertising money on messages that are targeted at a market segment that comprises both loyal consumers and people who might become loyal customers.

Brand loyalty aids in the development of a strong client base, which can then be used to outperform competitors and get the competitive advantage needed to flourish in the marketplace. Customers that have high brand loyalty make repeated purchases of a company's products and services, regardless of price or convenience changes. Customers who are loyal to a particular brand are less likely to be influenced by competitors' marketing efforts, increasing the likelihood that they will continue to use the company's products

and services. Businesses that have developed a strong brand loyalty have the ability to grow their consumer base. Customers who are loyal to the company may become brand ambassadors. This is because delighted customers will spread brand knowledge, resulting in cost-free promotion for the company.

## 2.9 Ways to Build Brand Loyalty

A few pointers to ensure that the casual consumer becomes a die-hard fan that recalls the brand name, logo, and mission and returns for more are:

1. **Connect with your consumers:** By connecting with the customers, the businessmen may foster a sense of belonging and community among the users. To get the users excited and involved, the businessmen must share brand's new and exciting advancements, as well as news and opinions in the space. Today the businessmen can utilise social media to keep clients up to date on new trends, special offers, and discounts, as well as company's next steps. The more like a dialogue it feels, the better.

Users are more likely to create good associations if the businessmen encourage them to become brand enthusiasts and make them feel involved in the firm. Customers who are engaged are happy and devoted customers. Customer loyalty is all about attracting, nurturing, and retaining the consumers that are the lifeblood of your company.

2. **Make sure your brand is consistent:** Building loyalty requires consistency. Customers should have the same experience with the brand every time they connect with it. Customers want to know that we'll keep our commitments all of the time, not just when it's convenient for us. In truth, if we consistently produce good products and services across our company, if we say what we mean and mean what we say, if we under promise and over deliver, our organisation has the ability to not just grow but to achieve remarkable heights. It won't ensure success, but it will lay the groundwork for us to do more and will usually set us apart from our rivals.
3. **Invest in an eye-catching logo design:** Colours symbolise the brand's personality and give visual expression to the emotion, mood, or role you want to induce with the brand. With that in mind, be

careful while selecting your colour pallet. The colour red, for example, which appears in Youtube's logo, makes viewers feel engaged, emotional, and enthusiastic about the company.

4. **Focus on what your brand does best:** Customers want to be able to relate to the company's mission and values. One must ensure that their customers comprehend what they do and believe that it is something they have been missing their entire lives and can no longer live without now that they have found it. That implies businessmen should focus on just one thing until it completely covers the screen. Nike, for example, makes a variety of clothing and sporting equipment, including tube socks, yoga trousers, dumbbells, and water bottles.
5. **Make your customers come back:** Users are more likely to return to website they've previously used and had a positive experience with. Users, on the other hand, aren't always paying attention - even if they got what they wanted from your site, and even if they bookmarked it and expected to return, they won't always remember. When there are 2.9 billion Google searches every day, you must seize every opportunity to stand out. Creating programmes that reward brand loyalty or offering discounts or coupons are two options for encouraging customers to return to your site.
6. **Turn to influencers to promote your brand:** Celebrities promoting a brand's product or service (think Kim Kardashian's Instagram product endorsements) is one approach for firms to generate loyalty. Turning to influencers on social media channels, on the other hand, may be a safer choice when it comes to increasing customer engagement and brand loyalty. Celebrities are more expensive, and they risk ruining the brand's reputation if they do something immoral. Consider Lance Armstrong's relationship with Nike: he made them look good while winning seven Tours de France, but when his doping scandal broke, Nike took on some of his tarnish.

#### **Stop to Consider**

Repeat purchases of a product reflect brand loyalty, even when the buyer has a variety of competing options. Brand loyalty is nurtured through marketing activities. When consumer trends change, but the

product does not, brand loyalty might fade. Customers that are brand loyal adhere to a brand regardless of price. While the internet provides a plethora of options, it also creates a fresh chance for businesses to improve their image and form meaningful relationships with clients.

### **Check Your Progress**

1. What is brand loyalty?
2. How brand loyalty can be built?

## **2.10 Summing Up**

- 1) Branding is the process of building and shaping a brand in the minds of consumers to give a meaning to a specific organization, company, products, or services. It is a method used by businesses to help customers immediately recognize and experience their brand, as well as giving them a reason to choose their products over the competition's, by defining what the brand is and isn't.
- 2) The core purpose of a good branding strategy is to let the world know that the brand exists, what it stands for, and what distinguishes it. The types of brand strategy are personal branding, corporate branding, product branding, service branding, online branding, co-branding.
- 3) Packaging is defined in the regulations as "all products made of any materials of any nature to be used for the containment, protection, handling, delivery and preservation of goods from the producer to the user or consumer".
- 4) The objectives of packaging are as follows: a) to provide physical protection, b) to convey message, c) to enable marketing, d) to provide portion control, e) to enable product identification, f) to enhance profits, g) to provide convenience, h) to provide containment.
- 5) Aspects relating to packaging are a) promotional aspect of packaging, b) protection aspect of packaging, c) transport packaging protection during transit, d) legal provisions.
- 6) The basic role of brand for the consumer are it assist in identifying the product, assign responsibility to product makers, risk reducer, search

cost reduction, promise or deal with product maker, symbolic device, better experience, gives quality assurance, brands serve as identification markers.

- 7) The basic role of brand for manufacturers are it act as sources of financial returns, brand generates profits, brands are legally binding contracts, brands attract and retain talent, brands serve as a behavioural guide, brands act as a means of identification to simplify handling or tracing.
- 8) Brand equity refers to the amount of power a brand name has in the minds of consumers, as well as the benefit of having a well known and well recognized brand. Organizations build brand equity by providing great experiences that encourage customers to choose them over competitors that sell identical goods. The two main tenets of brand equity are brand recognition and brand experience.
- 9) Brand loyalty is the feelings of the consumer or the tendency of a consumer behavior or the tendency of a consumer behavior where consumer shows their commitment to purchase the product or repurchase the product. It is the behavior of consistent purchasing by a consumer of the same brand product over the time.
- 10) Some of the ways to build brand loyalty a) connect with your consumers, b) make sure your brand is consistent, c) invest in eye catching logo design, d) focus on what your brand does best, e) make your customers come back, f) turn to influencers to promote your brand.

## **2.11 Model Questions**

- 1) What is brand strategy? What makes a brand strategy successful?
- 2) Briefly explain the types of branding strategies.
- 3) What is packaging? Highlight the objectives of packaging.
- 4) Briefly explain the aspects relating to packaging.
- 5) State the functions of packaging.
- 6) What is the role of brand? State the role of brand for consumer as well as for manufacturers
- 7) What is brand equity? State the importance of brand equity.
- 8) What is brand loyalty? What are the ways to build brand loyalty?



## 2.12 References

- Brand Equity Definition and Importance.* (2019, March 28). Marketing91. <https://www.marketing91.com/brand-equity/>
- Brand Loyalty: What You Need to Know.* (n.d.). Investopedia. Retrieved February 25, 2022, from <https://www.investopedia.com/terms/b/brand-loyalty.asp>
- What is Brand Loyalty—Definition, Importance with Examples. (2018, July 16). Marketing Tutor. <https://www.marketingtutor.net/what-is-brand-loyalty/>
- What is branding strategy? A definition.* (n.d.). Retrieved February 25, 2022, from <https://www.bynder.com/en/glossary/branding-strategy/>
- The New Strategic Brand Management – Advanced Insights & Strategic Thinking by Jean-Noël Kapferer
- Building Strong Brands by David Aaker
- Strategic Brand Management: Building, Measuring, and Managing Brand Equity by Kevin Lane Keller and Vanitha Swaminathan
- Positioning: The Battle for Your Mind by Al Ries and Jack Trout
- Marketing Management by Phillip Kotler
- Designing Brand Identity: An Essential Guide for the Whole Branding Team by Alina Wheeler
- Haute ‘Luxury’ Branding: Professor’s Notes by Philippe Mihailovich & Caroline Taylor

\*\*\*\*\*

## UNIT-3

### BRAND AWARENESS, BRAND ASSOCIATION, SELECTION, CREATION AND MAINTAINING ASSOCIATION

#### Unit Structure:

- 3.1 Introduction
- 3.2 Objectives
- 3.3 Brand Awareness and Brand Association
  - 3.3.1 Creating and Maintaining Brand Awareness
- 3.4 Selection, Creation and Maintaining Association
  - 3.4.1 Selection of Association
  - 3.4.2 Creation of Association
  - 3.4.3 Maintaining Association
- 3.5 Summing Up
- 3.6 Model Questions
- 3.7 References and Suggested Readings

#### 3.1 Introduction

A brand is an intangible market offering in the form of name, term, symbol, logo or any other character that guides customer to identify and differentiate products or services. Brand is one of the significant aspects in marketing. The repetitive usage of particular brand creates lasting impression on customer psychology. For example; Colgate, Surf excel etc. The brand awareness and association are two important considerations in branding decision.

#### 3.2 Objectives

After going through this unit, you will be able: -

- to understand brand awareness and brand association,
- to discuss selection, creation and maintaining brand association.

### 3.3 Brand Awareness and Brand Association

The prime goal of business is to maximise sales and revenue. To achieve that goal company strives to attract customer to buy the product and service and encourage frequent purchases. *Brand awareness refers the extent to which consumers are acquainted with a brand or its products. It is defined as the ability of the buyer to identify the brand in detail to take buying decision.* Brand awareness influences consumer purchasing decision. The level of brand awareness determines brand success in the market. Brand awareness is a spectrum that ranges from a shaky notion that the brand is known to a firm belief that it is the only one in the product category. The impact of brand awareness on brand equity will be determined by the setting as well as the level of awareness attained.



**Figure-1: Awareness Pyramid**

The lowest level of awareness is brand recognition. It is the minimal level of brand awareness. It's especially crucial when a customer selects a brand at the point - of - purchase. Brand recall is the next step. The "unaided recall" task is based on asking a person to name a brand in a product class; unlike the recognition test, the respondent is not aided by having the names provided. Unaided recall is far more difficult than recognition and is linked to a better brand position. When using aided recall, a person may recall far more items than when using unaided recall. In an unaided recall challenge, the first-named brand achieves top-of-mind awareness, a unique position. It is, in a true sense, ahead of the competition in a person's thoughts.

*A customer's mental association between brand and a concept, picture, emotions, experience, people, passion, or action is known as a brand*

*association*. This link can be immediately beneficial or negative, and it has a significant impact on purchasing decisions. It is deeper psychological attachment which arises into consumer mind due to repetitive use.

Brand associations are divided into three categories i.e. attributes, benefits, and attitudes. Attributes are the descriptive characteristics that define a brand, such as what a customer believes the brand is or has, and what is involved in purchasing or consuming it. The personal value customers place on brand attributes, or what they believe the brand can achieve for them, is referred to as benefits. Consumers' overall impressions of a brand are referred to as brand attitudes.

#### **Stop To Consider**

- Brand awareness refers the extent to which consumers are acquainted with a brand or its products.
- Awareness pyramid consists of unaware of brand, brand recognition, brand recall, and top of mind.
- Brand Association is a customer's mental association between brand and a concept, picture, emotions, experience, people, passion, or action.
- Brand associations are divided into three categories- Attributes, Benefits, and Attitudes.

### **3.3.1 Creating and Maintaining Brand Awareness**

How do you build favourable brand awareness over time, increasing the likelihood of future purchases of your product? The value of your brand's first impression cannot be overstated. Beyond that, there are all of the potential future impressions of your brand. You must evaluate and be aware of how your product value becomes known to the consumer, as well as the need of consistency, when selecting how you will go about establishing brand awareness:

- a. Messages:** The message of the consumer's experience with a brand should be constant. The impressions you want to leave on customers and prospects should be consistent across all channels, settings, and promotional efforts.

- b. Images:** In order to raise brand awareness, the images you present should be consistent. It's critical to be consistent with your image utilisation in order to increase recognition and positive impressions.
- c. Slogans and Taglines:** Slogans and taglines should be the same across all channels and materials. Consistency is crucial in presenting a message that enhances brand awareness in an ordered and identifiable manner.

The importance of consistency cannot be overstated. It creates an image in the mind of the customer that they can link with your products in the future. For example, if the materials you distribute, the setup of your sale table, the packaging of your product, and the logo and slogan are not all reasonably comparable, consistently consistent, and consistently recognised over time, your brand is unlikely to succeed. Developing a successful brand that generates maximum benefits requires creating brand awareness through a collaborative, well-developed overall image.

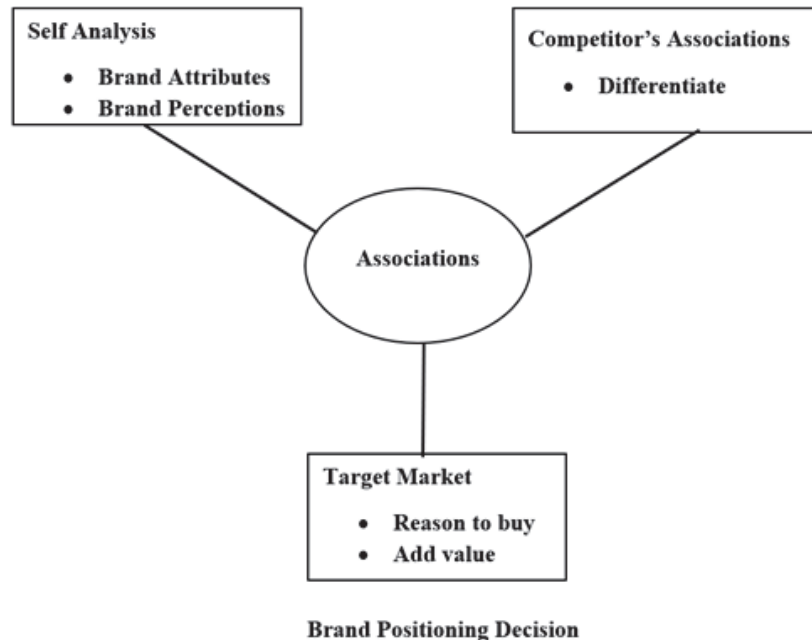
It is critical to continue working on the challenges and initiatives listed above. Keep a close eye on how customers react to items, packaging, displays, and messages. Look for strategies to enhance the image you're attempting to convey. Request feedback from your customers. Make an effort to keep a regular presence in the market. Customers can anticipate to find you at a specific location and at specific times.

### **3.4 Selection, Creation and Maintaining Association**

#### **3.4.1 Selection of Association**

All aspects of the marketing effort will be driven by the associations chosen. The significance is especially crucial when it comes to a new product or service. Associations must promote competitive advantages that are both sustainable and convincing. The set of associations that already exist complicates the positioning decision for an established brand. As a result, it's important to think about which relationships should be diminished or deleted, as well as which should be formed or strengthened. The decision is based on an economic analysis of the market response to the associations, as well as the associated investment and marginal cost. Essentially, a position must be created that will attract a worthwhile market—which could be a little portion of a huge market or a large portion of a small market—at a cost that would result in attractive returns over a reasonable time period.

Of course, forecasting the sales and cost components which will be associated to any particular positioning decision is difficult. There are three factors to think about when considering the positioning decision. 3



- a. **Self Analysis:** Before positioning a brand, it's critical to undertake in-home blind taste or in-office use tests to confirm that the brand can deliver on its promises and is compatible with the desired image. It's a waste of time to construct a viewpoint that's distinct from what the brand stands for. It is also strategically harmful because it will erode the brand's core equity: consumers will be wary of future claims. Brand perceptions can be more important than physical product perceptions, especially if they are based on a name or previous promotion. As a result, it's critical to understand the nature and strength of current organisations. Existing associations, especially strong ones, are notoriously difficult to change. Rather of changing or neutralising current associations, it is preferable to build on them or even establish new ones.
- b. **Competitor's Associations:** Knowing your competitors' affiliations is a second important factor to consider when deciding where to place yourself. It is critical for most brands in most circumstances to build associations that indicate areas of differentiation from competitors. There is no incentive for customers to choose your brand over another,

or even to notice it, if it is undifferentiated. The single best predictor of both new-product success and ability to attract awareness, according to studies of new-product debuts, is having a point of distinction. Being a “me too” entry is a catastrophic mistake. It is less crucial to be unique when your brand is the leading brand with a monopoly on distribution channels. In fact, competitors that are thought to be comparable to you are likely to lose out due to a lack of your brand recognition and distribution.

- c. **Target Market:** The target market is the third dimension of study. The goal is to create associations that build or strengthen brand characteristics and traits, provide a point of differentiation, and elicit a response from the target market. Being unique will help you stand out, but a position that provides a reason to buy or adds value to the product will be even more powerful.

An association that gives people a reason to buy. One of the functions of an association is to provide people a reason to buy a certain brand. The reason-to-buy must be persuasive enough to entice purchasers to purchase. Some associations, including attribute associations, fail because customers don’t value them—or, worse, find them distracting or insulting. Focus groups, one-on-one interviews, surveys, and/or market testing can be used to establish the value of an association offering a reason-to-buy to customers.

An association that Adds Value. An association might “hit” indirectly by building an association that provides value rather than openly presenting a reason to buy. The organisation does not have to come up with a rational justification to buy that can be clearly articulated. Rather, it can be the linkage of a feeling with the brand and the experience of using it. Advertising, offering a virtual use experience, or demonstrating that others share that feeling throughout the use experience can all help to establish the link. In any instance, the feeling adds worth, even if it is subconscious in the sense that a person may have difficulties verbalising it.

### **Check Your Progress**

1. What is brand awareness?
2. What is brand association?
3. What is the lowest level of brand awareness?
4. What are the three factors of brand positioning decision?

### **3.4.2 Creation of Association**

Anything associated with the brand creates associations. Of course, a brand image is built on the characteristics and benefits of a product or service, as well as its packaging and distribution channel. Furthermore, the brand's name, emblem, and tagline are crucial positioning elements. Certainly, the advertising campaign has a direct impact. Other techniques to the formation of associations should be addressed. Such as promotion and publicity, are both visible and significant. Others, which are more subtle and nuanced, necessitate a comprehension of the signals that customers use to construct their perceptions.

#### **Identifying and Managing Signals**

Customers are prone to discounting or dismissing true information. Worse, they often lack the motivation and aptitude to digest it, so they are never truly exposed to it. They cope by relying on signs or signals—one feature or relationship can infer the presence of others.

For example, a health-conscious consumer may not be ready or able to digest the nutritional information on a cereal box. Instead, the customer seeks for signals that allow them to build impressions without having to process data in detail. The presence of oat bran, or 100 percent of average daily nutritional requirements, or the absence of sugar, for example, could be indicators of a nutritious cereal. Thus, while the presence of the oat bran may not be significant to some consumers, it does suggest that the producer is interested about making the food healthy. It's crucial to understand which associations should be formed.

#### **Understanding Unanticipated Signal**

Sometimes features that are important to the client and are promoted as product advantages by the company turn out to have negative connotations, resulting in unforeseen signals of unfavourable associations. It's crucial to understand how brand associations are interpreted, which can be subtle at times. A sales campaign gives you a short-term incentive to buy something. Promotions that just provide a discount or rebate are the most likely to cheapen the brand and hence have a negative impact on its image. There are ways to use promotions to boost rather than detract from brand equity. A crucial is to include a brand-equity component in the criteria for generating promotions, as well as a constraint that no campaign will be authorised that will harm the brand's equity.



### **Stop to Consider**

- Anything associated with the brand creates association.
- Customers are prone to discounting or dismissing true information.
- It's crucial to understand which associations should be formed.

### **3.4.3 Maintaining Association**

In the face of demands on the marketing programme as well as external pressures, it is sometimes more difficult to maintain associations than it is to form them. The following are some of the guidelines: (a) be constant over time, (b) be consistent over the marketing program, and (c) manage disasters to minimise their damage.

**(a) To be constant over time** - Changing associations is undoubtedly possible, and it may even seem desirable at times. However, it should be noted that such a process is frequently wasted, in addition to being difficult and costly. In many ways, the set of connections is the culmination of all of the brand's marketing efforts. The brand is likely to be strong if the advertising, marketing, and packaging have all supported a consistent positioning approach throughout time. In many ways, the set of connections is the culmination of all of the brand's marketing efforts. The brand is likely to be strong if the advertising, marketing, and packaging have all supported a consistent positioning approach throughout time. Stick with the advertising if it's working. When an advertiser becomes dissatisfied with a positioning strategy and the advertising employed to accomplish it, he or she may contemplate changing it. However, just like a person's personality or image, a brand's personality or image evolves through time, and the importance of consistency over time cannot be overstated.

**(b) To be consistent over the marketing program** –One of the risks of making changes is that a modification in the marketing programme or product line that makes perfect sense on its own can have an adverse effect on the company. Changes near the margin can be tolerated, while inconsistencies in an image are usually harder to cope with. The customer will have to change his or her perceptions to fix the problem. Managers are frequently under immense pressure to produce short-term outcomes, even at the sacrifice of corporate assets such as brand equity. Promotional activity and different distribution methods pose specific dangers.

**(c) To manage disasters to minimise their damage** - A disaster impacting a brand's image, and hence its equity, causes the most significant damage. Clearly, all businesses are subject to both accidents and those who seek to profit from ill luck. However, both disasters and the rapacity of corporate cultures can be mitigated. The greatest way to deal with a disaster is to avoid it in the first place. To this aim, it's helpful to think about the worst scenarios for what can happen if a product is misused or a campaign is misunderstood. Action can be taken to limit the likelihood of such incidents once scenarios are in place. A second line of defence is to recognise a problem early and take action before it becomes a major issue.

#### **Check Your Progress**

1. Give an example, showing how brands can identify and manage signals to create brand association (Hint 3.4.2)
2. Point out the guidelines to be followed for maintaining brand association. (Hint 3.4.3)

### **3.5 Summing Up**

The degree to which people are familiar with a brand or its products is referred to as brand awareness. Unaware of the brand, brand recognition, brand recall, and top of mind make up the awareness pyramid. A customer's mental association between a brand and a concept, visual, emotion, experience, people, passion, or action is known as brand association. Attributes, Benefits, and Attitudes are the three types of brand associations. The selection, creation and maintaining association is important consideration. Identifying and managing signals and understanding unanticipated signal is vital in creation of association. For maintaining association, it should be constant over time, consistent over the marketing program, and manage disasters to minimise their damage.

### **3.6 Model Questions**

1. Write note on brand awareness and association.
2. Discuss about selection, creation and maintaining brand association.

### 3.7 References and Suggested Readings

Aaker, D. A. (2009). *Managing Brand Equity*.

Retrieved from [https://www.academia.edu/38495140/Managing\\_Brand\\_Equity\\_David\\_A\\_Aaker](https://www.academia.edu/38495140/Managing_Brand_Equity_David_A_Aaker)

Dew, L., & Kwon, W. S. (2010). Exploration of apparel brand knowledge: Brand awareness, brand association, and brand category structure. *Clothing and Textiles Research Journal*, 28(1), 3-18.

Gustafson, T., & Chabot, B. (2007). Brand awareness. *Cornell Maple Bulletin*, 105(1).

Laurent, G., Kapferer, J. N., & Roussel, F. (1995). The underlying structure of brand awareness scores. *Marketing Science*, 14(3\_supplement), G170-G179.

\*\*\*\*\*

