
UNIT 8 BRANDING DECISIONS

Objectives

After reading this unit you should be able to:

- discuss the, rational for branding
- explain the concept and relevance of branding
- define brand name and discuss its scope
- evolve a framework for brand name selection
- discuss how to build a brands
- comment on brand image and its dimension
- throw light on the emerging trends on branding of commodities

Structure

- 8.1 Introduction
- 8.2 Branding
- 8.3 Strategic Relevance of Branding
- 8.4 Brand Policy Decisions
- 8.5 Brand Name
- 8.6 Brand Name Selection Process
- 8.7 How to Build a Brand?
- 8.8 Brand Image
- 8.9 Branding of Commodities
- 8.10 Summary
- 8.11 Self-Assessment Questions
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8.1 INTRODUCTION

This unit will make you familiarise and introduce to the term "Branding", its relevance both to the firm and external environment, the various branding decisions that a firm needs to take. The unit will further help you understand what brands are, all about followed by brand name selection process. Subsequently, we also made an attempt to make you understand how brands are build. Brand image, another important dimension of branding has also been discussed. Eventually, branding of commodities is the fast emerging trend and its challenges are dealt with.

8.2 BRANDING'

Before we really start talking on this subject pause for a moment, to recall the process that your mind went through before you chose to become a student of this university vis-a-vis other institutes which offer distance learning programmes. Obviously the first thing that must have struck you is the NAME of the programme, thereafter the NAME of the university - followed by the image that you associated with each of them. Obviously the image would have been influenced by what you would have seen and heard about these NAMES. Well, the process of any image creation in the mind starts with the NAME and comes back and ends at the Name. Well, the process and success of an. image creation task is what positioning is all about. What are we hinting at? That communication, identification, differentiation, distinction and positioning (this is a name given to a powerful systematic and scientific approach to communication) all start at the name.



There was a time in USSR, when all the products being produced by different units did not carry a name (an identification). Consumers were expected to pick up a product - (produced from any unit) and be happy about it.

Soon experience taught the consumers that the same product purchased at different points of time, differed in their quality. Sometimes these differences were so sharp, that consumer decided to go without a product rather than bear with a substandard product. This suppressed demand and the economists were forced to recommend the system of 'Production Marks'. Each product, from a different production unit with a different mark - so that consumers could identify, distinguish one from the other. What were 'production marks' in true sense? They were 'brand names'.

A good brand name can cut down your advertising cost and a bad brand name can force you to add more money to your advertising for the same impact, assuming that all other variables are maintained at same levels in both situations.

However, the Repurchase Value of a name is an imperative quality, which every name has to contain. We cannot afford at any cost to ignore this factor. We cannot get away with raising an expectation in the mind of a prospect or a consumer, which the product cannot live up to. There can be cases, when the expectations raised by a brand name are not intended to be satisfied or met through the physical qualities of the product. The marketer probably intends to satisfy these through skillful use of advertising. If that be the case, we need to take this into account, while naming the brand.

What is Branding?

Branding is

- a process
- a tool
- a strategy
- an orientation

Branding as an on going process helps establish and builds a long term symbiotic association between the marketers and the consumer in response to the changing needs and wants by way of product offerings for mutually beneficial arrangement.

Branding is also viewed as an excellent and reliable promotional tool for creating mass awareness, for projecting and positioning a product in the minds of target consumers the authentic product attributes and the satisfaction they would derive by adoption. Despite the availability of equally satisfying products in the market place the satisfied customer with a specific brand would not want nor make an attempt to spend additional effort to evaluate the other alternative choices in the category.

As already mentioned, branding helps in easy identification thus differentiates and stands out apart from other competitive products in the category and thereby developing a close affinity and linkage with target customer group. This way Branding comes handy to the marketer as a weapon for clear distinction of his product more so when the product nature is such that it would be difficult to distinguish in terms of visible features as in case of services and other products like cement, fertilizer etc. which are generally perceived as commodities. This way branding is used strategically for strategy formulation for the target groups in response to their changing taste and preferences by way of developing and offering customised products backed with effective communication and supported by visuals to match and keep pace with the customer life styles and expectations.

Brand creation and brand building by the marketer's should be a well defined and conscious task keeping the consumer on the top of the mind: Branding always facilitates easy and quick decision making in purchase process. Branding also attracts customer pull and helps retain customers to its fold over their rivals offerings for quality and personal satisfaction and develop loyalties for the same. From the marketers angle strong brands does help in building strong foundation/premise for the promotion of additional products.

By now you would definitely agree that branding is much more than just giving a brand name and signalling the rest of the world that such a product/service has been stamped with the mark and imprint of an organisation.



8.3 STRATEGIC RELEVANCE OF BRANDING

Brand is much more than the name per se or the creation of an image that the product or service has received an organisational imprint. The Exhibit 1 below outlines the relevance and rationale of branding.

EXHIBIT-I

Brand

- serves as a tool to segment the market
 - starts with an idea
 - has an enduring value
 - helps protect innovation
 - sustains though the product may die
 - is a living memory
-

Brand as a tool to segment the market

You must have observed that the major leading and established brands (Products) in all product categories are enjoying a premium position in the market place. This is because the marketers could offer their product offering across various market segments with a view to distinguish and differentiate the firm's offering from its rival brands in response to the wants and needs of the target groups. The firm does so by consistently and periodically providing a blend of both tangible, practical and symbolic attributes, both visible and inherent values under conditions that are economically viable for the firm.

Brand starts-with an idea

As you are aware that brands are products, and every product is conceived with an idea. Thus building a brand is basically nurturing a product offering. Thus branding is what goes into it, and not what goes on. The outcome is an augmented product/service which requires to be made aware to the bulk of potential target group by employing a blend of various promotion media, and reap the benefits of its efforts before it is copied and offered to the market by rivals.

Brand has an enduring value

Brand cannot be viewed merely as a label then such a product would tend to lose its value. The moment it loses its sign of brand identification. Instead it continues to incarnate the brand: the brand's passing presence has transformed the product. This explains the value Horlicks-Health drink, when it carries Smithline Becham label for past 50 years; similarly Bata Shoes, stripped of its name, will hardly see much consumer pull. They are worth more than counterfeit imitations because the brand image is present even when it cannot be seen. In contrast, though the brand level may appear on an imitation, it will actually miss the undercurrent of consumer's personal attachment with the offering.

Brand helps protect innovation

All brands become familiar through the product they create and offer to the market. Every brand on innovation generates 'Me-too-ism'. Any progress/upgradation made quickly becomes the standard to which buyers become accustomed to. Competing brands most often follow through and at times bring out improved versions as they do not want to fall beneath the market expectations for a short span of time, innovative brand enjoys monopoly, but it be worthless unless the innovation is patented. This explains the role of brand in protecting innovation.

Brand sustains though product may die

A brand protects the innovator, granting momentary exclusiveness and rewarding the willingness to take risks. A brand cannot be reduced to a symbol or a product or merely graphic and cosmetic exercise. A brand is the signature on a constantly renewed, creative



process. Products are introduced, they grow, decline and become obsolete, but the inner or core value of the original brand endures. This consistency of creative action is what gives the brand its meaning, its contents and its character. Creating a brand requires time to build up that identity for example: Philips, make radio and transistors, though outdated still the brand continues to live because of its core value.

Brand a living memory

The spirit of brand can only be inferred through its products and its advertising. The content of the brand grows out of the cumulative memory of various acts. Provided they are governed by a set of unifying ideas or guidelines. The importance of memory in encompassing a brand explains why its image can vary structurally from generation to generation.

8.4 BRANDING POLICY DECISIONS

In considering and making branding decisions, the firm has to consider factors like, target consumer, target markets, their cultural influences on the market, and the impact of brand on business strategy for example a product which is culturally alien will find difficulty in getting accepted in the market like in case of 'Ms' brand of cigarettes targeted at Indian women failed in the market place. Besides the firm has to consider the values, attitudes and cultural aspects of target consumers.

The brand decisions a firm has to take are-

- manufacturers name i.e. whether to have its own name on all products, or
- marketing organisation /distributors brand name, or
- adopt a mix. of the two

The firm should also take decisions relating to the following:

- a) Family brand name-extending family name to new products like Onida did to other products like washing machines, music systems etc.
- b) Independent Brand name-a practice which most of the consumer product firms like P&G adopted for its toiletry and other personal care products.

Let us now look into each of these brand policy options available for the firm.

Manufacturer Brand Policy

As the name suggest that this policy is based on the. assumption that the manufacturer has built a reputation in the market, with a strong and wide distribution network and a sound financial resources to establish a new product in the market. Customer faith and confidence in the firm is the-prime factor in the manufacturer deciding to brand the product in its own name. When the manufacturers markets such product in its own name nationally, this is called the national brand policy. Classic examples are all leading national brands of Indian corporate in all product categories. Example: Hero Motors, Maruti & Raymond etc. Under this Brand Policy there are two options.

Family Branding

Most of us use different brands for personal consumption and are loyal towards some of these brands for reasons best known to each of us. Thus when the name brings in positive associations in the minds of consumers with respect to quality reliability and assurance of standards in all their product offerings. In these situations family branding works effectively...,,

Family brand names are generally recommended in view of high cost associated in creating a new brand. However, when the product is not accepted in the market place then the entire family name would stand to loose. Family branding is also known as umbrella branding for instance ponds is the mother brand name used for shampoos, talcum powder cold creams and toilet soaps.

In view of the above drawback, the strategy of an independent brand name is therefore encouraged.



Independent Branding

You also come across some firms choosing distinct names for each of their offerings Dabur, Godrej etc. have been following this option of giving different names to each of their products. The advantages of Independent brand name lies in strong market penetration of the product across various well-defined segments. The products marketed by a company may become diverse and hence requires a distinct names. Sometimes they may have multiple brands of a product which compete with each other. It makes sense to pursue this strategy of individual brand names for each offering. in the cigarette business ITC has a large number of brands covering almost all price segments and this enables it to have inter brand competition; in the process a competitor finds no room to carve out a niche.

Distributors Brand Policy

This is an alternative to manufacturer brand policy, which comes handy and are relevant in the absence of firms, strength in marketing and adequate financial resources to build a strong brand and the competition in tine industry is high. As a result of the latter, the retail shelf space is at premium. The distributor or the marketing organisation has strengths in the market, customers have confidence in it and hence his bargaining power with the manufacturer is high. In such a situation it may be advisable to market the product under the distributor brand name.

As competition intensifies, fight for shelf space will become severe. More retail chains created nationally will also put a pressure on the manufacturer to let them market products under their. (retail firms) names.

The risk associated with this strategy are-

- i) loss of control over the product marketing;
- ii) if the product succeeds, premium may go to the distributor and not to the manufacturer; and
- iii) distributor may not extend the desired marketing support to the brand.

Mixed Brand Policy

An alternative to the above two options is for the firm to enter into a strategic alliance with a well known Marketing firm and allow it to market the product under its name in a well defined geographic area. The manufacturer also confirms to market the product under his own name nationally. This is done to fight regional competition.

8.5 BRAND NAME

If you carefully observe that every product in tine market place is identifiable by a specific name given by its maker called the brand naive. Thus identifying and selecting an appropriate brand name is the first and foremost crucial step in managing a product. Tine decision of branding a new product is like naming a new-born child. it basically servers to easy identification of the firms offering. You must have come across that a brand could be a word, term-sign or symbol that identifies and distinguishes one product from another for example, it could be-

- a word with meaning not necessarily related to the product it represents viz., Amrutanjan, Ortern, Iced & White, Sprite etc.
- the name of the manufacturers of the product viz., Nilkamal, Bata, HMT, etc.
- a combination of numerical and alphabets, viz. Elle-18, CBZ-150 or a word whose a meaning suggests some functions, or quality of the product for example brand names like Surya (lighting) Sleepwel (mattresses) Tips & Toes (Nail Polish) D-cold (Medicine for cold & cough) etc. indirectly indicate the use of the product.

A brand name may manipulate the buyer's perception about the product. Brand names are offen conceived and used in establishing an overall product concept. Occasionally, strong brand name becomes the ;generic name of the product for instance brands like Surf, Dalda & Tempo used to be synonymous with detergents, vegetable oil and midi trucks



respectively. A good brand name has a mnemonic quality, something that stays in the buyers mind and even derive some recognition and status from using certain brands. Branding always plays a major role in communication. Apart from identifying the marketer! producer of the product branding assures the buyer of some consistency and quality standards leading to repeat purchases. It is essential and also mandatory for the marketer/ producer to register brand names under the Indian Trade and merchandise act for protection and imitation.

Table 8.1 below gives an overview of brand functions and consumer benefits

Table 8.1 The functions of the brand for the consumer

Function	Consumer benefit
Identification	To be clearly seen, to make sense of the offer, to quickly identify the sought-after products.
Practicality	To allow savings of time and energy through identical repurchasing and loyalty.
Guarantee	To be sure of finding the same quality no matter where or when you buy the product or service.
Optimisation	To be sure of buying the best product in its category, the best performer for a particular purpose.
Characterisation	To have confirmation of your self-image or the image that you present to others.
Continuity	Satisfaction brought about through familiarity and intimacy with the brand that you have been consuming for years.
Hedonistic	Satisfaction linked to the attractiveness of the brand, to its logo, to its communication.
Ethical	Satisfaction linked to the responsible behaviour of the brand in its relationship with society (ecology, employment, citizenship, advertising which doesn't shock).

8.6 BRAND NAME SELECTION PROCESS

We will now attempt to give you realistic and operational basis for the art of brand naming. Presented below is an approach for the formulation of a name for a product and the selection of the most suitable from amongst the various alternatives at hand. You have seen that a brand name should be checked for certain qualities. The task of systemizing the choice of a brand name calls for more than a knowledge of these qualities. What is required is to develop a systematic base for useful and realistic evaluation of different suggestions for adaptation. For a rational decision in this regard a mathematical approach has limited application. Therefore, we suggest an audit cum 'mathematical' approach, the major steps in this process are presented here.

Step I- Preparing checkpoints for the different values to be contained in the name

A marketing executive should first layout the objectives he wants to fulfil through the name that he is trying to design. For this he should prepare lists of checkpoints using the Jackson Martindell's method. It may be broadly classified on the basis of certain recognized values.

Associational Value: (a) Pick upon the qualities of the product, the association of the name to which, are likely to increase the sales; (b) List the satisfactions that the consumer wants to achieve through the product. Caution: the product is meant to serve a target audience of potential consumer; thus only those satisfaction should be listed which are desired by the target audience. The satisfactions should be listed in order of priorities; (c) Now prepare a combined list of the desirable qualities and satisfactions and list them in order of priorities, for example:



Qualities and satisfactions to which associations of name is to be sought	Impact in terms of profit and: Or market share (% of potential consumers desiring an attribute)
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- Attribute A :
- Attribute B :
- Attribute C :
- Attribute D :
- Attribute E :

It should be remembered that consumers with a preference for, say, attribute A can overlap the consumers desiring attribute B. This means that the combined market share of attribute A and attribute B will not be the cumulative of the market shares of both but something less. The attributes should be listed in a descending manner so that as one goes down the list, the cumulative market share of the attributes increases. Also, the overlapping of the set of consumers of attribute A with that of attribute B should be less than that of the set of consumers of attribute C with that of attribute B or A. The same thing should be true with consumers of attribute D (as that of attribute C) in regard to consumers of attribute A, B and C and so on.

Memorization value: : List the words to which the name can be made to resemble in rhyme, meaning etc. and which are in Common use by the target audience of potential consumers.

Descriptive Value: Follow the same procedure as laid down under the heading associational value. List the product qualities that need to be described according to consumer preferences. Also, include those qualities which are preferred by the target audience and are present in the product but are missing in competitive products. Prepare a list of checkpoints on the following design:

<i>Descriptions</i>	Impact on the profits and/or market share (% of potential consumer desiring an attribute)
Attribute A :	
Attribute B :	

Motivational Value: Follow the same procedure as above and list the product qualities that would motivate the consumers to make the purchase. Against each product quality indicate the proportion of potential consumers that are motivated by it. Also, list the factors which, if developed in the product, would motivate purchase.

Purchase motivators	Impact on the profits and/or market share (% of potential consumer desiring an attribute)
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- Quality X :
- Quality Y :

Repurchase value: If the name is checked against the checkpoints prepared for associational value, memorizational value, descriptive value. and motivation value. it will by itself contain the required repurchase value. Hence no separate list of checkpoints is required. For the same reason the foregoing procedure will take into account only the first four values.

Step 11-A faking a search for names

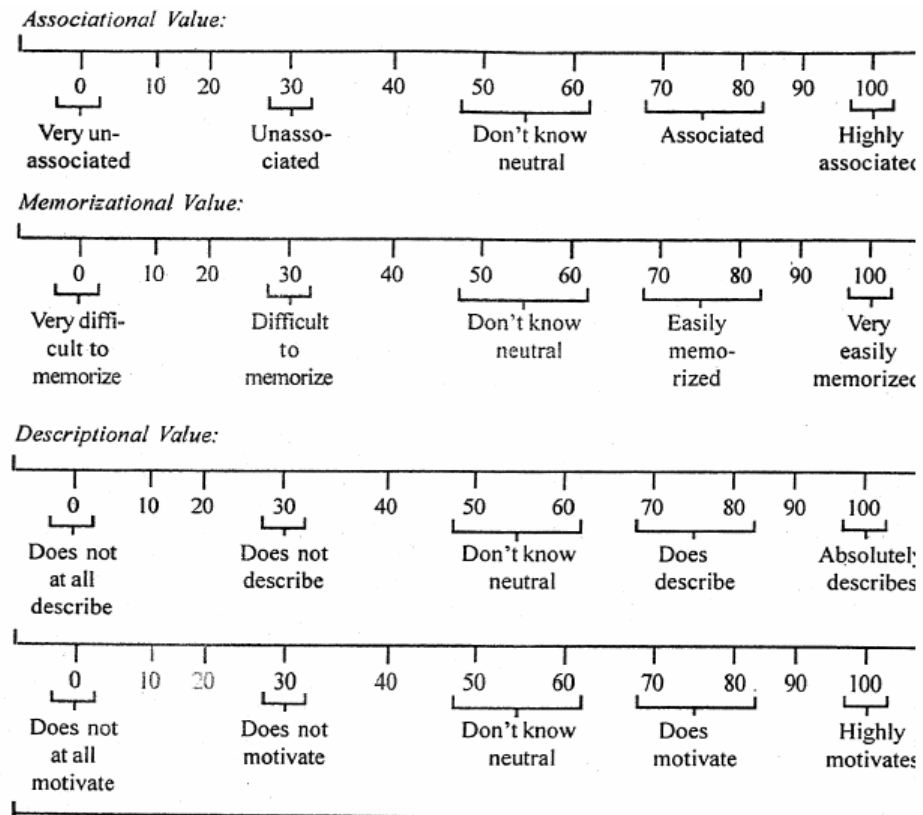
The next step is to search for possible names that can be given to the product. Such names are listed that fulfil the objectives laid down in Step I, i.e. the, --attain the required values: A great deal of creative imagination is required for this job. An attempt has to be made to



formulate such emphasis is on the required qualities. At this stage, primary emphasis is on the required values the name has to contain; the objective evaluation comes later.

Step III-Assigning differential ratings to the names formulated

A proforma of the rating scales for all the four values can now be drawn.



Now a representative sample of the potential consumers is picked up and is given a series of tests.

Associational value tests: The names formulated in Step II are haphazardly arranged and listed on one side and the qualities or attributes laid down in the list of checkpoints for associational value in Step I along with other product attributes are listed in a random manner on the other side. The participants are then asked to associate names with attributes.

In this manner the extent of relationship of a name with the attributes of the associational value can be determined. Ratings are then allotted to these names on the associational value scale. The judgement is based on the comparison of the results of the associational test, with the list of checkpoints prepared in Step I under the head associational value. If the test indicates that a name has been exactly associated with the attributes of checkpoints, it would represent the highest degree of association the name has with these attributes. This particular name would then be allotted a rating in between 80 and 100. It should be noted that the rating, allotted to different names have to be relative in nature.

Memorizational value tests: Brand names listed in Step II after being properly shuffled with such similar names and related names (shuffling is done to reduce the error that might creep in because of the association of the names with each other) are listed and then given to the participants for a specific time. They are asked to read them over, again and again, say 5 to 10 times. Then another list of names containing the names for the product in the first list shuffled along with other similar names i.e., similar in spelling and rhyme etc. is given to the participants. They are then asked to locate the names of the first list. In this way the names can be allotted rating on the memorizational value scale.



Descriptive value tests: The list of names is given to the participants. Each participant is then asked to list under each name a few attributes that s/he thinks the product with that name may contain. The attributes listed by the participants are then checked against the checkpoints prepared under the heading Descriptive Value in Step 1. Ratings are then allotted to the different names on the descriptive value scale in a similar manner as they are done for associational values.

Motivational value tests: Names formulated in Step 11 are listed on one side after shuffling them with a few other names that are not being considered. Purchase motivators that are listed under checkpoints prepared under the heading motivational value in Step 1, are shuffled up with non-motivators and listed on the other side. The participants are then asked to associate the names with the purchase motivators. There being no restriction on the number of purchase motivators that may be linked with a name and the number of times a purchase motivator that may be linked with a name and the number of times a purchase motivator may be used. After having done this on the basis of the results obtained and with the help of checkpoints for motivational value, ratings can be allotted to the names on the motivational value scale.

Step IV - Quadrivalent analysis for separating undesirable names from desirable ones and measuring the marketing potency of the different names

The marketing potency of a name in its most ideal sense depends on all the four values that have been discussed above in the preceding step. However, in practice you may need to rely on a Few of the Above Qualities. It is also possible that you just can't find a name which can strongly reflect these qualities. If that be the case, you will have to be context-wise with a hard choice-giving up something for something better. If you are compelled to do this-look at your total marketing programme and find a solution to what you have lost in some other element of the mix at your command. We can express the marketing potency by a simple mathematical expression as under:

$$MP = (An) (Mm) (Dp) (Mt)$$

MP-Marketing potency of a name, An-Associational value, Mm-Memorizational value, Dp-Descriptive value, Mt-Motivational value. .

The marketing potency of a name or the extent to which the name helps in capturing the market is assumed to be a function of multiplicative relationship among the four variables multiplicative because theoretically reduction of any of the four variables to zero would sharply bring down the marketing potency of the name. In this general formulae, you will also notice that we have assigned equal weights to all the four values.

In practice, the scenario may be totally different. You may not be intending to describe the product at all through your name in view of the marketing strategy you have in mind. What do you do in this kind of a situation, how would you deal with the mathematical expression stated above? You will need to do some transformation of the expression or assign some arbitrary value to the descriptive value. -We suggest that you assign to the descriptive value a value equivalent to unity. Again it is quite possible that the associational value of the product is two times more important than the descriptive value of the product. Again you would need to transform your expression. You will need to assign weights and we suggest that you assign a weight of two units to associational value in relation to descriptive value. At the time of determining the marketing potency the ratings for this value will have to be divided by two to give it the desired weightage.

The graphic representation shown in Fig. 1 consists of 3 axes all perpendicular to each other, two lying in the horizontal scale and one in the vertical scale. The two variables associational value and memorizational are represented on the horizontal axis and descriptive value is represented on the vertical axis. After rating for a name has been plotted on the associational and memorizational value axis, sales, its rating on the descriptive value axis helps in assigning the name a position in the space. The rating for the motivational value of the name is indicated in parenthesis. Positions are located for all the names on this three dimensional graph.



Three planes are then made to divide this three dimensional brick resulting into 8 quadrants. A horizontal plane is drawn so that half the names lie above the plane and half below the plane. A 2nd plane, which is vertical and parallel to the associational value axis is drawn so that half names lie on one side of the plane and half on the other side. A 3rd plane, vertical but parallel to the memorizational value axis is drawn in a similar fashion. This process gives rise to 8 quadrants. The upper right hand quadrant farthest from the memorization value axis (Quadrant 1) will have those names which are more desirable than those in other quadrants. Figure 1 shows that brand names A & B 1 in quadrant I and hence they are more desirable than those in other quadrants.

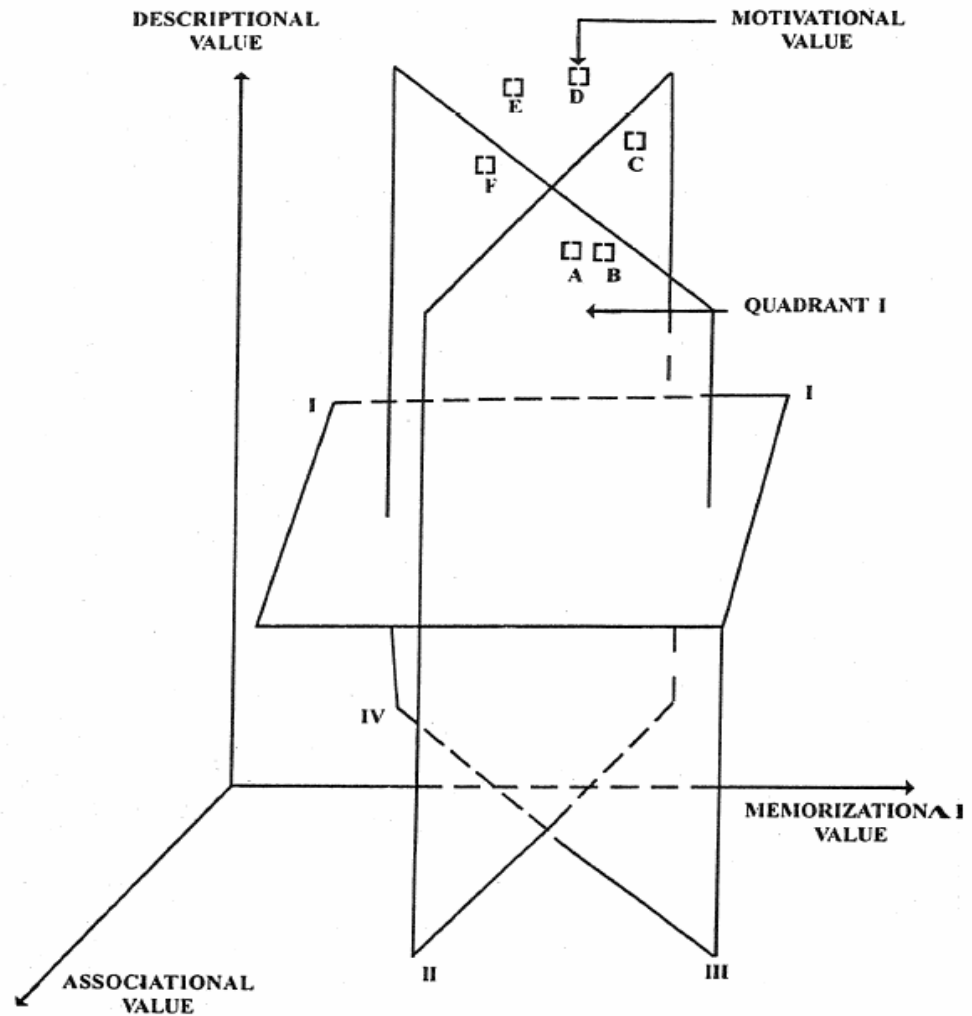


Fig. 1 The three dimensional graphic representation shows the extent of different value each name. It also depicts the elimination of undesirable names from the desirable ones by inserting three axis at right angles to each other in the graphic representation. The three planes divide the 3 dimension brick into eight quadrants, quadrant I has the desirable brand names-brand names A & B.

The 4th rating on the motivational value scale should be indicated in parenthesis. This is indicated in parenthesis because if the name has the other three desired values it would contain some motivational value too; however, this is not true of the other values. Names falling in the upper right hand quadrant farthest from the memorizational value axis can be compared with each other, their ratings for motivational value too can be compared.

If there are a large number of names lying in quadrant 1, further elimination of undesirable names can be done. Divide quadrant one into still smaller quadrants. This is done by using the same procedure. This means that quadrant I is divided by 3 planes to give rise

to 8 miniquadrants. The inception of planes to bring about division of quadrant I is done in a similar manner as that followed for dividing the whole graph. This would give rise to another quadrants F which would contain a still smaller number of names. Thus it would be easy to make choice from among these names.

Controlled experimentation can also help in determining the marketing potency of the few names that emerge from the above method (say 2 to 3 names) from which the final choice has to be made. Redetermination of the marketing potency can be done not only by taking into consideration the results of this controlled experimentation but also by resubjecting them to the tests designed in Step II and checking them up with the help of checkpoints in Step 1.

Step V-The final choice

We can afford to go a step further. The 2 or 3 names that we have are listed on separate cards. On each card the total market share generated by each of the four values is determined. We shall take as example the associational value. Check the name against the checkpoints listed under associational value in Step I. List those attributes to which the name has been associated by the sample of potential consumers at the time they were given association tests in Step III.

Attributes to which

:A & B

name was associated

Now look into the number of potential consumers who associated the name to attribute A. Find the ratio of the number of these potential consumers to the whole sample. This ratio gives the market share that is being generated by this attribute. Similarly, determine the market share generated by attribute B. Find out the number of potential consumers who have associated the name both to attributes A & B. Next step is to determine the following ratio:

No. of potential consumers
who associated the name to
both the attributes A&B.

Proportion of consumers
for attribute A associating
the name to attribute B

No. of potential consumers
who associated the name to
attribute A.

Similarly determine the proportion of consumers for attribute B associating the name to attribute A. With the help of market shares for the two attributes and the above ratios, a venn diagram can be constructed. The total market is represented by the universal set, on it are drawn the market share generated by attribute A (set of consumers who associate the name to attribute A) and the market share generated by attribute B. The intersection of two subsets A & B is shown. The union of the two subsets A & B shall represent the actual associational value of the name (Figure 2). Next, determine the market shares generated for each of the four values. Not construct a venn diagram for each name in which the universal

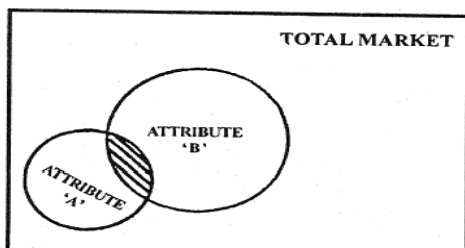


Fig. 2

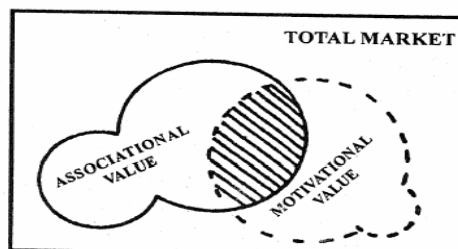


Fig. 3



set is represented by the total market of the product. On this universal set is shown the union of the set of consumers, for associational value, memorizational value, descriptive value and motivational value. The interlaps among these sets is determined by the same type of procedure as outlined for determining the intersection for market shares of different attributes for their associational value in (Fig. I). Figure 3 shows such type of a venn diagram.

A comparison of the venn diagram constructed for the different names will help in picking on the right name-the falls in line with your marketing strategy. This depends on two things (I) the total area covered by the union of the four sets viz., set of consumers for associational value, memorizational value etc. (II) the interlaps or the intersections of these sets.

Today, a few marketing research specialists have developed a variety of mathematical techniques to help in brand name selection. This should not baffle you, because the logic does not change. These mathematical techniques are only tools to help marketers give expression to their logic and to assist them in applying their logic in more precise terms. Logic obviously remains supreme and reigns.

The various steps and tests involved in "brand name selection process" as described above needs an exercise on the pattern discussed. Thus, a proper brand name chosen for the product, keeping consumers' point of view in forefront would make marketing effort easy and rewarding as it introduces the element of rationality in an otherwise wholly subjective decision.

Activity I

Assume that you are developing

- a) A new breakfast snack
- b) A new CNG fitted car
- c) A new cyber cafe

How would you find an appropriate brand name for your product using the model described above?

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8.7 HOW TO BUILD A BRAND?

Brands do not become established or leading brand over night. Brand building should be a conscious effort well planned and systematically executed. Thus, brand building is similar to building concrete structures. If you observe, all concrete structures are built systematically brick by brick over a specified period of time and later maintained on a continuous basis. Similar analog applies to brand building i.e. the marketer should develop, innovate nurture and add value addition constantly in relation to changing needs and wants of the ultimate customers. This explains that brand building is an on going process (Exhibit-I). The model may be used to illustrate the salient steps of various inputs outcomes, and assessment.

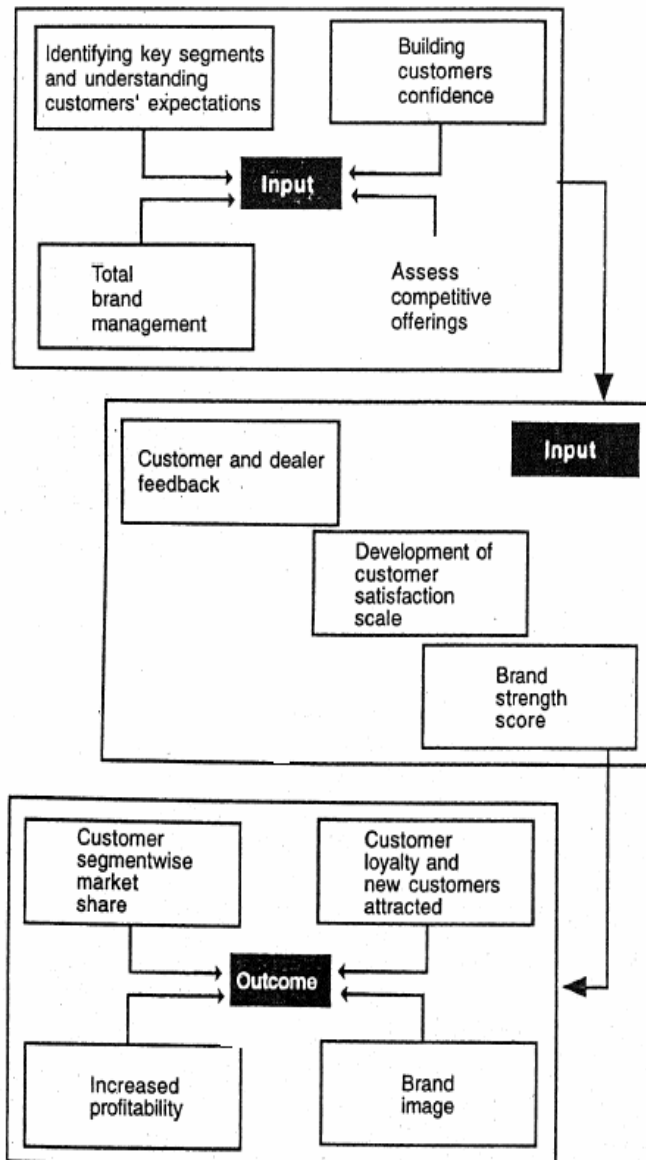


Inputs

- Identification of key customer groups or segments.
- Understanding customer expectations needs and aspirations.
- Assessing competitive offering including substitutes.
- Building customer confidence by
 - customizing the product.
 - establishing key image of the brand.
 - dealer support-easy availability and push.
 - innovative communication and promotion schemes, and elegant packaging
- Total brand management-both hardware and software aspects.

Outcome

- Market share
- New customers attracted
- Customer loyalty index
- Increased profitability
- Brand knowledge



Note : Adapted from David A. Aahey's, Managing Brand equity, the Free Press, New York; 1991.



Assessment

- Continuous feedback from customers as well as trade channels
- Scientific inquiry into customer satisfaction determining
 - who is the customer and profile of the target segment,
 - what constitutes customer satisfaction, designing the scale to measure customer satisfaction,
 - measuring current levels of customer satisfaction, and
 - trend analysis and pointers for management of customer satisfaction.
- Brand strength score.

8.8 BRAND IMAGE

The term 'brand image' reflects and signifies the distinction, reputation and the goodwill attached to a brand. Generally consumers are unable to distinguish the differences among various brands when their labels are removed. But when the brand names are mentioned, they show clear preferences. This is because consumers tend to define themselves in terms of the symbolic value of their possessions. Generally speaking, brand image has a more significant role in product situations where the choice is made more on the basis of subjective criteria. In other words, 'brand image' is more prevalent when consumers have difficulty in judging various options on the basis of strictly objective measures. Thus, consumers here seem to buy the total symbolic meaning, which the brand conveys. Image is an abstract concept incorporating the influences of past promotion, reputation peer evaluation of that brand. So the symbolic meaning attached to a brand will depend on various factors.

Dimensions of Brand Image

Each brand has a unique blend of identity in the eyes of its consumers. Broadly speaking, the totality of any brand is made up of three types of appeals.

Appeal to reason: Very often you find yourself, self-questioning when you decide upon buying a certain brand for instance, if you have plans to buy a CTV then you ask for yourself how the brand would perform, how it is different from other brands, what benefits and special functions does it offer etc. Thus the first dimension focuses more on performance factor and its evaluation.

Appeal to senses: Continuing the example of buying a CTV, the assessment and evaluation now shifts your attention towards the sensory gratification/appeals of the brand: you would be more bothered about how the audio/sound performs? The reception of visuals, the convenience and other aesthetic pleasures etc.

Appeal to emotion: In addition as a buyer you would also consider social considerations for if you plan to buy a specific CTV brand keeping in mind how your friends, relatives and neighbour etc. would look upon the choice. Thus emotion is another dimension for brand image. As a result you would consider the brand's style, the mood it evokes and the psychological rewards it offers. All these factors are intangible in nature yet they have a strong impact and impression on the consumer.

All the appeals discussed above collectively produce the brand image. The core of the Brand Image is created by the advertising function and other marketing efforts conceived by the firm. Eventually, it is the typical consumer based on the economic status, life style who will react and filter various communications about the brand and will develop an image on the basis of one's knowledge, beliefs, perception prejudices and predisposition.

Activity 2

As a consumer, you would be using say X-brand of toilet soap with a view to maintain personal hygiene. Name the brand used by you currently and give reasons for using this

specific brand. Try and make an attempt that your reasoning should not be biased whatsoever.

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8.9 BRANDING OF COMMODITIES

If you make an attempt to look back majority of Indian commodities were sold in unbranded forma. Today, the scenario is reversed. The trend was set in early nineties when foodgrains and spices were branded and offered to the market. As the results were encouraging this was followed by vegetables, salt, sugar etc. Today, more marketers have jumped into the bandwagon: for example, Tata salt has used corporate name, tea is sold in special pack design or names, common nut and bolts are packaged in cellophane with the distributor symbol, automobile spareparts/components like spark plug, tyres, filters bear separate brand names from the auto makers. Most common and visible all around in mineral water etc. The acceptance and demand for branded commodities is the result of changed lifestyles of people with disposable income specially working couples for whom quality and convenience are important factors.

Challenges in Branding Commodities

The commodity market is generally driven by price consideration, besides, consumers, by and large, show no involvement in the selection of a commodity. Under such conditions, to make them insensitive to price itself is very difficult task. And, later to create a preference for a specific option calls for amore sustained effort on the part of any marketer. Of course, the shift is slowly taking place in the cities and big towns where consumers are able to appreciate the benefits of buying a branded commodity.

Branding a commodity is a marketing task at a very fundamental level. Unlike in a consumer goods market where the marketer can play around with consumer perception, brand differentiation etc., in a commodity market, branding is about going to the basics or exploring at the grassroot level. To quote, David Aaker, "it involves overturning the rules of the market, establishing new selling propositions in the market which so far has been driven largely by price. And everything from positioning, pricing, brand value and packaging takes on a new sensitivity".

Brand building involves cost, apart from additional cost incurred in packaging, labelling, advertising, legal protection-and a risk that if the brand should prove unsatisfactory to the user, the company's image would suffer and it may even affect market for other products of the company. Thus the challenges involved are formidable. Still any marketer prefers to brand it because of many unique advantages as stated below:

- The brand name makes it easier for the marketer to process orders and track down problems associated with the brand.
- The marketer's brand name and trademark provide legal protection (patent or copyrights) of the unique features, which would otherwise be copied by competitors.
- Branding gives the marketer the opportunity to attract loyal and profitable segment of customers. Loyalty created over time offers the unique advantage of having assured customer base against competition and greater control in their marketing programme.



- It is wrong to assume that any commodity market is a homogeneous mass. Instead, the task lies in skilfully identifying the different segments and understanding their specific needs. Branding help marketer to form suitable segmentation of the market. Different brands can be aimed at different segment of customers.
- In the long run it helps to build a strong association with the consumers as well as the trade. By highlighting the same name, they could project their quality and image of the company.
- Last, but most important, to derive the first mover's advantage and tap the huge market potential. Customer's benefits

Customer's benefits

From the customer's viewpoint, a branded commodity assures him/her of a standard quality and minimizes the risk associated with choosing from a wide variety of similar product options. Hence the process of branding achieves different things-

- an easy identification process
- highlights special attributes or benefits
- distinct values and personality behind same usage
- connotes some association with type of users.

Special consideration in Branding of a Commodity

As stated earlier, brand is a name, term, sign, symbol, design, or a combination of them, intended to identify the goods or services of one marketer. In particular, to differentiate an option from those of the competitors. The major issues involved in the branding of any commodity are:

- Offering sufficient value to the customer to induce change from a commodity to a branded option.
- Role and degree of consumer involvement in buying decision.
- Segmenting the market, selecting a target segment and positioning of the product to match with the target segment characteristics.
- Communicating price-quality position offering sufficient turnover and long term growth.
- Setting and controlling distribution.
- Selecting suitable packaging.
- Channelising marketing investment for brand building.

Activity 3

Pick up any three successful branded commodities and also three unsuccessful commodities of your choice. Analyse and bring out the reasons for their success and failure accordingly.

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8.10 SUMMARY

This unit focuses on branding and its various dimensions. We started with the concept of branding, the strategic relevance of building a brand, and discussed the various branding decisions available from which the firm needs to choose the most appropriate one. Consumer buys brand and holds a brand in high esteem when they are satisfied and develop unique brand association in their memory. In addition a detailed framework has been evolved for brand name selection process.

Brand image: What you as a customer believe and perceive in a brand and its dimensions with customer at its core has been discussed. Lastly, in view of the growing importance, branding of commodities has been discussed with focus on the emerging challenges that a firm should consider while branding commodities.

8.11 SELF-ASSESSMENT QUESTIONS

Discuss what factors contribute to the success or failure of a Brand in the market place by picking up one example each from an FMCG and consumer electronics of your choice.

What kind of role does consumer play in building a brand. Substantiate your answer with illustrations.

As a Brand Manager of a leading holiday resort firm with all India operations, what brand name you would suggest for honeymoon package conceived and targetted for newly married urban couples.

Discuss with elderly folks/citizens in your location and enquire as how they used to buy products/commodities in the era of non-branding. Try and compare the scene with the current scenario, list out the factors responsible for the shift from Non-Branding to Branding.

8.12 FURTHER READINGS

Jean-Noel Kapferer, Strategic Brand Management, Kogan Page - Second edition
YLR Moorthi, I3ignnd Management-The Indian Context, Vikas Publications.

William J. Stanton, Michael J. Etzel, Bruce J. Walker, Fundamentals of Marketing, McGraw-Hill (International Editions).

Ramanuj Majumdar, Product Management in India. 2nd Edition, PHI-New Delhi.