



Study of Branding: Challenges, Positioning & Repositioning

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The battle for a share of the consumer's wallet and cut throat competition for every bit of market space has resulted in search for a powerful weapon that delivers sustainable competitive differentiation. In the beginning itself it is of great relevance to quote Philip Kotler, marketing guru about his perception on brands, "Branding is expensive and time consuming and it can make or break a product." But even then, today, branding is such a strong force that hardly anything goes unbranded. No one had thought that commodities like "Aata", & "Rice" would be branded. Today, one does not go to the shop and ask for just salt but will ask for Tata Salt or Captain Cook Salt or Annapurna Salt. These brands have become part of our daily life. Developing of an effective brand allows the organization to create a distinctive presence in the market and compete more effectively by leveraging its organizational strengths. In the current competitive market, brands are identified as an intangible asset that can be revenue generating in the long run. The brand managers are today facing the twin challenges of localization versus globalization and individualization versus homogenization. In the present paper an effort has been made to study concept of branding, its meaning, functions, branding benefits and approaches of branding. Also branding positioning, repositioning and challenges of brand management have been covered.

Introduction

"A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well."

– Jeff Bezos

Why Branding?

External: Branding seeks to distinguish your company, product or service from the competition and create a lasting impression in your prospect's mind.

"People want to express themselves through brands – brands express a person's personality and the people they like to be with."

– Jack Trout

Internal: Powerful brands increase employee satisfaction, loyalty, and achievement drive.

Definition and Concept of a Brand and Branding

A **brand** is a name, sign, symbol, slogan or anything that is used to identify and distinguish a specific product, service, or business. A legally protected brand name is called a proprietary name.

Brand is the image of the product in the market. Some people distinguish the psychological aspect of a brand from the experiential aspect. The experiential aspect consists of the sum of all points of contact with the brand and is known as the **brand experience**. The psychological aspect, sometimes referred to as the **brand image**, is a symbolic construct created within the minds of people and consists of all the information and expectations associated with a product or service.

Consumers may look on branding as an important value added aspect of products or services, as it often serves to denote a certain attractive quality or characteristic (see also brand promise). From the perspective of brand owners, branded products or services also command higher prices. Where two products resemble each other, but one of the products has no associated branding (such as a generic, store-branded product), people may often select the more expensive branded product on the basis of the quality of the brand or the reputation of the brand owner.

Table A

The 10 key functions of a brand

1. **The brand attracts:** - It draws the consumer's attention to the product and enables it to exist in an increasingly competitive world.
2. **The brand informs:** - It informs the potential buyer about its own characteristics and the characteristics of its products.
3. **The brand positions:** - Explicitly or implicitly, it delivers information assisting its own positioning and that of its products.
4. **The brand distinguishes:** - It is increasingly becoming the factor of absolute differentiation between two products with similar characteristics.
5. **The brand endorses:** - It reassures the consumer about the promise made for a product with which he or she is not yet familiar.
6. **The brand communicates:** - It builds and nurtures an affinity-based capital around the company and/or its products.
7. **The brand simplifies:** - The establishment of a relationship built on confidence and loyalty assists the process of choice for the consumer.
8. **The brand satisfies:** - It wins over the consumer by satisfying his or her expectations and sharing his or her values.
9. **The brand defines:** - It creates the impression of belonging to a defined group.
10. **The brand adds value:** - It promotes a transfer of image and of status towards the buyer, who feels enriched as a result.

Brand Awareness

Brand awareness refers to customers' ability to recall and recognize the brand under different conditions and link to the brand name, logo, and jingles and so on to certain associations in memory. It helps the customers to understand to which product or service category the particular brand belongs to and what products and services are sold under the brand name. It also ensures that customers know which of their needs are satisfied by the brand through its products.(Keller)

Brand Salience

Brand salience measures the awareness of the brand."To what extent is the brand top-of-mind and easily recalled or recognized? What types of cues or reminders are necessary?" (Keller)

How do customers remember?

The tendency of a brand to be thought of in a buying situation is known as "brand salience". Brand salience is "the propensity for a brand to be noticed and/or thought of in buying situations" and the higher the brand salience the higher it's markets penetration and therefore its market share. Salience refers not to what customers think about brands but to which ones they think about.

Brands which come to mind on an unaided basis are likely to be the brands in a customer's consideration set and thus have a higher probability of being purchased. Advertising weight and brand salience are cues to customers indicating which brands are popular, and customers have a tendency to buy popular brands. Also, an increase in the salience of one brand can actually inhibit recall of other brands, including brands that otherwise would be candidates for purchase.

It is widely acknowledged that buyer's do not see their brand as being any different from other brands that are available. They buy a particular brand because they are more aware of it, not because it is more distinctive, or has a point of difference. We now know that all decisions made by humans involve memory processes to a greater or lesser extent. Incoming information from the external environment travels by the sensory memory into the short-term (or working) memory (STM) but if it is not acted upon in a very short time the brain simply discards it.

But salient information that is important and received on a regular basis through different channels is passed to the long-term memory (LTM) where it can be stored for many years. Memories are stored or filed via connections between new and existing memories in the different parts of the memory. They are laid down in a framework making some memories easier to access than others. Recall is the process by which an individual reconstructs the stimulus itself from memory, removed from the physicality's of that reality.

Global Brand

A global brand is one which is perceived to reflect the same set of values around the world. Global brands transcend their origins and create strong, enduring relationships with consumers across countries and cultures.

Global Brands are brands which sold to international markets. Examples of Global Brands include Coca-Cola, McDonald's, Marlboro, Levi's etc.. These brands are used to sell the same product across multiple markets, and could be considered successful to the extent that the associated products are easily recognizable by the diverse set of consumers.

Benefits of Global Branding

In addition to taking advantage of the outstanding growth opportunities, the following drives the increasing interest in taking brands global:

- economies of scale (production and distribution)
- lower marketing costs
- laying the groundwork for future extensions worldwide
- maintaining consistent brand imagery
- quicker identification and integration of innovations (discovered worldwide)
- preempting international competitors from entering domestic markets or locking you out of other geographic markets
- increasing international media reach (especially with the explosion of the Internet) is an enabler
- increases in international business and tourism are also enablers

Global Brand Variables

The following elements may differ from country to country:

- corporate slogan
- products and services
- product names
- product features
- positioning
- marketing mixes (including pricing, distribution, media and advertising execution)

These differences will depend upon:

- language differences
- different styles of communication
- other cultural differences
- differences in category and brand development
- different consumption patterns
- different competitive sets and marketplace conditions
- different legal and regulatory environments
- different national approaches to marketing (media, pricing, distribution, etc.)

Local Brand

A brand that is sold and marketed (distributed and promoted) in a relatively small and restricted geographical area. A local brand is a brand that can be found in only one country or region. It may be called a regional brand if the area encompasses more than one metropolitan market. It may also be a brand that is developed for a specific national market, however an interesting thing about local brand is that the local branding is mostly done by consumers then by the producers.

Brand name

The brand name is quite often used interchangeably within "brand", although it is more correctly used to specifically denote written or spoken linguistic elements of any product. In this context a "brand name" constitutes a type of trademark, if the brand name exclusively identifies the brand owner as the commercial source of products or services. A brand owner may seek to protect proprietary rights in relation to a brand name through trademark registration.

Types of brand names

Brand names come in many styles. A few include:

Acronym: A name made of initials such as UPS or IBM

Descriptive: Names that describe a product benefit or function like Whole Foods or Airbus

Alliteration and rhyme: Names that are fun to say and stick in the mind like Reese's Pieces or Dunkin' Donuts

Evocative: Names that evoke a relevant vivid image like Amazon or Crest

Neologisms: Completely made-up words like Kodak

Foreign word: Adoption of a word from another language like Volvo or Samsung

Founders' names: Using the names of real people like Hewlett-Packard or Disney

Geography: Many brands are named for regions and landmarks like Cisco and Fuji Film

Personification: Many brands take their names from myth like Nike or from the minds of ad execs like Betty Crocker

The act of associating a product or service with a brand has become part of pop culture. Most products have some kind of brand identity, from common table salt to designer jeans. A brandname is a brand name that has colloquially become a generic term for a product or service, such as Band-Aid or Kleenex, which are often used to describe any kind of adhesive bandage or any kind of facial tissue respectively.

Brand identity

A product identity, or brand image are typically the attributes one associates with a brand, **how the brand owner wants the consumer to perceive the brand** - and by extension the branded company, organization, product or service. The brand owner will seek to bridge the gap between the brand image and the brand identity. Effective brand names build a connection between the brand personalities as it is perceived by the target audience and the actual product/service. The brand name should be conceptually on target with the product/service (what the company stands for). Furthermore, the brand name should be on target with the brand demographic. Typically, sustainable brand names are easy to remember, transcend trends and have positive connotations. Brand identity is fundamental to consumer recognition and symbolizes the brand's differentiation from competitors.

Brand identity is what the owner wants to communicate to its potential consumers. However, over time, a products brand identity may acquire (evolve), gaining new attributes from consumer perspective but not necessarily from the marketing communications an owner percolates to targeted consumers. Therefore, brand associations become handy to check the consumer's perception of the brand.

Brand identity needs to focus on authentic qualities - real characteristics of the value and brand promise being provided and sustained by organisational and/or production characteristics

Visual Brand Identity

The visual brand identity manual for Mobil Oil (developed by Chermayeff & Geismar), one of the first visual identities to integrate logotype, icon, alphabet, color palette, and station architecture to create a comprehensive consumer brand experience.

The recognition and perception of a brand is highly influenced by its visual presentation. A brand's visual identity is the overall look of its communications. Effective visual brand identity is achieved by the consistent use of particular visual elements to create distinction, such as specific fonts, colors, and graphic elements. At the core of every brand identity is a brand mark, or logo.

Branding approaches

Company name

Often, especially in the industrial sector, it is just the company's name which is promoted (leading to one of the most powerful statements of "branding"; the saying, before the company's downgrading, "No one ever got fired for buying IBM").

In this case a very strong brand name (or company name) is made the vehicle for a range of products (for example, Mercedes-Benz or Black & Decker) or even a range of subsidiary brands (such as Cadbury Dairy Milk, Cadbury Flake or Cadbury Fingers in the United States).

Individual branding

Individual branding, also called **individual product branding** or **multibranding**, is the marketing strategy of giving each product in a portfolio its own unique brand name. This contrasts with family branding, corporate branding, and umbrella branding in which the products in a product line are given a single overarching brand name. The advantage

of individual branding is that each product has an image and identity that is unique. This facilitates the positioning of each product, by allowing a firm to position its brands differently.

Examples of individual product branding include Procter & Gamble, which markets multiple brands such as Pampers, and Unilever, which markets individual brands such as Dove.

Attitude branding and Iconic brands

Attitude branding is the choice to represent a larger feeling, which is not necessarily connected with the product or consumption of the product at all. Marketing labeled as attitude branding include that of Nike, Starbucks, The Body Shop, Safeway, and Apple Inc.

Iconic brands are defined as having aspects that contribute to consumer's self-expression and personal identity. Brands whose value to consumers comes primarily from having identity value comes are said to be "identity brands". Some of these brands have such a strong identity that they become more or less "cultural icons" which makes them iconic brands. Examples of iconic brands are: Apple Inc., Nike and Harley Davidson. Many iconic brands include almost ritual-like behaviour when buying and consuming the products.

There are four key elements to creating iconic brands (Holt 2004):

1. "Necessary conditions" - The performance of the product must at least be ok preferably with a reputation of having good quality.
2. "Myth-making" - A meaningful story-telling fabricated by cultural "insiders". These must be seen as legitimate and respected by consumers for stories to be accepted.
3. "Cultural contradictions" - Some kind of mismatch between prevailing ideology and emergent undercurrents in society. In other words a difference with the way consumers are and how they some times wish they were.
4. "The cultural brand management process" - Actively engaging in the myth-making process making sure the brand maintains its position as an icon.

"No-brand" branding

Recently a number of companies have successfully pursued "No-Brand" strategies by creating packaging that imitates generic brand simplicity. Examples include the Japanese company Muji, which means "No label" in English (from "Mujirushi Ryohin" – literally, "No brand quality goods"), and the Florida company No-Ad Sunscreen. Although there is a distinct Muji brand, Muji products are not branded. This no-brand strategy means that little is spent on advertisement or classical marketing and Muji's success is attributed to the word-of-mouth, a simple shopping experience and the anti-brand movement. "No brand" branding may be construed as a type of branding as the product is made conspicuous through the absence of a brand name.

Derived brands

In this case the supplier of a key component, used by a number of suppliers of the end-product, may wish to guarantee its own position by promoting that component as a brand in its own right. The most frequently quoted example is Intel, which secures its position in the PC market with the slogan "Intel Inside".

Brand extension

The existing strong brand name can be used as a vehicle for new or modified products; for example, many fashion and designer companies extended brands into fragrances, shoes and accessories, home textile, home decor, luggage, (sun-) glasses, furniture, hotels, etc.

Mars extended its brand to ice cream, Caterpillar to shoes and watches, Michelin to a restaurant guide, Adidas and Puma to personal hygiene. Dunlop extended its brand from tires to other rubber products such as shoes, golf balls, tennis racquets and adhesives.

There is a difference between brand extension and line extension. A line extension is when a current brand name is used to enter a new market segment in the existing product class, with new varieties or flavors or sizes. When Coca-Cola launched "Diet Coke" and "Cherry Coke" they stayed within the originating product category: non-alcoholic carbonated beverages. Procter & Gamble (P&G) did likewise extending its strong lines (such as Fairy Soap) into neighboring products (Fairy Liquid and Fairy Automatic) within the same category, dish washing detergents.

Multi-brands

Alternatively, in a market that is fragmented amongst a number of brands a supplier can choose deliberately to launch totally new brands in apparent competition with its own existing strong brand (and often with identical product characteristics); simply to soak up some of the share of the market which will in any case go to minor brands. The rationale is that having 3 out of 12 brands in such a market will give a greater overall share than having 1 out of 10 (even if much of the share of these new brands is taken from the existing one). In its most extreme manifestation, a supplier pioneering a new market which it believes will be particularly attractive may choose immediately to launch a second brand in competition with its first, in order to pre-empt others entering the market.

Individual brand names naturally allow greater flexibility by permitting a variety of different products, of differing quality, to be sold without confusing the consumer's perception of what business the company is in or diluting higher quality products.

Once again, Procter & Gamble is a leading exponent of this philosophy, running as many as ten detergent brands in the US market. This also increases the total number of "facings" it receives on supermarket shelves. Sara Lee, on the other hand, uses it to keep the very different parts of the business separate — from Sara Lee cakes through Kiwi polishes to L'Eggs pantyhose. In the hotel business, Marriott uses the name Fairfield Inns for its budget chain (and Ramada uses Rodeway for its own cheaper hotels).

Cannibalization is a particular problem of a "multibrand" approach, in which the new brand takes business away from an established one which the organization also owns. This may be acceptable (indeed to be expected) if there is a net gain overall. Alternatively, it may be the price the organization is willing to pay for shifting its position in the market; the new product being one stage in this process.

Private labels

With the emergence of strong retailers, private label brands, also called own brands, or store brands, also emerged as a major factor in the marketplace. Where the retailer has a particularly strong identity (such as Marks & Spencer in the UK clothing sector) this "own brand" may be able to compete against even the strongest brand leaders, and may outperform those products that are not otherwise strongly branded.

Brand Positioning and Repositioning

Positioning is the art of creating a distinct image for a product in the minds of the customers. A simple example would suffice. The first thing that comes to one's mind when somebody says 'ATM' is Automated Teller Machine. This is the product, but the customer's question would be "what does ATM mean to me"? The answer is Any-Time-Money. That makes sense to him or her because it means instant cash. The concept neatly rolls up the benefit of ready cash and put it in the mind of the customer. Thus Automated Teller Machine (ATM) is the "product", Any-Time-Money (ATM) is the "positioning".

Repositioning is changing the positioning of a brand. A particular positioning statement may not work with a brand. For instance, *Dettol* toilet soap was positioned as a beauty soap initially. This was done in line with its core values. *Dettol*, the parent brand (anti-septic liquid) was known for its ability to heal cuts and gashes. The extension's "beauty" positioning was not in tune with the parent's "germ-kill" positioning. The soap ("bath for grimy occasions") and it fared extremely well after repositioning. Here, the soap had to be re-positioned for image mismatch. There are several other reasons for repositioning. Often falling or stagnant sales is responsible for repositioning exercises.

After examining the repositioning of several brands from the Indian market, the following 9 types of repositioning have been identified. These are;

- i. Increasing relevance to the consumer
- ii. Increasing occasions for use
- iii. Search for a viable position
- iv. Making the brand serious
- v. Falling sales
- vi. Bringing in new customers
- vii. Making the brand contemporary
- viii. Differentiate from other brands
- ix. Changed market conditions

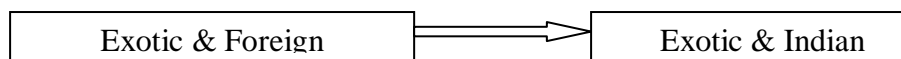
i. Increasing relevance to the consumer

A brand that has been existent in the market for sometime may lose touch with consumers because the consumer's needs may have changed. Thus, it is possible that a brand is fundamentally sound and yet is not in sympathy with the consumer's current concerns. Such a situation calls for a change in positioning. The following examples illustrate this concept.

Lipton Yellow Label Tea

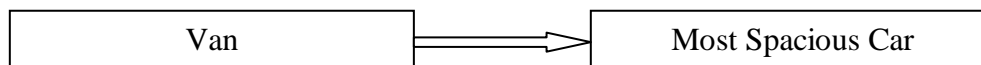
Lipton Yellow Label Tea was initially positioned as a delicious, sophisticated and premium tea for the global citizen. The advertisements also echoed this theme. For instance, all the props and participants in the advertisements were foreign. It is possible that this approach did not favour with the customers. The repositioning specifically addressed the Indian consumer through an Indian idiom.

It is not always that these nine categories are mutually exclusive. Often one reason leads to the other and a brand is repositioned sometimes for a multiplicity of reasons. Illustrations of the above types of repositioning are listed below.



Maruti Omni

Maruti Omni is a van. It probably is also the cheapest Maruti vehicle available in the market. Yet, Maruti did not pitch it as a value for money vehicle. It is well known that Ambassador scores on roominess. Besides Maruti 800 is seen as a small car. Thus Maruti pitched it as the "most spacious car."



ii. Increasing occasions for use

Sometimes the positioning chosen becomes too narrow. This might lead to a situation of having too few customers. Such a small franchise may make the brand commercially unviable. One of the methods of increasing use is by increasing the usage rate. This is done by the number of occasions available for use.

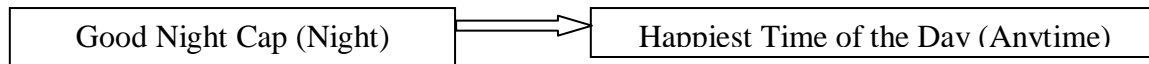
Cadbury's Drinking Chocolate

Cadbury's Drinking Chocolate initially called itself "good night cap" signifying the time of consumption. The user base possibly proved to be small. In an effort to increase the numbers, it positioned itself as a drink for the "happiest time

of the day.” This was an effort to get the brand consumed during any time of the day thereby increasing the occasions for use.

iii. Search for a viable position

Centaur

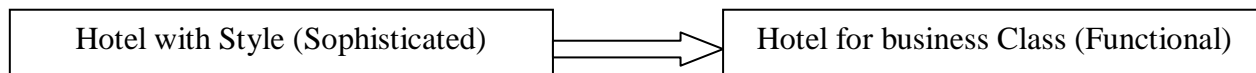


Centaur formerly positioned as “hotel with style” is now positioned as “hotel for business class”. This is possibly because of the perception that a functional positioning is more likely to succeed than an up market positioning.

iv. Making the brand serious

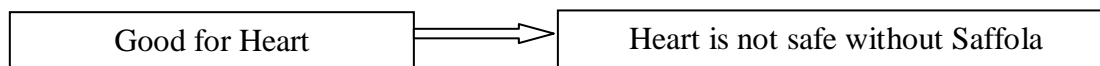
Saffola

Saffola was positioned as the edible oil “good for heart”. To make the positioning more serious, the pitch “Heart is not safe without Saffola” was adopted. This put Saffola in a different league as compared to the other oils making it the most health-conscious brand in the market. In fact, Saffola stands out in a category cluttered with me-too brands.

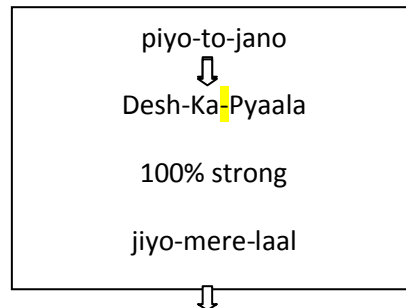


v. Falling sales

Red Label



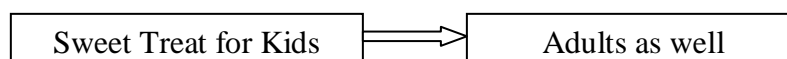
BrookeBond’s Red Label is a typical example of how falling sales can precipitate repositioning. Red Label is an age-old brand with a franchise of its own. However, over a period of time it might have lost some of its relevance. Its traditional positioning was that Red Label was one of its kind (“piyo-to-jano”-drink it and you will know the difference”). When this was seen as dated, a new positioning statement involving patriotism was configured (“Desh-Ka-Pyaala”-India’s Tea”). This did not bring the expected volumes. Then the strength pitch was tried (“100% strong”). Finally, the current positioning is something that invites the old generation as well as the new generation to consume Red Label (“jiyo-mere-laal”-“long live my son”, there is a pun on the word ‘laal’ which means son as well as red). Several attempts of repositioning had to be made because of falling sales.



vi. Bringing in new customers

Cadbury’s Dairy Milk

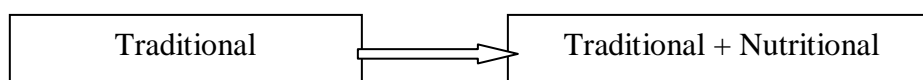
It was found that most adults wanted to eat *Cadbury’s Dairy Milk* but restrained themselves because it was supposed to be consumed by children. Thus, a repositioning campaign was launched which showed adults doing unconventional things (like a lady breaking into a jig in the middle of an overflowing cricket stadium) driving home the message that chocolates could be enjoyed by adults as well.



vii. Making the brand contemporary

Dabur Chyawanprash

Dabur Chyawanprash basically had the positioning of being good for health and digestion. To make the brand more attractive to the consumer, the nutritional element was added to its positioning.



viii. Differentiate from other brands

Mint - O

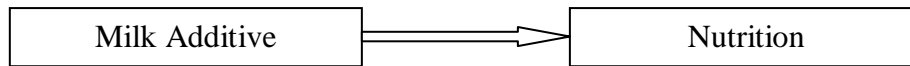
Mint - O’s position was “adult candy”. This was to enthruse grown-ups to consume peppermint. This may not have helped the brand to stand out. In 1995, a position that directly aimed at competition (Nestle’s Polo) was configured. Polo positioned itself as “the mint with the hole”. *Mint - O* positioned itself as “All Mint, No Hole”. One of the

advertisements even argued, “If your head doesn’t have a hole, why should your mint”. Positioning the brand head-on with Polo gave it a distinct focus.

Changed market conditions

Horlicks

Horlicks was initially both a substitute and an additive to milk. This positioning served it well till the scarcity of milk was overcome in several parts of the country. Horlicks then shifted its positioning to “energy giver and health provider”.



Facing the Brand Deluge

With a proliferation of brands and positioning strategies, the question that may be critical in today’s marketing context is, “How do ‘confused’ consumers feel during their decision-making process and while and after buying brands?” Consumer dissonance is the psychological discomfort experienced by consumers when there is ‘discrepancy’ between their decision to buy a brand and their prior evaluation of brands (before buying). This kind of situation occurs when consumers are confronted with a barrage of brands, each offering something which they perceive to be important to them. Thus, with the invasion of the market by innumerable brands and marketing and advertising strategies, consumers are at the receiving end.

Middle-class consumers may be ‘taken in’ by the value for money of ECIL TV, may be enticed by the appeal of BPL and may feel secure with the after-sales service of Videocon. What brand do they buy and are they happy with their choice?

The above situation emphasize the need for a well-thought out strategy to deal with the psyche of the consumers not only before they purchase the product or service but also after they purchase have purchased it (after they commit themselves to the purchase decisions).

Causes of dissonance

Dissonance occurs in the following cases:

- When the investment is in a high-buying durable like TV, car or washing machine or investing in services (training for career enhancement, timeshares, etc.)
- When unselected alternatives have desirable features (instead of 60W plain audioset, consumers feel they could have bought a 400W set with graphic equalizers)
- Where there are several alternatives-brands with unique features and which are equally attractive to consumers (computer training institutes).
- Where psychological significance is present in buying decisions. Buying a loaf of bread may not create dissonance; but buying living room furniture is likely to have a psychological impact on buyers-it reflects their taste, philosophy and life style.
- Where consumers make the buying decision as individuals without being subjected to peer or family pressures.

Consumer’ experience

While experiencing dissonance, consumers as individuals can react in many ways.

Consider consumers buying a well-known brand of color television-Videocon, after considering BPL, Crown, LG, and SAMSUNG in the same price range. Besides investing a considerable ‘amount of money, they have also invested a lot of time and considerable ‘amount of ego’ in their purchase decision. After analyzing the positives and negatives of each brand, they have selected Videocon. After the purchase, consider a situation where they are unable to get a proper contrast and find it difficult to operate complex set of remote controls.

A psychological tension is experienced by them in this situation from the two thoughts that “Videocon televisions are well-made quality products” and “My Videocon is difficult to operate”.

Consumers may rationalize their decision that any television brand may have its shortcomings. Or they might seek information which reinforces their belief that Videocon TVs are the best in the market, ‘glorifying’ the strong points of their evaluation, or they may change their opinion about Videocon and feel that should have brought some other brand.

Marketing implications

As there is a link between expectations of the consumers and the satisfaction they experience after they buy the product, it is important that marketers do not build up unrealistic expectations. Product puffery may unintentionally contribute to dissonance which takes shape after the buying decision is made. This may ultimately result in bad-word-of-mouth. Advertisers will have to develop appeals which are consistent with the brand attributes. Ford Motor company constantly gets feedback from its buyers to learn about what they liked and disliked about cars.

There may be a set of buyers who consciously search for information about a product category after they have bought a brand. This search behavior may be due to dissonance. Marketers can develop special advertisements aimed at new buyers. Buyers may be psychologically looking for this kind of ‘support’ after they have bought a brand. Toyota’s “Oh, what feeling” campaign tries to enhance satisfaction among Toyota owners. Ford also aim special advertisements for its new buyers.

Manufacturers and retailers may start a ‘relationship’ by corresponding with new buyers as a dissonance reducing strategy. Automobile companies in the US publish magazines which explain how new buyers can ‘experience’ their enjoyment from the purchase of the respective brands.

Dissonance can be reduced by introducing a warranty scheme which is different from competitors' schemes. Warranty is a feature which has an inherent trait of security and this can make the consumers 'comfortable' after the purchases.

In certain product categories like air conditioners, personal home computers and cameras, the marketers could ascertain exactly the factors satisfying the consumer. The onus is on the sales personnel to 'prompt' the various aspects of the needs in the minds of the buyers.

Branding Challenges

The challenges facing brand managers have multiplied in recent times. Brands are often the most valuable assets for companies ranging from Unilever to Nokia. Yet, they can lose their value overnight if not managed carefully.

Nothing underscores this fact more than this watershed event in the history of brand management: on April 2, 1993, which has come to be known in marketing circles as 'Marlboro Friday,' Philip Morris announced it would slash the price of Marlboro cigarettes by 20 per cent in an attempt to compete with bargain brands that were eating into its market. The day Philip Morris announced its price cut, stock prices of other famous brands also nosedived: Heinz, Quaker Oats, Coca-Cola, Pepsi, Procter and Gamble and RJR Nabisco. Philip Morris' own stock took the worst beating. The pundits announced that not only was Marlboro dead, so were all brand names. These concerns seemed to be justified because the Marlboro Man, launched in 1954, was the longest-running ad campaign in history. If the legendary Marlboro Man could face such a crisis, what chance did other brands have?

The panic of Marlboro Friday indicated some dramatic shifts in consumer habits. These shifts have become more pronounced in the last few years. A study by advertising agency DDB found that the percentage of consumers between the ages of 20 and 29 who said they stuck to well-known brands fell from 66 per cent in 1975 to 59 per cent in 2000, and those in the 60-69 age-bracket from 86 per cent to 59 per cent. Thus both the young and the old seem to have become less brand-loyal. Many bargain-conscious shoppers have started to pay more attention to the value for money than to prestige. But that does not mean (as we shall see shortly) that price alone is the determining factor in the success of a brand.

To understand some of the intricacies which brand managers face today, a bit of history is in order. The concept of branding has evolved over time, though the fundamental principles have not changed much. In pre-industrial days, people knew exactly what they ate and wore and which suppliers were trustworthy. Once they moved to cities, they no longer did. A brand provided a guarantee of reliability and quality. Manufacturers had every incentive to maintain quality. A cake supplier, for example, ensured that each cake was as good as the previous one, because only then would people come back for more.

Trust continues to be the core attribute of any brand. The owners of brands have to work hard to retain that trust. If they make any moves that undermine this trust or seem to do so, they will face severe resistance from customers. The new Coke is a classic example. Customers felt cheated that the Coca-Cola Company had changed the formulation of old Coke without consulting them.

While the fundamental principles of brand management may not have changed much over the years, launching new brands has become trickier. Again, a bit of history is in order. In the past, building a brand was rather simple. It required little more than an occasional advertisement on a few television or radio stations highlighting the product's superior features. Brands such as Coca-Cola, Kodak and Marlboro easily established themselves.

Over time, brand building has become much trickier. As manufacturing standards have risen, it has become harder for firms to differentiate their products on quality alone. This is particularly true of packaged goods such as food. Branded manufacturers are losing market share to retailers' own brands, which consumers have learned to trust.

Another problem for marketers is that consumers have become harder to reach. They are busier; more distracted and lead more complicated and less predictable lives. The traditional patterns of family life are also getting sharply eroded with the rise of dual income families. It is common to see husband and wife spending a lot of time outside home. Communicating with them and building a community of brand loyalists have become much more difficult.

Yet another complication with brand building today is that in many cases customers pay a premium not because of its functionality but because it represents a way of life. So when launching or repositioning a brand, companies have to understand the emotional needs as well as the functional ones. For example, Nike's 'Just do it' campaign is an attempt not to sell shoes but personal achievement. Similarly, Nokia's distinctive lifestyle advertising relegates functionality to the background.

Maruti Udyog uses a lot of emotions in its advertising campaigns. Asian Paints strikes an emotional chord with the middle-class people through its ad campaigns. Cadbury's attempts to reposition its milk chocolates and target the adult segment have revolved around ad campaigns with plenty of emotions. In short, companies have to build a story around their service or product and try to turn an otherwise routine purchase into something more exciting. But selling a lifestyle requires a far greater understanding of human psychology. It is a much harder task than describing the functionality of a product.

Yet another factor which has made brand management more challenging is that brands give protesters far more power over companies than they would otherwise have. Nike had to revamp its whole supply chain after being accused of running sweatshops. Last year, Coke and Pepsi faced a major backlash in India following media reports about pesticide contamination. Anti-globalization supporters, environmentalists and NGOs can use the power of the brand against companies by mobilizing evidence of ill-treated workers and polluted rivers. The more companies promote the value of their brands, the more they will need to be perceived as ethically correct and socially responsible. Even a small mistake can trip them.

Despite all these challenges, money invested in brands is well invested. The successful brands generate handsome returns for the companies owning them. Which is why even hi-tech companies such as Microsoft and Oracle spend so much on advertising? At the end of the day, the truth is that people like brands. They not only simplify choices and guarantee quality, but also generate fun and interest. So marketers have no option but to keep going at it.

Conclusion

Distributors and retailers want branded products because brands make the product easier to handle, hold production to certain quality standards, strengthen buyer preferences, stimulate repeat purchases, facilitates promotion efforts, makes it easier to identify suppliers and stabilizes market share. On the other hand, consumers prefer branded products because it gives them an assurance of quality, differentiate from competitive products and help him in efficient shopping.

In branding there are two extreme errors. One is to create a fixed brand image to be used everywhere without exception. The other is to change the meaning of the brand in every market. Like McDonalds doesn't believe in a strong fixed positioning. McDonalds take different meanings in different countries. It serves different versions even in different places within each country. McDonald is a glocal brand which is available globally but marketed locally.

Again, according to the maturity of the product, geographical markets and the brand itself, the brand image should carry different image. The companies need to continuously evaluate the brand position otherwise they run the risk of seeing their brands degenerate into mere commodities that customers shop for need fulfillment. Brand rejuvenation is a must for products reaching the maturity stage. Companies need to periodically audit their brands strengths and weaknesses and rejuvenate if necessary. Brands need to be repositioned with the changing customer preferences and entry of new customers.

Any newcomer, who is entering the market, should not be a copycat but should identify the weak points of the existing brands or something which is missing from the market and try to penetrate the untapped market. They should be able to offer a combination of quality, reliability, availability and low price. The most winning strategy for branding is "define a target audience and direct a superior offering (vs. competitor) at that target market."

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