BRANDING

Definition

The American Marketing Association defines a **brand** as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors."

A brand conveys a specific set of features, benefits and services to buyers. It is a mark which says something about the product. The best brands, for example, often convey a warranty of quality.

Branding has been around for centuries as a means to distinguish the goods of one producer from those of another.

Functions / Role of a brand

- **i.** Brands identify the source or maker of a product.
- **ii.** Consumers may evaluate the identical product differently depending on how it is branded.
- **iii.** They simplify product handling or tracing.
- **iv.** Brands help to organize inventory and accounting records.
- **v.** A brand also offers the firm legal protection for unique features or aspects of the product. The brand name can be protected through registered trademarks; manufacturing processes can be protected through patents; and packaging can be protected through copyrights and proprietary designs. These intellectual property rights ensure that the firm can safely invest in the brand and reap the benefits of a valuable asset.
- **vi.** Brand loyalty provides predictability and security of demand for the firm, and it creates barriers to entry that make it difficult for other firms to enter the market. Loyalty also can translate into customer willingness to pay a higher price-often 20% to 25% more than competing brands. Although competitors may duplicate manufacturing processes and product designs, they cannot easily match lasting impressions left in the minds of individuals and organizations by years of product experience and marketing activity. In this sense, branding can be a powerful means to secure a competitive advantage.

A brand can deliver up to **four levels of meaning**:

- **i. Attributes**

  A brand first brings to mind certain product attributes. Attributes are the core values that define the overall nature of the company and represent the essence of the brand. They are the set of unique fundamentals and characteristics that identify the physical, character, and personality traits of the brand in the market and in the minds of the customers.

ii. **Benefits**
Customers do not buy attributes, they buy benefits. Therefore, attributes must be translated into functional and emotional benefits.

iii. **Values**
A brand also says something about the buyers' values.

iv. **Personality**
A brand also projects a personality. The brand will attract people whose actual or desired self-images match the brand's image.

To Brand or not to Brand:
The company must first decide whether it should put a brand name on its product. Branding has become so strong that today hardly anything goes trabranded. Salt is packaged in branded containers, common nuts and bolts arc packaged with a distributor's label.

Branding helps buyers in many ways:

i. Brand names tell the buyer something about product quality. Buyers who always buy the same brand know that they will get the same quality each time they buy.
ii. Brand names also increase the shopper's efficiency. Imagine a buyer going into a supermarket and finding thousands of generic products.
iii. Brand names help call consumers' attention to new products that might benefit them. The brand name becomes the basis upon which a whole story can be built about the new product's special qualities.

Advantages

Branding also gives the supplier several advantages:

i. The brand name makes it easier for the supplier to process orders and track down problems.
ii. The supplier's brand name and trademark provide legal protection for unique production features that otherwise might be copied by competitors.
iii. Branding enables the supplier to attract a loyal and profitable set of customers.

Branding also adds value to consumers and society:

i. Those who favor branding suggest that it leads to higher and more consistent product quality.
ii. Branding also increases innovation by giving producers an incentive to look for new features that can be protected against imitating competitors. Thus, branding results in more product variety and choice for consumers.
iii. Branding helps shoppers because it provides much more information about products and where to find them.

Brand Name Selection: Selecting the right name is a crucial part of the marketing process. The brand name should be carefully chosen. A good name can add greatly to a product's success.

Ways to Develop a Brand Name:

1. **Related to generic name:**
   It is a usual practice that the product name is related to generic name e.g.: amoxil for amoxicillin
2. **Related to therapeutic name:**
   The brand name of the product may provide an indication of their therapeutic activity e.g.: diuril indicate diuretic
3. **Related to companies' name:**
   The brand name may be related to company name proceeding it e.g.: lipiget of getz Pharma
4. **Related to active ingredient:**
   Several brands reflect active ingredient they have. E.g.: capozide contains captopril
5. **Related to sale message and promotion:**
   A brand name may incorporate a hint for a sales message e.g.: Glucophage antidisbetic
6. **Building and running theme:**
   A few brand name have attempted to build and run themes through the name of product, e.g. surbex, surbex Z
7. **Relating site of action:**
   Some brand name reflects site of action, e.g. optadex for ophthalmic use.
8. **Reflecting route of administration**
   Some brand names may indicate route of administration e.g. chymoral for oral route
9. **Reflecting dose regime:**
   A brand name may incorporate frequency of dose administration e.g. enoxabid for BID dosing
10. **Related to class name**
    The brand name may be related to class name with any other combination e.g. quinofles contains ciprofloxacin which is a quinolone antibiotic.

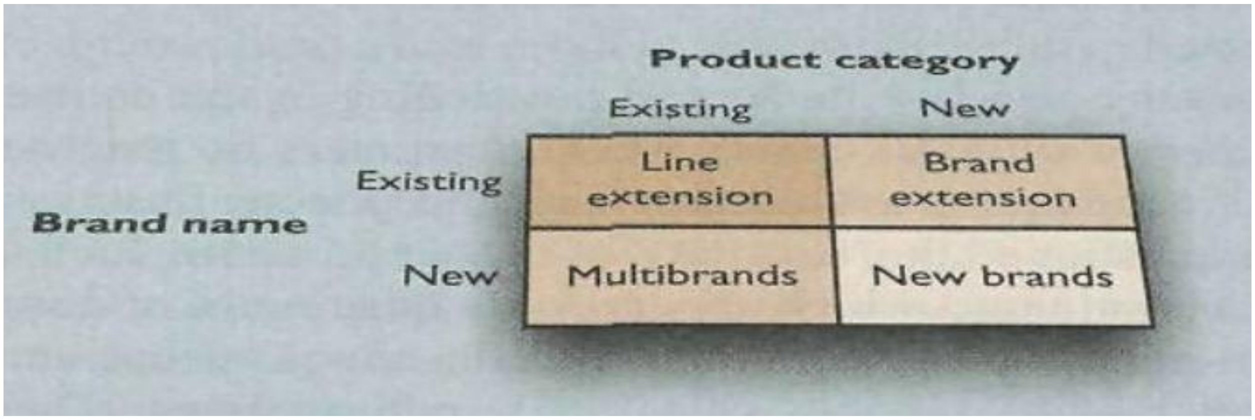
The Scope of Branding

Branding is endowing products and services with the power of a brand. It's all about creating differences between products. Marketers need to teach consumers "who" the product is-by giving it a name and other brand elements to identify it-as well as what the product does and why consumers should care.

Branding creates mental structures that help consumers organize their knowledge about products and services in a way that clarifies their decision making and, in the process, provides value to the firm. For branding strategies to be successful and brand value to be created, consumers must be convinced there are meaningful differences among brands in the product or service category. Marketers can apply branding virtually anywhere a consumer has a choice.

Brand Strategy:

A company must define its overall branding strategy, which affects all of its products. This strategy will also guide the branding of new products.



1. **LINE EXTENSIONS.**
   Line extensions occur when a company introduces additional items in a given product category under the same brand name, such as new flavors, forms, colours, ingredients or package sizes.
   E.g. CalC in different flavors

2. **BRAND EXTENSIONS.**
   A brand-extension (or brand-stretching) strategy is any effort to use a successful brand name to launch new or modified products in a new category.

3. **MULTIBRANDS:**
   Range branding strategy a brand strategy whereby the firm develops separate product range names far different families of product.

4. **NEW BRANDS:**
   Firms that favor a multibrand approach are likely to create a new brand to differentiate a new product, whether it is introduced into an existing or a new-product category.

Brand Equity:

Brand equity is the added value endowed on products and services. It may be reflected in the way consumers think, feel, and act to the brand, as well as in the prices, market share, and profitability the brand commands for the firm.

Types

i. **Positive brand equity:** A brand has positive customer-based brand equity when consumers react more favorably to a product and the way it is marketed when the brand is identified, than, when it is not identified.
ii. **Negative Brand equity:** A brand has negative customer based brand equity if consumers react less favorably to marketing activity for the brand under the same circumstances.

There are **three key ingredients** of customer-based brand equity.

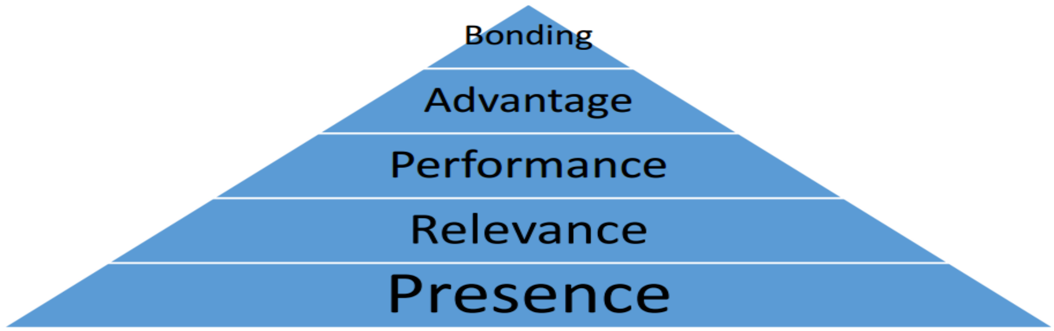
i. **First,** brand equity arises from differences in consumer response. If no differences occur, then the brand name product is essentially a commodity or generic version of the product.
ii. **Second,** differences in response are a result of consumer's knowledge about the brand. Brand knowledge consists of all the thoughts, feelings, images, experiences, beliefs, and so on that become associated with the brand. In particular, brands must create strong, favorable beliefs, and so on that become associated with the brand. In particular, brands must create strong, favorable
iii. **Third,** the differential response by consumers that makes up brand equity is reflected in perceptions, preferences, and behavior related to all aspects of the marketing of a brand. Stronger brands lead to greater revenue.

Brand Equity Models:

1. B**rand Asset Valuator:**
   BAV provides comparative measures of the brand equity of thousands of brands across hundreds of different categories. There are five key components-or pillars-of brand equity, according to BAV:
   a) **Differentiation** measures the degree to which a brand is seen as different from others.
   b) **Energy** measures the brand's sense of momentum.
   c) **Relevance** measures the breadth of a brand's appeal.
   d) **Esteem** measures how well the brand is regarded and respected.
   e) **Knowledge** measures how familiar and intimate consumers are with the brand.

   Differentiation, Energy, and Relevance combine to determine Energized Brand Strength. These three pillars point to the brand's future value. Esteem and Knowledge together create Brand Stature, which is more of a "report card" on past performance.

2. **BRANDZ:**
   BRANDZ model of brand strength, at the heart of which is the Brand Dynamics pyramid. According to this model, brand building follows a sequential series of steps, each contingent upon successfully accomplishing the preceding one.



"Bonded" consumers, those at the top of the pyramid, build stronger relationships with the brand and spend more on it than those at lower levels. More consumers, however, will be found at the lower levels.

The challenge for marketers is to develop activities and programs that help consumers move up the pyramid.

3. AAKER MODEL:

David Aaker views brand equity as the brand awareness, brand loyalty, and brand associations that combine to add to or subtract from the value provided by a product or service.

According to Aaker, brand management starts with developing a *brand identity* the unique set of brand associations that represent what the brand stands for and promises to customers, an aspirational brand image.

Brand identity is typically 8 to 12 elements that represent concepts such as product scope, product attributes, quality/value, uses, and users, country of origin, organizational attributes, brand personality, and symbols. The most important of these, which will drive brand- building programs, are the core identity elements.

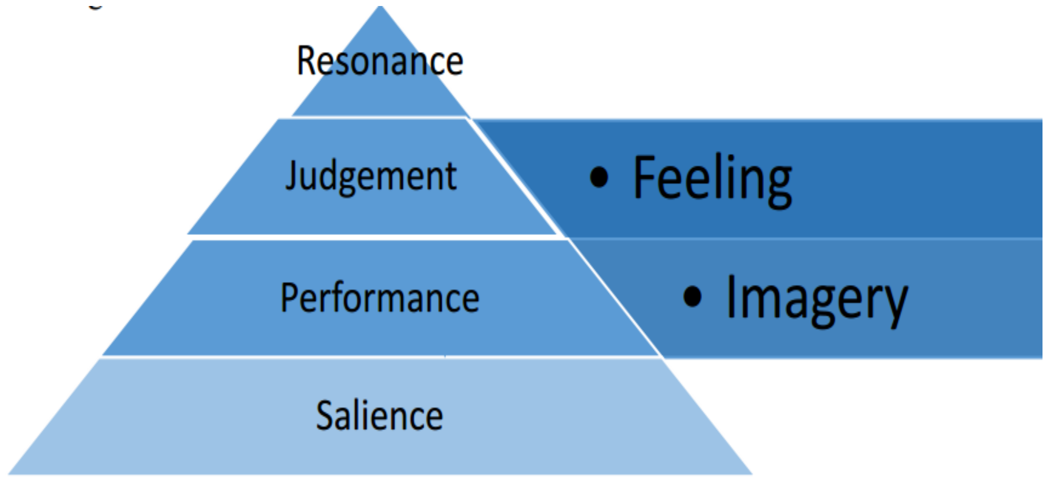
The others, *extended identity elements*, add texture and guidance. In addition, a brand essence can communicate the brand identity in a compact and inspiring way.

4. Brand Resonance Model:

The brand resonance model also views brand building as an ascending series of steps, from bottom to top:

i. Ensuring identification of the brand with customers and an association of the brand in customers' minds with a specific product class or customer need.
ii. Firmly establishing the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations.
iii. Eliciting the proper customer responses in terms of brand-related judgment and feelings.
iv. Converting brand response to create an intense, active loyalty relationship between customers and the brand.

According to this model, enacting the four steps means establishing a pyramid of six "brand building blocks" with customers.



The creation of significant brand equity requires reaching the top or pinnacle of the brand pyramid, which occurs only if the right building blocks are put into place.

- **Brand salience.** is how often and how easily customers think of the brand under various purchase or consumption situations?
- **Brand performance** is how well the product or service meets customers' functional needs.
- **Brand imagery** describes the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customers' psychological or social needs.
- **Brand judgments** focus on customers' own personal opinions and evaluations.
- **Brand feelings** are customers' emotional responses and reactions with respect to the brand.
- **Brand resonance** refers to the nature of the relationship customers have with the brand and the extent to which they feel they're "in sync" "with it.

Building Brand Equity:

i. The initial choices for the brand elements or identities making up the brand (brand names, URLs, logos, symbols, characters, spokespeople, slogans, and packages.

ii. The product and service and all accompanying marketing activities and supporting marketing programs.

iii. Other associations indirectly transferred to the brand by linking it to some other entity (a person, place, or thing)