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MAJOR BRANDING DECISIONS AND STRATEGIES

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ABSTRACT: *Without having a strong brand-building, many leading companies may not survive and many developing companies may never emerge to global prominence. There is a significant opportunity for businesses to gain market standing, tap into emerging customer needs, create distinct positioning, locate and capture new niches and build strong and lasting image which requires the companies to create and build strong brands, which not only have the capability and potential to gain leadership positions in one's home country but also have the ability to expand, diversify and become global brands. Thus, branding has emerged as a major management decision which can ensure its sustainability in this growing competitive world. The research is based on the information collected from various secondary sources. The paper tries to explain the major branding decisions along with the real life examples. In order to build strong brands, brand positioning, brand name, brand sponsorship and brand development have to be in line with each other.*

KEYWORDS: *attributes, branding, brands, loyalty, product, positioning.*

1.0 INTRODUCTION

Without the brand names, each product or service is a commodity which can be distinguished from each other only through branding. Branding is an important means to establish competitive advantage in the overcrowded marketplace full of alternative products and services. It provides the consumers with a reason to buy a particular product. Branding is a set of complex branding decisions. Major brand strategy decisions include brand positioning, brand name selection, brand sponsorship and brand development. These branding decisions are all interrelated. In order to build strong and unique brands, brand positioning, brand name, brand sponsorship and brand development must be in line with each other. The paper summarizes the concept of brand, branding and major branding decisions necessary to build a strong brand.

2.0 RESEARCH METHODOLOGY

The research is based on the information collected from various secondary sources. Various books have been referred in conducting the study.

3.0 BRAND

According to the American Marketing Association, "brand is a name, term, sign, symbol, or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from competitors". A brand has three aspects: WHAT ASPECT: name, term, sign, symbol, or design, or a combination of these; WHY ASPECT: to identify the goods or services of one seller or group of sellers and HOW ASPECT: differentiating them from competitors.

The term brand could be thought of as having three integrated meanings:

- **Sum total of all the characteristics of the product, service including its physical features and its cultural and emotional associations:** Each product, service, or group has functions, features, or capabilities, which satisfies needs and wants. Emotional and cultural associations arise in response to the brand identity, the emotional content of the advertising.
- **Brand identity:** The brand identity is the visual and verbal articulation of a brand, including trademark color, logo, name, symbol, design, communications, visual appearance, tagline and web site.

- **Brand Image:** The brand image is consumers' perception about the product. It is a customer's mental picture of a brand.

Some of the examples of well known brands are Mc Donald's', Mercedes-Benz, Sony, Coca Cola, Kingfisher, Apple, Adidas etc.

Branding is the process of imprinting or engraving a brand symbol or a brand name on to a product to provide a distinct individuality to the product.

4.0 MAJOR BRANDING DECISIONS AND STRATEGIES

Branding is a set of complex branding decisions. Major brand strategy decisions involve brand positioning, brand name selection, brand sponsorship and brand development.

4.1 Brand Positioning

Brand Positioning can be defined as an activity of creating a brand offering and image in a manner that it occupies a distinct place and value in the target customer's mind. Brand positioning explains how a brand is different from that of its competitors. Brand positioning involves following steps:

- Identify set of possible competitive advantage upon which positioning can be done keeping in mind the target market needs, wants and preferences.
- Choosing the right competitive advantage: it should be unique, distinctive from that of the competitors, should be significant and encouraging to the niche market and should be helpful for organization to achieve its financial goals.
- Selecting the overall positioning strategy and develop positioning statement.
- Communicating and delivering the chosen position to target market through value propositions or the positioning strategies.

4.1.1 Levels of Brand Positioning

Brand can be positioned at any of three levels: attributes; benefits; and beliefs and values.

1) **Attributes:** At the lowest level, marketers can position a brand on product attributes such as special ingredients, unique style, creative designs, and environmentally friendly packaging. Example: P&G created disposable diaper product category with its Pampers brand. Its marketing focused on attributes like fluid absorption, fit and disposability. However, attributes are the least desirable level for brand positioning as the competitors can easily imitate these attributes, taking away the uniqueness of the brand. Also, the customers are not interested in the attributes rather they are interested in what these attributes can do for them. This leads us to the next level namely, Benefits.
2) **Benefits:** A brand can be better positioned on basis of a desirable benefit that consumers derive. Example: P&G can go beyond technical product attributes and talk about resulting skin-health benefits from dryness. Some other brands which successfully positioned on the benefits are Volvo (safety), Nike (performance), FedEx (guaranteed on-time delivery) etc.
3) **Beliefs and Values:** The strongest brands are positioned on beliefs and values. Successful brands involve customers on a deep and emotional level. Example: P&G knows that to parents, Pampers mean more than just dryness. Some brands like Cadbury, Apple, Kingfisher Airlines rely less on products' tangible attributes, but more on creating passion, surprise and excitement surrounding the brand.

Example: **Brand Positioning of Dove** has developed from first level to third level. Firstly on the basis of Attributes: "Dove contains one-quarter cleaning cream"; then on the basis of Benefits: "Dove makes skin soft" and finally it is positioned on Beliefs and values: "Dove makes you look attractive".

4.1.2 Positioning Strategies/ Value Propositions

- **More for More:** A firm may provide more upscale its product or service at a higher price. Product is symbol of prestige and status. Example: Mercedes Benz follows this.

- **More for Same:** The firm offers better quality but at same price. Ex: Toyota introduced Lexus with more features for same strategy.
- **Same for Less:** The firm offers comparable quality at a lower price. Ex: Dell computers offer same quality at lower price.
- **Less for Much Less:** It involves offering low quality and performance at much lower price. Ex: Lodges providing accommodation with fewer facilities but at lower prices.
- **More for Less:** P&G claims that its laundry detergents provide best cleaning at lower prices.

4.1.3 Positioning Errors: There are various positioning errors such as:

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

Brand positioning creates a distinctive image of product in the minds of customers and thus provides competitive edge to brand. It gives target market, the reason to buy product. However to achieve these benefits of brand positioning, firm should focus on 4Cs of successful positioning: Clarity of differential advantage; Consistency in message delivered; Credibility of the idea in minds of consumers; and Competitiveness i.e. differential advantage should have competitive edge and offer something of value to consumers.

4.2 Brand Name Selection

A company is known by a name: corporate name. Considerable attention should also be focused on the selection of a brand name because a product's name is vital to the image of a company and its products. A good name can add greatly to a product's success and begins with a careful review of the product and its benefits, the target market and proposed marketing strategies. The following qualities that marketers should take into consideration when selecting a brand name are:

- The brand name should reflect something about the product's features, benefits and qualities.
- It should be easily recognizable, easy to pronounce and remember.
- It should be unique and distinctive.
- It should be capable of being easily translated into foreign languages.
- It should be extendable to new product categories.
- It should be capable of registration and legal protection.

4.2.1 Brand Name Strategies

A company can choose from among the following brand name strategies:

1) **Individual brand name**: Individual branding, also called individual product branding, flanker brands or multi-branding, can be defined as a branding strategy in which products are given brand names that are newly created and generally not connected to names of existing brands offered by the company. This way, within the same company, each brand has a unique name, identity and image. It is the most effective when the company offers numerous unconnected commodities and the products vary in quality and price targeting different market segments. Also, it is a good strategy when the new product is highly innovative with a great risk of failure, and the company does not want to affect the prosperity of existing brands. It involves high costs and risks for brand creation. Ex: P&G has the portfolio of the following categories: Beauty & Grooming : Always, Gillette, Head & Shoulders, Herbal Essences, Lacoste fragrances, Old Spice, Oral-B, Pantene; Household Care : Ace, Ambi Pure, Ariel, Duracell, Fairy Liquid, Pampers. Nestle, Unilever also follow individual branding.

2) **Blanket Family Name:** Family name or the umbrella brand name is a marketing practice involving the use of a single brand name for the sale of two or more related products. Umbrella branding is used to provide uniformity to certain product lines by grouping them under a single brand name, making them more easily identifiable and hence enhancing their marketability. It provides uniformity, allowing consumers to associate products with brands. It reduces costs of brand development. the customer's experience with one umbrella branded product may affect their perception of other products and services falling under the same umbrella brand name. Ex: Starbucks Corporation, Virgin Group, Procter & Gamble, Unilever, Apple Inc. and The Coca-Cola Company are examples of multinational companies that follow umbrella branding in some of their product lines. Coca Cola implements umbrella branding within the individual brands for various flavored beverages including: Coca-Cola Brand of carbonated soft-drinks manufactured in different variants like: Coca-Cola, Diet Coke, Cherry Coke, Vanilla Coke, Coca-Cola Zero and Coca-Cola Life; Fanta: Brand of fruit-flavored carbonated soft-drinks manufactured in different variants like: Fanta Orange, Fanta Orange Zero, Fanta Lemon, Fanta Lemon Zero and Fanta Fruit Twist; Minute Maid: Brand of various fruit beverages, including 100 different fruit juices.
3) **Separate Family Names:** When company produces quite different products, it is not desirable to use one blanket family name. Separate family names are used for different product lines. It is easier to implement a brand extension strategy of launching new or modified products under a successful brand name, there is less expenditure on research to identify successful brand names and there is less cost for promoting brand name recognition and preference. Ex: HUL uses separate family brand names for its different product categories: Kissan for sauces and jams, Lakme for cosmetics, Brooke Bond for tea leaves, knorr for soups, bru for coffee etc.
4) **Corporate Name with Individual Product's Name:** Company's trade name is combined with individual product name. It is used by companies to legitimize their own name and to individualize product. It is easier to launch new products under company's brand while targeting markets under individual brand names. Ex: Kellogg's brands its various product items under Kellogg's corporate brand.

A company must choose its brand name cautiously as it is a major ingredient in the formation of brand image.

4.3 Brand Sponsorship

Once organizations have decided to brand their products, they have to decide about the brand sponsor i.e. through whom to sell the product. A manufacturer has four brand sponsorship options.

1) **Manufacturer's Brand:** Product may be launched as manufacturer's brand. A manufacturer brand is a brand that is designated, owned and used by the manufacturer of the product. Because they are usually marketed nation-wide, manufacturer brands are often referred to as national brands. The responsibility for the marketing of these brands and value of the brand lies in the manufacturer's hands. Ex: Sony, Bajaj, Videocon, Haier, Kellogg's etc selling their output under the own brand name.
2) **Private Brands:** It is a brand created and owned and used by reseller (wholesaler or retailer). It is also called a store brand, distributor brand, or own-label brand. As consumers become more price-conscious, they also become less brand-conscious, and are willing to choose private brands instead of established and often more expensive manufacturer's brands. Ex: Products can be sold under private brands like Big Bazaar, Shoppers' Stop, Wills Lifestyle etc.
3) **Licensing:** Manufacturers can choose licensed brands to market their products. By means of a licensing agreement, for a licensing fee, a company may permit approved manufacturers to use its trademark on other products. The licensee is responsible for all manufacturing, selling and

advertising functions and bears the costs if the licensed product fails. Example, sellers of children's products often attach character names to clothing, toys and so on. These licensed character names include Disney, Star Wars, Hello Kitty etc. The seller of gents wear may use many licensed names like: Reid & Taylor, John player etc.

4) **Co-branding:** Two companies can join forces and co-brand a product. Co-branding is the practice of using the established brand names of two different companies on the same product. This can offer many advantages, such as the fact that the combined brands create broader consumer appeal and larger brand equity. For instance, Nestlé uses co-branding for its Nespresso coffee machines, which carry the brand names of well-known kitchen equipment manufacturers such as Krups, DeLonghi and Siemens.

Brand sponsorship has a major impact on the customer base, so companies should carefully decide about the brand sponsor.

4.4 Brand Development

Branding decisions finally include brand development. For developing brands, a company has four choices: line extensions, brand extensions, multi-brands or new brands.

1) **Line Extensions:** A line extension occurs when a company introduces additional items in the same product category under the same brand name. It involves products which are almost similar in many attributes but are different in terms of size, color, flavor or ingredient, or have a different form or a different application. Company goes in for line extension when it has excess manufacturing capacity, wants to meet the consumers' desire for variety, recognizes a latent consumer want and tries to capitalize on it or it may want to match a competitor's successful line extension. Many companies introduce line extensions primarily to command more shelf space from resellers. Line extensions involve risks. There is a chance that the brand name will lose its specific meaning. This is called the line-extension trap. The other risk is that many line extensions will not sell enough to cover their development and promotion costs. Furthermore, even when they sell enough, the sales may come at the expense of other items in the line i.e. it leads to cannibalization of the company's other products.. A line extension works best when it takes sales away from competing brands. Ex: Lux has introduced so many variants having different fragrances etc.

2) **Brand Extensions:** Brand extension is the use of an established brand name in new product categories. Brand extensions apply when an existing brand name is assigned to a new product in the same product line or in a different product line. A category to which the brand is being extended can be related or unrelated to the existing product categories in terms of product attributes, benefits, values, lifestyle etc. The potential benefits of category/brand extensions include immediate name recognition, early acceptance and the transference of benefits associated with a familiar brand. A family brand name is used for all products. The goodwill attached to the family brand name benefits all brands and the use of the name in advertising helps the promotion of all of the brands carrying the family name. Moreover, category extensions eliminate the high costs of establishing a new brand and often reduce the costs of gaining distribution. Brand extensions also involve risks. The new product might disappoint buyers and damage their respect for the company's other products. The brand name may lose its special positioning in the consumer's mind through over-extension. Brand dilution is said to occur when consumers no longer associate a brand with a specific product or highly similar products. Ex: Huggies brand is extended from disposable diapers to include full line of toiletries for tots like shampoos, lotions, baby wash, diaper-rash ointments etc.

3) **Multi-Brands**: Multi-brands are new brand names introduced in the same product category. Multi-branding offers a way to establish different features and appeal to different buying

motives. It is also used as a means of occupying more shelf space in retail and wholesale outlets. Thereby, the company can capture a larger market share. However, each brand might obtain only a very small market share and none may be very profitable because it may lead to inefficient use of the company's resources as it entails spreading resources over a wide array of brands. Ex: P&G (Procter & Gamble) and Unilever are the best examples for this. In the USA, P&G sells six brands of laundry detergent, five brands of shampoo and four brands of dishwashing detergent.

4) **New Brands:** New brands are needed when the power of existing brand names is waning. Also, a new brand name is appropriate when the company enters a new product category for which none of its current brand names are appropriate. Ex: Tata Motors created separate Ace brand for first mini-truck targeted towards small transporters.

These four branding decisions are all interrelated. In order to build strong brands, brand positioning, brand name, brand sponsorship and brand development have to be in line with each other.

5.0 CONCLUSION

Companies must manage their brands carefully. Company must periodically audit their brand's strengths and weaknesses and should ask: Does brand deliver the benefits that consumers truly value? Is brand properly positioned? Do the brand managers understand what the brand means to consumers? Does brand receive proper, sustained support?

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