

## DEMYSTIFYING BRAND MANAGEMENT

### Abstract

Brand management, brand equity, brand power, brand pull, branding etc. are used interchangeably and convey the same meaning. The concepts underlying a brand and its various dimensions are touched upon in this chapter which gives an insight not only on its complexity but also its pervasiveness and importance in the success of any company. These have been supported by examples from the Indian industries to make it relevant to the reader. Brand management involves developing and reinforcing a bundle of associations through which the brand would be perceived by the target audience. The function of brand management is to enhance the perceived value of the brand.

**Keywords:** brand, segmentation, positioning, perception, management.

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## **BRAND – GENESIS & DEFINITION**

The word brand has evolved from the ancient word “Brandr” whose meaning is “to burn”. In the 1500s this meaning gradually changed and meant to refer to the unique mark of ownership of cattle. The ranchers having different herds faced difficulties in identification as the cattle’s got mixed up, so they started having unique & distinct burn marks to depict their ownership. With industrialization bringing in technique of mass production by the 1800s, trade and commerce started distinguishing their shipments by having simple, unique and easy to identify marks on their crates. Thus, was born the concept of brands as we know it today and it further got refined to becoming registered Trademarks around 1870. This was necessitated by the growing number of brands as it not only started getting significance as an important tool for ensuring good quality products but also helped businesses in recognizing its inherent importance as it depicted a symbol of quality. As businesses became more formal and professional, brands became deeply intertwined and entrenched with their growth & success.

A brand has been defined by the American Marketing Association as “a brand is 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”. It essentially is a set of rational and emotional, tangible and intangible benefits derived from a product or service. It conveys the seller’s assurance of specific attributes, functional & price benefits apart from the emotional benefits like prestige, status etc. Brands bring out specific reactions or expectations from the customers and have layers of economic, sociological, psychological and cultural advantages built into them. Understanding the unstated benefits and the customer psyche behind it which help form the emotional connect of the product or service with the customer is a key function in brand building.

**Importance:** In today’s business environment there are a plethora of products and services catering to various needs and wants of the consumers. It is in this context that a brand plays a very significant and vital role for a product or service to be unique, distinct and relevant and help differentiate it from the competition and clutter. Brands not only instill a sense of confidence in the customer’s minds but also help establish the products or services identity and its responsibility and commitment towards them. A brand is a bridge of trust in the relationship between the buyer and seller. For the seller the brand provides many other advantages like reduced marketing cost due to customer’s preference towards it, higher response from the distribution channels, better price realization and mitigation against price competition and easy launching of new products under its umbrella. A brand can be considered truly as a lifetime asset of any organization which will not depreciate in value if managed properly.

**Characteristics:** Brands by their very definition are intangible and having a perceived value. They rest in the minds of the customers in the form of an image or perception or as a personality. A brand is a perishable item as it can neither be stored and it does not have any shelf life either. Thus, brands are inseparable as they are produced and consumed simultaneously. Brands are dynamic and variable because they operate in such an environment. Most importantly brands are aspirational and evoke a feeling of victory,

achievement, superiority. We see endorsements by leading and successful personalities like film stars and sportsmen which not only lend an authenticity but also induce the target customer to aspire for that product. Lux which is a bathing soap has for decades used this route to induce its customers to aspire for its products.

**Brand Power:** It is rightly said that “seeing is believing and believing is buying”. To establish and maintain a brand it takes immense amount of effort, time and money and is a continuous process. Once a brand gets etched in the minds of the customers its power is immense. Companies are valued not only by their balance sheet figures but also by the brand equity or power which they carry in the minds of the customers. In fact, brand valuation happens as a separate activity altogether and much efforts are put into having a positive and strong brand equity and loyalty. To get an insight consider this: in the Top 15 most valuable IT brands globally TCS is in 2<sup>nd</sup> rank followed by Infosys at 3<sup>rd</sup> rank. Also, in this list are HCL, Wipro and Tech Mahindra which gives us a glimpse of how brands extend their influence. No wonder India is considered to be an IT software powerhouse. Some brands become synonymous with the industry or product category like Dalda ghee, Colgate toothpaste, Parachute oil, Xerox etc. through their immense brand power.

**Value proposition:** The benefits most valued by the target customers act as the value proposition of the brand. These can be single benefit or double benefits. Value proposition is built on the specific value which the brand has a responsibility to fulfill to its four pillars - customers, employees, stakeholders, society. It is multi-dimensional and a process of engagement with all these four pillars. The benefits which can be delivered to the customers can be broadly classified as:

1. **Product attributes and their applications:** Washing machines are advertised based on front loading (IFB) or Top loading (Whirlpool, Samsung, LG). Microwaves models are designed separately for reheating, cooking Indian recipes, grill and oven functions.
2. **Performance:** qualities like durability (Godrej almirahs), reliability (Hero motorbikes) are highlighted.
3. **Price:** BMW is branded as a luxury product, Maruti is positioned as affordable.
4. **Design and styling:** this have been the hallmark of Apple which distinguishes it from the competition.
5. **Delivery and installation:** Pharm Easy an ecommerce company gives a guaranteed delivery timeframe and Amazon gives the customer the option of choosing the delivery slot as per the customer’s convenience.

Understanding the classification helps in knowing exactly the type of benefit which the customer would be looking for. A little deeper analysis will further classify the product as consumer, industrial or service. Consumer products can be either durable (Havells fans) or non-durable (Colgate toothpaste), convenience (Bluestar AC), shopping (Amul chocolate) or specialty type (Luminous inverters). Industrial goods can be raw materials (Birla cement) or capital equipment (Kirloskar generator) This helps in better fine tuning of the value proposition best suited to the customer usage and profile.

**Core benefits:** This is a popular and often discussed concept. Brands try and differentiate themselves from other brands in the same category through the help of a slogan or tag line which places them in a different space in the mind of the customer. It is also termed as a

Unique Selling Proposition (USP) through which one attribute is selected which is unique to that brand. An illustrative example is of the toothpaste Sensodyne which highlights its quality of overcoming the short sharp sensation in the gums and teeth. Brands which are the first movers enjoy a head start but eventually start facing competition from the “me too” products. As such brands need to constantly innovate and evolve to maintain a leading position in their field. In consumer electronics this is a common problem. Panasonic was a leader and a pioneer of cassette tape recorders and when other brands also introduced similar products it launched the 2-in-1 tape recorders which had a radio to stay ahead of the market. Eureka Forbes had a major market share in the domestic water purifiers industry but was soon overtaken by other brands like Kent who introduced the latest product having RO technology.

**Perception:** Perception is the process by which an individual select, organizes, and interprets information inputs to create a meaningful picture of the world. How an individual reacts to any physical or mental stimuli is largely influenced by that person’s perception of the situation. Two persons are likely to have different perceptions of a same situation. Perception is a function of the personality and the environment in which a person operates. The role of the brand building is to create a positive perception in the customers mind enough to motivate the person to use or recommend the brand. Perceptions change over a period of time and thus it is imperative to continuously work towards building a positive association with the customers. Samsung when launched in India was unknown and considered to be low quality, cheap alternative to Japanese brands. But through sustained brand building not only its perception got altered but also it became the leading brand in electronics displacing the established brands of Japan.

**Types:** Brands are pervasive and influence us in all walks of life. These generally fall into various types and groups as given below. Understanding how these shapes the preferences helps in conceptualizing & calibrating the brand development efforts.

1. **Personality:** they have charisma (Amitabh Bacchan) or talent (Vishwanathan Anand)
2. **Product & service:** Bajaj automobiles (indigenous, durable, trustworthy)
3. **Organization:** IIT/IIM/AIIMS (reputed and top league)
4. **Religion:** Buddhism (Ahimsa)
5. **Community:** NRI (rich, enterprising, hardworking)
6. **Geography:** Japan (discipline, zero defect, minimum wastage)
7. **Culture:** India (diversified, ancient, evolved)
8. **Technology:** Google, Facebook, Salesforce who take pride in bringing the latest in technology.
9. **Sports, entertainment, leisure:** Walt Disney, Adidas etc. are brands which are quickly associated with these industries.
10. **Celebrities, influencers and endorsements:** Akshay Kumar, Sachin Tendulkar are a few examples whose endorsements of brands make them popular, acceptable and relevant.

**Market Segmentation and Positioning:** These two are very important and fundamental aspects of business on which the brand and its management is based on. The segment of the market and consequently its target customers is to be known correctly and deeply in order to communicate and convey the benefits which the product or service is going to deliver. This engagement with the target customer is designed to evoke positive associations of the brand and can be described as a battle for gaining the right space and slot in the customers minds.

The entire process is very complex and elaborate and is considered to define the brand and chart its trajectory. The strategy of influencing the customers perceptions start from here and becomes the foundation on which brands are built. Positioning is a creative exercise which implants the value proposition firmly in the minds of the customers. Oberoi hotels for example have focused on wealthy international travelers who seek luxury.

## **BRAND BUILDING**

It is a process of communication (explicit and implicit) between the buyer and the seller. Building a brand is a mix of long-term strategies and short-term gains and is generally synergetic with the existing perception of the brand. The entire process is both a science and also an art. Brand building is well defined, deliberate and conscious, structured, continuous, dynamic and complex exercise in which lots of efforts and resources are required. Brand building is like reputation, it takes years to build and a day to ruin!

**Objectives:** The brand building exercise can have one or multiple objectives as outlined below:

1. Establish the character of the product or service
2. Highlight the value proposition
3. Be distinctive
4. Create an aura around the product or service
5. Evoke a “feel-good” factor
6. Gain “mind share” of the customer
7. Unleash an emotional power beyond the tangible and rational benefits

**Process:** The process of building brands follows the below steps:

1. Market segmentation
2. Target customer
3. Value proposition
4. Communication methodology

**Positioning strategies:** During the course of brand building, the positioning depends on the stage at which the product is in its life cycle:

Introductory, Growth, Maturity, Stagnation, Decline & Revival

Similarly, the Market Life Cycle of the product category also needs to be factored while defining and developing the positioning strategy.

In the introductory stage the focus is on creating awareness & recognition, during growth it is increase in market share and when it reaches the maturity stage the objective is a combination of profit and market share. Likewise, in the stagnation stage the brand looks to increase its usage through opening up of new channels and markets based on untapped applications of the attributes. When the brand reaches the decline stage efforts are made for its cobranding with other brands which have a high perceived value and complement the original brand. Revival stage is generally marked with brand extensions to help it gain wider

reach and acceptance at low cost. Tata Nano as a brand failed to get good response with its target customers as it did not match with their aspirations of owning an affordable car instead of a cheap car which was its USP. Back then cars were considered to be status symbols for middle class families and this positioning strategy misfired. The campaigns relied more on the features and missed the emotional connect. Negative image (issues of safety & stability, AC malfunction, on road price of Rs2.6 lacs instead of the promised Rs 1 lac) contributed to its decline.

**Challenges:** Building a brand is a tedious and time taking process and has to encounter and resolve the below challenges through every available communication vehicle:

1. Selective attention: to break away from the clutter and make an impact in today's world where there is a huge overload of external stimuli and information.
2. Selective distortion: ensure that the intended message reaches the target audience with least dilution. Hierarchy in communication channels and their multiplicity are a matter of concern. Sometimes language also becomes a barrier to the right message being delivered.
3. Selective retention: customers due to the alarming increase in data and information are becoming "mindless" and often face forgetfulness which is a concern as well as a disguised opportunity to make the communication powerful enough to retain the mind share.

**Logos & taglines:** For ease of communication, association and recall logos & taglines are developed & designed in a manner in which they capture and create an image in line with the value proposition. These are easy to recognize and recollect by the target customers. Flags are a powerful logo representing the country and establishing its visual identity. The Indian flag has three horizontal stripes with a 24 spoke blue wheel in the middle. Saffron on the top stands for courage and sacrifice, white in the middle for truth, honesty, peace and purity. The green band denotes growth, development, fertility and auspiciousness. The navy-blue wheel signifies that there is life in movement and death in stagnation. Wipro introduced a very detailed Sunflower as its logo with the tagline "Applying Thought" in 1998 which was redesigned in 2017 to become contemporary and be aligned with the future vision.

**Packaging & design:** One of the channels for brand communications is packaging which silently reinforces and influences the customers perceptions & preferences. It helps in giving a "feel" of the product and acts as a major element in the buying process and decision making. Convenience and shopping goods attach a great importance to this tool as it is the first real physical contact and experience which the customer has with the brand. Increase in environmental consciousness has slowly made packaging to be recyclable, reusable and to reduce the wastage (sustainable). Form factor and design help in product being customer – friendly and also easy to manufacture and distribute. The brand mark with its various elements

like size, color, placement help in gaining a favorable customer response and competitive edge in the marketplace. Tetra packs have revolutionized the way beverages are packed and stored in the retail shelves. Parachute oils innovation in retail packaging from selling in tins to a smart round shaped plastic bottle with ease in pouring helped it become a pioneer. This not only became unique and aspirational so much so that it occupied a dominant market share (a phenomenal 60%), at one stage it had 100 copycats in the market.

**Cobrand, multibrand & brand extensions:** As brand management is becoming increasingly complex, new concepts have evolved to strengthen and enhance the brand usage, power and equity. Indian Oil has tied up with Citibank to provide credit cards to its customers to enhance their experience and convenience which is a case of Cobranding. Here both the brands having strong brand power join together to create a unique synergetic solution. Titan is a good example of being a multi brand having Titan watches, Tanishq jewelry and Titan Eyecare in its basket. The brand Titan for the customer stands for quality and durability. Taj Hotels have a chain called Vivanta which focuses on mid-level business travelers which they have used as a brand extension.

**Repositioning:** Brands when they reach the maturity stage sometimes reposition themselves in order to delay reaching the stagnation level or are driven by the inclusion of new features in the product. The Toyota Qualis was discontinued from the market in 2005, in order to make way for a more modern vehicle, that came to be known as the Innova. Since the Qualis had a very boxy design, it started to look outdated soon, and hence the more contemporary looking Innova replaced it. Interestingly Toyota Qualis (SUV) was selling well when Toyota chose to introduce Innova in the MUV segment by judging the changing market preferences towards design, styling and comfort.

**Measuring Success:** Measuring the effectiveness of branding is a major issue. Market research based on tests conducted for mapping of perceptions of the target audience on a regular and periodic basis is the norm followed. However, this comes with some subjectivity. These are conducted through field surveys, interviews, opinion polls etc. The desired baseline metric for the attributes being measured are defined and through the tests it is evaluated as how close the customers perception is to the desired level. The simplest form is the mapping of Pricing Vs Quality on X- Y axis. The market research is generally done through blind tests for recognizing and associating the brands, scores based on a scale of “least likely” to “most likely” or “not recommended” to “highly recommended”. We come across similar online surveys from HDFC bank or Indigo Airlines wherein they ask us to rate our experience based on a set of close ended questions.

**Ethics:** Since the entire exercise of brand building is to gain a positive image and perception, brands need to be sensitive to the cultural, religious, political and social fabric of the ecosystem under which they are operating. Brands which do not follow the norms face severe dangers of erosion in their brand value.

Brands are personalities and should view themselves as responsible Global Citizens and conduct their affairs accordingly. Recently leading brands like Asian Paints, Kent RO Systems, Berger Paints, Zodiac Apparels, Blue Star, Siyaram Apparels have faced action by the Consumer Affairs Ministry for issuing grossly misleading ads related to Covid promised protection which were found to be baseless. Similarly, Sure Vision India was fined for selling a product claiming without any scientific credibility that its improved eyesight. Another case which has gained attention and traction is the sale of pressure cookers that did not conform to mandatory standards by ecommerce companies like Amazon, Paytm etc. Sometimes brands in their enthusiasm to gain quick recognition and sales resort to unfair practices which are unethical. Also, they are at times seen to be unconcerned with the brands impact on the environment having ramifications on the energy, air and water conservation & pollution.

**Connected World:** Brands live and breathe in a world which is connected by the internet and every action is easily and very quickly interpreted by the target audience. Managing & dealing with this new medium as it is still evolving requires new set of skills. Social media like Facebook, Instagram, LinkedIn have a very huge following and readership and quickly evince interest and reactions which need to be monitored and managed at the same speed.

**Taking Care of Adversities:** The brand manager has to own the brand and make every possible effort to build a strong and positive association with the target customers. Sometimes he has to face and resolve sticky situations which are unexpected. A case in point is that of Maggi noodles ban case in 2015 when FSSAI banned its sale on health grounds. It had to recall and destroy 38000 ton and its market share went down from 80% to zero. However, through sincere and sustained efforts of rebuilding up the trust and confidence of all the stakeholders it again started selling across shops all over the country in the next one year. This was remarkable and dramatic considering that the brand perception during this period had completely eroded and the competition had very quickly capitalized on the situation. It only goes to establish that brand reputations are fragile and need to be cared sensitively and also that having a strong brand loyalty helps in overcoming even the toughest of the situations.

**Branding dilemmas:** During the course of managing the brand, companies face dilemmas and have to chart a clear path which defines the position in which the brand will be perceived. E commerce company flipkart for instance had to take a strategic decision of whether it is going to promote its private-label brands through its platform. In order to meet the growing segment of low-cost, low quality generic products Wipro decided to introduce a range of PCs which were competitively priced and had better features and quality. Sometimes in order to expand the market, brands take the route of launching additional items under the same brand name. This was adopted by Havells when they extended the brand to include fans, geysers, water pumps, room coolers, mixer-grinders, microwaves etc. in their range of home appliances. Maruti launched their range of luxury cars under the brand name of Nexa which had a distinct positioning different from that of its parent company. Whereas Jaquar when it entered the lighting business decided to retain the same brand name which was known for its bathroom fitting. Hindustan Lever follows a multi-brand strategy. It has Lux, Dove, Surf, Rin etc. as distinct brands in the same product category. Coca Cola has Sprite as a sub-brand, Microsoft has Xbox and Amazon has Alexa. This strategy is quite popular in the hospitality industry as well. The Tata group has followed an umbrella branding where all its products (Tata Power, Tata Motors, Tata Consultancy Services, Tata Housing, Tata Steel) sell under its brand name. i- Phone & Mac are sub -brands promoted by Apple. Same companies have different competing brands for e.g. KFC, Pizza Hut & Taco Bells are owned by Yum Foods and Proctor & Gamble have Tide and Ariel brands in their basket as well as Head & Shoulders and Pantene. The above examples clearly go to establish that branding strategies are an integral and vital part in the overall business strategy of a company.

**Brand Manager:** The role of the brand manager is to manage end-to-end the entire journey of the assigned brand. It is a key responsibility which needs specific multi-disciplinary skills and the person should possess team working capabilities. His tasks include strategy formulation, marketing plan preparation, running advertising and promotion campaigns,



customer feedback and course correction. The brand manager has to stimulate and monitor the demand for the brand with all its stakeholders.

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