

Marketing Management - II
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Lecture No. W3-L2
Strategic Brand Management Process

Hello and welcome to our course marketing management part two, we are in week three this is session two. So, we have started talking about a very interesting topic which is brand and we have looked into the definition of the brand in the previous section. So, I have tried to explain you the brand from the different perspective or through the different definition.

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The first one was from American marketing association where they define brand as a term 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. So, this was one academic definition of marketing.

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What is a Brand?

For more than a name and a logo, it is an organization's promise to a customer to deliver what the brand stands for not only in terms of functional benefits but also emotional, self-expressive, and social benefits. But a brand is more than delivering on a promise. It is also a journey, an evolving relationship based on perception and experience that a customer has every time he or she connects to the brand (David Aaker).

Then we have also looked into other definitions are the ways in we which we can define marketing is that, marketing is basically it firms promise to its customer and it satisfies the functional needs of the customer as well as it satisfies emotional self-expressive and a social benefit in fact the brand has been defined even beyond that and it has been said that a brand is a continuum of relationship between an organization and its customer.

Where it is defined as an evolving relationship based on perception and experience that a customer has every time he or she connects to the brand. So, every experience of a customer with brand or different aspects of the brand basically is important in shaping the perception about the brand. Then, we have looked into the role of the brand in consumer purchasing and we have looking into the fact.

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Role of Brands in Consumer Purchase

- Benefits require experience to be judged or credibility to be accepted as present.
- High perceived risk in any buying situation and consumer perceive difference in various offering
- Time, effort, and expense to acquire and evaluation of various brands are high

That, there are certain situations where probably brands have a more important role to play that when you have limited information or you have to accept the information as such their brand could be a critical factor in the decision making. When you are perceived risk is high, when you have a limited information their also in those kinds of mind situation, of the brand could have a very important role and we have often seen that in such situations, where the perceived risk is high.

And the customer lacks much of the information regarding the product category they rely on the brand more than anything else. Then we have also seen the where the consumer perceived lesser difference in various offering they are probably the the role of the brand, probably may not be much. Then you see, when you have limited time effort and expense to acquire in a evaluation. of various brands are high there brand also have an important role.

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Then, we have also looked into the the benefits to a seller that it helps the in identifying the maker of the product, simplify the product handling, organize accounting, offer legal production, signify quality, create barriers to entry which is a very important aspect of brand that it is an intangible asset and that is a very hard barrier for competitors to overcome.

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Top Brands	
Brand Name	Valuation (\$ m)
	170276
	120314
	78423
	67670
	65095
	49048
	45297
	42267
	39809
	37948

Source: <http://interbrand.com/best-brands/best-global-brands/2015/ranking/>

Then I have talked about the top brands which are presents, this was basically inter branch 2015 ranking of top hundred months. I have talked about the top ten brands from that ranking and I have shown to you that some of these brands. How much value they add to their organization.

So, then we have looked into the fact that if we talk about branding what exactly brand me branding me branding is basically means that you are adding extra value to any product. So, you take any commodity and whatever extra that gets into it. It's coming from the brand. **(Refer Slide Time: 04:20)**

What can be branded
• Physical goods (Maggi, Nike, Lux Soap)
• Services (McKinsey, SBI, Air India)
• Stores (Big Bazaar, Pantaloons, Shoppers' Stop)
• Person (Virat Kohli, NaMo, Sachin Tendulkar,)
• Places (Pink city, Kerala)
• Organization (UNICEF, IIT Kanpur)
• Idea (Swacha Bharat, Beti Bachao Beti Padhao)

Then we have looked into the categories or other types of offering which can be branded. So, we have looked in almost everything that can be branded starting from physical goods to

services, stores, person, places, organization and idea. So, I have talked about in detailed about each one of them in the previous section we can go back and have a look.

And then I have a little bit and then I have talked about what is brand equity is? Now, today I am going to start with the strategic brand management process, like how is an organization, this branding is being done inside any firm. So, the there are four steps as you can see in the slides.

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And inside that each of the steps you have a certain thing to do or you try to do certain things the key concepts you try to implement in each of these four steps.

So, that the first step is identifying and establishing brand positioning. If you recall from MM one course you will understand brand. Branding is basically creating a unique and valuable image in the minds of the customer about the forms offering. So, that is what the positioning is the broad definition of positioning and how do you create this positioning is the first thing, that you have to understand in the case of positioning, is that you have to understand who is your target customers or you have to first look into the market.

Try to understand that the different needs in the market you have to segment the market. Once, you understand the different needs in each of the segments. I mean like uses you are segment the markets based on the needs then identifying the specific needs of the particular segments and once you understand particularly in that segment, how the various offering

applies and the various you can come out with offering have a unique that is what that is how positioning the suitable product and for this we will look into the process we have to create a mental map.

We need to whenever we talk about it is always a competitive frame of reference. So, positioning is always relative you, your offering has to be looked into the respect to the competitive offering and you will see that when we talk about the competing competitive it could be correct competition from the within the product category brands available or it could be a competition from a similar kind of a product which satisfy the same need.

So, your competition can come from the may be from the supposedly, you are a taxi service company so your competition can come from another taxi service provider but your completion also come from the railway your competition also come from the intercity transportation things and your competition can also come from the Airlines.

That is, what this competitive of references and you have a direct, you have a indirect competition and that has to be kept in the mind. Then the other next thing that comes inside it is this point of parity and point of difference. If you can recall that to establish a positioning you have to may first establish a product or a brand belongs to a particular product category. Every product category generally, we see there are certain kind of unwritten norms in the sense. There are certain characteristics to every product category like if you see this Tomato ketchup or the Sauce category you will find almost the entire brand comes in the red color.

So, if you bring the yellow sauce in the market yellow color tomato sauce in the market may be customer will show the extreme level of reluctance to that kind of offering, because they will believe that this does not belong to the product category. So, establishing the point of parity within the product category is very important. It elevates the risk in the minds of the consumers which are related with the product.

Then the second thing is once the product is on part on most of the attributes that all the other brands having that category. The next thing is that you establish the point of difference like how you are offering is different from the rest of the competitions and that is what the differentiation is critical to this branding process. Branding is all about the differentiation has to be perceived by the customers.

So, we establish that the differentiation every brand try to have a certain kind of cold brand values and brand mantra in the sense like you try to what this brand does. So, what is the promise of the brand, what the core benefit of that brand is and then what is around that brand? So, these things actually help you in identifying and establishing brand positioning and next thing is how you execute. This is all about the planning process or the the the mental structure in which the way you want to execute positioning.

But how do you basically execute this positioning in the market is that you have certain marketing program for branding. And so that is the plan action inside this. The Branding can be executed in three ways; the first thing is that mixing and matching of the brand elements. You have certain brand elements you will talk about them in detail like the symbol, the logo, and the various other things which are attached with that brand by looking at them.

We can recognize about the brand so, when you see that the sign of about that Nike and you recognize. Oh! This is the brand Nike. So, that is basically one of the brand you also see the bottles shape of Coca-cola without even the the symbol or the Coca-cola trademark written over there, the brand name written there, you can recognize just by looking at the shape of the bottles. So those are some of the brand elements which help you in recognizing the brand that is the one way you can make your brand being aware of the customer being aware about your brand.

The next thing is that you integrate brand marketing activities inside this. You have a, you can understand traditionally, when we talk about the integrating brand marketing activities, we are taking about the four P's that is Product, Price, Place and Promotion. How the products, I mean like the offering itself how its price and place of the distribution and the communication programs. They can also be very critical, they are generally very critical in establishing the brand and that has to be all the elements of this marketing mix have to be indicated.

So, they convey the core and messages, core and positioning about the brand. The next thing is that sometimes or many times that secondary associations are leveraged. So, that you attached your brand is perceived being attached with a certain other object or entities and that helps in transferring the similar kind of perception, that you have about the that entity or the object getting transfer to your brands.

So, When you see that Bank of Baroda in the Bank of Baroda advertisement the Rahul Dravid because he is a dependable person the bank also gets that kind of perception or the similar kind of a trait is being transferred in the minds of the customer about the Bank of Baroda. That it is a very dependable or trust worthy bank or trust worthy brand where you can place your money. So, the next thing is that too which is there in this brand management processes measuring and interpreting the brand performance.

So, there are different tools and there are different ways in which you can understand the you can measure and interpret the brand performance. So, these are basically brand value chain brand or its brand act and tracking brand equity management systems. We will talk about some of these and then inside it we also look into sometimes the brand valuation how it is moving over the period of time.

And last thing. Inside this strategic brand management process is grow and sustain brand equity. So, inside this you have the brand product mix. These are the things which are related with how basically your brand is doing in the market. Once you measure and track the performance the brand you can see from where you can grow where you are not doing well or possibly your sustainability at your position you find out the way so that you grow in the future or you at least you can maintain the similar kind of performance in the future.

So, this is what the four steps of studies strategic brand management is then.

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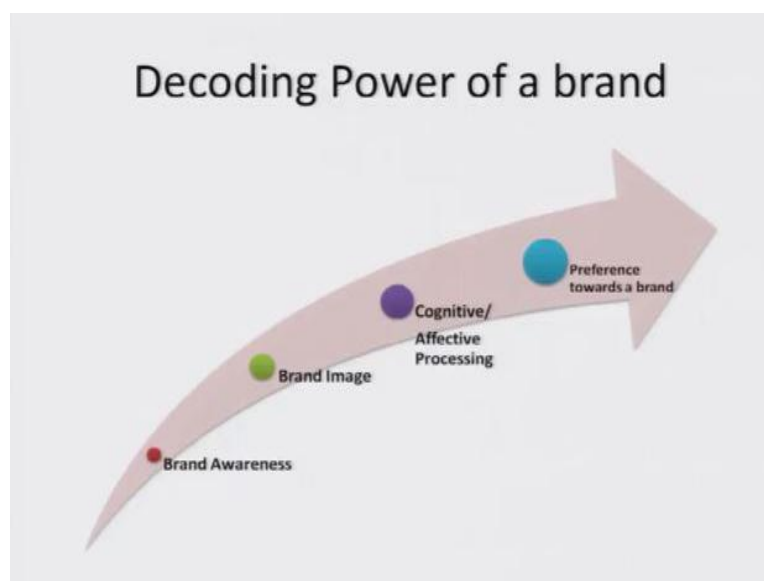
Customer-Based Brand Equity?

CBBE can be defined as the differential effect that Brand knowledge has on consumer response to marketing of that brand.

I have introduced the concepts customer based brand equity in the last class which is commonly abbreviated as CBBE it can be defined as a differential effect that brand knowledge has on consumer response to marketing of that brand. So, consumer based brand equity is that looking at the brands equity from the customers point of view what makes from a customer point of view what makes a brand to function or what makes the brand to work.

So, there are three elements inside this definition as you can see the there is a differential effect in the behavior of the consumer, as they know more about the brand. So, Brand knowledge is the core of this customer based brand equity when a customer understand about the brand or he recognizes the brand he has a certain kind of image in the brand that creates a differential effect in the way, the customer perceives the brand and this differential effect get reflected into a certain kind of varying response from the consumer side to various marketing programs.

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I have tried to basically explain the concept of customer based brand equity or how brands actually works on the customer side through this slide, as you can see that once the first thing that for a brand to work is that consumer has to be aware about the brand. So, first thing is that once you know a brand then the next thing is that if you know something what kind of image you have in the mind about that brands.

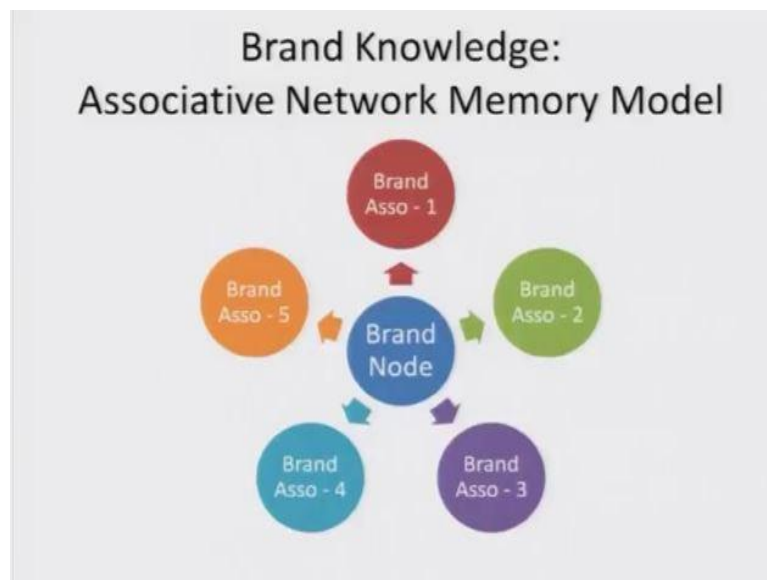
So, the second thing is the brand image so depending on what kind of image you have a positive image or probably you have a negative image that actually affects your cognitive and

affective information processing part. And your evaluation of the different brand is so this brand image is basically with respect to the other offerings in the market or the other available brands in the market and you have your cognitive and affective information processing process in the minds of customers.

That basically help you finally in deciding with the you will prefer the brand or not so finally that that gets reflected in the preference towards the brand. So, if the brand has very distinctive valuable and strong image in the minds of the customer. The customer will show a very high brand preference or a greater propensity to purchase that brands, he will show the extreme level of loyalty to that brand and or probably they will be ready to pay more your trade partners will be ready to accept that brand or compare to other competitive products in the market.

So, these are some of the things which help you to understand how the brand works then the coming on to this part how does this knowledge the brand knowledge get created in minds of the consumers. So, at this there is a frame work called associative network.

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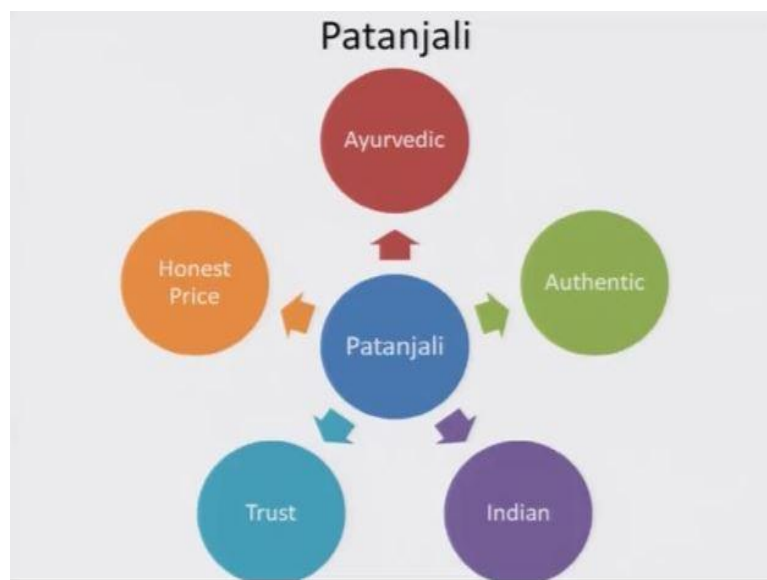


Memory model which exists in the market and in this associated network memory model. You can understand there are two thing which are important to understand is that at the centre you have a brand node where that the information about the brand is kept.

And associated with that brand is there are certain brand associations which are attached with this brand node is. I have shown in the form of brand association one, brand association two, brand association three. So, that there could be a n number of brand association which are attached with the particular brand or brand node so, these are the brand association and at the centre you have a brand node. Now I will try to explain you this concept of associative network to memory model through an example.

This days this brand has gain a lot of prominence in a news in the business news that Patanjali has come on a five thousand crore brand its sales is almost close to five thousand crores. Now if you look at this brand so Patanjali is if a customer has known about the Patanjali. So, there is in the mind of the customer, there is node where they have this brand name getting register or they recognize this brand patanjali. Now when I talk about patanjali there are certain kind of associations that comes in the mind of customer.

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That Patanjali is linked with this I have being ayurvedic product. So, whenever you come to think about Patanjali its comes out that it is an ayurvedic product, it is a harmless then you have this second association that might come in the mind of the customers is this authenticity about this brand. So, this is about the purity of this brand it is like the one of the core brand values of this brand promises to be pure.

And then third thing that quite often is very important. This day is like because in the various social media space and that floating the messages that Patanjali being the Indian brand and people should prefer it. So, that is also one kind of association compared to other fmcg's and that the third thing the fourth thing that comes the association is the trust that is being placed in.

This Patanjali that no adulteration nothing harmful is inside then Patanjali is also associated with very what you say is very honest price or prices which are very much in the reach of a middle class of the most of the middle class of the country. So, you see there is a brand which is that attached in the mind of the customer and whenever customer recalls Patanjali. There are certain kind of association that emerges in the mind of the customer.

So, this is how a brand actually works or function in the mind of the customer that there is a brand node which is registered in the mind of the customer and whenever that customer can recalls and recognize that brand node there are certain kind of association now these association which are there in the mind of customers they help creating certain kind of images in the mind of the customer.

Overall if you attached or if you take a wholesome of these different associations which are attached with the Patanjali you customer forms a certain kind of image. Now this image is basically plays with respect to other competitive offerings and this placement of this Patanjali brand and with respect to other competitive offering and this placement of patanjali brand with respect to the other competitive offering in the that fmcg sectors help the customer to decide which brand prefer or the preference for him or her about the brand Patanjali.

So, with this I will stop here and when we meet in the next session and we will talk further about this branding. Thank you.