SYLLABUS

Class: - BBA IV Year

Subject: - Product & Brand Management

Units	Topics
I	Product management: Introduction & concept of product, Product components, objectives of Product management, Roles of product manager, Product mix & Product Line Decisions, Growth Strategies for the FMCG
II	New Product Development Routes of new product development, Process of new product development, the latent factors behind marketing success and failure of any product, product elimination strategies
III	Brand management: Branding Concepts, benefits of branding, Brand perspective, characteristics of brand, branding decision, Global Branding: Concepts, Advantages & Disadvantages
IV	Brand personality & Brand Extension: Brand Personality: Introduction, Concept, types & Brand personality scale. Brand extension: Types of brand extension, Strategies for successful brand extension
V	Brand Positioning & repositioning: concepts & methods of positioning & repositioning, brand equity & brand loyalty: Brand equity-Introduction & concept of Brand equity, cost based, priced based & customer based methods. Brand loyalty-Concept and Loyalty pyramid

BBA 4 Year Product & Brand management

Unit I

WHAT IS A PRODUCT?

A product is a set of tangible physical attributes assembled in an identifiable form. Each product carries a name, such as car, iron, building etc. But in marketing, a product is anything which can satisfy a need, want or desire of consumers and can be offered in an exchange process. Hence, a product can be commodity, service, idea or a combination of all these. A commodity is a tangible object such as watch. A service is an intangible which provides benefits and satisfaction to the users such as health service or doctors‟ or nurses‟ service. An idea is a philosophy or concept -such as „‟stop smoking,‟‟‟ „‟use seat belt during driving‟‟‟, „‟suggestion for doing physical exercises‟‟‟.

A product is a set of tangible and intangible attributes including packaging, color, price, quality and brand plus the services and reputation of the seller. A product may be a tangible goods, service, place, person or idea" "A product should be considered as a bundle of utilities consisting of various product features and accompanying services".

-W. Anderson

A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objectives, services, person, places, organization and ideas".

-Philip Kotler.

Essential Features or Attributes of a Product:

(a) Tangibility: To be a product, it should have a tangibility character such as it can be touched or seen, for example a car, building, cloth etc.
(b) Intangible Attributes: The product may also be intangible in the form of services for instance, banking, insurance, music composition, repairing, nursing etc. (c) Associated Attributes: A product may have number of features which differentiate it from competitor's products. Associated attributes usually cover the color, package, brand name, installation instruction etc. For example Hindustan Lever's vanaspati ghee has a brand name DALDA and with its package it can be identified by the

consumers. It has developed an image in such a way that all kinds of vanaspati ghee sold are being referred to as DALDA ghee.

4 Most Important Component of a Product

1. The Core Product:

The core product is the actual benefit the consumer is seeking from the purchase. For example, when consumers purchase Kodak film, they are buying "A Kodak Moment." Among other things the customer first purchases the product called photography film, which is same as that of any other brand. This is the core product and photography is the core benefit.

2. The Additional Features:

Along with the core product are associated some features also. For example when somebody buys a Kodak Film along with the core product it buys a shape, a method to load it in camera, easy availability, reasonable price etc. that are unique to the brand. In case of purchase of bath soap apart from the wash ability one purchases the shape, the fragrances, the color etc. are the associated features.

The additional features are the one that distinguishes the brands and on these they compete with each other. The competition at times is so intense that consumers take the core product for granted and look for the additional features. Every additional feature adds to the personality of the product.

3. Brand Name:

A brand is defined as the name, term, symbol, logo, design or a combination of them, which gives the product and services certain identity. Trademark is the brand that gives legal protection and maintains the exclusivity to the seller. Brand name is a marketing term whereas trade name is a legal term. Today we are living in the age of brands.

4.The packaging:

Today when brand name is very important equally important is the packaging, which distinguishes the product. The traditional role of packaging was to protect the brand but today it adds aesthetics to the product gives each brand a distinct identity and generates sales appeal. Today it is one of the powerful promotional tools. An attractive package can be that power that it calls for on the spot and spontaneous purchase.

Along with this labeling has also emerged as an essential part of product. It helps the buyer to understand the nature of the product, its distinctive features, its composition, its performance, its usability period, and price etc. when purchasing Kodak Film the attractive yellow color in the package, the detailed information all adds up to inspire the consumer to go for the product.

Thus the actual product consists of product attributes such as quality level, design, brand name, and packaging. All of these features help differentiate the product from its competitors. For example, Kodak film is the actual product. Its brand name, packaging and other attributes differentiate it from its competitors. All of these features have been combined to deliver the core benefit – "moments of your life." Product quality is the set of features and characteristics of a product that determine its ability to satisfy needs.

What is Product management?

Product management is function of an organization that concerns itself with a product's life cycle, right from justifying the need for a product, visualizing its concept, development, pricing, launch, marketing, and finally, working on the feedback received from the market.

However, product management does not restrict itself to developing new products alone; it also involves designing and implementing phased-out plans to remove outdated products and technologies

The Primary Objectives of Product Management

A successful product management framework helps an organization realize three main objectives:

- Maximizing sales revenues
- Increasing market share
- Enhancing profit margins

An efficient product management process ensures the objectives stated above are met by building hugely successful products and synergizing various departmental efforts within an organization to achieve economies of scale. Key Principles of Product Management

1. Do Not Lose Sight of Competitors- When dealing with a high-demand product, remember there will always be competition from other players trying to seize a considerable share of your market. It is, therefore, imperative to observe and incorporate the best practices followed by competitors without losing sight and compromising on the business goals and objectives.

2. Use Data for Organizational Benefits- An astronomical amount of data is available for each product that exists in the market. However, all the data available is useless unless it is used for the benefit of an organization. Look at the figures closely and figure how you can best use them to create an effective strategy to be followed in the future.

3. Never Forget Your Customers- The age-old proverb 'the customer is always tight' still holds. After all, it is the customers you are creating the product for and who will ultimately go out and buy them. An efficient product management process should always keep in mind the customers' and their needs. If you can create a product that customers cannot ignore, rest assured it will help you reap rich dividends in times to come.

4. Focus on Quality The desire to maximize your profits might result in a temptation to cut costs during the product production process. Though sometimes required, make sure that you do not cut costs to such an extent that it compromises the product's quality. If customers are not satisfied with your product's quality, they will waste no time moving on to other similar products in the market.

Responsibilities of a Product Manager

The job of a product manager is multifaceted. A product manager is responsible for planning and executing the various steps involved in a product's lifecycle

A product manager's job typically involves:

- Conducting market research to understand customer needs.
- Visualizing and defining the product strategy.

- Synergizing the efforts of various departments within an organization to ensure customer satisfaction and company profitability.
- Designing and implementing plans to eliminate outdated products and obsolete technologies.

Product Mix Definition

Product mix refers to the complete set of products or services offered by a business. These products or services are usually grouped within product lines, representing the different types of products offered.

or example, The Coca-Cola Company has its signature Coca-Cola brand, featuring original Coca-Cola, Diet Coke, Coke Zero, Cherry Coke, etc. This would be described as a product *line*, while their product *mix* consists of their Coca-Cola, Dr. Pepper, Glaceau Smartwater, Sprite (and so on) product lines

Major elements of a product mix

A company's product mix contains four main components.

Length: The range of products available in a particular product line.

Breadth: The number of product lines under a company.

Depth: The options available in a particular product line, such as different quantities, sizes, etc.

Consistency: How closely related product lines are to one another in their use, production, and distribution channels.

6 key product mix strategies

As product teams will know, there's no direct correlation between the number of products you build and how much success you see. Below are 6 key product mix strategies so that you can make the most of the lines you launch.

Expansion of product mix - Expansion of product mix is when a business increases its number of product lines. These new lines are often related to the company's current product range but are unrelated to the present products.

For example, if a beverage company introduces flavored water as a new product line, that would be an expansion of the product mix.

Contraction of product mix - Sometimes it pays to shrink your product mix to eliminate poor-selling items. Which products are bringing your overall mix down and reducing ROI in product development? Identify them and cut them out.

Deepening product mix depth - This strategy involves increasing product lines. Rather than *adding new* product lines, though, the business will look at more products that *fit in with an existing* product line. The result is a diversification of the product range.

Alteration of existing products - Here, existing products are changed or optimized to meet customer needs, rather than introducing new products.

Trading up - Trading up is when a company adds higher-priced items into its product line(s). This is designed to encourage more sales of mid-tier products and improve the prestige of the company. For example, when a software product launches a 'Pro' alternative.

Trading down - This is the exact opposite of trading up.; lower-priced items are added to the product line to increase sales.

What Is Product Line?

A product line is a group of related products marketed and sold under a specific brand, offered by a particular company.

A few keyphrases to focus on to understand this definition of product line are –

- **Group of related products:** Product lines are product groups consisting of related products based on – target audience, value proposition, technology used, customer preference, etc.
- **Sold under a specific brand:** These products are grouped together under a single sub-brand or offered directly under the name of the parent brand, and they carry a similar brand personality.

Here's an example to explain the definition better –

Nike is a multinational company that sells product lines of sports shoes, sportswear, and sports equipment. These three categories further divided into several sub-product lines based on sports and uses.

Product Mix And Product Line

Product mix and product line, even though often confused to be the same, are considerably different.

A product line is a unique product category or product brand a company offers. It can be considered to be a product group that consists of all the related products that fall into that category.

Product mix, on the other hand, is the total number of product lines a company offers to its customers.

In simple terms, product line is a subset of product mix.

Let's take an example of a dairy company that sells –

- Milk
- Cheese
- Butter
- Diet Products

Now, let's assume that this company sells 3 types of milk, 15 cheese products, 2 butter products, and 10 diet products.

These product groups are the product lines and an assortment of these product lines is the product mix of the company.

How Product Lines Work

Product lines are developed as a marketing strategy to make the most of the customers of the brand. The strategy works on the operating principle that customers are more likely to respond positively to brands that they are aware of and are more willing to buy the new products based on their positive experiences with the brand in the past.

Different product lines are added under the same name of the brand to borrow the goodwill of the parent brand. The company also often goes for product line extensions where new products or items are added to the same product category under the same brand name, like new flavour forms, colour, ingredients, etc.

Product Line Decisions

Product line decisions refers to decisions relating to the addition or deletion or product(s) from existing product lines. Such decisions are further divided into –

- **Line Filling Decisions:** It involves adding a new product in the existing product line to face competition and increase the shelf life and customer base.
- **Line Pruning Decisions:** It involves removing an unprofitable product from the existing product line to avoid losses and increase average profits.

FMCG Industry: Tips and Strategies to Increase Sales and Grow Business

FMCG is one of the most competitive industries. Whether it's personal durable, food & beverage industry, or household care, rapid and significant changes are occurring in the industry. The FMCG market has experienced healthy growth over the last decade because of adoption of experience retailing along with reflecting consumers desire to enhance their physical shopping experience with a social or leisure experience.

5 features of the FMCG Industry

11 Market Research- A consumer's perception of the brand greatly influences the consumer's purchasing decision. Other factors affecting the purchasing decision are change in lifestyle, fashion and income. Better market research naturally provides better insights about customers. This ultimately results in better brand reputation.

2. **Marketing-** Marketing campaigns play a crucial role in the FMCG industry, as most FMCG companies have to reach people and compete with large numbers of players at the same time. Since there are the same merchandise and products offered by different brands, customers have the right to make thousands of choices. It is also a fact that the differences created by marketing and perceived by people are more than the real differences in the market.

3. **Technology-** The basic technology for production in the FMCG sector is readily available and stable at the same time. The basic process is rarely altered when changes in technology are applied.

4. High Initial Launch Cost While FMCG is a low-capital-intensive industry, a large front-end investment is needed to develop new products, do market research, test and launch new products.Raising awareness among consumers can be a real challenge as merchants often spend so much on ads, free samples and product promotions.

5. Low Capital Intensity Many FMCG product categories do not need a large investment in machinery, plant and other fixed assets. Thus, absence of capacity is not a common problem. Also, cash is the major payment method.

Strategies to Increase Sales for FMCGs

1. Know what customer need A consumer’s buying habits are changing rapidly and it is necessary to know the consumer’s behavior towards your product. Create your own strategy to learn more about customer needs. After knowing about the customer, you need to build your own strategy that will help you capture market share and position yourself as a leader in the market.

2. Increase and manage sales efficiently Sales is the first and most significant element of any company for growth. You should have a proper system to perform to manage your sales basket. Build a unique strategy in your business to have qualified leads. As you have qualified leads it is important to have a customized system to manage those leads.

Promotions Promotion has always been one of the most powerful marketing tactics that all businesses choose to implement. Is constantly lowering prices the right tactic to attract customers? The answer would of course be NO. If you do not have a good and effective plan and strategy, customers will most likely evaluate your discounted products as poor quality and therefore buy from other brands.

Loyalty Program- Loyal customers are important in all industries.However, due to the short product life cycle in the FMCG industry, customers have to repeat their purchases many times. If you can’t please your customers and earn their loyalty, they will start looking at your competitors’ products. This means losing a lot of profit. All of this makes loyal customers even more important in the FMCG industry.

Subscription FMCG customers often purchase a product multiple times. So it creates a great opportunity for store owners to offer various subscription plans. Many multinational FMCG companies, including Unilever and Nestle, are implementing subscription programs for their products and have had some positive results at first

.**Good relations with retailers** Is your business working well? If the answer is yes, then we can say that you have a good retailer system. You must have answers to these questions. How many retailers do you need to cover the entire potential market? What kind of retailers are your ideal partners? The shopping experience at PoS is the decisive element for customers' satisfaction.

After-sales services There is a lot of hidden potential in the FMCG industry for both old and new traders. What matters is not how long you've been in this industry, but how smart you are in business strategies. you can grow in the sector and stay ahead of the competition with the effective after-sales services you provide.

Unit II

New Product Development?

New Product Development (NPD) refers to the process of delivering a new product, service, idea, or technology to the market. The process usually follows a structured approach that involves several stages, from ideation and concept development to market research, product launch, and post-launch evaluation.

NPD is a crucial product development process for any company that wants to stay competitive and grow its business. It is a complex and iterative process requiring the involvement of several different departments, from design and engineering to marketing and sales.

Why is it Important?

New product development is important for a number of reasons, as it helps businesses:

- Keep up with the latest technological advances and trends
- Stay ahead of the competition through innovative solutions
- Diversify the product offerings and create new revenue streams
- Keep their employees engaged and motivated

Benefits of New Product Development

- **Increase Revenue** – Developing new products is a great way to boost a company's revenue. By bringing new products to market, companies can tap into new markets and capture new customers.
- **Improve Brand Recognition** – Launching new products can also help improve a company's brand recognition. When done correctly, new product launches can generate a lot of buzz and media attention, which can help expose the company to new audiences.
- **Enhance Customer Loyalty** – New products can also help build customer loyalty. When customers see that a company has high-quality products, they tend to trust it and consequently become loyal consumers.
- **Create Job Opportunities** – New product development can bring new job opportunities, as companies need people to help research, develop, and market new products. All these positions require skilled workers, which can help boost the economy.

What are the Stages of New Product Development?

Stage 1: Idea Generation

Idea generation is the first stage of the NPD process. In this stage, businesses generate ideas for new products that they think will be profitable and appeal to their target market. This can be done through brainstorming sessions, customer feedback, market research, and other methods.

Stage 2: Idea Screening and Evaluation

After generating a list of potential ideas, businesses must then screen and evaluate them to see which are worth pursuing further.

This evaluation is important as it helps businesses focus their resources on the most promising ideas and avoid wasting time and money on those not likely to be successful. Factors that are typically considered during this stage include market potential, technical feasibility, and manufacturing cost.

Stage 3: Concept Development and Testing

After completing the screening and evaluation process, it is now time to move on to concept development. This is the stage wherein a detailed version of the idea is built to create a concept related to the user stories.

This stage ensures that problems or issues are discovered early on in the process and that teams can provide solutions to problems early. This also helps to stop technical debts from accumulating

Stage 4: Business Analysis

Once a business has identified a promising product idea, it will need to conduct a thorough analysis of the opportunity. This includes assessing the needs of the target market, understanding the competition, and developing a business model.

This stage of new product development is important as it provides insights that can help determine whether or not the product is likely to be successful.

Stage 5: Product Development

In the product development stage, the product and production process is finalized. The stage starts with creating a product prototype followed by a Minimum Viable Product (MVP). After this, the product is then designed and created. Lastly, test marketing and the business analysis are finalized. All that remains is to produce the product and get it into stores.

Stage 6: Deployment

Once everything is finalized, it is now to shift to deploying the product to the market. This includes the following stages:

- Commit
- Build
- Alpha Deployment
- Beta Deployment
- Production Deployment

Stage 7: Commercialization

The last and final stage of new product development is commercialization. This is when the product is finally launched into the market. All products must go through a successful commercialization stage in order to be profitable and make it to store shelves.

The commercialization stage includes:

- Achieving index test marketed
- Product launch planning
- Demand planning and creation
- Sales forecast

Examples of NPD Initiatives

To better understand the concept of new product development, we have provided some examples to give you an idea of how it is applied to businesses. Let's say you are the head of a small business that sells cosmetics. You and your team have decided to branch out and begin selling skincare products in addition to your current inventory. This would be an example of new product development.

New product development can also take the form of expanding into new markets. For example, if you currently sell your products exclusively online, you may decide to open a brick-and-mortar store in order to reach a wider customer base.

Below are some examples of new product development on popularly known businesses:

- Taco Bell: adding new items to their value menu
- Samsung: releasing a new smartphone model with updated features
- Macy's: adding new brands to their repertoin

why do products fail?

There are often multiple reasons for failure, but here are 8 common reasons:

Lack of understanding of the target market and customer needs. If you don't know who your product is for and what customers need, your product is unlikely to succeed. For example, the Segway personal transportation device failed because it didn't solve a real problem for consumers. It was a technology innovation – not a value-innovation for customers.

Poor product design and quality. If your product is poorly designed or low quality, it's unlikely to attract and retain customers. For example, the Google Glass wearable technology failed because it was bulky, expensive, and lacked practical features. It also raised privacy concerns and led to ridicule of its wearers – but it's not all bad news.

Inadequate market research and testing. If you don't thoroughly research and test your product before launching it, you may miss key insights and opportunities. For example, the $400 Juicero juicing machine failed because consumers found it easier and cheaper to squeeze the juice packets by hand.

Misaligned pricing and value. If your product is priced too high or too low, it may not provide the right value to customers. For example, the Amazon Fire Phone failed because it was priced similarly to high-end smartphones, but lacked the same features and app-store capabilities.

Difficult to understand or use. If you create something difficult to understand or use, you are increasing your odds of failure. For example, the Google Wave collaboration tool failed because it was difficult to explain and understand, leading to low adoption and usage.

Poor product-market fit. If your product doesn't fit the needs and preferences of your target market, it may struggle to gain traction. For example, the 'Flights to Nowhere' service faced wide-spread backlash from customers and environmental groups.

Lack of innovation and differentiation. If your product is similar to existing products and doesn't offer unique or compelling advantages, it may not stand out and succeed. For example, the BlackBerry PlayBook tablet failed because it was similar to the iPad but lacked the same app ecosystem and intuitive user experience

Key factors for product success

- Conducting thorough market research to identify unmet customer needs and desires through surveys, focus groups, and interviews (consumer electronics, fashion trends)

- Analyzing market trends and competitive landscape to identify opportunities for differentiation and growth (emerging technologies, changing consumer preferences)
- Implementing a structured and well-defined new product development (NPD) process involving cross-functional teams for diverse perspectives and expertise (R&D, marketing, sales)
- Conducting rigorous testing and validation at each stage of development to ensure product quality, reliability, and customer satisfaction (prototyping, beta testing)
- Developing a clear and compelling value proposition that resonates with target customers by highlighting unique features, benefits, or positioning (convenience, cost savings, superior performance)
- Differentiating the product from competitors through innovative design, advanced technology, or exceptional customer experience (Apple's iPhone, Tesla's electric vehicles)
- Ensuring the product offers superior performance, quality, or customer experience compared to existing alternatives in the market (durability, ease of use, after-sales support)
- Allocating sufficient financial, human, and technological resources to support NPD and bring the product to market successfully (budgeting, talent acquisition, infrastructure)
- Investing in targeted marketing and promotional activities to create awareness, generate demand, and drive product adoption (advertising campaigns, product demos, influencer partnerships)
- Securing top management support and commitment to the new product initiative to ensure alignment and resources throughout the organization (executive sponsorship, cross-functional collaboration)
- Establishing a customer feedback loop to continuously improve and iterate on the product based on user insights and experiences

What is Product Elimination?

Product elimination is the decision to drop a product from the portfolio based on its poor market performance. The market demand for such products has been dipped to none and hence product elimination or closure is carried out. Product elimination can also mean that only product under an umbrella brand needs to be stopped and not the entire portfolio.

Factors for Product Elimination

1. Low Profitability
2. Declining market share
3. Inability to compete
4. Poor fit with the company's objectives

Marketers may look for several options during product elimination Harvest, Divest or Line simplification.

We can relate product elimination concept to the BCG matrix. A product might find itself in any of the four quadrants. The activity recommendations vary depending on the quadrant in which the company's product lies. A product which is a star or cash cow or question mark should be invested or harvested or divested upon respectively. Under these cases, product elimination is not required. But if a product is in the dog state, it means that the market growth of the product is low and the market share for the specific company is also low. Such products should be eliminated as the product is doing poorly and also the market prospects are grim. The product is draining resources and capital. It may well find itself obsolete with no demand at all and hence, must be eliminated beforehand.

Example of Product Elimination

Apple dropped its once upon a time market leading product- the ipod because with the advent of smartphones, the market demand for ipod declined suddenly. Because Apple ipod was doing well with high market share, ipod found itself in the harvest phase. But as demand declined further and so was the share of Apple, it moved into the dog phase and was subsequently eliminated. This is an example of product elimination.

Unit III

A brand is a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers" (American Marketing Association).

Branding definition "Branding is endowing products and services with the power of a brand" (Kotler & Keller, 2015)

Branding is the process of giving a meaning to specific organization, company, products or services by creating and shaping a brand in consumers' minds. It is a strategy designed by organizations to help people to quickly identify and experience their brand, and give them a reason to choose their products over the competition's, by clarifying what this particular brand is and is not.

The objective is to attract and retain loyal customers and other stakeholders by delivering a product that is always aligned with what the brand promises.

Benefits of Branding

1. Brand design (colors, font, packaging, themes, etc.)
2. Social media presence
3. Environment and company culture
4. Product quality and pricing
5. Website and marketing
6. Taglines and slogans
7. Customer service

1. Customer Recognition

In the world of ads, when a customer recognizes a brand's color, theme, logo, etc., they are more likely to choose that product over all others. This is because they are already familiar with your brand and what it stands for. From something simple and minimalistic to something wild and eye-popping, a good brand will always be recognized in a sea of others.

2. Customer Loyalty

Once a customer begins to recognize and buy a product or a service, good branding will keep them coming back for more. A good company with great products combined with effective branding hits all the right notes with customers. This will increase customer loyalty in the long run. A good example of customer loyalty is Apple, which has one of the most successful branding stories in the world. It managed to build a loyal following by building an emotional connection with its customers. Brand loyalty is one of the major reasons behind Apple's massive success in the market.

3. Consistency

A good brand sets the foundation for a business. Once a business has found its branding - company philosophy, colors, typography, etc., all other efforts can be modeled around it. All future marketing efforts can branch off of this foundation. This creates consistency within a brand and helps customers relate to it more. Imagine a company changing its logo every other month. Most customers would get confused and not even want to buy the products and services from inconsistent brands.

4. Credibility

Every customer has their trust issues whenever it comes to trying a new product or service, However, a strong brand can help you set yourself apart as a well-established business with strong values that customers can resonate with. Innovative marketing coupled with exceptional products and services, phenomenal customer service, and interesting visuals will surely help even a small company establish itself as a serious professional business.

5. Improve Company Values

If your brand has a personality, it is easier for people to relate to your company's values and motives. When people relate to your company values, they are more likely to want to do business with you. Take Toms' shoes, for instance. They are one of the most popular shoe brands in the world, but the main thing the brand is known for is their donations. For every pair of shoes that you buy, they donate a pair of shoes in partnership with humanitarian organizations. This fosters a shared emotional connection between the company and the customer and is one of the main factors of branding.

6. Stay Ahead of Competitors

If you have so many competitors in the market and you are just starting, it may be a tough job to get ahead of them. However, a personalized and unique brand can help attract the right customers for you. You can also charge extra for premium quality products with good branding.

7. Brand Equity

One of the most important benefits of branding is that it helps to promote new products and services. If people are loyal to a brand, they are automatically interested in whatever new the brand has to offer. When Apple first introduced AirPods in 2018, it dominated the wireless earphones surpassing giants like Samsung and Xiaomi in the global market. A study by Strategy Analytics shows that AirPods has over 50 percent of the global market share.

8. Attracts Talent

When a business has effective branding, it is hard for people to not notice. This attracts influencers, content creators, social media marketers, and other concept builders. When a business draws these kinds of people in, they increase their creative powerhouse. Collaborations with the right people can go a long way to promote your brand and uplift your brand's digital presence. This helps you reach an even larger audience because people trust the recommendations of their favorite influencers and content creators.

Perspectives on Branding

The Traditional View of Branding

The traditional view of branding focuses on the company's efforts to create a brand identity that will resonate with its target audience. This approach involves developing a unique logo, tagline, and other branding elements that convey the company's values and personality. The company then uses these elements in its advertising campaigns and other marketing efforts to build brand awareness and loyalty.

Consumer Perspective on Branding

From a consumer perspective, brand meaning-making is a dynamic and ongoing process that involves both the company and the consumer. Consumers actively engage with brands, interpreting and creating meanings that are unique to their own experiences and perspectives. This process is influenced by various factors, including the consumer's personality, values, culture, and social environment. For example, two consumers may interpret the same brand differently based on their experiences and preferences. One consumer may see a brand as luxurious and exclusive, while another may view it as pretentious and overpriced. These different meanings are shaped by the consumers' personal experiences with the brand and their perceptions of its advertising, packaging, and other marketing efforts.

The Consumer-Centric View of Branding

The consumer-centric view of branding acknowledges consumers' vital role in shaping a brand's meaning. This approach posits that the meaning of a brand is co-created by the company and its consumers. Consumers interpret a brand's identity, attributes, and values based on their experiences with the brand. This interpretation influences how they perceive and talk about the brand with others. In this view, companies must actively engage with their consumers and listen to their feedback. They must understand their customers' needs, desires, and preferences to create products and services that meet those needs. Companies must also communicate with their customers in a way that is meaningful to them. This means creating content that resonates with their audience and using channels their customers use regularly.

The Alternative View of Branding

The alternative view of branding considers the consumer perspective, recognizing that brand meaning-making is a collaborative process between the company and the consumer. This approach views branding as a dialogue between the company and its target audience rather than a one-way communication. The alternative view of branding recognizes that consumers significantly impact a brand's meaning-making process. Consumers actively engage with brands, interpreting and creating meanings that are unique to their own experiences and perspectives. This process is influenced by various factors, including the consumer's personality, values, culture, and social environment.

Implications for Marketers

The alternative view of branding has important implications for marketers. Instead of focusing solely on developing a brand identity, marketers must work to create a brand identity that is open to interpretation and adaptation by consumers. This involves understanding the various factors influencing consumers' brand perceptions and actively engaging with them to understand their needs and preferences. Marketers must also be willing to adapt their branding efforts in response to changing consumer preferences and perceptions. This involves being open to consumer feedback and regularly monitoring and analyzing consumer trends and behaviors.

Top 7 characteristics of successful Brand

1. Competitiveness **For a brand to truly succeed it needs to be as competitive as possible. This includes having an entire team working behind a brand, from the most basic administrative assistants to those in a higher power position. There is no use in sitting back and hoping for the best; a successful brand goes above and beyond consumer expectations to remain on the cutting edge of its industry**

Distinctiveness **To have a memorable brand identity you need to be distinctive. Some of the world's most popular brands, such as Apple, Starbucks and Domino's Pizza, have successfully achieved this. For instance, Apple is widely known for its minimalist approach to design and**

technology as well as its innovative products. Starbucks is known for its high-quality goods and services that are consistent across every store worldwide. Giving your customers a specific reason to use your services will without doubt keep them returning to your brand, time and time again.

3Passion **Though it's possible to build a brand on a short-term basis without passion, maintaining the success of that brand over the long term is incredibly difficult without passion. Some of the world's most successful people, such as Steve Jobs, Roger Federer and Oprah Winfrey, did not or have not succeeded without passion. Passion is the force that drives us even through the most challenging of moments, propelling us to work harder than everyone else to continually deliver greatness. If you possess a genuine passion for your brand, that passion will rub off on your customers who will feel just as enthusiastic and excited about your products or services as you are.**

4 Consistency **With all of the above being said, it is still important to be consistent in everything you do as a brand. Consistency is the blood that runs through your brand, differentiating it**

from the competition and enabling it to remain in the memories of your consumers for longer. It also brings familiarity to your brand, which automatically leads to loyalty. Provided you consistently deliver high-quality goods and services, you can expect your customers to return back to your business in future.

5.Leadership **The world's greatest brands are supported by influential leaders who continually aspire for greatness. Whether that involves a sports team, a large corporation or a small business, the most successful of these will have an influential leader backing them. When you think of Apple you immediately think of Steve Jobs, who was an extraordinary leader who taught us all many valuable lessons about strength and leadership.**

As a business owner, you need to live and breathe your brand in order to inspire both your workforce and your clientele to possess the same enthusiasm and passion for your brand. This in turn will lead everyone associated with your brand to feel deeply affiliated with it as your passion for what you do truly shines through.

6. Exposure **Another important characteristic of a successful brand is exposure. Well-known sports brand, Puma, combines numerous marketing channels to reach out to its target audience, including video, social media and experiential marketing to truly immerse its customers into the brand**

BRANDING DECISIONS

Branding consists of a set of complex branding decisions. Major brand strategy decisions involve brand positioning, brand name selection, brand sponsorship and brand development. Before going into the four branding decisions, also called brand strategy decisions, we should clarify what a brand actually is. A brand is a company's promise to deliver a specific set of features, benefits, services and experiences consistently to buyers. However, a brand should rather be understood as a set of perceptions a consumer has about the products of a particular firm. Therefore, all branding decisions focus on the consumer. We will take a close look at each of these four branding decisions.

Branding Decisions – Brand Positioning, Brand Name Selection, Brand Sponsorship and Brand Development Brand Positioning – Branding Decisions

A brand must be positioned clearly in target customers' minds. Brand positioning can be done at any of three levels: ▪ on product attributes ▪ on benefits ▪ on beliefs and values. At the lowest level, marketers can position a brand on product attributes. Marketing for a car brand may focus on attributes such as large engines, fancy colours and sportive design. However, attributes are generally the least desirable level for brand positioning. The reason is that competitors can easily copy these attributes, taking away the uniqueness of the brand. Also, customers are not interested in attributes as such. Rather, they are interested in what these attributes will do for them

Brand Name Selection – Branding Decisions When talking about branding decisions, the brand name decision may be the most obvious one. The name of the brand is maybe what you think of first when imagining a brand – it is the base of the brand. Therefore, the brand name selection belongs to the most important branding decisions. However, it is also quite a difficult task. We have to start with a careful review of the product and its benefits, the target market and proposed marketing strategies. Having that in mind, we have to find a brand name matching these things. Naming a brand is part science, part art, and certainly a measure of instinct

Brand Sponsorship – Branding Decisions Branding decisions go beyond deciding upon brand positioning and brand name. The third of our four branding decisions is the brand sponsorship. A manufacturer has four brand sponsorship options. Branding Decisions – Brand Sponsorship Options A product may be launched as a manufacturer's brand. This is also called national brand. Examples include Kellogg selling its output under the own brand name (Kellog's Frosties, for instance) or Sony (Sony Bravia HDTV). The manufacturer could also sell to resellers who give the product a private brand. This is also called a store brand, a distributor brand or an own-label. Recent tougher economic times have created a real store-brand boom. 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.

Brand Development – Branding Decisions Branding decisions finally include brand development. For developing brands, a company has four choices: line extensions, brand extensions, multibrands or new brands.

Line extension refers to extending an existing brand name to new forms, sizes, colours, ingredients or flavours of an existing product category. This is a low-cost, low-risk way to introduce new products. However, there are the risks that the brand name becomes overextended and loses its specific meaning. This may confuse consumers

Brand extension also assumes an existing brand name, but combines it with a new product category. Thus, an existing brand name is extended to a new product category. This gives the new product instant recognition and faster acceptance and can save substantial advertising costs for establishing a new brand. However, the risk that the extension may confuse the image of the main brand should be kept in mind. Also, if the extension fails, it may harm consumer attitudes toward other products carrying the same brand name. For this reason, a brand extension such as Heinz pet food cannot survive. But other brand extensions work well. For instance, Kellog's has extended its Special K healthy breakfast cereal brand into a complete line of cereals plus a line of biscuits, snacks and nutrition bars. Multibrands means marketing many different brands in a given product category. 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

Multibranding offers a way to establish distinct features that appeal to different customer segments. 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. 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. As you might have recognised, 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.

What is global branding? Global branding is the strategy of creating and maintaining a consistent brand identity across all countries and cultures. This marketing practice entails crafting a unified brand image and message that has the ability to resonate and connect with diverse audiences worldwide. Global branding is more than simply spreading awareness. Rather, it ensures that your audience from different parts of the world can easily recognize and trust your brand. Here are some of the core elements of global branding:

- **Consistency:** Maintaining a consistent brand identity, including values and messaging, across all markets.

- **Adaptability:** Tailoring language, cultural nuances, and product offerings to best suit local preferences.

- **Globalization:** Leveraging international market opportunities and economies to expand reach and influence.

Implementing a global branding strategy offers several advantages for your business. A strong global identity builds trust and credibility. Becoming a recognizable brand can increase the likelihood of people choosing your products or services, giving your company a competitive edge over lesser-known competitors.

It's also important to note the difference between global branding and localization. The main goal of global branding is creating a consistent brand image across markets, while localization focuses on tailoring products and content to local markets and languages. Developing a global branding strategy will provide the framework to implement localization practices for **content management** and utilization of brand materials. Leveraging **content creation tools** can help streamline the process of content creation and localization across markets and languages.

global branding process In today's interconnected world, it's vital to make your mark as a globally trusted brand. Developing a global brand strategy entails meticulous planning, cultural sensitivity, and a commitment to consistency. Let's look at the main steps for developing your global branding process:

1. Conduct market research and analysis

Thorough market research provides a foundation for your global branding strategy and international market expansion. Market research gives you a better picture of target markets, demographics, cultural nuances, and more. Identifying target markets helps businesses pinpoint the most promising markets. This saves resources and helps you tailor your marketing strategies efficiently. Understanding demographics such as age, gender, income, and education level can help you further tailor your efforts to create effective messaging.

2. Develop your brand identity

Another main aspect of the global branding process is to develop a strong and clear brand identity. Your identity consists of visual, emotional, and experiential elements that represent your brand. Everything from your logo to your colors to your mission and beyond make up your brand identity. A powerful brand identity helps you stand out in a crowded marketplace while fostering brand loyalty and trust. Creating cohesive **brand guides** outlines your brand story, core values, mission, and more with specific guidelines to help maintain consistency throughout **content marketing**, advertising, and more.

Bynder's **Digital Asset Management** (DAM) solutions make developing a strong brand identity a breeze. Here's how:

- **Centralized asset management:** Store, organize, and access brand assets in one central location
- **Collaboration:** Review, edit, and approve brand assets in a shared workspace
- **Version control:** Ensure everyone is working with the latest, approved brand elements
- **Brand guidelines enforcement:** Incorporate guidelines directly into the DAM platform
- **Accessibility:** Use the cloud-based system with remote access to work together across teams and time zones

3. Ensure consistency across borders

In branding, consistency is key. Not only does consistent branding convey professionalism, but it also provides clarity and memorability. Here are a few tips for ensuring brand consistency on the global level:

1. Create and maintain brand guidelines
2. Use **brand templates** for marketing materials and presentations
3. Implement a DAM system like Bynder to store and manage assets and more
4. Conduct training sessions to keep team members informed on the importance of brand consistency
5. Ensure localized content still adheres to core guidelines

What are the advantages of global branding?

Global branding offers an array of advantages that can help your business thrive internationally. Reaching a global audience allows companies to unlock new opportunities and propel growth. When successfully implemented, global branding can enhance both your reputation and your profitability. Here are the key benefits of global branding:

- **Larger target audience:** Tap into a vast and diverse audience across multiple countries. A broad reach helps you connect with consumers who may not have encountered your brand otherwise.

- **Growth opportunities:** Open doors to new markets and explore unique demands and growth potential. Tapping into new markets and regions helps diversify your revenue streams and reduce dependency on one market alone.

- **Increase brand value:** Enhance your brand's perceived value. Well-executed global branding leads to higher recognition and trust.

- **Profit potential:** Increase profitability thanks to a larger audience and increased brand value.

- **Competitive edge:** Stay ahead of the competition across countries and cultures. A good global branding strategy can solidify your position as a market leader.

What are the challenges of global branding?

Understand the main challenges of global branding to make sure you are equipped and ready. Navigating the complexities of diverse cultures and regulatory environments is not always easy. While the journey of global branding is exciting and rewarding, it's important to know which roadblocks you will confront along the way. Here are the key challenges of global branding:

- **Cultural sensitivity:** Failure to adapt your brand messaging, imagery, and products to resonate with diverse cultures can result in cultural misunderstandings or offense.

- **Financial risk:** Managing financial risks and investments is critical for long-term success in new markets. Currency fluctuations or unexpected economic downturns in foreign markets can impact your global branding efforts.

- **Managing brand reputation:** Negative incidents in one market can have a rapid impact on your brand's global image. Effective crisis management and proactive reputation management are key to keeping your brand afloat.

- **Regulatory and legal obstacles:** Navigating complex legal issues and regulations in foreign markets is a big challenge during global expansion. It's important to prepare and adhere to all local regulations to prevent legal mishaps abroad.

- **Competitive landscape:** Entering new markets means competing with local and international brands that are already established. Strategic positioning and thorough research can help you get ahead and understand how to tackle the competitive landscape.

What are the top global branding strategies?

A strategic approach is vital as you embark on your pursuit of global branding. Employ a range of tried-and-true strategies to guide your international endeavors and enhance your global brand identity. Here are some of the most effective global branding strategies:

- **Set clear objectives:** Establish clear and measurable goals. Your objectives should align with your overall business plan and serve as benchmarks for evaluating international success.

- **Research global competitors:** Understand your competitors' strengths and weaknesses to identify potential opportunities and tailor your approach.

- **Maintain social responsibility:** Integrate ethical and sustainable practices into your strategy to appeal to conscious consumers and build credibility on a global scale.

- **Develop an internal global communication strategy:** Ensure internal teams across diverse regions are aligned with the brand's objectives, values, and messaging. An internal global communication strategy fosters cohesion and consistency.

- **Assess global product positioning:** Carefully consider how products or services are positioned across markets. Adapt and finetune product offerings, pricing strategies, and content marketing to align with local preferences.

Wrapping up: Global branding

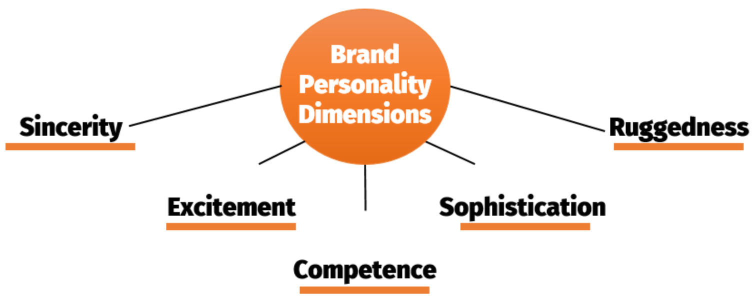
Effective branding strategies are pivotal for success on an international scale. Leveraging the strategies we've explored can help you overcome the challenges and reap the benefits of global branding. The good news is you don't need to tackle this challenge alone. The right tools and technologies can equip you with everything you need to develop a successful global branding strategy.

Bynder's DAM solutions can help you streamline your branding efforts. Thanks to centralized asset management, collaboration features, and more, your team can easily maintain consistency and produce brand materials that align with your overall strategy. As you develop a global branding framework, benefit from the agility and structure you need to connect with audiences worldwide and become a global competitor. Learn more about the **ROI of DAM** to get started on your global branding

Unit IV

Brand Personality

The development of marketing enabled companies to carefully construct **brands**. And what are brands exactly? Well, brands are set of signifiers which communicate a company's values, culture, quality of their products and much more. It is therefore built to portray the way how the company wishes to be perceived by their target audience and the general population.



. Sincerity

Description: This dimension includes brands that are seen as down-to-earth, honest, trustful and cheerful, for example. Often, sincere brands are viewed this way due to the fact that they follow and communicate ethical practices, their commitment to the community or concerns with consumers.

Excitement

Description: This dimension involves brands which are perceived as being imaginative, up-to-date, inspiring, edgy and spirited. Thus, often these brands often use colorful logos, uncommon fonts, portray themselves in unexpected and exciting places and situations.

3. Competence

Description: Competent brands are the ones which are primarily seen as being reliable, responsible, intelligent, and efficient. These consumer perceptions are often based on how well a product or service performs, and how the organization behaves in society and in the market.

4. Sophistication

Description: Sophisticated brands are the ones perceived by consumers as upper class, romantic, charming, pretentious and glamorous. Thus, it is no surprise to imagine that sophisticate brands are commonly found across luxury industries and on high priced brands (for their product categories) across other industries.

5. Ruggedness

Description: Finally, this dimension includes brands that are seen as outdoorsy, tough, masculine and western, for example. For this reason, rugged brands have a tendency of being male oriented, of developing brand concepts which contain dark colors (often black, gray, navy blue, green), strong and thick fonts, less fine details and they portray their products in outdoor (mountains, rivers, farms, oceans, cliffs) and extreme scenarios (heavy rain, foggy weather, snow).

What Is Brand Extension?

A brand extension is when a company uses one of its established brand names on a new product or new product category. It's sometimes known as brand stretching. The strategy behind a brand extension is to use the company's already established brand equity to help it launch its newest product. The company relies on the brand loyalty of its current customers, which it hopes will make them more receptive to new offerings from the same brand. If successful, a brand extension can help a company reach new demographics, expand its customer base, increase sales, and boost overall profit margins.

KEY TAKEAWAYS

- Brand extension is the introduction of a new product that relies on the name and reputation of an established product.
- Brand extension works when the original and new products share a common quality or characteristic that the consumer can immediately identify.
- Brand extension fails when the new product is unrelated to the original, is seen as a mismatch, or even creates a negative association.

How Brand Extension Works

A brand extension leverages the reputation, popularity, and brand loyalty associated with a well-known product to launch a new product. To be successful, there must be a logical association between the original product and the new item. A weak or nonexistent association can result in the opposite effect, brand dilution. This can even harm the parent brand.

Successful brand extensions allow companies to diversify their offerings and increase market share. They can give the company a competitive advantage over its rivals that don't offer similar products. The existing brand serves as an effective and inexpensive marketing tool for the new product.

Apple (AAPL) is an example of a company that has a history of effectively using a brand extension strategy to propel growth. Starting with its popular Mac computers, the company has leveraged its brand to sell products in new categories, as can be seen with the iPod, the iPad, and the iPhone.

Types of brand extension

Brand extension is a marketing strategy where a company uses an established brand name to launch a new product or service in a different category. The goal is to leverage the brand's existing recognition and credibility to attract customers to the new offering. There are several types of brand extensions:

1. Line Extension

- **Definition**: Expanding the existing product line by adding more variations of the current product.
- **Example**: Coca-Cola launching new flavors like Diet Coke, Coca-Cola Zero, or Cherry Coke.

2. Category Extension

- **Definition**: Introducing a new product in a completely different product category, but still under the same brand name.

- **Example**: Virgin Group extending its brand from music (Virgin Records) to airlines (Virgin Atlantic), or Apple moving from computers to smartphones and tablets.

3. Brand Extension by Price

- **Definition**: Launching a new product that targets a different price point—either higher (premium) or lower (value).
- **Example**: Toyota launching its luxury brand, Lexus, or Honda launching the budget-friendly brand, Acura.

4. Co-Branding

- **Definition**: Two established brands collaborate to create a new product that benefits from the recognition of both brands.
- **Example**: Doritos and Taco Bell teaming up for a limited-time product like the Doritos Locos Tacos.

5. Dual Branding

- **Definition**: Similar to co-branding, but both brands maintain their individual identities while being marketed together in a single product.
- **Example**: Nike collaborating with Apple for fitness-tracking products (Nike+).

6. Ingredient Branding

- **Definition**: A brand that markets one of its components as part of another brand's product. The ingredient is usually a technology, feature, or ingredient that adds value.
- **Example**: Intel's "Intel Inside" campaign, where Intel processors are featured in computers and laptops of various manufacturers.

7. International Brand Extension

- **Definition**: Extending a brand into international markets, often with some adaptations for local tastes or preferences.
- **Example**: McDonald's offers different menu items (like the McSpicy Paneer in India) to cater to local tastes, but still uses the global McDonald's brand.

8. Vertical Brand Extension

- **Definition**: Moving the brand into different levels of the same product category, either targeting the premium segment or the lower-end segment.
- **Example**: A brand like Armani extending its luxury line (Armani Privé) or offering a more affordable line like Armani Exchange.

9. Service Brand Extension

- **Definition**: A brand moves from selling physical products to offering services.
- **Example**: Apple, after dominating the tech product market, extended into services with offerings like Apple Music, iCloud, and Apple TV+.

10. Sub-Branding

- **Definition**: A brand creates a new product or line that exists under the main brand but has its own unique identity.
- **Example**: Toyota's Lexus (luxury cars), or Kellogg's launching "Special K" as a sub-brand of its cereal line.

Key Considerations for Successful Brand Extensions:

1. **Brand Fit**: The new product should align with the core values, reputation, and image of the original brand.
2. **Customer Perception**: It's important to gauge whether consumers will accept the extension based on their perceptions of the brand.
3. **Market Research**: Thorough research is needed to understand customer needs in the new category or market.
4. **Risk Management**: If the brand extension fails, it can negatively impact the parent brand.

These extensions allow brands to diversify their offerings, minimize risk, and attract new customer segments, but they must be carefully executed to avoid brand dilution or consumer confusion.

Unit V

Concept of Positioning and Repositioning

Positioning and **Repositioning** are essential marketing strategies used to create a distinct image of a product, brand, or service in the minds of consumers. While positioning focuses on how a brand is perceived at the outset, repositioning involves altering that perception over time.

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1. Positioning

Positioning refers to the way a brand, product, or service is perceived by consumers in relation to its competitors in the market. It's about carving out a unique space for the brand in the minds of consumers so that it is associated with specific qualities, attributes, or benefits.

Key Elements of Positioning:

Target Audience: Defining who the brand is for is the first step in positioning. This helps to shape the message and tone of the positioning strategy.

Differentiation: Positioning aims to distinguish the product or brand from competitors. This can be done through features, quality, price, or even customer experience.

Value Proposition: Positioning should highlight the value that a product or brand offers to the consumer, emphasizing the unique benefits that appeal to their needs and desires.

Perception: Positioning is about managing perception, not just reality. It's how the brand is seen or felt by the target audience, which can often differ from how the product is in reality.

Messaging: Clear, consistent communication through marketing channels (ads, social media, PR) reinforces the positioning.

Positioning Strategies:

- **Functional Positioning:** Focusing on the practical benefits of a product (e.g., high performance, ease of use, durability).
- **Emotional Positioning:** Tapping into the emotional needs or desires of the target audience (e.g., creating a sense of belonging or happiness).
- **Value Positioning:** Offering the best combination of quality and price (e.g., high-quality but affordable).
- **Symbolic Positioning:** Associating the brand with a lifestyle or aspiration (e.g., luxury, prestige, environmental consciousness).

Positioning Process:

1. **Market Research:** Understand consumer needs, competitor positioning, and market trends.
2. **Target Market Identification:** Define the key audience segments.
3. **Competitive Analysis:** Identify competitors and their positioning.
4. **Value Proposition Development:** What makes your brand unique or different.
5. **Positioning Statement:** Craft a clear statement that summarizes the brand's positioning in the market.
6. **Implementation:** Roll out the positioning through advertising, product design, customer service, and all consumer touchpoints.

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2. Repositioning

Repositioning refers to changing the way a brand or product is perceived in the market. It's typically done when the existing positioning is no longer effective or when the brand needs to adapt to shifting market dynamics, consumer preferences, or competitive pressures.

Repositioning may involve updating the brand's messaging, changing the target audience, modifying product attributes, or even overhauling the brand's identity.

Reasons for Repositioning:

- **Changing Market Conditions:** Shifts in consumer behavior, trends, or competitive landscape may necessitate a new direction.
- **Target Audience Shift:** A company may want to appeal to a different demographic or psychographic group.
- **Poor Brand Perception:** If the brand's image or value proposition has become stale, negative, or misaligned with consumer desires, repositioning can revitalize it.

- **New Competition:** The entry of a strong competitor or changes in existing competition may require a reassessment of how a brand is positioned.
- **Product Innovation or Improvement:** New features, a new design, or changes in product functionality may require an updated positioning strategy.
- **Corporate Rebranding:** Sometimes, companies go through a broader organizational change, and repositioning is part of the rebranding process.

Methods of Repositioning:

1. **Change in Target Audience:** This involves shifting the focus to a new customer base. For example, a product initially targeted at young adults may reposition to appeal to an older demographic.
2. **Changing Product Attributes or Features:** Updating the product's design, features, or technology to meet evolving consumer needs.
3. **Differentiation via Price:** Altering the pricing strategy to appeal to a new market (e.g., from premium to value-oriented or vice versa).
4. **New Branding or Messaging:** Developing a new brand identity, logo, or tagline to reflect the updated positioning.
5. **New Distribution Channels:** Expanding or shifting the places where the product is sold to reach new customers (e.g., online vs. brick-and-mortar).
6. **Customer Experience Repositioning:** Changing the way customers interact with the brand, such as improving customer service or creating a unique experience.

Repositioning Process:

1. **Assessment of Current Positioning:** Analyze the existing positioning strategy to understand why it needs to change.
2. **Identify New Market Opportunities:** Evaluate shifts in consumer needs, emerging trends, or new opportunities in the market.
3. **Refining the Brand's Message:** Develop a new value proposition or positioning statement.
4. **Rebranding (if necessary):** This may include changes in visual identity, brand personality, and communication style.
5. **Testing and Feedback:** Conduct focus groups or surveys to validate the repositioned brand's appeal.
6. **Launch the Repositioned Brand:** Communicate the new positioning through marketing campaigns, public relations, and touchpoints with consumers.

7. **Monitor and Adjust:** Continuously track how the repositioned brand is being received and make adjustments if necessary.

Examples of Positioning and Repositioning:

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Apple

- **Positioning:** Apple is positioned as a premium brand offering stylish, high-quality products with a seamless ecosystem of devices. The brand is associated with innovation, creativity, and exclusivity.
- **Repositioning Example:** When Apple introduced the iPhone, it didn't just position it as a phone, but as an all-in-one device — a phone, music player, camera, and computer — thus repositioning the mobile phone market itself.

Old Spice (Repositioning):

- **Positioning:** Old Spice was once positioned as a "classic" men's deodorant brand targeting older men.
- **Repositioning Strategy:** Old Spice repositioned itself by launching a humorous, bold, and quirky advertising campaign that appealed to younger men. The "Smell Like a Man, Man" campaign was a major success, drastically changing its brand perception.

Conclusion

Positioning is about defining how a product or brand is perceived in the market, focusing on differentiation and creating a unique place in the consumer's mind. Repositioning, on the other hand, is a strategic move to alter or refine that perception, often in response to changes in the market, competition, or consumer behavior.

Both strategies require deep understanding of the market, clear communication, and consistent execution across all customer touchpoints. Repositioning is particularly critical when a brand's image or market relevance needs a refresh to maintain competitive advantage.

Introduction to Brand Equity

Brand equity refers to the value a brand adds to a product or service based on consumers' perceptions, experiences, and associations with the brand. It is the cumulative impact of the brand's history, reputation, and customer experiences that influence consumer behavior, often leading to higher customer loyalty, premium pricing, and a competitive advantage in the market. Essentially, brand equity represents the intangible assets that contribute to the overall strength and market position of a brand.

Brand equity is often considered a key driver of a brand's long-term success and profitability. Companies with strong brand equity enjoy higher customer loyalty, better recognition, and the ability to charge premium prices. It allows businesses to capitalize on consumer trust and emotional connections to achieve sustained growth.

Concept of Brand Equity

Brand equity is not just about the financial value of the brand itself; it includes how much value consumers attribute to the brand, which in turn affects their purchasing decisions. Strong brand equity provides the company with a solid foundation for growth, differentiation, and market positioning.

Key Components of Brand Equity

Brand equity is generally built on several key components, each contributing to the overall perception of a brand:

Brand Awareness:

1. The extent to which consumers can recognize or recall a brand. High brand awareness means consumers are more likely to consider the brand when making purchasing decisions.
2. **Types of Brand Awareness:**
    1. **Brand Recognition:** Consumers can identify the brand when presented with it.
    2. **Brand Recall:** Consumers can remember the brand without any prompts.

Brand Associations:

1. The attributes, benefits, and feelings that consumers associate with a brand. These associations can be functional (e.g., reliability, quality) or emotional (e.g., luxury, excitement, trust).
2. Positive brand associations often result in higher brand preference and customer loyalty.

Perceived Quality:

1. The consumer's perception of the overall quality or superiority of a brand compared to its competitors. High perceived quality can justify higher prices, contribute to customer satisfaction, and foster brand loyalty.
2. Perceived quality can be influenced by product performance, customer service, advertising, and overall brand reputation.
2.

Brand Loyalty:

1. The degree to which consumers repeatedly purchase a brand's products or services over time. Loyal customers are less sensitive to price changes, more likely to recommend the brand, and tend to exhibit a strong emotional attachment to it.
2. High levels of brand loyalty reduce marketing costs and provide a consistent revenue stream.

Brand Differentiation:

1. The ability of the brand to stand out from competitors in meaningful ways. Differentiation can be based on product features, customer experience, innovation, or brand personality.
2. A brand that is perceived as distinct and unique will typically have stronger brand equity.

Brand Reputation:

1. The overall perception of a brand in the eyes of the public, based on its past actions, public relations, and societal impact. A good reputation can help attract customers, investors, and employees.
2. Reputation is often built on trust, social responsibility, product quality, and customer service.

Types of Brand Equity

Brand equity can be understood in different forms based on the type of brand and consumer relationships:

Positive Brand Equity:

1. When consumers have favorable attitudes toward a brand, its value increases. Brands with positive equity can command higher prices, enjoy customer loyalty, and differentiate themselves from competitors.
2. Example: **Apple** enjoys significant brand equity due to its strong brand loyalty, perceived quality, and innovation.

Negative Brand Equity:

1. When a brand has poor perceptions, negative associations, or customer dissatisfaction, its equity decreases. This can lead to lower sales, reduced brand loyalty, and the need for rebranding or repositioning.
2. Example: **Blackberry** experienced a decline in brand equity as it failed to adapt to changing technology and consumer preferences.

Neutral Brand Equity:

1. Brands with neutral equity do not have strong positive or negative consumer perceptions. These brands may be perceived as average or generic, and are often in the process of attempting to build or rebuild their reputation and loyalty.
2. Example: **Coca-Cola's** lesser-known regional competitors might exhibit neutral brand equity.

Benefits of Strong Brand Equity

Higher Customer Loyalty: Customers are more likely to stay loyal to brands they trust and have positive experiences with. Brand equity strengthens this loyalty, making it less likely for customers to switch to competitors.

Premium Pricing : Brands with strong equity can often charge a premium because customers perceive them as higher quality, more reliable, or more desirable than competitors. Example: **Tesla** commands higher prices for its electric cars due to its strong brand equity related to innovation, sustainability, and luxury.

Competitive Advantage : A brand with high equity can differentiate itself from competitors and sustain its position even in competitive markets. Consumers may prefer to stick with a familiar, trusted brand rather than trying an unknown competitor.

Increased Market Share : Strong brand equity leads to higher customer retention, better word-of-mouth recommendations, and increased market penetration.

Expansion Opportunities : Strong brand equity enables brands to launch new products or expand into new markets more easily. Consumers are more likely to trust new offerings from a brand they already know and love. Example: **Nike** successfully expanded from footwear to apparel and sports equipment, relying on its strong brand equity.

Brand Extensions : Brands with strong equity can introduce new products under the same brand name. Because the parent brand has established credibility, consumers are more willing to try new offerings. Example: **Apple** extended its brand from computers to phones, tablets, and wearables, leveraging its brand equity.

Building and Managing Brand Equity

Consistent Brand Experience : Providing a consistent product and customer experience across all touchpoints is key to maintaining and enhancing brand equity. This includes everything from product design to customer service to marketing communications.

Effective Communication : Clear, compelling messaging about what the brand stands for, its values, and its unique selling propositions helps reinforce positive brand associations and build awareness.

Innovating and Adapting : Brands must evolve with changing consumer preferences, technological advancements, and market dynamics. Staying relevant through innovation can ensure that the brand continues to be perceived as valuable.

Engaging with Customers : Building a strong relationship with consumers through loyalty programs, customer feedback, social media engagement, and personalized experiences helps reinforce brand loyalty and emotional connections.

Brand Monitoring and Feedback : Regularly measuring brand health through surveys, social media monitoring, and sales analysis can help identify opportunities for improvement and protect against potential damage to brand equity.

Measuring Brand Equity

Several methods and tools are used to measure brand equity, including:

Brand Audits: A comprehensive examination of a brand's strengths, weaknesses, market position, and consumer perceptions.

Brand Tracking Monitoring key metrics such as awareness, preference, loyalty, and customer satisfaction over time.

Customer Surveys and Focus Groups: Gathering direct consumer feedback on their perceptions of the brand, its products, and its value proposition.

Financial Metrics Assessing the financial value of brand equity through revenue growth, profitability, and price premiums.

Social Listening : Monitoring social media and online conversations to gauge consumer sentiment and brand perception.

Cost-Based Pricing Method

Cost-based pricing is a straightforward pricing strategy that involves setting a price based on the cost of producing a product or service, plus a markup for profit. The core principle of cost-based pricing is that the business must ensure that the price covers the costs and provides a satisfactory profit margin.

Key Elements:

- **Cost Calculation**: The first step in cost-based pricing is calculating the total cost of producing the product. This includes both **fixed costs** (e.g., rent, salaries) and **variable costs** (e.g., materials, labor).
- **Markup**: After determining the total cost per unit, a markup is added to ensure the company makes a profit. The markup can be a fixed percentage of the cost or a fixed amount.

Types of Cost-Based Pricing:

Cost-Plus Pricing: The most common cost-based pricing method, where the price is determined by adding a fixed percentage or amount to the total cost of production. Example: If the total cost to produce a product is $100 and the company wants a 20% markup, the price would be $120.

Break-Even Pricing: Setting the price at the point where total costs are equal to total revenue, meaning the business neither makes a profit nor incurs a loss. This is typically used to calculate the minimum price needed to cover costs.

Advantages:

- **Simplicity**: It's easy to calculate and implement, especially for manufacturers with standardized products.
- **Cost Recovery**: Ensures that costs are covered before profit is made, reducing the risk of losses.

Disadvantages:

- **Ignores Market Conditions**: Cost-based pricing does not take into account what customers are willing to pay or competitive prices. This could result in overpricing or underpricing.
- **Missed Opportunities**: Companies might miss out on pricing opportunities by not factoring in customer demand, market trends, or competitor pricing.

2. Price-Based Pricing Method

Price-based pricing, also known as **market-based pricing**, focuses on the price level in the market, rather than the cost of production. In this approach, businesses set prices based on the prices that competitors are charging or the general price expectations in the market. The goal is to ensure that the price is competitive and aligns with what customers are willing to pay.

Key Elements:

- **Competitor Pricing**: The price is determined by looking at what competitors are charging for similar products or services. This is often used in highly competitive markets where price sensitivity is high.
- **Market Trends**: Price is influenced by current market conditions, such as supply and demand dynamics, economic conditions, and consumer preferences.

Types of Price-Based Pricing:

Competitive Pricing: Setting the price based on the prices charged by competitors. This can either be:

- **Price Matching**: A company sets its price equal to the competitor's price.
- **Price Underpricing**: A company may set its price lower than competitors to attract customers (penetration pricing).
- **Price Overpricing**: A company may set its price higher than competitors to position itself as a premium offering (skimming pricing).

Dynamic Pricing: Prices are adjusted based on real-time market conditions, such as demand fluctuations, inventory levels, or time of purchase.

- Example: Airlines, hotels, and ride-sharing services often use dynamic pricing to adjust prices based on demand at any given time.

Advantages:

- **Competitive Edge**: Helps businesses stay competitive in saturated markets, ensuring they do not price themselves out of the market.
- **Market Alignment**: Prices are aligned with what consumers are willing to pay, which can increase sales and market share.

Disadvantages:

- **Limited Profitability**: If prices are too closely aligned with competitors, it may limit the opportunity for higher profit margins.
- **Risk of Price Wars**: Aggressive price competition can lead to a "race to the bottom," where companies continually lower their prices, harming overall profitability.
- **Doesn't Reflect Product Value**: Price-based pricing may not reflect the actual value or differentiation of a product, particularly for premium or niche products.

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3. Customer-Based Pricing Method

Customer-based pricing (also known as **value-based pricing**) focuses on setting prices based on the perceived value of a product or service to the customer, rather than the cost of production or competitor prices. This method takes into account how much consumers are willing to pay for the benefits and features the product provides, aiming to maximize customer satisfaction and willingness to pay.

Key Elements:

- **Customer Perception**: Prices are based on how much value the customer places on the product, which may be influenced by brand reputation, emotional connection, product features, and overall benefits.
- **Willingness to Pay**: The company assesses the price that different customer segments are willing to pay for the product.
- **Segmentation**: Companies often use different pricing strategies for different customer segments based on the perceived value to each group.

Types of Customer-Based Pricing:

Premium Pricing: Charging a higher price because the product is perceived as being of higher quality or offering more value. This is often used for luxury or premium brands.

Example: **Rolex** charges premium prices for watches because they are seen as luxury items with superior craftsmanship.

Penetration Pricing: Initially setting a low price to attract customers and build market share, with the intention to raise the price later once customer loyalty is established.

Example: New streaming services or SaaS products often use low initial pricing to gain users before adjusting prices.

Price Skimming: Setting an initially high price for a new or innovative product, and then gradually lowering the price as demand decreases or competition increases.

Example: **Apple** often uses price skimming for new product launches, charging high initial prices before reducing them over time.

Psychological Pricing: Setting prices based on customer perceptions and behavior. For example, pricing something at $9.99 instead of $10.00 to make it appear more affordable.

Advantages:

Maximizes Profit: By setting prices based on what the customer is willing to pay, businesses can maximize profit margins and customer satisfaction.

- **Customer-Centric**: This method allows businesses to tailor prices to different segments, enhancing the customer experience and brand loyalty.

Disadvantages:

- **Requires Market Research**: It can be difficult and expensive to gather data on what customers are willing to pay and accurately assess perceived value.
- **Price Sensitivity**: Some customers may not recognize or value the brand or product as much as others, which could limit the pricing potential.

Brand Loyalty and the Loyalty Pyramid

Brand loyalty refers to the degree to which customers repeatedly purchase a product or service from a specific brand, often due to their satisfaction, emotional connection, or positive experiences with that brand. Loyal customers exhibit strong preferences for a brand over competitors and are more likely to continue purchasing, even in the face of competitive offers or price changes.

Brand loyalty is crucial because it leads to increased customer retention, reduces marketing costs, and can result in positive word-of-mouth promotion. It can also allow brands to charge a premium and maintain a competitive edge in the marketplace.

The **Loyalty Pyramid** is a model used to represent the various levels of customer loyalty, ranging from initial awareness to deep emotional connection. This pyramid shows that customers progress through different stages of loyalty, and businesses can use this framework to understand where their customers are in their relationship with the brand, guiding them toward higher levels of commitment and advocacy.

Brand Loyalty: Key Concepts

Emotional Connection: Loyal customers often form an emotional bond with the brand, making them more likely to choose the brand repeatedly over others, even when alternatives exist

Behavioral Loyalty: This refers to a customer's repeat purchase behavior over time. However, behavioral loyalty does not always equate to emotional attachment. A customer might buy from a brand due to convenience or habit rather than affection.

Attitudinal Loyalty: This is the positive attitude or mindset that a customer holds towards the brand. Attitudinal loyalty is often a precursor to behavioral loyalty, as a positive attitude tends to lead to repeat purchases.

Switching Costs: Customers may be loyal to a brand because of perceived costs (time, money, effort) associated with switching to a competitor. High switching costs can reinforce brand loyalty.

Advocacy and Word-of-Mouth: A highly loyal customer will often recommend the brand to others, acting as a brand advocate. This word-of-mouth promotion is invaluable for acquiring new customers.

The Loyalty Pyramid: Stages of Brand Loyalty

The **Loyalty Pyramid** is divided into several levels, each representing different types of customer loyalty. As customers move up the pyramid, their relationship with the brand becomes stronger, and their loyalty is more likely to translate into advocacy and long-term revenue for the company.

Levels of the Loyalty Pyramid:

Level 1: **Awareness

1. **Description**: At the base of the pyramid, customers are simply aware of the brand. They know the brand exists but have no established preference or loyalty. Brand awareness is the first step in developing brand loyalty.
2. **Customer Behavior**: Customers might recognize the brand in a store or online, but they haven't yet made a purchase or chosen it over competitors.
3. **Goal**: The goal at this level is to increase brand awareness through marketing and advertising efforts.
4. **Example**: A customer who has seen an ad for a new brand of sneakers but hasn't yet bought from it.

Level 2: **Initial Purchase

1. **Description**: Customers have made a first-time purchase. At this stage, they may not yet be loyal but have been convinced to try the brand based on a promotional offer, recommendation, or other incentives.
2. **Customer Behavior**: These customers have shown interest by making an initial purchase but may still be open to trying other brands.
3. **Goal**: The aim is to turn the first-time buyer into a repeat buyer by delivering a positive experience and reinforcing the brand's value.
4. **Example**: A customer buys a product from a brand after seeing it on sale or after being convinced by a friend, but they haven't yet made a strong commitment.

Level 3: **Repeat Purchase

Description: Customers who make repeated purchases are now moving up the pyramid. At this level, they have developed a certain level of trust in the brand but may still consider alternatives.

1. **Customer Behavior**: These customers choose the brand more often than others, but they may still be influenced by price, convenience, or other external factors.
2. **Goal**: The goal is to build a consistent relationship and make customers prefer the brand over others.
3. **Example**: A customer who regularly buys a specific brand of shampoo because they like the product but would still consider switching if they find a cheaper alternative.

Level 4: **Brand Preference

1. **Description**: Customers at this stage have a clear preference for the brand over competitors. They choose the brand almost exclusively because they believe it offers the best value, quality, or satisfaction.
2. **Customer Behavior**: These customers are loyal to the brand, even in the absence of discounts or promotions. They actively seek out the brand, and switching to a competitor is less likely.
3. **Goal**: The goal is to strengthen the relationship further by creating deeper emotional connections, thus making customers resistant to switching.
4. **Example**: A customer who always buys from a specific brand of running shoes because they trust the quality and performance, and rarely considers other brands.

Level 5: **Brand Loyalty (Emotional Loyalty)

1. **Description**: At the top of the pyramid, customers feel an emotional connection to the brand. They are highly committed and choose the brand out of personal preference, even when faced with alternative options.
2. **Customer Behavior**: These customers are brand advocates—they not only continue to buy the brand but also recommend it to others. They feel personally invested in the brand and may even engage in brand-related activities (e.g., social media engagement, attending brand events).
3. **Goal**: The goal here is to maintain and deepen the emotional connection, turning loyal customers into brand evangelists who will help spread positive word-of-mouth.
4. **Example**: A customer who feels a deep sense of attachment to **Apple**, using multiple Apple products, and regularly encourages friends and family to buy Apple products as well.

The Importance of Each Level in the Loyalty Pyramid

Base Levels (Awareness, Initial Purchase, Repeat Purchase):

1. **Focus**: Building and maintaining trust, providing consistent product quality, and creating positive customer experiences.
2. These levels are essential for attracting new customers and nurturing them toward higher levels of loyalty.
3. At these stages, businesses often use marketing campaigns, promotions, and customer service excellence to build trust and retention.

Middle Levels (Brand Preference):

Focus: Differentiation and reinforcing brand value. Customers in this stage are likely to switch if they find a better offer elsewhere, so maintaining high satisfaction levels is key.

This stage requires delivering superior customer experiences, quality products, and meaningful brand messaging.

Top Level (Brand Loyalty or Emotional Loyalty):

1. **Focus**: Sustaining emotional connections and encouraging customers to become brand advocates.
2. At this stage, brands often leverage community-building activities, personalized experiences, and exclusivity to foster deeper engagement.
3. Loyal customers at this stage become powerful marketing tools as they provide valuable word-of-mouth promotion, reduce customer acquisition costs, and help the brand grow organically.

Strategies to Enhance Brand Loyalty and Move Customers Up the Pyramid

Enhance Customer Experience: Providing exceptional customer service, ease of use, and personalized experiences can help increase satisfaction and loyalty.

Reward Programs: Loyalty programs that offer rewards for repeat purchases, points, or exclusive perks can encourage customers to remain loyal and climb the loyalty pyramid.

Engagement and Community: Brands can engage their most loyal customers by building a sense of community through social media, forums, and events. This can deepen emotional connections.

Emotional Branding: Create strong emotional appeals in marketing campaigns that resonate with customers' values, beliefs, or lifestyles.

Consistency: Deliver consistent quality and brand experience across all customer touchpoints, ensuring that customers feel valued and that their trust is well-placed.

Advocacy and Referrals: Encouraging word-of-mouth and referrals by offering incentives for customers who recommend the brand to others.