Marketing Management - II
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Lecture No. W4-L5
Strategic Brand Management

So, Welcome to the last 2 sessions of the fourth week of our course on marketing management part II, where we are discussing some of the advanced concepts. As you recall in the third week as well as in this 4th week. We have been discussing about brands in these 2 sessions today and tomorrow. I would like to conclude and give a wrap up to the session on brands ending with a specific step by step approach to creating powerful brands.

So, brand as you have already seen can be a name, can be just a term, a name can be like you know Kurkure, it can be a term like just do it can be a sign like the shape of a Coke bottle or the sign of hush on Nike which can be also called as symbol. Often brands are associated with specific designs particularly for luxury goods for high image, high tech products this design issues are very important.

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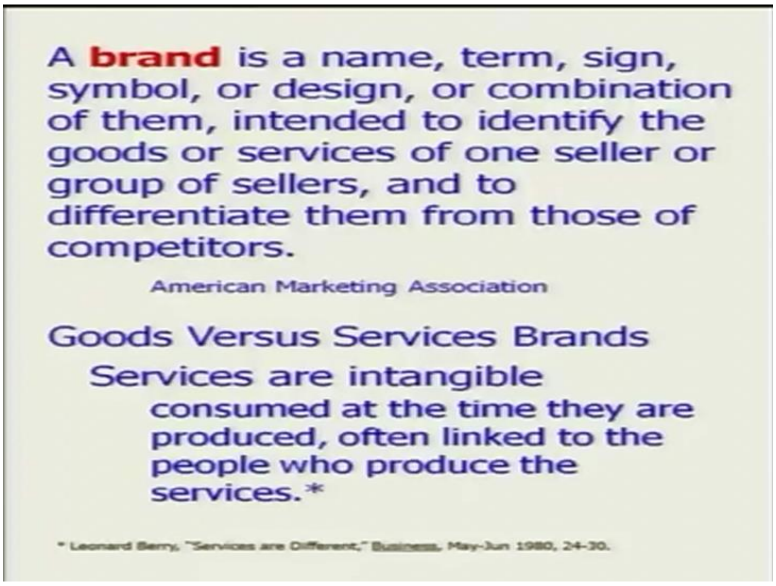

And often brand, the totality of the brand is based on a combination of two or more of these concepts like name, term, sign, symbol, design and so on. The fundamental purpose of the brand as we have discussed is to create a distinctive position for your goods or services. So that you can stand apart from your competitors and your customers, your consumers can identify your offerings in contrast to the competitive propositions.

So, this distinctiveness, this uniqueness, this differentiation is at the core of brand we often call it the brand proposition. And I would like to say that brand position is closely link to the concept of segmentation targeting and positioning that we have discussed earlier and brand position can also often be understood better if we call it the strategic value proposition to the consumer or customer.

There are some distinctive issues relating to branding of services as supposed to goods this we will discuss towards the end of this course when we take up specifically many aspects of services marketing. At this stage, it is good to highlight that services or intangible services are often consume at the time they are produced services are closely associated with a service providers.

And as a result, these become pillars of service branding but we will discuss that more in detail when we discuss services marketing. So fundamentally, it is quite clear from this last discussion that the strategic role of brands requires managers to be clear about what role the brand will play for the company and for the consumer. So, for buyers, for consumers, for customers brands help to reduce such costs.

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Because of the trust and confident that the brand creates the customers find it easy to home on to your brand in preference to others. If you have been successful in matching the segment that customer segments requirement with your brand value propositions, we already know about the that the search for customers are often they its actually no customer wants to have an unlimited search they have limitation on time resources and so on.

So, the concept of bounded rationality, that means the customer stops at the point where he or she finds the search results satisfying has a very close co-relation. With this brand creation, the trust and confidence created by a brand helps reduce the time resource spend by the customer on search and confirms to the concept of bounded rationality of the consumer.

This also this trust and confidence helps to reduce the risk perception which is associated with all purchased decisions in the customers mind. So, a quality, consistency, fitness for use, functionality, aesthetics all of these things together creates this image in customers mind which help reduce the risk perception of course.

The risk perception are not only related to utility or functionality they are also related to a set of psychological and social risk perceptions. So, there are underlying issues relating to a psychological rewards pride in the sense of position and associations of a particular purchased with the customers need for prestige or acceptance and all of these are ingredients of the brand creations strategy.

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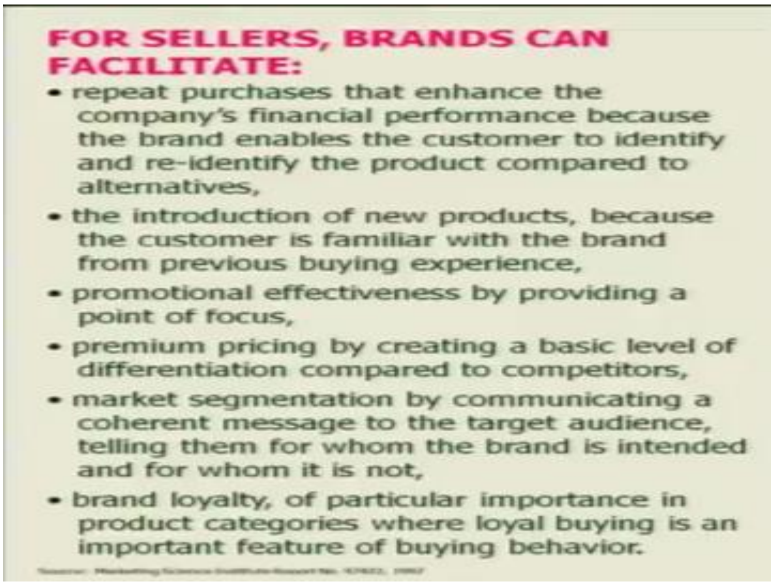

So, this what these are the points that brands contribute on the buyer side. On the other hand, for the seller's brands help create customer loyalty occasions for repeat purchase. It helps in introductions of new products within the same basket or as an extension of the current product line brands help in enhancing the effectiveness of marketing communication, promotion.

Brands help in pricing, issues relating to the relationship between pricing and branding, branding, and marketing communication. We will discuss when we take up those specifics subjects like pricing or promotion and we will see how brands contribute interactively with these marketing elements. Brands are also closely co-related as with segmentation which I discussed just now.

Because there are very few brands which sort of co naught the same perception in among all consumers. So, brand propositions are closely little related to customer segmentations, market segmentations. So, market segmentation brands communicate a coherent message to the target audience and telling them what the brand is going to do for them. So, brand loyalty customer, loyalty repeat purchase, premium pricing enhance revenue are all related through cause effect.

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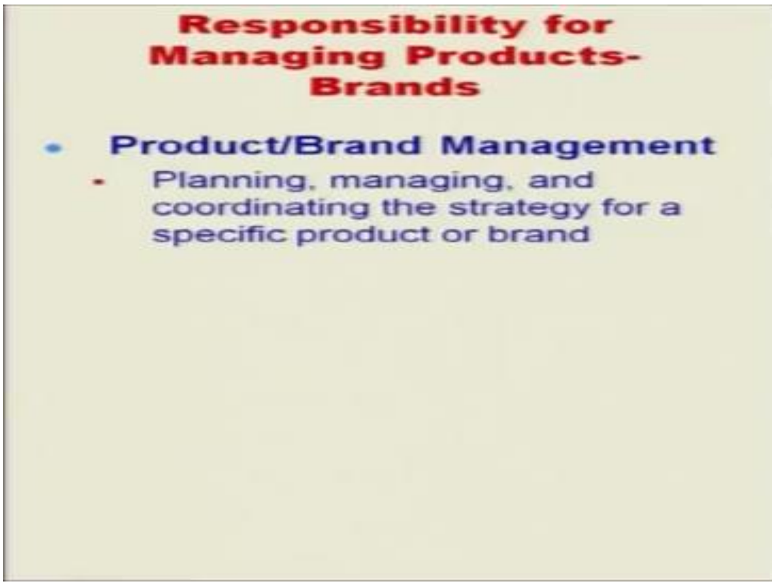

Relationships now who is responsible for managing these value propositions to see these interrelationships and the interactions are creating a positive overall impact in a sense. Though the product managers or brand managers are often seen as the custodians of brand propositions, brand equity enhancement, brand propagation. But they must be supported by all the functions in the organizations to be successful.

So, in some way, brand is also a very important constituent of internal communication. So, when the brand is perceived by your employees by different departments within the organization at the same level or from the same vantage point as the customer would see your brand. Create a synergy which is very important for successful brand management.

So, though the brand managers, product managers, the divisional executives, the product executives these various titles are normally associated with brand management but a key point we are making at the stage is that the responsibility for creating, enhancing brand equity must permeate throughout the organization and must synergize with the customer perceptions.

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Marketing department as a whole sales marketing product management all these various functions within the marketing function are primarily responsible for what we call SSR That is, sensing the market signals sharing those signals within the organization and responding to those signals in terms of the brand attributes, in terms of the product features, in terms of the strategic value prepositions provided as solutions to customers problems by the product, by the brand.

This chain of the responsibility of the marketing department permeating throughout the organization guide the brand towards the target market and positions itself in an advantageous fashion. So that the customers can choose your products, your services in preference to the competitors. So strategic brand management decisions are relevant not only to all the functions within the business but also to your key suppliers.

Your component producers, your distribution partners, your channel partners. retailers and the entire value chain on the supply side as well as on the delivery side. So successful brand management therefore must connect the entire value chain from the supply side to the delivery side and everybody must synchronize at least to the core elements of the strategic value propositions created by the brand.

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So, this particular diagram sort of summarizes what I have been talking about that means first is the brand identity. Now this brand identity is created by product designers, by product managers, by brand managers, by the marketing department. As a whole in consonance with other functions like operations supply chain management production, finance all the other functions.

So, the brand identity as I have just now mentioned is can also be called as strategic value prepositions represented by your product and service bundle. Now this brand identity which you are creating and you are implementing over a span of time must synchronize with the perception in the customers mind. So, your intended identity before you take your brand to the market and the perception after acquisition of your product or service in the customers mind must correlate.

And even better is that the post consumption or post acquisition perception sense of satisfaction in the customers mind must exceed the intended band position. So, the customer expectations are created by the brand identity, by the brand promise. by the brand messages.

The realization or perception in the customers mind after acquisition, after purchase, after consumption if that exceeds the pre-consumption expectation created by the brand message.

Then your brand management is successful. So, as you can see the brand must walk an interesting edge which actually must balance the expectation creation. Because low expectation creation will not give your product or service a vantage position in preference to the competitor. But an over hype created for the brand may create a post consumption, post purchase dissonance in customers mind which harms the brand.

So, the brand must retain the balance between competitive differentiation and over promise or over hype. So that the post-acquisition perception is better than the pre-acquisition expectation and the customer therefore feels good on acquiring your brand, acquiring your product and service promise created by the brand and this positive feeling is at the core of what we call leveraging the brand some further issues of how to do it, how to go about it. We will discuss in the next session. Thank you!