

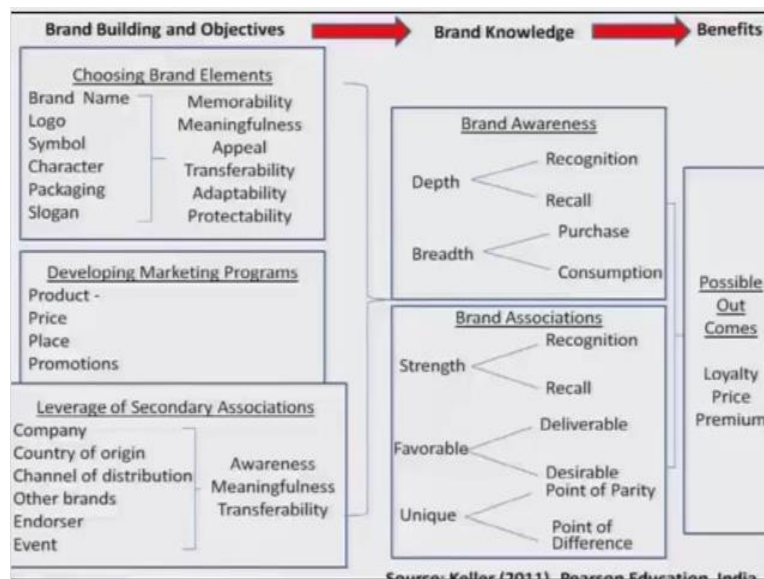
Marketing Management – II
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Lecture No. W3 - L5
Secondary Associations of a Brand and Advantages of Brand

Hello and welcome to our marketing management part two I am Shashi Shekhar Mishra and I am offering this course and with my senior colleague Mr. Jayanta Chatterjee. You can recall that we are discussing about brand management and we have discussed till now, basic concepts in brand management, how brand functions and in that.

If you can recall from the last session we were discussing about the ways the brand equities being created. So, what is at the disposal of a brand manager? That we are going to discuss today in continuation with what we have discussed in the previous class.

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So, we have started talking about the ways the tools in which one can build the brand equities and there we have talked about three ways. Or three brought tools under wish you have different option. The first one was choosing the brand elements and inside this brand elements. I have discussed about the six different elements which are important in building the brand equity.

So, the first one was brand name and then we have discussed about logos, symbols, character, packaging and Slogan. We have also looked in to the criteria which should have gone in to the consideration when we are trying to choose these brand elements.

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So, those criteria's as you can recall from the last class or memory ability, meaningfulness, likability or the in general appeal about that brand element in the mind of target consumers and you can recall that this these first three criteria are more about the brand building perspective.

So, when you want to create a brand or when you what to establish a brand in the minds of a consumer then probably these three point will be of more prominence. However, when we talk about adaptability of the brand or probably the growth and the sustainability of the brand in the future. How it will focus in the how it will basically grow in the future. Then we talk about the later three in these criteria's in the choice of brand elements and mind it. It's very important you are not going to stop your brand after reaching to a probably a stage.

So, these criteria are equally important so transferability, adaptability and product ability are also very important criteria in this choice of brand elements and with you will see that increasing globalization. Some of the things when we are going from one market or from one geography to the other geography are you have to product your intellectual property rights all this criteria's are extremely important.

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Developing Marketing Programs

- Product
- Price
- Place
- Promotion

So, this was about the brand elements and then we have also looked in to the fact that how important these marketing mix elements. That is four P's are in the case of see you have in the case of services, you have seven P's how important are probably the most important you can say the role that is being played by product, price, place and promotion.

Because these are the tools which actually help you in delivering the exact value are the intended value that firm is trying to deliver to its customers. So, these are basically important from that perspective and then you can recall the third set of two is probably which are at the disposable disposal of a brand manager is the leverage of a leveraging the secondary association from different sources which can actually help to create a certain kind of brand identity or certain kind of brand image in the minds of the consumer.

So, in this secondary association today we are going to discussed about these six basically different kind of association which can be leveraged to create a certain kind of brand image. In the list of a secondary association, we have the first in this first one is basically the company, so the using the name of the company, name of the organization one can create a certain kind of picture about product of the brand. That you are going to offer when probably we get to know that I have an example for you.

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Secondary Associations: Company



So, when you see that you see that any product from the Tata you will have certain kind of image coming into your mind and every product of the Tata in most of their product comes with this. Tata is a brand name or the corporate name is attached with them whether is Tata Sky or basically it's a basically different kind of telecommunication product or basically automobile.

There are so many other product categories where Tata is present and you will see that Tata name being is presented along with the brand name or product category offering. So, you have certain kind of Tata which gets associated with that brand. Because Tata is, if I talk about Tata is something which is the most trusted brand in the India. And that kind of association gets transfer to all the product that are coming in from the Tata.

As a basically organization so, whenever you need certain kind of association company companies name can also be attached with the brand then you have this country of origin like from where the product is coming from country of origin. When we talk about in secondary association is something which is very important because in our purchase decision this.

These criteria from where the product is coming from place a very important role. We have a certain kind of perception about product coming from a certain place or certain countries. We basically say that it has to be good or product come from this country if a particular product category is famous from particular country. Then you will say obviously this is going to be a good product on the other side, when you see a product from certain other country or particular country certain kind of countries which does not have a very positive image in the

minds of the consumers.

You will say that plays something a very negative role in the choice of that brand. It hurts basically that sales of that brand so, another thing is that I will talk about geographical indicators also but I just give you a example of a country of origin like French wine is something which is very famous any wine coming from France.

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With the origin is from France or a perfume brand coming from the France people generally have this kind of perception that it is going to be a something very good. These are the best things which are available in the world. If they are these two product categories and they are coming from the France. So, that basically also sometimes help large premium a huge amount of premium to some of these brands.

Then we have the Germany famous for its car or in general automobiles other engineering product also then Japanese electronics is perceived to be very good Ethiopian coffee or Columbian coffee. You can say they are really good then Italy is the famous for her fashion, Belgian for chocolate and watches from the Switzerland is basically consider to be Swiss watch.

Watches are considered to be the best that these are the certain kind of perception that people have in their mind. And then those kind of perception plays an important role they put certain product on the high pedestal. On the other side certain products just goes out of our

consideration set now with this country of origin, there is also associated concept like geographical indicators like a product being produce in a certain place it can get intellectual property rights for in that area.

That if all the producer in that area can claim it to be coming from that place and that is the authentic offering from that place nobody out side from that place can claim similar kind of authenticity or they cannot use the name of that place for selling their brands. So like you see this basmati rice is famous from certain part of Uttarakhand. There are though it is famous that they are where they produce the best quality of rice.

So, if they have this geographical indicators as an intellectual property registered for them they all the producers in that location can use that and anybody other than them and anybody who is outside that location cannot use that geographical indicator. So, these are basically the association that comes in the mind of consumers one more thing is that I was talking about the negative perception.

So, we often have this negative perception about the Chinese brand in India the and may be it many other places it may similar kind of perception might exist because the products in the beginning were very cheap so with price quality perception thing in the mind people try to believe that these are not good product and that association has gone in the minds of the consumer.

And the Chinese products are pretty perceived to be of low quality and that is why whenever people see any product from the Chinese origin, they may not have a very positive opinion. So, this is about country of origin this can also be leverage to create certain kind of quality perception in the minds of the consumers. Then we have this channel of distribution so, where your product is being placed is create a certain kind of perception in the mind.

So, I will tell you one example is that Maruti has this image of the product being owned by the middle class of the country. So, when they are trying to go in the upscale market segment because you have seen that with growth in economy the income levels of people have gone up.

So, that middle class is basically which going into this upper middle class segment and they

are upgrading their cause they are their aspiration all their values tends more towards sedan and certain kind of luxury or SUV cars and in that segment Maruti does not have that kind of upscale image.

So, they have created another distribution channel in the name of next aware you will see that more upscale cars are being distributed. They are while, you will see the regular model of a traditional models of Maruti coming in its traditional or regular distribution channels and this channel of distribution you can see the impact of this at number of places.

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Leverage Secondary Associations

- Company
- Country of origin
- Channel of distribution
- Co-branding
- Endorser
- Event

If a product is available at a mass merchandising store people will not pay a premium for that product, if you place that product in a mass merchandising store people will believe that it has to be something which is of masses or middle class.

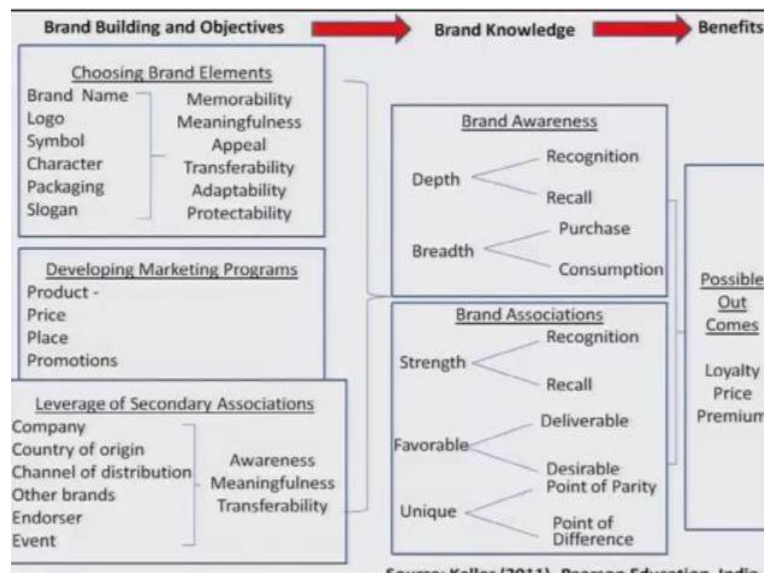
It has to be affordable so, charging a price premium for those products may not work and then we have co-branding where you associate your brand with some other brand. And then try to basically create a certain kind of that association help you create a certain kind of product category or certain kind of uses related believe to create a certain kind of brand image.

Then you have endorsement, or a where the celebrities or sports personalities or other famous people come and promote the product. So, by leveraging the personality value of those

people you try to associate your brand with those the celebrities or this endorser and in that way, you try to take similar kind of virtues get transferred to your brand and you could try to create a brand image in that way so, that is another way of leveraging the secondary association.

Then we have the events where you are basically a sponsor, a promoter of a certain kind of events and by doing that you try to create a certain kind of image in the minds of the target consumers. So, this is about leveraging secondary association. Then I am going to talk about now I will just quickly summaries what we have discussed till now in this brand building tools, is that you have three categories of tools brand elements marketing mix and this secondary association. This helps you in creating brand awareness.

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Advantages of Strong Brands

- Improved perceptions of product performance
- Greater loyalty
- Less vulnerability to competitive marketing actions
- Less vulnerability to crises
- Larger margins
- More inelastic consumer response
- Greater trade cooperation
- Increased marketing communications effectiveness
- Possible licensing opportunities

And this brand image actually that basically, ultimately reflex in the possible outcome in the form of benefits to the firm and these benefits some other benefits of a strong branch. I have listed that you have improved perception of the product performance. We have talk about the blind test where consumers have shown that once they are told that the product belongs to a particular product from a particular seller or a particular brand.

They are perception about the performance of the brand gets enhanced or probably it goes down. So that is the effect of the brand then you have greater loyalty. The loyal customers are someone who will probably produce more or the revenue and the more profit for the organization. Then the one more thing which works for the strong brand is less vulnerability to competitive marketing action.

In fact, if your brand is a strong that it will take some time for your loyal customer to switch to any other brand and that time period is something which is very important from the organizations perceptive. Because that time period can be very critical for this incumbent forum to respond to any competitive threat and that is where the brands are very important shield for any organization.

That is provides you that cushion that you can be you get more time and you get customers are more probably is more loyal towards you. And that basically helps you in responding to competitive threads then another thing which works very well for the brands that you often seen. That the strong brands can come out the crisis in much faster way. And in a much

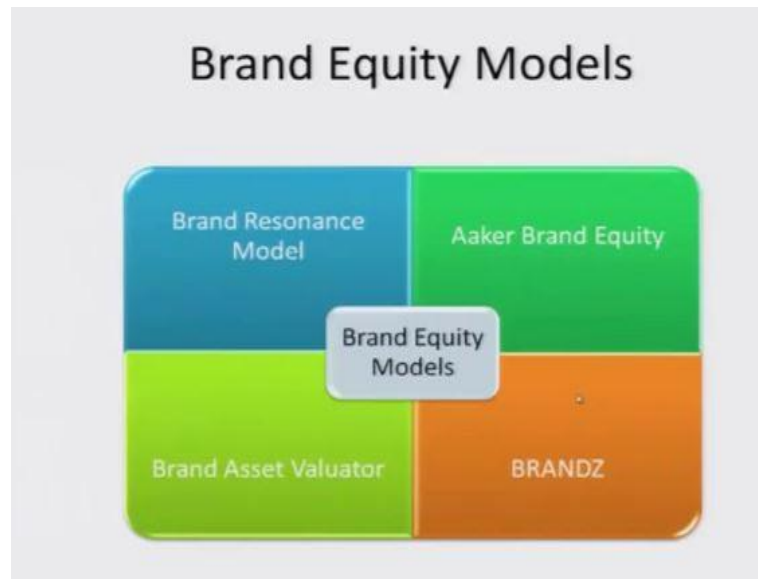
stronger way, we have seen that the controversies around famous brand like Maggie noodles we have seen the controversy around this carbonated drinks brand Coca-cola, Pepsi and all other brand.

So, there were doubts in the mind of the customers that there were lot of negative news which were coming but eventually what happen that after a period of time, these brands because of these strong brands the you will see that brands could rebound to their existing levels compared to it. If it would have been any other normal brand or a basically commodity product unbranded product. It might have been very difficult case for then recover from those prices.

Then will also see that strong brands help you in gaining the more margins the consumers response is very inelastic, in the sense like even the consumers are given discount or rebate or they get a product at a cheaper price. They will not easily switch sometimes in fact offering competitive product at a cheaper price works. In otherwise way in the sense that consumer tend to believe that the alternative which is being offered discounted price is actually a very low-quality product.

So, those are some of the brand the benefits of a strong brands then you have greater rate promotion. Sorry, this is a greater trade cooperation vary you get more cooperation from your channel partners. The retailer will be ready to give you more self space and then they will cooperate or they will help you in promoting the product. So, those are some of the things which help in the favor of strong brands. And then also the possible licensing opportunity which exist with this I am raping of this part.

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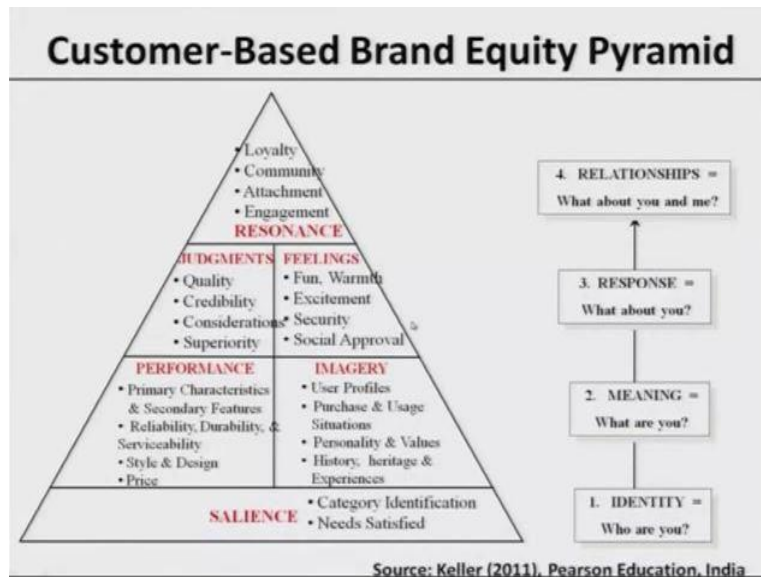
And I am moving to the next session which is about brand equity models. So, they are a different brand equity models to explain that how basically the brand works or how the brand equity gets built on the part of the consumers. We are talking about customer base brand equity in this basically I am going to talk about first model is brand response mode.

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Here what happens is this is diagram this has been explained in this diagram that what it is this customer base brand equity pyramid is at or how the brand works.

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How the brand equity gets billed at the consumer end. So, you will see at the bottom of the pyramid, you have silence which is like when the customer asks like who are you so the brand can answer like what I mean what are they.

So, basically their answer to these questions comes from which category, which product category the brand belongs to and what kind of needs they satisfy so that is about the silence part of this brand building. Then once a consumer's answers they are able to get an answer for the identity of that brand. The next step is what the meaning is like I know you but the next thing is who are you? I mean like in the sense I know that who are you? But what are you? Like that is what the meaning of the brand has to be clear.

In this meaning of the brand comes from the now this divided into two parts which is to the different ways of brand can answer that meaning is that either it is a functional thing or the second thing is like psychological or an image social needs that is satisfied. So, one is about the performance and the second is about the imagery. So, whether a brand answers to the functional needs of a consumer from its primary characteristics or the secondary features and whether it is reliable durable how is its serviceability.

All those basically come from the performance part and the second thing is about the imaginary. The kind of image is there in the minds of the consumers, what kind of basically consumers use that product to what kind of consumer or you can say what kind of consumers it belongs to. And then in which situation the product purchase situations are in or the user

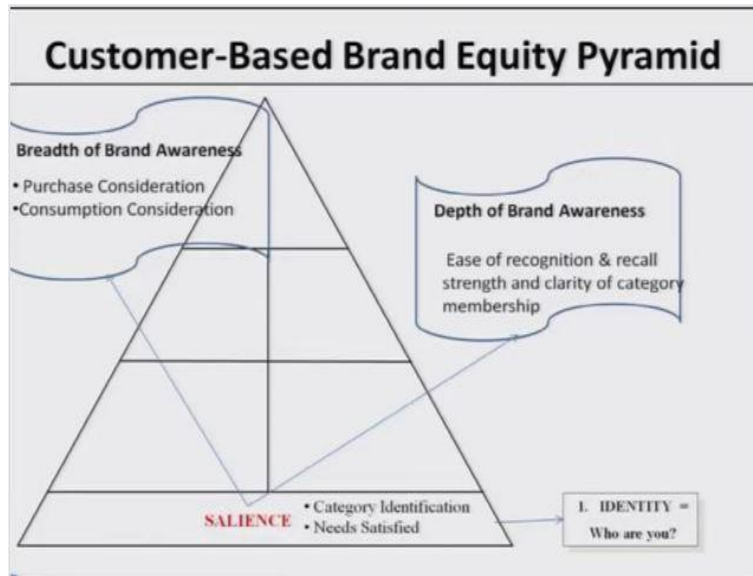
situation such products are use those are basically the answers to imagery then next label of from here is that based on the performance of imagery.

The consumer moves through this judgment or feelings corresponding to performance in imagery. So, based on the performance judgment can be reached whether what is the quality of the product, what is the reliability, what is the credibility of the product, whether it is a superior product to the existing offering. Then on the feeling side what kind of feeling it evokes or based on its imagery, what kind of emotion get created in the minds of the consumers. So, it could to be fun warmth excitement security social approval.

These are some of the feelings which gets generated at the effect of imagery, now the last thing of this brand building a brand equity is like what kind of relationship is there. So, you will see when they are with strong brands consumers will show a strong connect and that is where the resonance happens or the customers exhibit a high level of loyalty. They have the sense of the community they are part of a brand community you will see some of the example in the form of the bikers or owners of this some of the bike like Harley Davidson.

They are basically showing those kinds of corrected series in that case so attachment, engagement, loyalty. These are basically the things which are getting reflected as a effect of the brand with consumer. So, this is a sign of relationship getting established between the firm offering of the brand that is being offered by the firm and the consumers. Now talking about basically about the silence is about it has two things is in the sense like what is the depth of the brand awareness.

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And what is the basically the breadth of the brand awareness. In the depth of the brand awareness you have ease of recognition and recall. So, the strength and clarity category membership how easily you can recall that what kind of need of product satisfies or in which product category it belongs to you are clear. That if you are consuming Coke that it's a basically a drink its sort of a cold drink and it belongs to carbonated cold drink. So that hierarchy is very clear in the mind of the consumer. Then breadth of the awareness is about the purchase consideration.

Or the consumer or the consumption, consideration and which situation basically you consume that product. And one has to be very as a brand manager, one has to be very conscious about the fact that not only the depth of awareness is important. In fact, the breadth of the awareness is also important in increasing the consumption of the brand.

So, with this I will stop here when we meet in the next session. We will talk about the remaining models in the if remaining models in the brand equity and then we will also talk about some of the remaining concepts in this brand management in this week three. Thank you very much.