Marketing Management-II

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Lecture No. W4-L6
Creating a Powerful Brand

Hello welcome to this sixth session of week four of our course on marketing management part II where we are concluding our discussions on brand I was discussing in the last session. That we would like to see how you can create a powerful brand step by step. So, this first step in this process is to do a situation analysis with respect to the current market, current set of competitors, current need of customers identified gaps in the minds of the customers with respect to available solutions in response to their needs.

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Customers needs comes from various levels. There are very basic stable products which are related to customers basic survival needs daily needs the products which we call or services, which we call the staples products and services also often called convenience products and services. Then we have products which are not daily use products or rather not products purchased daily may be used daily but purchased occasionally.

So, the first category of convenience products will be products like say food products basic food products but the next level will be the products which we buy not necessarily for sustenance of survival but just as a casual for casual pleasure for casual consumption and then of course. So those products which are for casual consumption not frequently purchased but often purchased. Medium value products may be per unit higher in prize compared to stable products.

We call them shopping products and of course there are specialty products. So, to give you an example, if you are buying bread that will be convenience product. If you are buying a healthy sweet and sour new taste snacks not fried but roasted for health reasons using low sodium salt for health reasons using light sugar and healthy ingredients, natural ingredients, organic ingredients for health reasons then that will be a product which is different from bread.

For daily consumption that will become something like a specialty food product and then can be what we call not that sort of shopping food product but specialty food products like say may be caviar or may be salted fish or may be vacuum packed fresh salmon some other exotic fish that will become some kind of luxury products or occasionally purchased high valued specialty product.

So whichever category you are choosing your product or service will have to be positioned accordingly. So, let us take this, for example a new type of sweet and sour snack for occasional consumption for casual consumption pleasure this chart that you see here allows you to position to understand the position of your intended brand position.

In terms of that particular product which will come here and that has to be seen in terms of the market and the customer, their gap in their current availability in relation to the competition in relations to the other brands available in the market. So here you have created a new type of snacks and it has to be understood in terms of your product line for snacks. You must be as a package food producer you may be having other products and there can be a whole portfolio products so here we are trying to project that in a large company you may managing a large number of brands.

Each brand will have a champion, each product will have a champion in a large company likes a Hindustan, Unilever or Proctor and Gamble or Himalaya or Dauber. And each of those products will need strategic brand analysis with respect to competition and other brands available in the market as well as within your own product line and portfolio of products. This is a first analysis that needs to be done.

Then you need to create some performance objectives and select the methods for evaluation of those performance objectives and then you take an actual situation identify problems and design how to eliminate those problems. This is fundamentally what you need to do day in and day out for brand management.

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Now those performance objectives are, they come in different buckets the performance objectives can be in terms of financial objectives per unit contribution to overhead gross profit, net profit etcetera. For that product line performance objective can also come in terms of market share objective, mind share objective and so on. And for each of those objectives or class of objectives you will have a set of evaluation methods. So financial objectives will have to be evaluated in terms of financial results.

The market share objectives , mind share objectives will have to be measured using the market research techniques in terms of evaluating customers perception and so on. And this gap analysis and elimination of gaps is what we were discussing in the last session that you have to compare the current situation with your objectives and that’s the gap can also be seen in terms of the intended position in the customers mind and the perceived position in the customers mind.

After acquisition consumption after purchase of your goods and services and each case we will have a set of solutions to eliminate the gaps. This function of identifying the gap between intended position and actual positions and resolving that gap should be seen as a connected from a connected systems perspective and that is what we are representing in this diagram that the brand performance has to be analyzed in terms of financial terms in the product grid. The product grid is what we showed in the beginning of this session.

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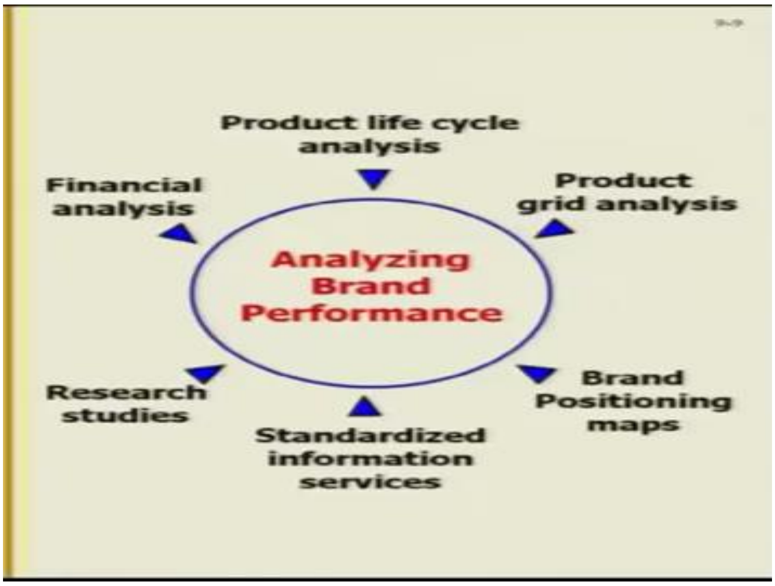

This particular diagram and then we have to also see what we call the brand positioning map at this stage simply you should understand is that all products and services in the market converse will have a relative position like for examples, if you take hotels then you can have say price versus say location and based on that price versus location you can have a high price high convenience location, low price high convenience location and so on and so forth. And these are the different usually we take it in a in a four quadrant.

We take two orthogonal attributes and create a relative position so there can be high price hotel very conveniently located at a city center or there can be a budget hotel conveniently located near the station or can be a luxury hotel near the airport or can be a budget hotel near the airport. So, all these are you can say clusters of positions and depending on the current availability of hotels in these different categories in different locations.

You may identify some gap and that is what we call this brand positioning map that means, on the with respect to the current available solutions in the market you find a gap where it is less populated there are less number of competitors, less number of offerings and you try to create an advantageous situation there of course. Sometimes you may have some very strong offering by way virtue of which you may like to take on head to head on other competitors.

But usually be all these functions are to be seen as a connected system. Each impacts other and that's why this brand performance is impacted by all these factors.

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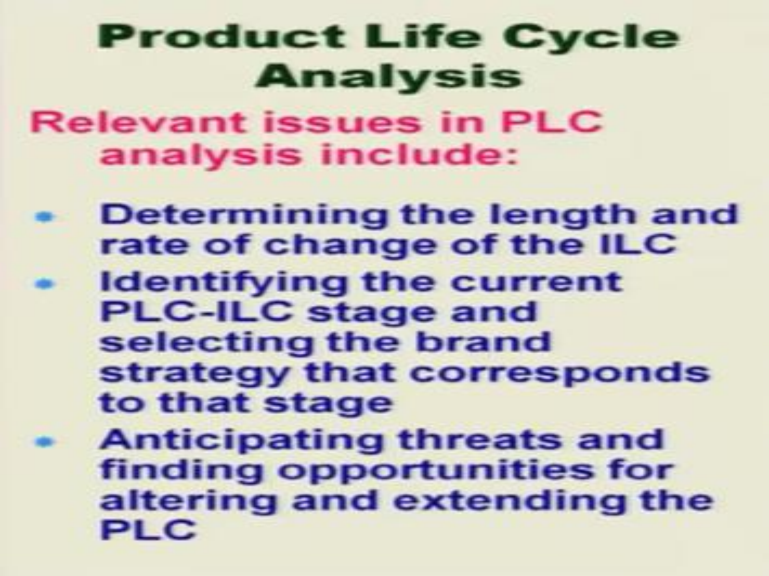

Now an interesting thing is this product life cycle analysis and its impact on the brand which is at the early stage of our product life cycle or industry life cycle. So, suppose you are looking at a new type of say consumer fitness device you know nowadays you see those bands smart bands, people wear like watches around it can show time but besides, that in communication with your smart phone.

These bands actually provide lot of data to you with respect to your fitness that is how many steps you have walked today, how good was your sleep, how many hours you have been standing, how many hours you have been sitting and all these various kinds of how many calories you have consumed, how many calories you have spent. All this data can be provided on your watch like band in communication with your smart phone.

This is a type of device. Now this device is a kind of a new packaging of functionalities provided in a convenient way and therefore this bundle at this early stage, your product in this space, your brand in this space will mainly compete on the basis of distinctiveness on the basis of differentiation. Remember those three generic strategies of low cost differentiation and focus. So here at the early stage the brand competes on the basis of differentiation distinctiveness.

Because all the new entrance in this fitness band product brand space they are all jostling with each other by promising different distinctive features to get the attention to win the support of the majority of the consumers. Then, when there are many competitors the consumers the market forces create the arch for some sort of standardization. At that stage, a sort of what we call off dominant design emerges it is kind of at the after the initial adoption innovation period.

We are reaching the early majority stage, majority of the buyers and now attracted to such a new bundle of products and services with respect to fitness. And here once they dominant design emerges then all brands must conform to those basic design features requirements, functional requirements and at that stage therefore the brand must base its promise on high quality at a at an attractive price.

So, at this stage therefore the value proposition is derived from low cost which comes from operational excellence. And the brand promise will be based on reliability, good pricing, high functionality all packaged with better and better economics. But beyond that in the industry life cycle or plc product lifecycle when we reach we are approaching the maturity stage then again, another sort of distinctiveness comes to play the core role in brand positioning, brand value creation and that is derived from focus at that stage.

You can you may have to create different types of fitness bands for different types of customers for male customers, female customers, for child customers, senior citizen customers, for office goers, for sports people. So, you have to identify different market niches, different customer characteristics and match different products within the same family that same fitness band but with different accents different importance is given to different features.

So, the whole bundle of features will then be packaged separately for children, for senior citizen, for male customers, female customers, for sports people, for sedentary office workers and so on. And these days many such products like this fitness band they go hand in hand with different kinds of software may be resident in your computer which may be resident in your Smartphone, which may be resident on multiple devices that you use.

And so, these software bundles called apps go hand in hand with the particular design of your hardware and together they create the value proposition. And as I was saying that across the product life cycle, these core value propositions evolved from the initial jostling for distinctiveness to the later stage of high value at economic pricing to different bundles for different customer segments the brand promise evolves.

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So, we use therefore fundamentally this product grid analysis, brand positioning analysis to create these to manage this evolution that we were discussing and we need to continuously support those by different kind of market intelligence, market information analytics, market research studies and overall financial analysis of how we are going so to summarize.

Therefore now we are coming to this brand identity is a unique set of brand associations that the brand strategist aspires to create and maintain. So you see brand identity is an internal creation. These associations represent what the brand stands for and imply a promise to the customers from the organization so this brand identity has to be always compared with the brand perception in the customers mind after acquisition after buying your goods and services.

And therefore we often say that to sort of stress to actualize to embody these different elements that go into the brand identity, we use the product its form etcetera. The organization, the entire delivery mechanism and sometimes the a person represents that particular product and different types of symbols, logos, slogans, sounds, jingles they all together create this brand identity. we are now going to discuss some specific issues this we have all these.

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We have discussed but I think I must mention this at that this concluding session, that the basics of brand identification are related to these issues liner product, specific product, private branding, company name and so on. It becomes clearer when we see, when we discuss these issues like line extension, brand extension all these we have already discussed in the earlier sessions.

But you must understand therefore that this managing the brand across the industry life cycle product life cycle managing the evolution of the brand promise are also related to this line extension, brand extension. Because sometimes in response to the need of the market as the market is evolving, we need to do this that we may need to do some horizontal extension that means you already are offering certain snacks.

Now you can need to offer different other tastes it can be vertical extension where we can go up from the core brand, we can go down from the core brand or we can extend that same brand to another class of products. So, we will switch is a lifestyle brand can extend from maybe personal products to sports products, to active lifestyle products to a casual party style apparels and dresses and so on so all these.

We have discussed this brand range, co-branding and all these. But I must highlight that this concluding session where we are discussing about a brand strategy and managing the brand over the life cycle are all techniques discussed earlier packaged into different requirements. So when we talk about brand leveraging, an issue at a term that I had introduced earlier. Some of the again we have discussed about these again thus cannibalization risks.

When we extend the brand and issues relating to when you come to with a lower price version of a with a brand whether you are going to damage your core brand or your core brand promise or whether you are going to confuse the clarity of your offering, all these we have discussed in the earlier session that how some brand have succeeded, how some brand new brand introductions have failed and they are all correlated to these topics that we have given here on this particular slide.

So I have these two slides to conclude today's session so here you have the seven deadly sins of brand management.

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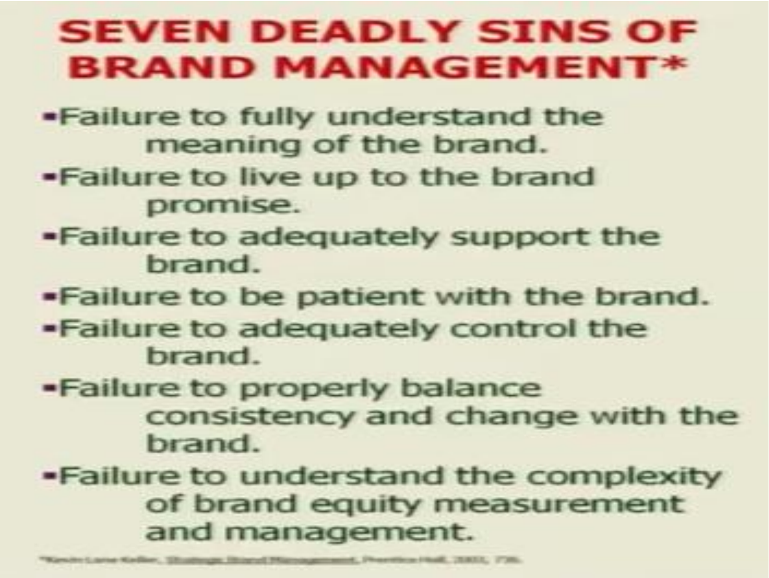

So, the failure to fully understand the meaning of your brand that means the brand identity which is in your mind created inside the company must synchronize with the brand perception in the customers mind. So, what meaning you are creating in the customers mind and if you fail to understand that then your brand management will failure to live up to the brand promise. I was discussing about that you must walk carefully on the edge manage the tension between low promise and over promise.

You must attract the customer. But you should not attract the customer with a hype that you will not able to meet. So, failure to live up the brand promise is a dead listen failure that adequately support the brand that means you create a promise you get good satisfaction from the customer after consumption. But you are not adequately able to support it with goods after sales support good distribution, good availability continuing promotion and so on.

Then your brand management will not succeed you have to be patient, because some brands flower quickly some brands take time to get take hold depends on which category. If you remember the convenience products, shopping products and specialty products that we discuss brands take different time to get a salient position in each one of these categories so you have to be patient. We have to understand that in which category you are playing and therefore how long it will take for your brand to get a prominent position.

It also depends on the current competitive situation how well you have recognized the gap whether it is really a gap, whether it is something that customer will really value or not. Customer will consider it rather more of a hassle that is something very important to consider I remember some time back a company had introduces this product that where you just scan some kind of a code on the product and immediately on your phone you can go to the website of that product.

So, you do not have to type in the URL of the product or the company and it will show you some features of the products of the smart phone or some comparative evaluation on the smart phone. This product appeared to be very promising as in the minds of the creators of the product service bundle even it attracted lot of investors but actually it failed. Because in reality, the customer scanning for products on shelves of supermarkets did not want to go through this hassle of taking the product.

And you know scanning it with the mobile phone and then looking at the website doing all that as somebody said you know who the hell wants to interact with a soda can or something like that. So which means that the brand image the product promise the brand promise that the designers are the providers or the sellers thought of were not in consonance with what the customer was prepared to do.

So therefore, it had a mismatch often of course, we are not able to manage the evolution so we are not able to control the brand life as it evolves and also this there has to be some consistency in the way this evolution is managed. So, if you are introducing different variants of your say wafer chip-s snack in the snack market and there has to be some consistency you if you are your first launch was based on health and natural ingredients and organic ingredients then that consistence, you have to maintain as you introduce new products.

If you come up certainly with another set of products which is high cholesterol, high salt or high fact then you are attacking your own core positioning brand mantra.

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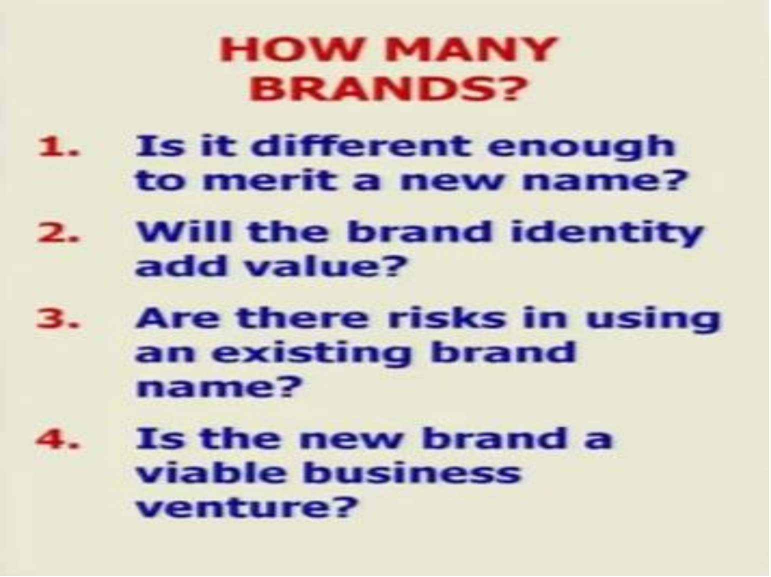

So that you have to be very careful and different brand have different complexities and that correspondingly your measurements systems will have to take into account all of those issues and lastly how many brands are enough here. If you whenever you are introducing a new brand you have to consider these issues that is it different enough to merit a new name, a new logo or a new color or whatever will this new brand identity.

Add value to whatever you are currently doing and will it put your existing brand or existing product line to risk. And on the whole, is the new brand financially a viable venture and technologically a feasible product line that can evolve over time. So, you start with a current perspective when you create a new brand and look at the current market you look at the current customer needs you look at the current competitors.

But remember that once created it acquires a life of its own and that brand therefore must evolve it cannot stand static and that evolution over the brand lifecycle. If I can use the term need to be managed that is at the core of strategic brand management. Thank you!