

Brand Management
Professor Abhishek Kumar
Dept. Of Management
Army Institute of Management, Kolkata
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Welcome to another lecture on brand management. As you know this course deals with brands and management of brands in the economy, in the marketplace, in company, from the perspective of consumers, from the perspective of brand managers and so on so forth. Till now in the last two lectures we have seen in the first one brands and marketplace, how marketplace has evolved and they have evolved, marketplaces have evolved with brands entering the picture. In the marketplace what we sell is product, what we manage is products, people and processes which is what we have seen in the first lecture. We have also seen that how brands ensure predictability of revenues and which is rooted on the habits that the consumers form while they are going about their economic tasks and going about living their life. In the second lecture we saw how product and brand are located at two different ends of the same continuum where a product is standardized, it is undifferentiated and It is easily replaceable whereas on the other side we have brand which is distinguished from other products, other brands and it caters to the identity of the consumer.

So if you value a brand you value yourself and your identity. So in this way product and brand are located at two different ends of the same continuum. We also saw in the last lecture that there is a trend in the marketplace that products are trying to become like brands and brands are trying to become like products. This is because products are concrete, people understand when they are buying a product what they are actually buying whereas when they buy a brand they are not very sure what exactly are they buying because brands are abstract entities.

So brands in their effort to make concrete promises it is assuming features of products. Similarly products because they realize that they can be easily replaced so products are taking on features of brand so that they become irreplaceable. So this tendency of servitizing products and productizing brands is an important trend and which is making products more like brands and brands more like products. And then we saw in the last class conceptualization of product which was given by Philip Kotler the five levels of product and we saw how that theory is used to explain concept of a product. We also conducted a critical analysis of that concept of five product levels of Philip Kotler and we said that it is an inadequate conceptualization or an inadequate theory that does not explain how technology and subjectivity are stretching the product in multiple directions and therefore people are deriving multiple levels of satisfaction as the same product is

satisfying multiple needs of the same consumer.

And we saw that the conceptualization given by Philip Kotler of a product as five product levels is not complete and it is not able to handle these changes that are happening in the products. And we ended the last lecture with an invitation to look at the inadequacies and how a new theory is required to explain the real position of products particularly complex products that are enabled by technology to understand and therefore predict what is possible in future. So this is what we have seen so far in this course on brand management. Today we will kind of dive in to brand management as an activity because brand management per se is an activity. It is not a concept as you can see it comprises two words brand and management.

So management is an activity and management of what? Management of brands. So what we will see today is that in a company when brand management is being done when brand managers perform the activity of brand management what really are they doing? What actually do they do day in day out when they are brand managers in an organization managing one or multiple brands. Let us move further. As you can see in this slide that there is an arrow which is moving in one direction and at the bottom there is something called brand associations and what you also see the accompanying picture is that of stone or something hard which perhaps is something like a foundation. So what we are looking at is the foundation that builds brands and in this slide what we are saying is that it is the brand associations that build the foundation of brands.

Now before we go further and understand what really are these brand associations we must also see that this slide is titled brand management continuum which means that this slide will talk about where does the brand management activity begin and what are the intermediate steps that happen in between and then where does it lead to. What is the end point of this brand management continuum? Now before we begin to understand what are brand associations we must understand that it begins with product. In the last class also you must have seen that on the left hand side we have product and on the right hand side we have brand. So we will follow the same structure, but brand management activity we must emphasize begins with a product. Without a product you cannot really have a brand.

So product acts like the fundamental layer. It acts like the core on which a layer of branding is added. So product is when is how the story begins. Now moment you have a product it could be a product which can be apprehended through senses of when I say senses it means touch, feel, smell, sound, voice, sight, all the senses a product can engage all our senses and those senses contribute towards creating an image in our mind or creating an experience in our mind about that product. Now these brand associations

are about those associations those images that the product manages to create in our minds or the experiences that the product creates for us.

Essentially these associations are of four types. They are visual, verbal, emotional and sensory. We will look at these associations a little in greater detail in the next lecture, but right now it is sufficient to know that our engagement with product creates these associations they are called brand associations and when we say visual, verbal, emotional and sensory it means that when we look at a product it creates a visual image in our mind. So the shape, the color and so on it creates an image in our mind. When we look at the product we also have certain words which means the name of the product the words that are associated with that product.

So for example if we say lux as a soap so lux is a word and immediately we assign some meaning lux if you know relates to the idea of light and where does light come from light come from stars and who are the people associated with the brand lux it is the stars the film stars. So you can imagine the connection that the lux has with film stars. So it is related to the word and its brand positioning therefore is created which is appropriate because it relates to light and stars. Now visual, verbal and then emotional. So when we look at a brand we do have some emotions related to it.

For example if we say cherry, cherry polish now a moment we think of cherry blossom polish the image that comes to our mind is of Charlie Chaplin because repeatedly advertisements are being used where Charlie Chaplin is being shown as a brand ambassador. Some footage of his films are shown as advertisement for cherry blossom polish. Now emotional association because Charlie Chaplin is a comedy actor so the kind of emotion that is involved with cherry blossom polish is that of fun and the fun that you may have while polishing your shoes. And then sensory, sensory is again an association that is related to touch, smell and so on. So when you say think of dream flower talcum powder, pond's dream flower talcum powder when you think of immediately some kind of smell you will be reminded of and that smell is a sensory association with that product called dream flower talc.

So these brand associations are the associations that form the bedrock, form the foundation of any brand and willy-nilly whether we like it or not when we actually buy a product or a brand sorry we unconsciously or even consciously refer to these brand associations which push us towards that brand and ultimately persuade us to actually buy it. So this is how brand associations work as the foundation for any brand manager or for any brand management activity. They also work as the raw material with which the brand managers work so that they create strong brands. One final point before we move further about brand association and that is that these associations as I said visual, verbal,

emotional and sensory they are not in our mind in neat watertight compartments. They mix with one another and that is why it is not very easy to distinguish them very clearly.

So visual, verbal, emotional and sensory they are not very clearly distinguishable. One will mix into the other and so on so forth. So how they reside in our mind are in the form of metaphors or in the form of stories. So it is the metaphor that any brand evokes is something that one must study that will tell us that what we think of this brand as. For example if I tell you say a brand like Starbucks versus a brand like Cafe Coffee Day.

If I ask you if you were to associate an animal with these two brands what will your answer be? That means the question is posed as if CCD were to be an animal which animal would it be or if Starbucks were to be an animal which animal you think Starbucks would be and this way when you get two answers of two animals you would be able to compare the two brands slightly better instead of comparing just two brands as CCD versus Starbucks. So what I am trying to say is that it is important to understand what are these brand associations related to your brand so that you can work with it better and convert your brand into a still stronger brand. Now this whole story begins with product because you need to have a product. If you go to CCD there needs to be a coffee first before you create conversation around the coffee. Sometimes also you need to have a coffee first around which you can create a luxury statement.

So that product is necessary. Now once you have created the product what happens is automatically the product gets positioned in people's mind. Now how does it get positioned? It happens on its own. It's not that you have to work very hard towards getting a positioning. It happens on its own because every product has a name, it has a character, it has a price and it has been presented to consumers in a certain way.

So on its own automatically it gets positioned in consumers mind and in the marketplace. Now the role of brand manager starts and what he or she has to do, what the brand manager has to think about is what kind of communication he would like to do so that a desirable positioning is achieved. Now for example if you want to launch a coffee chain which is in competition to Cafe Coffee Day and Starbucks in India. Now what would you do? You need to think of a positioning. What is that positioning? It could be a cafe chain which is in between Cafe Coffee Day and Starbucks.

It could be something which is even more expensive than Starbucks or it could be something cheaper than Cafe Coffee Day in terms of pricing. Now if you have chosen any one position of these possibilities then you have to communicate. You can communicate in many ways, you can communicate through pricing, you can communicate through the ambience of the cafe, you can communicate through many

other ways but that communication you will have to design and deliver. So through your communication a desirable positioning you will achieve or a brand manager will try to achieve. At least you will move in the direction in which you want to create a positioning for your brand.

So this communication how does it happen? It happens through media and advertising. So media and advertising becomes very important and it important in the sense that you use mass media when you are using newspaper or television and so on. You can also use digital marketing today through social media where it is far more targeted. Then you use many other tools of advertising like sales promotion, like bundling, like below the line activity, like events and so on. So you can use many tools of media promotion advertising to engage into this communication so that you direct the positioning exercise in a certain direction.

As we move further what happens is that there is a multiplicity of communication happening in the marketplace. The same product, the same name, the same brand is getting a large number of communication. Many people thousands and millions of people are receiving those communication and reacting in their own way responding to your communication, responding to the brand. Some people will like, some people will not like, some will be indifferent, some will hate, some will respond in a certain way, some will respond in some other way. For example, Cafe Coffee Day we think that it is a brand which is for youngsters and that is why people who are college students and they like to flock to CCD and that is why you see that Cafe Coffee Day stores are all near college campuses and so on.

So it has not happened suddenly, it has happened over a long period of time and today if you remember Cafe Coffee Day's logo is two inverted commas which means and if you remember the tagline which says a lot can happen over coffee. What does it say? It says that over coffee you can have conversations and during while you are having coffee, while you are having those conversations a lot can happen. What can happen? Love can happen, knowledge can happen, many other exciting things can happen. So that is the positioning of CCD which has been achieved over a long long time. So what I am trying to say is that while these so many multiplicity of communication is happening in the marketplace what happens is these brands develop a personality.

And personality means what? It means it attains an anthropomorphic character which means what? It means that a brand becomes equal to a person or a personality. Anthropomorphic means it morphoses into someone like an individual who has a personality. So from there comes so what I am trying to say is that all the associations, all the communication that is happening in the marketplace they attain a certain character

and that character gets mixed and then they mixing of the character again throws up a kind of unidimensional personality which is very easily identified. Like I said CCD is identified as a college student whereas Starbucks is identified as a upmarket executive. So these brands attain a personality and then as more and more communication happens the personality attains depth and it attains multiple aspects, multiple facets to its personality and that graduates into becoming brand identity.

So it started with product and then automatic positioning and then brand manager is trying to move the brand positioning in a certain direction through media and advertising because of which brand manager is trying to create a certain brand personality, a certain brand identity for the brand. Then as we move forward we realize that in all this activity while so many things are happening a product is being developed, positioning is being attained, communication is being entered into and then large number of messages happen in the marketplace because of which personality and identity of the brand get created. In this process what happens is the brand managers, the company loses sight of the consumer. They keep doing the activity these activities day in and day out and they forget that consumers are an important part of this whole exercise. They lose touch with the consumer they do not know what really the consumers want and because of that the brand starts weakening.

So that is why one important activity that every brand manager does is to obtain consumer insights and how do they do that? They engage into a large number of surveys among the consumers, among the targeted group, among various other stakeholders so that they know what really is happening in the market with their brands. If a brand manager is able to do all this well and is able to achieve a positioning that he or she desires for his brand and if market also responds in a favorable way and consumers like your brand and they consume, they buy repeatedly what you can hope for is that your brand becomes a brand leader. A brand leader of what? Brand leader in a certain product category. So we cannot say that a brand leader means he is the leader of all brands. Brand leader means brand leader in that product category.

So if we say fizzy drink we have Coca Cola, Pepsi, Thumbs Up, Sprite and so on so forth. Which brand is the largest brand or which brand is a brand leader? There are metrics to calculate that and through that metrics you can say that among the fizzy drinks suppose Coca Cola. So Coca Cola is the brand leader. So that is how it moves and then if brand leader is powerful, brand manager can think of extending the brand into other products. Which means that say Tata Steel if you remember the example I gave in the first class.

So Tata Steel is how it started and then because it became very powerful everybody

liked it. So Tata Steel launched another product called Tata Motors, then another product called Tata Salt, then another product called Tata Coffee and so on so forth. So brand leader becomes an engine of growth and brand managers and companies leverage that position of brand leadership and launch new products and new brands as extension of the brand leader. So this is how company grows, this is how brands grow and then finally if all of this happens then your brand can become an iconic brand. Iconic brand is the time when a brand becomes synonymous with your product category like Xerox for example.

So when we say Xerox, Xerox is actually name of a company, name of a brand but Xerox has now become a verb which has replaced actually the idea of photocopying. So an iconic brand is that brand which becomes synonymous with a product category. So this is the whole brand management continuum and if you look at the slide once again at the top you will see brand equity. Thank you very much.