**PRODUCT AND BRAND MANAGEMENT**

 **UNIT\_1**

**DEFINITION OF ‘PRODUCT’:**

 A product is the item offered for sale. A product can be a service or an item. It can be physical or in virtual or cyber form. Every product is made at a cost and each is sold at a price. The price that can be charged depends on the market, the quality, the marketing and the segment that is targeted. Each product has a useful life after which it needs replacement, and a life cycle after which it has to be re-invented. In FMCG parlance, a brand can be revamped, re-launched or extended to make it more relevant to the segment and times, often keeping the product almost the same.

**CORPORATE STRATEGY**

A corporate strategy refers to a companywide strategy aligned with the company’s vision and objectives, aiming to create value and increase profit. It considers an organization’s overall nature, ecosystem, and ambition. It aligns with the optimum utilization and allocation of resources.

**TYPES OF CORPORATE STRATEGIES**

#### Stability Strategy

* Strategy to maintain the current market share and position by continuing to serve in the same industry with the same [product line](https://www.wallstreetmojo.com/product-line/) and services.
* It occurs when a company performs fairly and reasonably well in its sector and chooses to gain stability.
* The main objective of organizations through such strategies is to gain perpetual growth and improved performance in the long run.
1. **Expansion Strategy**
* The strategies focus on entering new markets, innovating and introducing new products and services, etc.
* Methods include expansion through concentration, diversification, integration, cooperation, and internationalization.
* It aims to expand [market share](https://www.wallstreetmojo.com/market-share-formula/), obtain increased [profit](https://www.wallstreetmojo.com/profit/), and achieve faster growth.
* It helps companies dominate the market, withstand competition, gain [competitive advantages](https://www.wallstreetmojo.com/competitive-advantage/), and in certain market conditions, expansion strategies help companies survive.
1. **Retrenchment Strategy**
* It is the opposite of an expansion strategy. It helps reduce the loss made by [restructuring](https://www.wallstreetmojo.com/restructuring/) the strategies, cutting off loss-making divisions or businesses, etc.
* The main types of retrenchment strategies are turnaround, [divestment](https://www.wallstreetmojo.com/divestment/), and liquidation.
* It is formulated when companies observe that they must revamp their business model, sell certain assets to generate [cash flow](https://www.wallstreetmojo.com/cash-flow/), etc. Enterprises may stop a product line due to low demand and high-cost manufacturing.
1. **Combination Strategy**
* Another important type of corporate strategy is the combination strategy. It occurs when a company combines other strategies instead of focusing on a single strategy.
* It is common with entities like MNCs and other large organizations. When the different business units or divisions perform different activities, the parent entity will utilize different strategies for the units.

**PRODUCT POLICY**

**Introduction**:

A product is something that is produced by a firm or factory or industry and sold in the market. When it is sold easily or automatically, there is no problem.

A product policy generally covers the following:

1. Product Planning and Development

2. Product Line

3. Product Mix

4. Product Branding

5. Product Positioning

6. Product Packaging

**1. PRODUCT PLANNING AND DEVELOPMENT:**

Product planning means an attempt to establish the product in line with market needs. It is defined as the act of making out and supervising the search, screening, development and commercialization of new products, the modification of existing lines and the discontinuance of marginal or unprofit­able items.

In order to reduce the risk, a few logical steps are followed in a new product planning and development. These are as follows:

**Exploration**:

The first step is the generation of ideas. Ideas about new products or improvement of old products or processes may come from:

(a) Internal sources like salesmen, non-marketing employees, middle managers and top management,

(b) External sources like customers, distributors, advertising agencies, laboratories, private research organisations, trade associations, government agencies and the like.

**Gap Analysis:**

Gap analysis attempts to find out gaps in the market where there exist unsatisfied consumer demand and opportunities for a new product.

**Attribute Listing:**

Attribute listing involves the preparation of a list of the attributes of a product and formulation of methods to modify them in order to see if a new combination of attributes can be evolved for the improvement of the product.

**Brain Storming:**

Brain storming in an organized group exercise like a stormy meeting of about six to eight creative personnel specially convened to stimulate new ideas. The chairman of a brain­storming session which generally lasts about an hour and a half leads saying, “Remember now, I want each one of you to come out with an idea of new product or an improvement of an old product.

**Forced Relationships:**

Here several objects are listed and each product is considered in relation to every other object.

**Morphological Analysis:**

Morphology means structure and this method calls for identifying the structured dimensions of a problem and examining the relationship among them.

**Need/Problem Identification:**

Need or problem identification starts with the consumer. Consumers are asked about needs, problems and ideas.

**2. PRODUCT LINE:**

The product line is a group of products that are closely related either because they satisfy a class of need or are used together or sold to the same customer groups or marketed through the same type of outlets or fall within given price ranges.

According to Stanton, A broad group of products intended for essentially similar uses and possessing similar physical characteristics constitutes a product line. For example, Bajaj Electricals turns out fans, electric lamps, cables, electric irons, heaters, transformers and so on.

The important advantages are:

(a) It provides for fuller utilization of productive capacity.

(b) It facilitates entry into new items without extra marketing expenses.

(c) It enables the marketer to consolidate his advertising and promotional strategy.

(d) It promotes consumer satisfaction.

**3. PRODUCT MIX:**

It is a broad term which refers to the total assortment of different commodities marketed by a firm. It is, however, treated as a composite. According to Stanton, “The product mix is the full list of products offered for sale by a company”. It may range from one or two product lines to a combination of several product lines or groups.

Characteristics:

There are four principal characteristics:

(a) **Length:**

Length of the product mix refers to the total number of items in its product mix.

(b) **Depth:**

Depth refers to average number of items sold by a company within a single product line.

(c) **Width:**

Width is judged by the number of different product lines dealt with by a company.

(d) **Consistency:**

Consistency means how many product lines are closely related in production requirements, distribution process, end use, etc.

**STRATEGIES OF PRODUCT MIX:**

The following strategies are generally employed by the producer of the product:

**(a) Expansion of Product Mix:**

Under expansion of product mix, a company may expand its present product mix by increasing the number of product lines or increasing the number of product items. It is also known as product diversification. The diversification may be concentric diversification, horizontal diversification or con­glomerate diversification.

**(b) Contraction of Product Mix:**

Under certain circumstances, the management has to drop the production of non-profitable prod­ucts. The company’s product line managers periodically review items for product line contraction. Sometimes the company may either eliminate an entire line or simply the assortment within a line. After that, the manager should concentrate on producing the higher margin items.

**(c) Alteration of Existing Products:**

Instead of developing a new product, the management should take a fresh look at the company’s existing products. Very often improving an established product can be more profitable than introducing a new one. The alterations may be introduced in the colour, design, packaging, etc.

**(d) Positioning the Product:**

Positioning is an attempt to distinguish the particular product from its competitors along real dimensions in order to be the preferred product for certain market segments. Positioning aims to help customers to know the real differences between competing products so that they can match themselves and thereby satisfy their needs best.

**(e) Trading Up and Trading Down:**

Trading up refers to the adding of higher priced and more prestigious products to their existing line in the hope of increasing the sales of existing low priced products. Trading down refers to the adding of lower priced item to its lines of prestigious products in the hope that people who cannot afford the original products will want to buy the new one, because it carries some of the status of the higher priced product.

**(f) Product Differentiation:**

Products are assumed to be homogeneous under perfect competition. Today the markets are no more perfect. We live in a world of monopolistic competition where there are competing monopolies. Here products are similar but not identical. Products are close substitutes for one another. For in­stance, in the case of toothpaste there are several brands such as Colgate, Signal, Binaca, Forhans, Close-up, etc.

**4. PRODUCT BRANDING:**

Branding is a major issue in product strategy. On the one hand, developing a branded product requires a great deal of long term investment spending, especially for advertising, promotion and packaging. On the other hand, those manufacturers eventually learn that the power lies with the brand name com­panies. Branding is the process of identifying the name of the producer with the product. The essence of branding is identification of particular product from among rival products.

Branding is a general name describing the establishment of a brand name, a brand mark or trade mark for a product.

According to American Marketing Associations:

Brand is a name, term, symbol or design or a combination of them which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors.

#### TYPES OF BRANDS:

(i) According to their origin or nature, brand names may be classified as follows:

(a) Symbols— H.M.V’s dog

(b) Letters — I.T.C for India Tobacco Company

(c) Name of the founder or family — Tata Steel

(d) Company name — IBM Computers

(e) Words having some relation to the product — Quick fix (Resin)

(f) Words or figures which have no relation to the product — 501 Bar Soap

(g) Words which have originated as brand names — Aspirin

**CHARACTERISTICS OF A GOOD BRAND:**

A good brand should possess the following characteristics:

(a) A brand should suggest a few benefits about the product such as its use, quality, content and mode of action.

(b) The brand should be neither descriptive nor deceptive.

(c) The name should be easy to pronounce, spell and remember.

(d) A brand name should be short and simple.

(e) A brand name should be distinctive.

**5. PRODUCT POSITIONING:**

Product positioning refers to a brand’s objective attributes in relation to other brands. It is a characteristic of the physical product and its functional features. Position is the art of selecting, out of a number of unique selling propositions, the one which will get you maximum sales. Product position­ing is so central and critical that it should be considered at the level of mission statement. It comes to represent the essence of a business.

**Components of Product Positioning:**

There are four important components of product positioning and they are:

**(i) Perpetual Mapping:**

Perpetual mapping technique identifies the two dimensions that differentiate consumer percep­tions of products and the positions of existing products on these dimensions. Perpetual mapping is usually represented on two dimensional scales so that the marketing manager can readily see where his own brand is positioned in the mind of his prospective buyers and in relation to other brands.

**(ii) Product Benefits:**

Product benefits facilitate consumers in their decision making. It also reduces uncertainty in their minds. Product benefits can be offered through branding because the brand owner is able to earn an easy recognition and image compared to owners of unbranded products.

**(iii) Market Segmentation:**

In market segmentation, consumers are grouped in terms of market dimensions and the firm attempts to match the need of different consumer groups through compatible marketing inputs.

**6. PRODUCT PACKAGING:**

Packaging is an important tool for face lifting of a product. Packaging is intended to protect, identify, differentiate, improve handling, convenience, and promote the sale of the product. Package, therefore, has become virtually a part of the product. The package has been rightly described as the ‘silent salesman.’

**Functions of Packaging:**

The following are the important functions of packaging:

**1. Protection:**

The packaging is intended to give protection to the product against the following:

(a) Damage by machine handling

(b) Product loss from spilling and evaporation

(c) Pilferage (d) Contamination (e) Moisture

**2. Convenience:**

(a) Convenience of storage in warehouses, shops and house-shelves

(b) Convenience in use (c) Convenience in handling

(d) Convenience in opening

**3. Identity of the Product, Firm and Brand:**

Package helps to identify the products, through colour, lettering, size, shape, material and text.

**4. Package acts as the Carrier of Message:**

It provides product information. Wherever possible some message or information is printed or embossed on the package.

**5. Re-use or Scrap:**

Packages are prepared in such a way that can be used for storing other articles. Some packages are so designed that refills can be bought at an economic price and the same product can be used in the original container. Even if the package cannot be re-used very well, it can be used as a scrap.

**6. Reduces Transport Cost:**

The most important factor in packaging is the cost. Bulky cotton or fabrics are compressed into bales. By the use of light weight and at the same time strong materials for packing, transport cost can be reduced. So package must be strong enough to undertake the strain of the journey.

**7. Product Differentiation:**

Products with narrow differences can be differentiated easily with the help of packing. Washing soaps like 555, Rin, Wheel, Henko, etc. can be identified only with the help of the wrapper. Changing the package is the easiest and inexpensive way to practice product differentiation.

**8. Sales Promotion:**

The use of package provides the product a prestige. Attractive package induces sales. Package provides an extra attraction to affluent buyers who may buy the product just to get its special package.

**PRODUCT LINE**

Definition: “A group of products that are closely related because they function in similar manner are sold to the same customer groups, are marked through the same types of outlets, or fall within given price range”.

**Product Line Decisions:**

A major product line decision involves product line length.

- The number of items in the product line.

- The line is too short if the manager can increase profits by adding items.

- The line is too long if the manager can increase profits by dropping items.

The major product line decisions are

a. Product line length

b. Product line stretching

c. Product line filling

d. Product line pruning

**a. Product line length:**

The number of items in the product line is called the product line length. Company should decide whether it requires longer chain or shorter length. The decision depends upon the objective of the company, competitive environment and profitability. If the chain is short company can add new products and if it is lengthy company can reduce the number of products.

**b. Product line stretching:**

Company lengthens its product line either by stretching upwards or downwards or both ways. Line stretching decision depends on three situations -

i. Company which operates in high end market may come up with mid class or low class targeted products.

ii. The company which operates in lower end of market may come up with high end market products.

iii. If the company operates in mid segment and comes out with low end product as well as high end product then it is stretching both ways.

**c. Product line filling**:

Adding more items in the present product lines. For example, in the year2000 Maruti Suzuki launched Alto. This product was between Maruti 800 and Maruti Zen. Here company was trying to fill the gap existing in the segment by introducing ALTO, i.e. line filling.

**d. Product line pruning:**

Removing the unprofitable products from the product line. Toyota Kirloskar phased out their well-known brand Quails when they thought the brand was not adding value to the product line. There are two basic strategies that deal with whether the company will attempt to carry every conceivable product needed and wanted by the consumer or whether they will carry selected items. The former is a full-line strategy while the latter is called a limited-line strategy.

**PRODUCT LIFE CYCLE**

**DEFINITION**: The product life cycle is an attempt to recognize distinct stage in the sale history of product.

Stages of product lifecycle:

Most product life cycle curves are portrayed as bell shaped. This curve is typically divided into five stages:

**1) Introduction:**

A period of slow sales growth as the product is introduced into the market. Profits are non-existent in this stage because of heavy expenses incurred with product introduction. This stage of cycle could be the most expensive for a company launching a new product. The size of market for the product is small, which means sales are low lathy they will be increasing. On the other hand, the cost of things like research and development, consumer testing and marketing needed to launch the product can be very high especially if it’s a competitive sector.

**2) Growth:**

A period of rapid market acceptance and substantial profit improvement. The growth stage is typically characterised by a strong grot in sales and profits, and because the company can start to benefit from economies of scale in production, the profit margin as well as overall amount of profit, will increase. This makes it possible for business to invest more money in the promotional activity to maximize the potential of this growth stage.

**3) Maturity:**

A period of slowdown in sales growth because the product has achieved the acceptance by most potential buyers. Profits stabilize or decline of increased competition. During the maturity stage the product is established and the aim for the manufacturer is now to maintain the market share they have buildup. This is probably the most competitive time for most products and businesses need to invest wisely in any marketing they undertake. They also need to consider any product modifications or improvement to the production process which might give them a competitive advantage.

**4) Decline:**

The period when sales show a downward drift and profits erode. The brand may be dropped to make way for new brands so the cycle recommences. Eventually the market for a product will start to shrink, and this is what’s known as the decline stage. This shrinkage could be due to the market becoming saturated (I.e., all the customers who will buy the product have already purchased it), or because the consumers are switching to a different type of product. While this decline may be inevitable, it may still be possible for companies to make some profit by switching to less expensive production methods and cheaper markets.



**MARKETING STRATEGY**

**DEFINITION**

Marketing strategy describes the process of how businesses and organizations understand their markets and their methods for influencing profitable customer action.

Marketing strategy is all about:

* Understanding **who buys** your products and services.
* Understanding how you’ll **motivate them** to take profitable action.
* Understanding your **competitors** who are trying to do the same thing.
* Understanding how you’ll **measure marketing activities** and refine your approach moving forward.

A company’s marketing strategy is its plan for reaching potential consumers and converting them into paying customers for its goods and services. A marketing strategy includes:

* **Research:** Analysis of target markets, competition, pricing triggers, buying behaviors, and more.
* **Positioning:** Differentiation in value promises, packaging look and feel, conversion messaging, and more.
* **Promotion:** Actual marketing of products and services through content, relationships, and experiences with the goal of influencing profitable customer action.
* **Measurement:** Proving value, learning from success and failure, and iterating future work to fulfill [marketing goals](https://coschedule.com/marketing-strategy/marketing-goals).



**Step 1: Begin with a Documented Marketing Plan**

To begin, document everything you learn and do so that all marketers, agencies, executives, and other stakeholders in your organization understand the following:

* Who you’re targeting
* What your objectives are
* How to differentiate yourself from the competition
* How to reach your audience
* What will measure your success

## Step 2: Understand Your Target Audience & The Market

### Research Customer Pain Points & Expectations

Effective marketing [targets a specific audience](https://coschedule.com/blog/how-to-find-your-target-audience). Knowing who those individuals are can help you sell more effectively.

You can pinpoint your target demographic and design marketing accordingly with sufficient research and analysis.

### Identify Market Trends

While understanding your audience can only get you so far, knowing your market trends keeps you shining on your path. Identifying and knowing [current trends in the market](https://www.gartner.com/en/marketing/research/gartner-marketing-predictions-trends) helps you improve yourself and keep updated with the competition.

### Understand The Competition & Your Unique Selling Proposition

* [Competitive analysis](https://coschedule.com/marketing-strategy/competitive-analysis)is the process of determining the strengths and weaknesses of your competitors to acquire a better grasp of how to conduct your business and reach new audiences. Conducting a competitive study is critical for determining how you will run your whole organization.
* The [SWOT analysis](https://coschedule.com/marketing-strategy/swot-analysis) refers to a company’s Strengths, Weaknesses, Opportunities, and Threats. It can assist you in determining what may separate you from your competitors and the resources available to capitalize on that opportunity.

### Document Buyer Personas

Your [marketing persona](https://coschedule.com/marketing-strategy/marketing-persona) is a document that covers the who, what, when, where, and why of your target audience and broad demographic data such as gender, job title, job function, business size, team size, requirements, pain points, and difficulties.

## Step 3: Define Your Unique Value Proposition & Key Differentiators

### Identify Your Brand Value & Offering

While your logo, goods, website, and even your digital marketing efforts may evolve, one constant must be your brand values. Your fundamental brand values are the principles around which you found your business.

They work as a compass for your brand’s narrative, activities, behaviors, and decision-making process.

## Step 4: Set Marketing Goals & Objectives

### What Are Marketing Goals?

Your [marketing goal](https://coschedule.com/marketing-strategy/marketing-goals) is a defined, quantifiable, aspirational, reasonable, and time-bound statistic that serves as the driving force behind all your marketing efforts.

Marketers who document their aims and objectives are more likely to [see them through](https://coschedule.com/marketing-statistics) to completion.

### What Are Marketing Objectives

Marketing objectives are quantifiable goals that define the desired outcome of your marketing approach. Their primary objective is to direct your marketing efforts toward certain milestones.

### Document SMART Goals

It is critical to ensure that your marketing objectives are Specified, Measurable, Attainable, Realistic, and Time-bound – or SMART for short. The SMART approach enables a supervisor to manage marketing activities effectively and forecast the success of new objectives.

## Step 5: Identify The Marketing Approaches & Media To Reach Your Target Audience

### Understand Your Marketing Funnel

The marketing funnel is a [funnel diagram](https://coschedule.com/marketing-strategy/marketing-funnel) that depicts how customers go through the customer journey.

## Step 6: Execute & Publish Marketing Activities

### Marketing Calendar

A [marketing calendar](https://coschedule.com/marketing-strategy/marketing-calendar-template) is a tool that allows you to plan and organize all of your marketing efforts in one location. It serves as a road map for all of your marketing efforts.

## Step 7: Measure & Analyze Results

### Review Your Media

A [marketing metric](https://coschedule.com/marketing-strategy/marketing-metrics-kpis) is a measurable metric used to track the effectiveness of a marketing campaign.

They are essential for your entire organization. Without them, it is hard to determine the precise impact of marketing on a business.

**TYPES OF MARKETING STRATEGIES**

## 1. Brand Positioning Strategy

A brand strategy is a comprehensive plan for linking your distinctive value to the appropriate target at every point of contact.

[Brand positioning](https://coschedule.com/blog/brand-positioning-strategy) occurs regardless of whether you consciously include it in your marketing plan. You can affect this view proactively by designing your brand positioning before publishing content and defining your brand voice first.

## 2. Public Relations Strategy

[Public relations](https://coschedule.com/blog/pr-plan-template) is responsible for establishing and maintaining a positive connection with the public. To avoid falling behind, marketers must learn how to connect their public relations activities efficiently with other aspects of marketing.

Your public relations activities must target the appropriate audiences using the right strategies, and each strategy should have quantifiable objectives.

## 3. Product Marketing Strategy

Product marketing is like the interface between sales, marketing, and product development.

The majority of product marketing operations often concentrate in the bottom third of the marketing funnel – the thing that assists someone in making a final purchase decision and converting

## 4. Digital Marketing Strategy

A well-structured digital marketing plan is required to succeed as a business in today’s digital world.

Check out some helpful tips and more on our exclusive piece [here](https://coschedule.com/blog/digital-marketing-strategy-template).

## 5. Inbound Marketing Strategy

This strategy for attracting and engaging customers creates an organization that provides value and earns trust.

## 6. SEO Content Strategy

SEO is mainly concerned with content. With content marketing, SEO as we know it accelerated and gained popularity. Content marketers today have a greater potential than ever to leverage [SEO-driven strategy](https://coschedule.com/blog/seo-content-strategy).

## 7. Content Marketing Strategy

The content strategy ends in the publication of successful content. While you may have prepared your content and blog pieces, promoting them and ensuring that they reach your audience is an entirely different challenge.

Check out our blog post on [content marketing strategy](https://coschedule.com/content-marketing/content-strategy-template) for more information on this and several templates you can use to do the same thing.

## 8. Social Media Content Strategy

A [social media content strategy](https://coschedule.com/blog/social-media-content-strategy) details the information you publish on various social media platforms while also defining how to connect with your audience.

This strategy saves you time and helps you manage your social media accounts more effectively.

## 9. Email Marketing Strategy

Email marketing strategy is crucial for any business because, through emails, organizations engage with customers, segment them, and strategize their further marketing plans.

We have written an article on email marketing strategy and [how DigitalMarketer nails this approach](https://coschedule.com/blog/email-marketing-strategy-template). Make sure to check it out!

## 10. Video Marketing Strategy

Video marketing is an ever-increasing trend. The returns of marketing from YouTube and Tik Tok are proof. Producing high-quality video content takes time. [Co Schedule](https://coschedule.com/blog/video-marketing-strategy) will ensure it receives attention.

## 11. Internal Marketing Strategy

A marketing strategy that focuses on fostering employee loyalty, competence, and engagement by “selling” your product and vision to them is called an [internal marketing strategy](https://coschedule.com/blog/internal-marketing-strategy-template).

You want them to genuinely grasp why you’re selling those things so they can convey that message to others – including your customers.

## 12. Editorial Strategy

An editorial plan specifies the content formats, distribution channels, and procedures that power your marketing activities and enable you to achieve your marketing objectives.

It is always focused on your target audience. As a result, an [editorial strategy](https://coschedule.com/blog/editorial-strategy-template) establishes clear criteria and expectations for content creation based on what your audience wants.

## 13. Ecommerce Marketing Strategy

Marketing is the first consideration when starting an Ecommerce shop. Once you’ve decided on what to offer, you’ll probably wonder how to increase traffic to your site and convert that traffic into sales.

Figuring out how to strategize can feel pretty daunting. But worry not, as we have a dedicated [blog post](https://coschedule.com/blog/ecommerce-marketing-strategies) on Ecommerce Marketing Strategy to help boost your sales.

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**UNIT-II**

**NEW PRODUCT DEVELOPMENT**

**New product development** (NPD) is the complete process of bringing a new product to market.

A product is a set of benefits offered for exchange and can be tangible (that is, something physical you can touch) or intangible (like a service, experience, or belief).

There are two parallel paths involved in the NPD process:

1. It involves the idea generation, product design detail engineering;

2. The other involves market research and marketing analysis.

Companies typically see new product development as the first stage in generating and commercializing new product within the overall strategic process of product life cycle management used to maintain or grow their market share.

**Stages Process Steps of New Product Development**

The stages or process or steps involved in a new-product development are depicted in the image given below. Click on it to get a zoomed preview. The eight stages or process or steps involved in the development of a new product are listed and also hyper-linked as follows:

1. Idea generation.

2. Idea screening.

3. Concept testing.

4. Business analysis.

5. Product development.

6. Test marketing.

7. Commercialization.

8. Review of market performance.

Now let's discuss each stage in the process of a new-product development.

**1. IDEA GENERATION**

The first step in new-product development is idea generation.

New ideas can be generated by:

1. Conducting marketing research to find out the consumers' needs and wants.

2. Inviting suggestions from consumers.

3. Inviting suggestions from employees.

4. Brainstorming suggestions for new-product ideas.

5. Searching in different markets viz., national and international markets for new-product ideas.

6. Getting feedback from agents or dealers about services offered by competitors.

7. Studying the new products of the competitors.

**The best tools and techniques for idea generation**

**1. Reverse brainstorming**

While the process of brainstorming is the generation of ideas to identify problem-solving methods, reverse brainstorming starts with thinking about the causes of that problem. Focusing on the causes of the problem may sometimes be more efficient than focusing on the solution.

**2. Brain writing**

A brain writing activity is typically most effective in a group setting. Start by writing a topic on a piece of paper. Then, pass the paper around the group so that everyone has a turn to write on it and contribute their ideas to the central topic or question.

**3. Brain netting**

Brain netting involves the use of cloud-based documents or programs for groups to share and collaborate. This form of brainstorming can be quite interactive with the addition of links, videos and images to provide visual representations and context. Using an online program also works when working with a team either live or remotely, which could be beneficial for those collaborating within different time zones.

**4. Forced relationships**

The forced relationships method introduces two random and seemingly unrelated items and forces you to create a connection between them. This technique encourages innovative thinking in order to build those relationships and possibly develop a new product. You can conduct forced relationship activities in group settings or individually.

**5. Role-storming**

Role-storming is brainstorming with the added element of role-playing. To bring out new perspectives and different ideas, participants could imagine that they're in a different role in relation to the brainstorming goal. They could pretend they're a client or manager assessing the same goal and ask themselves what improvements to implement.

**6. Storyboarding**

Develop a storyboard by finding pictures, quotes and other visual information associated with the focus of your brainstorming. Then, you could arrange these items to create a narrative and add notes to help explain the progression of the ideas. Storyboarding can be a more interactive method when searching for physical items to add to the board.

**7. Five whys**

This method often begins with a real or hypothetical problem that you could address with your team. You would ask them why a problem happens or is happening. After the initial round of responses and forming an answer, a facilitator asks again and again until the fifth time. The reason for asking the same question five times is to find deeper answers, as the first response is typically more shallow.

**8. Six thinking hats**

You can use this technique with groups of at least six people. Each participant represents a "thinking hat," or different thought focuses, such as benefits, emotions, facts, ideas, judgment and planning. With these mindsets, each person addresses the topic or problem from that standpoint.

**9. S.C.A.M.P.E.R.**

S.C.A.M.P.E.R. stands for substitute, combine, adapt, modify, put to another use, eliminate and reverse. This acronym is essentially a question checklist to prompt your ideas. It asks you to consider factors like substituting a variable for another, combining one with another or adapting a variable to a different context. This method helps you think critically and consider creative approaches from several angles.

**10. S.W.O.T. analysis**

S.W.O.T. is an acronym for strengths, weaknesses, opportunities and threats. You can usually use this method individually or with a team to assess the worth of proposed projects. You could ask what the strengths, weaknesses, opportunities and threats are for a particular project to help decide if you should proceed with it.

**2. IDEA SCREENING**

Most companies have a "Idea Committee." This committee studies all the ideas very carefully. They select the good ideas and reject the bad ideas.

Before selecting or rejecting an idea, the following questions are considered or asked:

1. Is it necessary to introduce a new product?

2. Can the existing plant and machinery produce the new product?

3. Can the existing marketing network sell the new product?

4. When can the new product break even?

If the answers to these questions are positive, then the idea of a new-product development is selected else it is rejected. This step is necessary to avoid product failure.

**3. CONCEPT TESTING**

Concept testing is done after idea screening. It is different from test marketing. In this stage of concept testing, the company finds out:

1. Whether the consumers understand the product idea or not?

2. Whether the consumers need the new product or not?

3. Whether the consumers will accept the product or not?

Here, a small group of consumers is selected. They are given full information about the new product. Then they are asked what they feel about the new product. They are asked whether they like the new product or not. So, concept testing is done to find out the consumers' reactions towards the new product. If most of the consumers like the product, then business analysis is done.

**4. BUSINESS ANALYSIS**

Business analysis is a very important step in new-product development. Here, a detailed business analysis is done. The company finds out whether the new product is commercially profitable or not.

Under business analysis, the company finds out...

1. Whether the new product is commercially profitable or not?

2. What will be the cost of the new product?

3. Is there any demand for the new product?

4. Whether this demand is regular or seasonal?

5. Are there any competitors of the new product?

So, the company studies the new product from the business point of view. If the new product is profitable, it will be accepted else it will be rejected.

**5. PRODUCT DEVELOPMENT**

At this stage, the company has decided to introduce the new product in the market. It will take all necessary steps to produce and distribute the new product.

* + The production department will make plans to produce the product.
	+ The marketing department will make plans to distribute the product.
	+ The finance department will provide the finance for introducing the new product.
	+ The advertising department will plan the advertisements for the new product.

**6. TEST MARKETING**

Test marketing means to introduce the new product on a very small scale in a very small market. If the new product is successful in this market, then it is introduced on a large scale. However, if the product **fails** in the test market, then the company finds out the reasons for its failure. It makes necessary changes in the new product and introduces it again in a small market. If the new product fails again the company will reject it.

 **7. COMMERCIALIZATION**

If the test marketing is successful, then the company introduces the new product on a large scale, say all over the country. The company makes a large investment in the new product. It produces and distributes the new product on a huge scale. It advertises the new product on the mass media like TV, Radio, Newspapers and Magazines, etc.

**8. REVIEW OF MARKET PERFORMANCE**

The company must review the marketing performance of the new product.

It must answer the following questions:

1. Is the new product accepted by the consumers?

2. Are the demand, sales and profits high?

3. Are the consumers satisfied with the after-sales-service?

4. Are the middlemen happy with their commission?

5. Are the marketing staffs happy with their income from the new product?

**TRACKING NEW PRODUCT PROGRAMMES:-**

**Step 1: Set Up Distinct Landing Page Variants**

While hype can peter off the longer your product is available, interest shouldn’t. Presented well, a good product should rise in popularity over time, and become more profitable through the expiry of introductory offers. This means that the launch phase is the perfect time to test some different approaches to marketing.

**Step 2: Analyze Queries Pre-and Post-Purchase**

You can learn a lot from the questions people ask about what you offer.

“When will this product launch?” tells you two things: that there’s some interest in said product and that you haven’t done a perfect job of communicating the release date (assuming you’ve announced it).

“How do I use it?” is an interesting post-purchase question: it tells you that your product is appealing, but buyers don’t fully understand it, making it unclear how well it will be received over time.

**Step 3: Create Custom Goals with Clear Values**

There’s one goal in particular that you’re working toward (selling as many products as possible), but success is far more complicated than that. If you’re going to reach your main goal, you have to consider all the other goals along the way. You need to decide which ones matter to you and assign them relative values if they prove helpful.

**Step 4: Monitor All Social Media Mentions**

Social media plays a huge role in gathering and influencing sentiment, and overlooking it during a product launch would be a grievous mistake. It isn’t just about taking note of every purchase: it’s about all mentions of your product and all the materials surrounding it. If you’re running ads, are those ads being mentioned positively, negatively, or not at all?

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  **UNIT-III**

 **ORGANISING FOR NEW PRODCUTS**

 **INTRODUCTION OF BRAND MANAGEMENT**

**What is Brand Management?**

Brand management is a concept which deals with strategizing and evaluating brands in terms of brand positioning, target customers, brand perception and brand image. For brand management, the company should maintain a good image among the customers.

## Brand Management Process

Brand management process includes the following steps:



### 1. Identify Brand Positioning and Value

The first step in the brand management process is to understand the product and service offering in terms of positioning and brand value it offers to the customers. This is the foundation for companies as how they want the customers to perceive their product or service is a part of brand development.

### 2. Brand Marketing Planning

Brand building is the next step in brand management for a product/service. This process includes creation of the brand by creating components like pricing, packaging, customer service etc.

Also, brand awareness techniques like marketing, branding & advertising also come under this step. Companies use integrated marketing communications (IMC) to promote its products & services.

### 3. Measuring Brand Performance

It is not simply important to create brand but to also measure its performance vis-à-vis competitors & other market dynamics. This step in brand management identifies parameters like brand recall, brand preference, brand recognition etc.

### 4. Growth & Sustainability

The final step in the brand management process post evaluation is to improve the brand performance to ensure growth and sustainability. Brand equity is the measure of the quality offered by a product and service.

## Advantages of Brand Management

There are several benefits of brand management, some of which are highlighted below:

1. Brand management helps create an emotional connect between customers and products.

2. Effective brand management helps the business grow as consumers become loyal and advocate for the products & services. Customer loyalty further helps boost business.

3. Taking critical and important feedback helps companies improve based on consumer insights.

**Considering the fundamental nature of the brand management, elements of branding are studied under following four key concepts:**

1. Brand identity.

2. Brand image.

3. Brand position.

4. Brand equity.

#### 1. Brand Identity:

In retailing world, different brands vary in the power and value they command. Some brands are very popular and have high level of awareness in terms of name recall and recognition while others are entirely unheard by the people. Aaker defines brand identity as “a unique set of brand associations that the brand strategist aspires to create or maintain.

#### 2. Brand Image:

Brand identity describes what the brand is all about, what its inherent features are and how it is different from other competing brands while brand image reflects the perceptions of customers about the brand. Brand image is the sum total of impressions created by the brand in the consumer’s mind. It is based on the concept that consumers buy not only a product but also the bundle of associations such as wealth, power, sophistication, etc.

Brand image can be reinforced by brand communications such as packaging, customer service, promotion, advertising, word-of-mouth and so on. The image of a brand can lead brand value upwards or downwards. For instance, when the stock broking agent is ‘Reliance’ or coconut oil is ‘parachute’, its value moves upwards. This shift is the result of brand name.

#### 3. Brand Position:

A brand is the part of the brand identity and value preposition that is to be actively communicated to the target audience that sets it apart from the competition. A brand manager needs to establish communication objectives and plan the creative execution strategy.

The beginning of an execution strategy is the brand positioning statement. The statement basically describes the “place” that a brand should occupy in the minds of target customers. In simple sense, it means how a brand is seen in the market place focuses on what is unique to the brand.

**Brand Attributes:**

**It means what the brand delivers through features, applications and benefits to consumers:**

**i. Consumer Expectations:**

Are customers ‘expectations’ fulfilled from a brand?

**ii. Price:**

It is comparison between your prices and competitors’ prices.

**iii. Competitive factors:**

It means what the other brands offer to consumers in terms of features and benefits.

**iv. Consumer Perceptions:**

**It is the perceived quality and value of your brand in consumer’s minds. It involves:**

(i) Does your brand offer what customers want?

(ii) Is it a offer ‘value for money’?

(iii) Is it unique in some sense?

#### 4. Brand Equity:

Brand equity is one of the popular and widely used concepts in marketing that hardly emerged three decades before but is gaining popularity and vital place in marketing strategy. The reason behind the growing popularity of brand equity concept is because of the fact that several marketing researchers have concluded that brands are one of the most valuable assets that a company has.

**CRAFTING BRAND ELEMENTS**

A customer’s experience with your brand is so much more than a perfectly designed logo or even the products you sell.

Those elements are undoubtedly still important, but they are pieces to an overall brand identity puzzle that is necessary to build to ensure your brand is memorable and stands out from its competitors.

The elements of brand identity:

* Name
* Logo
* Color
* Slogan
* Image
* Shape
* Graphics
* Typography

## Name

Perhaps the most important element of them all. Your brand name defines everything in one (or a few) words. It gives consumers the perception of who you are and it is likely the very first impression they have of your brand.

Creating a perfect brand name is no simple feat. There are multiple variables to consider, like the identity you wish to portray, availability on the market, and proper alignment with your brand strategy.

A brand name for the product became more popular than the generic product name itself! That is how iconic the Band-Aid name is.

## Logo

A logo is the visual trademark that can arguably be considered the second most important element. A logo should be just as (or more) recognizable as the brand name, since images are often remembered easier than words.

This can even mean creating a word mark. A word mark is the brand name skillfully designed with branded fonts and colors to be used in place of a designed logo, thus making the brand name the actual logo.

Brands like Google and FedEx are great examples of creative word marks.

## Brand colors

Color is powerful.

Feeling a certain way when associating with a specific color is a universal trait. Certain colors mean certain things that are just how it is.

Think of the color red. The words that typically come to mind are: error, danger, stop, help, urgency, and so on. Why is this? There is a lot that goes into [**color psychology in business**](https://learn.g2.com/color-psychology-in-business), but let’s focus on what that means for your brand.

Coming up with proper color for your business means thoroughly understanding what your brand portrays and what audience you appeal to. Once you understand that, choosing a color that fits that profile should be easy.

## Slogan

This catchy phrase quickly defines your brand’s position in a handful of words. It should be memorable, easy to say, and match your brand’s personality.

You wouldn't want to create a funny catchphrase if your business handles money. That would relay a lackadaisical and carefree message to your customers who expect you to be nothing but professional when handling their most important assets.

Slogans like, “Tastes So Good, Cat’s Ask for it By Name” from Meow Mix are clever and state why their brand is considered the best, while Coca-Cola’s slogan “Open Happiness” portrays the feelings they want you to have when you purchase and drink their beverage.

## Image

Whether you're using stock images or shooting your photos in-house, the images you choose for your marketing and advertising efforts should be consistent and possess similar qualities.

If you’re shooting your photos in-house, the editing style must be uniformed. Creating branded filters and presets is a fantastic way to ensure comparable photos.

The clothing brand Made well does an excellent job at creating eye-catching and engaging photos while impressively sticking to brown and orange hues.

## Shape

This is where product design comes into play. When in a heavily saturated market, an easy way to distinguish your product from the rest is by creating a design that’s different than the standard, generic shape.

By innovative thinking and creating something unlike anyone has ever seen, your brand creates a “gotta have it” feeling in consumers, thus making your product highly coveted.

## Graphics

This next element is not another logo. Branded graphics are used to supplement the primary logo, and if done correctly, consumers may recognize them just as much as they do the logo.

Graphics typically show off the entirety of your branded assets. This can be done by utilizing the full-color pallet or modeling the designs off a specific element of the logo. These graphics are used on every type of marketing or advertising collateral to enhance the appearance and allow the abundant creation of new material, without looking redundant and excessively using the logo.

## Typography

The typeface and [brand font](https://venngage.com/blog/brand-fonts/) you use can be inspired by the style of your logo, or it can be something completely different but still complementary. Ensure that the typography chosen meshes well with the other elements of your brand, because just like color, fonts can be associated with a specific feeling or essence that must match your brands.

####  CONSUMER BRAND KOWLEDGE

**CONSUMERS BRAND KNOWLEDGE**

Brand knowledge definition: brand knowledge refers to a consumer's understanding and recall of a brand and its products.

Brand knowledge is the brand image; brand association etc which a customer creates after the company has created brand awareness through campaigns. A consumer may develop a poor brand image if they have a poor experience with the company let’s say in terms of poor servicing or poor product exposure.

**THE DIFFERENT LEVELS OF BRAND AWARENESS**

**LEVEL ONE: ZERO AWARENESS**

When starting a business you’ll likely need to build awareness from scratch. At this point, you will be at the bottom of the pyramid with little to no customer awareness of your business. Luckily, there’s plenty of room for growth at this level.

**LEVEL TWO: BRAND RECOGNITION**

Brand recognition enables your target audience to immediately identify your business through visual signifiers such as a logo, slogan, colour scheme, packaging or marketing campaigns.

There are numerous ways to identify the scope of your business’ brand recognition. Conducting surveys is one way to evaluate whether your brand is recognised by the public.

**LEVEL THREE: BRAND RECALL**

Brand recall occurs when your business jumps to an individual’s mind when they require the products or services that you provide. It can also occur as a result of a conversation or association**.**

For example, McDonald’s, Burger King and Five Guys may come to mind if someone fancies a burger from a fast-food restaurant. Here, the Burger King franchise has entered the brand recall level.

To quantify the awareness of your business, you can conduct brand recall tests and questionnaires at this level. An example of the brand recall questions which may be used can be found in this brand awareness template by Survey Monkey.

**LEVEL FOUR: TOP-OF-MIND**

Top-of-mind awareness refers to the first brand that is associated with a product, service or similar brand. Remember that list of fast-food restaurants we discussed? McDonald’s was first on the list, meaning it would have reached the ‘top-of-mind’ level. Every brand seeks to achieve this type of awareness.

Top-of-mind awareness often includes the services and products someone most frequently uses. Therefore, you should aim to create brand awareness that attains the top-of-mind level as it is a crucial component to customer loyalty.

 **BRAND IDENTITY**

Brand identity is the set of design choices you make when branding something. If your branding includes warm pastel colors, your brand identity clarifies the specific hues into a color palette so every designer you work with knows which colors to stick to for a consistent look.

Brand identity includes things like your font choices, your color palette, the types of graphics you use, your logo (and its variations) and your copy voice. Your brand identity provides the building blocks you use in your branding strategy.

**What Does a Brand Identity Include?**

When you create a brand identity, you’re basically building a toolbox of visual elements to help you communicate effectively. This can be basic or extensive; it all depends on your brand’s needs.

Regardless, every brand needs a basic identity, which includes three core elements:

Logo

Color palette

Typography

If you create a wider variety of content (or plan to), you may also design additional elements to express your brand across mediums, including:

Photography

Illustration

Iconography

Data visualization

The good news is you don’t have to design everything all at once. If you don’t have a ton of resources (or don’t know what your future needs will be), start with the basic logo, color, and typography. You can build out additional elements as you need.

**What Makes a Strong Brand Identity?**

A strong brand identity needs to work for everyone, both your internal team (e.g., brand ambassadors, content creators) and the people who will interact with it (e.g., customers).

Distinct: It stands out among competitors and catches people’s attention.

Memorable: It makes a visual impact. (Consider Apple: The logo is so memorable they only include the logo—not their name—on their products.)

Scalable: It can grow and evolve with the brand.

Flexible: It can be used in many different applications (web, print, etc.).

Cohesive: Each piece complements the other.

Easy to apply: It’s intuitive and clear for designers to use.

**How to Build a Brand Identity**

To demystify the process for you, we’ve broken the process into 10 steps to get you from A to Z. These steps are listed in this specific order, as different elements of your identity are built upon others.

**Step 1: Know Your Foundation**

Before you jump into the steps we detail here, know that the visual aspect of your brand identity is not the first thing you should tackle when you’re building a brand; it’s

**Brand Heart**: This is an articulation of your brand’s core principles (specifically your purpose, vision, mission, and values). If you don’t have these documented, see our guide to find your Brand Heart.

**Brand name**: If you haven’t done this already, find out how to choose the right name. Note: You really cannot design a logo without a name.

**Brand essence**: This is your voice, tone, and personality. See our guides to find your voice and personality if you need more clarity on these.

**Messaging**: Know your tagline, value proposition, and messaging pillars to ensure your visual identity communicates the right story.

**Step 2: Assess Your Current Identity**

Good branding is ultimately about good communication. To make sure your visual output aligns with your brand values, reflects your personality, and communicates your total brand story, you need to have an intimate understanding of your brand.

Use the Brand Audit Template in the toolkit, and follow our guide to audit your current brand identity. You’ll have more conversations about the direction you want to go in later, but this template is the first step to make sure you’re moving in the right direction.

**Step 3: Audit Your Competition**

Building a brand identity is all about differentiation: making your brand visible, relevant, and unique. Thus, it’s crucial to understand not just who your competition is but how your brand compares in terms of your visual presentation.

As you move through the process, pay special attention to how your competitors present themselves in terms of common visual elements, trends, industry-specific visual themes, brand personalities, etc.

**Step 4: Hone In on a Visual Direction**

Now that you’ve taken a critical look at both your current identity and your competitors’ identities, it’s time to get your team aligned on the direction you want to go in.

To prompt these conversations, it helps to conduct exercises to guide your conversation. (Think of this as a creative therapy session.) Use the Brand Attributes Spectrum Exercise in the toolkit to help your team identify the main brand attributes you want to convey through your brand identity.

**Step 5: Write Your Branding Brief**

Once you’ve completed the previous steps, you have the information you need to start design. However, you shouldn’t jump right in. Start with a creative brief that details the pertinent info you need to keep your team on the same page—and ensure you create an identity that aligns to your brand goals.

Use our Branding Brief Template. Note: Don’t provide too much or too little info. Your brief should always inform, not overwhelm.

**Step 6: Design Your Logo**

A brand identity is an intricate design system. Each element influences the other, but it starts with your logo. A strong logo captures the essence of your brand, helping you make your mark (literally) in the world.

You can go old-school here and bust out the pencils to free-sketch in black and white. You want to make sure that the core imagery is powerful enough to deliver the message on its own, without the enhancement of color. To start, work on loose shapes and complementary imagery to inspire your logo mark. For step-by-step instructions, check out our guide to design a logo you love. If you’re looking for creative inspiration, you can also check out these 15 examples of brands with an awesome identity

**Step 7: Choose Your Color Palette**

Once you have a solid logo, you can explore your color palette. Color is a great tool to differentiate your brand from competitors, but know that color can also elicit strong emotions, so choose wisely.

A good color palette is clean and flexible, supplying designers enough choices to be creative but not enough to overwhelm. This includes:

1 main color

2 primary colors

3-5 complementary colors

2 accent colors

For more tips, see our guide to choosing the right colors for your brand identity.

**Step 8: Choose Your Typography**

Every visual element in your identity should contribute to a cohesive visual language, and thus each should complement the other. This is particularly true of typography, which should be informed by the shape of your logo.

Every stage of design has its own unique challenges, but typography can be tricky in a visual language, especially when brands follow trends that are hot for a second but quickly become dated or appear unoriginal (serif vs. non-serif).

 **BRAND PERSONALITY**

What is brand personality?

Simply put, brand personality is the way a brand is personified; the sum of its emotional, psychological and behavioral patterns that remain unique over the course of its lifespan. According to branding expert Jean-Noël Kapferer, “brand personality fulfills a psychological function. It allows consumers to either identify with it or project themselves into it. Brand personality is also the main source of tone and style of advertising.

**Brand personality dimensions**

The Brand Personality Framework was developed by Stanford marketing and brand expert Jennifer L. Aaker. In a seminal article published in the 1997 Journal of Marketing Research, she provides a structure for thinking conceptually about brand personality through a five-dimensional model. These dimensions are:

**Sincerity:** this personality type tends to be ethical, trustworthy, and down-to-earth, such as Patagonia

**Excitement:** these brands are often bold, creative, and spirited, like Red Bull or Tesla.

**Competence:** brands that fall into this personality type are intelligent and reliable. Think Volvo or Microsoft.

**Sophistication:** these brands, like Chanel or Apple, are often upper-class, glamorous, and charming.

**Ruggedness:** rugged brands like Harley-Davidson and Land Rover tend to be outdoorsy and tough

A brand’s personality features further define each dimension with more nuance, and it is this resulting mix of traits that distinguishes and identifies a brand.

**Case study 3: Starbucks**

**Brand personality: Competence**

There’s an element of middle-upper class sophistication associated with Starbucks. Whether you’re a busy parent, a student, or a businessperson, Starbucks is the reliable answer to your “Where can I get a cup of coffee in a comfortable and inspiring environment?” question. For this reason, we can surmise that Starbucks best demonstrates the competent personality dimension. The brand also presents itself as a community pillar; its mission statement proudly states they’re in business “to inspire and nurture the human spirit – one person, one cup, and one neighborhood at a time.”

**BRAND ASSOCIATION DEFINITION**

Brand association is the co-relation of a brand with a certain concept that a consumer recalls when he comes across that brand.

The consumer recalls a brand by using the unique set of attributes, experiences, images, etc. that make the brand stand out. This unique set can include a concept, emotion, object, experience, personality, relation, human, thing, or image. It can be tangible or intangible.

**Importance of Brand Association**

* Helps customers recall a brand for the unique qualities it offers.
* Differentiates the brand from its competitors.
* Ensures customers of the quality it offers.
* Create a positive image of the brand/product.
* Be of great help while trying to launch a new product under the same brand.

## Brand Association Types

The right combination of images, words, graphics and marketing material can help in building brand association. Some of the most common categories of the brand association are:

### Attribution Based Brand Association

The attribute-based brand association comprises the physical elements or the external aspects of the product. Pricing, packaging, quality, and appearance mostly fall under this category.

These attributes help the target market in recalling the brand’s features and characteristics. This gives the brand a headstart in the industry, as well as in the specific market niche.

### Interest-Based Brand Association

Many companies use interest-based association factor to lure customers. These basic Interests of the consumers help the brand in piquing their intellect and consciousness.

First, the company generates interest in the minds of the customer. Gradually, it positions the brand as a way to cater to the consumers’ interest.

### Attitude Based Brand Association

Customers determine brand association after evaluating the brand. This association could be quite abstract, as well as can be linked to a specific lifestyle.

As an instance, when a consumer hears about Nike, he would immediately associate it with fitness.

### Celebrity Based Brand Association

When brands hire celebrities to endorse their product, consumers begin to associate those celebrities with the brand. If Elon Musk comes in your mind when you hear about Tesla, that’s the celebrity-based brand association for you.

Bringing in a celebrity to endorse a brand leaves an effective imprint in the consumers’ mind.

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 **UNIT-IV**

**What Is Brand Architecture?**

Brand architecture defines the role of each brand and acts as a guideline for the interrelationship between the brands in your organization.

When thinking about adding a new brand or product, it is crucial to understand where it will sit within your organization. In other words, you will have to define what type of brand architecture you will choose for your portfolio of brands.

**To simplify the concept, imagine that your organization is a house:**

Where will your brand be located within the architecture of that house?

Which role will each brand play?

What will be its relationship with other brands, if any?

 **Brand Architecture Importance:-**

A well-implemented brand architecture brings many benefits:

**Increased clarity in the marketplace**: Building a brand architecture helps people understand your organization and brands the way you want them to. It will achieve clarity of product offerings for all stakeholders, including consumers and employees.

**Increased revenue through cross-selling**: A well-defined framework allows brands to feed off each other with attractive goods and value propositions tailored to an array of audiences. If a company can deliver a positive experience with one brand, it offers many opportunities for its related partners within the brand portfolio.

**Increased brand equity**: All brands serving a specific niche will ultimately drive growth and positively promote the parent company. The parent company has consequently more ability to generate new revenue, expand its customer base, and increase the entire organization’s value (= brand equity).

**Better company culture:** Employees understand their brand’s place in the bigger picture and feel more included. Brand architecture hence creates a sense of belonging.

**Reduced overall brand damage**: Threats to the image of a brand do not necessarily have a direct, negative impact on the brand image of the parent company. Depending on the chosen brand architecture model, the damage can be contained and not spread across the entire organization.

**More effective change management**: Responding to external influences, all brands must adapt and change over time. A clear system can aid in managing the process, ensuring that necessary changes are implemented effectively and efficiently.

**3 Different Types of Brand Architecture**

Brand architecture models refer to a strategy that organizes brands and their offerings under a single, overarching brand.

* 1. **The Branded House**

The Branded House is the most common type of brand architecture.

Within this type of architecture, the organization is the master brand. The master brand owns several sub-brands that may feature the master brand name or logo, together with variations that include the product name or a service description.

It is an all-encompassing brand strategy, giving brands room to grow and market themselves. Yet they do not operate independently of one another and abide by the corporate brand’s overall guidelines and strategy.

**Advantages of the Branded House:**

The sub-brands boost the master brand through consistent visibility, and the corporate brand benefits from this widespread exposure as overall brand equity increases.

The visual unification and clarity reduce the confusion for consumers. They associate a sub-brand automatically with the qualities of the overarching master brand.

The Branded House is a very cost-effective and efficient brand architecture model. The parent organization must devise only one marketing and brand strategy that applies to all the offerings.

**Disadvantages of the Branded House:**

A problem with one of the sub-brands or products can negatively affect the brand reputation of the master brand and organization (risk by association).

There is a risk for a potential dilution of the master brand. When a brand offers products or services in several categories, its overall brand message can become too diffuse. Think about Apple: Is it a phone company?

The Branded House model is relatively inflexible.

* 1. **House of Brands**

In the House of Brands brand architecture model, an organization owns a collection of distinct brands under a parent brand that people might or might not be aware of.

The brands manage and market themselves individually with respective brand names, logos, slogans, and promotional tactics.

The parent brand is principally needed for administrative or investment reasons.

To clarify the difference between a Branded House vs. a House of Brands architecture: In a Branded House model, customers are aware of the parent company on every touch point with any sub-brand, whereas in a House of Brands framework, each brand voices its own message and positions itself as a distinct brand within a defined market segment.

**Advantages of the House of Brands:**

It is possible to diversify the business portfolio and increase the reach. Companies can target with a House of Brands architecture very different audiences and play with different pricing strategies.

The freedom to enter new markets without affecting the other brands. Companies can therefore take more risks with new product or service offerings.

The company’s reputation is kept secure. The backlash on the organization’s brand image is limited in case of underperformance or reputational damage of a sub-brand.

**Disadvantages of the House of Brands:**

A House of Brands architecture is expensive as the organization needs to build each brand from scratch with a very distinct brand and marketing strategy.

Without the firepower of a well-known Branded House, brands cannot rely on the parent brand’s performance and reputation to boost their own brand reputation. As a result, individual brands could be perceived as sole companies offering ordinary commodities.

Potential confusion among consumers as to what represents the company.

* 1. **Hybrid Brand Architecture**

Somewhere in the middle of the two brand architecture models mentioned above lies the Hybrid Architecture – otherwise known as the “Blended House”.

A Hybrid Brand Architecture mixes elements of both the Branded House and House of Brands models to give each sub-brand maximum advantage, either through endorsement or independence.

In contrast to a complete independence of brands, the endorsement strategy features a parent brand and associated sub-brands. All sub-brands come with their brand promises but use elements from the parent company as a discrete way to benefit from the parent brand’s reputation.

**Advantages of Hybrid Brand Architecture:**

It allows organizations to get the best of both worlds.

On the one hand, the flexibility of a House of Brands architecture where new, experimental offerings can be added to a company’s portfolio while keeping the organization’s reputation secure.

On the other hand, the awareness of the parent brand and the brand associations that come with a Branded House framework. Both greatly facilitate launching a new sub-brand in an untapped market segment**.**

**Disadvantages of Hybrid Brand Architecture:**

As with the advantages, the hybrid model also inherits the disadvantages of both the Branded House (e.g., inflexibility and reputation risk for the parent company) and the House of Brands (e.g., additional expenses and management time).

It can also confuse consumers as some sub-brands are associated, and others disassociated with the parent brand.

**BRAND PORTFOLIO**

A brand portfolio is the collection of smaller brands that fall under a larger, overarching 'brand umbrella' set by a firm, company, or conglomerate. For instance, The Coca Cola Company's brand portfolio encompasses brands like Sprite, Fanta, and Powerade in addition to its flagship beverage.

**BRAND PORTFOLIO ROLES/TYPES**

* Flanker Brand
* Cash Cow Brand
* Low-End Entry-Level Brand
* High-End Prestige Brand

**1. Flanker Brand**

A flanker brand is a brand a company releases in a product category in which it already has an existing brand. The hope is that the new brand helps increase the company's market share within that product category and serves the needs of prospects the original brand might not cover.

For instance, alcoholic beverage company Molson Coors leverages a flanker brand strategy in its approach to the low-calorie beer market. The company has released multiple brands — including Miller Lite, Coors Light, and Keystone Light — that all occupy a similar niche.

**2. Cash Cow Brand**

A cash cow brand is one that has reached a certain level of maturity with respect to its market presence and ability to make money. These brands can generate enough profit to essentially sustain themselves — keeping themselves afloat after businesses recoup their initial investments from them.

It's much less expensive to sit back and let these brands continue to bring in cash than to launch any sort of new product to replace them. As a result, they're rarely removed from the market.

**3. Low-End Entry-Level Brand**

A low-end entry-level brand is one that's added to a brand portfolio to be offered at a lower price than the other products or services that portfolio covers. The principle behind low-end entry-level brands has to do with hooking customers.

The idea is that consumers will buy the low-end entry-level brand initially — effectively introducing them to that brand's broader portfolio. Once a customer has engaged with and been impressed by the company behind the low-end entry-level brand, they'll be inclined to explore the broader suite of products in its portfolio.

**4. High-End Prestige Brand**

High-end prestige brands are ones designed to create the impression of premium quality and luxury. The hope is that some of the esteem the brand creates will trickle down onto the other brands within the company's broader portfolio.

These kinds of brands are tailored to lead consumers to think, "If this company can create a product of its caliber, maybe its other ones are high quality in their own right."

**CORPORATE BRAND**

A corporate brand serves to describe an organization as a whole. Its aim is to create a consistent corporate image through the interplay of corporate strategy, business activity, and brand stylistics.

The corporate brand – unlike consumer oriented product brands and service brands – addresses all influence and target groups. Internally, the corporate brand embodies a set of values and takes on an orientation function for employees. Their strong identification with the brand values and their brand-conform actions make them important brand ambassadors who convey the company's idea to potential and existing customers.

If a company is a person, their corporate branding is how they express their personality. Corporate branding, just like other kinds of branding, is the series of design choices and actions that communicate key points about the brand, like its:

Values

Mission

Price point

Exclusivity

Ideal consumer.

**What Is Brand Equity?**

Brand equity refers to a value premium that a company generates from a product with a recognizable name when compared to a generic equivalent. Companies can create brand equity for their products by making them memorable, easily recognizable, and superior in quality and reliability. Mass marketing campaigns also help to create brand equity.

Brand Equity Model created by Kevin Lane Keller, a marketing professor and author of the textbook, Strategic Brand Management. These steps build from a base to form a brand equity pyramid.

 **Step 1 – Identity: Build Awareness.**

Begin at the base with brand identity. Build basic awareness of your brand. Make sure customers recognize your brand and see it in the way you intend.

 **Step 2 – Meaning: Communicate What Your Brand Means and What It Stands for.**

Know what your brand means (“performance”) and what it stands for (“imagery”). Performance describes how well your product meets customer needs. Imagery refers to the social and psychological aspects of this. For example, a company that is genuinely committed to being environmentally responsible will build loyalty from customers and attract employees who identify with and support those values. You can develop greater brand meaning through targeted marketing, word of mouth and positive direct customer experience.

 **Step 3 – Response: Reshape How Customers Think and Feel about Your Brand**.

Customers respond to your brand through judgments and feelings. Judgments relate to things like quality, credibility, how relevant your product is to customer needs, and whether your brand is superior to those of your competitors. Positive feelings could include warmth, fun, excitement, security, social approval and self-respect.

 **Step 4 – Relationships: Build a Deeper Bond With Customers.**

The most powerful – and difficult to attain – level in the brand equity pyramid is resonance. This refers to building deeper customer relationships. Achieving this means that your customers have formed a deep psychological bond with your brand. They make repeat purchases and they feel an attachment to your brand or product. They might feel a sense of community with other consumers and company representatives. And they can be actively engaged as brand ambassadors by taking part in online chats, attending events or following your brand on social media, such as Twitter or Facebook. That brand equity connection can be tremendously valuable.

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 **UNIT-V**

**BRAND LEVERAGING:**

Brand leveraging is the strategy to use the power of an existing brand name to support a company’s entry into a new but related product category by communicating valuable product information to the consumer.

**Importance of Brand Leveraging**

* Brand leveraging is an important form of new product introduction because −
* Strong brand leveraging provides consumers with a sense of familiarity.
* It carries positive brand characteristics and attitudes into a new product category.
* Strong leveraging perceives instant recognition to the brand. Consumers are more likely to try leveraged product.
* As the products belong to the different categories, they do not compete for market share.
* More products mean greater shelf space for the brand and in turn more opportunities for sale.
* The cost of introducing a brand-leveraged product is less than introducing an independent new product.
* A full line permits coordination of product offerings, such as bagels and cream cheese, potato chips and ranch dip, peanut butter and jelly, etc.
* A greater number of products increase efficiency of manufacturing facilities and raw materials.

**BRAND EQUITY**

The concept behind the Brand Equity Model is simple: in order to build a strong brand, you must shape how customers think and feel about your product. You have to build the right type of experiences around your brand, so that customers have specific, positive thoughts, feelings, beliefs, opinions, and perceptions about it.

**6 Ways to Measure Brand Equity and How to Build It**

**1. Brand Awareness**

Customer knowledge of your products and services is an important part of brand equity. But even better than customers knowing you, is a customer not being able to avoid thinking about your brand. A leading indicator of the consumer's awareness of your company is “conversation share,” or the amount of time your brand comes up in everyday conversations about the products and services you offer. Measuring brand awareness among your target customers can take many forms. Some methodologies used to understand how aware your ideal customers are include:

Surveys and focus groups

Local store traffic

Search volume for your brand and products

Local media mentions

Social mentions and reviews

**2. Preference Metrics**

Consumer preference is a powerful factor in daily purchase decisions; it’s the reason a customer may decide to travel further and spend more money to access a product or service they really like. Aspects of customer preference that can be measured through focus groups, sales data and surveys can include:

Brand Relevance: The extent to which your customers agree your brand provides unique and specific value that is not offered by your competitors.

Accessibility: The ability to provide your target market with your products/services.

Emotional Connection: Your strength in forming emotional connections with customers, a key factor in loyalty.

Brand Value: A measure of how much your customers are willing to pay for your products and services.

**3. Channel Partner Engagement**

When assessing brand preference, it’s important to look not just as your customers, but your channel partners as well. Are they eager to participate in national promotions and campaigns at the local level? Do they comply with brand standards and guidelines? Do they look for opportunities to enhance and extend the brand within local stores and locations? Do they adopt the systems that you provide for local marketing or do they tend to “go rogue”?

One central component of channel-partner engagement has to do not simply with the quality of the product or services of your organization, but the culture itself. Changes in your organization’s attitude toward, and support for, channel partners can yield big improvements on this front. Moreover, channel partner attitudes can be measured with greater ease, and greater frequency, than typical consumer- or customer-level research projects would permit. You can think of your channel-partner community as a way of keeping a pulse on the strength and appeal of your brand. This is particularly true in dealer- and agent-based partner networks, where the brand has to compete for mind-share and loyalty with other organizations and products**.**

**4. Financial Metrics**

Financial metrics surrounding brand equity are directly tied to sales performance. If these indicators, related to the financial value of your brand are increasing, your revenue is likely to be moving in the same direction. Ways to measure brand equity through related financial aspects include:

Price premium over competition

Local store sales

Average transaction value

Customer lifetime value

Rate of sustained growth

**5. Output Metrics**

What if your brand is investing time and budget into brand equity-building and you don’t see results? Output is a measure of marketing activity, which measures the marketing assets that get released to the public. Output looks at how often marketing materials are released, and the type of asset released to the marketplace. Output can also be measured through the impact of your brand-created offers in local markets.

If you have a local marketing system in place, you can asses the usage of the system using our health grade calculator. That can be a quick and easy way to measure output in the field.

Local activity impacts brand equity because assets that aren't being utilized by a local store owner can't influence sales. Similarly, poor-quality output – such as a direct mail offer that's amateurishly edited by a local franchisee – may have a serious negative impact on your brand equity. Three ways to determine how your assets for local marketers are translating into output are:

Local marketer campaign and asset utilization

Sales on promoted products

Customer adoption of loyalty programs

**6. Competitive Metrics**

Your competitors’ brand equity has a direct influence on how your company's brand equity trends. If competition doubles-down and launches a campaign advertising a pricing adjustment, your customer preference could dip for reasons that have nothing to do with the work you're doing – and everything to do with your competitor's brand.

Competitive metrics can reveal areas where your competition is not providing value to customers, such as missing products, poor customer experiences, or pricing. It can also reveal tactics and campaigns that have resonated with your consumer base. Metrics here include, but are not limited to:

Customer acquisition rate

Market share

Sales lift

ROI of distribution channels

The model, depicted as a pyramid in figure 1, below, illustrates the four steps that you need to follow to build strong brand equity.