

FAQ's

1. What is a brand?

A brand is defined brand as the name, term, sign, symbol or design or a combination of them intended to identify goods and services of one seller or group of sellers and to distinguish them from those of competitors (American Marketing Association).

2. What are brand elements?

Brand Elements is an assortment of diverse components or devices which facilitates identification, distinction or differentiation of the product or service in the same category. Brand elements can be a name, term, sign, symbol, design or some other characteristics like the slogans and characters. Eg. McDonald, Nike, Titan, Cadbury.

3. Which types of products can be branded? Is there any specific category?

Branding is not limited to any particular or specific category. Products as physical goods like cereal, tennis racquet or automobile, services like airline, bank or insurance companies, a retail outlet like a department store, specialty store or supermarket; a person such as a political figure or professional athlete; an organization like a non-profit organization, trade organization or arts group; a place including a city, state or country or even an idea like a political or social cause can be branded. In short all kinds of tangible and intangible products and services can be branded.

4. What is the role of brands and state its importance.

The foremost importance of brands is differentiating products with similar functional value. Brands also give a competitive advantage to the products. Brands play different roles for the consumers and for the firm. Brands provide a symbolic

identification with its unique features and the brand associations help customers have the top of mind recall.

The other important roles played by the brands are:

	For Consumers
1	Identification of source of the product
2	Assignment of responsibility to product maker
3	Risk reducer
4	Search cost reducer
5	Promise, bond or pact with maker of product
6	Symbolic device
7	Signal of quality
	For Manufacturers
1	Means of identification to simplify handling or tracing
2	Means of legally protecting unique features
3	Signal of quality level to satisfied customers
4	Means of endowing products with unique association
5	Sources of competitive advantage
6	Sources of financial returns

5. How are Goods and Services branded?

Branding was traditionally adopted by physical and tangible goods eg. Mercedes-Benz, Nescafe, Colgate, Sony are the most well known and reputed. Business to business product category at large has also realized the importance of branding. The advantage listed is about having a better image and reputation and goodwill amongst their clients leading to better and larger selling opportunities.

Similarly, branding is slowly being adopted by technology products as well. High –tech products so far believed that innovation in products increases the sales and profits. Now, there is change in the role of marketing in hi-tech products also, where in there is an emphasis on branding of these products. Eg. Branding of a technology firm like Tata Consultancy Services (TCS), IBM etc.

Branding in services, which was not so popular earlier is gaining ground because of the nature of the services, branding helps concrete the intangible and variable nature of the services. A brand symbol also brings a perspective to the abstract nature of the services and allows organizing and labeling new product offerings in financial services. Popular branded services firms are Federal express, British Airways and American Express.

6. How do firms brand people and organizations? Explain with an example

The people or organizations are those categories, which leave a lasting image on the people's mind as either favorable or unfavorable images. The marketers therefore aim to brand the people based on their good and outstanding virtues and become the role models for people. Eg. people like Mahatma Gandhi (politicians), Lata Mangeshkar, A.R.Rehman (singers), Sachin Tendulkar.

Similarly, organizations and firms can also stand out amongst other organization in terms of employee engagement, other training programs, activities and promotions like in Red Cross Society and UNICEF (non-profit organizations) and Microsoft, Tata & Co (profit – making organizations).

7. How is the branding of retailers different from that of distributors?

Brands can generate consumer interest, patronage and loyalty and also helps the retailers create an image and aids in brand positioning. The retail outlets also contribute to the brand image development by extending special delivery facilities, financing and credit options resulting in higher profit margins, increased sales volumes and greater profits.

The store image created can be further used to promote the store brands or the private label brands. The private label brands are catching up in the retailer outlets. More than 17% of the grocery purchases are private label brands. Eg. Retailers like Marks & Spencer sell their own label St. Michael unlike Shoppers Stop which sells both, their private label brands and other branded goods.

Online retailers have also realized the importance of brand building. In the brick and click media, the marketers realized how there was a need for setting unique features or unique selling proposition (USP) to establish the brand. The uniqueness was expected both when visiting the website for services or products followed by their offline activity. The online activity demanded components like convenience, price and variety to be able to distinguish and stand out as a strong brand. The following offline activity desired to maintain the position as a strong brand were components like credibility, customer services and personality. Such strong online brands are in themselves so powerful to attract customer attention that marketers do not need to spend on advertising nor marketing campaigns. Good word of mouth and publicity is enough to feed the fuel for these strong brands online. eg. Google

8. How do brands change during an economic downturn?/ How is a brand affected during a recessionary period?

The marketers have observed that the consumer attitudes and behavior changes during economic downturn. This change in behavior has left the marketers in jitters to decide the percent of investment in building brands or reinvent the brand. One of the consumer research studies at the end of the year 2009 concluded that

- a. 18% of consumers reported having bought lower-priced brands

- b. 46% of consumers switched to less expensive products for its better performance and preferred to continue with it.
- c. 34% of the consumers no longer preferred to buy expensive or higher – priced products.

Hence the marketers were advised to communicate clearly and more frequently the value of the benefits of the brand from the functional, financial, logistical and psychological perspective. The marketer must also make effort to differentiate between the brand and the sub- brand, identify and target the appropriate segment. The most important decision to be made is to decide the expenditure budget for advertising or to invest in propagating new products. At the same time, it is treated as an idle time to understand the customer more closely.

9. What are the different sources of information, the customer collects information which helps him decide the value of the brand?

The customers have the facility to access product and brand information from sources other than the company websites and catalogues. This information from the company reports, websites, and influential blogs empowers the customer but it gets difficult for the marketer to handle them. This informed customer is well aware of the nuances of the product features, functions besides the brand image and associations.

Some popular multiple consumer information sources are:

SNo.	Sources of Information	Usage % of teen girls aged 13-18 yrs.
	Friends/peers	81
	Fashion magazines	68
	Advertisements	58
	Company websites	44
	Consumer reviews	36

	Celebrities	33
	Parents/adults	25
	Bloggers	14

10. What are the challenges and opportunities of branding?

With technological advances and availability of informational resources, branding too faces many challenges. In the first-place the customers are well informed about the products, its features and its implications, effects and other brand associations. The value of the brand fluctuates with the rising and downturns in economy. During economic downturns, the marketer is challenged whether to further invest in the brand, bring out another brand in the lower category or to drop prices to match sales. Similarly, the dynamics of advertising and the introduction of channels, increased costs, greater accountability, maturing markets with increased competition and high job turnover stand as major challenges. On the other hand increased competition and economic downturn has resulted in growth of private labels. The new channels of communication, the digital media has decreased the advertising costs and increased the coverage of reach.

Branding Challenges and Opportunities

1	Savvy customers
2	Economic downturns
3	Brand proliferations
4	Media transformation
5	Increased competition
6	Increased costs
7	Greater accountability
8	Emerging new communication channels
9	Increasing trade power

10	Fragmenting media coverage
11	Maturing markets
12	Growth of private labels
13	Increasing promotional expenditures
14	Decreasing advertising expenditures
15	Short term performance orientation
16	Increased job turnover