Lesson-17

BRAND MANAGEMENT

"Brand Management is the application of marketing techniques to a specific product, product line, or form of product‖.

It seeks to increase the product's perceived value to the customer and thereby increase brand franchise and brand equity.

The value of the brand is determined by the amount of profit it generates for the manufacturer. This results from a combination of increased sales and increased price.

History

Brands in the field of marketing originated in the 19th century with the advent of packaged goods. Industrialization moved the production of many household items, such as soap, from local communities to centralized factories. When shipping their items, the factories would literally brand their logo or insignia on the barrels used, which is where the term comes from.

These factories, generating mass-produced goods, needed to sell their products to a wider market, to a customer base familiar only with local goods. It quickly became apparent that a generic package of soap had difficulty competing with familiar, local products. The packaged goods manufacturers needed to convince the market that the public could place just as much trust in the non-local product.

A good brand name should:

- Be legally protectable a
- Be easy to Pronounce
- Be easy to Remember
- Be easy to Recognize
- Attract Attention
- Suggest product Benefits (e.g.: Easy-Off) or suggest usage
- Suggest the company or product Image
- Distinguish the product's Positioning relative to the competition.

A Premium Brand typically costs more than other products in the category.

An Economy brand is a brand targeted to a high price elasticity market segment.
A fighting brand is a brand created specifically to counter a competitive threat.
When a company's name is used as a product brand name, this is referred to as **Corporate branding**
When one brand name is used for several related products, this is referred to as **Family branding.**
When all a company's products are given different brand names, this is referred to as **Individual branding.**
When a company uses the Brand equity associated with an existing brand name to introduce a new product or product line, this is referred to as **Brand leveraging**.
When large Retailers buy products in bulk from manufacturers and put their own brand name

on them, this is called **Private Branding, store brand, or private label**.
When two or more brands work together to market their products, this is referred to as **Co-branding.**
When a company sells the rights to use a brand name to another company for use on a non-competing product or in another geographical area, this is referred to as **Brand licensing**.

Branding Policies

There are a number of possible policies.

Company name
Often, especially in the industrial sector, it is just the company's name which is promoted

Family branding
In case a very strong brand name (or company name) is made the vehicle for a range of products, even a range of subsidiary brands

Individual branding
Each product line has a separate name, which may even compete against other brands from the same company (for example, Persil, Omo and Surf are all owned by Unilever).

Brand Development
In terms of existing products, brands may be developed in a number of ways:

Brand extension
The existing strong brand name can be used as a vehicle for new or modified products;

Multibrands
Alternatively, in a market that is fragmented amongst a number of brands a supplier can choose deliberately to launch totally new brands in apparent competition with its own existing strong brand (and often with identical product characteristics); simply to soak up some of the share of the market which will in any case go to minor brands. The rationale is that having 3 out of 12 brands in such a market will give a greater overall share than having 1 out of 10 (even if much of the share of these new brands is taken from the existing one). In its most extreme manifestation, a supplier pioneering a new market which it believes will be particularly attractive may choose immediately to launch a second brand in competition with its first, in order to pre-empt others entering the market.
Individual brand names naturally allow greater flexibility by permitting a variety of different products, of differing quality, to be sold without confusing the consumer's perception of what business the company is in or diluting higher quality products.

