A Study of Role of Branding In Marketing

Dr.S.N.Gawali
Associate Professor
C. D. Jain College of Commerce, Shrirampur

Prof. R.M. Khilare
Assistant Professor
Department of Commerce
Sangameshwar college, Solapur

• Introduction

Effective branding can result in higher sales of not only one product, but of other products associated with that brand. Brand is the personality that identifies a product, service or company (name, term, sign, symbol, or design, or combination of them) and how it relates to key constituencies: customers, staff, partners, investors etc. Some people distinguish the psychological aspect (brand associations like thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand) of a brand from the experiential aspect. The experiential aspect consists of the sum of all points of contact with the brand and is known as the brand experience. The brand experience is a brand's action perceived by a person. The psychological aspect, sometimes referred to as the brand image, is a symbolic construct created within the minds of people, consisting of all the information and expectations associated with a product, service or the company providing them.

Key Words: Branding, Trade mark, Images, Symbol

Objectives:

1. To study and understand the various elements of brand.
2. To study the role of brand in marketing.

Data Collection and Methodology:

In this study data is collected from secondary sources like books, journals, Periodicals, news papers and websites.

Concept and Elements of Branding: Brands typically comprise various elements, such as:

- Name: the word or words used to identify a company, product, service, or concept
- Logo: the visual trademark that identifies a brand
- Tagline or catchphrase: "The Quicker Picker Upper" is associated with Bounty paper towels
- Graphics: the "dynamic ribbon" is a trademarked part of Coca-Cola's brand
- Shapes: the distinctive shapes of the Coca-Cola bottle and of the Volkswagen Beetle are trademarked elements of those brands
- Colors: Owens-Corning is the only brand of fiberglass insulation that can be pink.
- Sounds: a unique tune or set of notes can denote a brand. NBC's chimes provide a famous example.
- Scents: the rose-jasmine-musk scent of Chanel No. 5 is trademarked
- Tastes: Kentucky Fried Chicken has trademarked its special recipe of eleven herbs and spices for fried chicken
- Movements: Lamborghini has trademarked the upward motion of its car doors

Process of Branding:

Branding is fundamentally a pact between advertisers and consumers that is grounded in a promise of satisfying experiences from the brand usage. Experiential promises are validated only in the minds of users based on their internal perceptions about the brand. Internal perceptions function on trust. Users trust brands. They internalize promises that are associated with brand usage. Branding is often discussed in esoteric terms that obscure its real importance. Simply stated, a brand is a veritable money machine. It "authorizes" you to command premium prices for what you sell, because your "brand" is the added value that justifies premium pricing. Your customers willingly pay higher prices because they trust your brand's promise of a superior experience that is not available elsewhere.

Role of Branding in Marketing:

Brand has become one of the most overused and misleading terms in economic discussions. It has become a swear word for the anti-globalization movement and capitalism critics. Consequently, the economic importance of brands is often underrated or, worse, overlooked. There are a number of myths that have led to incorrect perceptions of the economic importance of brands. The critics argue that the power of branding dictates consumer choice and creates unnecessary demand; that branded companies charge high price premiums and exploit workers in Third World countries. Supposedly, the quality of the product should speak for itself. We believe that brands do not enable companies to exploit consumers but that they add value to consumers, companies and the marketplace overall. There are seven key reasons why brands really matter to our economy:

1. **Strong brands protect the consumer:**

Brands were invented to protect consumers, not to exploit them. Initially they served as a visual badge which guaranteed a certain level of quality and simplified customer choice. Strong brands today still guarantee quality as in the past but they differentiate themselves through their reputation – which goes far beyond simply quality.

Strong brands build and expand their reputation by promising something that is different and often new to cons-umers. If companies fail to deliver on their promise then their reputation will rapidly diminish. Consumers always have a choice; or to quote Bob Marley (from Abraham Lincoln in 1864) 'You can fool some of the people some of the time, but you cannot fool all the people all the time'. They will move on very quickly if they disagree with the brand's reputation.

Brands permit a type of 'market democracy' for citizens – allowing consumers to vote daily with their wallet. Furthermore, the need for differentiation creates a constant cycle of innovation as companies try to stay ahead of the competition. There is strong evidence that branding boosts competitive innovation.

2. **Strong brands drive share performance:**

Strong market performance benefits a range of constituents from the companies themselves to individual shareholders, institutional investment and savings companies and pension funds. Our research shows that companies with strongly branded portfolios consistently outperform companies with weakly branded portfolios. This holds true for most major stock markets. While not the only guarantee of share performance, a strong brand will help to minimize investment risk – safeguarding investment portfolios. Less risk brings about a greater market confidence and increased support from financial audiences which in turn stimulate and encourage further investment. Strongly branded companies are usually more resistant to economic stress, providing a higher level of predictability of demand and more reliable, stable forecasting. More certainty of revenue and profit allows greater confidence in predicting economic returns. Given this, brands are increasingly treated as any other asset, measured and held accountable for a certain level of return and importantly, producing demonstrable results for shareholders.

3. Brands ensure a competitive economy:

In any liberalized market, supply must meet demand. Sellers go to market through their brands. Brands provide the means of competition by allowing those in the market to distinguish one competitor from another and helping them assess – quickly and efficiently – one offer against another. Every supplier goes to market with some form of 'brand', even if it is just the name of the business. Consumers will know who you are and hold you responsible for your actions. Inevitably, reputation will suffer if consumers don't like you, your products or services. In regulated markets and planned economies brands are meaningless if there is only one supplier to choose from. Brands start to play a vital role when markets liberalize.

4. Brands help the economy to adapt and grow:

Consumer needs evolve constantly and are driven by a number of trends. Watch TV programmes from only two years ago and it is amazing to see how dated they seem already. Markets are subsequently in a constant flux of adaptation. Brands help them to adapt more quickly as they build a more dynamic response function between producers and consumers. Equally important is that brands help to target innovative products to a wider audience. New and innovative products normally get adopted by 'pioneers' and 'opinion leaders' first, while their benefits usually need more explanation to the mass market. As an example, the success of third generation mobile phones largely depends on how well branding can explain the benefits of the new technology to a wider audience. Only if a wider audience buys into the technology can it progress further to reach larger economies of scale and develop smaller third generation handsets.

So brands not only simplify choice but play an 'educational' role as well, as they help to overcome uncertainty of purchase. In the best case they are able to make people interested and excited in new markets and products. Overall, brands contribute significantly to the process of adaptation and growth, which is crucial to our competitive economy. Brands that fail to deliver on what consumers want will disappear quickly, making space for new and more effective alternatives.

5. Brands help businesses cross geographic and cultural borders:

Global brands are an enormous asset to their home country. Brands are vital in achieving success abroad and are a significant source of international competitiveness. They can help transcend cultural borders as they are able to speak an 'international language'. On the other hand, strong domestic brands are helpful as they may provide an effective, consumer-focused response to foreign competition. At a local level, strong brands will draw employees and business partners to communities, stimulating the local economy.

6. Brands benefit all stakeholders:

Brands are important not only to FMCG and retail companies but also business-to-business service providers and beyond. Apart from underpinning commercial organizations financially, brands help to promote the cause of 'not for profits', charities, governments and even country- or locale-specific tourism. They provide these entities with a vehicle to communicate purpose and vision to all stakeholders: consumers, prospects, supporters, shareholders, legislators, business partners, regulators, employees, and even competitors.

For partners, suppliers and other third parties dealing with strongly branded organizations, there are greater opportunities for mutually beneficial business terms and agreements.

7. Brands ensure businesses are accountable for their actions:

Brands ensure that companies act responsibly.The actions of well-known brands are scrutinized by press and consumers alike to judge whether businesses are following the letter of the law and the expectations of society, be it accounting standards, environmental protection or ethics. The past ten years have witnessed an increase in Corporate Social Responsibility programmes, particularly for those well-known brands for whom being seen to support communities can be as important as advertising or other product promotion.

Branding provides a higher level of exposure that may benefit sales but which also means that a business is more visible in terms of 'doing the right thing'. A global brand such as Gap. for example. can no longer operate unethically in other parts of the world without affecting business in its main markets. A healthy economy is dependent on all constituents playing by the rules.

Conclusion

To be a successful knowledge-driven, innovation led economy, brands and branded companies are important weapons to have in the state armory. More so, they are a necessity for a liberal Economy. in which companies compete and consumers have the power to choose. Your brand name is a storehouse of value. Companies in possession of powerful brand names always sell at a premium over their book values because of their brand names. Your powerful brand name might be worth more than the combined value of all the other assets on your balance sheet. Because of the values intrinsic in brand names, marketers sometimes argue that the primary goal of advertising "is" branding.

The negativity in some anti-branding discussions is ill founded. Brands are crucial to a vibrant economy. It is a role that should not be taken for granted but nurtured and encouraged. The alternative of limited choice, little product improvement and an economy that underperforms does not bear contemplating.

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