

"Education Through Self -Help is our motto" - Karmaveer



Rayat Shikshan Sanstha's,

# CHANDRAROOP DAKALE JAIN COLLEGE OF COMMERCE



Shrirampur- 413709, Dist. Ahmednagar.

[www.cdjcollege.com](http://www.cdjcollege.com) , [www.cdjlibrary.co.nr](http://www.cdjlibrary.co.nr)

(Re-accredited by NAAC with 'A' Grade under the new scheme)  
(ISO Certification 9001:2008)

## NATIONAL LEVEL SEMINAR

### ON Globalization & Branding

(12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> Feb. 2015)

## Conference Proceedings

: Sponsored by :  
B.C.U.D. Savitribai Phule Pune  
University, Pune

Rayat Shikshan Sanstha's,  
C.D. Jain college of Commerce,

Shrirampur- 413709, Dist. Ahmednagar.



19.	<b>The Mobile's Brand of Samsung Its Critical Study of Development with Other Brands</b> <i>Sagar Rajendra Pawar</i>	77
20.	<b>A Study of Retail Branding and Customer Relationship Management</b> <i>Dr. Mane Vijay Annaso</i>	80
21.	<b>A Study of Challenges Before Globalization and Branding in India</b> <i>Dr. Kalhapure Balashaeb B.</i>	87
22. ✓	<b>Influence of Branding on Commodities &amp; Consumers</b> <i>Prof. Mrs. Gujar Pornima Sachin, Dr. Adik B. R.</i>	91
23.	<b>Government Branding for Promotion in Globalisation</b> <i>Dr. Zaware S.K., Prof. Deokar Sanjay Bhagwat</i>	96
24.	<b>Strategies and Challenges of Global Branding in Indian Marketing</b> <i>Dr. Gawali Shirish Nana, Prof Ashok Deshmukh</i>	100
25.	<b>Destination Branding in India – An Overview</b> <i>Prof. Dr. D. T. Devadkar, Mr. Akshay Bale</i>	105
26.	<b>Branding Steps and Strategies</b> <i>Dr. B. R. Pawar, Shaikh L. M.</i>	109
27.	<b>The Role of Brand in Consumer Behavior</b> <i>Prof. Murtadak B. N., Miss. Snehal D.Bankar</i>	114
28.	<b>Importance, Advantages and Disadvantages of Branding</b> <i>Pratibha B. Kadam</i>	118
29.	<b>Branding Status and Importance in Marketing</b> <i>D.N. Ghane, Tajane U.A</i>	122
30.	<b>Role of Brand in Marketing</b> <i>Prof. Mengal S.G., Prof. Waghmare B. S.</i>	127
31.	<b>Role of Branding in Marketing</b> <i>Jankar Priyanka</i>	131
32.	<b>Brand Management</b> <i>MS. Jadhav Supriya Uttam</i>	136
33.	<b>Improvement in Branding for Shining Business</b> <i>Tajane Umesh A., Ghane D.N.</i>	140
34.	<b>Branding in The Digital Era-A Paradigm Shift</b> <i>Madhavi Ranjeet Yadav</i>	144
35.	<b>Brand Management</b> <i>Rekha Appasaheb Kadhane, Dr. S. N. Gawali</i>	147
36.	<b>Agricultural Branding : Importance and Role</b> <i>Shinde V.G.</i>	151
37.	<b>Branding : Consumer Relationship and Behavior</b> <i>Dr. S. R. Bakhale</i>	156
38.	<b>Importance of Branding</b> <i>Miss. Jagtap Mangal B.</i>	162

## INFLUENCE OF BRANDING ON COMMODITIES & CONSUMERS

**Prof. Mrs. Gujar Pornima Sachin**  
M.com, NET  
Assistant Professor,  
C.D.Jain College of Commerce, Shirampur  
e-mail – pornima.gujar@gmail.com

**Dr. Adik B. R.**  
Head, Department of Economics  
Assistant Professor,  
C.D.Jain College Of Commerce, Shirampur  
E- mail – adikbr@gmail.com

### • ABSTRACT:

Agricultural commodities play an important role in development. But traditional commodity trading, based on exporting produce in bulk at low prices, limits how much of the profits from these products flows to producers in developing countries. In this paper we explore how a non-traditional approach — based on marketing and supply-chain principles commonly used by large multinational companies to develop profitable agricultural brands in mature markets — can help small-scale farmers to compete in the global economy.

Agricultural commodities such as sugar, coffee and beef are major income sources for developing economy as a whole, and small scale farmers in particular. But a handful of large retailers and global manufacturers are using their dominance to collect an increasing portion of the total value of these products, at the expense of producers.

Establishing effective agricultural brand can gain farmers in developing countries a competitive advantage in these 'buyer-driven' global markets. Brand distinguish one product from another in the minds of consumers, giving producers leverage with buyers and allowing them to succeed against much larger competitors in mature markets.

This paper examines the potential for branding various commodities in developing countries. We look at how producers in these countries can exploit the same commercial marketing principles and supply chain innovations commonly used in the mature markets of the developed world.

### • KEYWORDS :

**Brand:** Intellectual property that distinguishes one product from another.

**Commodity:** Primary agricultural product typically traded in bulk with minimal processing.

### • OBJECTIVES -:

1. To elaborate the concept of Branding.
2. To examine the potential for branding on various commodities.
3. To understand how commodity branding works?
4. To understand the influence of branding on consumers.
5. To give recommendations to overcome the barriers in branding of commodities.



- **INTRODUCTION-:**

**Definition**

The process involved in creating a unique name and image for a product in the consumer's mind, mainly through advertising campaigns with a consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers.

**Brand elements -: 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.
  - **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
- **Attitude branding and iconic brands**

**Attitude branding** is a choice to represent a larger feeling, which is not necessarily connected with the product or consumption of the product at all. Marketing labeled as attitude branding include that of Nike, Starbucks, The Body Shop, Apple Inc. "A great brand raises the bar – it adds a greater sense of purpose to the experience, whether it's the challenge to do your best in sports and fitness, or the affirmation that the cup of coffee you are drinking really matters."- Howard Schultz (President, CEO, and chairman of Starbucks).

**Iconic brands** are defined as having aspects that contribute to consumer's self-expression and personal identity. Brands whose value to consumers comes primarily from having identity value are said to be "identity brands". Some of these brands have such a strong identity that they become more or less cultural icons which makes them "iconic brands". Examples are: Apple, Nike, and Harley Davidson. Many iconic brands include almost ritual-like behavior in purchasing or consuming the products.

There are four key elements to creating iconic brands:

1. "Necessary conditions" – The performance of the product must at least be acceptable, preferably with a reputation of having good quality.
2. "Myth-making" – A meaningful storytelling fabricated by cultural insiders. These must be seen as legitimate and respected by consumers for stories to be accepted.

3. "Cultural contradictions" – Some kind of mismatch between prevailing ideology and emergent undercurrents in society. In other words a difference with the way consumers are and how they wish they were.
4. "The cultural brand management process" – Actively engaging in the myth-making process in making sure the brand maintains its position as an icon.

**Green Brands** are those brands that consumers associate with environmental conservation and sustainable business practices. Such brands appeal to consumers who are becoming more aware of the need to protect the environment. A Green Brand can add a unique selling point to a product and can boost corporate image. However, if a company is found or perceived to overstate its green practices its green brand may be criticized as a green wash.

The value captured from these products by dominant commodity companies demonstrates the power of branding and scale. Although the raw numbers mask costs for back-office operations, packing, sales, marketing, distribution and quality control, they still reflect significant value added by branded downstream operations. Thanks to this reliable added value, after typically more than a century of trading, commodity companies such as Tate & Lyle and General Mills are cornerstones of consumer markets; while those like ADM and Cargill lead the business-to business sector.

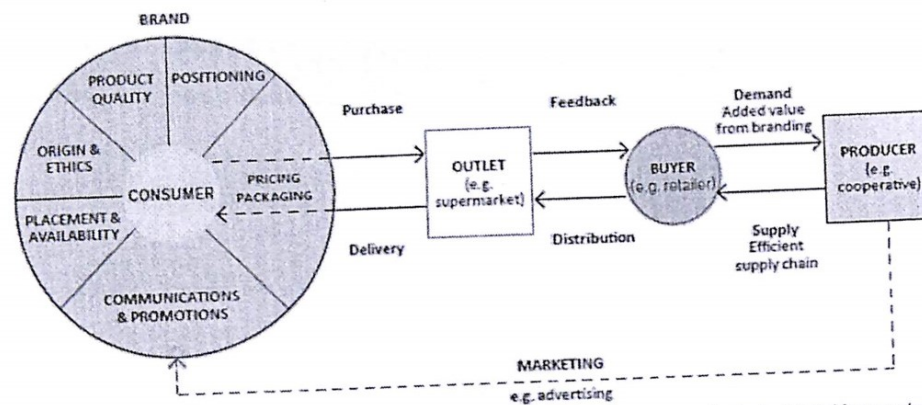
Ownership of a brand, through intellectual property such as trademarks or similar legal devices, can have enormous value. This value is commercial in nature, allowing the brand owner to persuade customers to buy larger volumes or pay more than they would for competing products, but is also increasingly seen as a long-term asset on a company's balance sheet and as an integral part of its reputation. Although techniques of brand valuation are varied and often complex, one of the more rigorous means, pioneered by the global research group Milward Brown, combines an organization's financial performance with quantitative consumer research that determines how consumers distinguish between brands. By this measure, the value of the world's top 100 brands appreciated by 17 per cent to a total value of US\$2.4 trillion in 2011. The largest food and drink brand on the list, Coca Cola, is in sixth place and worth more than US\$73 billion: a value larger than the total annual GDP of 131 individual countries, and more than that of the poorest 44 countries combined. Even in traditional commodity categories such as sugar, the Tate & Lyle brand was worth US\$1.5 billion in 2010, representing 32 per cent of the company's total market capitalization and a significant multiple of its physical assets. But this value equation has a negative counterpart. Although brands can undeniably be good for their owners, questions have been raised as to how good they are for society at large. Naomi Klein, in her book *No Logo*, argues that global brands generate net negative social equity through outsourcing to unregulated free-trade zones and unethical consumer targeting. Ultimately, however, brands are very much a creation of the companies or institutions that own them. Just as there are undoubtedly unethical companies, there are many strongly ethical ones whose brands assist in their social or environmental impact. Here we seek to demonstrate that branding can make positive commercial and ethical contributions to the commodity sector.



- Why brands matter:-

*"Branding is seen as a long-term asset on a company's balance sheet and integral part of its reputation."*

### How brands influence consumers



The circle at left shows the six main factors that distinguish a brand in consumers' minds. By taking control of these factors and marketing them, producer countries or organizations can bypass buyers and influence consumers directly (dotted arrow) – resulting in purchase by consumers, leverage with buyers and added value for producers.

Source:- Branding Agricultural Commodities by Chris Docherty

- The case for commodity branding

Agricultural commodities matter to development. Commodity products such as sugar, coffee or beef contribute to over half of total employment and more than a quarter of GDP in developing countries, where over 1 billion farmers derive at least part of their income from them. As most of these farmers are smallholders, raising the value of commodities can do much to reduce poverty.

Unfortunately, the trend has been the opposite. Modern food chains place increasing importance on branding, distribution and services, rather than on farmers' traditional role in supplying produce to wholesale markets. As a result, primary producers of agricultural commodities have been capturing less and less of the total value of their products. At the same time, power has become concentrated in the hands of a small number of buyers - the major supermarket chains and manufacturers who dominate the global food market. By branding commodities, producer countries and organizations can reverse this growing imbalance. Branding creates consumer demand, giving producers leverage in negotiations with large buyers. The strategy of branding agricultural commodities is neither new nor the preserve of mature states; successful cases show it is within the reach of countries and producer groups with limited resources. Commodities are physically simple and easily transported, and with the recent expansion of outsourcing in sophisticated retail and industrial markets, complicated operations and in country marketing experts are not required to add value to products. Yet many institutions and farmer advocates assume that branding is too complex, expensive and risky to serve as a development strategy.