



# Product & Brand Strategy

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I'll tell you why I like the cigarette business. It cost a penny to make. Sell it for a dollar. It's addictive. And there's a fantastic brand loyalty.

Warren Buffet

## Objectives

- Products and Brands
- Building and reinforcing a brand
- Multibranding, line and brand extensions

## Product to Brand

- Decommodification
- Increasing corporate value
- Attracting & retaining customers

## World's most powerful brands

RANK	2001 BRAND VALUE (\$BIL)	2002 BRAND VALUE (\$BIL)	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION	
1	COCA-COLA	70.45	69.64	+1%	U.S.	New variations such as Vanilla Coke and a lemon-flavored diet drink helped the soft-drink icon remain bubbly.
2	MICROSOFT	65.17	64.09	+2	U.S.	The software giant shifted its advertising to build the brand, not just sell products, at a time when most firms were suffering.
3	IBM	51.77	51.19	+1	U.S.	Big Blue gained recognition in new markets, partly thanks to an \$800 million marketing campaign pushing e-business on demand.
4	GE	42.94	41.31	+2	U.S.	Getting double-digit growth is harder, but in tough times, the brand that Colson built holds its own.
5	INTEL	31.11	30.96	+1	U.S.	With Intel Inside and Wi-Fi out to take over the world, the chipmaker's center-to-wireless notebook package delivered a powerful punch.
6	NOKIA	29.44	29.97	-2	Finland	Still the world's leading mobile-phone maker, Nokia faced stiff challenges from industry slumping and a growing crop of smartphone phones.
7	DISNEY	29.04	29.26	-4	U.S.	Not the Happiest Place on Earth as Disney Stores were up for sale, ABC overhauled prime time, and travel woes sapped theme parks.
8	McDONALD'S	24.70	26.38	-6	U.S.	Mixed-up orders and dirty restaurants hurt the brand. New business is recovering somewhat behind a renewed focus on service and value.
9	MARLBORO	22.18	24.15	-8	U.S.	Under siege from smoking bans and lawsuits, the Marlboro Man was looking like a fugitive.
10	MERCEDES	21.37	21.01	+2	Germany	The luxury auto maker crabs the sumptuous sedans the rich and famous love to buy—and ordinary consumers dream of owning.

Source: [www.intelbrand.com](http://www.intelbrand.com) (07/03/2004)

## Product

A product is anything that meets the functional needs of customers.

# Brand

A brand can be defined as a specific name, symbol or design – or more usually, some combination of these – that is used to distinguish a particular seller's product.



# Branding levels

- Company brands
- Individual brand names
- Company & Individual brand names
- Range branding

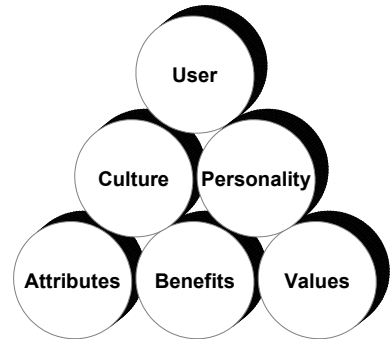


# How brands add value?

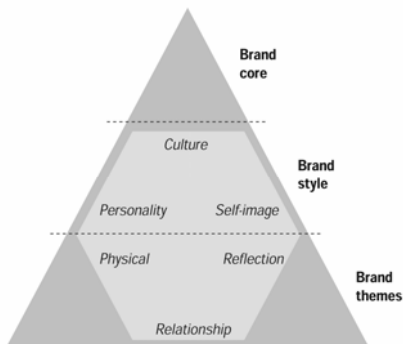
- Experience of use
- User associations
- Belief in efficacy
- Brand appearance
- Manufactures' name and reputation



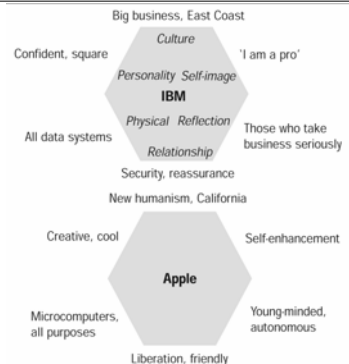
# Brand Represents...



# Brand Identity



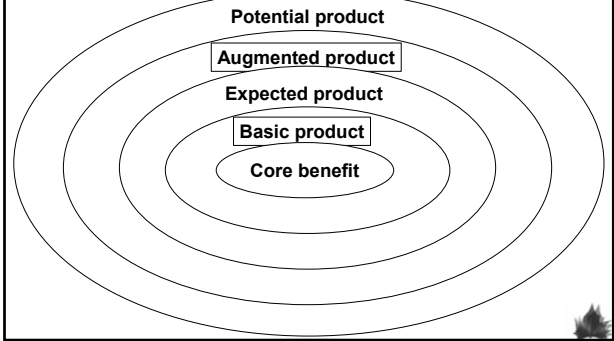
# Brand Prism



## How does brand pyramid & prism help?

- Understanding of brand's strengths and opportunities
- Brand strategy formulation and brand positioning
- Consistency of message in various communications
- Brand extension and its limits

## Product and Brand Levels



## Building Brands



## Benefits of a Brand

- Market share and profits
- Brand leverage
- The value of niche brands
- Loyalty and belief association
- Brand barrier
- Avenues for growth
- Motivating stakeholders

## Branding Strategy

- Line extension
- Multibranding
- Brand extension

## Brand Repositioning

- Real repositioning
- Psychological repositioning
- Competitive depositioning
- Reweighing values
- Neglected values
- Changing preferences
- Augmenting the brand

# Buying vs. Building Brands

- Market attractiveness
- Relative cost of acquisitions
- Acquisition's potential synergy
- Brand's strategic opportunity
- Corporate situation

# Product advantage research

Launch variables	Product advantage	
	Low	High
<b>Protocol</b>		
<b>Objectives</b>	Defensive	Growth-oriented
<b>Time to market</b>	Longer time to market	Shorter time to market
<b>Number of competitors</b>	More competitors	Fewer competitors
<b>Market growth</b>	Lower	Higher
<b>PLC stage</b>	Late	Early
<b>Targeting strategy</b>	Mass marketing	Niche/selective

# Product advantage

## Marketing mix

<b>Branding</b>	No specific brand	Brand name
<b>Product assortment</b>	Narrower	Broader
<b>Promotion expenditures</b>	Lower	Higher
<b>Push versus pull</b>	Pull	Push
<b>Types of communication</b>	Pull oriented	Push oriented
<b>Mix of communication</b>	Fewer types mixed	More types mixed
<b>Salesforce input</b>	Non-intensive	Highly intensive
<b>Pricing strategy</b>	Penetration	Skimming
<b>Price level</b>	Equal or lower	Higher than competitors
<b>Distribution intensity</b>	Intensive	Selective/exclusive
<b>Distribution expenditures</b>	Lower	Higher
<b>Quality of distributors</b>	Fewer factors considered	More factors considered
<b>Current/new distributors</b>	Current distributors	New distributors
<b>Targets for distributors</b>	Fewer targets used	More targets used