

Branding



Branding

- Ownership Identification (Cows)
- Used By Guilds For Maintaining Quality and Restricting Output
- 1860-1870 Borden's Condensed Milk, Quaker Oats, Vaseline, Pillsbury, Ivory
- Branding Is Part of Positioning

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Branding: From Customer's Point of View

- Some Customers See
 - * A Social Waste
 - * Expensive
 - * (Packaging) Sign Of Bad Product 1957 India example of 25% of all packaged goods adulterated up to 50% by weight
- Customers prefer to Inspect Own Purchase (Fruit, Fish, Meat)

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Branding: From Customer's Point of View

- Most Customers See
 - * Guides To Consistent Quality
 - * Fast Search (Supermarket Have 7000 - 10,000 items - How To Shop without Names?)
- Don't Want A Salesman By Every Barrel

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Branding From Seller's Point Of View

- Get more money for a well known Brand (13% higher price)
- Encourages Repeat Buying
- Allows For Segmentation
- Build Corporate Image (Brand Equity)
- Stock Control (pre UPC)
- Reduce Price Comparison
- Presell (Allows for Pull Strategy)
- Use Shelf Display Promotion

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When To Brand

- Extra Demand Must Cover Costs
- Have Good Quality Control
- Should Stay With Product
- Wide and Consistent Availability (Location)

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Branding

**When Not To Brand
If You Do Not Want To:**

- Assume The Responsibility and Cost of Advertising and Promotion
- Does Too Well
 - *Coke, SkiDoo, Kleenex, Aspirin
 - *Nature of Product
 - *Coal, Pins, Nails, Cotton,

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- Accept Possible Backlash
 - * 12% of names help
 - * 36% of names reduce purchase
 - * 52% of names are nonentities

Brand Recognition Continuum

| | |
|-----------------|------------------|
| Non-Recognition | Brand Preference |
| Recognition | Insistence |

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Name Decision

- Individual Brand Name
 - *General Mills Procter & Gamble
- Blanket Family Name
 - *Heinz, General Electric, Philips
- Separate Family Names
 - * Sears: Kenmore, Craftsman
- Family Name with Individual Kellogg's Corn Flakes
- Global Name (Same in All Countries)
 - *Coke, Exxon, Kodak,

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Extension Branding

- Line Extension
 - *Lite, Caffeine-Free, Mint Flavored
- Brand Extension
 - *Liquid Spic and Span, Lifesaver Holes
- Multibrand Strategy
 - *Electrolux Owns Frigidare, Kelvinator, Westinghouse,
 - *P&G owns Nine different detergents

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Battle Of The Brands

- Manufacturer's Brand
- versus
- Wholesaler's Brand
- versus
- Retailer's Brand

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Battle Of The Brands

- Manufacturer's Brand **(National)**
- ~~versus~~
- ~~Wholesaler's Brand~~ **(Versus)**
- ~~versus~~
- Retailer's Brand **(Middleman, House)**

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Branding

| Retailer's Advantages To Having | |
|---------------------------------|-------------------|
| National | Own House |
| Pre-sold | Price Flexibility |
| Risk is Borne By Manufacturer | Switch Suppliers |
| Less Inventory | Shelf Position |

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| Disadvantages To Retailer | |
|---------------------------|-------------------------------------|
| National | Own House |
| Lower Margin | Do Own Promotion |
| May With Draw | Carry The Risk |
| Loyalty Not To Store | Higher Inventory |
| | Find Suppliers (Consistent Quality) |

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- ### The Fifth P Packaging & Labeling
- Self-Service Consumer Opportunity for story
 - Part of Store Security
 - Offers real Benefits
 - * pill bottles, soap in pump
 - * or not ... Candy Bags?
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