

Research Paper

Brand Management Strategies

Dr. Shivanand. M. Hungund

Assistant Professor (Sr) in Commerce

Plot No. 70,71,72, Annemma Nagar,

Okaly Camp, Sedam Road

GULBARGA: 585 105, Karnataka

ABSTRACT

Due to Globalization policies, branding has become a significant factor for all the corporate organizations to maintain and survive and also extend their markets. The brands are also subject to intellectual property rights laws. Brand management is a complex task as it involves survival in global competition and constant growth over the world. Hence, the present study described the significant points elaborated by Hildebrand and Klosek for formation of effective brand management strategies.

The paper concludes with the remarks that the brand management requires skills not normally associated with the traditional marketing function, that are the ability to brief market-research companies, advertising agencies and designers, to liaise with the sales and distribution people. For design of new brands, there is need to build a strategy and such strategy should be planned by team of experts considering above stated points.

Key Words: Brand Management, Strategy

Introduction:

Branding has become one of the most important aspects of a marketing strategy. It has been exhibited again and again that profitability is directly linked with an organization's ability to differentiate and brand its products. One of the most important skills that marketing manager must possess today, is his ability to build, manage and enhance the brand equity. These issues become even more important for an emerging market like India. As more and more MNCs enter into the market and the market becomes more competitive, brands become one of the key sources of Sustainable Competitive Advantage; Brand Management is no more restricted to Fast Moving Consumer Goods. In order to stay competitive new sectors such as Industrial Goods companies, Media, Software, Banks, Insurance, Telecommunication, Retail and Other service industries need to build and manage brands (IIM, Indore). For this purpose, there is need for effective brand management.

Brand management is the application of marketing techniques to a specific product, product line, or brand. It seeks to increase the product's perceived value to the customer and thereby increase brand franchise and brand equity. Marketers see a brand as an implied promise that the level of quality people have come to expect from a brand will continue with future purchases of the same product. This may increase sales by making a comparison with competing products more favorable. It may also enable the manufacturer to charge more for the product. The value of the brand is determined by the amount of profit it generates for the manufacturer. This can result from a combination of increased sales and increased price, and/or reduced COGS (cost of goods sold), and/or reduced or more efficient marketing investment. All of these enhancements may

improve the profitability of a brand, and thus, "Brand Managers" often carry line-management accountability for a brand's P&L profitability, in contrast to marketing staff manager roles, which are allocated budgets from above, to manage and execute. In this regard, Brand Management is often viewed in organizations as a broader and more strategic role than Marketing alone.

What is Brand:

The American Marketing Association defines a brand as a "Name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers" (AMA Dictionary, 2011).

A brand can take many forms, including a name, sign, symbol, color combination or slogan. For example, Coca Cola is the name of a brand made by a particular company (Oxford English Language Dictionary). The word branding began simply as a way to tell one person's cattle from another by means of a hot iron stamp. The word brand has continued to evolve to encompass identity — it affects the personality of a product, company or service. It is defined by a perception, good or bad, that your customers or prospects have about you (Chief Marketer).

To formulate a brand in the market, there is essential need for a successful brand strategy. Such strategy should cover the area, nature of product, marketing plan, attractive name or eye catching picture, etc so that it can be easily remembered wide variety of customers. For this purpose, a brand strategy should be determined. To form, a brand strategy, as stated by Hildebrand and Klosek following significant points should be considered.

1. Establish and Maintain the Brand:

As a threshold issue, it will be extremely important to establish and maintain the brand. When doing so, the adoption of a holistic approach or an "overall brand strategy" is recommended. Such overall brand strategy should be implemented with full recognition that the brand may traverse numerous different product lines and geographic regions. Adopting an overall brand strategy also requires recognition that brands are significant to both the traditional retail and the online market. Accomplishing an overall brand strategy requires close coordination between the licensor and licensees in different markets. There must be a consistent

Please cite this Article as :Dr. Shivanand. M. Hungund ,Brand Management Strategies : Golden Research Thoughts (Feb ; 2012)

program for protecting brands and monitoring the usage of brands. Focus should also be placed upon prospective uses of brands. This may include identifying brands that might be used in the future and identifying new products and services with which existing brands might be used.

2. Ensure Consistency Between the Brand Licensing Strategy and Overall Business Goals:

Effective brand management strategies also necessitate emphasis on ensuring consistency between the brand licensing strategy and the enterprise's overall business goals. Efforts should be undertaken to ensure that the brand reflects positively on the company, does not detract from other product lines and remains profitable with other parts of company.

3. Select Profitable and Innovative License Partners

The importance of consistency should also be reflected in the selection of license partners. Focus should surely be placed upon license partners that enjoy healthy businesses and that offer innovative products. At the same time, however, emphasis should also be placed upon licensee partners with similar cultures and business goals since doing so may help to reduce the amount of time that is partner but recognize that while many licensors and licensees may enjoy long-term relationships, few of such relationships will be permanent.

4. Focus On Maximizing Leverage of the Brand:

Successful brand management will involve focus on the maximizing the leverage of the brand. Of course, this may mean different things in different context. However, in all circumstances, a considered judgment regarding brand placement will be crucial.

5. License Agreements: Exclusive or Non-Exclusive?

The exclusivity of the license agreement will be a key factor in brand management. Whether the license agreement will be exclusive or non-exclusive will have important implications for all of the business. When considering the exclusivity of a license grant, it must be recalled that the license can only be granted once as an exclusive license. Accordingly, particular scrutiny must be directed towards the strategies and business goals of potential exclusive licensees. In addition to understanding the current interests and strategies of the prospective exclusive licensee, it is advisable to construct the license in such a way so as to maintain the licensee's commitment licensee to the brand. Clearly, it will be in the interest of the licensor to ensure that the licensee's interest in the brand is and will stay as high as possible. This can be done in a number of ways including, for example, by requiring additional payments or some other form of compensation during the license term in order to maintain the exclusivity of the arrangement. While exclusive licensing arrangements will be extremely important, it must be recalled that non-exclusive licenses can also play a role in the business. Accordingly, proper attention and resources should also be devoted to constructing such non-exclusive arrangements and ensuring that they are profitable.

6. License agreements Must Include Effective Means for Enforcing Key Provisions

All license agreements should include effective means of enforcement. Most license agreements will address extremely important issues including quality control standards and reporting standards. However, such standards and requirements will not be of much use without effective enforcement mechanisms to back them up. The precise enforcement mechanisms that should be used will depend on the particulars of the licensing arrangement. As an example,

however, in an exclusive licensing arrangement, the termination of exclusivity may be an effective remedy for the breach of certain contractual requirements.

7. Be Pro-Active on Products & Services

Licensors should be not adopt a "hands off" approach when dealing with the licensee's products and services. Rather, efforts should be undertaken to ensure that the licensee's products are desirable and up-to-date. Clearly, it will be in the licensor's interest to ensure that its brand will be affixed to the most popular products and services. Of course, consumer interest can change over time so it will be essential to periodically monitor changes in demand for the licensee's product and services.

8. Allocate Ownership & Control of IP Assets Equitably

When undertaking a brand licensing relationship, it will also be important to allocate equitably ownership and control of the IP assets. While this will be an important issue in all relationships, it will be particularly important when a long-term relationship is contemplated. In all instances, the licensor will have the stronger interest in the brand and will likely desire to retain the maximum amount of control. However, particular business issues may impact the ultimate allocation. Such allocation should include consideration of each party's business plans and innovations that the association of the name with particular products or services will be key.

9. Successful Brand Licensing Strategy Requires Dedicated Staff

The enterprise's staff will play an extremely important role in the company's overall brand licensing initiatives. Selection of licensing staff should be undertaken with the recognition that such staff members will be required to organize, control and coordinate all the activities of the licensees. In addition to focusing on the key licensing staff, other relevant staff members should be trained and encouraged to take an active role in the efforts overall brand licensing efforts.

10. Actively Integrate the Brand Licensing Strategy into Product Development and Launch Activities

Companies should be active – and not static – when undertaking efforts to integrate the brand strategy into product development and launch activities. A clear and proactive strategy is likely to generate the most reward.

Apart from the above stated significant points, still there is need to consider the rules and laws pertaining to the intellectual property laws and rights of different nations in the world. A successful brand should be easily recognizable by all the types of customers and must be attractive name and symbols to get popularity in the market. Further, the brand should be treated as a valuable investment and not a cost. Co-branding, franchising and licensing are effective ways to exploit the market by creating newer opportunities for variety of products. Brands have been co-opted as powerful symbols in larger debates about economics, social issues, and politics. The power of brands to communicate a complex message quickly and with emotional impact and the ability of brands to attract media attention, make them ideal tools in the hands of activists.

Conclusion

As discussed above, brands are playing a significant role not only in extension of market, but also powerful media to reflect the activities of corporate organizations and products manufactured. Further, they act as communicators about the quality of a product or range of products. The brands also subject to laws of intellectual property rights, there is needed

to study the legislations and rules for design of brands. Finally, understand that successful brand management nowadays is a complex task. It requires skills not normally associated with the traditional marketing function, that are the ability to brief market-research companies, advertising agencies and designers, to liaise with the sales and distribution people. For design of new brands, there is need to build a strategy and such strategy should be planned by team of experts considering above stated points.

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