4) What are the risks associated with test marketing? How can a company guard against the risks?

5) Give at least two examples of products that, you consider, are passing through

a) Introductory Stage

b) Growth Stage

c) Decline Stage.

Give reasons for your answer.

6) Discuss the life cycle stretching strategies adopted in the case of any one product when its sales started declining.

7) Describe the various strategies adopted by companies at different stages of the product life cycle.

UNIT 9 BRANDING, PACKAGING AND SERVICING

Structure

9.0 Objectives

9.1 Introduction

9.2 Branding

- 9.2.1 Meaning and Importance
- 9.2.2 Advantages and Disadvantages of Branding
- 9.2.3 Branding Decisions
- 9.2.4 Selecting a Good Brand Name
- 9.2.5 Elements of Brand Management

9.3 Packaging and Labeling

- 9.3.1 Meaning and Functions of Packaging
- 9.3.2 Packaging Industry
- 9.3.3 Packaging Strategies
- 9.3.4 Labeling

9.4 Product Support Services

9.5 Let Us Sum Up

9.6 Key Words

9.7 Answers to Check Your Progress

9.8 Terminal Questions

9.0 OBJECTIVES'

After studying this unit, you should be able to:

- explain the terms branding, packaging, labeling and product support services
- explain the concepts of brand identity, brand image and brand position
- explain various branding clecisions and elements of brand management
- describe the various functions of packaging
- describe the composition of packaging industry
- explain packaging strategies and labeling

9.1 INTRODUCTION

You have understood that a product that is offered to the market has various levels. The first level comprises of the core benefit of the product for which the consumer pays. A market opportunity analysis leads to identification of the core benefit and expectation of the consumer. Then the physical product is developed at the next level called tangible level. This level involves styling, featuring, branding, packaging and labeling of the product. The augmented level of the product, the third level, involves the after sales service and issues related to product support services like warranty and guarantee. You have completed your study on definition of product, classification of products, product line strategies, new product development process and product

life cycle in units 7 and 8. In this unit we will discuss in detail about the second level and third level of the product offer namely branding, packaging, labeling and product support service issues. We will learn about how the branding decisions are taken and how the product packaging and labeling serves various key functions for consumers and marketers.

9.2 BRANDING

9.2.1 Meaning and Importance

Brands are valuable to organizations and consumers. Their wealth generating capabilities result from the way organizations seek to add value to customer lives. Products need names, as we do, as it will help the consumer to have an instant recall at the point of purchase. This serves as a key differentiator in business that provides immediate attention and subsequent perception of value among customers. Brands are clusters of functional and emotional value. The traditional branding strategy speaks about initiating the process of branding by starting a brand name decision and then building the benefits around the brand name for customer to remember the brand name whenever he is confronted with buying situations.

There are various methods by which we can give a bland name to a product. Deciding a brand name for a new product being introduced is a strategic decision. Traditionally brand management has focused externally, seeking to understand customer behavior from which a unique mix of values is derived to enhance customer life styles. The rudimentary method of branding evolved the idea of using the family name or the product range as the method of branding like Tatas, Birlas, Godrej soaps, Yamaha RX 100, RX200 etc. It seems the function that brand was supposed to perform was either to indicate the source or the origin of the product or indicate the product range. However, branding has emerged as one of the most important elements of the marketing strategy in the recent times and will become more and more crucial as the competition intensifies in India. With the growth of services sector and the importance of service in product based brands, customers' increased level of interaction with staff provide them with a powerful clue about brand values. Let us understand what the conceptual meaning of the term brand and brand name is.

Brand: A traditional 1960 American Marketing Association (AMA) definition describes a brand as a name, word, mark, symbol, device or a combination thereof, used to identify goods or services of one seller and to differentiate them from those of competitors. The definition clearly focuses on the function of a brand, that is, to identify, irrespective of the specific means emptoyed for the identification. David Aaker defines a bmnd in a similar meaning adding that it signals to the consuiner the source of the product and protects the consumer and the producer from the competitors who would attempt to provide products that appear to be identical. A modern definition talks about the clelivery of certain value to the consumer and hence a brand is a mental patent that gives certain set of functional and emotional value to the consumer in **a** unique way which are not found with another brancl.

Lesle de Chernatony has developed a brand spectrum to facilitate the appreciation of the variety of interpretations of what a brand is. He groups these interpretations of brand into three categories. These three categories are based on whether the perspective is input based i.e. stressing branding as a particular way managers direct resources to influence consumers, or output based i.e. consumer's interpretations and consideration of the way brands enable consumers to achieve more; and time based recognizing their evolutionary nature. He concluded that brand consultants did not have a single definition of a brand, but rather regarded the concept of a brand as a

link between the firm's markelting activities, consumer perceptions of functional and emotional elements. Brands are complex offerings that are conceived in brand plans but ultimately they reside in consumer's mind. Brands exist by virtue of a continuous process whereby the coordinated activities across the organization, concerned with delivering a cluster of values, are interpreted and internalized by customers.

Brand Name and Logo: Brand name is the face of a brand consisting of a word, letter, group of words or letters that can be vocalized. Comparing this definition with that of a brand, it is found tliat the function remaining the same, brand name is only one of the means that the brand can use for identification. Brand name is a word or a combination of words/letters that is pronounceable, e.g. Promise toothpaste, Rexona soap etc. Brand as a logo is unique to that product as a product design and signage. Examples of brands easily identifiable include theunique shape of Coca Cola bottle, the distinctive rainbow mark of Wipro, the golden arch of McDonalds, part eaten apple of Apple Macintosh. A Brand mark can be a design, a distinctive logo type or a colouring scheme, a picture etc. In other words, it is not just a name but a means of identification.

Brand as a Legal Instrument: Branding issignificant from a legal perspective. It is used for ensuring a legally enforceable statement of ownership. Brand building represents an investment and organizations seek legal ownership of title as protection against imitators. Though brand name and trade name are used synonymously, there is difference between these two terms. A trademark is the legal version of a brand. Brand falls under tlie category of industrial property rights and therefore, subject to certain rules and regulations.

It can be registered and protected from being used by others. The American Marketing Association defines a trademark as a brand tliat is given legal protection because, under the law, it has been appropriated by one seller. Therefore, we can define a trademark as a brand or a part that is given legal protection because it is capable of exclusive appropriation. Trademark is essentially a legal term. All trademarks are brands, but a brand can be called as a trademark only when it is legally protected and has been appropriated by one seller. As all trademarks are brands, a trademark may include words, letters or numbers that can be pronounced and also may include pictorial design (brand mark). When a brand is registered, it becomes trademark and such trademark is shown by displaying the letter R enclosed in a circle, shown as ®.

Check Your Progress A

Select five non-durable goods and five durable goods around you. Identify the brand name, brand mark and trademark notice ®

	Brand Name	Brand Mark	Trade Mark Notice ®
Non-Durable Goods			
1)			
2)			
3)			
4)			
5)			

Durable Goods

1) .....

2) .....

3) .....

4) .....

5) .....

9.2.2 Advantages and Disadvantages of Branding

We have already explained that branding is a mental patent as it promises certain amount of value to the customers. Brand serves as an assurance to the customer about product performance. Brand helps customers to identify the product in the shelf and also in their decision making. Brands which are symbols of status and social significance give psychological satisfaction to the consumers. Brand also serves as a medium of social stratification as it reflects a person's choice and social class due to specific usage.

Brands are used as a tool for product differentiation by the seller. It helps to create a niche for the brand through this differentiation. Over a period of time the brand enjoys a monopolistic advantage due to the brand name with a loyal set of customers. Brands also help for the overall improvement of product quality in a society through healthy competition to offer better product benefits to customers. They help in better dissemination of product knowledge which helps the consumers to make decisions on rational basis and improves the efficiency of use of scarce resources in the society.

Branding is not free from the critique of creating disadvantages for the customers. Brand building is an expensive procedure for which the average cost of the product goes high and in many instances this is passed to consumers and leads lo a higher cost of the final offering. It is also felt that consumers become loyal to established brands and may not be willing to shift to new brands. This may ultimately prevent the new producers form entering the market and the manufacturer may develop a tendency to compromise on the quality over a period of time due to the strong brand Image. There is also a scope for one-dimensional price enhancement by the manufacturer due to high loyalty rate with consumers. Brand building involves a huge expenditure by the firm and if this fails then the brand can not sustain the pressure of these expenses and in many situations a higher budget may not lead to building a stronger brand. As the expenses to retain the brand in customers mind increases, it becomes unsustainable to sell the brand at a lower price.

9.2.3 Branding Decisions

Branding has moved from the domain of tactical marketing to strategic marketing as it has the ability to sustain a business and provide long term value to customers. Following are some of the decisions that a brand manager has to take with regard to brand selection and it's positioning in business

To Brand or Not to Brand?

Whether to brand a product or not is a decision which can be taken only after considering the nature of the product, the type of outlets envisaged for the product, the perceived advantages of branding and the estimated costs of developing the brand. Historically, it is found that brand development is closely correlated with the increase in disposable income, the sophistication of the distribution system and the increasing size of the national market. The same trend is visible in India now. Even few years back, nobody could have thought of selling branded rice or refined flour. But now several firms in the recent past have become successful even in such

product categories. The basic reason is that the consumers are willing to pay more for uniform and better quality product represented by the brand. When customers buy a branded product, they get the same quality in whichever retail shop they go. Many other commodities, such as spices are also now being branded. There is no doubt that this trend will become stronger in the coming years.

Brand Sponsorship Decision

The question of sponsorship of a brand refers basically to the decision as to whether it should be a manufacturer's brand (also known as a national band) or a private brand (also known as private label) or partly manufacturer's brand and partly private brand. In most developed countries where large chain/departmental stores dominate the retail distribution system, retailers buy the products form manufacturers and sell them under their own brand. This is a growing phenomenon in Indian context as we see emergence of organized retailing with large chain stores corning up in different product categories. Mother Diary, Amul, Pantaloons, Big Bazaar, Shoppers' Stop, Life Style, Kids Kemp, Cross Roads are some of the upcoming super markets and chain stores marketing exclusive and extensive product categories.

Brand Quality Decision

Since the brand delivers a higher value than a commodity, perceived quality is a critical decision. The matrix of such attributes will decide the product positioning. A marketer has the option to position his product at any segment of the market viz. top, bottom or the intermediate.

Individual Branding Vs. Umbrella Branding

You have to decide whether to adopt an umbrella brand or individual brand. Under umbrella branding all the products gel the same brand name. This is also called family branding. Godrej, Vidoecon and L&T follow this kind of policy. One basic advantage of using the family brand is that it reduces the costs of product launching and promotional expenditure substantially. The firm has to promote only one brand, which, if successful, would be able to sell the entire product line. Lining up the distribution channel members also becomes comparatively easier. A family brand name has been found to be very cost effective marketing. If one product does exceptionally well, other products marketed under the same brand enjoy the success of this brand.

It is however, necessary to be cautious in following family branding. It will be a very ill-advised strategy if the products being offered are of highly uneven quality. It may not also be a good strategy if tlie markets are quite dissimilar in terms of consumer profile. A greater weakness of this strategy is that it does not recognize that each product can be given a specific identity by a suitable brand, which can go a long way to make it successful. Similarly the research says that the equity enjoyed with the master brand not always get translated in the same way to the other brands. A company sometimes gets identified with one brand and when this brand name is given to other product categories, there can be confusion on customer's part to believe that tlie same brand is available in other product categories also.

Under the individual branding each product is given a different name. For example, Hindustan Lever sells its products under different brand names like Rin, Surf, Lux, etc. The weakness of family branding becomes the principal strength of individual branding strategy. Recent consumer researches have established that a name can have varied associations and conjure diverse images. These psychological factors can immensely influence the buying decisions. The second advantage of this strategy is tliat if there is a product failure in one product category, its damaging effect will be limited to tliat particular product only and will not extend to tlie entire product line of

the company. The basic disadvantage of individual branding lies in the economics of developing an individual brand. It is obviously a costlier strategy than the other.

To take care of these problems, some firms follow a slightly modified strategy. This involves using individual brands but also giving prominence to the company name or logo in all promotional campaigns as well as in product packaging. For example, Godrej follows individual brand strategy but displays prominently the works 'Godrej Evita or Godrej Locks'.

In many cases a brand extension strategy is adopted. This really is an effort on the part of the manufacturer to secure additional mileage from a particular successful product for launching either similar or even dissimilar product under the same brand. A recent successful example is the decision to introduce Wills clothing range from the Wills Cigarette class. Similarly, Surf has extended its name to Surf Excel, Surf Excelmatic also.

Brand Portfolio Decision

A firm may decide to have several brands of the same product which to some extent are competing with each other. The basic reason is that, at least in the consumer products, various benefits and appeals and even marginal difference between brands can win a large following. Similarly the brand manager can decide about the combination of brands that the company should offer to the customers. Though Hindustan Lever Limited has a bigger portfolio, they are concentrating on few brands in their portfolio as power brands, which will give rich dividend to the company in future.

Brand Repositioning Decision

Brands also undergo through an ageing process and the customers correspondingly move in the value life cycle. So unless the brnnds are rejuvenated they will not enjoy the market position what they were having in the past. Over the life cycle of a product, several market parameters may also undergo change such as introduction of a competing product and/or brand in the same category, shifts in consumer preferences, emergence of new needs, etc. All and each of such changes call for an evaluation as to whether the original positioning of the brand is still optimal or not. Stagnating or declining sales also point to a need for reassessment of the original brand positioning. For example, Lifebuoy has been repositioned several times in the recent past, from the health segment to the sports segment and now in beauty segment through Lifebuoy plus extension.

9.2.4 Selecting a Good Brand Name

One of the difficult tasks in marketing is finding a suitable brand name for the product. This is so from two perspectives. The primary being the one that says that the name should be one, which satisfies several marketing criteria. Secondly, the name should not be one, which is already being used by another firm. This necessitates extensive investigations.

A brand can be defined as a composite set of beliefs in the minds of consumers. Conventionally a brand name is supposed to indicate the product's benefits, be memorable and help in reinforcing the belief in the consumer's psyche. The name has to be unique to rise above the clutter. However when unique names become run of the mill, then suddenly a simple name becomes a hit and people remember this name. A simple brand name will be effective only if the overall brand personality supports the "I am different brand promise". Brand names have to be relevant to the category and audience also.

There is no simple solution lo the problem of selecting a brand name. However, through extensive research and past experiences, market researchers have developed certain principles which should be followed while selecting the brand name. Following are the general traits of a brand

1. Acceptable lo the social settings
2. Easy to recognize
3. A brand name should reflect directly or indirectly some aspect of the product viz. benefit, function, etc.
4. A brand should be distinctive, especially if there is a higher clutter in the category
5. A brand name should be easy to pronounce.
6. It should be easy lo memorize and recall
7. It should be such that it can be legally protected, if necessary.

Brand building is an expensive exercise and it takes a long time to create a successful brand. It is observed that many competitors take advantage of the situation and try to imitate the brand which makes brand managers to provide legal protection to the brand through trademark registration.

Check Your Progress B

1) Differentiate between umbrella branding and individual branding.

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(i) Write five umbrella brand names and analyze the products sold under each of these brands.

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ii) Prepare a list of five companies, which follow individual branding strategy and identify their products.

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iii) Based on 2 (i) and 2 (ii) above, analyse what kind of products have umbrella and individuals brands.

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3) State whether the following statements are True or False.

i) Products can not be sold without a brand name.

ii) Brand mark and trademark are one and the same

iii) A brand is a mental patent against standard performance

iv) Branding helps in product memorization

v) From the society point of view, branding is always a waste.

vi) Trademark is a legal protection against copying by other manufacturers

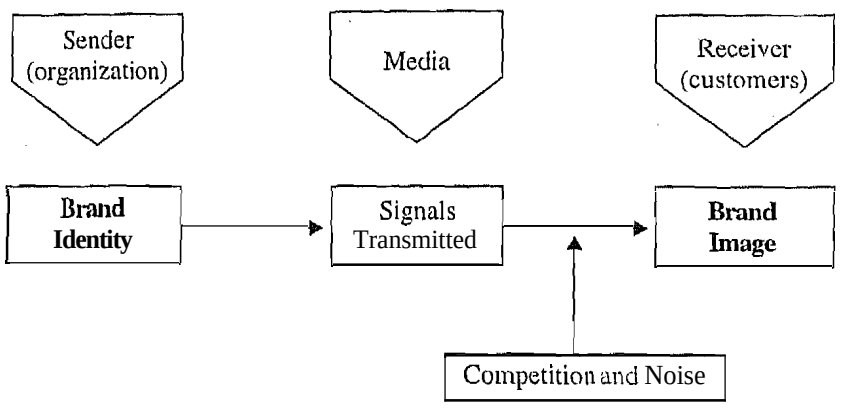
vii) A good brand is one which delivers the promised benefits

9.2.5 Elements of Brand Management

There are four elements of brand management namely brand identity, brand image, brand position and brand equity. You should understand the differences between these four terms and apply them to your business decision situations. We will discuss these four terms from brand communication perspective.

Brand Identity

According to David Aaker brand identity is a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organization members. It helps in establishing a relationship between the brand and the customer by generating a value proposition involving functional, emotional and self expressive benefits. It consists of twelve dimensions around four perspectives. The brand as a product (product scope, product attribute, quality/value, uses, users, country of origin), brand as an organization (Organizational attributes, local vs. global), brand as person (brand personality and brand customer relationship) and brand as a symbol (visual imagery/ metaphors and brand heritage). Brand identity structure includes a core and extended identity. Core – the central, timeless essence of the brand-is most likely to remain constant as the brand travels to new markets and products. The extended identity includes brand identity elements organized in to a cohesive and meaningful grouping that provide texture and completeness.



Piy r e 9.1: Brand Identity and Image

Brand Image

In simple words, what the customer perceive about the brand is called the brand image. A brand may aspire to communicate lot many things through its brand conimunication strategy but what the customers receive and perceive as the brand is termed as the brand image. It is a combination of brand associations and brand personality. It includes a set of brand associations usually structured in a logical fashion.

In understanding brand image, it is important to see and understand if consumers see themselves as 'fit' for the brand and vice versa. As there is a high level of brand clutter, many brands enjoy similar kind of image and brands in the consideration set having a higher fitness get preference over others. Brand personality helps define the personality of the brand as a combination of different traits that people tend to associate with the brand. For example Horlicks is perceived as a great nourisher whereas Boost is perceived as an energy drink of the sportsman due to its typical positioning and celebrity endorsement. The brand image of' Amritanjan' Balm is that of an all purpose balm where as that of Vicks Vaporub as a cold balm applicable mostly to the children. These kinds of fit are well planned by the brand manager that leads to the creation of brand image in the minds of customers. In summary brand personality determines whether the brand and the audience are made for each other or not. Psychologically audience try to build up some comparison and conclusion between own personality and that of the brand.

Brand Position

After the decision of the brand identity and the value proposition leading to the development of brand image, implementation of a branding strategy begins. The next task is to establish communication objectives and plan the execution strategy. The beginning of an execution strategy is the brand position statement. Brand position is the part of the brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage over competing brands. When a brand position exists, the brand identity and value proposition can be developed fully, with texture and depth.

There arc three places to look at within the brantl identity system to identify elements for including in the brand positioning statement. One is the core identity statement which explains the central, timeless essence of the brand. The most unique and valuable aspects of the brand are often represented in the core identity. So brand position should include the core identity so that the brand communications do not stray way from the brand's essence. Secondly, a brand position can be based on a point of leverage that is not necessarily in the core identity. Sub brands, features or service can become a point of leverage. Thirdly, a customer related benefit is part of the value proposition and forms a basis for brand customer relationship. For example, the positioning statement of Titan as a 'Tata product" explains the core identity as a part of brand position statement whereas the brand positioning statement of DHL courier explains about the service component with 'No body delivers like us' . The BPL washing machine with fuzzy logic technology explains higher value propositions compared lo all other washing machines and serves as a positioning statement.

Brand Equity

Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers. If the brand's name or symbol should change, some or all of the assets or liabilities could be affected and even lose significance in business. These equity components can be grouped into five categories namely brand loyalty, name awareness, perceived quality, brand association in addition to the perceived quality and other proprietary brand assets like patents, trademarks, channel relationships.

To simplify the definition we can conclude that it is the incremental that the customer is ready to pay for a brand in place of a commodity. It is the additional premium charged by the marketer that the customer is ready to pay when confronted with a buying situation between a commodity and a brand. It is simply the price premium that a company can charge to customers or the impact of the name on customer preference or stock price movement or future earnings or a combination thereof.

9.3 PACKAGING AND LABELING

A package is basically an extension of the product offered for sale. Sometimes the package is more important than the product it contains as it contains the product and protects it till the consumer is ready for the consumption or use. Some marketers even call packaging a 'fifth P', along with product, price, promotion and place. As stated earlier, however, all the marketers consider packaging as an element of product mix.

9.3.1 Meaning and Functions of Packaging

Packaging is necessary to deliver the product to the consumer in sound condition. For example, one needs a bottle for delivering shampoo or a box with moulded shock absorbing padding to protect delicate electronic precision equipment. The requirement here is purely technical; the container has to be designed to be most efficient at containing and protecting the product. In recent years, particularly as self service has become a predominant feature in most distribution chains, the packaging of a product has become a major element of the promotion of that product to the potential consumer. Packaging requirements therefore include:

- **Product Description:** The pack must convey to the potential consumer not just what the product is, but what it does; in terms of the benefits it offers- the promotional message. This may be conveyed by words, but for the most impact graphics and over all design are usually chosen to deliver the main, initial message. The potential buyer is expected to read these messages in a few seconds and probably at a distance of three feet or more.
- **Product Image:** The packaging must also match the required image, so that the boxes for expensive jewels look expensive themselves-so much so that one almost hates the waste of throwing the packaging away.
- **Product Value:** The pack is often designed to make it contents look more than they really are. Those apparently 'artistic' designs should show the value of the content also
- **Shelf Display:** The pack should be designed to make the most of the shelf space available which may mean making the pack look more compact as possible, so that more can be placed in the shelf. Stakability so that the shelf can take several layers of the product is another feature of a good packaging.

Packaging as a function consists of two distinct elements, (i) the positive aspects, viz., the science and technology related to package design, selection of packaging materials, etc, and (ii) the behavioral aspects, viz., the art of product design which is associated with consumer motivation research, buying research, etc.

The second aspect is highlighted in another definition of packaging 'Properly designed, the package should enhance the value of its contained product, and impart that impression, either directly or subtly, to the customer'. The role of packaging in value enhancement is increasingly becoming important in consumer marketing today.

In marketing, packaging is defined as the activities of designing and producing the container or wrapper for a product. The container or wrapper is called the 'package'. According to Philip Kotler and Gary Annstrong, the packaging may include up to three levels of material. The primary package is the product's immediate container. If you consider a toothpaste, the tube holding the toothpaste is the primary package. The secondary package is the card board material that protects the primary package and that is thrown away when the product is about be used. The shipping packaging is the packaging necessary to store, identify, and ship the product (a carton in this case, which contains hundred toothpaste units). Finally

labeling is part of packaging and consists of printed information appearing on or with the package.

To summarize the key functions of packaging we can say that packaging should perform the following basic functions: it should (1) protect, (2) appeal, (3) perform, (4) offer convenience to the end-users, and (5) be cost-effective. We will now discuss these five key functions of packaging.

I) **Protection:** The primary function of packaging is to protect the products from the environmental and physical hazards to which the product may be exposed in transit from the manufacturer's plant to the retailer's shelves and while on display on the shelves, The specific types of hazards against which protection has to be sought would obviously vary from product to product. However, the principal hazards, which are almost universal, are:

i) Breakage/damage due to rough mechanical or manual handling during transportation.

ii) Extremes of climatic conditions which may lead to melting, freezing, etc.

iii) Contamination, either bacterial or non-bacterial, such as by dirt or chemical elements.

iv) Absorption of moisture or odors of foreign elements.

v) Loss of liquid or vapors.

vi) Pilferage during transit or storage.

2) **Appeal:** The package is increasingly being used as a marketing tool. The importance is also increasing clue to the changed structure of retail business, especially the emergence of self-service stores. In the case of consuiner products, package serves as a silent salesman. This is true, irrespective of whether the products are a luxury, semi-luxury or an ordinary everyday use product, The following characteristics have been identified to help a package perform the self-selling tasks:

i) The package must attract attention

ii) The package must tell the product story

iii) The package must build confidence

iv) The package must look clean and hygienic

v) The package must be convenient to handle, to carry out, to store and to use

vi) The package must reflect good value

Packaging, however, is of greater importance in the case of certain specific types of articles. Industry-wise studies in several countries show that packaging cost in the cosmetics industry is much higher than other industries. This excessively high incidence is not due to the packaging, which is required for the protective function, but for making the product attractive, a status symbol and ego-satisfying. Other products such as chocolates in gift packs also are instances where packaging perforins a basic marketing function by making the products more appealing.

Consumer research on packaging concentrates on two aspects, which have an influence on consuiner purchase decisions. The first one is color and the second is the package or container design. Almost all researchers have come to the conclusion that each color has its own distinct characteristics and, therefore, has to be used in a package so that there is no mismatch between what is expected of the package and the color used in the packaging.

One additional problem in this area is that people in different countries display divergent color preferences, due to their diverse socio-cultural-religious backgrounds. Similarly, research is carried out on the desirable properties of a container. Slender and cute containers are often used for beauty-care products for the feminine sex, as these are expected to create an appropriate image of the product. Graphics and Logo types are also important in designing and conveying the total product image.

3) **Performance:** This is the third function of a package. It must be able lo perform the task for which it is designed. This aspect becomes crucial in certain types of pack ging. For example, an aerosol spray is not only a package but also an engineering device. If the package does not function, the product itself becomes totally useless.

4) **Convenience:** The package must be designed in a way, which is convenient to use. It should be convenient not only to the end user but also to the distribution channel members, such as wholesalers and retailers. From the intermediaries standpoint the convenience relates to handling and stocking of packages. The specific attributes the intermediaries would seek in a package are:

i) The package must be convenient to stock

ii) The package must be convenient to display

iii) The package does not waste shelf-space.

iv) The package must retain its looks during the shelf-life

v) The matter of the package/cartons should be easy to dispose of

Because of the increasing concern with solid-waste disposal, the last factor has assumed importance in the developed countries and is also a growing concern in a populated country like India with less civic intervention for waste management. From the standpoint of the domestic or institutional end users, the convenience would refer to the ease of using the package, such as opening and closure of the package, the repetitive use value, disposability etc.

5) **Cost-effectiveness:** The package finally must be cost-effective. Packaging cost as a percentage of product cost varies dramatically from one industry to another, from less than one percent in engineering industry to more than ten percent in the cosmetics industry. It is important to appreciate that while analyzing packaging costs, it is not enough to consider only the cost of package. Cost in this supply chain includes:

i) Package costs incurred in inward delivery to the factory when the product is purchased from outside

ii) Storage and handling costs of the empty packages

iii) Filling cots, including quality control and handling of filled packages

iv) Storage costs of the filled packages

v) Transport cost for distributing filled packages

vi) Insurance cost for the transit period

vii) Losses due to breakage/spoilage of the product

9.3.2 Packaging Industry

An understanding of the packaging industry is necessary to fully appreciate the packaging revolution that has occurred in the consumer and industrial goods sectors. The packaging industry consist primarily of two distinct segments: 1) firms which manufacture the packaging materials, viz,, tin, paper, plastics, etc, and 2) firms engaged in the formation of packaging i.e. converting the packaging materials into

unit/master packages. In addition there are other firms engaged in the printing of labels to be used in the unit/master packages, and the marketing research agencies which conduct specialised packaging research, generally for package development and adaptation.

Newer materials are constantly emerging in the packaging field and in many cases have eliminated or threatened the older materials such as wood and steel, because of tlie relative cost advantage or better performance characteristics. The important packaging materials today are:

1. Metals - Aluminum, tinplate and steel
2. Plastics - PVC, HDPE, etc
3. Wood - Wood and cellulose film
4. Paper - Paper, board, corrugated board, etc
5. Glass - Clear, tinted etc
6. Laminates - Aluminum foils, plastic film etc
7. Polyester - PET

Check Your Progress C

1) Distinguish between branding and packaging.

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2) What are the basic functions of packaging?

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3) State whether the following statements are Tue or False.

i) Packaging also helps in promotion function

ii) Package should also be capable of attracting the attention of buyers

iii) Colour of the package does not have any importance

iv) Packaging always increases the product cost

v) Package must be designed in a way it is convenient to'users and intermediaries.

vi) Packaging helps in new product launch

vii) Packaging for edibles is a waste

viii) Packaging is never misleading

9.3.3 Packaging Strategies

We have already mentioned that packaging plays a greater role in tlie promotion of the product. It serves the core function of protection and also provides information to the consumers. With the increase in the large number of self service retail outlets where the consumers make a choice by themselves, packaging provides ample opportunity to communicate various sales promotion schemes for enticing customers

to go for a buy. For example, Colgate Dental Cream is always perceived in a red color package. When the company decided to go for a sales promotion program of giving 20% extra for every purchase of a 100 grams toothpaste, it brought a yellow strip marked with 20% extra on red as a promotional tool which could catch the attention of the customer on the shelf immediately compared to a full fledged advertising campaign where every toothpaste manufacturer gives something as an extra value proposition. So product package often plays an important role in implementing sales promotion campaigns. Some of the widely used promotional packaging techniques include

1) **Discount Pack:** A 'flash' in distinctive colour is superimposed on the package, announcing the special price discount being offered. This is the most widely used form.

2) **Coupon-Pack:** A coupon of certain values, either as a part of the package or placed separately in the package, can be redeemed after the purchase of the product.

3) **Premium Package:** A premium package can take three forms. If the premium accompanies the product within the package then it is called in pack premium. If it accompanies the pack as a separate unit then it is called with pack premium, A coupon on the pack allowing a discount is called on pack premium package.

4) **Prime Packaging:** A specially made package having either a re-use or prestige value is referred to as prime package. Instant coffee packed in glass tumblers having colours is an example of the first type. The set of watches presented by Titan for the married couple in a gold plated package called "Bandhan" is an example of a prime pack.

5) **Self-Liquidators:** The buyer has to send to the company a number of packages or part thereof as evidence of buying the product. In return, he may purchase additional quantity of the same product at reduced prices or be rewarded with a different product. Several companies in India, in the processed food like Maggi and Top Ramen and Sargam Tea occasionally use this technique.

6) **Redesigning of the Package:** Introduction of a new package can also be used as apromotional technique. For example, till the very recent past, edible oils were packed in tin cans in India, which looked messy and dirty. Most of the larger firms have now started using transparent one-liter PET (polyethylene terephthalate) bottles, which look gleaming and fresh. The companies are using this change of packaging quite effectively as an additional element in their advertising campaigns. The change in packaging of liquid soaps is also used as a promotional tool. Similarly Sargam tea started bringing pet jars for family consumption and people inoved from card board tea packs to the brand to have the jar for other consumption storage purpose.

7) **Odd Size Packaging:** Packaging can also be used ingenuously to avoid direct price comparison with the competing products. This is done by a deliberate choice of odd size, while the competing brands follow a standard size. A recent example in India is the launch of soft drinks by Pepsi in 200 ml bottles at Rs 5 when the industry standard was 300 ml at a price point of Rs 7 and rest other players immediately followed the brand leader with a 200 ml. pack size. The size of Dove soap also is also odd enough for the slim bathing soap category in Indian market.

8) **Packaging the Product Line:** Packaging can be used to develop a family resemblance in the packaging of its several products. Identical packages or the packages with some common features are used for all the products of a product line. This kind of packaging strategy had the benefits of umbrella branding.

Under this strategy, when new products are added to a line, promotional value associated with old products extends to the new ones.

9) **Bundle Packaging:** Placing more than one unit in one container is referred to as bundle or multiple packaging. This packaging strategy increases the sales to a large extent. This is seen in bathing and washing soap category in India.

10) **Packaging in Perishables:** In specific product areas where shelf life is an integral issue, packaging brings a combination of functional as well as promotional value. For example in ice cream business, the refrigerator serves as a status symbol for the retailer and also with the sale of the brand.

9.3.4 Labeling

The paper or the plastic wrapper attached to a bottle of medicine or a jam bottle carrying product information is technically called a label. But as packaging technology improves and cans and bottles become less prominent, labels become incorporated in to the protective aspects of the package rather than simply being affixed to the package. So labels may range from simple tags attached to products to complex graphics that are part of the package.

The label helps in identification of the brand. It also describes several things about the product. In a medicine bottle the label explains about the composition and maximum retail price to the customer with directions of use and statutory warnings. Normally a label provides details about the manufacturer, the place of manufacturing, the date of manufacturing, its contents, the directions for use and the safety measures involved in the product use and expiry date. In many cases the label also does the promotion function due to its highly visible graphics. A label must also carry the suitable instruction for the proper disposal of the product and its package or at least a plea to consumers to avoid littering. As per the legal provisions a label must carry any specific nutrition information, warnings and legal instructions as required by law. Most consumer packaged goods are labeled with an appropriate Universal Product Code (UPC), an array of black bars readable by optical scanner, The advantage of the UPC which allows computerized checkout and compiling of computer generated sales volume information have become clear to distributors, retailers and consumers in recent years.

Labeling is affected by unit pricing (stating the price per unit of standard measure); open dating (stating the expected shelf life of the product) and nutritional labeling (stating the nutritional values in the product). Package designers are relatively free to design the packages under the conditions of the legal requirement about maintaining a standard label. Business houses operating in a global scale have to decide whether to use a single package with one language or a single package with multiple languages, depending on the legal requirements of the host country. Decisions about colors and symbols, protection in transit over long distances and other aspects of the package design should be made only after local culture and usage patterns have been studied. Many countries have laws against deceptive packaging. Packages intentionally designed to mislead consumers, labels that bear false or misleading information or packages that do not provide required warning soon draw the attention of the legal authorities. Hence marketing inanager has to be careful about these issues.

A good label is one which helps a potential buyer to make his decision by providing relevant and correct information. Apart from the information, which must be statutorily given, the label should therefore provide:

i) Picture of the product, accurate as to size, colour and appearance

ii) Description of raw products used along with methods of processing

iii) Directions for use, including cautions against misuse

iv) Possible adverse effects, if any

v) Brandname

Check Your **Progress** D

1) What is bundle packaging? Give two examples

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2) What is the objective of odd size packaging? Give two examples where this is adopted.

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3) Given below is a list of products along with their old and new types of packaging. For each of the product category which is the best packaging form in your opinion. State the reasons

i) Edible oil in (a) tin (b) HDPE poly jar and (c) transparent PET jar

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ii) Soft Drink in (a) bottle, (b) tin, (c) plastic pouch and (d) tetra pack

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iii) Fruit juice in (a) bottle (b) tin and (c) tetra pack (e.g.Frooti)

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8.4 PRODUCT SUPPORT SERVICES

Customer service is a key clement of the product strategy. Product support services constitute the augmented part of the product. In today's world when the cost of acquiring the customer is so high, a good product support service strategy will augment the customer retention strategy with a higher base of loyal customers. More and more firms are using product support services as a key element of customer relationship management and for creating competitive advantage.

As a manager you should utilize the benefits of product support services in creating better interaction with custotners. You should start surveying the customers regularly to understand the need of the support service by the consumers by evaluating the value of tlie current services and to find out gays if any in the service delivery. A survey of tlie customer complaints will also help in identifying the new support service mix by the firms. Once the company has assessed the value of the current services, the expectation of tlie new services by the consumers, next it should go for finding out the cost of providing the service. Then it can develop a service offer to delight its consumers and increase the loyalty I-ate among existing consumers which can be easily translated into additional profits. Product Support Services include product warranty, after sales service, delivery, installation, helpline, etc. Companies are using multiple customer interaction points in the form of personnel, telephone, internet or web and mail as means to provide the information about these support services.

One of the ltey product support service is the product warranty. **A** product warranty communicates a written guarantee of a product's integrity and outlines tlie manufacturer's responsibility for repairing or replacing defective parts. It may substantially reduce the risks tlie buyer perceives to be associated with the purchase. Many a times consumer research suggests that warranties are difficult to understand by the common man as they are written in legal jargons. Some of the marketers have started writing these warranty statements in words like fully guaranteed, unconditionally guaranteed and life time guarantee which do not carry any meaning to tlie buyers.

A warranty is part of the total product; tlie seller should not view it as a nuisance. Effective marketers use the warranty as an opportunity to create satisfied customers and to offer an intangible product attribute that many buyers desire. These services are auxiliary dimension of the product and create goodwill in the market.

9.5 LET US SUM UP

Brand is a name, term, sign, symbol used by the marketer to create a differentiation in the customer's mind and value promise to the customer. A brand name gives the product a unique personality and a successful brand sometimes takes over the generic product category. Brands like Kerosene, Mobil, Xerox are examples of such long standing brands. Branding gives a mental assurance to the customer about a desired functional and emotional performance.

The selection of brand name is an important decision. You can choose any brand name you like as long as it is unique, easy to read, write, pronounce and remember, and does not have any unfavourable or negative meanings associated with it. There are various brand naming strategies available to a marketer. A brand manager can go for individual branding or umbrella branding. Each choice has its advantages and disadvantages and there are enough cases of success and failure to justify your choice. Sometimes even the most difficult sounding brand names succeed while catchy and simple brand names fail.

Packaging is another crucial aspect of marketing because the buyer confronts the product within the package in tlie inarket. Packaging does various functions including protection to the product, information dissemination and a platform for product promotion. Attractive packages have an advantage in attracting the attention of the buyers in a cluttered market. There are instances galore when the products with high quality have failed because the packaging was poor. Indian small-scale sector suffers from this problem of inadequate packaging. New packaging materials have started replacing tlie traditional packaging material. These are evident in tetra packs of Frooti, Dhara edible Oil, Dove soap, potato chips, snacks and other fragile food items.

Some key decisions in packaging also cover the disposal of the package and waste management, cost of packaging, health hazards, use of scarce resources and the scope for consumer misleading. Labeling is gaining relevance today as more and more self service retail outlets are coming up in urban markets in India. The label provides the product information, usage information, ownership and shelf life issues. Product support services are gaining relevance due to its inclusion in the overall product strategy. As the cost to acquire new customers is increasing, firms are concentrating on holding a large loyal customer base through product support services in order to reduce the customer's dissonance in post purchase behavior.

9.6 KEY WORDS

Brand: A name, word mark, symbol, device or acombination thereof, used to identify some product or service of one seller and to differentiate them from those of competitors.

Brand Equity: Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers.

Brand Identity: It is a unique set of brand associations the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organization members. It helps in establishing a relationship between the brand and the customer by generating a value proposition involving functional, emotional and self-expressive benefits.

Brand Image: In simple words, what the customer perceive about the brand is called the brand image. A brand may aspire to communicate lot many things through its brand communication strategy but what the customers receive and perceive as the brand is termed as the brand image. It is a combination of brand associations and brand personality.

Brand Mark: That part of a brand consisting a mark, design, distinctive logotype, colouring scheme or picture used for the purpose of identification.

Brand Name: That part of a brand consisting of a word, letter and groups of words or letters that can be vocalized.

Brand Position: It is the part of the brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage over competing brands.

Label: Part of package and consists of printed information appearing on or with the package.

Packaging: The activities in product planning that involve designing and producing the container or wrapper for a product.

Product Warranty: It communicates a written guarantee of a product's integrity and outlines the manufacturer's responsibility for repairing or replacing defective parts.

Trademark: A brand or a part that is given legal protection because it is capable of exclusive appropriation.

Umbrella Branding: A branding strategy in which a group of products is given a single brand. It is also called blanket or family branding.

9.7 ANSWERS TO CHECK YOUR PROGRESS

B. 3	i) False	ii) False	iii) True	iv) True
	v) False	vi) True	vii) True	
C 3	i) True	ii) True	iii) False	iv) False
	v) True	vi) True	vii) False	viii) False

9.8 TERMINAL QUESTIONS

1) Why should a company brand a product? What advantages the company will get by branding its products? Discuss this issue by taking the toothpaste category in Indian market.

2) What are the decisions that a brand manager has to take? Discuss giving suitable examples.

3) What are the distinctions between brand identity, brand image and brand position? Discuss them in the context of developing a branding strategy for the rural market of India.

4) Is there a difference in the branding strategy for industrial product, consumer product and agricultural product'? Discuss them in the context of developing a brand coinmunication strategy

5) Packaging plays a crucial role in the self service retail outlets. Explain the changing patterns of packaging in the context of emerging retailing scenario in India.

6) Explain some of the widely used promotional packaging techniques giving suitable examples.

7) Discuss the importance of labeling for marketers.

8) Product Support Services helps in customer retention. Discuss the statement with the help of examples.