

**LECTURE NO.11 ON RELEVANT TOPICS OF INTERNATIONAL MARKETING FOR B.COM.HONS BBA HONS AND M.COM CBCS STUDENTS BY DR.NEHA MATHUR FACULTY S.S.IN COMMERCE VIKRAM UNIVERSITY UJJAIN**

**BRANDING**

Branding is a process of designing a distinct name and picture for an item in the minds of the customers, mainly through advertising campaigns. A brand is a name, signature, mark, term, symbol, design or mixture of these components used to determine an item, a family of goods, or all products of a company. Branding is a vital aspect or element of product planning process and proves to be a very essential and powerful tool for marketing and selling products.



The merging of the following components form a company's corporate symbol or name –

- **Brand Name** – It can be a single word, a combination of words, letters, or digits to highlight a product or service. For example, Pepsi, Lakme, Baggit, etc.
- **Trade Name** – It promotes and advertises an enterprise or a division or a specific corporation through a corporate brand name. For example, Dell, Nike, Google, and many more.
- **Brand Mark** – It is a distinct symbol, coloring, lettering, or other design component. Mostly, it is recognizable and need not be pronounced or spelled. For example, Apple's apple, or Coca-Cola's cursive typeface, Nike correct symbol.
- **Trade Mark** – It is a word, name, letter, digit, symbol, or merging of these components. Trade mark is legally secured and owned by the government. For example, NBC owns colorful peacock as its trade mark, or McDonald's golden arches. No other enterprise can use these symbols.

- **Trade Characters** – These characters include animals, people, animated characters, cartoons, objects that are used to promote a product or service, that is related with that product or service. For example, Godrej almirah and lockers.

## **The Importance Of Branding**

### **1. Creates Consumer Preference For The Product Or Service Behind The Brand**

A wide variety of products leads to confusion. One way purchasers manage these issues is by leaning towards brands they know and trust. Genuine and widely known brands are viewed as less risky to buy from. Hence, customers believe that the products from brands that are intensively marketed would always perform better.

### **2. Generates Increased Revenues And Market Share**

When a firm does extensive marketing or branding, its revenues and market share increases. This means that the firm can become stronger than it was before. It can use its power to enter new geographical markets, do co-branding and gain new distribution opportunities.

### **3. Helps The Company Survive Temporary Crises**

Toyota, a brand with the best quality, has had some genuine product quality issues in 2009, which created a PR nightmare. However, **the company has spent numerous years conveying its “quality” image, which has helped the organization oversee the crisis and re-establish trust in their products.**

### **4. Expands The Organization’s Estimated Worth**

An organization’s physical resources and the number of workers do not contribute much to its market value. What actually matters is the brand’s equity. John Stewart, the previous CEO of Quaker says “If the business splits up and I give you the land, bricks, and cement, and take the goodwill and trademarks, I’d still stand better than you.” The company’s worth shows the importance of branding.

### **5. Keeps New Competition Away**

A market segment that is targeted by popular brands is a huge hurdle for most new competitors. If you are the first one to create and target a segment, you will gain tremendous benefits.

## **6. Increases Employee Productivity**

When your brand is well-known, people will want to work for you. This opens your company up to the top talent and provides you with the most qualified and skilful employees for your company. Once you have the best people for the job, your company's productivity level will increase as well.

## **7. Increases Profitability By Commanding A Higher Price**

This is one of the most important reasons for the significance of marketing. Clients tend to be more willing to pay a premium for a well-established brand's product compared to a similar item from a brand that isn't as well-known.

When you are a huge firm and the biggest customer of your suppliers, they will never want to lose you. You can use this power to insist that quality products are on time and to bargain over prices as well. Often they will take a pay cut just to keep working with your company.

## **9. Helps The Company Attract New Distribution For Its Products**

A popular brand with known customer loyalty has little issues discovering distribution partners, on a local and global scale. Everyone wants to work with a brand where the client demand and return on investment are high.

When employees work for a well-known brand, they showcase a sense of loyalty and purpose. This means that the employee turnover rate would drop dramatically because employees believe in what their company is doing and are proud of it.

## **11. Makes A Remarkable And Unique Brand Image**

A brand goes well past the offering of a tangible product. If your business is unique from the rest, you will attract a market in which your competitors are not able to compete.

Investors always go after brands that are strong enough to inspire their target audience and genuine enough to gain their trust. An investor would never want to invest in a weak brand that only showed potential risk.

When you invest in your company's branding efforts, the opportunity for growth is limitless. The most important aspect to keep in mind is how you will execute your branding strategy so it can have the most impact.