CHAPTER - II

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INTRODUCTION

The review of the research literature pertaining to the study undertaken becomes essential for the researcher in order to have complete and thorough information of the work done in this field. In this chapter entitled "Review of Literature" an attempt has been made to review most of the available studies and research work in the related field. This chapter is classified into two parts:

1. Review of Journals
2. Review of Books

The area of Brand Relationship Management is relatively a new field of study in this country. Since the research studies conducted in the field of marketing especially Brand Management, may be counted on one's finger tips, need for study in the area of BRM (Brand Relationship Management) is required. Despite increased acceptance and relevance of Relationship principles in the field of marketing management, it can be argued that the relationship perspective has been vastly under realized in the marketing literature. There is no proper development of the core construct of the relationship marketing theory. (Susan Fournier 1998). Particularly lacking are relationship inspired studies in consumer as opposed to business markets, especially those concerning the consumer product domain. (Sheth and Parvatiyar 1995). Empirical research concerning relationships formed at the level of the brand has been especially scant.
The present investigator has attempted to consult and review the bulk of published studies and the related literature. Studies having direct bearing upon the present work are conspicuous by their absence. However, some of the significant studies, which have direct or indirect, bearing upon the project in hand, have been presented as follows:

2.1 REVIEW OF JOURNALS

One of the major concepts in modern marketing consisting of the tactical marketing tools that the firm blends to produce the response it wants in the target market is called marketing mix. The marketing mix consists of the "four Ps" i.e. product, price, place, promotion. Robert Litany\(^1\), in his study holds that the four Ps concepts take the seller's view of the market, not from buyer's view. From the buyer's view point in this age of customer relationships, the four Ps might be better described as four Cs i.e. Customer solution, customer cost, convenience, communication. Thus while marketers see themselves as selling products, customers see themselves as buying solutions to their problems. Marketers have to develop an understanding of how consumers actually make their buying decisions and try to analyze their behaviour so that the marketing strategies can be adopted accordingly. It has long been recognized that culture influences consumers.

Duesenberry\(^2\) observed in 1949 that all of the activities in which people engage are culturally determined, and that nearly all purchases of goods are made either to provide physical comfort or to implement the activities that make up the life of
a culture. Thus an understanding of culture enables the marketers to adopt alternative marketing strategies and thereby attract and retain them. To attract and keep customers, a company must seek ways to develop superior customer value and satisfaction.

Erika Rasmussen, in her study on Customer Lifetime Value finds that on an average, it costs five to ten times as much to attract a customer as it does to keep a current customer satisfied. Since purpose of marketing is to generate customer value profitability, the marketer must continue to generate more customer value and satisfaction. This means companies must aim high if they want to hold on to their customers and this leads to customer loyalty.

Erin Stout in his study related to customer loyalty and delight finds that one must find out what your customer need and wants and then overdeliver.

This creates an emotional relationship with a product or service and not just preference. This builds trust between the two parties. In the old days business was built on trust and relationship, the businessmen paid personal attention to their customers, knew about their tastes and preferences and had had a personal rapport with most of them. The industrial revolution changed these relationship oriented practices which led to increased gap between the manufacturers and the consumers. The post Industrial era saw the re-emergence of relationship practices. Marketing Academics Jagdish Sheth and Atul Parvatiyar identified some factors for this shift in orientation like Rapid advances in technology, Intensive competition in most markets; growing importance of the service sector and adoption of total quality management programs. this marks the shift from
traditional (transaction) marketing to the relationship marketing. Groenroos⁶, in his study entitled "The Marketing Strategy Continuum", has shown a paradigm shift in focus from transaction marketing to the relationship marketing. Most transactions are one-off exchanges resulting into short term focus whereas Relationship marketing is an ongoing exchange leading to a long term focus. He also claims that where in transaction marketing the criterion for success was market share, in relationship marketing it was the mind share (share of customers). In a further study on relationship marketing, Morgan and Hunt⁷ are of the view that relationship marketing refers to all marketing activities directed towards establishing, developing, and maintaining successful relationships. The core theme of their study is that the relationship marketing perspective focuses on cooperative and collaborative relationship between the firm and its customers. To benefit from these relations and enhancing the customer loyalty, the concept of branding was introduced. Branding involves creating mental structures and helping consumers organize their knowledge about products and services in a way that provides value to the firm. In her study on brand personalities, Jennifer Aaker⁸, identified five traits as: a) Sincerity b) Excitement c) Competence d) Sophistication, and, e) Ruggedness. She proceeded to analyze some well-known brands and found that a number of them tended to be strong in one particular trait. The implication of the study is that these brands will attract persons who are high on the same personality traits. So the marketers can position these brands as per the targeted customer's personalities. M. Joseph Sirgy⁹ introduced the concept of Self-Concept in consumer behavior saying that a person's actual self
concept i.e. how she views herself may differ from her ideal self concept i.e. how she would like to view herself and from her others-self-concept i.e. how she thinks others see her. Which self will she try to satisfy in choosing a brand? Self concept theory has had a mixed record of success in predicting consumer responses to brand images. Marketers can use this concept to develop brand personalities that will attract consumers with the same self concept. While offering a brand marketer must think that he is offering a contract to the customer regarding how the brand will perform and this contract must be honest. Brand bonding occurs when the customers experience the company as delivering on its benefit promise. Tosti and Stotz\textsuperscript{10} charge that too many companies make brand promises but fail to fail to train employees to understand and deliver on the brand promise. Their study suggests the ways the companies can carry on internal branding with their employees to understand desire and deliver on the brand promise. A study conducted by Bello and Holbrook\textsuperscript{11} on the influence of being a strong brand on the choice of brand by the customers suggests that customers will pay more for a strong brand. They found that 72 percent of customers stated that they would pay a 20 percent premium for their brand of choice relative to their closest competitive brand; 50 percent said they would pay a 25 percent premium; and 40 percent would pay up to a 30 percent premium. This clearly shows that brand equity is an asset and it results in customers showing a preference in one product over another when they are basically identical. The extent to which the customers are willing to pay more for the particular brand is a measure of brand equity. We normally think of brand equity as something
accruing to the products of the manufacturer. But in a nationwide study of companies in a wide range of industries conducted by Davis and Douglas\(^{12}\) found that only 43 percent indicated that they even measured brand equity. Whereas 72 percent were confident enough in their brand equity to project that it would last two years with no financial support, over two third of the respondents had no formal long term brand strategy. However the companies must realize that brand equity is the major contributor to customer equity. The proper focus of marketing programs on the customer life time value with brand management serves as a major marketing tool. A major contribution by Stephen Kings\(^{13}\) in the field of Brand Management is his emphasis on applying marketing principles in building profitable brands. He argued that the time has come to consider how one should seek to apply marketing principles and practice in an increasingly competitive and rapidly changing environment. Since it has become increasingly difficult to sustain an objective comparative advantage over one's competitors so it will become more important to position organizations as "brands" in the minds of actual and potential customers. In today's scenario, brand loyalty has got more attention of the marketers since they find themselves confused in this context. Kumar and Advani\(^ {14}\) in their study on brand loyalty of consumers have given two dimensions namely, Behavioral and Attitudinal Loyalty. Research indicates that marketers could be more certain about the brand loyalty of consumers if these two dimensions are present. Behavioral loyalty consists of aspects like intention to buy, willing to give information to the company when required and routine re-ordering. Attitudinal loyalty includes advocating the brand to others, top
of mind awareness, trust, psychological trust and propensity to pay a premium. With the help of these two dimensions marketers can plan loyalty programs for their customers, taking into consideration competitive offerings. Muniz and O’Quinn\textsuperscript{15} in their work on Brand Community have noted that consumers differ not only in how they perceive brands but also in how they relate to brands. They introduced the idea of Brand Community as a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand. It is specialized because at its centre is a branded good or service. Like other communities, it is marked by a shared consciousness, rituals and traditions, and a sense of moral responsibility. This research has several implications on branding such as it directly acknowledges the social nature of brands. It argues that brands are social objects and socially constructed. A research conducted by Clark and Mills\textsuperscript{16} in the social psychology literature relies on distinction made between relationships that are based primarily on economic factors and those based on social factors. These authors distinguish between what they term exchange relationships and communal relationships based on the norms of giving benefits to the partner. The two relationships have distinct norms of behaviour. For example, people in an exchange relationship expect to receive monetary payments for providing help, prefer to get comparable benefits in return, and expect prompt repayment for benefits given to a partner. Conversely, people on a communal relationship do not expect monetary payment for helping their partner, prefer to get noncomparable benefits in return and do not expect prompt repayment for benefits given. Susan Fournier\textsuperscript{17} worked on consumer
behavior towards brands and developed a relationship theory in consumer research. She has outlined a broad spectrum of social relationships that consumers use to describe their interactions with brands e.g. best friends, flings, arranged marriages, and committed partnerships. The findings of this research establish the relevancy of the brand relationship theory-building goal and provide preliminary frameworks for the execution, refinement and extension of this task. The research has implications for those interested in relationships outside the consumer-brand domain, both within the marketing discipline and beyond.

Mc Gill and Ann L. in their study on Relative use of necessity and sufficiency information in Causal judgments about natural categories, note that people attribute qualities of animism to objects as well – qualities suggesting that, like people, products also have souls and intents. This is the concept of Anthropomorphizing, that is, seeing the humans in non human forms and events, pervades human judgment. People commonly see human features in natural formations as they see faces in clouds, on the moon, or on the sides of the mountains. People sometimes see their cars as loyal companions and can go to the extent of even naming them. Pankaj Aggarwal studied the effects of brand relationship norms has used the key premise that when consumers form relationships with brands they use norms of interpersonal relationships as a guide in their brand assessments. Two relationships types are examined: Exchange relationships and Communal relationships. He found that when a brand's action violates the relationship norms salient at the time of evaluation, consumers assess the brand more negatively than when the brand's actions are
consistent with those relationship norms. This research uses the relationship metaphor when in a consumer brand context to examine differences in consumer's strategies when processing brand related information.

Amit Bhalla\textsuperscript{20} observed the strategies for building sustainable Indian brands. He finds that Brand, not only has a functional and mental dimensions but also social and spiritual dimensions. The challenge in front of Indian organizations today is to first understand and then satisfy the needs of the customers. The Indian organizations have to

Concentrate on delivering the experiences to the customers leading to satisfaction and association with all the dimensions of the brand. This is possible by involving the customer in supply chain which demands improvement from the organization in terms of training the employees and aligning the culture to deliver value to the customers. The participation of the customers can be ensured by using novel methods of communication and branding. The profitability and sustainability of Indian brands will depend upon how efficiently and quickly the organization can adapt to these changes.

Tulin Erdem and Joffre Swait\textsuperscript{21} examined the role of brand credibility (trustworthiness and expertise) on brand choice and consideration across multiple product categories that vary in regard to potential uncertainty about attributes and associated information acquisition costs and perceived risks of consumption. They found that brand credibility increases probability of inclusion of a brand in the consideration set, as well as brand choice conditional on
consideration. They also found that although credibility impacts brand choice and consideration set formation more and through more constructs in contexts with high uncertainty and sensitivity to such uncertainty, credibility effects are present in all categories. Finally, results indicate that trustworthiness, rather than expertise, affects consumer choices and brand consideration more. Jennifer Aaker, Susan Fournier and S. Adam Brasei²² gave results from a longitudinal field experiment examining the evolution of consumer-brand relationships. Development patterns differed, whereby relationships with sincere brands deepened over time in line with friendship templates, and relationships with exciting brands evinced trajectory characteristic of short-lived flings. These patterns held only when the relationship proceeded without a transgression. Relationships with sincere brands suffered in the wake of transgressions, whereas relationships with exciting brands surprisingly showed signs of reinvigoration after such transgressions. Inferences concerning the brand’s partner quality mediated the results. Findings suggest a dynamic construal of brand personality, greater attention to interrupt events, and consideration of the relationship contracts formed at the hands of different brands.

2.2 REVIEW OF BOOKS

David Aaker²³ one of the branding’s academic pioneers has defined Brand Equity as a set of five categories 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 or to that firm’s customers, or both. These categories of brand
assets are: Brand Loyalty, Brand Awareness, Perceived Quality, Brand associations and other proprietary assets such as Patents, trademarks etc. Aaker describes a number of issues in building, measuring and managing brand equity. Aaker has given many important guidelines in the form of Brand Identity, Value proposition, Brand leverage, Brand responsibility etc.

Scott Bedbury\textsuperscript{24} one of the key brand architects behind both the Starbucks and Nike brands in the 1990s, offers his brand philosophy in his book, "A New Brand World".

A strong proponent of the consumer centric approach to branding, Bedbury has given eight principles for brand leadership in the twenty first century. If followed these principles will lead the marketers into building strong and profitable brands.

Kevin Lane Keller\textsuperscript{25} in his book, Strategic Brand Management, Building, Measuring and Managing Brand Equity, opines that strategic brand management involves the design and implementation of marketing programs and activities to build, measure and manage brand equity. His contribution in the form of Customer based Brand Equity Framework is based on the importance of the customer in the creation and management of brand equity.

The basic premise of Customer based Brand Equity is that the power of a brand lies in the minds of consumers and what they experienced and learned about the brand over time. Chris Macrae\textsuperscript{26} in his "Managing the Brand Action Triangle," calls for a concreted effort involving internal and external brand management. One corner of the brand action triangle is the Brand Outside- what the brand stands to a customer, another is Brand Inside i.e. brand's core values and the
third corner is Brand Leadership- the top management. To connect with a brand, the top management has to establish missing links between Brand Outside and Brand Inside. K Suresh in his article, Managing Brand Extensions, explores the issues involved in taking a brand beyond its initial sub product category or category. He concludes that the primary advantage of brand extension that of leveraging a strong brand can be realized when there is synergy either in distribution or customer segment or value propositions.

Jeff Smith in his article “Brand Metrics: Key to Measure Return on Brand”, stresses the need to measure brands through a balanced set of metrics. The metrics include qualitative parameters for brand image and quantitative ones for brand impact. Brand awareness and brand recognition, brand relevance, understanding of brand positioning and brand preference are some of the suggested metrics for brand image. For brand impact study, market share, price premium charged and share of customer spend on the category are the recommended metrics. Duane E. Knapp established the Brand Strategy Doctrine. He has identified five strategies to create, manage or enhance a genuine brand: Think like a brand, Make a brand promise, communicate the optimum brand message, Live the brand, Leverage the brand. Sam Hill and Chris Lederer gave the concept of Brand Portfolio Molecule in the light of significance of Brand and Brand portfolios, stating that they are the only assets that can not be copied and remain a company’s assets if well managed and would become a liability if mismanaged. Brand Portfolio Molecule is a dynamic, quantitatively driven map of the entire brand portfolio. It represents various
brands, their interaction, and influences on the purchase decision. The Brand Portfolio Molecule helps the company in making a quantitative analysis in Brand Management. Prof. S Ramesh kumar\textsuperscript{31} laid the strategies to be adopted for building our brand and when and how they should be implemented. He suggests that the analyses of the product category specific benefits expected by consumers from the category and prioritizing marketing mix elements to support advertising are the key aspects of brand building in a competitive context.

Nicholas Ind\textsuperscript{32}, Corporate Branding and communication consultant, in his book “Living the Brand”, demonstrates how a participatory approach can enhance employee commitment and improve service standards to deliver business goals. He suggests how organizations can empower and enthuse their employees to become brand champions. Lynn B Upshaw and Earl L Taylor\textsuperscript{33} in their book “The Masterbrand Mandate”, explain that managing a company as an organization-wide brand can yield greater market value and provide leverage to the company. They also explain why strong brands should reflect the organizational values, culture and strategy. This suggests that creating a master brand is the responsibility of the entire enterprise.

Jean-Noel Kapferer\textsuperscript{34} in his book “Strategic Brand Management, creating and sustaining Brand equity long term”, has dealt with the concept of brand management in totality, and has given particular attention to the development of global brands. His major work includes the study of life span of brands by looking at: the sources of challenges to brand equity; factors which dictate a brand’s life expectancy; and revitalization strategies for declining brands.
Subroto Sengupta\textsuperscript{35} in his book Brand Positioning answers the question that what is a Brand’s position? He points that a brand is the perceptual space which represents the consumer’s mind. If we wish to shape the marketing events in the desired way, we must search for relationship between our reality and the consumer’s mind’s reality. Positioning is the pursuit of differential advantage. It puts in the hands of a brand manager an entire set of differentiating strategies. He must judge which of these strategies can help him locate a niche in the market where his brand may be received by the target customer as unique and where it will hold a competitive advantage.

Jones Phillip Jones and Jan S. Slater\textsuperscript{36} in their work on Advertising and the concept of Brands stressed the importance of understanding the relationship the consumer has with the Brand. The Brand relationship is about the meaning—the brand has—in the life of a consumer. He has also emphasized on the understanding of the consumer brand relationships to make advertising really relevant.

S. Ramesh Kumar\textsuperscript{37}, in his book, “Marketing and Branding-The Indian Scenario”, has covered a wide spectrum of concepts associated with marketing mix elements as well as the state of the art concepts like building Brand Equity, customer equity, branding commodities etc. In the chapter, Application of Product and Brand related strategies; author has introduced various Brand related strategies which can be used in building a brand. He has touched various aspects of Brand Management such as Brand Extension, Brand Loyalty, Brand Positioning and Repositioning, Brand Feelings etc. with specific emphasis on the
Indian Market scenario. Braj Mohan Chaturvedi\textsuperscript{38}, an Assoc. Consultant at ICFAI Books, opines that Branding in recent years has emerged as central to a company's overall business strategy. It has taken the form of business systems and is no more proprietary to marketing managers. In the article Total Brand Management, the author suggests that total brand management can assume a variety of forms – brand extension beyond the actual product, well crafted umbrella brand, and entire retail system as a brand. They also recommend that companies for success of total brand management must concentrate on three key activities i.e. maximizing synergies across a coherent brand portfolio, strengthening brand portfolio through innovations, securing brand through close relationship with customers and trade\textsuperscript{38}. So we can say that the author stresses that total brand management is a way to leverage success, expand market share, and drive down competition. Dr. Tapan K Panda\textsuperscript{39}, an Assoc. Prof. in the area of Marketing, IIM Kozhikode, has identified a set of stakeholders and developed a balanced scorecard for country branding. The author has researched on extension effectiveness of the two popular brands – HDFC Bank into insurance and has identified the customer's perception of fit between the master brand and the extended category. The author proposes a D. U. M. B. (Demenstrable, Unique, Meaningful and Believable) model, which should be used while globalizing a brand. The research on cult branding analyses the cult science in social context and tries to find out the golden principles for building cult brands. The author has also taken some challenging issues of branding that how the brands are managed and built in the Indian market. Shainesh G. and
Sheth J.N. have explored the concepts and applications of CRM (Customer Relationship Management) across industries. They have taken a strategic perspective to explain CRM. According to them CRM has evolved from mere a buzzword to an inherent element of business strategy in the new millennium. Firms in services, goods and consumer industries as well as business markets are undertaking initiatives to build relationships with their customers and improve marketing productivity with as well as organizational profitability. Mohammed and Sagadevan have made an important contribution in the field of study of cardinal principles of effective CRM as acquiring, retaining and expanding customer base. The concepts, process, techniques, significance and architectural aspects of CRM are dealt in a comprehensive manner. Jagdish Sheth and Atul Parvatiyar in their research in the field of Relationship Marketing In consumers Market found consumers choice reduction as the basic tenet of Relationship Marketing. Consumers like to reduce choices by engaging in ongoing loyalty relationships with marketers. They have also given the consequences of Relationship Marketing in the form of improvement in marketing productivity. Wilson David has developed an integrated model that blends the empirical knowledge about successful relationship variables with the conceptual process model. He has concentrated on the relationship between buyer and seller and thereby developed a five stage process model.
2.3 A CRITIQUE

The above studies and their implications very well justify the need of more study on brand relationship factors. Available researches appear to have focused on various aspects of Brand Management such as Brand Loyalty, Brand Extensions, Brand Communities, Consumer attitudes and Behavior, Brand building Strategies etc. As we can see that very limited work have been done at the level of brand and consumer relationships I have tried to consult and review most of the literature which is available through various sources.

REFERENCES:

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