CHAPTER-III
HOME APPLIANCES: AN OVERVIEW

Now a days marketing plays an important role in day-to day life. It has its origin in the fact that human beings are creatures of needs and wants. Needs and wants create a state of discomfort in people, which is resolved through acquiring products. As many products can satisfy a given need, product choice is guided by the concept of value and satisfaction. Every business house is trying to make its products more popular and highly profitable. But all the business houses do not attain success due to a variety of reasons. One of the most important reasons is changing consumer behaviour. It is very difficult to predict and understand consumers behaviour due to its changing nature. Obviously, it becomes important for every business to concentrate on consumers and their behaviour. This will enable them to cater to the needs of consumers and satisfy them to tally.

The primary work of business in the olden days was to concentrate only on production areas. But the trend today is totally different as the importance also focuses on marketing production. In a competitive world, business without paying importance to marketing can never be successful. Marketing plays a pivotal role in the growth and development of a country. The development of marketing has always kept pace with economic growth, which in turn leads to the development of a country. Both have experienced evolutionary rather than revolutionary change. In short, it can be said that marketing is the by product of economic development. Marketing also assumes paramount significance in a developing country like India as the characteristics of a developing economy is the ability to organize economic efforts and energies to bring together resources, wants, capacities.

The component of economic growth are savings, investments, production and consumption. All the components are equally important for economic growth.
Marketing as a business function and an economic activity influences economic developments of a country. In underdeveloped countries, the marketing functions are neglected or in the infant stage. In the initial stage, farmers and industrialists are interested in production and not in marketing. Industries are quick in adopting new techniques in production, but not so in marketing. Even today some industries follow production oriented techniques. The manufacturer produces products for which a ready market exists but neglects the imports of marketing. Marketing has gained a wide recognition because of the increasing pace of production. To a great extent, economic growth of a country depends on the performance of marketing activities, which stimulates the demands for goods and services and leads to higher production. Thus, production and marketing, along with other activities, become vital for economic development. Production may be the door to economic growth of an underdeveloped and developing country, but marketing is the key to economic deadlock.

Marketing, to a greater extent, helps in the development of the standard of products and services and increases the standard of all fields. Marketing itself, being a complex mechanism, involves a number of functions and self-functions which call for specialized persons for employment. The field of marketing engages about 35 percentage of total labour force directly or indirectly. The producers, consumers and the middlemen look upon the marketing process from their own individual viewpoint. The producers are interested in selling their products at such remunerative price as would enable them to continue to produce and stay in their business. A consumer looks at marketing from the point of view of goods and the prices at which they are offered. The ultimate goal of successful marketing must be the cheeping of goods to ultimate consumers without adversely affecting the interest of the producers.
Any increase in the efficiency of the marketing process which results in lower cost of distribution and lower prices to the consumers bring about an increase in the national income. A reduction in the cost of marketing is a direct benefit to the society as a whole. The techniques of marketing have been improved and this has helped in bringing a variety of quality goods cheaply to the consumers. Marketing research has been responsible for the improvement in the technique of marketing. For an agricultural country like India, if marketing makes up half of the cost of goods it would be clear that it requires as much study and attention as production of goods. Consumer goods are designed for use by ultimate consumers or in such form that they can be used without commercial processing. Consumer goods, as the name implies are the goods purchased and consumed by the consumers for own and their family’s gratification. There are various classifications adopted for analyzing consumer goods, viz., durable and non-durable.

In fact, everybody in this world is a consumer and every body has different tastes, likes and dislikes and adopts different behavior patterns while making purchase decisions. Hence each consumer is unique and this uniqueness reflected in the consumer behavior and consumer pattern and also purchase decision. Consumer behavior is helpful in understanding purchase behavior and preference of different consumers. In today’s world rapidly changing technology, consumers tastes and preferences are also characterized by fast changes. To meet this changing environment, a firm has to be innovative to and understand the latest consumer needs and wants consumer behavior provides invaluable items and guidelines to marketers on new technological development which they explore. To make a purchasing decisions there should be a proper flow of information about the product to the consumer, because modern marketing is consumer oriented. The world of today revolves not by itself, but by advertisement. The more the product is advertised the more popular it is. Even the companies which are well established
continue to advertise their products, as one may even doubt the very existence of a company, if no advertisement is seen or heard for the product.

The consumer market consists of all the households and individuals who buy goods and services for their personal use. Consumers differ tremendously in income, educational level, taste and age. So it is necessary for the marketers to classify consumers into groups and to develop products or services designed to suit their needs. In olden days marketers had large and direct contact with the consumers which enabled them to understand consumers. But the growth in the size of firms and markets have made it impossible on the part of the marketers to maintain such a close contact. This has necessitated the present day marketing managers to conduct consumer research to formulate an idea about the behavior of consumers. The Indian consumer market is growing at a tremendous pace. The changing socio-economic, cultural and political orders have transformed people into sophisticated consumers. The perspectives of consumers have undergone an exchange many of the Indian households are buying a number of consumer durables like refrigerators, washing machine, mixer, television sets, DVD, fan, pressure cooker, water heater, etc.

Due to improving technology day by day, there has been an increased expectation in the customers mind for newer products and improved alternatives for the existing ones. The key to success lies in retaining customers loyalty by providing value-added products to fulfill needs. Even the marketers are making use of behavioural sciences and trying hard to establish a certain degree of brand loyalty among a new class of decision makers in the family. In fact, marketers by directly or indirectly, are trying to carve out a niche in the minds of consumers. In recent years, many manufacturing companies have diversified their business activities to meet both the needs of the households and industrial users. Indian homes in urban areas have been using modern household items as a necessity.
Hence, efforts are being made by many organizations manufacturing consumer durables, to market their products even in small towns and rural areas.

**Home Appliances**

Home appliances are electrical/mechanical machines which accomplish some household functions, such as cooking or cleaning. Home appliances can be classified into:

- Major appliances, or White goods
- Small appliances, or Brown goods
- Consumer electronics, or Shiny goods

This division is also noticeable in the service area of these kinds of products. Brown goods usually require high technical knowledge and skills (which get more complex with time, such as going from a soldering iron to a hot-air soldering station), while white goods need more practical skills and "brute force" to manipulate the devices and heavy tools required to repair them.

**Major appliances**

White goods/major appliances comprise major household appliances and may include: air conditioner, dishwasher, clothes dryer, drying cabinet, freezer, refrigerator, kitchen stove, water heater, washing machine, trash compactor, microwave ovens and induction cookers.

**Small appliances**

Brown goods/small appliances are typically small household electrical entertainment appliances such as: TV sets, CD and DVD players, camcorders, still cameras, clocks, alarm clocks, video game consoles, HiFi and home cinema, telephones and answering machines. Some types of brown goods were traditionally finished with or looked like wood or bakelite. This is now rather rare, but the name has stuck, even for goods that are unlikely ever to have been
provided in a wooden case (e.g. camcorders). White goods were typically painted or enameled white, and many of them still are. The addition of new items to these categories shows that the categories still serve a purpose in marketing.

Microwave ovens contain complex electronic boards (the clock and controller) but aren't repaired very often. Some brands send whole boards for replacement, and some have them repaired by such technicians.

**Networking of home appliances**

There is an increasing trend to network home appliances together, and combine their controls and key functions. For instance, energy distribution can be managed more evenly so that when the washing machine is on, the oven can go into a delayed start mode, or vice versa. Or, a washing machine and dryer may share information about load characteristics (gentle/normal, light/full), and synchronize their finish times so the wet laundry does not have to wait before being put in the dryer.

**Need for branding**

A brand is a name, term, sign, symbol, design or combination of these used to identify the products of one organization and differentiate them from competitive offerings. A trademark is a legally protected brand that allows its owner exclusive right to use it usually the brand marks and also the brand names are registered under the Trade and Merchandise Act in India to get legal protection as a registered trade mark. The consumer relies on branding as an important information source. A brand name of a product identifies the firm and assures the buyers of uniform quality and promoters repeated purchasing with confidence. A good brand name should possess the quality of distinctiveness. To be distinct, it should be noticeable, impressive and stand independent among a host of other competing brands. If the brand is associated with an attractive picture/image it gets recorded in the human mind and will facilitate recall. The picture/image and
the brand name become synonymous with the product for which it is branded. The quality of distinctiveness is a very subjective matter. However, when a considerable number of people notice some special feature in it, it can be treated as distinct. There are other rules to be followed in finalizing good brand name. It should be easy to pronounce, recognize and remember. Another trait of a good brand name is that it should suggest something about the product. It can be the product qualities such as action, colour, type or the benefits derived in using the product.

Every time a purchaser sees or hears a reputed brand name, a certain image is formed in his mind. Some images are favourable and others are unfavourable. It is the task of the marketer to bring about favourable images in the buyers a black box. A brand extension strategy is any effort to use a successful brand name to launch product modifications or new products. The impact of mounting competitive pressures and technological advances changing consumer tastes and preferences shorten the product lifecycle. To escape a pre-mature demise and to extend the life of products brand extension becomes an important tool in the hands of marketers. As competition increases the cost of introducing products is also increasing excessive creative efforts and media spending and careful planning do not guarantee a successful product launch. Thus, many manufacturers shy away from new and innovative ways to market their products, for them, success is assured at least in a limited way through imitation. The behavioural aspect which facilitates imitation is consumer confusion. Confusion occurs when the consumer is unable to discriminate between two similar looking brands. One of the major causes of consumer confusion is generalization.

Branding is an important policy decision. It endows the product with a distinct personality for easy identification by the consumer. Sometimes, brands turn into status symbols. The marketer can build up a bright image of his
organization around the brand. It enables national advertisement of a specific product and it is pre-sold through advertising. Branded products can be easily recognized by the customer in the retail shop. It offers protection to the consumer as it identifies the firm behind the product. Branding enables the firm assured control over the market. Repeat sales are stimulated and it creates an exclusive market for the product. When brands are successfully and effectively promoted, the very existence of the middlemen depends upon a continued supply of each brand. Branding by differentiation a product from its rivals enables the brand owner to establish his own price which cannot be easily compared with prices of competing goods. Price comparison is very difficult and the firm has independence in price fixing.

**Branding**

*Branding* began as a way to tell one person's cattle from another by means of a hot iron stamp. Proper branding can result in higher sales of not only one product, but on other products associated with that brand. For example, if a customer loves Pillsbury biscuits and trust the brand, he or she is more likely to try other products offered by the company such as chocolate chip cookies. Thus, Brand is the personality *that identifies* a product, service or company (name, term, sign, symbol, or design, or combination of them) and how it relates to key constituencies: customers, staff, partners, investors etc. Some people distinguish the psychological aspect, brand associations like thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand, of a brand from the experiential aspect.

The experiential aspect consists of the sum of all points of contact with the brand and is known as the **brand experience**. The brand experience is a brand's action perceived by a person. The psychological aspect, sometimes referred to as the **brand image**, is a symbolic construct created within the minds of people,
consisting of all the information and expectations associated with a product, service or the company(ies) providing them. People engaged in branding seek to develop or align the expectations behind the brand experience, creating the impression that a brand associated with a product or service has certain qualities or characteristics that make it special or unique. A brand is therefore one of the most valuable elements in an advertising theme, as it demonstrates what the brand owner is able to offer in the marketplace. The art of creating and maintaining a brand is called brand management. Orientation of the whole organization towards its brand is called brand orientation. The brand orientation is developed in responsiveness to market intelligence.

Careful brand management seeks to make the product or services relevant to the target audience. Brands should be seen as more than the difference between the actual cost of a product and its selling price - they represent the sum of all valuable qualities of a product to the consumer. A brand which is widely known in the marketplace acquires **brand recognition**. When brand recognition builds up to a point where a brand enjoys a critical mass of positive sentiment in the marketplace, it is said to have achieved **brand franchise**. Brand recognition is most successful when people can state a brand without being explicitly exposed to the company's name, but rather through visual signifiers like logos, slogans, and colors. For example, Disney has been successful at branding with their particular script font (originally created for Walt Disney's "signature" logo), which it used in the logo for go.com. Consumers may look on branding as an aspect of products or services, as it often serves to denote a certain attractive quality or characteristics. From the perspective of brand owners, branded products or services also command higher prices. Where two products resemble each other, but one of the products has no associated branding (such as a generic, store-branded product), people may often select the more expensive branded product on the basis of the quality of the brand or the reputation of the brand owner.
Brand awareness

Brand awareness refers to customers' ability to recall and recognize the brand under different conditions and link to the brand name, logo, jingles and so on to certain associations in memory. It consists of both brand recognition and brand recall. It helps the customers to understand to which product or service category the particular brand belongs and what products and services are sold under the brand name. It also ensures that customers know which of their needs are satisfied by the brand through its products (Keller). Brand awareness is of critical importance since customers will not consider your brand if they are not aware of it.

There are various levels of brand awareness that require different levels and combinations of brand recognition and recall. Top-of-Mind is the goal of most companies. Top-of-Mind Awareness occurs when your brand is what pops into a consumers mind when asked to name brands in a product category. For example, when someone is asked to name a type of facial tissue, the common answer is “Kleenex,” which is a top-of-mind brand. Aided Awareness occurs when a consumer is shown or reads a list of brands, and expresses familiarity with your brand only after they hear or see it as a type of memory aide. Strategic Awareness occurs when your brand is not only top-of-mind to consumers, but also has distinctive qualities that stick out to consumers as making it better than the other brands in your market. The distinctions that set your product apart from the competition is also known as the Unique Selling Point or USP.

Brand identity

The outward expression of a brand – including its name, trademark, communications, and visual appearance – is brand identity. Because the identity is assembled by the brand owner, it reflects how the owner wants the consumer to perceive the brand – and by extension the branded company, organization, product
or service. This is in contrast to the brand image, which is a customer's mental picture of a brand. The brand owner will seek to bridge the gap between the brand image and the brand identity.

Effective brand names build a connection between the brand personality as it is perceived by the target audience and the actual product/service. The brand name should be conceptually on target with the product/service (what the company stands for). Furthermore, the brand name should be on target with the brand demographic. Typically, sustainable brand names are easy to remember, transcend trends and have positive connotations. Brand identity is fundamental to consumer recognition and symbolizes the brand's differentiation from competitors.

Chart 1: Brand Identity
Brand identity is what the owner wants to communicate to its potential consumers. However, over time, a product's brand identity may acquire (evolve), gaining new attributes from consumer perspective but not necessarily from the marketing communications an owner percolates to targeted consumers. Therefore, brand associations become handy to check the consumer's perception of the brand.

Brand identity needs to focus on authentic qualities – real characteristics of the value and brand promise being provided and sustained by organizational and/or production characteristics.

**Brand trust**

Brand trust is the intrinsic 'believability' that any entity evokes. In the commercial world, the intangible aspect of Brand trust impacts the behavior and performance of its business stakeholders in many intriguing ways. It creates the foundation of a strong brand connect with all stakeholders, converting simple awareness to strong commitment. This, in turn, metamorphoses normal people who have an indirect or direct stake in the organization into devoted ambassadors, leading to concomitant advantages like easier acceptability of brand extensions, perception of premium, and acceptance of temporary quality deficiencies.

The Brand Trust Report is a syndicated primary research that has elaborated on this metric of brand trust. It is a result of action, behavior, communication and attitude of an entity, with the most Trust results emerging from its action component. Action of the entity is most important in creating trust in all those audiences who directly engage with the brand, the primary experience carrying primary audiences. However, the tools of communications play a vital role in the transferring the trust experience to audiences which have never experienced the brand, the all important secondary audience.
Brand parity

Brand parity is the perception of the customers that some brands are equivalent. This means that shoppers will purchase within a group of accepted brands rather than choosing one specific brand. When brand parity is present, quality is often not a major concern because consumers believe that only minor quality differences exist.

Expanding role of brand

It was meant to make identifying and differentiating a product easier, while also providing the benefit of letting the name sell a second rate product. Over time, brands came to embrace a performance or benefit promise, for the product, certainly, but eventually also for the company behind the brand. Today, brand plays a much bigger role. 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. Cultural conflict over a brand's meaning have also been shown to influence the diffusion of an innovation.

Individual branding

Each brand has a separate name (such as Seven-Up, Kool-Aid or Nivea Sun (Beiersdorf)), which may compete against other brands from the same company (for example, Persil, Omo, Surf and Lynx are all owned by Unilever).

Attitude branding and iconic brands

Attitude branding is the choice to represent a larger feeling, which is not necessarily connected with the product or consumption of the product at all. Marketing labeled as attitude branding include that of Nike, Starbucks, The Body
Shop, Safeway, and Apple Inc.. In the 2000 book *No Logo*, Naomi Klein describes attitude branding as a "fetish strategy".

"A great brand raises the bar -- it adds a greater sense of purpose to the experience, whether it's the challenge to do your best in sports and fitness, or the affirmation that the cup of coffee you're drinking really matters." - Howard Schultz (president, CEO, and chairman of Starbucks)

**Iconic brands** are defined as having aspects that contribute to consumer's self-expression and personal identity. Brands whose value to consumers comes primarily from having identity value are said to be "identity brands". Some of these brands have such a strong identity that they become more or less cultural icons which makes them "iconic brands". Examples are: Apple, Nike and Harley Davidson. Many iconic brands include almost ritual-like behaviour in purchasing or consuming the products.

There are four key elements to creating iconic brands (Holt 2004):

1. "Necessary conditions" - The performance of the product must at least be acceptable, preferably with a reputation of having good quality.
2. "Myth-making" - A meaningful storytelling fabricated by cultural insiders. These must be seen as legitimate and respected by consumers for stories to be accepted.
3. "Cultural contradictions" - Some kind of mismatch between prevailing ideology and emergent undercurrents in society. In other words a difference with the way consumers are and how they wish they were.
4. "The cultural brand management process" - Actively engaging in the myth-making process in making sure the brand maintains its position as an icon.
"No-brand" branding

Recently a number of companies have successfully pursued "no-brand" strategies by creating packaging that imitates generic brand simplicity. Examples include the Japanese company Muji, which means "No label" in English (from "Mujirushi Ryohin" – literally, "No brand quality goods"), and the Florida company No-Ad Sunscreen. Although there is a distinct Muji brand, Muji products are not branded. This no-brand strategy means that little is spent on advertisement or classical marketing and Muji's success is attributed to the word-of-mouth, a simple shopping experience and the anti-brand movement. "No brand" branding may be construed as a type of branding as the product is made conspicuous through the absence of a brand name. "Tapa Amarilla" or "Yellow Cap" in Venezuela during the 1980s is another good example of no-brand strategy. It was simply recognized by the color of the cap of this cleaning products company.

Derived brands

In this case the supplier of a key component, used by a number of suppliers of the end-product, may wish to guarantee its own position by promoting that component as a brand in its own right. The most frequently quoted example is Intel, which positions itself in the PC market with the slogan (and sticker) "Intel Inside".

Brand extension and brand dilution

The existing strong brand name can be used as a vehicle for new or modified products; for example, many fashion and designer companies extended brands into fragrances, shoes and accessories, home textile, home decor, luggage, (sun-) glasses, furniture, hotels, etc.

Mars extended its brand to ice cream, Caterpillar to shoes and watches, Michelin to a restaurant guide, Adidas and Puma to personal hygiene. Dunlop
extended its brand from tires to other rubber products such as shoes, golf balls, tennis racquets and adhesives. Often times, the product is no different than what else is on the market, except a brand name marking.

There is a difference between brand extension and line extension. A line extension is when a current brand name is used to enter a new market segment in the existing product class, with new varieties or flavors or sizes. When Coca-Cola launched "Diet Coke" and "Cherry Coke" they stayed within the originating product category: non-alcoholic carbonated beverages. Procter & Gamble (P&G) did likewise extending its strong lines (such as Fairy Soap) into neighboring products (Fairy Liquid and Fairy Automatic) within the same category, dish washing detergents.

The risk of over-extension is brand dilution where the brand loses its brand associations with a market segment, product area, or quality, price or cachet. 

Multi-brands

Alternatively, in a market that is fragmented amongst a number of brands a supplier can choose deliberately to launch totally new brands in apparent competition with its own existing strong brand (and often with identical product characteristics); simply to soak up some of the share of the market which will in any case go to minor brands. The rationale is that having 3 out of 12 brands in such a market will give a greater overall share than having 1 out of 10 (even if much of the share of these new brands is taken from the existing one). In its most extreme manifestation, a supplier pioneering a new market which it believes will be particularly attractive may choose immediately to launch a second brand in competition with its first, in order to pre-empt others entering the market.

Individual brand names naturally allow greater flexibility by permitting a variety of different products, of differing quality, to be sold without confusing the
consumer's perception of what business the company is in or diluting higher quality products.

Once again, Procter & Gamble is a leading exponent of this philosophy, running as many as ten detergent brands in the US market. This also increases the total number of "facings" it receives on supermarket shelves. Sara Lee, on the other hand, uses it to keep the very different parts of the business separate — from Sara Lee cakes through Kiwi polishes to L’ Eggs pantyhose. In the hotel business, Marriott uses the name Fairfield Inns for its budget chain (and Ramada uses Rodeway for its own cheaper hotels).

Cannibalization is a particular problem of a "multibrand" approach, in which the new brand takes business away from an established one which the organization also owns. This may be acceptable (indeed to be expected) if there is a net gain overall. Alternatively, it may be the price the organization is willing to pay for shifting its position in the market; the new product being one stage in this process.

**Private labels**

Private label brands, also called own brands, or store brands have become popular. Where the retailer has a particularly strong identity (such as Marks & Spencer in the UK clothing sector) this "own brand" may be able to compete against even the strongest brand leaders, and may outperform those products that are not otherwise strongly branded.

**Individual and organizational brands**

There are kinds of branding that treat individuals and organizations as the products to be branded. Personal branding treats persons and their careers as brands. The term is thought to have been first used in a 1997 article by Tom Peters. Faith branding treats religious figures and organizations as brands.
Religious media expert Phil Cooke has written that faith branding handles the question of how to express faith in a media-dominated culture. Nation branding works with the perception and reputation of countries as brands.

**Crowd sourcing branding**

These are brands that are created by the people for the business, which is opposite to the traditional method where the business create a brand. This type of method minimizes the risk of brand failure, since the people that might reject the brand in the traditional method are the ones who are participating in the branding process.

**Nation branding (place branding and public diplomacy)**

Nation branding is a field of theory and practice which aims to measure, build and manage the reputation of countries (closely related to place branding). Some approaches applied, such as an increasing importance on the symbolic value of products, have led countries to emphasize their distinctive characteristics. The branding and image of a nation-state "and the successful transference of this image to its exports - is just as important as what they actually produce and sell."

A strong brand must have following attributes:

- **Relevancy** - A strong brand must be relevant. It must meet people’s expectations and should perform the way they want it to. A good job must be done to persuade consumers to buy the product; else inspite of your product being unique, people will not buy it.

- **Consistency** - A consistent brand signifies what the brand stands for and builds customers trust in brand. A consistent brand is where the company communicates message in a way that does not deviate from the core brand proposition.
Proper positioning- A strong brand should be positioned so that it makes a place in target audience mind and they prefer it over other brands.

Sustainable- A strong brand makes a business competitive. A sustainable brand drives an organization towards innovation and success. Example of sustainable brand is Marks and Spencer’s.

Credibility- A strong brand should do what it promises. The way you communicate your brand to the audience/ customers should be realistic. It should not fail to deliver what it promises. Do not exaggerate as customers want to believe in the promises you make to them.

Inspirational- A strong brand should transcend/ inspire the category it is famous for. For example- Nike transcendent Jersey Polo Shirt.

Uniqueness- A strong brand should be different and unique. It should set you apart from other competitors in market.

Appealing- A strong brand should be attractive. Customers should be attracted by the promise you make and by the value you deliver.

Brand image

Brand image is the current view of the customers about a brand. It can be defined as a unique bundle of associations within the minds of target customers. It signifies what the brand presently stands for. It is a set of beliefs held about a specific brand. In short, it is nothing but the consumers’ perception about the product. It is the manner in which a specific brand is positioned in the market. Brand image conveys emotional value and not just a mental image. Brand image is nothing but an organization’s character. It is an accumulation of contact and observation by people external to an organization. It should highlight an organization’s mission and vision to all. The main elements of positive brand
image are—unique logo reflecting organization’s image, slogan describing organization’s business in brief and brand identifier supporting the key values.

Brand image is the overall impression in consumers’ mind that is formed from all sources. Consumers develop various associations with the brand. Based on these associations, they form brand image. An image is formed about the brand on the basis of subjective perceptions of association’s bundle that the consumers have about the brand. Volvo is associated with safety. Toyota is associated with reliability.

The idea behind brand image is that the consumer is not purchasing just the product/service but also the image associated with that product/service. Brand images should be positive, unique and instant. Brand images can be strengthened using brand communications like advertising, packaging, word of mouth publicity, other promotional tools, etc.

Brand image develops and conveys the product’s character in a unique manner different from its competitor’s image. The brand image consists of various associations in consumers’ mind—attributes, benefits and attributes. Brand attributes are the functional and mental connections with the brand that the customers have. They can be specific or conceptual. Benefits are the rationale for the purchase decision. There are three types of benefits: Functional benefits—what do you do better (than others), emotional benefits—how do you make me feel better (than others), and rational benefits/support—why do I believe you (more than others). Brand attributes are consumers overall assessment of a brand.

Brand image has not to be created, but is automatically formed. The brand image includes products' appeal, ease of use, functionality, fame, and overall value. Brand image is actually brand content. When the consumers purchase the product, they are also purchasing it’s image. Brand image is the objective and mental feedback of the consumers when they purchase a product. Positive brand
image is exceeding the customers expectations. Positive brand image enhances the goodwill.

**Brand loyalty**

**Chart 2: Brand Loyalty**
In the words of American Marketing Association brand loyalty refers to:

The situation in which a consumer generally buys the same manufacturer-originated product or service repeatedly over time rather than buying from multiple suppliers within the category. It also refers to the degree to which a consumer consistently purchases the same brand within a product class. In a survey of nearly 200 senior marketing managers, 69 percent responded that they found the "loyalty" metric very useful.

**Purpose**

Brand loyalty, in marketing, consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service, or other positive behaviors such as word of mouth advocacy.

**Construction**

Brand loyalty is more than simple repurchasing, however. Customers may repurchase a brand due to situational constraints (such as vendor lock-in), a lack of viable alternatives, or out of convenience. Such loyalty is referred to as "spurious loyalty". True brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behavior. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to the firm. For example, if Joe has brand loyalty to Company A he will purchase Company A's products even if Company B's are cheaper and/or of a higher quality.

**Factors influencing brand loyalty**

It has been suggested that loyalty includes some degree of pre-dispositional commitment toward a brand. Brand loyalty is viewed as multidimensional construct. It is determined by several distinct psychological processes and it entails multivariate measurements. Customers' perceived value, brand trust, customers'
satisfaction, repeat purchase behavior, and commitment are found to be the key influencing factors of brand loyalty. Commitment and repeated purchase behavior are considered as necessary conditions for brand loyalty followed by perceived value, satisfaction, and brand trust. Fred Reich held, One of the most influential writers on brand loyalty, claimed that enhancing customer loyalty could have dramatic effects on profitability. Among the benefits from brand loyalty — specifically, longer tenure or staying as a customer for longer — was said to be lower sensitivity to price. This claim had not been empirically tested until recently. Recent research found evidence that longer-term customers were indeed less sensitive to price increases.

Six ways to create brand loyalty

1. **Be better than anyone:** What is your one thing and how can you do it better than anyone? This is not to say to only have one product but more to focus on what you really do better than anyone else. Being better than anyone else does not allow for consumers to consider alternatives as they know that they cannot receive what they get with you elsewhere. Chris Brogan says it best in his *Do One Thing Very Well* post.

2. **Belonging:** Create a sense of belonging whether it be via a “community” that is exclusive to your brand to give people a reason to want to wear that badge. Answer why should they be associated with you and loyal to you. Go beyond the we have a great product and identify why people would want everyone to know that they are connected to you.

3. **Credibility:** This is more than doing what you say you will or a product that does what you say it will. Remember we are talking about how to build loyalty with the tools available. You may have a great product, message but your marketing materials are photo copied or a profile that is a template and not reflective of your brand identity. Well done, aesthetically
pleasing and user focused organized websites, materials and profiles give a sense of credibility which leads to trust.

4. **Accessibility**: This ties into belonging as if the “right” person is accessible, people want to be a part of that to say that they “know” this person or the CEO of the company reached out to me. This is where the humanization of the brand comes in as we are able to connect and really let people know that behind the brand is a consumer, family man/woman, etc who eats lunch, drinks coffee, etc.

5. **Connection ability**: How do you speak to your audience? Learn to talk like they do or teach them how you want them to talk about you. This is widely used with tag lines and the brand message however there are times that a brand takes on a new “language” that is driven by the audience. Know this and adopt it (so long as it is what your brand represents). Outside Nevada, it is pronounced Na-vah-da where locally it is Neh-vada. While some may use the outside version locally to grab attention, the focus goes off of the product/service and becomes about how the name is not pronounced properly.

6. **Repeat**: Stay on top of what consumers are saying and avoid being stale or changing too fast. Brands have a very long shelf life and those that are on top of where change or the shift in the mindset of consumers are able to adapt and maintain loyal customers. Be proactive and not reactive to try and pull people back as once they are gone, they are gone. Brand loyalty is more than the product itself.

**Elements of brand**

**Brand position**

- Who is addressed by company’s branded products or services. What the company does and for whom
• The company’s unique value and how customers benefit from products and/or services
• Key competitive differentiators, what makes the brand be chosen, be different from its competitors

**Brand promise**
• The ONE most important thing that the brand promises to deliver to its customers — Every time!
• What customers and partners should expect from every interaction, how should they feel as brand’s customers

**Brand personality**
• What the brand is to be known for
• Personality traits that customers, partners, and employees use to describe the company. What comes to the (potential) customer’s mind when addressed about the brand

**Brand story**
• The company’s history and how the history adds value and credibility to the brand
• A summary of products/services/solutions

**Brand associations**
• Physical artifacts: name, logo, colors, taglines, fonts, imagery
• Ideally, it must reflect the all the above statements about the brand and the company

**Brand strategy:**
Brands allow businesses and their products and services to take on human qualities so that they can share values, make and keep promises and create
emotional connections with their customers. These lead customers to be loyal to and advocate those brands.

Other business benefits of brands include increased:

- ability to charge a price premium
- market share
- profitability
- market valuation
- negotiating leverage with business partners
- ability to grow beyond current product categories (if the brand focuses on customer benefits rather than specific product categories)
- ability to recruit and retain high quality employees
- clarity of vision
- ability to align the organization around a specific mission, vision and set of values
- ability to mobilize an organization’s people and focus its activities

**Twelve direct consequences to the success:**

- **Value is the deal**
  Differentiated and believable brand meaning – emotional, rational, functional, and experiential – becomes a more effective and profitable surrogate for value than low-lower-lowest pricing strategies. But only the consumer gets to say how "valuable" is actually defined. Employ effective systems to listen to them and then figure out ways to tune in the consumer’s frequency.

- **Social network security**
  Friends have an even greater influence on purchase habits than before, but the trust in the community *outside* the brand space will only be extended to the brand if truly understood and properly incorporated into brand outreach strategies. More connected consumers won’t call, text, or
email, but will use social network streams to talk about brands, create personalized content, and increase brand engagement – all necessitating a deeper understanding of what drives a brand’s category and how social network platforms play their part. But watch for more powerful peer-to-peer recommendations coming in the form of subject and feedback blogs – more targeted, more trusted, and more motivating than advertising, promotions, sponsorships, or celebrity endorsements.

❖ **Inward bound**

Differentiation will increasingly come from a brand’s emotional offerings and finding what will best resonate with consumers. Doing what others do signals commodity, not brand. This is one suit that needs to be custom made. Personal connection and engagement will be more and more critical especially in today’s weakened economy.

❖ **Great expectations**

Brands aren’t able to keep up with consumer expectations and haven’t for a while now. Every day consumers adopt and devour the latest and greatest, hungering for cutting-edge innovations and enhanced experiences. Accurate measures of real category expectations can provide both ‘roadmaps’ and significant advantages for brands that understand their value.

❖ **Now entering the statusphere**

Status remains with us, but the definition continues its shift. The curtain has been pulled back on labels without meaning. Increasingly, meaning is defined far deeper than simple ownership and ubiquitous logos. Producing, selling, and shopping based on environmentally “green” production and design, and fair-trade and socially-conscious consumption is the trend for brands and consumers. To discover their best tactics here, a
brand will need to investigate the components of important category drivers. Spot them. Understand them. Leverage them.

- **Appetizing**
  
  As a result of growing Smartphone/tablet ubiquity, look for more and more apps and their effective use to create an interactive nexus to increase consumer engagement and brand differentiation. It’s not just about games anymore.

- **Mobilized money**
  
  Handheld technology and smarter-and-smarter smart phones will increase opportunity for more mobile monetary transactions. Brands that do not facilitate small screen transactions will find consumers hanging up on them. Watch for increased credit card and promotional outreach, especially if the brand can customize the small screen experience.

- **Real-time branding**
  
  As brands (like Amazon and Zappos) taught, and consumers learned, fragmented lifestyles and increased expectations could be better serviced by the near-instantaneous availability of products (and their return). Consumers will expect brands to respond with the click of a “Send” key, no matter in which category they compete.

- **Innovation is sincerest flattery**
  
  Given increased consumer expectations and decreased brand differentiation, brands will need to understand what really drives their category and where to innovate against consumer pain points. Zappos sells shoes – but their brand equity lies primarily in the emotional driver of “service” and how they quickly they process both delivery and returns. Oh, and it’s free--erasing a consumer irritation with innovation in delivery, and
likely increasing sales in the process as ordering more, and likely keeping them, became painless.

❖ **Coolsumption**

Creative response to consumer expectation will become *de rigueur* for brand leaders. But the brand party many attended before the economy called in the police has left a beauty hangover that is not going away anytime soon. Sure, Apple sells phones and mp3 players, but they leverage engagement and loyalty, not by delivering “communication” or “entertainment,” but by delivering products that are beautifully, creatively and organically designed. Look for a desire for the coolness of beauty--whether a graceful delivery system or a gorgeous product--to escalate.

❖ **Simplicity**

Increased consumer desire for simplicity is a strong trend as complexity pushes on people. Look for smaller, higher-quality products, and ease-of-service delivery methods. This will result in the convergence of complex services and products into simple, expectation-exceeding solutions. But only if brands know where to look in their own categories for the "wow" button to press.

❖ **One need to be aware that engagement is not a fad**

Engagement is the way empowered consumers do business today, period. Marketers can and should plan with engagement methods like the right platform, program, message, or experience, but out-dated awareness models will continue to be ineffective and there should be only one objective for these engagement methods: Brand Engagement.