

Recent Trend of Strategic Brand Management in Global Prospective

Gauhar Fatma*

L. N. Mishra College of Business
Management, Bhagwanpur Chowk,
Muzaffarpur, Bihar, India – 842 001

Ela Kumari

L. N. Mishra College of Business
Management, Bhagwanpur Chowk,
Muzaffarpur, Bihar, India – 842 001

Rashid Farooqi

L. N. Mishra College of Business
Management, Bhagwanpur Chowk,
Muzaffarpur, Bihar, India – 842 001

Abstract-

In today's context, the brand is important for business strategy success. A strong brand increases the level of customers' satisfaction and brand loyalty. Brand with great value in the market is an asset for the firm. It provides identity of manufacturer in the eyes of the customers.

Keywords – brand, strategy, globalization, customer

I. INTRODUCTION

Managing a firm in globalized economy based on knowledge is becoming more complex and requires intensive studies of business models and all management sectors. One of the sectors is brand management. This is an established fact now that nowadays market is changing very rapidly and the competition is intensive and the customers are demanding, increases the role of brand and its analysis in marketing theory and practice. The brand is an intangible asset of an enterprise with a great value. Maintaining and increasing capital derived from the assets needs a proper management reaction of enterprise, which is essentially different in comparison to the brand management at the end of last century. Certainly, successful enterprises have understood this fact quite well and that's why they are making an attempt to make their brands more known, which creates the basis for their growth and development. Recent Changes in environment caused by globalization, more intensive competition, changes in customer taste and preferences impose some new requirements for management in the sense of its adequate strategic reaction. This is the biggest challenge for all the firms disregarding the level of globalization.

Certainly, the way of strategic brand management in palpable enterprise, in addition to everything else, will depend on structure, value, and position of brand in chosen target markets operating in global, regional, local; strong, weak; corporate, familiar, individual, etc. levels. Each category needs different set of approaches. However, the core factor for the proliferating success of companies, other organizations and institutions is that the strategic brand management is more efficient when it uses the balanced approach including optimization of brand management and customer relationships, since the power of brand is governed by customer loyalty and value of his/her living.

A successful firm is the one which adapts its business activities according to the needs and requirements of environment, which has become vital for its existence, growth, and development. Some exhaustive (comprehensive) turns, which require changes in the basic company's culture, are also necessary. The need of the hour is to create markets across borders, mass accommodation to the needs of strategically important customers, building and sustaining relationships, focus on delivering superior values and networking organizations have become the prima fascia of business success.

II. IMPORTANCE OF BRAND IN THE STRATEGY OF FIRMS

Brand is the most essential ingredient for the success of any enterprise, keeping in mind that, in present business conditions, it is more difficult to realize wanted business results without the brand. Branding process is gaining more importance than ever before and products without brand are fewer in market. It is estimated that the average customer in India is exposed to approximately 1,500 different brands every day. Brand lessening has been an instrument for protecting customers from wrong buying and it has more synthesized the perceived qualitative product performance, emotional aspects, and reputation. Successful brand has a strong positioning in the mind of customers, it provides some important functions for customers and increases the product value in their eyes and the customers are not ready to trade it for anything. Brand identifies source or maker of a product and allows customers to assign responsibility to particular manufacturer or distributor. It also allows customers to lower search costs for products. On the basis of what they already know about the brand - its quality, product characteristics, and so forth - customers can make assumptions and form reasonable expectations about what they may not know about the brand. In many cases whenever the customer is in need of a product he goes and buys his brand without searching the alternatives like a customer who is in need of an antiseptic will go for Dettol without thinking for other products in this range. The brand provides customers a consistent and comparable quality, disregarding the place of purchase, and it offers an additional psychological satisfaction also.

Indian firms face maximum vulnerability when it comes to brands. Many of India's export winners-leather goods, finished leather, tea, coffee readymade garments do not fetch attractive prices because of lack of strong brands. Globalization implies that individual Indian companies have to achieve global presence by matching global brands in all respect. It is very important for managing brand in the global market to perceive the changes in the behavior of customers and their willingness to accept global brands. Global brands have to face competition from all sides first they mutually compete like car brands, mobile, telephone brands, etc., and then they also strive against regional and local brands. On the other hand, enterprises operating as national or international and not belonging to the group of global ones try to strengthen their brands using advantages in the local markets and abilities to satisfy the need of customers without global orientation.

So in a nutshell if we say that all enterprises are faced with numerous challenges and threats on a daily basis will not be a wrong statement since customer behaviors are under continuous changes. The researches show that approximately 55% of customers prefer global brands, believing they are of higher quality and are stronger, and that enterprises deliver them with greater social responsibility. The significant number of polled customers, 23%, accepts "the myth of globalization" and forms a group of "global dreamers". From the standpoint of brand management, the important fact is that approximately 13% of customers are against globalization, avoid global brands and, whenever is possible, choose local ones. The group of global agnostics (8%) is also important. They buy not only according to the information of global brand, but always compare different brands equity by using a set of criteria and in final decision-making they choose the brand with greater equity, no matter if it is global or local one. These outcomes of researches indicate the necessity of strategic brand management for achieving growth and success.

Changing the role of brand in creating superior value for customers contributes to a new interpretation of brand importance. The focus is put on understanding product/brand interactions, where the brand is not a supplement to a product but the physical product is an element of brand. A brand is the bundle of all the attributes promised by enterprise, benefits it gives to customers, and values that they expect. Emphasizing the importance of variables of confidence, devotion, and loyalty between customers and enterprise directs attention to customer / brand relation. Keeping customers and connecting them with a brand and enterprise require creating a sensible dialogue with customers. When a brand is continuously invested with fresh properties, the relationship with customer always keeps growing. The importance of brand in business strategy affirms paradigm of calculating its economic value, called brand equity. Brand is a kind of long-term investment which, adequately managed, has become a factor of enterprise's profitability.

Strategic brand management process is important for creating and sustaining brand equity. Developing a strategy that successfully sustains or improves brand awareness, strengthens brand associations, emphasizes brand quality and utilization, is a part of brand management. The brand strategy means permanent investment in research and development, publicity, and customer services. The activities of measuring and controlling brand effects are also important.

The strategic brand management deals with a clear understanding as to what the brand is representing and how it should be positioned with respect to competitive brands. Confusion on this part from the enterprise side can lead to disastrous results. The aim is to identify and establish brand positioning which will reflect the benefits that an enterprise could maximize. This includes establishing the essence of brand as the set of imagined associations (attributes and benefits) that are characteristics of brand and choosing the way for its presentation. In a good positioning strategy the enterprise have to decide what his cash on point should be and where they should introduce their product and for whom and on what claim and differentiation attributes should the enterprise go around and promote the brand. It is about defining "heart" and "soul" of the brand.

Planning a brand portfolio is suggested as an instrument for more efficient decision-making in brand management process. Since the brand portfolio is the set of all brands and brand lines that an enterprise offers to customers in a particular category, the planning of brand portfolio represents a process that includes the following phases: identifying brands in the brand portfolio, estimating contribution of each brand to business performance, estimating the brand (actual and future) position, differentiating brands in the portfolio, considering their possibilities and abilities of enterprise to exploit them, re-investigating the portfolio, and developing a strategy of brand reconstruction^[9]. Successful companies always have manageable brand portfolio.

Successful brand positioning is a difficult task. It is fixing the locus of the product in the minds of the customers. If the positioning decision is not appropriate the product suffers heavy losses. It is important to mention here that positioning is not one stroke game...one has to monitor the brand's performance and see whether it is appropriate or not. The firm may intend a particular positioning but the market or the target may perceive it differently. To avoid that, it is necessary: to define brand positioning clearly before creating awareness in the mind of customers, to promote those brand attributes that are important from the standpoint of customers, to invest enough in the difference that competitors can easily copy, to answer to competitive actions in accordance with both customer needs and possibilities of enterprise. Sometimes the problems could be caused by decision of companies to reposition their brands even though it is not justified^[10].

III. CUSTOMER ORIENTED BRAND MANAGEMENT

Brands are created for satisfying customer needs and, simultaneously, for achieving goals of enterprise. Marketing theoreticians and practitioners pay more attention to creating a balanced brand portfolio for particular segment as the basis for successful strategic management. Companies with efficient brand portfolio management use different criteria for its valuation ^[1]. The known and confirmed methods for estimating market attractiveness provide relevant information for making decisions of brands for competing in selected target segments. Crossing criterion of market share in each segment and rates of development of particular industries, that is potential for segment growth, makes it possible to estimate both current and future brand position. Nowadays, brand equity has become more important, as well as certain investment necessary for its maintaining or extending, according to value of customer life. This practically means that through establishing long-term customer relations the focus moves towards familiar or corporate brands. Brand management is successful if it provides growth of customer capital and when the image is used both for getting customers and retaining them. But, this does not mean that brand is not important. On the contrary, it is very important for management to focus on increasing brand capital, but that process simultaneously contributes to increasing both brand capital and customer capital. Focus on efficient brand management through increasing customer capital in long term is an effective strategic decision. Efficient customer relationships management means that enterprises could also introduce new brands that customers prefer and this is a way for linking the customers for brands of enterprise, not only for the individual brand. As some authors say, the brands appear and disappear, but the customers remain.

Customer capital could grow in different ways. The practice of successful enterprises, however, shows that the process of customer capital growth will be more effective and efficient if certain assumptions are fulfilled. On the basis of leading enterprises' research some useful conclusions and recommendations, which could be used by other enterprises, have been derived. The recommendations are:

- Decisions on customer relationship management are primary, and decisions on brand are secondary. This requires a coordination in the process of customer management and brand management as well as the need for teamwork of manager specialists;
- Brand extension and development depend on customers;
- Customer is in focus and he is the basis for brand management, and approach to small segments could enhance efficiency;
- Plan of brand extension is based on customer needs and provides efficient marketing resources allocation;
- Using resources in the brand management process will be more efficient if customers are in "profound" relationships with the other brands of enterprise;
- Brand retention depends on customers. It is suggested to retain those brands that have loyal and profitable customers;
- The brand capital valuation approach has to be changed. Starting assumption in the valuation process is to understand customer capital driver as well as influence of brand capital on customers and buying process .

IV. CONCLUSION

Successful brand is a valuable, renewable and lasting asset for any organization. It is an important strategic instrument of an enterprise. It efficiently transfers customers the meaning of product and makes its identification easier. Effective brand management includes continuous effort of enterprise to choose the ways for realizing the brand potential and increasing its value. The result of having brand potential is creating its leadership in long period through continued investment in quality, communication, customer relationships, and inter-marketing, as the basis for creating sustained competitive advantage and more successful strategic positioning of enterprise. The basic message to management is that brand is an instrument, not only a goal and, used efficiently, it causes creation of very valued intangible assets. Brands exist because people want them to exist and would never die out if marketers avoid committing five mistakes - arrogance, greed, complacency, inconsistency and myopia.

REFERENCES

- [1] S. M. Metev and V. P. Veiko, *Laser Assisted Microtechnology*, 2nd ed., R. M. Osgood, Jr., Ed. Berlin, Germany: Springer-Verlag, 1998.
- [2] J. Breckling, Ed., *The Analysis of Directional Time Series: Applications to Wind Speed and Direction*, ser. Lecture Notes in Statistics. Berlin, Germany: Springer, 1989, vol. 61.
- [3] S. Zhang, C. Zhu, J. K. O. Sin, and P. K. T. Mok, "A novel ultrathin elevated channel low-temperature poly-Si TFT," *IEEE Electron Device Lett.*, vol. 20, pp. 569–571, Nov. 1999.
- [4] M. Wegmuller, J. P. von der Weid, P. Oberson, and N. Gisin, "High resolution fiber distributed measurements with coherent OFDR," in *Proc. ECOC'00*, 2000, paper 11.3.4, p. 109.

- [5] R. E. Sorace, V. S. Reinhardt, and S. A. Vaughn, "High-speed digital-to-RF converter," U.S. Patent 5 668 842, Sept. 16, 1997.
- [6] (2002) The IEEE website. [Online]. Available: <http://www.ieee.org/>
- [7] M. Shell. (2002) IEEEtran homepage on CTAN. [Online]. Available: <http://www.ctan.org/tex-archive/macros/latex/contrib/supported/IEEEtran/>
- [8] *FLEXChip Signal Processor (MC68175/D)*, Motorola, 1996.
- [9] "PDCA12-70 data sheet," Opto Speed SA, Mezzovico, Switzerland.
- [10] A. Karnik, "Performance of TCP congestion control with rate feedback: TCP/ABR and rate adaptive TCP/IP," M. Eng. thesis, Indian Institute of Science, Bangalore, India, Jan. 1999.
- [11] J. Padhye, V. Firoiu, and D. Towsley, "A stochastic model of TCP Reno congestion avoidance and control," Univ. of Massachusetts, Amherst, MA, CMPSCI Tech. Rep. 99-02, 1999.
- [12] *Wireless LAN Medium Access Control (MAC) and Physical Layer (PHY) Specification*, IEEE Std. 802.11, 1997.