Influence of the brand uopn the consumer

Business, Marketing

The second chapter of the paper refers to the impact of brands upon the consumers. Managers can quantify the success of their businesses by using instruments for capturing the feedback from the consumers. The marketing team should conclude after studying the market where is their product located in the consumer's mind and in his/her buying behavior. The superior levels of brand awareness develop it time what is called brand loyalty- buying one or several brands becomes a habit for a longer period of time.

Consumers are obviously touched and influenced in their buying habits by the specificity of each brand. That is why the last part of this chapter proposes an analysis of the two main coordinates of the brand structure- the rational and the emotional dimensions of a brand. 1. Brand Awareness 1. 1. Awareness, a quantitative tool for evaluating the brand Awareness is a multifunctional tool for the company that chooses to make licensing or form joint ventures, processes that would be a whole lot easier- the partner company will benefit from the brand awareness.

The well known brand evokes durability and reliability. A familiar part of the everyday environment, the brand becomes a point of reference for people, contributing to the development of their preferences(by limiting the range of other possible choices). Awareness is very useful as it shortens and over-simplifies the choice process and buyers appreciate this, as it helps them to make buying easier. This is one of the reasons why communication policies often mainly aim to increase or maintain brand awareness. The theory of memory has shown that the elements referring to the brand are indeed stored.

The diversity of this information, as well as the strength as well as the links between its different aspects, correspond to associations which are linked in memory to a brand and could only be remembered if the brand has reached a high enough awareness level. Brand awareness, which is difficult to establish , needs to be maintained and supported in light of the influence of other brands and their market positions. In fact, the brand hits a memory saturation threshold because a strong brand limits the memorization of others.

The psychological phenomenon of memory saturation leads to powerful entrance barriers, the most well-known brand having a great advantage. So a brand's striking characteristics can inhibit the memorization of other brands. 1. 2 Different brand awareness levels Brand or company awareness can be defined as an individual's level of knowledge of the company or brand in question. This is a key concept, since it is through knowledge of the brand name that a customer asks for one brand or another. The different levels of awareness have been identified:

Well-Known Brand-Maximum level of Awareness Known Brand- Brand Recall Recognized Brand-Brand Recognition Unknown Brand-Zero Level of Awareness Figure 1 Levels Of Brand Awareness - The maximum awareness level is reached when the brand is present in the mind of the buyer (or of any other buying center number) who refers to it even outside of the purchase of the products or services concerned. The highest degree of brand recall is top of mind , corresponding to the brand mentioned first by the buying center member questioned.

This awareness level often corresponds to the case where the brand evaluated is already a company supplier, and where, therefore, thanks to acquired experience, it is better known: quality of services, product reliability, available range. As soon as interest in the supplier brand increases, the information level of the customer company increases. A company that is already a customer is hungry for information about the supplier brand, even more so than a potential customer. -The second awareness level is when the brand is known. The corresponding measure is brand recall.

When the customer is questioned about a product category he spontaneously refers to the brand , but among other competing brands. This type of awareness corresponds again to a relatively high level of knowledge of a product. -The third level is when the brand is recognized. The customer when questioned, does not refer directly to the brand, but if he/she is reminded, he/she is capable of describing the product categories concerned. The corresponding measure is brand recognition. Brand recall and recognition are always linked, but in a non-linear, variable way, depending on the product.

Brand recognition corresponds to often limited knowledge of the brand or the company. This knowledge has different sources from information picked up at trade shows to the ones from business publications or information passed on by friends or colleagues. At this stage, there is not enough information to incite a customer to buy a product or service. However, the brand can still evoke certain images and suggest certain values- country of origin, activity field, etc. -Finally, there is the case when the brand is not known by its potential customers, which corresponds to a zero level of awareness.

The brand does not benefit from any awareness and doesn't evoke anything for potential customers1. 2. Brand Loyalty 2. 1 Establishing and maintaining brand loyalty In mature markets, differentiated, competing brands will tend to assume relatively stable market shares as consumers tend to purchase the same brand (or patronize the same store) time after time. This pattern of buying the same preferred brand each time a product is purchased is called brand loyalty. Consumers develop repeat buying patterns because they learn that particular brands are especially satisfying or they come to form personal attachments to the brands.

This may be because the brand uniquely provides the benefits they seek, fits well into their lifestyle, or its personality (image) matches that of the consumer. Brand loyalty can also stem from the emotional impact the brand has on the consumer or the way the brand makes the consumer fell about himself or herself. Consumers may form strong personal attachments to brands, as Coca-Cola found when the firm sought to replace Old Coke with New Coke. Sometimes, however, consumers repeatedly buy a brand out of habit or routine problem solving in order to save time and effort.

This repeat buying pattern may appear to be true loyalty, but instead represents indifference on the part of many consumers. Repeat buying, whether true loyalty implying a positive emotional or affective reaction to the brand or simple thoughtless habit, reduces consumer risk and helps guarantees standards of product performances for consumers. Brand loyalty is highly valued because it facilitates segmentation based on usage and because it is cheaper to sell a product to loyal consumers than to attract non-loyalists to your brand.

The consumer franchise, the core loyalists, represents a key target segment for most firms that they should devote maximum effort to satisfying. Consequently, the subject of brand loyalty and its complement, brand switching, which occurs when consumers buy different brands, have long attracted the attention of marketers and consumer researchers. Unfortunately, the construct of brand loyalty has proved to be difficult to define precisely and measure reliably. It is obvious that virtually no consumers buy the same brand every time they purchase, but brand selection is not completely stochastic either.

Thus brand loyalty is a matter of degree- how often or what proportion of purchases are allocated to s single brand. This issue has proved so troublesome that one source details over fifty separate attempts to define and measure brand loyalty, many of which fail to yield similar results on the same objective purchase data. Part of the reason this issue is so complicated is that the tendency to be loyal to a brand differs from one consumer to the next. Moreover, consumers in general are more loyal to brands in some product classes than in others.

Products that provide strong social, symbolic, or emotional benefits such as cigarettes, or provide specific hedonic tastes such as coffee, seem to attract more loyalty from consumers than do commodity- like products such as aluminum foils or garbage bags. Brand loyalty may also vary by purchase situation as consumers tend to prefer certain brands for specific occasions that they would not use at other times. The fact that many consumer goods are purchased for use by different household members also makes brand loyalty difficult to define and detect.

This problem of conceptualizing and measuring brand loyalty is central to marketers concern for their target markets and how to retain their loyal consumers. Short History of the Brand Loyalty in the USA There was some concern in the 1970s that American consumers were becoming less brand loyal than before, especially as generic products sold strictly for their lower price appeared in stores. In 1975 a survey by Needham, Harper and Steers advertising agency found that 80 per cent of men and 72 per cent of women agreed: 'I try to stick with will known brand names'.

In 1980however, these figures had fallen to 64 and 56 percent, respectively. Further studies, however, published figures suggesting that brand loyalty for many consumers goods held steady or actually increased a little from 1975 to 1983. Concern is again growing that store and brand loyalty are eroding, that images and reputations will decay in the face of price discounting by major retail chains who have come to dominate the distribution and merchandising of many consumer goods. This specter of the brand as commodity frightens many manufactures of branded merchandise.

Even more frightening is the growth of the private label, 'own' label or 'store' brand of product, heavily discounted but supported by the ubiquity and reputation of the mass market distributor, which eats into the margins of the 'name' brand product. Such challenges will surely stimulate marketers to find new ways to build loyalty to their brands. One recent tactic for loyalty building has been termed " frequency marketing": to identify, maintain, and increase the yield from best Customers, through long-term , interactive, valued added relationships.

FM stands for an interconnected set of programs designed to link customers with brands by engaging them into clubs entitling members to special discounts, newsletters, tie-in purchases, credit cards, promotions, and other privileges. The Burger King Kids Club, for example, features characters such as Snaps, Jaws, IQ, Boomer, Wheels and Paws. Free club membership entitles members to a secret code name, a subscription to Adventure newsletter, and discounts with partner airlines.

Kids Club Meals at Burger King restaurants offer premiums like Lickety Splits (toys that are shaped like French fries and burgers) Teenage Mutant Ninja Turtles and Beetlejuice Figurines2. 2. 2 Repeated Buying The concepts of market segmentations and product positioning we have presented imply that the overall market will consist of relatively homogeneous segments to which marketers position brands using their marketing strategies. Although objectively there may be few differences among these brands, they will have unique images that consumers perceive and research measure.

This is the idea of product differentiation and brand loyalty, that consumers form positive attachments to particular brands and limit most of their purchases in a product field to a single or a very few brands. The topic of repeat buying is important because, without some level of repeat buying, a new brand will not survive the maturity phase of the product life cycle. Most descriptions of brand loyalty and switching imply that consumers are loyal to a single brand loyalty and switching imply that consumers are loyal to a single brand in a product field and remain so unless competitive marketing efforts lure them to another brand.

Advertising and sales promotion are emphasized as the means to persuade consumers to switch brands or stores. The picture of the market provided by aggregate purchasing data appears to show the success of these efforts as large percentages of buyers fail to purchase the same brand at each purchase. In this 'leaky bucket' theory of other-brand users to switch. Many contemporary observers stress the effects of sustained promotions on eroding brand loyalty, leading consumers to become more price conscious and place less emphasis on the image of the brand itself.

In this leaky bucket theory of consumption, marketers must constantly use advertising, promotion, and other marketing mix variables to replenish the loss of these old buyers with new buyers. In the light of the difficulties observed in reliably and validly defining and measuring brand loyalty (Jacoby and chestnut 1978), another perspective may be more useful to managers seeking to understand repeat buying behavior3. An alternative view of repeat buying is presented by Ehrenberg (1988). In a large and methodical body of research, he argues that repeat buying behavior is more stable than this and can be described by a mathematical model.

For many frequently purchased products, it appears that consumers form a stable propensity to purchase a brand or brands in a given product field much as a habit is developed. That is, consumers form relatively stable buying habits after a new product is introduced into the market or their need for an old product makes it new to them. They cease to give a great deal of thought and energy to evaluating brands in the field, and marketing efforts that cause them to 'switch' loyalty can only achieve short run success; as they strategy ceases, consumers go back to their old buying patterns.