

# Brand strategy for supermarket industry in hong kong



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The advent of computers and technological innovation that has faced mankind in the recent past coupled with varied customers need and aspiration has left the business world to be highly competitive. For this reason, there are a number of strategies that organizations have used to cut for themselves a market edge in this competitive business world. The main strategy is branding usually followed by advertisement and publicity. The concept of branding has come out to be deemed by management of any organization as a top priority (Chaudhuri 2001). Additionally, it has been categorized together with human workforce to be the most valuable assets within an organization. It has been argued that brand building is a long process that utilizes a lot of resources and cannot be separated from advertisement and strong marketing strategies.

Organizations have resorted to branding with the belief that it will save them from failing as it will enhance the value of the product/organization.

However, many of these organizations fail to have prior knowledge that adequate planning is key to successful branding (Kotler 1997). For this reason, long-term promotion prop up for a brand, on the basis of definitions of the distinctiveness of the target consumers is necessary. Additionally, understanding of customers preferences, aspirations and expectations from the brand need to be considered.

#### History and transition of branding

Historically, 'brand' was thought to mean a hot or burning thing and thus associated with marking of animals with unique symbols so that owners can easily identify them (Gregory, 2003). The process involved burning an iron

that has been fashioned into a distinct symbol then pressed on the animal skin leaving a permanent mark. Over the years the term has been used in a wider context especially in the field of business to refer to “ name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers (Chaudhuri 2002). One notable example of earlier use of branding in China, where merchants used branding names “ Misty Mountain Tea”, or “ Garden in the Sky Tea” to sell poor quality garden tea to buyers

Oscar Wilde wrote that pessimist is an individual that who is a ware of all things but do not know the price of anything. It is only in the recent past that top management have deem brand to be an important asset to their organization. (Davidson 1998; Ward and Perrier 1998)

In simple terms, brand is entity that provides end-users with an added value on the basis based functional performance. All these help distinguish the product or service being offered by a business entity. The four Ps of marketing has been used for a very long time to bring about values associated with a brand (Lancaster 1995; Kotler 1997)

As time passed, knowledge possessed by the community that engage in marketing has led to managers being brand leaders. There is recognition of branding strategy as source of competitive advantage in domestic markets (Chaudhuri 2001; De Chernatony 2001; Moore et al 2000).

In addition to view of branding, brand can be used as corporate strategic tool to enhance firm’s performance. (Mosmans 1996; Mosmans 1998) The brand <https://assignbuster.com/brand-strategy-for-supermarket-industry-in-hong-kong/>

as an important resource of firm can serve as a strategic reference point. It can shape business development by realizing an alignment between the capabilities of the firm and the external environment. The emphasis of brand strategy is shifted to brand-based strategy (Mosmans 1998)

Branding is technique to build sustainable, differential advantage by playing on the nature of human beings. Only humans can attach meaning and feeling to inanimate objects and random collection of symbols, which suggests the appeal of branding, is not entirely rational. (O'Malley 1991).

Once consumers become accustomed to a certain brand, they do not readily accept substitutes (Ginden 1993). Organizations seek ways to take full advantage of human trait - popularity of branding.

Organizations develop brands as way to attract and keep customers by promoting value, image as well as lifestyle. By using particular brand, the consumer can cement positive image (Ginden 1993) Brands also reduce the risk consumers face when buying something that they know little about. (Montgomery 1992)

What branding do

According to the suggestion of Randall, 1993 concerning what brands do for both customers and consumers, there are five major functions coined. One very important one is the creation of identity. Any brand is created in order to identify itself clearly and unambiguously. For this to be attained, there is need first to obtain a legal protection and design elements, which will ensure that no other organization will used such trademark or brand.

Brands also function as shorthand summary to consumers. Product brand or the identity brings with it a summary of all information deemed necessary by the end user. It has been established that memories seem to work when information is stored in a set of network. A good brand links the network by providing the necessary or triggering association.

Additionally, a brand has been thought to function as creating a sense of security to end-user of a certain product or service. A good brand makes its consumers reassured when buying well known brands. Security is coined to guaranteeing provision of benefits anticipated by consumers of any goods or services. An element of differentiation is also brought out by a brand. This is what business ventures cut themselves an edge in the competitive business world (Kotler 1997). It is a company brand that will appeal to consumers only if it succeeds to prove to have shown uniqueness and difference from the same product or substitutes from its competitors.

Lastly, it has been noted that a brand brings added value to any given product or service. Due to stiff competition, business organization more so those that are profit oriented have realized that providing customers and consumers with the generic product is not sufficient enough to meet customers aspirations and need. Thus there is need to supplement this and using a brand proved to be the ultimate best solution. Generally speaking to come up with a good brand which provide all these broad functions, organizations need to do some soul searching.

Generally speaking, the major aim of branding is to pass vividly a message, creating customer loyalty, persuade a customer to buy a good as well as

establishing an emotional association between the buyers and the product being offered. It is the brand that builds customer perception concerning a given product. It does this by raising end-users expectations about the good in question. Primarily, branding seek to create differentiation. It has been documented that strong and well thought brands are capable of reducing customers' perceived monetary, safety as well as social risk while buying a product or a service. It is from the concept that there is need for organizations to make potential buyers to in a better position to imagine the intangible good that a brand came into play.

There are also other rewards that come with branding. Through branding, a loyalty to the brand is created, what this implies is that business enterprises will attain a greater consistency of demands via retaining their customers (Moore 2000). It has been noted that as time elapse branding strategies deemed good and successful leads to higher volume of production that provides the organization with economies of scale hence having a favorable and positive influence on costs per unit. This further makes the organization to be in a position to attain greater margins hence placing it in a better position in the competitive business world.

Similarly, the concept of brand resilience has been key in ensuring that organizations that are profit oriented comfortably and smoothly find their way out despite a stormy business environment. A typical example is back in 1982 when car manufacturers suffered due to poor branding and low sales, Mercedes did not felt this as its sale exceeded those of their competitors by slightly above 50%. It is worth mentioning that the magnetic power an organization has as it concerns how customers buys, very successful brands <https://assignbuster.com/brand-strategy-for-supermarket-industry-in-hong-kong/>

allow organizations to charge a premium price for what they are offering thus leading to accumulation of higher profit. Studies show that a well thought brand has the potential to return a margin of between 4 and 6 times as compared to that of the competitor deemed to be very close (Shugan, 2005).

Lastly and more importantly, brands have been thought to be capable of aiding businesses to move, infiltrate and capture new markets; this will be a better move to Hong Kong supermarkets. A clear example of how this is attained is provided by Dunhill a tobacco industry that was once at the verge of collapsing did revitalize itself and is now a giant in the field.

Internal and external elements of a brand

To customers, a brand is made up of two major elements; internal and external. Among the internal elements of a brand are; personality which typically refers to how end users of a good or service will describe a brand. Self image is another internal element, this comprises what the audience or customers for that matter will feel and say as far as the brand in question is concerned, a typical example is provided by one's image in driving a Ford or a Jaguar.

Concerning external elements of a brand, relationship revolves around the customer's identification with the brand itself. Physique or rather the outward characteristics or attributes of a brand that will make the audience want to know more about the brand is equally an important external element of a brand. Lastly, reflection which refers to nurturing of customers towards a given brand is another example of an external element of a brand.

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## Brand Management

Brand management refers to a process of sustaining, civilizing, and keeping a brand so that the name is linked with desirable positive outcomes. This process entails several significant aspects for instance competition, cost, in-store presentation and customer satisfaction (Mooij 1998). The entire process is fabricated on a marketing basis, but centers mostly on the brand itself and how it can be made to remain highly favored by customers. It has been asserted that properly managed brand can lead to an organization realizing higher sales of not only one product, but also other goods and services connected with that brand. A typical example can be drawn from if a customer loves a coca cola soda and does trust the brand such an individual will have more chances of buying other goods that are offered in the market by Coca Cola Company for instance Dasani water.

There are a number of principles of brand management that when followed and implemented to the later will ensure that a brand created successfully built into customers' state of mind. This can be attained by positively influencing end users perceptions as well as attitude that relate to an offering that leads to a positive customer buying behavior (Schmidt, & Ludlow, 2002). Additionally, it has been suggested that managers need to have very wide knowledge on customers' base. The principles mentioned previously are that a good brand name opt to stand out among a group of other competitive brands, be very attractive, easy to pronounce, know, remember, recognize, translate into all possible language in the market where the brand will reach, attract attention, be protected under the trademark legislation (Mooij 1998).

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Additionally, a good brand should differentiate the products positioning in relation to competition, suggest an organization or rather the good or product image and finally suggest the benefit of a product. Managing all brands and building brand equity over a period of time is very essential. The importance and value of brand management is that it helps in constructing a business image. Any manager bestowed with the responsibilities of branding need to keep an eye on overall performance of a brand. A brand is deemed successful when created under a competent brand management process (Moore 2000).

The brand strategy, the key to business strategy (Berry 1993) can possibly promote the financial value of the brand rather than making it better product that the customer wanted. Creating brand image involves getting customers to know that the brand exists. The branding process itself may be the starting point for product differentiation (Allen 1992). It is worth mentioning that organizations or companies with very strong brand do have higher market value as compared to their counter parts with weaker brands. Having, in mind that any brand can potentially loose its value, there is need to give such a brand a good support so that it can sustain its position for a longer period of time.

The consumer will perceive one brand as more desirable than its competitors and purchase it based on those perceptions. Carey suggests that if the brand has a recognizable identity, then it should be aimed at opportunity markets to yield maximum success. (Carey 1991) Supermarket companies must manage the image and identity of brand and tie it to the total business strategy the organization must decide how branding fits into its general  
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strategy (Carlino 1991). The point is, brand strategy should be relevant to goals of the organization. Although there are directions for matching brand with certain strategy (Wentz 1993), market operations must create unique strategy that works for the Hong Kong supermarket industry.

### Developing brand strategy

Coming up with a desired brand strategy has been deemed to be one of the most challenging activity while making plans that pertains to marketing. Despite it being very challenging, there is no other shortcut in ensuring that a company is created with a very strong identity other than by branding (Chernatony 2001). This is because branding has been proved to be a very essential ingredient in making of successful organizations, locally, nationally and across the globe. Being a fact that once a brand is developed; it is evident that its identity will be repeatedly passed across in various ways together with numerous frequencies for as long as the business exists. For this reason, it is only rational to developing a brand strategy that will be the best (Olins, 2003).

It is sad to note that most organizations fail to point out the main objectives or purposes of the entire exercise of branding they undertake. There are suggested steps that will help organizations be at per with the whole process of branding from planning, developing and execution of the exercise. As noted by Ware, 2010, to develop an effective brand strategy is one very important aspect that needs to be mastered by each and every serious business venture to guarantee success, Hong Kong supermarkets not being exceptions. He further asserts that those organizations that do not

understand the whole concept of branding as well as coming up with an effective branding strategy are at the verge of terribly failing business wise.

### Steps in developing brand strategy

The first step that each and every organization that seeks to come up with an effective brand, is to understand the meaning of branding. It is very important to distinguish branding from marketing and advertisement. When organizations set out the main objectives and purpose of branding coupled with the knowledge that the whole idea is a promise to end-users of a given product or services that will then lead them to experience an unexpected experience, then the whole process is deemed successful (Keller 1998).

Broadly speaking, there are three major steps that are very important in coming up with an effective branding strategy; they include thorough research, strategy developing and finally implementation or execution.

Before engaging in research step, starting by pointing out the core values of a brand opt to be done. It is worth noting that core values are those qualities an organization deems to be most important to their day to day running of their business. For instance, a Hong Kong supermarket might have customer satisfaction, integrity, trustworthiness, provision of high quality services and product. It is worth noting that a set of these core values in most cases are not made public but can be seen through a glass via numerous activities done by the organization (Keller 2003). These core values concerning brand should not change despite the fact that brand preposition can change any time. It has been argued that these core values of branding should at no

time be taken lightly as it depicts an organization creed for doing business hence success.

As stated previously, the issue of research being conducted in a thorough manner will definitely dictate developing of a successful brand. Marketing and branding scholars have proved that once brand core values have been identified, without carrying out objective and comprehensive research about the entire process of branding, the whole activity will be a flux (Mooij 1998). The research stage looks in depth several issues that broadly include the whole organization, services and goods offered by the organization, the target market as well as the desired audience and competitors. Having enough knowledge on all these categories is key in placing the organization at a better place when crafting how to develop a brand.

Strictly speaking, the study will center on finding out the philosophy of the business organization, its customers and clientele, the determining factors on customers decisions on buying, the anticipated benefits brought about by the goods and service to be offered, identifying the potential competitors and finally the reason that will make end-users to choose ones goods over their competitors. On the same note, further research need to be carried out to establish the strengths and weaknesses of the brand (Chernatony 2003). Additionally, depending on the availability of financial resources available, it is advisable for an organization to dig deeper into the history of branding, what is happening at present as well as try to predict what the picture will look like in the near future and probably propose some directions.

After thorough research has been conducted, moving to the second stage-development phase then follows. In this stage those individuals that conducted the research in groups come together and strategize how all the varied aspects from the research will be integrated. It is important to always have in mind that making each and every of the aspects brought forth to work with the aim of ensuring that the organization's main objective are attained will foster success of the branding (Moore 2000).

It is no doubt that it is at this phase that brand preposition is done. Brand statement is thus developed which in turn carries a promising statement to end-user. In case of a supermarket, a promise can be that if one buys goods or services from it, then he/she will get maximum satisfaction from high quality, saving money (Davidson 1998). While coming up with the preposition, having at the back of mind that there is need for it to be engaging, easy understand, unique relevant and more importantly provide solution to the needs and aspirations of customers is of paramount importance. All these are attainable only if the various teams are capable of successfully integrating their findings with those of the others.

An engaging, easily understood and relevant brand preposition comes with an emotional influence that will propel customers to crave for what is to be offered. This in turn will make them have a changed positive perception and attitude hence turn to an organization way other than to its competitors. Research phase will also make it possible for the organization to establish principle stumbling blocks that might hinder effective and successful branding (Holt, 2004). With such knowledge plans can be put in place to crush these barriers hence a smooth process of branding.

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The last stage in brand strategy is the most challenging one-execution phase. Any organization in this matter supermarket in Hong Kong need to ensure that each and every one within and without is actively, directly or indirectly take part in branding. If the whole idea is bought by even the employees, there are higher chances of realizing success. The entire workforce when are in a position to believe in the capabilities of the management, the organization as a unit as well as its product and services, then this is the right direction towards a successful branding (Chernatony 2001).

However, effective implementation of brand heavy relies on what skills, knowledge and ability of the top management. Thus having in place by recruiting highly skilled and capable workforce will ensure that the entire process of branding is smooth and attain the desired goals and objectives (Kotler, & Pfoertsch, 2006). While this is being done, ensuring that the entire workforce is motivated and fully support the process is significant.

Generally speaking, the three stages aim at delivering unexpected and winning the hearts and minds of customers. For any organization that seeks to carryout branding, developing a brand preposition that is not expected or anticipated will make the organization stand out from the potential competitors (Lancaster 1995). More importantly is winning the minds as well as hearts of potential customers. This is done by creating an emotional feeling between the customers and the brand which in turn leads to a reaction from the target audience even before tasting or experiencing the product or the service.

While developing a brand strategy, the brand proposition needs to factor in several important factors. According to Davidson 1998, these include; alignment with the brand core values, ability to adapt to a dynamic market, being clear, engaging, different and in line/relevant to the targeted audience, echoed by all partners/team players, be able to incorporate positive emotional attachment that is better beyond the concept of good. Additionally, the proposition needs to be always consistent although several marketing as well as media of advertisement and finally be always consistent with the ability of the workforce to deliver the promise made (Fan, 2002). Arguably, it has been demonstrated that a well thought, planned and executed brand strategy brings with it a successful brand performance. Similarly, brand management does positively determine successful industry performance.

#### Influences of brand on potential targeted audience

As suggested by Chaudhuri 2002 brands are not only names, signs, symbols, terms or expression but something more than that. It is true that it helps differentiate products and services. A successful brand is a name praised every now and then in almost every household. Creating a brand personality makes people to identify themselves with it. This is achieved by making the target population to see the organization and what it offers affect their minds which entails sensation, intuition, thinking and feeling.

There are those brands that aim at appealing to the rational part of individuals, to aspects of logics as well as good sense which is ascribed to be the thinking dimension. A typical example is how a tooth paste will help

teeth not to decay. Some appeal to human sense of smell, seeing, taste among others (Keller, 1993).

On the other hand other kind of brands does attract emotional aspect of human beings. This kind of appealing has been thought as impacting on the feeling making customers respond with such feelings as of warmth as well as belonging (Alden, 1999). A brand also brings some sense of intuition to human beings especially the potential end-users of products or services being offered by an organization. Persons do get attracted to a brand just because they feel comfortable to be associated with. The reason here is that they feel the brand is an extension of what they are, fitting to their way of life, personality as well as behavior (Birkin, 1994).

Judging by what is currently happening in the business world and drawing from past history of branding, we are in the world of brand-scape (Ward, 1998). For this reason each and every serious organization that need to be always ahead of its competitors need to have in place plans on how to execute successful branding, this applies to Hong Kong supermarkets.