

The advantages and disadvantages of branding marketing essay



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A brand can be defined as a combination of marketing, logo's, advertising, packaging, product design, slogan and names that together give particular products or services a physical or recognizable form. Brands also have a cerebral dimension, which is the status they enjoy in the minds of consumers. A brand can be referred to as a business strategy that encourages us to consume one product over its competitors, and it is a sign loaded with significance that we choose to expend because we feel related to it. According to Bogart (1986, p. 208), advertisers use repetition to stress "the advertised name upon the consumers' consciousness and make them feel comfortable with the brand."

Branding has become an indispensable part of everyday life, that today, hardly anything goes unbranded, for example, Spices are packaged in branded containers, common nails and screws are packaged with a distributors label and car accessories such as car tyres carry brand names that are different from those of car makers. Even vegetables and fruits are branded nowadays, for example Granny Smith Apples and Sunkist Oranges.

Branding can benefit buyers in many ways. With branding, buyers would know about the product quality through its brand name and if that product fulfils the customers' expectations, consumers will always buy the same brand knowing that they will get the same quality each time they buy that particular product, and thus customer loyalty towards that brand is created. For example, in the sales of sports shoes, customers would favour brands like Nike and Adidas over local brands like Power knowing that with recognizable brands such as Nike and Adidas, the latest technology in shoes is used and quality is guaranteed. Its heavy advertising and use of famous

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celebrities to promote the brand helps a lot with creating brand awareness. Brand names also helps consumers shop efficiently, for example, a supermarket carries thousands of brands, imagine a buyer going in and not knowing what brand of soup for example to buy, a lot of time would be wasted just choosing one particular item. Aside that, brand names also help call attention to consumers new products that might benefit them. For example, if a new product is launched by a well known brand, customers would instantly trust that the product quality is good and would thus look at how that product can benefit them, nutrition wise or how it can help improve their lives. Branding also gives the seller several advantages. With brand names, it is much easier for the supplier to process orders and track down problems that arises. Unique product features that otherwise might be copied by competitors, is protected by the seller's brand name and trademark. The seller can also segment to markets, for example, Procter and Gamble (P&G) is one of the most renowned marketers of consumer packaged goods. It carries various products such as laundry detergent, Shampoo, toothpaste, potato chips and various other products. (P&G Fact Sheet, 2006)

Despite having all the advantages, branding also has its disadvantages. Brands with powerful brand equity, which is the value of a brand, would make it harder for other brands to break into the market due to the competition. For example, China has had many obstacles to overcome in its current attempt to emerge as a branded giant. China was isolated from the rest of global economy for a long time because of the state controlled economy. In its attempt to emerge as a branded giant, China has had to

overcome many obstacles. China was cut off from the rest of the global economy for a long time due to its state controlled economy. When china finally decided to slowly open up its economy, it had to deal with the negative image of the “ Made in China” tag. (Adoi Magazine). Companies nowadays have to spend millions and millions of dollars on advertising and promotion to increase their brand equity. The power of a brand lies in the minds of consumers. With strong brand equity, companies would get higher brand loyalty and name awareness. Due to that, consumers would have to pay more for a branded product to cover the costs of advertising, marketing, packaging and promoting the product.

Branding has been used around the world for centuries as a means to distinguish the product of one producer from those of another. A brand today plays an important role in improving the lives of consumers and enhances the financial value of firms. Without branding, there would be a lot of time wastage as buyers would not know what they want or what is good for them. Customer trust brands nowadays for its quality, thus a products quality cannot be guaranteed without branding. People nowadays would pay more for a better quality, and nicely packaged product despite the price. Aside that, brand name has such an influence over consumers that somehow everyone has to have that latest iPod or that new handbag, and it plays with the mindset of customers and makes them feel that having luxury items is a way to happiness. Different brands show different character traits and behaviors. For a brand to be successful, it must create and emotional reaction in the minds of consumers.